

PUBLIC ACCOUNTS
OF THE
GOVERNMENT OF THE NORTHWEST TERRITORIES
FOR THE YEAR ENDED MARCH 31, 2015

SECTION I
CONSOLIDATED FINANCIAL STATEMENTS

Honourable J. Michael Miltenberger

Minister of Finance



Northwest
Territories Minister of Finance

THE HONOURABLE GEORGE L. TUCCARO
COMMISSIONER OF THE NORTHWEST TERRITORIES

I have the honour to present the Public Accounts of the Northwest Territories in accordance with Sections 27 through 31 of the *Northwest Territories Act (Canada)*, R.S.C. 1985, c. N-27, and Sections 72 through 74 of the *Financial Administration Act*, R.S.N.W.T. 1988, c. F-4, for the fiscal year ended March 31, 2015.

A handwritten signature in black ink, reading "J.M. Miltenberger".

J. Michael Miltenberger

November 18, 2015



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

Table of Contents	Page
SECTION I	
CONSOLIDATED FINANCIAL STATEMENTS	
RESPONSIBILITY FOR FINANCIAL REPORTING	7
AUDITOR'S REPORT	9
Consolidated Statement of Financial Position	11
Consolidated Statement of Change in Net Debt	12
Consolidated Statement of Operations and Accumulated Surplus	13
Consolidated Statement of Cash Flow	14
Notes to Consolidated Financial Statements	15
Schedule A - Consolidated Schedule of Tangible Capital Assets	48
Schedule B - Consolidated Schedule of Segmented Information	49

RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of the consolidated financial statements of the Government of the Northwest Territories, 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*.

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.



Bill Merklinger, CPA, CMA
Comptroller General

November 18, 2015



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 2015, 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 2015, 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 'M. Ferguson', with a long horizontal flourish extending to the right.

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

18 November 2015
Edmonton, Canada

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

as at March 31, 2015

(thousands of dollars)

	2015	2014
	\$	\$
Financial assets		
Cash and cash equivalents (note 4)	77,835	62,924
Portfolio investments (note 5)	108,165	89,174
Due from the Government of Canada (note 14)	44,279	28,154
Accounts receivable (note 7)	150,755	68,304
Inventories for resale (note 8)	29,474	32,548
Loans receivable (note 9)	79,845	61,141
Investment in NT Hydro Corporation (notes 3(a) and 10)	-	115,790
	490,353	458,035
Liabilities		
Short term loans (note 11)	252,974	144,909
Accounts payable and accrued liabilities (note 12)	359,464	267,282
Deferred revenue (note 13)	23,427	29,910
Due to the Government of Canada (note 14)	118,469	100,832
Capital lease obligations (note 15)	22,579	3,181
Long-term debt (note 16)	376,759	194,984
Pensions (note 17)	26,320	25,652
Other employee future benefits and compensated absences (note 18)	87,820	55,165
	1,267,812	821,915
Net debt	(777,459)	(363,880)
Non-financial assets		
Tangible capital assets (schedule A)	2,645,528	2,138,614
Inventories held for use (note 8)	15,117	5,463
Prepaid expenses	6,784	5,341
	2,667,429	2,149,418
Accumulated surplus	1,889,970	1,785,538

Contractual obligations and contingencies (notes 20 and 21)

Approved:

J. Michael Miltenberger
Minister of FinanceBill Merklinger CPA, CMA
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, 2015

(thousands of dollars)

	2015 Budget \$	2015 Actual \$	2014 Actual \$
Net debt at beginning of year	(363,880)	(363,880)	(338,066)
Adjustments to net debt upon consolidation of NT Hydro Corporation, beginning of year (<i>note 3(a)</i>)			
Tangible capital assets	-	(333,812)	-
Inventories held for use	-	(9,000)	-
Prepaid expenses	-	(1,052)	-
Adjusted net debt, beginning of year	(363,880)	(707,744)	(338,066)
Items affecting net debt:			
Annual surplus	205,790	104,432	84,566
Acquisition of tangible capital assets	(262,976)	(285,923)	(205,892)
Amortization of tangible capital assets	116,225	110,186	92,151
Gain on sale of tangible capital assets	-	(559)	-
Proceeds on sale of tangible capital assets	-	1,762	2,478
Write-downs of tangible capital assets	-	1,432	-
	(146,751)	(173,102)	(111,263)
Increase in inventories held for use	-	(654)	(113)
Decrease (increase) in prepaid expenses	-	(391)	996
	-	(1,045)	883
Decrease (increase) in net debt	59,039	(69,715)	(25,814)
Net debt at end of year	(304,841)	(777,459)	(363,880)

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, 2015

(thousands of dollars)

	2015 Budget \$	2015 Actual \$	2014 Actual \$
Revenues			
Grant from the Government of Canada <i>(note 2(l))</i>	1,208,840	1,208,840	1,121,244
Transfer payments <i>(note 22)</i>	184,651	233,603	154,420
	1,393,491	1,442,443	1,275,664
Taxation and general revenues			
Corporate and personal income taxes <i>(note 22)</i>	157,981	142,083	170,706
Other taxes <i>(note 22)</i>	122,287	117,967	117,277
General <i>(note 22)</i>	199,659	141,615	67,487
Income from portfolio investments	2,315	4,516	3,471
Sales	168,474	141,324	93,153
Recoveries	12,385	35,485	41,151
	663,101	582,990	493,245
Recoveries of prior years' expenses	3,000	6,815	7,156
	2,059,592	2,032,248	1,776,065
Expenses (schedule B)			
Environment and economic development	160,883	206,070	138,427
Infrastructure	533,435	511,427	392,205
Education	331,205	351,580	335,317
Health, social services and housing	497,117	519,864	524,076
Justice	124,955	124,007	118,868
General government	186,793	194,483	168,739
Legislative Assembly and statutory offices	19,414	20,385	19,100
	1,853,802	1,927,816	1,696,732
Annual operating surplus	205,790	104,432	79,333
Net income from investment in NT Hydro Corporation <i>(notes 3(a) and 10)</i>	-	-	5,233
Projects on behalf of third parties			
Expenses	(60,025)	(69,661)	(60,439)
Recoveries	60,025	69,661	60,439
Annual surplus	205,790	104,432	84,566
Accumulated surplus at beginning of year	1,785,538	1,785,538	1,700,972
Accumulated surplus at end of year	1,991,328	1,889,970	1,785,538

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, 2015

(thousands of dollars)

	2015	2014
	\$	\$
Cash provided by (used in)		
Operating transactions		
Annual surplus*	104,432	84,566
Items not affecting cash:		
Change in valuation allowances	(8,746)	(225)
Loss on tangible capital assets	873	-
Amortization	110,186	92,151
Adjustment resulting from NT Hydro conversion to PSAS	(4,181)	-
Contributed assets	(6,890)	-
Net income from investment in NT Hydro Corporation	-	(5,233)
	195,674	171,259
Changes in non-cash assets and liabilities:		
Due to the Government of Canada	1,512	(22,243)
Increase in accounts receivable	(74,773)	(7,318)
Decrease (increase) in inventories for resale	3,074	(590)
Increase in accounts payable	74,602	43,117
Decrease in deferred revenue	(6,483)	(13,413)
Increase in pensions	668	124
Increase in other employee future benefits and compensated absences	29,060	1,421
Increase in inventories held for use	(654)	(113)
Decrease (increase) in prepaid expenses	(391)	996
Cash provided by operating transactions	222,289	173,240
Investing transactions		
Disposition of portfolio investments	75,575	57,306
Acquisition of portfolio investments	(87,372)	(73,965)
Loans receivable receipts	12,599	9,806
Loans receivable advanced	(11,120)	(9,261)
Cash used for investing transactions	(10,318)	(16,114)
Capital transactions		
Acquisition of tangible capital assets	(283,466)	(205,892)
Proceeds of disposition of tangible capital assets	1,762	2,478
Cash used for capital transactions	(281,704)	(203,414)
Financing transactions		
Net proceeds from (repayment) of short term loans	90,177	39,947
Repayment of capital lease obligations	(1,716)	(1,150)
Repayment of long-term financing	(4,974)	(46)
Cash provided by financing activities	83,487	38,751
Increase (decrease) in cash and cash equivalents	13,754	(7,537)
Cash and cash equivalents at beginning of year	62,924	70,461
Adjustment to cash upon consolidation of NT Hydro Corporation, beginning of year (note 3 (a))	1,157	-
Adjusted cash and cash equivalents at beginning of year	64,081	70,461
Cash and cash equivalents at end of year**	77,835	62,924

*Total interest paid during the year \$22,390 (2014- \$7,676)

**Cash and cash equivalents are represented by cash and short-term investments.

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, 2015

(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
- Deh Cho Divisional Education Council
- Dettah District Education Authority
- Ndilo District Education Authority
- Sahtu Divisional Education Council
- South Slave Divisional Education Council
- Yellowknife Catholic Schools District Education Authority
- Yellowknife Education District No.1 District 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

Northwest Territories Hydro Corporation Act

- Northwest Territories Hydro Corporation (NT Hydro) (note 3(a))

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2015

(All figures in thousands of dollars)

1. AUTHORITY AND OPERATIONS (continued)

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, 2015 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 19*) 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 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 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.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2015

(All figures in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 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, 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 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, 2015

(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 was 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
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
NT Hydro	
Electric power plants	15 - 100 years
Transmission and distribution systems	20 - 65 years
Warehouse, equipment, motor vehicles and general facilities	8 - 100 years
LNG and NT Hydro equipment under capital lease	5 years
Leasehold improvements renewal option	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, 2015

(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, 2015

(All figures in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Grant from the Government of 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.

Effective April 1, 2014 Canada devolved the administration and control of public lands, resources, and rights in respect of waters in the Northwest Territories to the Commissioner of the Northwest Territories. The Northwest Territories Lands and Resources Devolution Agreement establishes a framework for a cooperative and coordinated management regime for lands, resources and rights in respect of waters in the Northwest Territories in which the Government of the Northwest Territories and Aboriginal peoples of the Northwest Territories participate. Effective April 1, 2014, Canada made an adjustment to the Gross Expenditure Base of the Grant to fund the ongoing delivery of the transferred programs and responsibilities in the amount of \$67,300 as specified under the *Federal-Provincial Fiscal Arrangements Act* (Canada). Thereafter the \$67,300 transfer is part of the Gross Expenditure Base and grows at the same rate. The Department of Lands was created April 1, 2014 to administer and control public lands in the Northwest Territories.

(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 recorded 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. The Government of Canada will deduct its share of the resource revenues collected by the Government (the remaining amount) from the Grant (*note 2(l)*) payable to the Government two years hence. The Government has also committed to sharing 25 percent of the net fiscal benefit with Aboriginal governments that have signed the Devolution Agreement.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2015

(All figures in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

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 Agreement 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 obligation 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, 2015

(All figures in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Asset retirement obligations

The legal obligations associated with the retirement of NT Hydro's tangible capital assets are management's best estimate of the future cash flows required to settle its asset retirement obligations to the extent that a reasonable estimate can be determined. The estimated asset retirement obligation of NT Hydro is recorded as a liability and a corresponding increase to tangible capital assets. The liability is increased annually for the passage of time by calculating accretion (interest) 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 carrying amount of the related tangible capital asset.

NT Hydro has identified asset retirement obligations for certain hydro, thermal, transmission and distribution assets where NT Hydro expects to maintain and operate these assets indefinitely and therefore no related liability 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

March 31, 2015

(All figures in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) 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. Government organizations that apply PSAS were required to adopt these standards effective April 1, 2012, however there was no significant impact on their 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. ACCOUNTING CHANGES

(a) Classification of NT Hydro

The Government is the sole shareholder of NT Hydro, a territorial corporation providing utility services to the Northwest Territories. In recent years the Government has provided significant subsidies to NT Hydro 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 an other government organization (OGO) within the Government's consolidated financial statements. In 2014 and prior years, NT Hydro, as a GBE, was accounted for using the modified equity method. Under this 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 elimination of any unrealized inter-entity gains or losses. As a GBE NT Hydro followed Canadian generally accepted accounting principles (GAAP) and the corporation's accounts were not adjusted to conform with the Government's basis of accounting. During the 2015 fiscal year, it was determined that NT Hydro 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. As a result of this change the Government's annual surplus and Other General Revenues reported as at March 31, 2015 is \$4,181 higher than it would have otherwise been and there were adjustments to the net debt and cash opening balances of \$343,864 and \$1,157, respectively.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2015

(All figures in thousands of dollars)

3. ACCOUNTING CHANGES (continued)

(b) Liability for contaminated sites

Effective April 1, 2014, the Government adopted the PSA Handbook Section PS 3260 - Liability for Contaminated Sites. This new section establishes recognition, measurement, presentation and disclosure standards related to environmental liabilities. This Standard requires the Government to change its policy for recording the liability associated with environmental liabilities. Previously, environmental liabilities consisted of the estimated costs for further evaluation or remediation depending on the stage of the investigation. As a result of this policy change, the Government is required to recognize a liability related to the remediation of contaminated sites subject to certain recognition criteria. The change in accounting policy is being applied prospectively and the impact of its adoption was an increase of both the disclosure within note 12 Accounts Payable and Accrued Liabilities and an increase to the total recognized liability for contaminated sites of \$6,969.

4. CASH AND CASH EQUIVALENTS

	2015	2014
	\$	\$
Cash	77,835	56,723
Short-term investments	-	6,201
	77,835	62,924

Cash and cash equivalents include investments in a diversified portfolio of high grade, short-term income producing assets. There is no portfolio yield on short-term investments as at March 31, 2015, (2014 - 1.08%). The eligible classes of securities, categories of issuers, limits and terms are approved under the Government's investment guidelines. All instruments, depending on the investment class, are rated R-2 High or better from DBRS. Investments are diversified by limiting them, depending on the type of investment, to a maximum of 10% to 50% of the total portfolio. There is no significant concentration in any one investment. There is no average term to maturity as at March 31, 2015, (2014 - 30 days).

5. PORTFOLIO INVESTMENTS

	2015	2014
	\$	\$
Marketable securities (market value \$111,694; 2014 - \$92,183)	107,491	89,108
Miscellaneous investments	674	66
	108,165	89,174

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2015

(All figures in thousands of dollars)

6. DESIGNATED ASSETS

Designated assets are included in cash and cash equivalents 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 17*). 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).

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.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2015

(All figures in thousands of dollars)

6. DESIGNATED ASSETS (continued)

	2015	2014
	\$	\$
Student Loan Fund:		
Authorized limit for loans receivable*	45,000	40,000
Less: Loans receivable balance (<i>note 9</i>)	(40,632)	(39,502)
	<hr/>	<hr/>
Funds designated for new loans	4,368	498
	<hr/>	<hr/>
Environment Fund:		
Beverage Container Program net assets	2,526	1,971
	<hr/>	<hr/>
Portfolio Investments for the Legislative Assembly Supplementary Retiring Allowance:		
Marketable securities (market value \$31,842; 2014 - \$28,676)	26,484	25,227
Money market (market value approximates cost)	1,267	604
Cash and other assets (market value approximates cost)	302	301
	<hr/>	<hr/>
	28,053	26,132
	<hr/>	<hr/>
Northwest Territories Business Development and Investment Corporation:		
Venture Investment Fund	4,170	4,065
Subsidy Fund	462	462
Capital Fund	873	873
Venture Reserve Fund	485	485
Capital Reserve Fund	147	147
Loans and Bonds Fund	3,104	1,192
	<hr/>	<hr/>
	9,241	7,224
	<hr/>	<hr/>
NT Hydro		
Sinking Funds (market value approximates cost)	7,194	-
	<hr/>	<hr/>
	51,382	35,825
	<hr/>	<hr/>

* The Legislative Assembly approved an increase of \$5,000 to the Student Loan Fund's authorized limit bringing the authorized limit to \$45,000 for the March 31, 2015 fiscal year and beyond.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2015

(All figures in thousands of dollars)

7. ACCOUNTS RECEIVABLE

	Accounts Receivable \$	Allowance for Doubtful Accounts \$	Net 2015 \$	Net 2014 \$
General	150,960	(26,195)	124,765	45,770
Utilities	10,289	(444)	9,845	-
Government of Nunavut	8,299	(158)	8,141	8,682
Hospital related costs due from third parties	6,875	(2,833)	4,042	4,969
Revolving fund sales	3,268	-	3,268	8,220
Accrued interest	-	-	-	25
	179,691	(29,630)	150,061	67,666
Receivables from related parties:				
NT Hydro	-	-	-	135
Workers' Safety and Compensation Commission	744	(50)	694	503
	180,435	(29,680)	150,755	68,304

8. INVENTORIES

		2015 \$	2014 \$
Inventories for resale:			
Bulk fuels		26,453	29,318
Liquor products		2,496	2,720
Arts and crafts		525	510
		29,474	32,548
Inventories held for use:			
Materials and supplies:			
Housing		2,992	2,441
NT Hydro		9,142	-
Hospital supplies		2,833	2,879
Public Stores		150	143
		15,117	5,463
		44,591	38,011

Bulk fuel inventory write-down for 2015 was \$90 (2014- nil).

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2015

(All figures in thousands of dollars)

9. LOANS RECEIVABLE

	2015 \$	2014 \$
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 5.18% and 5.78%, (2014 between 5.09% and 5.73%) before valuation allowance of \$5,778 (2014 - \$6,399).	42,622	42,615
Arslanian Cutting Works Inc. promissory note receivable secured by equipment, building and personal guarantees. Due on demand, including accrued interest at a rate of 5.06% per annum, before valuation allowance of nil (2014 - \$4,135). The promissory note was settled during the year for \$1,836.	-	5,060
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.	16,134	-
Students Loan Fund loans due in installments to 2028, bearing fixed interest between 1.25% and 11.75%, (2014 - 1.25% and 6.88%) unsecured, before valuation allowance and loan remissions of \$17,998 (2014 - \$19,091).	40,632	39,502
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%, (2014 - 3.00% and 12.00%) before valuation allowance of \$10,422 (2014 - \$11,499).	14,655	15,088
	114,043	102,265
Valuation allowances	(34,198)	(41,124)
	79,845	61,141

Interest earned on loans receivable during the year was \$4,258 (2014 - \$2,700).

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 \$5,595 (2014 - \$5,231).

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2015

(All figures in thousands of dollars)

10. INVESTMENT IN NORTHWEST TERRITORIES HYDRO CORPORATION

For the year ended March 31, 2015, NT Hydro has been accounted as an OGO and fully consolidated on a line-by-line basis in the Government's consolidated financial statements whereas in prior years, it was accounted for as a GBE and accounted on a modified equity basis (*note 3(a)*). The following is summarized consolidated financial information for the corporation as at March 31, 2014.

	2014
	\$
Investment in NT Hydro	
Shareholder's Equity	115,790
<hr/>	
Shareholder's Equity is represented by:	
Assets:	
Cash	1,315
Accounts receivable	13,347
Inventories	6,051
Prepaid expenses	1,052
Other long-term assets	29,741
Property, plant and equipment	344,983
<hr/>	
Total assets	396,489
<hr/>	
Liabilities:	
Short-term debt	17,888
Accounts payable and accrued liabilities	18,113
Long-term debt	186,181
Other long-term liabilities	55,508
Employee future benefits	3,009
<hr/>	
Total liabilities	280,699
<hr/>	
	115,790
<hr/>	

Statement of Operations and Surplus - Retained Earnings For the year ended March 31

Revenue	103,969
Expenses	(98,736)
<hr/>	
Net income	5,233
<hr/>	
Surplus - Retained Earnings at beginning of the year	67,428
<hr/>	
Surplus - Retained Earnings at end of the year	72,661
<hr/>	

Included in the above are revenues from, and expenses to, entities in the Government reporting entity of \$34,819 and \$25,659 respectively.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2015

(All figures in thousands of dollars)

11. SHORT TERM LOANS

Based upon operational needs, the Government may enter into short term borrowing arrangements with its banks. Short-term loans of \$252,974 (2014 - \$144,909) incurred interest at a weighted average year-end rate of 0.93% (2014 - 1.13%). Interest expense on short term loans included in operations and maintenance expenses was \$1,893 (2014 - \$737).

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

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2015	2014
	\$	\$
Trade	212,976	163,889
Other liabilities	8,544	8,630
Employee and payroll-related liabilities	68,216	64,952
Environmental liabilities and asset retirement obligations	68,895	27,327
Accrued interest	676	651
	359,307	265,449
Payable to related parties:		
NT Hydro	-	1,831
Workers' Safety and Compensation Commission	157	2
	359,464	267,282

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 216 (2014 - 129) sites as potentially requiring environmental remediation at March 31, 2015. 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.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2015

(All figures in thousands of dollars)

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (continued)

Environmental liabilities and asset retirement obligations (continued)

Type of Site	2014 Liability \$	Remediation Expenditures \$	New Sites in 2015 \$	Increase (Decrease) in Estimate \$	2015 Liability \$	Number of Sites
Abandoned mines ⁽¹⁾	3,636	(72)	6,236	3,568	13,368	7
Landfills ⁽²⁾	1,374	(71)	1,875	10,099	13,277	41
Abandoned infrastructure and schools ⁽³⁾	8,400	(275)	1,960	2,488	12,573	69
Airports, airport strips or reserves ⁽⁴⁾	5,827	(1,808)	-	(1,829)	2,190	24
Sewage lagoons ⁽⁵⁾	355	-	896	1,590	2,841	28
Fuel tanks and resupply lines ⁽²⁾	5,492	(129)	-	(2,705)	2,658	15
Abandoned lots and maintenance facilities ⁽³⁾	2,243	(268)	-	1,460	3,435	8
Environmental liabilities before NT Hydro	27,327	(2,623)	10,967	14,671	50,342	192
NT Hydro environmental liabilities	9,473	(125)	-	2,120	11,468	24
Total environmental liabilities	36,800	(2,748)	10,967	16,791	61,810	216
NT Hydro asset retirement obligations					7,085	
Total					68,895	

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, 2015 is \$2,994 (2014 - \$3,052). 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 41 landfills sites that are outside incorporated communities and being remediated or monitored as appropriate.

There were no (2014 - 6) sites that were closed during the fiscal year.

Included in the 216 sites, there are 71 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, 2015

(All figures in thousands of dollars)

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (continued)

Environmental liabilities and asset retirement obligations (continued)

The asset retirement obligation of \$7,085 relates to the disposal of NT Hydro's 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 2030), and the weighted average discount rate of 2.33% for obligations to be settled in 10 years or less and 3.17% for obligations to be settled in 10 years or more.

13. DEFERRED REVENUE

	2015	2014
	\$	\$
Government of Canada		
Ministry of Finance	4,253	5,802
Building Canada Plan	9,461	18,870
Wood Buffalo National Park	15	-
Inuvialuit Implementation Fund	-	100
Other	9,698	5,138
	23,427	29,910

Deferred revenue consists mainly of funds received from the Government of Canada for the Government to establish new airports, construct bridges and reconstruct highways. The Government is expected to complete these projects by March 31, 2016.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2015

(All figures in thousands of dollars)

14. DUE FROM AND TO THE GOVERNMENT OF CANADA

	2015	2014
	\$	\$
Receivables		
Projects on behalf of the Government of Canada	(11,190)	(9,311)
Miscellaneous receivables	(33,089)	(18,843)
	(44,279)	(28,154)
Payables		
Excess income tax advanced	54,890	58,833
Advances for projects on behalf of the Government of Canada	17,420	5,383
Miscellaneous payables	46,159	36,616
	118,469	100,832
	74,190	72,678

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

	\$
2016	12,290
2017	8,402
2018	33,940
2019	258
	54,890

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2015

(All figures in thousands of dollars)

15. CAPITAL LEASE OBLIGATIONS

	2015	2014
	\$	\$
Buildings	1,844	3,031
Equipment	20,735	150
	22,579	3,181

Interest expense related to capital lease obligations for the year was \$2,151 (2014 - \$301), at an implicit average interest rate of 8.94% (2014 - 8.03%). Capital lease obligations (expiring between 2015 and 2061) are based upon contractual minimum lease obligations for the leases in effect as of March 31, 2015.

		\$
	2016	3,474
	2017	3,177
	2018	3,090
	2019	2,727
	2020	2,050
	2021 and beyond	48,419
Total minimum lease payments		62,937
Less: imputed interest		40,358
Present value of minimum lease payments		22,579

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2015

(All figures in thousands of dollars)

16. LONG-TERM DEBT

	2015	2014
	\$	\$
Loans due to Canada Mortgage and Housing Corporation, repayable in annual installments until the year 2033, bearing interest at a rate of 6.97% (2014 - 6.97%), unsecured.	7,576	8,110
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% (2014- 2.78% and 3.68%), unsecured.	3,143	3,369
Mortgage payable to Canada Mortgage and Housing Corporation, repayable in monthly installments of \$7 (2014 - \$7) maturing June 2024, bearing interest at 3.30% (2014 - 3.30%), secured with real property.	735	802
Yellowknife Catholic Schools debentures, repayable in monthly installments of \$68, including fixed interest at 5.73%, final installment due in 2018, unsecured.	2,803	3,439
Debentures, due 2025 to 2052, bearing interest between 3.82% and 6.00%, unsecured.	90,000	-
Sinking Fund debentures, due 2018 to 2026, bearing interest between 6.33% and 8.41%, secured by sinking funds earning a weighted average effective rate of return of 0.87%.	18,700	-
Amortizing Debentures, due 2032 to 2040, bearing interest between 5.16% and 6.42%, unsecured.	59,476	-
Series 1, 2 and 3 Debentures, repayable in monthly installments between \$69 and \$73, maturing 2025 to 2026, bearing interest between 9.11% and 10%, unsecured.	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% payable semi-annually, unsecured.	178,176	179,264
	377,532	194,984
Unamortized premium, discount and issuance costs	(773)	-
	376,759	194,984

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2015

(All figures in thousands of dollars)

16. LONG-TERM DEBT (continued)

Long-term debt principal repayments and investment in sinking funds (*note 6*) due in each fiscal year for the next five years:

	Long-term Principal	Sinking Fund Investment
	\$	\$
2016	6,966	760
2017	7,384	760
2018	7,748	760
2019	17,983	290
2020	7,720	290
2021 and beyond	329,732	1,740
	377,533	4,600

Interest expense on long-term debt, included in operations and maintenance expenses, was \$19,022 (2014 - \$10,572).

Debt Authority

The Government has the authority to borrow \$800 million, pursuant to subsection 20(2) of the *Northwest Territories Act (Canada)*, as authorized by the Government of Canada (*note 25*).

	2015	2014
	\$	\$
Short term borrowing	234,859	144,909
Government of the Northwest Territories Long-term Debt:		
Mortgage payable to Canada Mortgage and Housing Corporation	735	802
Real Return Bonds payable	178,176	179,264
Capital lease obligations	22,579	24,223
NWT Housing Corporation, mortgages and loans payable	10,719	11,479
Guarantees (<i>note 21(a)</i>)	24,142	26,421
NT Hydro, long-term debt (net of sinking fund)	177,132	177,247
NT Hydro, operational debt	18,115	20,309
Yellowknife Catholic Schools District Education Authority	2,803	3,439
	669,260	588,093
Authorized borrowing limit	800,000	800,000
Available borrowing capacity	130,740	211,907

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2015

(All figures in thousands of dollars)

17. 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 6*).

The average age of the 19 active members of the MLAs plans is 52. 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 57. 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 137 plan members is 47 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 169 plan members is 43 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, 2015

(All figures in thousands of dollars)

17. 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.

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

b) Pension liability

	2015	2015	2015
	Regular	Supplemental	Total
	Funded	Unfunded	
	\$	\$	\$
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
	2014	2014	2014
	Regular	Supplemental	Total
	Funded	Unfunded	
	\$	\$	\$
Accrued benefit obligation	55,809	31,379	87,188
Pension fund assets - market-related value	(57,854)	-	(57,854)
Unamortized actuarial losses	(1,357)	(2,325)	(3,682)
Pension liability (asset)	(3,402)	29,054	25,652

Included in the pension asset of \$4,616 (2014 - \$3,402) is a deficit for accounting purposes of the Judge's plan in the amount of \$806 (2014 - nil).

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2015

(All figures in thousands of dollars)

17. PENSIONS (continued)

c) Change in pension liability (asset)

	2015 Regular Funded \$	2015 Supplemental Unfunded \$	2015 Total \$
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 in 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 losses	776	388	1,164
Change in valuation allowance	183	-	183
Interest on average accrued benefit obligation	3,137	1,525	4,662
Expected return on average plan assets	(3,226)	-	(3,226)
Change in pension liability (asset) from accrual items	6,795	3,128	9,923
Ending balance	(4,616)	30,935	26,319
	2014 Regular Funded \$	2014 Supplemental Unfunded \$	2014 Total \$
Opening balance	(2,319)	27,847	25,528
Change to pension liability (asset) from cash items:			
Contributions from plan members	(1,084)	-	(1,084)
Contributions from Government	(3,838)	-	(3,838)
Benefit payment to plan members	(3,534)	(1,229)	(4,763)
Drawdown from plan assets	3,534	-	3,534
Change to pension liability (asset) from cash items	(4,922)	(1,229)	(6,151)
Change to pension liability (asset) from accrual items:			
Current period benefit cost	3,294	1,098	4,392
Amortization of actuarial (gains) losses	570	(29)	541
Interest on average accrued benefit obligation	2,653	1,367	4,020
Expected return on average plan assets	(2,678)	-	(2,678)
Change in pension liability (asset) from accrual items	3,839	2,436	6,275
Ending balance	(3,402)	29,054	25,652

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2015

(All figures in thousands of dollars)

17. 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 \$7,276 (2014 - \$5,191). The interest cost on the accrued benefit obligation was 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 was 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 was a gain of \$6,169 (2014 - \$2,151).

In addition to the above, the Government contributed \$55,019 (2014 - \$53,866) to the Public Service Pension Plan. The employees' contributions to this plan were \$36,793 (2014 - \$30,541).

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, 2015, 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, 2015. 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, 2015. 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, 2015. The effective date of the next actuarial valuation is January 1, 2016. The actuarial valuation for the Retirement Plan for Employees of the Yellowknife Catholic Schools was completed as at June 30, 2013 and the results were extrapolated to June 30, 2014. The effective date of the next actuarial valuation for the Yellowknife Catholic Schools plan is June 30, 2015.

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

March 31, 2015

(All figures in thousands of dollars)

17. 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 \$25,775 (2014 - \$22,490). The asset valuation method for the Judges' plans is market value. The market value of the regular Judges' plan is \$5,530 (2014 - \$5,082). 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 \$38,531 (2014 - \$31,901) and \$3,451 (2014 - \$379) 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 4.0 years (2014 - 5.0 years) for the MLA's plans, 3.0 years (2014 - 4.0 years) for the Judges' plans, 7.5 years (2014 - 7.7 years) for the Hay River Health and Social Services Authority plan and 14.7 years (2014 - 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%	5.7%	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, 2015

(All figures in thousands of dollars)

18. 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.

Change in estimate

During the year ended 31 March 2015, the method for calculating other employee future benefits and compensated absences was refined to better reflect the probability that these benefits would be used in the future based on past experience. This change in accounting estimate is being accounted for on a prospective basis starting 1 April 2014, which increases the compensation and benefits expense and increases the other employee future benefits and compensated absences liability by \$24,600.

Valuation results

The actuarial valuation includes the liabilities as at March 31, 2015. The liabilities are actuarially determined as the present value of the accrued benefits at March 31, 2015. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the consolidated Government.

	2015	2014
	\$	\$
Resignation, retirement, and compensated absences	66,640	37,239
Removal	21,180	17,926
	87,820	55,165

The discount rate used to determine the accrued benefit obligation was an average of 2.5%. The expected payments during the next fiscal year are \$13,040.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2015

(All figures in thousands of dollars)

19. 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.

	2015	2014
	\$	\$
Bequest - South Slave Divisional Education Council	80	80
Correctional institutions and other	435	407
Government of New Brunswick	760	5,132
Natural Resources - capital	238	235
Patient funds - Beaufort Delta Health and Social Services Authority	206	164
Patient funds - Deh Cho Health and Social Services Authority	1	5
Patient funds - Fort Smith Health and Social Services Authority	22	31
Patient funds - Hay River Health and Social Services Authority	60	53
Patient funds - Stanton Territorial Health Authority	14	12
Public Trustee	6,134	6,280
Scholarship bequest - Beaufort Delta Divisional Education Council	257	256
School functions - Sahtu Divisional Education Council	428	277
Securities - land use permits, water licences and oil and gas deposits	3,730	-
Territorial and Supreme Courts	1,019	795
	13,384	13,727

20. CONTRACTUAL OBLIGATIONS

The Government has entered into agreements for, or is contractually committed to, the following payments subsequent to March 31, 2015:

	Expiry Date	2016	2017- 2048	Total
		\$	\$	\$
Block Funding Agreements with Municipalities	2016	5,194	-	5,194
Operational commitments	2048	89,803	194,277	284,080
RCMP Policing Agreement	2020	44,573	713,168	757,741
Commercial and residential leases	2028	44,224	106,809	151,033
Equipment leases	2020	3,136	1,069	4,205
Tangible capital asset projects in progress at year-end	2019	161,131	50,053	211,184
		348,061	1,065,376	1,413,437

The Government also has a contractual obligation for the transport of liquified natural gas to its facility in Inuvik. The cost of fuel under this agreement includes variable and fixed costs. The fixed cost component is captured within the capital lease disclosure, note 15. This agreement is in effect until October 31, 2018.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2015

(All figures in thousands of dollars)

21. CONTINGENCIES

(a) Guarantees

The Government has guaranteed residential housing loans to banks totaling \$3,592 (2014 - \$3,945) and indemnified Canada Mortgage and Housing for third party loans totaling \$20,550 (2014 - \$22,476). 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 \$1,161 (2014 - \$1,125). 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 2015 one loan account of \$84 was assigned to the BDIC (2014 - nil).

The BDIC has five (2014 - six) outstanding irrevocable standby letters of credit totaling \$2,385 (2014 - \$2,485) that will expire in 2016. 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 (2014 - 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 \$8,191 (2014 - \$1,225). 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, 2015

(All figures in thousands of dollars)

22. TRANSFER PAYMENTS, TAXATION AND GENERAL REVENUE

	2015	2014
	\$	\$
Transfer payments:		
Capital transfers	98,285	18,513
Canada Health and Social Transfer Reform Fund	62,618	37,069
Federal cost shared	49,889	76,148
Other	22,811	22,690
	<hr/> 233,603	<hr/> 154,420
Taxation:		
Corporate Income Tax	31,272	81,256
Personal Income Tax	110,811	89,450
	<hr/> 142,083	<hr/> 170,706
Other taxes:		
Fuel	19,260	18,514
Tobacco	16,053	15,683
Payroll	40,250	41,245
Property and school levies	37,728	37,190
Insurance	4,676	4,645
	<hr/> 117,967	<hr/> 117,277
General:		
Resource revenues	63,744	-
Interest	5,332	2,417
Other	72,539	65,070
	<hr/> 141,615	<hr/> 67,487
	<hr/> 635,268	<hr/> 509,890

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, 2015

(All figures in thousands of dollars)

23. 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
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) NWT 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) NWT 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 NWT Human Rights Commission NWT Status of Women Council

24. OVEREXPENDITURE

During the year, 2 departments (2014 - 0) exceeded their vote for a total of \$3,505 (2014 - nil).

Overexpenditure of a vote contravenes subsection 32 of the *Financial Administration Act* which states that "No person shall incur an expenditure that causes the amount of the item set out in the Estimates on which the appropriation is based to be exceeded".

The voted items that were over expended in the current year are as follows:	
Department of Education, Culture & Employment	\$3,208
Legislative Assembly	\$297

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2015

(All figures in thousands of dollars)

25. SUBSEQUENT EVENTS

Increase to borrowing limit

The Government of Canada approves the Government's borrowing limit pursuant to subsection 20(2) of the *Northwest Territories Act (Canada)*. Effective May 28, 2015 the Government's borrowing limit was increased to \$1,300,000 by Order in Council P.C. 2015-644, dated May 28, 2015.

New hospital construction

The Government has entered into a partnership agreement dated September 22, 2015, valued at \$350 million, to design, build and maintain a new hospital. The hospital is expected to go into service in 2018, after which time the GNWT has committed to pay \$18 million per year for 30 years to maintain the building.

Creditor protection

On June 9, 2015, North American Tungsten Corporation Ltd, a firm which holds land permits and a water use license in the NWT and wholly owns Cantung Mine, filed for creditor protection in the Supreme Court of British Columbia. As a result the company's continued ability to meet its environmental/site restoration obligations under the associated land and water permits is uncertain. If the Corporation is unable to meet its obligations the Government will negotiate subsequent responsibility with Canada under the terms of the Northwest Territories Lands and Resources Devolution Agreement, including access to \$11,720 security posted in relation to the water permit license.

Statement of claim

A Statement of Claim naming the NT Hydro 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.

26. 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	Buildings ¹	Infrastructure ^{1,2}	Leasehold Improvements	Equipment ^{1,3}	Computers	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$
Cost of tangible capital assets, opening	11,647	1,441,538	1,445,868	40,397	200,103	107,698	3,247,251	3,091,770
Adjustment for NT Hydro, opening balance	5,892	18,639	410,772	-	17,476	8,644	461,423	-
Acquisitions	1,991	65,772	163,445	1,976	17,774	5,515	256,473	168,310
Disposals	(91)	(10,184)	(2,768)	(460)	(545)	(7,329)	(21,377)	(12,829)
Cost of tangible capital assets, closing	19,439	1,515,765	2,017,317	41,913	234,808	114,528	3,943,770	3,247,251
Accumulated amortization, opening	-	(564,857)	(476,778)	(30,956)	(110,628)	(63,120)	(1,246,339)	(1,164,539)
Adjustment for NT Hydro, opening balance	-	(9,444)	(124,310)	-	(8,293)	(4,689)	(146,736)	-
Amortization expense	-	(43,792)	(47,108)	(1,485)	(10,280)	(7,521)	(110,186)	(92,151)
Disposals	-	7,903	2,798	460	522	7,059	18,742	10,351
Accumulated amortization, closing	-	(610,190)	(645,398)	(31,981)	(128,679)	(68,271)	(1,484,519)	(1,246,339)
Net book value	19,439	905,575	1,371,919	9,932	106,129	46,257	2,459,251	2,000,912
Work in Progress							186,277	137,702
							2,645,528	2,138,614

¹ Included in buildings, infrastructure and equipment are assets under capital lease (cost \$36,185 (2014 - \$11,504); accumulated amortization, \$12,357 (2014 - \$7,941); net book value, \$23,828 (2014 - \$3,563)).

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

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

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	2015	2014
	\$	\$	\$	\$	\$	\$
Revenues						
Grant from the Government of Canada	1,208,840	-	1,208,840	-	1,208,840	1,121,244
Transfer payments	210,837	22,766	233,603	-	233,603	154,420
	1,419,677	22,766	1,442,443	-	1,442,443	1,275,664
Taxation and general revenues						
Corporate and personal income taxes	142,626	-	142,626	(543)	142,083	170,707
Other taxes	108,500	9,467	117,967	-	117,967	117,277
General	95,372	680,729	776,101	(634,486)	141,615	67,486
Income from portfolio investments	3,199	1,317	4,516	-	4,516	3,471
Sales ⁴	130,173	75,314	205,487	(64,163)	141,324	93,153
Recoveries	30,191	15,084	45,275	(9,790)	35,485	41,151
	510,061	781,911	1,291,972	(708,982)	582,990	493,245
Recoveries of prior years' expenses	8,028	-	8,028	(1,213)	6,815	7,156
	1,937,766	804,677	2,742,443	(710,195)	2,032,248	1,776,065
Expenses						
Grants and contributions	782,578	5,009	787,587	(586,484)	201,103	194,590
Operations and maintenance	572,465	305,903	878,368	(100,812)	777,556	663,595
Compensation and benefits	378,435	451,132	829,567	5,819	835,386	743,581
Change in valuation allowances	3,585	-	3,585	-	3,585	2,815
Amortization of tangible capital assets	79,051	31,120	110,171	15	110,186	92,151
	1,816,114	793,164	2,609,278	(681,462)	1,927,816	1,696,732
Annual operating surplus (deficit)	121,652	11,513	133,165	(28,733)	104,432	79,333
Net income from investment in Government Business Enterprise - NT Hydro (notes 3(a) and 10)					-	5,233
Projects on behalf of third parties						
Expenses	(69,661)	-	(69,661)	-	(69,661)	(60,439)
Recoveries	69,661	-	69,661	-	69,661	60,439
Annual surplus (deficit)	121,652	11,513	133,165	(28,733)	104,432	84,566

¹ Departments consist of all those listed in Note 23 that begin with the word "Department" and the Legislative Assembly.

² Public agencies consist of those listed in Note 23 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, 2015
(Unaudited)**

**HONOURABLE J. MICHAEL MILTENBERGER
Minister of Finance**

Table of Contents

	Page
EXECUTIVE SUMMARY- FINANCIAL HIGHLIGHTS	5
ANNUAL AND ACCUMULATED SURPLUS (DEFICIT) AND NET FINANCIAL RESOURCES (DEBT)	8
REVENUES AND EXPENSES	9
REVENUES BY SOURCE	10
EXPENSES BY OBJECT	14
EXPENSES BY PROGRAM	15
GROSS DOMESTIC PRODUCT	17
FINANCIAL POSITION- FINANCIAL ASSETS	19
FINANCIAL POSITION- FINANCIAL LIABILITIES	20
NON- FINANCIAL ASSETS	21
CASH FLOWS	22
LONG-TERM DEBT BORROWING LIMITS	23
INDICATORS OF FINANCIAL CONDITION	24
NORTHWEST TERRITORIES LANDS AND RESOURCES DEVOLUTION AGREEMENT	29
RISKS AND UNCERTAINTIES	30

EXECUTIVE SUMMARY- FINANCIAL HIGHLIGHTS

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.

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. Subsequent adjustments throughout the year are not reflected. High level results of operations and the March 31, 2015 ending financial position are summarized below:

(thousands of dollars)

	Budget 2015	Actual 2015	Actual 2014
Total Revenue	2,059,592	2,032,248	1,781,298
Total Expense	1,853,802	1,927,816	1,696,732
Annual Surplus	205,790	104,432	84,566
Financial assets		490,353	458,035
Less: Total liabilities		1,267,812	821,915
Net debt		(777,459)	(363,880)
Non-financial assets		2,667,429	2,149,418

The 2014-15 financial statements report a surplus of \$104 million, \$101 million less than was originally budgeted. These results are largely attributable to the increase in employee future benefits and compensated absences payable as a result of the government having an actuarial evaluation performed as at March 31, 2015 to quantify the liability for sick and special leave benefits, the adoption of new environmental liabilities standards and other various contributing factors as detailed on page 15. The large increase over prior years is attributable to current year line by line consolidation of the Northwest Hydro Corporation, whereas in previous years only its net income was reflected within the Consolidated Public Accounts. Continued government contributions to support its operations resulted in the need to change to its classification from that of a Government Business Entity to that of an Other Government Organization.

Total net debt increased by \$414 million in 2014-15 to finance capital infrastructure and support working capital requirements for programs and initiatives. The borrowings of the Northwest Territories Hydro Corporations were always included within the determination of the Government's borrowing limit however this is the first year the related assets and liabilities are captured on the Statement of Financial Position, accounting for a significant amount of the change over the prior year.

The territorial economy grew by 5.8% as measured by real GDP. This is higher than the national average rate of 2.5%

Given the continuing modest expansion in economic activity, the Territory continues to manage growth in spending, while making targeted investments to encourage economic growth and address the infrastructure deficit. The Government continues to rely on federal transfers for the majority of its revenues and consequently the linkage between the economy and the GNWT's revenues does not appear strong. However, 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.

Infrastructure investments of \$2.7 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 illustrate how the GNWT's fiscal health measures up from this standpoint. This suggests the following conclusions:

- **Sustainability** – at the end of the 2014-15 fiscal year the GNWT had a net debt of \$777 million compared to net debt of \$364 million at the end of the prior fiscal year. The net debt represents 38% of revenue. At March 31, 2015, the GNWT's long-term debt was \$377 million or 19% of the GNWT's revenues for the year and less than 5% of GDP. 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 Grant from the Government of Canada (Formula Financing arrangement). The GNWT's own-source revenues, net of \$63 million in resource revenues, decreased from 28% of total revenue in 2014 to 26% in 2015; income

tax revenue is the major source of any fluctuation. The GNWT's flexibility to increase taxes and still remain competitive with the other provinces and territories, 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 resource revenues in 2014-2015, these funds are not significant.

At March 31, 2015, the GNWT has a federally imposed limit on its borrowing of \$800 million. Although the GNWT is currently well under its debt authority limit, \$800 million represents only 41% of 2014-2015 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.

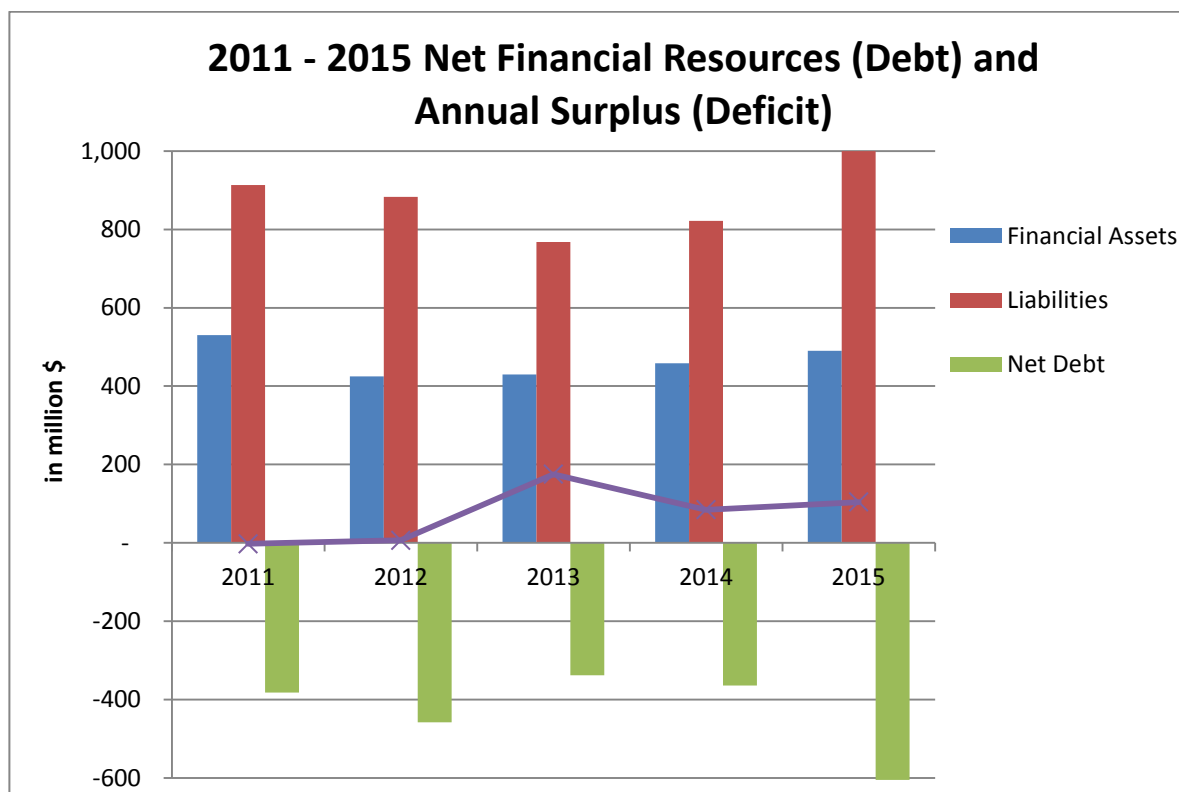
- **Vulnerability** – to assess the GNWT's vulnerability, it is not necessary to look further than the Government's limited own-source revenues and the volatility related to corporate and personal income taxes. The Government's largest source of revenue is the grant from Canada. The formula determining 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 (DEFICIT) AND NET FINANCIAL RESOURCES (DEBT)

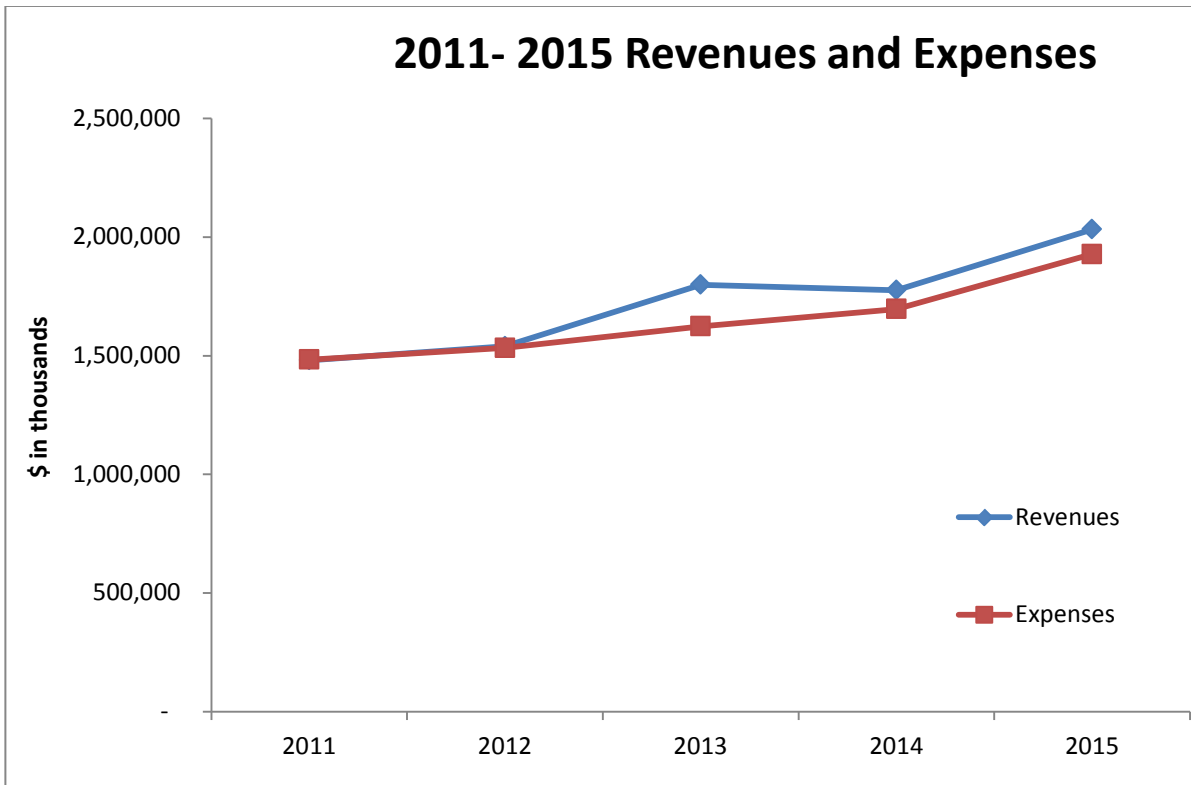
Net financial resources result when there are financial resources remaining after being reduced by all liabilities of the Government. Net debt results when there is an excess of liabilities over financial assets. The Government is in a net debt position; liabilities exceeded financial assets at the end of the fiscal year. Over the years, the Government’s net debt has fluctuated, but not always with the annual surplus as depicted in the graph below. Other contributing factors must be considered as 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 financial resources (debt) position and annual surplus (deficit) at the end of each of the last five fiscal years.



The Government is in a net debt position. Net debt increased during the 2015 fiscal year primarily due to the GNWT short term borrowing and inclusion of debt associated with the Northwest Territories Hydro Corporation. 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 flexibility to absorb any budgeted annual deficit.

REVENUES AND EXPENSES



* Revenues depicted above include recoveries of prior year expenditures

Revenues and expenses have both steadily increased over the last few fiscal years, further exasperated by the inclusion of the Northwest Territories Hydro Corporation, and are described in more detail below.

REVENUES BY SOURCE

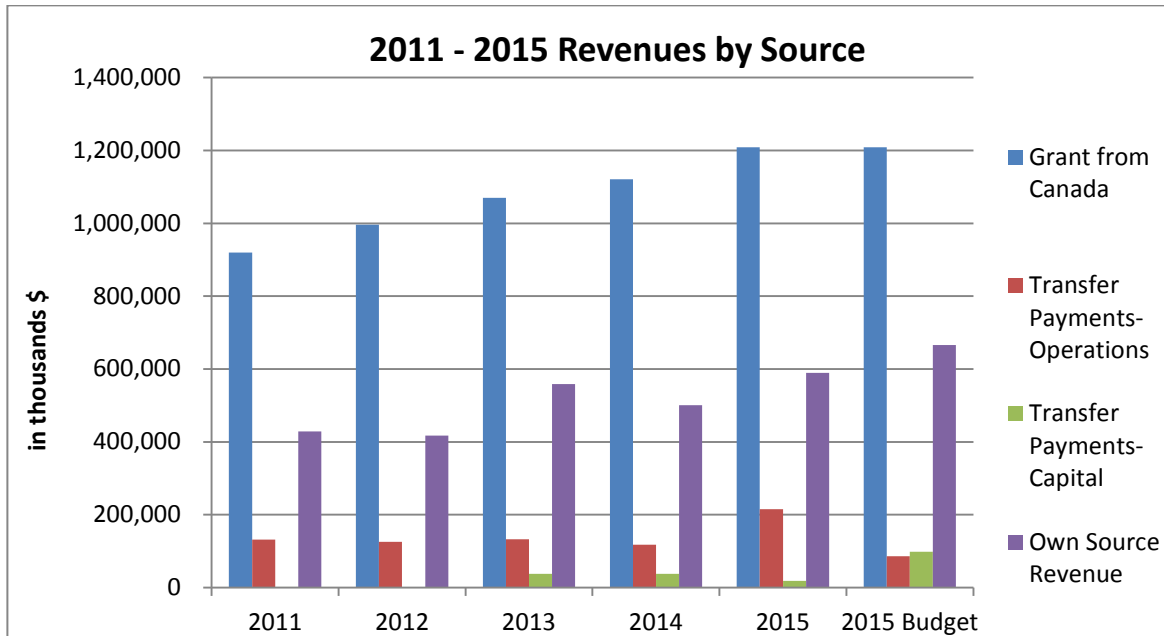
The GNWT funds government programs and services through a combination of transfers from the federal government and own-source revenues. In order to assess the long-term sustainability of the present level of services, various key indicators are monitored on an ongoing basis, including the following:

- 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 tax payers in the resource sector, whose incomes fluctuate dramatically depending on production and global commodity prices. Since April 1, 2007, the Grant from Canada has been calculated 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 input 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.

The formula that Finance Canada uses to allocate income among provinces and territories can result in amounts being allocated to the NWT that bear little relationship to NWT economic activity. Investment income and capital gains (losses) are a significant part of income allocated to the NWT and in some years a majority.

Transfer revenue related to the purchase or construction of a tangible capital asset is recognized in accordance with the GNWT policy and is accounted for when completed assets are pushed into service. 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 completed portions of the highway; causing revenue to be higher than operations would normally be recognizing.



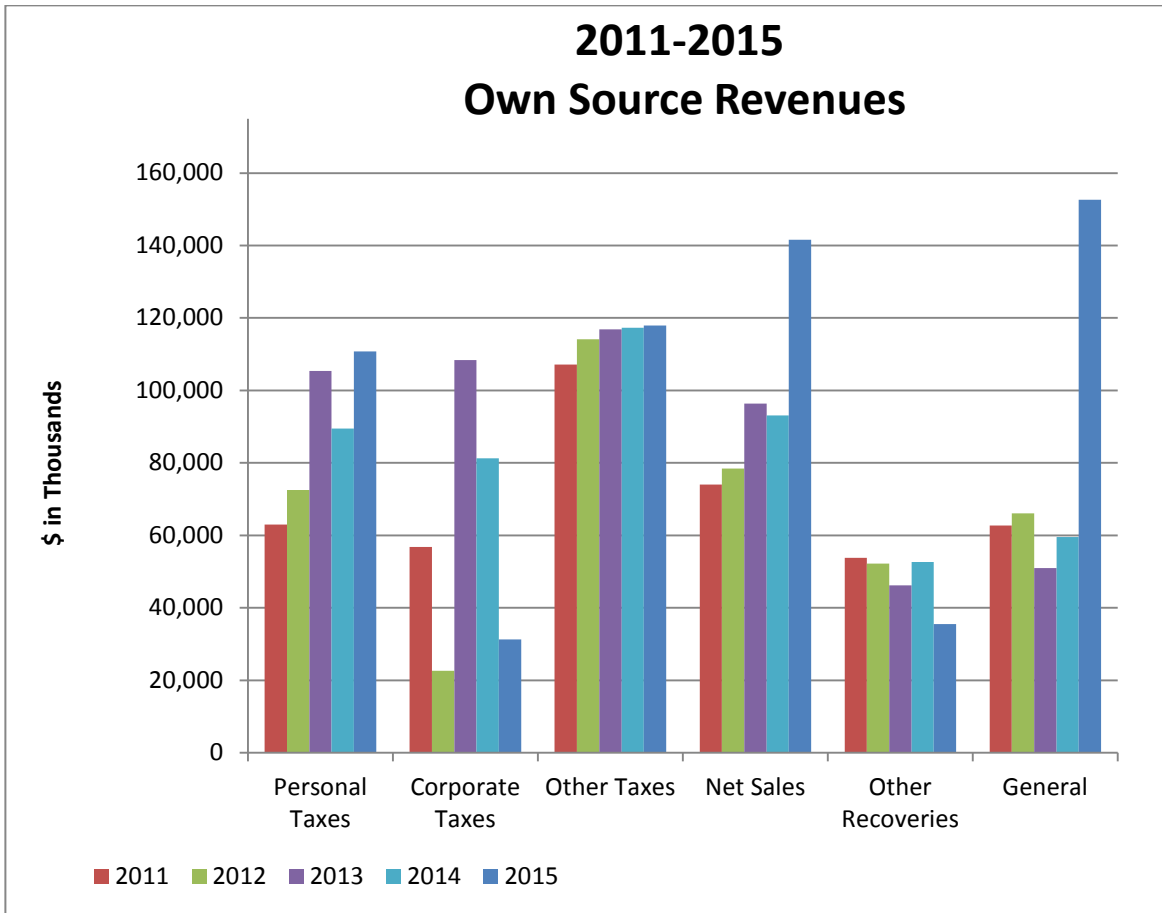
* Own source revenues include recoveries of prior year expenditures

Total revenue in 2014-15 was \$2.032 billion, an increase of \$27 million or 2 per cent of the original budget. This increase is due to the inclusion of resource revenue and an increase in the grant from Canada.

Grant from Canada

The Grant from Canada was \$1.2 billion in 2014-15, an increase of \$88 million over 2013-14. The increase in the Grant from Canada is mainly due to the addition in 2014-15 of \$67.3 million to the Grant’s Gross Expenditure Base related to the transfer of responsibility for management of lands, waters and non-renewable resources under the Devolution Agreement.

The Grant from Canada is an annual formula-based calculation whereby the NWT’s Grant equals the difference between its Gross Expenditure Base (proxy for expenditure requirements) and a measure of revenue capacity known as Eligible Revenues.



Own Source Revenue

The Government’s major own-source revenues, such as corporate and personal income tax, tobacco tax, fuel tax, and payroll tax, 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. Included for the first time in the current year results are the revenues generated by the Northwest Territories Hydro Corporation of \$81 million and resource revenue of \$63 million.

With the exception of corporate and personal income tax, Northwest Territories Hydro Corporation, and resource revenue (first year of addition), 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. The effects of the Hydro Corporation and resource revenue trends will be evident over time.

Resource Revenue

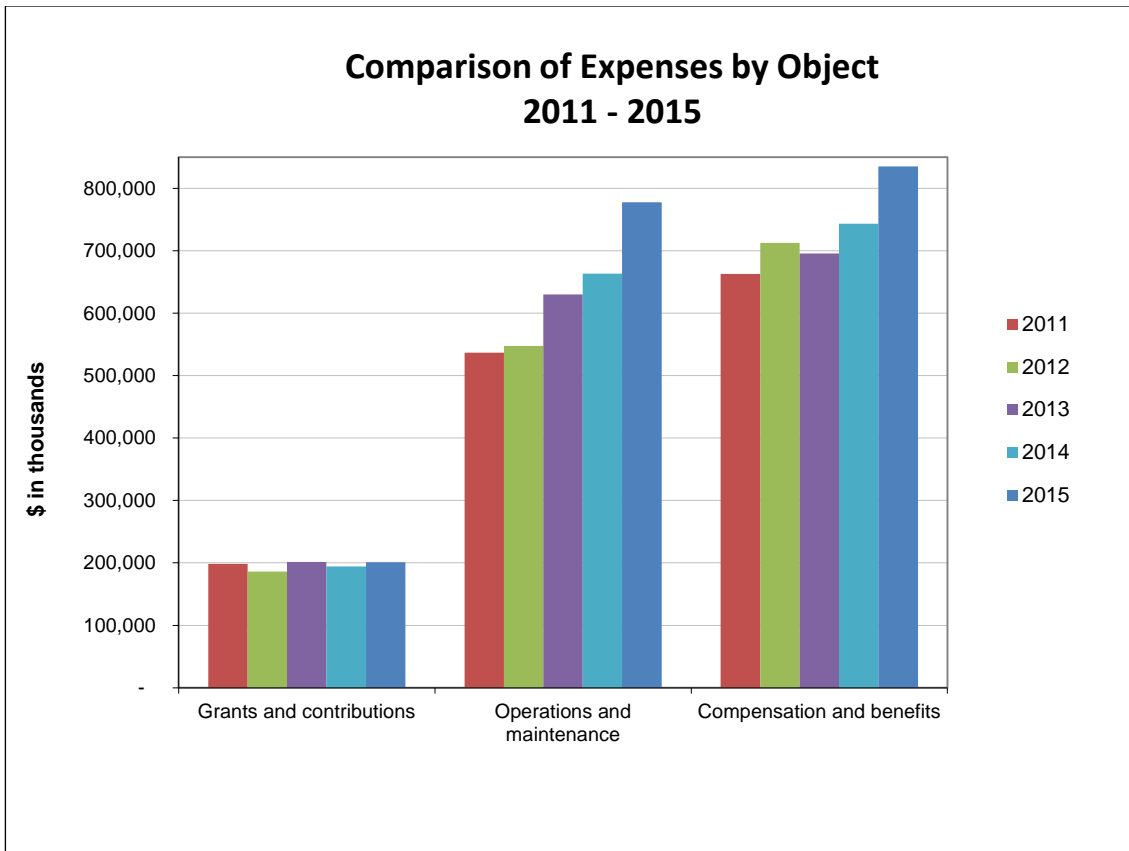
Historically, the GNWT has not shared in resource revenues generated in the NWT however effective April 1, 2014 Canada has devolved the administration and control of public lands, non-renewable resources, and rights in respect of waters in the Northwest Territories to the Commissioner of the Northwest Territories. The Northwest Territories Lands and Resources Devolution Agreement establishes a framework for a cooperative and coordinated management regime for lands, resources and rights in respect of waters in the Northwest Territories in which the Government of the Northwest Territories and Aboriginal peoples of the Northwest Territories will participate, providing access to resource revenues.

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. For these reasons, non-renewable resource revenues have not been included in the 2014-2015 operating budget; rather, resource revenues will be used to fund infrastructure, pay down debt and invest in the NWT Heritage Fund.

Consolidation of Northwest Territories Hydro Corporation

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 another government organization within the Government's consolidated Public Accounts. In prior years, 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 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.

EXPENSES BY OBJECT



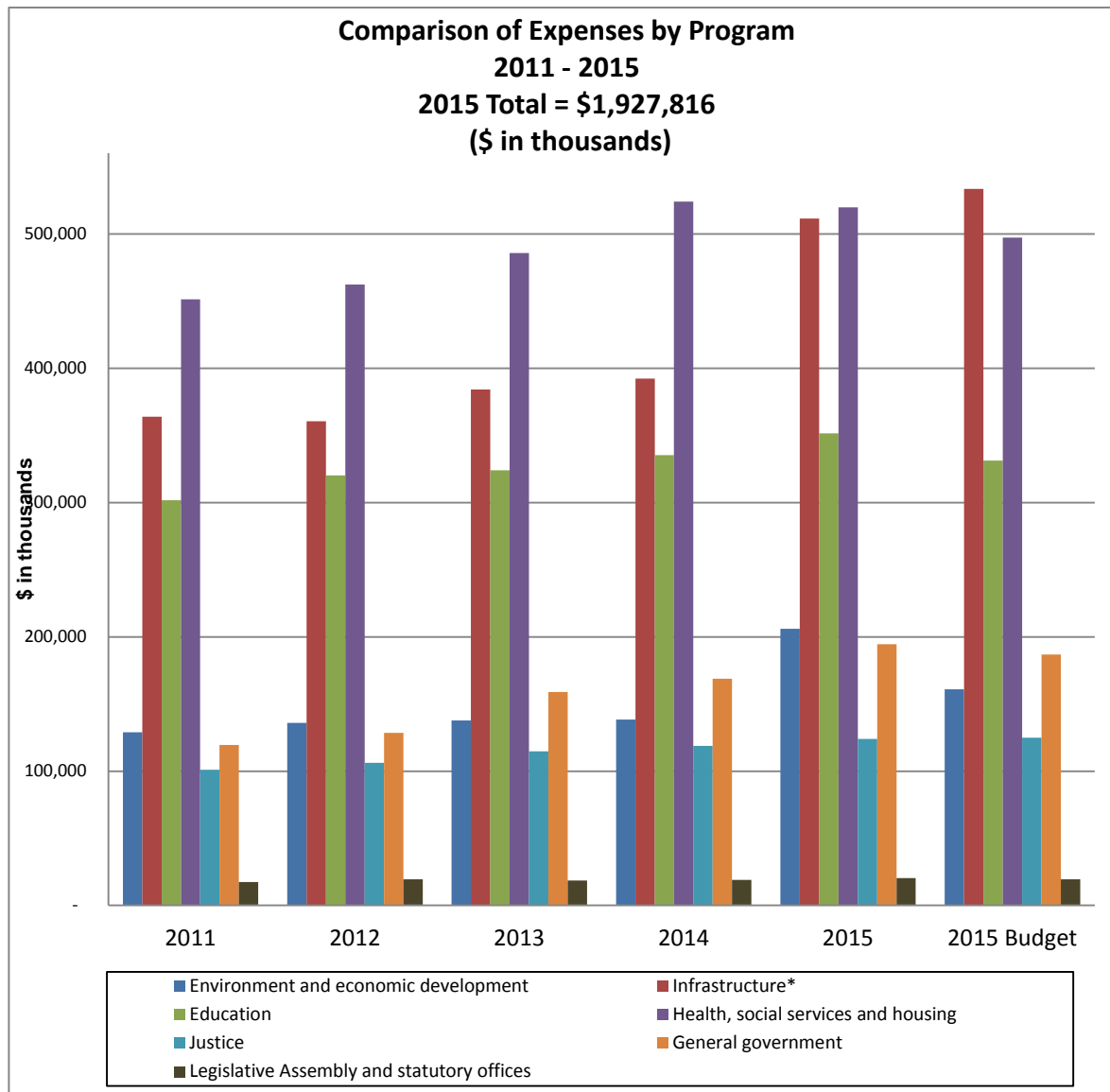
The above graph provides information on the consolidated government operations. Total expenses in 2014-15 are \$1.9 billion, an increase of \$231 million from 2013-14.

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 will result. 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 really 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 no 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 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

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.

An actuarial valuation was conducted in 2014-15 for employee future benefits. This was the first time that sick and special leave were included in the liability and this is a significant contributing factor to the program notes below.

Environment and economic development expense was \$206 million in 2014-15. This was \$68 million or 49 per cent higher than reported in the prior year due to the transfer of responsibilities with devolution. 2014-15 figures were also \$45 million less than budgeted due to vacant positions and decline in price of oil and gas leading to less exploratory activity offset by the increase in employee future benefits.

Infrastructure expense was \$511 million in 2014-15. This was \$119 million or 30 per cent higher than reported in the prior year due to the consolidation of the Northwest Territories Hydro Corporation. 2014-15 figures were \$22 million less than budgeted due to vacant positions and amortization recognition on Inuvik-Tuk highway (end of construction vs. during).

Education expense was \$352 million in 2014-15. This was \$16 million or 5 per cent higher than reported in the prior year. 2014-15 figures were \$20 million greater than budgeted due in part to unexpected litigation expenses and increase in employee future benefits.

Health, social services, and housing expense was \$520 million in 2014-15. This was \$4 million or 0.8 per cent lower than reported in the prior year. 2014-15 figures were \$22 million more than budgeted due to delayed TSC migration and health response systems promotion, and the increase in employee future benefits.

Justice expense was \$124 million in 2014-15. This was \$5 million or 4.3 per cent higher than reported in the prior year. 2014-15 figures were close to budgeted amounts.

General government expense was \$194 million in 2014-15. This was \$25 million or 15 per cent higher than reported in the prior year. 2014-15 figures were \$8 million more than budgeted due to the adoption of PSAS for environmental liabilities, the increase in employee future benefits, and unbudgeted revenue sharing with aboriginal groups related to resources.

Legislative Assembly and statutory offices expense was \$20 million in 2014-15. This was \$1.3 million or 6.7 per cent higher than reported in the prior year. 2014-15 figures were \$971 thousand more than budgeted due to the increase in employee future benefits.

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. The GDP estimates shown below are in chained 2007 dollars at market prices.

For the Northwest Territories (NWT), Statistics Canada estimated GDP was \$3.8 billion for 2014, which represents a 5.8% increase relative to the 2013 estimate of \$3.6 billion. This rise is a result of an increase in both the mining, oil and gas sector and capital investment (construction) in the 2014 calendar year.

Gross Domestic Product at Market Prices, calendar years 2013 and 2014
Canada, Provinces and Territories
Chained (2007) Dollars (\$ in millions)

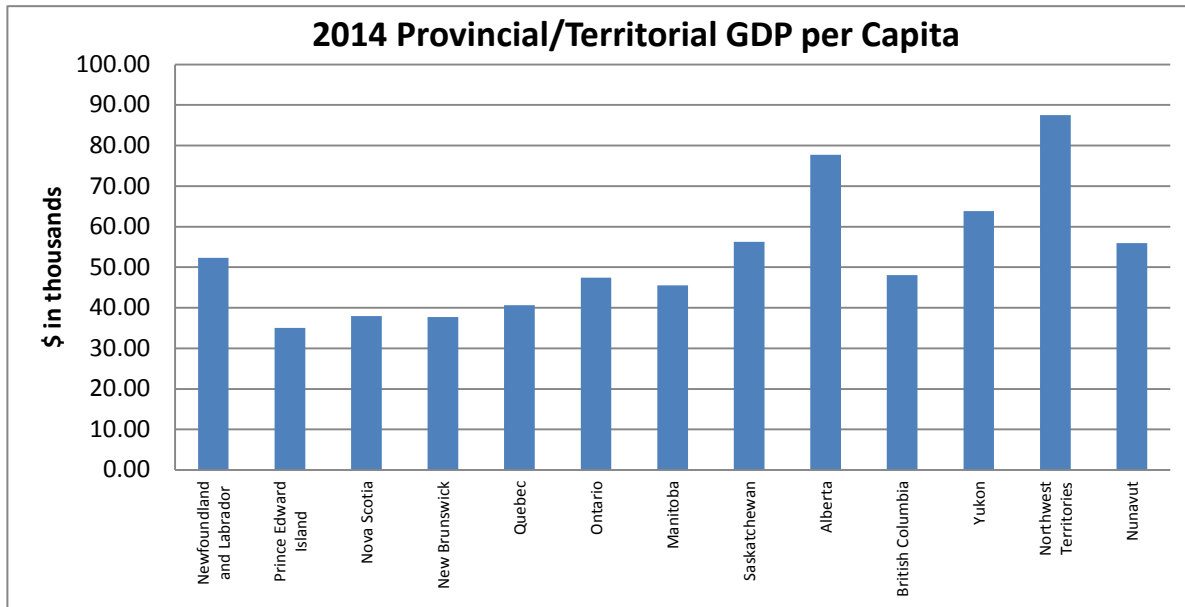
	2014	2013	Percent Change
Canada	1,747,709	1,705,553	2.5
Northwest Territories	3,849	3,639	5.8
Nunavut	2,018	1,953	3.3
Yukon	2,362	2,379	-0.7
British Columbia	222,868	215,901	3.2
Alberta	320,113	305,353	4.8
Saskatchewan	63,127	61,929	1.9
Manitoba	58,301	57,005	2.3
Ontario	648,352	631,068	2.7
Quebec	334,103	329,038	1.5
New Brunswick	28,436	28,530	-0.3
Nova Scotia	35,758	35,562	0.6
Prince Edward Island	5,126	5,051	1.5
Newfoundland and Labrador	27,695	28,272	-2.0

Source: Statistics Canada

Note:

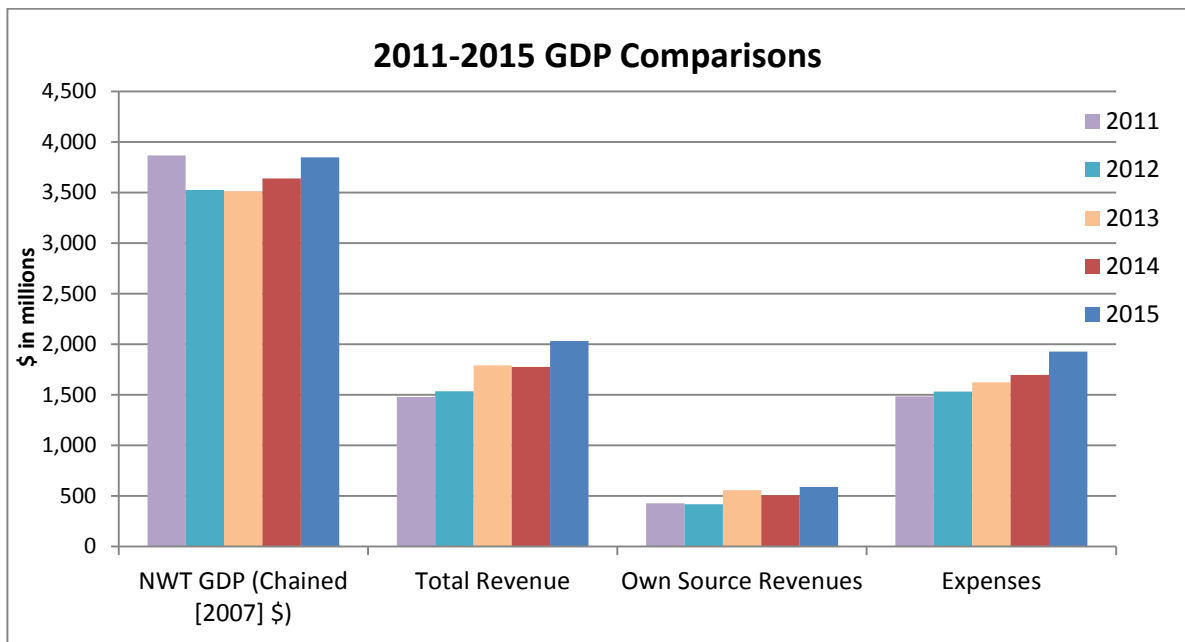
Data will not sum to totals since chained dollars are not additive.

GROSS DOMESTIC PRODUCT (continued)



Based on September 26, 2014 population estimates of Statistics Canada

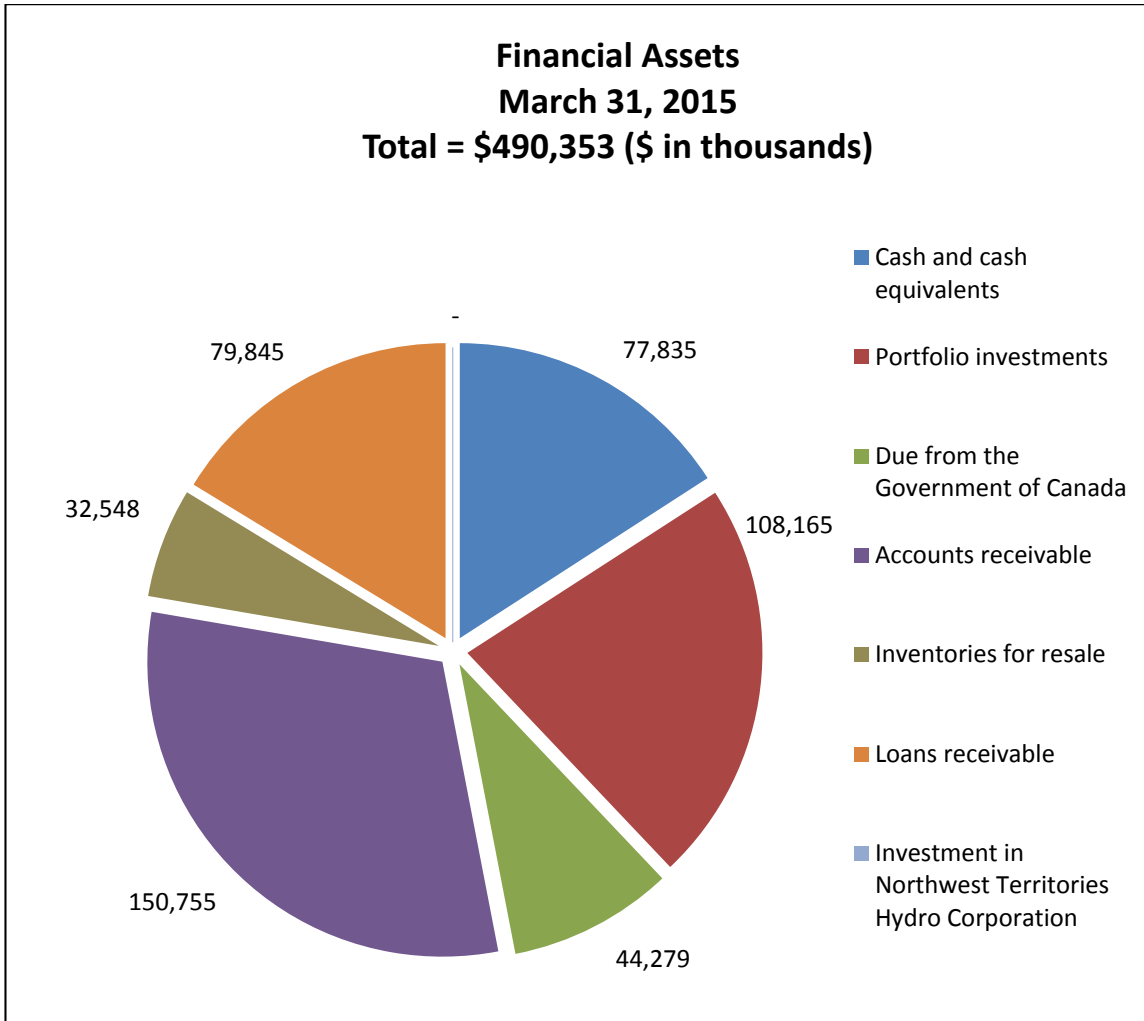
The NWT currently has the highest GDP per capita in Canada. This is an important indicator to note when considering GDP statistics as it shows that while the NWT has a relatively small population our economy is large by comparison.



* 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). The 2014 figure for NWT GDP has been used for 2015 illustration purposes. Net income from the recoveries are included in GNWT own source revenues.

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.

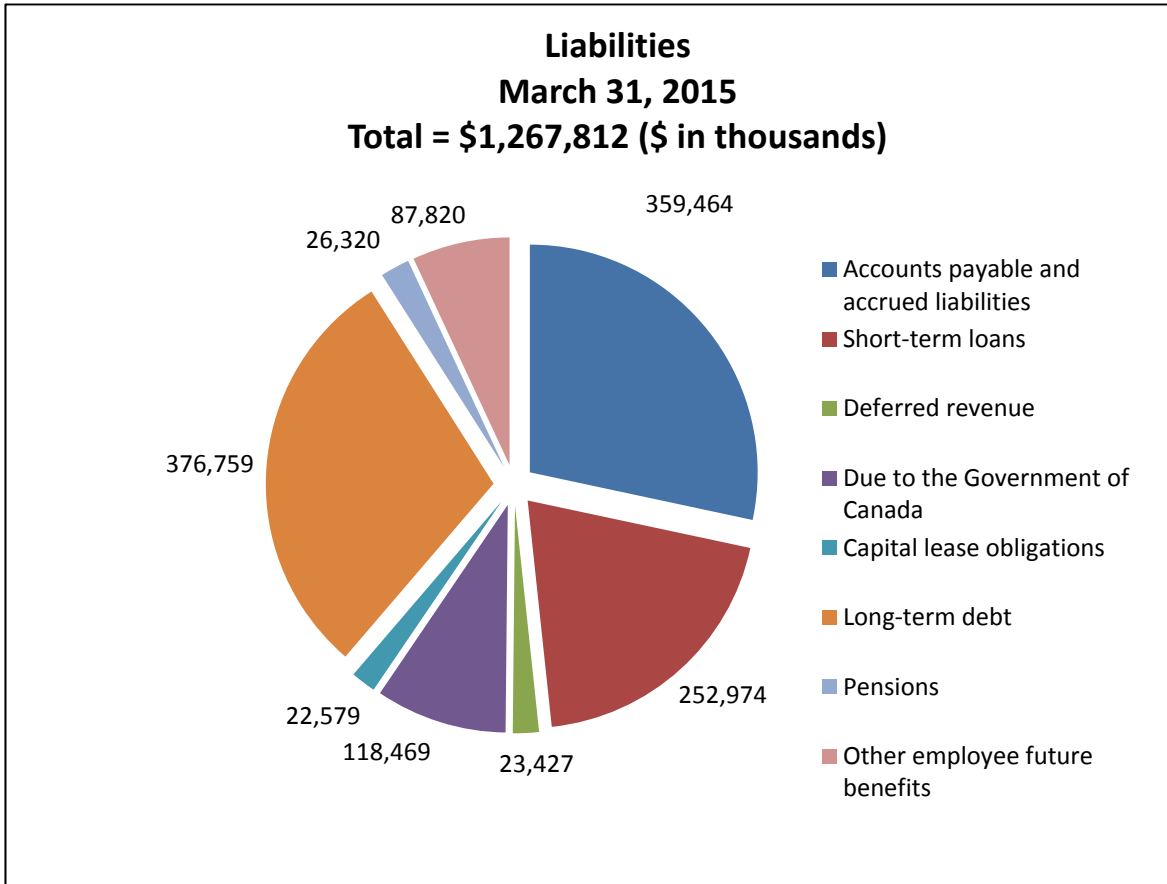


The above graph illustrates the composition of the Government's financial assets.

Approximately 16% of the GNWT's financial assets are cash. The balance 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 GNWT presently has approximately \$490 million in financial assets available to discharge its liabilities of approximately \$1.268 billion. Many of the liabilities are not due in the short-term and will be discharged at a later date with a combination of 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.

The significant gap between the financial assets of the GNWT and its liabilities indicate that some of its future revenues will be required to meet its current obligations.

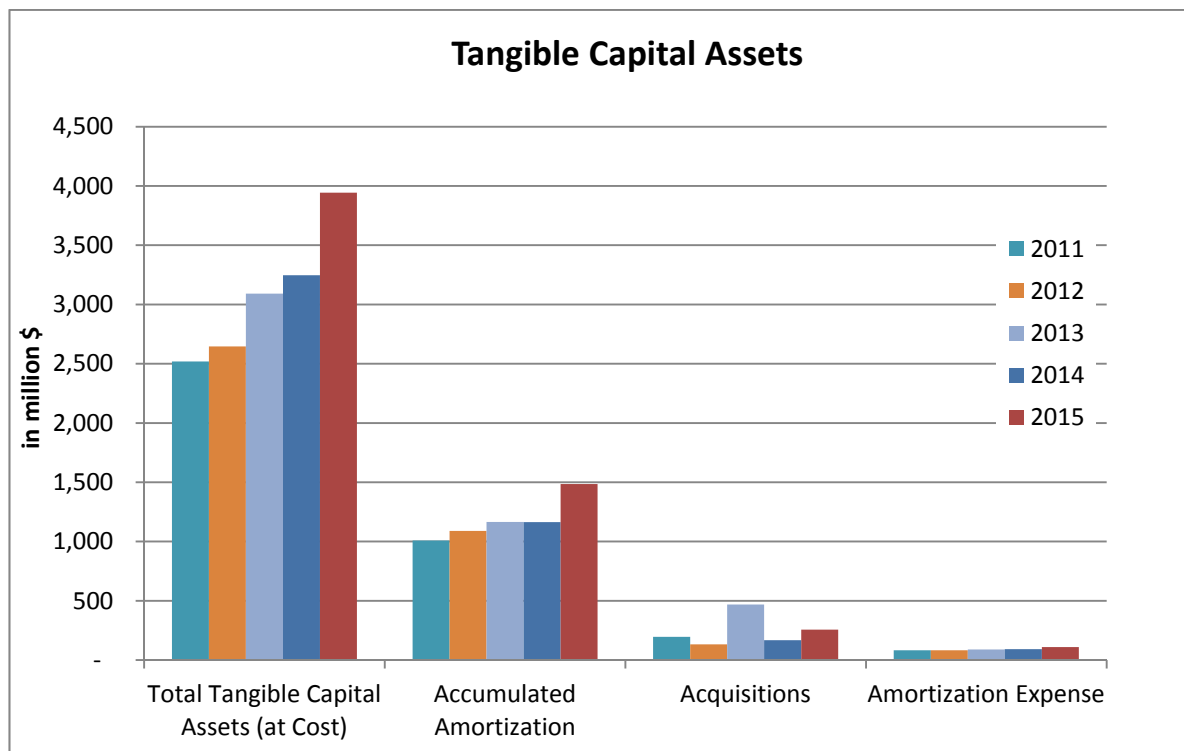
NON- FINANCIAL ASSETS

Non- financial assets typically represent resources that the Government can use to provide services in the future. Non-financial assets primarily consist of tangible capital assets but also include 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 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 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. Tangible capital asset investments are focused on addressing the continued health and safety of NWT residents, the extension of the useful life of existing assets, and providing for program growth.

The government invests in infrastructure in two ways:

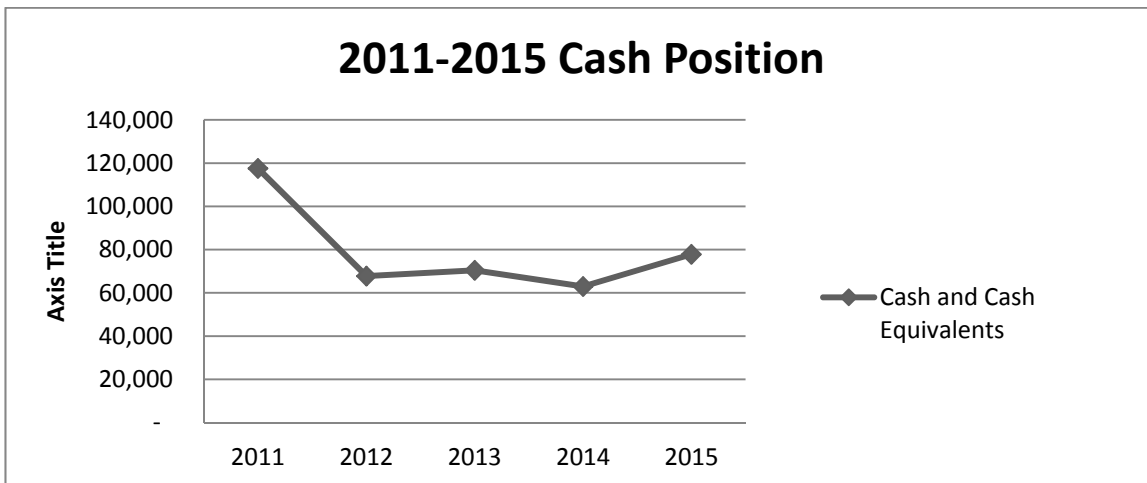
- By investing in government-owned capital; and
- By providing transfers to third parties, including municipalities, for capital purposes.

Breakdown of infrastructure investment type is located in Schedule A of the consolidated financial statements.

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 2015 fiscal year, the Government placed \$256 million worth of new assets into service (2014 - \$168 million). The most significant being the completed sections of the Inuvik-Tuk highway; this 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 and temporary investments during the year. During the year, the Government’s overall cash position increased by \$29 million; from \$63 million in 2013-14 to \$78 million in 2014-15. The consolidation with the Northwest Territories Hydro Corporation accounted for \$2.3 million of the increase in cash.



The primary source of cash was operations. Other sources of cash included disposition of portfolio investments and proceeds from short-term loans. Cash was mainly used for a \$256 million investment in tangible capital assets, representing the Government’s continued commitment to investment in the Territories’ infrastructure, as well as in education and health care facilities. More detail is available on the Statement of Cash Flows within the Section I of the Public Accounts.

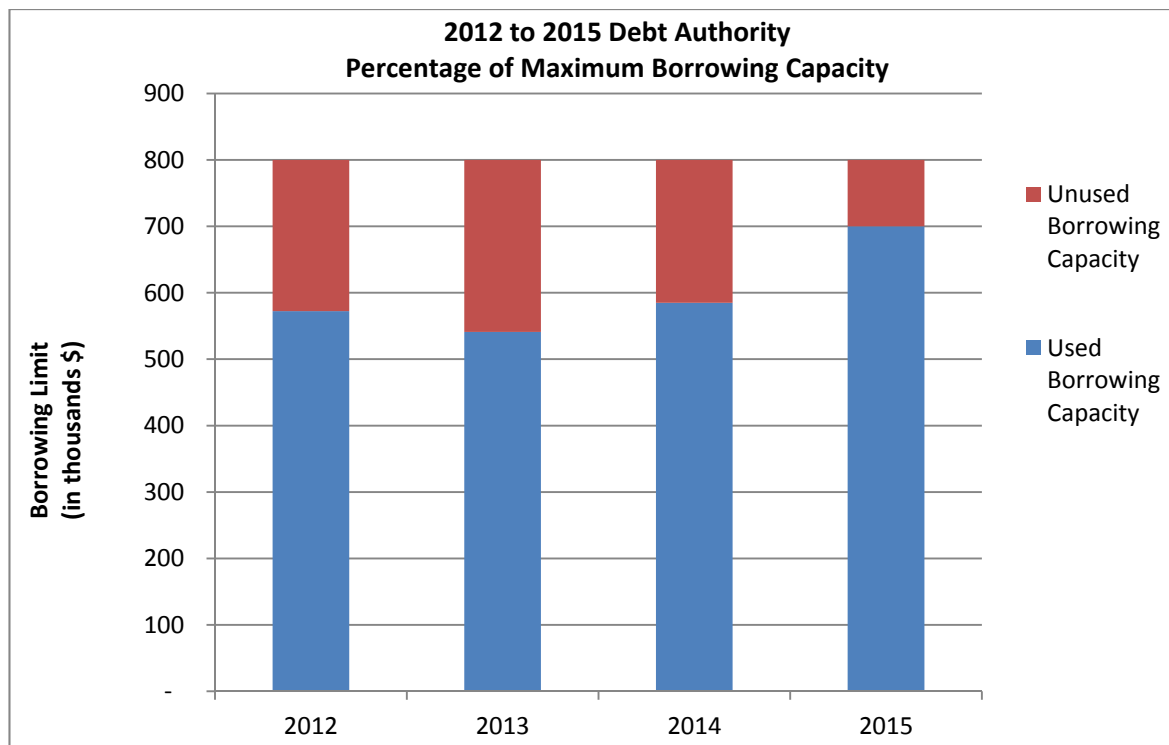
LONG-TERM DEBT BORROWING LIMITS

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*.

Pressures experienced due to the general state of the economy and the Government’s desire to address infrastructure deficits within the Northwest Territories have resulted in the Government’s continued negotiation for a further increase to the Territorial Borrowing Limit to support long term planning for the Northwest Territories. In May 2015 the Government was successful in negotiating an increase of a further \$500 million to the borrowing limit; the new limit is \$1.3 billion for the 2015-16 fiscal year and beyond.

Recognizing that debt would be needed at some future date if the Government was to address its infrastructure deficit the Government implemented a *Fiscal Responsibility Policy* in 2005 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 P3 policy or that will be fully funded by the Government’s revenues.

Consolidated debt, for purposes of the TBL, includes the debts of all Government organizations that are included within the Consolidated Public Accounts. Additional details are reflected in note 16 of the consolidated financial statements.



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 annual infrastructure investment be financed by cash generated from operations. A maximum of 50% of the annual infrastructure investment may be financed by debt and annual debt servicing payments (principal and interest) cannot exceed 5% of total 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.

Recent changes in the recognition criteria for transfers from Canada that are provided for the acquisition or construction of a tangible capital asset have added complexity and volatility in the determination of revenues. Previously these transfers were deferred and amortized over the life of the asset, smoothing the effect of the third parties contribution. Current standards require that the full amount of the contribution be recognized as the asset is constructed or completed. The GNWT recognizes this revenue upon completion criteria. This results in revenues recognized that in fact have already been fully disbursed during the acquisition or construction of a tangible capital assets. The effects of these funds must be adjusted for when determining the amount of cash generated by operations that is available to use for infrastructure investments.

The *Fiscal Responsibility Policy* makes the Government accountable for its level of borrowing with the establishment of performance criteria 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 debt management criteria, as specified in the policy, form part of the indicators of financial condition in the following section.

INDICATORS OF FINANCIAL CONDITION

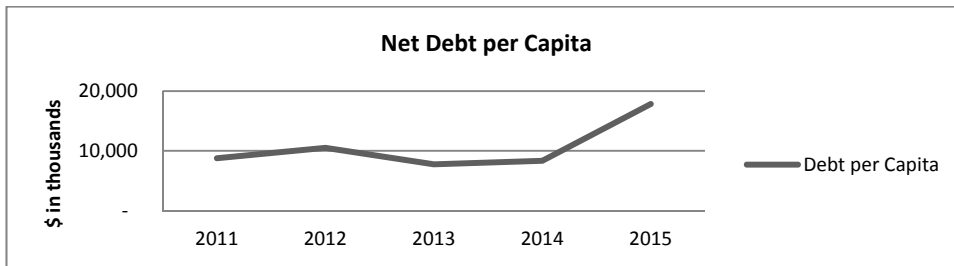
Financial condition describes a government's financial health or its ability to meet its existing financial obligations, both with respect to its service commitments to the public and its financial commitments to creditors, employees and others. The following assessment of the Government's financial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

The Northwest Territories Hydro Corporation, a significant government entity, has been consolidated for the first time and therefore, results are skewed for the current year. The trend will be comparable over time.

- **Sustainability:** the degree to which a Government can maintain existing programs and meet existing creditor requirements without increasing the debt burden on the economy.

Net Debt per Capita

- 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.

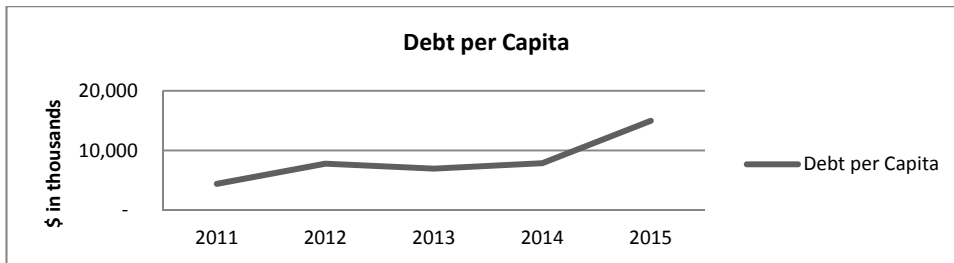


During 2014-15, net debt for the Northwest Territories increased by 113%, from \$8,347 per capita to \$17,834 per capita.

The current year results are impacted by increased net debt as the result of consolidation of the Northwest Territories Hydro Corporation (see note 3 in the Consolidated Public Accounts).

Debt per Capita

- ii) 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.

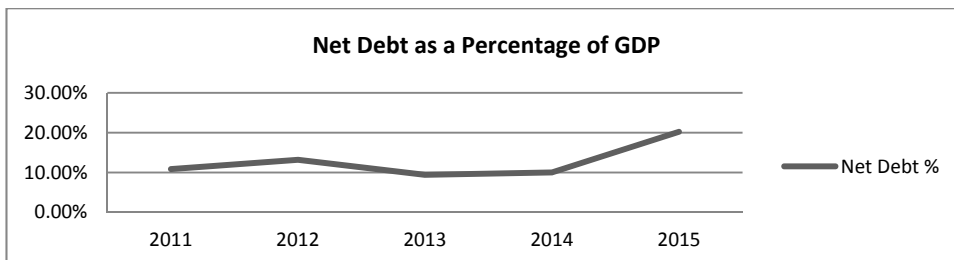


During 2014-15, debt for the Northwest Territories increased by 89%, from \$7,894 per capita to \$14,981 per capita.

In the past years the Consolidated Public Accounts did not include the debt of the Northwest Territories Hydro Corporation. The Northwest Territories Hydro Corporation has been fully consolidated as at March 31, 2015 contributing the increase in debt per capital.

Net Debt to the Territories' Gross Domestic Product

- iii) 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.

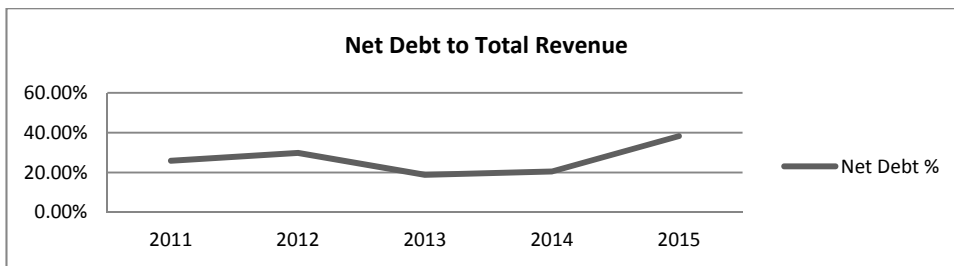


During 2014-15, net debt for the Northwest Territories increased from 9.50% as a percentage of GDP to 20.30% as a percentage of GDP.

As disclosed on the previous page, consolidation of the Northwest Territories Hydro Corporation has impacted the current year's results; ignoring the impact of this change the territorial economy remained relatively stable over the past five years.

Net Debt to Total Revenue

- iv) 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.

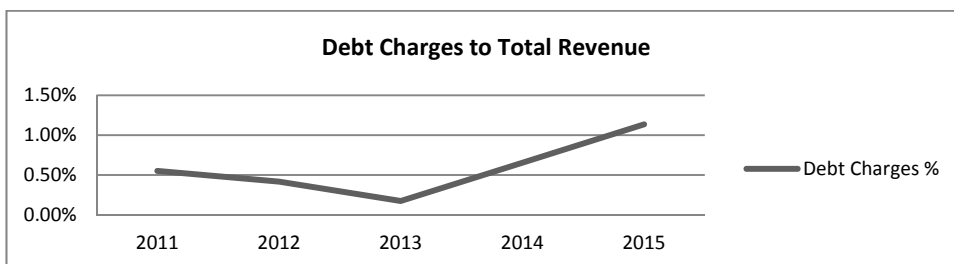


The Government's net debt has increased from 25.87% in 2011 to 38.26% in 2015. An increase in this ratio indicates the Government's annual revenue has not been sufficient to pay for current transactions or a portion of past debts; however, any analysis would also need to consider the impact of the consolidation of the Northwest Territories Hydro Corporation in the current year.

- **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.

Debt Servicing Costs (interest) to Total Revenue

- v) Debt charges as a percentage of total revenue ratio 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 denotes that there is more money available to provide government services.



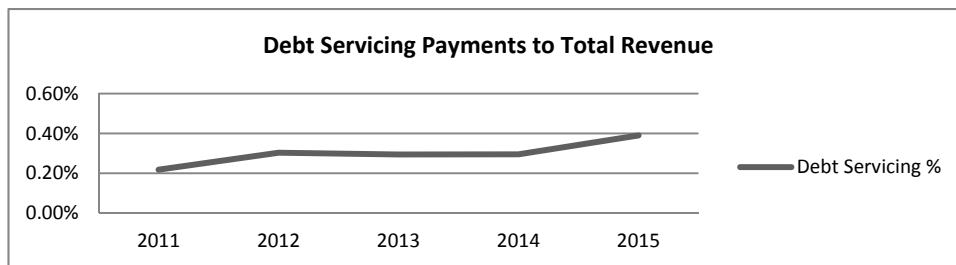
Prior to 2014-15, the GNWT was in the enviable position of having to expend less than 1% of its total revenues to service its debt load. In 2014-15, the Government consolidated the Northwest Territories Hydro Corporation and increased spending to approximately 1.13 cents of each dollar of revenue on debt charges, compared to 0.65 cents in 2013-14. This increase

shows that fewer resources are available to the Government to provide services without increasing its revenue.

The Government’s *Fiscal Responsibility Policy* requires the ratio cited above to be one of the parameters reported on to ensure that any new debt we assume does not affect our long-term sustainability. Under the *Fiscal Responsibility Policy*, payments on Government debt must not exceed 5% of revenues.

Debt Servicing Payments to Total Revenue

- vi) Debt payments, on a year by year basis, 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 payments ratio denotes that there is more money available to provide government services. Per the *Fiscal Responsibility Policy*, this ratio shall not exceed 5%.

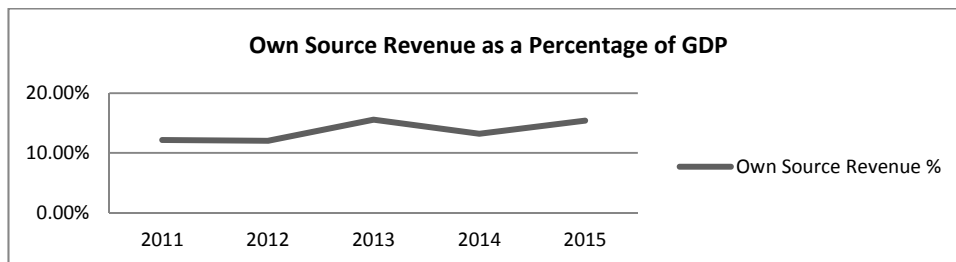


Short term debt servicing payments for the year are not included in the chart above as payments are made as funds are borrowed, and do not represent annual debt repayments. Total amount paid in 2015 was \$1,761 million (2014 - \$1,026 million) and total amount borrowed in 2015 was \$1,986 million (2014 - \$1,172 million). Amount paid in 2015 includes the change in the Northwest Territories Hydro Corporation line of credit.

Long term debt servicing payments as a percentage of total revenue has remained relatively stable.

Own Source Revenue to GDP

- vii) Own source revenue to GDP measures the extent to which the Government is taking income out of the economy, through own source revenue. 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.

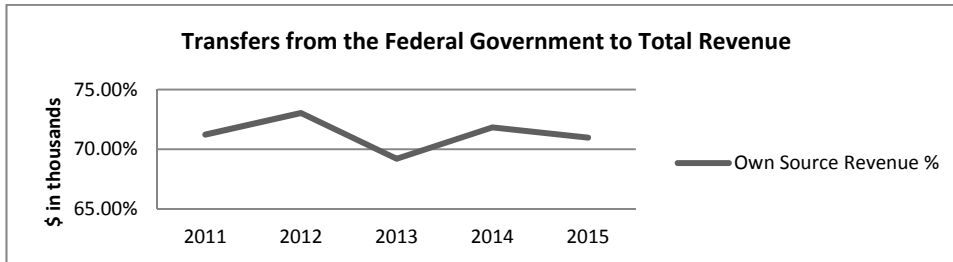


As indicated in the graph above, own source revenue as a percentage of GDP has remained relatively stable over the last five years indicating that the Government has not significantly changed its demands on the economy.

- **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.

Transfers from the Federal Government to Total Revenue

- viii) Transfers, including grants, 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 transfer to fund its programs, making it less vulnerable.



In 2014-15, 71% of total revenue came from federal government transfers. The Government's ability to fund essential programs and services from own source revenue has remained fairly stable over the past several years.

NORTHWEST TERRITORIES LANDS AND RESOURCES DEVOLUTION AGREEMENT

Effective April 1st, 2014 Canada has devolved the administration and control of public lands, resources, and rights in respect of waters in the Northwest Territories to the Commissioner of the Northwest Territories. The Northwest Territories Lands and Resources Devolution Agreement establishes a framework for a cooperative and coordinated management regime for lands, resources and rights in respect of waters in the Northwest Territories in which the Government of the Northwest Territories and Aboriginal peoples of the Northwest Territories will participate in providing access to resource revenues. This Agreement was signed on June 25th, 2013.

The major highlights to government operations as a result of its implementation are:

- The Department of Lands was formed on April 1st, 2014 to administer and manage public lands.
- There were no environmental liabilities or debt obligations transferred to the GNWT through the devolution process.
- 135 positions were transferred to the territorial government under devolution.
- The Grant from Canada increased to fund additional responsibilities.
- The Government now shares in the royalty revenues (net of land claim amounts to the Tlicho, Gwich'in, and Sahtu) generated from the resources located on territorial lands.

Resource Revenue Sharing and Land Claim Agreements royalty administration were transferred to the GNWT as a result of devolution. Resource revenue sharing is detailed below.

Resource revenue sharing is the distribution of royalties received for quarrying, mining, and oil and gas activities in the Northwest Territories. Payments are made to Aboriginal Groups on a quarterly basis, based on the calendar year.

Under the *Devolution Agreement*, Canada and the GNWT share in resource revenues. An internal decision was made regarding resource revenue sharing;

- 25% of GNWT entitlements will be shared with aboriginal groups who have finalized land claim agreements; and
- The remainder will be used for the Heritage Fund, paying down long term debt, and infrastructure.

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 of the financial statements; 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.

Risk management specific to public debt is discussed in the notes to the financial statements.

PUBLIC ACCOUNTS
OF THE
GOVERNMENT OF THE NORTHWEST TERRITORIES
FOR THE YEAR ENDED MARCH 31, 2015

SECTION II
NON-CONSOLIDATED FINANCIAL STATEMENTS

HONOURABLE J. MICHAEL MILTENBERGER

Minister of Finance

Table of Contents

Page

NON-CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Statement of Financial Position	5
Statement of Change in Net Debt	6
Statement of Operations and Accumulated Surplus	7
Statement of Cash Flow	8
Notes to Financial Statements	9
Schedule A - Schedule of Revenues by Source	34
Schedule B - Schedule of Expenses	35
Schedule C - Schedule of Tangible Capital Assets	36

Supplementary Schedules (unaudited)

Schedule 1 - Schedule of Revenues by Department	37
Schedule 2 - Schedule of Expenses by Department	41
Schedule 3 - Schedule of Recoveries of Prior Years Expenses	44
Schedule 4 - Schedule of Summary of Capital Acquisitions	44
Schedule 5 - Schedule of Grants	45
Schedule 6 - Schedule of Contributions	47
Schedule 7 - Schedule of Special Warrants	53
Schedule 8 - Schedule of Inter-activity Transfers exceeding \$250,000	54
Schedule 9 - Schedule of Bad Debt Write-offs, Forgiveness and Student Loan Remissions	56
Schedule 10 - Schedule of Recoveries of Debts and Student Loans Previously Written Off	62
Schedule 11 - Schedule of Projects for the Government of Canada, Nunavut and Others - Expenditures Recovered	63

Government of the Northwest Territories

Non-Consolidated Statement of Financial Position (unaudited)

as at March 31, 2015

(thousands of dollars)

	2015 Actual \$	2014 Actual \$
Financial assets		
Portfolio investments (note 4)	28,053	26,132
Accounts receivable (note 5)	201,509	108,662
Due from the Government of Canada (note 9)	40,092	28,154
Inventories (note 6)	28,949	32,039
Loans receivable (note 7)	49,994	50,546
Investment in Northwest Territories Hydro Corporation, at nominal value	-	-
	348,597	245,533
Liabilities		
Bank overdraft (note 4)	6,714	13,389
Short-term loans (note 8)	234,859	144,909
Due to the Government of Canada (note 9)	117,895	100,832
Deferred revenue (note 10)	20,630	27,031
Accounts payable and accrued liabilities (note 11)	284,967	231,229
Capital lease obligations (note 12)	1,628	1,965
Long-term debt (note 13)	178,911	180,066
Pensions (note 14)	29,943	26,654
Other employee future benefits and compensated absences (note 15)	45,873	31,444
	921,420	757,519
Net Debt	(572,823)	(511,986)
Non-financial assets		
Tangible capital assets (schedule C)	1,991,185	1,834,746
Inventory held for use (note 6)	150	143
Prepaid expenses	3,384	3,536
	1,994,719	1,838,425
Accumulated surplus	1,421,896	1,326,439

Contractual obligations and contingencies (notes 18 and 19)

Approved:



J. Michael Miltenberger
Minister of Finance



Bill Merklinger CPA, CMA
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, 2015(thousands of dollars)

	2015 Main Estimates (note 1b) \$	2015 Actual \$	2014 Actual \$
Net debt at beginning of year	(511,986)	(511,986)	(491,373)
Items affecting net financial resources:			
Annual surplus for the year	200,094	95,457	94,012
Increase in tangible capital assets, net book value (<i>schedule C</i>)	(99,607)	(156,439)	(115,345)
Increase in inventory held for use	-	(7)	(143)
Decrease in prepaid expenses	-	152	863
Net debt at end of year	(411,499)	(572,823)	(511,986)

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, 2015

(thousands of dollars)

	2015 Main Estimates (note 1b) \$	2015 Actual \$	2014 Actual \$
Revenues			
Revenues by source (schedule A)	1,842,501	1,818,888	1,624,624
Recoveries of prior years expenses (schedule 3)	3,000	8,028	7,155
	1,845,501	1,826,916	1,631,779
Expenses (schedule B)			
Environment and economic development	155,069	202,605	131,875
Infrastructure	391,359	386,149	353,437
Education	306,860	310,095	296,752
Health, social services and housing	478,320	510,243	469,944
Justice	124,955	124,168	118,928
General government	170,033	179,205	147,891
Legislative Assembly and statutory offices	18,989	19,887	18,656
	1,645,585	1,732,352	1,537,483
Annual operating surplus	199,916	94,564	94,296
Petroleum Products Stabilization Fund Net loss for the year (note 16)	178	893	(284)
Projects on behalf of the Government of Canada, Nunavut and Others (schedule 11)			
Expenses	(50,654)	(69,661)	(60,439)
Recoveries	50,654	69,661	60,439
Annual surplus	200,094	95,457	94,012
Accumulated surplus at beginning of year	1,326,439	1,326,439	1,232,427
Accumulated surplus at end of year	1,526,533	1,421,896	1,326,439

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)	2015 \$	2014 \$
Cash provided by (used in)		
Operating transactions		
Annual surplus for the year	95,457	94,012
Items not affecting cash:		
Provision for bad debts and forgivable loans	1,433	2,565
Amortization of tangible capital assets	79,050	77,021
	175,940	173,598
Changes in non-cash assets and liabilities:		
Due to (from) Canada	5,125	(22,243)
Increase in other financial assets	(96,266)	(17,229)
Increase in other financial liabilities	65,055	22,011
Decrease in prepaid expenses	152	863
Decrease (increase) in inventories held for use	(7)	11
Decrease (increase) in inventories for resale	3,090	(581)
Cash provided by operating transactions	153,089	156,430
Investing transactions		
Designated cash and investments purchased	(7,107)	(1,426)
Designated cash and investments sold	5,186	-
Loans receivable receipts	8,575	6,120
Loans receivable advanced	(6,036)	(6,408)
Cash provided by (used for) investing transactions	618	(1,714)
Capital transactions		
Acquisition of tangible capital assets	(236,108)	(192,629)
Disposal of tangible capital assets (net)	618	263
Cash used for capital transactions	(235,490)	(192,366)
Financing transactions		
Short-term financing proceeds	89,950	39,947
Repayment of capital lease obligations	(337)	(303)
Receipt (repayment) of long-term financing	(1,155)	1,272
Cash provided by financing activities	88,458	40,916
Increase in cash and cash equivalents	242,165	195,632
Cash and cash equivalents at beginning of year	(13,389)	(16,655)
Cash and cash equivalents at end of year*	(6,714)	(13,389)

* Cash and cash equivalents are represented by cash and short-term investments.

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, 2015

(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
- 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, 2015

(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 employee future benefits, 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 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 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 method. Such investments are normally in shares and bonds of the invested. 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 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.

(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, 2015

(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 was not available, estimated current replacement cost discounted back to the acquisition date. 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
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

Estimates of the useful life of tangible capital assets are 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 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/Territorial lands are not recorded.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2015

(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 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 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, 2015

(All figures in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Grant from the Government of 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.

Effective April 1, 2014 Canada devolved the administration and control of public lands, resources, and rights in respect of waters in the Northwest Territories to the Commissioner of the Northwest Territories. The Northwest Territories Lands and Resources Devolution Agreement establishes a framework for a cooperative and coordinated management regime for lands, resources and rights in respect of waters in the Northwest Territories in which the Government of the Northwest Territories and Aboriginal peoples of the Northwest Territories participate. Effective April 1, 2014, Canada made an adjustment to the Gross Expenditure Base of the Grant to fund the ongoing delivery of the transferred programs and responsibilities in the amount of \$67,300 as specified under the *Federal-Provincial Fiscal Arrangements Act* (Canada). Thereafter the \$67,300 transfer is part of the Gross Expenditure Base and grows at the same rate. The Department of Lands was created April 1, 2014 to administer and control public lands in the Northwest Territories.

(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 recorded when the tangible capital asset is put into service.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2015

(All figures in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 allowed 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. The Government of Canada will deduct its share of the resource revenues collected by the Government (the remaining amount) from the Grant (note 2(l)) payable to the Government two years hence. The Government has also committed to sharing 25 percent of the net fiscal benefit with Aboriginal governments that have signed the Devolution Agreement.

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.

(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. Under the authority of the *Northwest Territories Intergovernmental Resource Revenue Sharing Agreement 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.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2015

(All figures in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 obligation 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.

(r) Future accounting changes

Financial instruments

The Public Sector Accounting Board 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. Government organizations that apply PSAS were required to adopt these standards effective April 1, 2012, however there was no significant impact on their financial statements as a result of its application.

PSAB issued a new standard in March 2015 on Related Party Transactions (PS 2200) 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.

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

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2015

(All figures in thousands of dollars)

3. ACCOUNTING CHANGES

Effective April 1, 2014, the Government adopted the PSA Handbook Section PS 3260 - Liability for Contaminated Sites. This new section establishes recognition, measurement, presentation and disclosure standards related to environmental liabilities. This Standard requires the Government to change its policy for recording the liability associated with environmental liabilities. Previously, the Government recognized estimates for further evaluation or remediation depending on the stage of the investigation. As a result of this policy change, the Government is required to recognize a liability related to the remediation of contaminated sites subject to certain recognition criteria. The total financial impact of this change is an increase in environmental liabilities of \$6.9 million and the change in accounting policy is being applied prospectively.

4. CASH AND CASH EQUIVALENTS

(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, 2015 the investment pool had no net overdraft balance (2014 - 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, 2015, on a cash basis, the Government's share in the investment pool was a deficit of \$5,669 (2014 - \$8,777). When taking into account \$997 classified as in-trust and \$48 of outstanding items, the bank overdraft, on an accounting basis, becomes \$6,714 (2014 - \$13,389).

The Government's cash deficit related to the investment pool carried interest at a rate of 1.16% and \$179 was paid to it.

The average portfolio yield range for the year was 1.16% - 1.28% (2014 - 1.20%). In 2015, the Government earned interest on short-term investments of \$42 (2014 - \$114).

(b) Designated Assets

Designated assets are included in cash and cash equivalents 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, 2015

(All figures in thousands of dollars)

4. CASH AND CASH EQUIVALENTS (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:

	2015	2014
	%	%
Canadian stocks	18.42	18.62
Cash and other assets	5.59	3.46
Fixed income mutual funds	26.31	28.13
Federal bonds	17.08	15.90
Foreign stocks	<u>32.60</u>	<u>33.89</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:

	2015	2014
	\$	\$
Student Loan Fund:		
Authorized limit for loans receivable*	45,000	40,000
Less: Loans receivable balance	(40,632)	(39,502)
	<u>4,368</u>	<u>498</u>

Environment Fund:

Beverage Container Program net assets	<u>2,526</u>	<u>1,971</u>
---------------------------------------	--------------	--------------

Portfolio Investments for the Legislative Assembly Supplementary Retiring Allowance Pension Plan:

Marketable securities (market value \$31,842; 2014 - \$26,088)	26,484	25,227
Money Market (market value approximates cost)	1,267	604
Cash and other assets (market value approximates cost)	302	301
	<u>28,053</u>	<u>26,132</u>
	<u>34,947</u>	<u>28,601</u>

* The Legislative Assembly approved an increase of \$5,000 to the Student Loan Fund's authorized limit bringing the authorized limit to \$45,000 for the March 31, 2015 fiscal year and beyond.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2015

(All figures in thousands of dollars)

5. ACCOUNTS RECEIVABLE

	Accounts Receivable	Allowance for Doubtful Accounts	Net 2015	Net 2014
General	124,334	(11,788)	112,546	31,986
Government of Nunavut	5,842	-	5,842	7,736
Revolving fund sales	12,668	(214)	12,454	8,594
Accrued interest	-	-	-	25
	<hr/>	<hr/>	<hr/>	<hr/>
	142,844	(12,002)	130,842	48,341
	<hr/>	<hr/>	<hr/>	<hr/>
Receivables from related parties:				
Divisional Education Councils and District Education Authorities	7,213	-	7,213	5,322
Health and Social Services Authorities	56,882	-	56,882	50,117
Northwest Territories Business Development and Investment Corporation	153	-	153	255
Northwest Territories Housing Corporation	3,087	-	3,087	2,170
Tlicho Community Services Agency	829	-	829	1,237
Workers' Safety Compensation Commission (Northwest Territories and Nunavut)	75	-	75	26
Northwest Territories Hydro Corporation	59	-	59	135
Aurora College	2,328	-	2,328	1,059
Inuvialuit Water Board	41	-	41	-
	<hr/>	<hr/>	<hr/>	<hr/>
	70,667	-	70,667	60,321
	<hr/>	<hr/>	<hr/>	<hr/>
	213,511	(12,002)	201,509	108,662
	<hr/>	<hr/>	<hr/>	<hr/>

During the year, no accounts receivable (2014 - \$ nil) were written off and \$115 (2014 - \$55) was forgiven.

6. INVENTORIES

		2015 \$	2014 \$
Inventories for resale:	Bulk fuels	26,454	29,319
	Liquor products	2,495	2,720
		<hr/>	<hr/>
		28,949	32,039
		<hr/>	<hr/>
Inventories held for use:	Public stores	150	143
		<hr/>	<hr/>
		29,099	32,182
		<hr/>	<hr/>

Bulk fuel inventory write-down for 2015 was \$90 (2014 - nil).

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2015

(All figures in thousands of dollars)

7. LOANS RECEIVABLE

	2015 \$	2014 \$
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.	26,274	28,015
Arslanian Cutting Works Inc. promissory note receivable secured by equipment, building and personal guarantees. Due on demand, including accrued interest at a rate of 5.06% per annum. The promissory note was settled during the year for \$1,836.	-	5,060
Student Loan Fund loans due in installments to 2028, bearing fixed interest between 1.25% and 11.75%, unsecured.	40,632	39,502
Yellowknife Catholic School Board Advance, unsecured, repayable in monthly installments of \$10. Interest is calculated monthly based upon the Government's current borrowing rate.	1,086	1,193
Other	-	3
	67,992	73,772
Valuation allowance - Student Loan Fund	(17,998)	(19,091)
Valuation allowance - Arslanian Cutting Works	-	(4,135)
	49,994	50,546

During the year, \$1,437 in student loans (2014 - \$1,497) was remised with proper authority.

Interest earned on loans receivable during the year was \$679 (2014 - \$836).

8. SHORT-TERM LOANS

Based upon operational needs, the Government may enter into short term borrowing arrangements with its bank. Short term loans of \$234,859 (2014 - \$144,909) incurred interest at the year end rate of 0.78% (2014 - 0.92%). Interest paid in 2015 was \$1,348 (2014 - \$737).

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

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2015

(All figures in thousands of dollars)

9. DUE TO (FROM) THE GOVERNMENT OF CANADA

	2015	2014
	\$	\$
Other receivables:		
Projects on behalf of the Government of Canada	(11,190)	(9,311)
Miscellaneous receivables	(28,902)	(18,843)
	(40,092)	(28,154)
Other payables:		
Advances for projects on behalf of the Government of Canada	17,421	5,383
Excess income tax advanced	54,890	58,833
Miscellaneous payables	45,584	36,616
	117,895	100,832
	77,803	72,678

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

	\$
2016	12,290
2017	8,402
2018	33,940
2019	258
	54,890

10. DEFERRED REVENUE

	2015	2014
	\$	\$
Government of Canada		
Ministry of Finance	4,253	5,802
Building Canada Plan	9,461	18,870
Wood Buffalo National Park	15	-
Inuvialuit Implementation	-	100
NPR Limited Partnership	2,285	-
Canada Health Infoway	1,732	508
Mining Recorders	1,580	-
Other	1,304	1,751
	20,630	27,031

Deferred revenue mainly consists of funds received from the Government of Canada for the Government to establish new airports, construct bridges and reconstruct highways. The Government is expected to complete these projects by March 31, 2016.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2015

(All figures in thousands of dollars)

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2015	2014
	\$	\$
Trade	178,625	145,412
Employee and payroll-related liabilities	41,959	38,596
Environmental liabilities	50,041	27,327
Other liabilities	5,418	4,627
	276,043	215,962
Payables to related parties:		
Arctic Energy Alliance	107	100
Aurora College	104	576
Divisional Education Councils and District Education Authorities	409	1,673
Health and Social Services Authorities	7,111	10,674
Northwest Territories Business Development and Investment Corporation	24	8
Status of Women Council of the Northwest Territories	75	-
Northwest Territories Housing Corporation	158	20
Northwest Territories Hydro Corporation	805	1,831
Tlicho Community Services Agency	72	364
Northwest Territories Human Rights Commission	6	19
Workers' Safety and Compensation Commission (Northwest Territories and Nunavut)	53	2
	8,924	15,267
	284,967	231,229

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 186 (2014 - 126) sites as potentially requiring environmental remediation at March 31, 2015. 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.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2015

(All figures in thousands of dollars)

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES (continued)

Environmental liabilities (continued)

Type of Site	2014 Liability \$	Remediation Costs \$	New Sites in 2015 \$	Increase in estimate \$	2015 Liability \$	Number of Sites
Abandoned mines ⁽¹⁾	3,636	(72)	6,236	3,568	13,368	7
Landfills ⁽²⁾	1,374	(71)	1,875	10,099	13,277	41
Abandoned infrastructure and schools ⁽³⁾	8,400	(275)	1,960	2,187	12,272	63
Airports, airport strips or reserves ⁽⁴⁾	5,827	(1,808)	-	(1,829)	2,190	24
Sewage lagoons ⁽⁵⁾	355	-	896	1,590	2,841	28
Fuel tanks and resupply lines ⁽³⁾	5,492	(129)	-	(2,705)	2,658	15
Abandoned lots and maintenance facilities ⁽³⁾	2,243	(268)	-	1,460	3,435	8
Total environmental liabilities	27,327	(2,623)	10,967	14,370	50,041	186

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, 2015 is \$2,994 (2014 - \$3,052). 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 were no (2014 - 6) sites closed during the fiscal year.

Included in the 186 sites, the Government has identified 71 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, 2015

(All figures in thousands of dollars)

12. CAPITAL LEASE OBLIGATIONS

	2015	2014
	\$	\$
Buildings	1,563	1,815
Equipment	65	150
	1,628	1,965

Interest expense related to capital lease obligations for the year was \$142 (2014 - \$163), at an implicit average interest rate of 7.9% (2014 - 7.8%). Capital lease obligations (expiring between 2015 and 2023) are based upon contractual minimum lease obligations for the leases in effect as of March 31, 2015.

		\$
	2016	455
	2017	382
	2018	382
	2019	382
	2020	350
Total minimum lease payments		1,951
Less: imputed interest 7.9%		323
Present value of minimum lease payments		1,628

13. LONG-TERM DEBT

	2015	2014
	\$	\$
Mortgage payable to Canada Mortgage and Housing Corporation, repayable in monthly installments of \$7 (2014 - \$7), maturing June 2024, bearing interest at 3.30% (2014 - 3.30%), secured with real property.	735	802
Real return senior bonds with accrued inflation adjustment, maturing June 1, 2046, redeemable at the option of the issuer, bearing interest at 3.17%, payable semi-annually, unsecured.	178,176	179,264
	178,911	180,066

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

		\$
	2016	2,935
	2017	3,127
	2018	3,331
	2019	3,548
	2020	3,775
	Beyond 2020	162,195
		178,911

Interest expense on long-term debt, included in operations and maintenance expenses, was \$7,270 (2014 - \$7,504).

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2015

(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 52. 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 57. 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.

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, 2015

(All figures in thousands of dollars)

14. PENSIONS (continued)

(b) Pension liability

	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 gains (losses)	543	(1,938)	(1,395)
Pension liability (asset)	(979)	30,922	29,943

	Regular Funded \$	2014 Supplemental Unfunded \$	Total \$
Accrued benefit obligation	25,405	31,379	56,784
Pension fund assets - market related value	(26,126)	-	(26,126)
Unamortized actuarial losses	(1,679)	(2,325)	(4,004)
Pension liability (asset)	(2,400)	29,054	26,654

Included in the pension asset of \$979 (2014 - \$2,400) is a deficit for accounting purposes of the Judge's plan in the amount of \$806 (2014 - nil).

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2015

(All figures in thousands of dollars)

14. PENSIONS (continued)

(c) Change in pension liability (asset)

	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	(271)	-	(271)
Contributions from Government	(77)	-	(77)
Benefit payment to plan members	(1,055)	(1,247)	(2,302)
Drawdown from plan assets	1,055	-	1,055
Net change to pension liability (asset) from cash items	(348)	(1,247)	(1,595)
Change to pension liability (asset) from accrual items:			
Current period benefit cost	995	1,203	2,198
Amortization of actuarial losses	773	388	1,161
Interest on average accrued benefit obligation	1,237	1,525	2,762
Expected return on average plan assets	(1,237)	-	(1,237)
Net change to pension liability (asset) from accrual items	1,768	3,116	4,884
Ending balance	(980)	30,923	29,943

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2015

(All figures in thousands of dollars)

14. PENSIONS (continued)

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

	Regular Funded \$	2014 Supplemental Unfunded \$	Total \$
Opening balance	(3,215)	27,847	24,632
Change to pension liability (asset) from cash items:			
Contributions from plan members	(271)	-	(271)
Contributions from Government	(144)	-	(144)
Benefit payment to plan members	(1,023)	(1,229)	(2,252)
Drawdown from plan assets	1,023	-	1,023
Net change to pension liability (asset) from cash items	(415)	(1,229)	(1,644)
Change to pension liability(asset) from accrual items:			
Current period benefit cost	909	1,098	2,007
Amortization of actuarial (gains) losses	397	(29)	368
Interest on average accrued benefit obligation	1,108	1,367	2,475
Expected return on plan assets	(1,184)	-	(1,184)
Net change to pension liability (assets) from accrual items	1,230	2,436	3,666
Ending balance	(2,400)	29,054	26,654

(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 \$4,613 (2014 - \$3,395). The interest cost on the accrued benefit obligation was 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 was 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 was a gain of \$4,649 (2014 - \$2,030).

In addition to the above, the Government contributed \$32,792 (2014 - \$31,136) to the Public Service Superannuation Plan. The employees' contributions to this plan were \$21,434 (2014 - \$17,176).

(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 2015 (no changes in 2014).

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2015

(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, 2015. 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, 2015. 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 \$25,775 (2014 - \$22,490). The asset valuation method for the Judges' plans is market value. The market value of the Judges' regular plan is \$5,530 (2014 - \$5,082).

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 4 years (2014 - 5 years) for the MLA's plans and 3 years (2014 - 4 years) for the Judges' plans.

Actuarial assumptions

	Legislative Assembly plans	Judges' 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, 2015

(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 was 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 includes the liabilities as at March 31, 2015. The liabilities are actuarially determined as the present value of the accrued benefits at March 31, 2015. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the consolidated Government.

	2015
	\$
Obligation, beginning of period	36,233
Service costs	5,827
Interest	893
Benefit payments	(6,866)
	<hr/>
Obligation, ending of period	36,087
	<hr/>
Other employee future benefits	9,204
Other compensated absences	582
	<hr/>
Total employee future benefits and other compensated absences	45,873

The discount rate used to determine the accrued benefit obligation was an average of 2.5%.
The expected payments during the next fiscal year are \$6,582.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2015

(All figures in thousands of dollars)

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.

	2015	2014
	\$	\$
Surplus (deficit) at beginning of the year	(102)	182
Add: Petroleum Products Stabilization Fund		
Net income (loss) for the year	893	(284)
Surplus (deficit) at end of the year	791	(102)

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.

	2015	2014
	\$	\$
Correctional Institutions	429	340
Government of New Brunswick - Deh Cho Bridge	760	5,132
Natural Resources	238	235
Others	6	72
Public Trustee	6,134	6,280
Securities - land use permits, water licences and oil and gas deposits	3,730	-
Supreme and Territorial Courts	1,019	795
	12,316	12,854

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2015

(All figures in thousands of dollars)

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, 2015:

	Expiry Date	2016 \$	2017- 2048 \$	Total \$
Operational commitments	2048	60,885	51,523	112,408
RCMP policing agreement	2032	44,573	713,168	757,741
Commercial leases	2028	17,269	69,797	87,066
Equipment leases	2020	580	494	1,074
Tangible capital asset projects in progress at year end	2019	141,778	50,053	191,831
Block Funding Agreements with Municipalities	2016	5,194	-	5,194
		270,279	885,035	1,155,314

19. CONTINGENCIES

(a) Contractual obligations

The Government is contingently liable for the following guarantees:

	2015 \$
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	12,000
maturing September 13, 2040	47,476
maturing May 1, 2025	5,323
maturing July 11, 2025	15,000
maturing October 1, 2025	5,394
maturing September 1, 2026	6,206
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 *	7,576
Guaranteed residential housing loans	3,592
Total Guarantees	196,267

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2015

(All figures in thousands of dollars)

19. CONTINGENCIES (continued)

(a) Contractual obligations (continued)

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.

(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 \$8,185. 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.

	2015	2014
	\$	\$
Arctic Energy Alliance	2,484	-
Aurora College	35,513	34,823
Inuvialuit Water Board	900	-
Divisional Education Councils and District Education Authorities	138,297	162,746
Health and Social Services Authorities	291,072	252,170
Northwest Territories Power Corporation	28,492	14,303
Northwest Territories Energy Corporation	1,260	1,550
Northwest Territories Business Development and Investment Corporation	3,707	3,754
Northwest Territories Heritage Fund	250	-
Northwest Territories Housing Corporation	89,153	69,332
Northwest Territories Human Rights Commission	306	229
Northwest Territories Sport and Recreation Council	650	650
Status of Women Council of the Northwest Territories	553	424
	592,387	539,981

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 included 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, 2015

(All figures in thousands of dollars)

21. OVEREXPENDITURE

During the year 2 departments (2014 - 0) exceeded their vote by \$3,505 (2014 - \$ nil).

Overexpenditure of a vote contravenes subsection 32 of the *Financial Administration Act* which states that "No person shall incur an expenditure that causes the amount of the item set out in the Estimates on which the appropriation is based to be exceeded".

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

Department of Education, Culture & Employment \$3,208

Legislative Assembly \$297

22. SUBSEQUENT EVENTS

Increase to borrowing limit

The Government of Canada approves the Government's borrowing limit pursuant to subsection 20(2) of the *Northwest Territories Act*. Effective May 28, 2015 the Government's borrowing limit was increased to \$1,300,000 by Order in Council P.C. 2015-644, dated May 28, 2015.

New hospital construction

The Government has entered into a partnership agreement, valued at \$350 million, to design, build and maintain a new hospital. The hospital is expected to go into service in 2018, after which time the GNWT has committed to pay \$18 million per year for 30 years to maintain the building.

Creditor protection

On June 9, 2015, North American Tungsten Corporation Ltd, a firm which holds land permits and a water use license in the NWT and wholly owns Cantung Mine, filed for creditor protection in the Supreme Court of British Columbia. As a result the company's continued ability to meet its environmental/site restoration obligations under the associated land and water permits is uncertain. If the Corporation is unable to meet its obligations the Government will negotiate subsequent responsibility with Canada under the terms of the Northwest Territories Lands and Resources Devolution Agreement, including access to \$11,720 security posted in relation to the water permit license.

23. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year, including reallocation between departments to provide more meaningful comparisons.

Government of the Northwest Territories**Non-Consolidated Schedule of Revenues by Source (unaudited)****Schedule A****for the year ended March 31, 2015**

(thousands of dollars)

	2015 Main Estimates (note 1b) \$	2015 Actual \$	2014 Actual \$
Revenue from the Government of Canada			
Grant	1,208,840	1,208,840	1,121,244
Transfer payments	164,902	210,835	131,729
	1,373,742	1,419,675	1,252,973

Taxation

Corporate Income Tax	53,119	31,815	81,256
Personal Income Tax	104,862	110,810	89,451
Fuel	18,890	19,260	18,514
Tobacco	15,826	16,053	15,683
Payroll	45,206	40,250	41,245
Property and school levies	27,885	28,261	27,866
Insurance	4,960	4,676	4,645
	270,748	251,125	278,660

General

Program	21,790	19,762	28,112
Service and miscellaneous	712	2,710	10,676
Lease	5,368	9,230	4,766
Revolving Funds net revenue	25,372	25,303	24,383
Regulatory revenues	143,046	86,791	21,812
Investment income	1,130	3,156	2,649
Grants in Kind	593	1,136	593
	198,011	148,088	92,991

Total Revenues	1,842,501	1,818,888	1,624,624
-----------------------	------------------	------------------	------------------

Government of the Northwest Territories

Non-Consolidated Schedule of Expenses (unaudited)

Schedule B

for the year ended March 31, 2015

(thousands of dollars)

	Main Estimates (note 1b) \$	Compensation and Benefits \$	Grants and Contributions \$	Valuation Allowances \$	Other \$	Amortization \$	2015 Total Expenses \$	2014 Total Expenses \$
Legislative Assembly	18,989	12,687	350	-	5,986	864	19,887	18,656
Executive	11,563	9,158	549	-	3,845	7	13,559	27,434
Aboriginal Affairs and Intergovernmental Relations	9,195	5,892	1,559	-	1,483	-	8,934	6,898
Human Resources	23,636	17,265	-	-	4,223	129	21,617	42,713
Finance	210,630	44,298	145,526	2,814	48,322	2,177	243,137	149,812
Municipal and Community Affairs	127,453	14,283	110,812	1	4,839	10	129,945	127,456
Public Works and Services	110,915	28,887	-	2	76,782	5,275	110,946	105,861
Health and Social Services	393,329	23,215	272,684	-	96,732	9,571	402,202	390,978
Justice	124,955	59,269	2,504	40	60,197	2,158	124,168	118,928
Education, Culture and Employment	306,860	33,229	212,972	423	47,912	15,559	310,095	296,752
Transportation	126,161	38,603	1,090	30	41,468	39,537	120,728	120,121
Environment and Natural Resources	87,528	43,416	11,730	-	78,709	2,240	136,095	83,140
Industry Tourism and Investment	67,541	27,625	21,530	108	15,904	1,343	66,510	48,734
Lands	26,830	17,100	1,013	167	6,069	180	24,529	-
	1,645,585	374,927	782,319	3,585	492,471	79,050	1,732,352	
Prior Year Totals	1,496,755	321,002	722,301	2,815	414,344	77,021		1,537,483

Government of the Northwest Territories

Non-Consolidated Schedule of Tangible Capital Assets (unaudited)

Schedule C

As at March 31, 2015

(thousands of dollars)

	Land	Buildings*	Other**	Leasehold	Equipment*	Computers	2015	2014
	\$	\$	\$	Improvements	\$	\$	\$	\$
				\$				
Cost, beginning of year	2,046	953,705	1,445,868	37,127	174,891	107,552	2,721,189	2,579,905
Acquisitions	1,600	51,727	139,972	1,751	15,886	5,028	215,964	147,158
Disposals	-	(1,639)	-	(460)	(198)	(6,544)	(8,841)	(5,874)
Cost, end of year	3,646	1,003,793	1,585,840	38,418	190,579	106,036	2,928,312	2,721,189
Accumulated amortization, beginning of year	-	(357,119)	(476,780)	(28,416)	(92,689)	(63,088)	(1,018,092)	(946,682)
Amortization expense	-	(28,800)	(34,443)	(1,332)	(7,826)	(6,651)	(79,052)	(77,021)
Disposals	-	1,021	-	460	198	6,544	8,223	5,611
Accumulated amortization, end of year	-	(384,898)	(511,223)	(29,288)	(100,317)	(63,195)	(1,088,921)	(1,018,092)
Net book value	3,646	618,895	1,074,617	9,130	90,262	42,841	1,839,391	1,703,097
Work in progress							151,794	131,649
							1,991,185	1,834,746

* Included in buildings and equipment are assets under capital leases: cost, \$4,284 (2014 - \$4,284); accumulated amortization, \$1,607 (2014 - \$1,483); carrying value, \$2,677 (2014 - \$2,801).

** includes roads, bridges, airstrips, aprons and water/sewer works

Change in net book value of tangible capital assets	2015	2014
	\$	\$
Acquisitions	215,963	147,158
Disposals/write-downs/adjustments	(618)	(263)
Amortization	(79,051)	(77,021)
Increase in work in progress	20,145	45,471
Increase	156,439	115,345

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1

March 31, 2015

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
Legislative Assembly					
General Revenues					
Service and miscellaneous	10	-	10	6	(4)
Regulatory revenue	3	-	3	-	(3)
Investment income	-	-	-	3,156	3,156
	13	-	13	3,162	3,149
Executive					
Grants in kind	150	-	150	150	-
Industry, Tourism and Investment					
Transfer Payments					
Capital transfers	2,673	(34)	2,639	2,639	-
Federal cost shared	-	-	-	(214)	(214)
	2,673	(34)	2,639	2,425	(214)
General Revenues					
Lease	-	-	-	3,011	3,011
Regulatory revenues	121,711	(41,394)	80,317	63,007	(17,310)
Service and miscellaneous	10	(5)	5	2	(3)
	121,721	(41,399)	80,322	66,020	(14,302)
	124,394	(41,433)	82,961	68,445	(14,516)
Environment and Natural Resources					
Transfer Payments					
Federal cost shared	-	-	-	4,150	4,150
Capital transfers	2,856	-	2,856	2,856	-
	2,856	-	2,856	7,006	4,150
General Revenues					
Program	32	-	32	210	178
Regulatory revenues	1,309	171	1,480	1,399	(81)
Service and Miscellaneous	-	-	-	46	46
Revolving funds net revenue	-	-	-	555	555
	1,341	171	1,512	2,210	698
	4,197	171	4,368	9,216	4,848

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1 (continued)

March 31, 2015

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
Finance					
Grant from Government of Canada	1,208,840	-	1,208,840	1,208,840	-
Transfer Payments					
Federal cost shared	-	-	-	45	45
Canada Health Transfer and Reform Fund	39,180	7,905	47,085	47,085	-
Canada Social Transfer	15,357	176	15,533	15,533	-
	1,263,377	8,081	1,271,458	1,271,503	45
Taxation					
Corporate	53,119	(24,099)	29,020	31,815	2,795
Personal	104,862	3,011	107,873	110,810	2,937
Fuel	18,890	(232)	18,658	19,260	602
Tobacco	15,826	126	15,952	16,053	101
Payroll	45,206	(3,219)	41,987	40,250	(1,737)
Property and school levies	27,885	895	28,780	28,261	(519)
Insurance	4,960	-	4,960	4,676	(284)
	270,748	(23,518)	247,230	251,125	3,895
General Revenues					
Service and miscellaneous	750	-	750	350	(400)
Program	60	-	60	-	(60)
Revolving funds net revenue	25,372	(652)	24,720	24,748	28
Investment income	680	-	680	781	101
Regulatory revenue	463	-	463	549	86
	27,325	(652)	26,673	26,428	(245)
	1,561,450	(16,089)	1,545,361	1,549,056	3,695
Municipal and Community Affairs					
Transfer Payments					
Federal cost shared	2,374	-	2,374	1,764	(610)
General Revenues					
Regulatory revenue	187	-	187	194	7
	2,561	-	2,561	1,958	(603)
Justice					
Transfer payments					
Federal cost shared	4,719	316	5,035	4,266	(769)
General Revenues					
Lease	7	-	7	10	3
Service and miscellaneous	180	-	180	4	(176)
Program	4,375	80	4,455	4,048	(407)
Regulatory revenue	5,013	-	5,013	5,321	308
	9,575	80	9,655	9,383	308
	14,294	396	14,690	13,649	(1,041)

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1 (continued)

March 31, 2015

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
Public Works and Services					
Transfer Payments					
Federal Cost Shared	42	-	42	-	(42)
Capital Transfer	1,395	-	1,395	1,395	-
	1,437	-	1,437	1,395	(42)
General Revenues					
Service and miscellaneous	343	-	343	506	163
Lease	248	-	248	229	(19)
Program	-	-	-	55	55
Regulatory revenue	985	-	985	1,223	238
	1,576	-	1,576	2,013	437
	3,013	-	3,013	3,408	395
Health and Social Services					
Transfer Payments					
Federal cost shared	29,416	-	29,416	29,420	4
Capital transfers	381	-	381	2,728	2,347
	29,797	-	29,797	32,148	2,351
General Revenues					
Program	14,500	-	14,500	13,332	(1,168)
Regulatory revenue	315	-	315	360	45
Grants in Kind	443	-	443	443	-
	15,258	-	15,258	14,135	(1,123)
	45,055	-	45,055	46,283	1,228
Education, Culture and Employment					
Transfer Payments					
Federal cost shared	8,348	600	8,948	10,358	1,410
Capital transfers	-	-	-	600	600
	8,348	600	8,948	10,958	2,010
General Revenues					
Service and miscellaneous	50	-	50	19	(31)
Lease	10	-	10	40	30
Program	1,040	-	1,040	1,043	3
Investment income	450	-	450	407	(43)
Regulatory revenue	15	-	15	32	17
	1,565	-	1,565	1,541	(24)
	9,913	600	10,513	12,499	1,986

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1 (continued)

March 31, 2015

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
Transportation					
Transfer Payments					
Federal cost shared	-	-	-	144	144
Capital transfers	57,700	47,000	104,700	88,066	(16,634)
	57,700	47,000	104,700	88,210	(16,490)
General Revenues					
Lease	2,680	-	2,680	3,280	600
Program	864	35	899	1,074	175
Service and miscellaneous	288	-	288	586	298
Regulatory revenue	12,978	-	12,978	13,765	787
Investment income	-	-	-	3	3
	16,810	-	16,845	18,708	1,863
	74,510	47,035	121,545	106,918	(14,627)
Lands					
Transfer Payments					
Capital transfers	461	(461)	-	-	-
General Revenues					
Regulatory revenue	67	-	67	941	(874)
Grants in kind	-	-	-	543	(543)
Lease	2,423	-	2,423	2,660	(237)
	2,951	(461)	2,490	4,144	(1,654)
	1,842,501	(9,781)	1,832,720	1,818,888	(17,140)

Government of the Northwest Territories

Non-Consolidated Schedule of Expenses by Department (unaudited)

Schedule 2

March 31, 2015

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Legislative Assembly						
Office of the Clerk	7,929	24	-	7,953	8,538	(585)
Expenditures on Behalf of Members	8,031	577	-	8,608	8,414	194
Office, Chief Electoral Officer	768	-	-	768	777	(9)
Statutory Offices	1,909	-	-	1,909	1,839	70
Office of the Speaker	352	-	-	352	319	33
	18,989	601	-	19,590	19,887	(297)
Executive						
Directorate	5,396	6,751	-	12,147	7,721	4,426
Ministers' Offices	3,896	-	-	3,896	3,867	29
Cabinet Support	2,271	-	-	2,271	1,971	300
	11,563	6,751	-	18,314	13,559	4,755
Human Resources						
Directorate	3,817	23	8	3,848	5,307	(1,459)
Management and Recruitment	4,337	130	303	4,770	4,499	271
Strategic Human Resources	9,943	-	(776)	9,167	6,136	3,031
Region Operations	2,721	-	465	3,186	3,067	119
Labour Relations	2,818	-	-	2,818	2,608	210
	23,636	153	-	23,789	21,617	2,172
Aboriginal Affairs and Intergovernmental Relations						
Corporate Management	4,142	6	-	4,148	4,763	(615)
Implementation Division	706	-	-	706	540	166
Negotiations Division	2,640	-	-	2,640	1,998	642
Intergovernmental Relations	1,707	-	-	1,707	1,633	74
	9,195	6	-	9,201	8,934	267
Industry, Tourism and Investment						
Economic Diversification & Business Support	22,970	-	-	22,970	22,518	452
Corporate Management	8,451	120	34	8,605	10,969	(2,364)
Tourism and Parks	13,783	-	21	13,804	13,466	338
Energy	2,988	(800)	-	2,188	2,162	26
Minerals and Petroleum Resources	19,349	430	(2,000)	17,779	16,206	1,573
Office of Regulator Oil & Gas	-	220	1,966	2,186	1,189	997
	67,541	(30)	21 *	67,532	66,510	1,022

* 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, 2015

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Environment and Natural Resources						
Wildlife	16,118	(43)	92	16,167	15,913	254
Forest Management	32,684	49,354	60	82,098	80,424	1,674
Corporate Management	11,369	91	4	11,464	12,622	(1,158)
Water Resources	10,737	346	56	11,139	10,649	490
Conservation, Assessment & Monitoring	8,423	7	(212)	8,218	7,540	678
Environment	8,197	500	-	8,697	8,947	(250)
	87,528	50,255	-	137,783	136,095	1,688
Finance						
Deputy Minister's Office	89,632	21,516	-	111,148	112,848	(1,700)
Budget, Treasury and Debt Management	27,800	-	-	27,800	24,706	3,094
Comptroller General	49,567	25,162	-	74,729	69,542	5,187
Chief Information Officer	2,460	-	-	2,460	2,364	96
Fiscal Policy	40,129	-	-	40,129	32,610	7,519
Bureau of Statistics	1,042	-	-	1,042	1,005	37
	210,630	46,678	-	257,308	243,075	14,233
Amortization of tangible capital assets of the NWT Liquor Commission	-	-	-	-	62	(62)
	210,630	46,678	-	257,308	243,137	14,171
Municipal and Community Affairs						
Regional Operations	108,982	-	-	108,982	108,616	366
Community Operations	2,627	4,374	-	7,001	5,224	1,777
Directorate	5,455	28	-	5,483	5,967	(484)
School of Community Government	3,252	-	-	3,252	3,029	223
Sport, Recreation and Youth	5,420	-	-	5,420	5,401	19
Public Safety	1,717	-	-	1,717	1,708	9
	127,453	4,402	-	131,855	129,945	1,910
Justice						
Corrections	38,928	-	-	38,928	36,686	2,242
Policing Services	44,906	-	-	44,906	44,877	29
Court Services	12,415	-	-	12,415	13,284	(869)
Services to Government	12,471	731	-	13,202	14,819	(1,617)
Legal Aid Services	6,224	-	-	6,224	5,413	811
Services to Public	5,111	-	-	5,111	5,139	(28)
Community Justice and Policing	4,900	316	-	5,216	3,950	1,266
	124,955	1,047	-	126,002	124,168	1,834

Government of the Northwest Territories

Non-Consolidated Schedule of Expenses by Department (unaudited)

Schedule 2 (continued)

March 31, 2015

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Health and Social Services						
Directorate	10,016	906	-	10,922	10,332	590
Health Services Programs	210,407	1,545	1,061	213,013	213,888	(875)
Community Programs	99,116	7,716	(1,890)	104,942	100,531	4,411
Program Delivery Support	46,490	1,473	2,787	50,750	47,530	3,220
Supplementary Health Programs	27,300	-	(863)	26,437	29,921	(3,484)
	393,329	11,640	1,095 *	406,064	402,202	3,862
Education, Culture and Employment						
Corporate Management	11,544	1,378	(1,383)	11,539	15,303	(3,764)
Education and Culture	242,474	(1,416)	1,443	242,501	243,819	(1,318)
Labour Development and Standards	10,727	-	5	10,732	10,029	703
Income Security	42,115	-	-	42,115	40,944	1,171
	306,860	(38)	65 *	306,887	310,095	(3,208)
Transportation						
Corporate Services	11,017	349	75	11,441	12,295	(854)
Airports	32,190	(624)	(11)	31,555	26,240	5,315
Highways	68,961	140	(61)	69,040	67,725	1,315
Marine	7,233	-	-	7,233	7,810	(577)
Road Licensing and Safety	5,752	-	(3)	5,749	5,812	(63)
Community Access Program	1,008	-	-	1,008	846	162
	126,161	(135)	-	126,026	120,728	5,298
Public Works and Services						
Asset Management	95,903	2,128	2,592	100,623	94,944	5,679
Directorate	11,836	177	(535)	11,478	12,624	(1,146)
Technology Services Centre	1,282	-	-	1,282	1,216	66
Petroleum Products	1,894	-	-	1,894	2,162	(268)
	110,915	2,305	2,057 *	115,277	110,946	4,331
Lands						
Directorate	4,160	38	1,016	5,214	5,618	(404)
Planning and Coordination	5,850	1,059	(1,009)	5,900	4,653	1,247
Operations	10,486	(8)	(7)	10,471	8,749	1,722
Informatics	6,334	-	-	6,334	5,509	825
	26,830	1,089	-	27,919	24,529	3,390
	1,645,585	124,724	3,238 *	1,773,547	1,732,352	41,195

* 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 Recoveries of Prior Years Expenses (unaudited)

Schedule 3

March 31, 2015

(thousands of dollars)

DEPARTMENT	Over-Accruals \$	Other Recoveries \$	Total \$
Legislative Assembly	-	6	6
Executive	-	35	35
Aboriginal Affairs and Intergovernmental Relations	1	1	2
Human Resources	-	78	78
Finance	184	1,182	1,366
Municipal and Community Affairs	60	41	101
Public Works and Services	413	136	549
Health and Social Services	1,191	478	1,669
Justice	177	35	212
Education, Culture and Employment	468	1,830	2,298
Transportation	130	83	213
Environment and Natural Resources	27	210	237
Industry, Tourism and Investment	544	718	1,262
	3,195	4,833	8,028

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

Schedule 4

March 31, 2015

(thousands of dollars)

DEPARTMENT	Main Estimates \$	Supplementary Estimates \$	Total Appropriation \$	Actual Expenditure \$
Legislative Assembly	329	328	657	245
Lands	-	165	165	165
Human Resources	441	-	441	305
Finance	450	706	1,156	564
Public Works and Services	21,678	4,610	26,288	18,659
Health and Social Services	59,698	30,111	89,809	58,568
Justice	4,204	751	4,955	963
Education, Culture and Employment	4,360	4,333	8,693	6,257
Transportation	90,454	58,380	148,834	139,542
Environment and Natural Resources	2,235	4,043	6,278	2,376
Industry, Tourism and Investment	2,968	5,364	8,332	2,428
	186,817	108,791	295,608 *	230,072

\$3,238 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. 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.

Government of the Northwest Territories

Non-Consolidated Schedule of Grants (unaudited)

Schedule 5

for the year ended March 31, 2015

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Executive						
Band Council Leases (in kind)	150	-	-	150	150	-
Governor General's Canadian Leadership	-	-	-	-	5	(5)
Indspire Awards	35	-	-	35	35	-
Non - Government Organization Stabilization Fund	350	-	-	350	350	-
	535	-	-	535	540	(5)
Transportation						
Highways - Deh Cho Bridge	200	-	-	200	200	-
Aboriginal Affairs and Intergovernmental Relations						
Core Funding to Metis Locals	225	-	-	225	225	-
Special Events - Aboriginal Organizations	75	-	-	75	139	(64)
Aboriginal Intergovernmental Meetings Fund	350	-	-	350	350	-
Women's Initiatives Grants	50	-	-	50	50	-
	700	-	-	700	764	(64)
Finance						
Resouce Revenues Transfer	15,000	-	-	15,000	7,968	7,032
Cost of Living Tax Credit	22,400	-	-	22,400	22,313	87
NWT Child Benefit	1,200	-	-	1,200	1,051	149
	38,600	-	-	38,600	31,332	7,268
Municipal and Community Affairs						
Community Government Funding	168	-	-	168	-	168
New Deal Taxation Revenue Program	475	-	-	475	511	(36)
High Performance Athlete Grant Program	100	-	-	100	68	32
Community Government Funding	47,684	-	-	47,684	47,684	-
Grant in Lieu of Taxes	6,962	-	-	6,962	6,603	359
Senior and Disabled Persons Tax Relief	438	-	-	438	558	(120)
Funding for Regional Operations Mobile Equipment and Utilities	1,440	-	-	1,440	1,424	16
	57,267	-	-	57,267	56,848	419

Government of the Northwest Territories

Non-Consolidated Schedule of Grants (unaudited)

Schedule 5 (continued)

for the year ended March 31, 2015

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Environment and Natural Resources						
Disaster Compensation	100	400	-	500	227	273
Biomass Energy	-	-	-	-	25	(25)
	100	400	-	500	252	248
Health and Social Services						
Medical Professional Development	40	-	-	40	40	-
Lease Extension - YWCA	443	-	-	443	443	-
	483	-	-	483	483	-
Justice						
National Justice Issues	9	-	-	9	6	3
Education, Culture and Employment						
Student Grants	11,136	-	-	11,136	9,488	1,648
Community Broadcasting Grants	52	-	-	52	30	22
Early Childhood Worker Grants	-	-	511	511	584	(73)
	11,188	-	511	11,699	10,102	1,597
Industry, Tourism and Investment						
Fur Price Program	610	-	-	610	663	(53)
Disaster Compensation Program	15	-	-	15	28	(13)
	625	-	-	625	691	(66)
Lands						
Land Sales (in kind)	-	-	-	-	543	-
Total	109,707	400	511	110,618	101,761	8,857

Government of the Northwest Territories

Non-Consolidated Schedule of Contributions (unaudited)

Schedule 6

for the year ended March 31, 2015

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
Legislative Assembly						
Human Rights Commission	350	-	-	350	350	-
Executive						
NWT Literacy Council	-	-	-	-	9	(9)
Aboriginal Affairs and Intergovernmental Relations						
Native Women's Association	416	-	-	416	416	-
Status of Women Council	379	-	-	379	379	-
	795	-	-	795	795	-
Finance						
Northwest Territories Power Corporation						
Snare Hydro System	-	20,000	-	20,000	20,000	-
General Rate Application Support	2,800	-	-	2,800	2,800	-
Territorial Power Subsidy Program	11,085	-	-	11,085	6,078	5,007
Northwest Territories Heritage Fund	250	-	-	250	250	-
Northwest Territories Housing Corporation - Operations	83,482	1,509	-	84,991	84,991	-
Falcon Communications	50	-	-	50	75	(25)
	97,667	21,509	-	119,176	114,194	4,982

Government of the Northwest Territories

Non-Consolidated Schedule of Contributions (unaudited)

Schedule 6 (continued)

for the year ended March 31, 2015

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
Municipal and Community Affairs						
Contribution Funding	470	-	-	470	630	(160)
Management of Drinking Water	50	-	-	50	50	-
Ground Ambulance	400	-	-	400	400	-
Recreation Contributions	450	-	-	450	523	(73)
Volunteer Contributions	70	-	-	70	52	18
Youth Centers	500	-	-	500	514	(14)
Pan Territorial Sport Program	272	-	-	272	272	-
Youth Corps-Regional Operations	500	-	-	500	461	39
Water Sewer Services Funding	15,937	-	-	15,937	15,934	3
Youth Contributions-Regional Operations	225	-	-	225	232	(7)
A Brilliant North	680	-	-	680	382	298
Multi Sport Games	650	-	-	650	650	-
Healthy Choices	765	-	-	765	763	2
Children and Youth Resiliency	450	-	-	450	300	150
Community Governments						
Financial Services	135	-	-	135	114	21
Special Assistance	-	-	-	-	133	(133)
Capital Formula Financing	28,002	-	-	28,002	28,002	-
Recreation Funding	825	-	-	825	829	(4)
Get Active	100	-	-	100	100	-
Regional Youth Sport Events	400	-	-	400	366	34
Youth Contributions - Sport, Recreation and Youth	25	-	-	25	5	20
Building Canada Plan	-	4,374	-	4,374	2,612	1,762
Youth Corps- Sport, Recreation and Youth	675	-	-	675	630	45
Volunteer Recognition	-	-	-	-	10	(10)
	51,581	4,374	-	55,955	53,964	1,991
Transportation						
Airport Career Development Program	30	-	-	30	45	(15)
Community Access Program	980	-	-	980	835	145
Students Against Drinking and Driving (SADD)	12	-	-	12	10	2
	1,022	-	-	1,022	890	132
Lands						
Consultation for Land Use Decisions	100	-	-	100	62	38
Land Use Planning Processes	400	-	-	400	369	31
Sustainable Land Use Management	180	-	-	180	39	141
	680	-	-	680	470	210

Government of the Northwest Territories

Non-Consolidated Schedule of Contributions (unaudited)

Schedule 6 (continued)

for the year ended March 31, 2015

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
Health and Social Services						
Health and Social Services Authorities						
Operating	19,780	1,323	829	21,932	19,829	2,103
Health Centres	30,283	-	-	30,283	30,919	(636)
Equipment Evergreening	700	-	-	700	250	450
Professional Development Recruitment	2,701	-	-	2,701	661	2,040
System Navigation	-	-	-	-	115	(115)
Hospital Services	87,752	-	(14)	87,738	87,306	432
Anti-Poverty Strategy and Framework	650	-	-	650	650	-
Territorial Health Services	761	-	-	761	809	(48)
Office of the Chief Public Health Officer	11	-	-	11	461	(450)
Aboriginal Health and Community						
Wellness	1,163	150	1,555	2,868	2,558	310
Medical Travel Benefits for Residents	16,829	-	-	16,829	17,499	(670)
Mental Health and Addictions	2,313	-	(150)	2,163	1,532	631
Residential Care - Elderly and Persons with						
Disabilities	23,929	-	-	23,929	22,828	1,101
French Language Services	-	747	-	747	215	532
Health Awareness, Activities and Education	2,319	-	(1,205)	1,114	1,158	(44)
Children's Services	12,326	-	-	12,326	12,349	(23)
Physician Services	39,586	(326)	(20)	39,240	40,460	(1,220)
Community Services	32,374	-	-	32,374	32,580	(206)
Tlicho Cultural Coordinator	35	-	-	35	22	13
	273,512	1,894	995	276,401	272,201	4,200

Government of the Northwest Territories

Non-Consolidated Schedule of Contributions (unaudited)

Schedule 6 (continued)

for the year ended March 31, 2015

(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	-
Energy Guides for Houses	150	-	-	150	150	-
Public Education	-	-	-	-	2	(2)
Adaptation Plan	51	-	-	51	43	8
Traditional Knowledge Contributions	65	-	-	65	68	(3)
Interim Resource Management Agreement	1,655	-	-	1,655	1,605	50
Energy Conservation Contributions	200	-	-	200	172	28
Energy Initiatives	-	300	-	300	300	-
Alternative Energy Program Contributions	300	-	-	300	611	(311)
Biomass Energy	450	50	-	500	432	68
Stewardship Program	500	-	-	500	518	(18)
Arctic Energy Alliance	1,413	-	-	1,413	1,417	(4)
Wind Energy	100	-	-	100	100	-
Wildfire Risk Management Plans	50	-	-	50	-	50
Wildlife Research Support	50	-	-	50	-	50
Business Support Program	200	-	-	200	200	-
Energy Efficiency Incentive Program	300	100	-	400	400	-
Solar Energy	625	50	-	675	566	109
Aquatic Ecosystems Research Partnership Program	200	-	-	200	-	200
Environmental Baseline Studies	100	-	-	100	-	100
Northwest Territories Water Strategy	250	-	-	250	629	(379)
Community Protection Research	10	-	-	10	25	(15)
Northwest Territories Water Board	900	-	-	900	900	-
Caribou Strategy	275	-	15	290	626	(336)
Biomass Supply	-	-	-	-	80	(80)
Wildlife Management Boards	178	-	-	178	223	(45)
Contributions Various-Related to Bison	-	-	-	-	55	(55)
Disaster Compensation	-	-	-	-	22	(22)
Cumulative Impact Monitoring Program	1,540	-	-	1,540	1,596	(56)
Conservation Planning	140	-	-	140	98	42
Environment Canada	600	-	-	600	600	-
Disease Contaminants	16	-	-	16	-	16
	10,358	500	15	10,873	11,478	(605)

Government of the Northwest Territories

Non-Consolidated Schedule of Contributions (unaudited)

Schedule 6 (continued)

for the year ended March 31, 2015

(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	3,807	-	-	3,807	3,707	100
Community Futures	1,272	-	-	1,272	986	286
Community Transfers Initiative	1,582	-	-	1,582	1,484	98
Business Internship	50	-	-	50	-	50
Support for Entrepreneur and Economic Development	3,866	-	-	3,866	4,148	(282)
Film Industry Pilot Project	100	-	-	100	60	40
Mackenzie Valley Development Contributions - Various (Economic Diversification and Business Support)	715	-	-	715	600	115
NT Energy Core Funding	-	-	-	-	14	(14)
700	-	-	-	700	797	(97)
Medium/Long-term Energy Options for Inuvik	150	-	-	150	315	(165)
Tourism 2015	400	-	-	400	531	(131)
Water Monitoring	50	-	-	50	50	-
Energy Contributions	1,600	(800)	-	800	424	376
Tourism Diversification Program	1,086	-	-	1,086	1,019	67
Northwest Territories Chamber of Mines	30	-	-	30	50	(20)
Tourism and Parks Contribution - Various	-	-	-	-	143	(143)
Sport Hunt Outfitter Marketing Support	300	-	-	300	100	200
Take A Kid Trapping	125	-	-	125	6	119
Community Harvester Assistance	1,074	-	-	1,074	1,162	(88)
Commercial Fisheries	225	-	-	225	166	59
Aboriginal Mineral Development Support	100	-	-	100	101	(1)
Local Wildlife Committees	257	-	-	257	138	119
Northern Food Development Program	550	-	-	550	418	132
Mining Incentive Program	400	-	-	400	375	25
Diavik Socioeconomic Agreement	180	-	-	180	-	180
CanZinc Socioeconomic Agreement	30	-	-	30	-	30
Great Northern Arts Festival	25	-	-	25	25	-
Contributions - Various (Mineral and Petroleum Resources)	-	-	-	-	245	(245)
Community Tourism Infrastructure	100	-	-	100	-	100
Tourism Industry Contribution	3,336	-	-	3,336	3,366	(30)
Tourism Skills Development	75	-	-	75	27	48
Convention Bureau	100	-	-	100	100	-
Northern Frontier Visitors Centre	161	-	-	161	161	-
Growing Forward II	300	-	-	300	121	179
	22,746	(800)	-	21,946	20,839	1,107
Justice						
YWCA of Yellowknife	105	-	-	105	105	-
Victims Assistance Support Projects	615	-	-	615	591	24
Community Justice Committees and Projects	1,611	316	-	1,927	1,781	146
Wilderness Camps	149	-	-	149	-	149
Elder's Program	30	-	-	30	-	30
Directorate	-	-	-	-	21	(21)
	2,510	316	-	2,826	2,498	328

Government of the Northwest Territories

Non-Consolidated Schedule of Contributions (unaudited)

Schedule 6 (continued)

for the year ended March 31, 2015

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
Education, Culture and Employment						
Education Authority Contributions	152,033	-	(1,562)	150,471	147,665	2,806
Aurora College Contributions	33,541	-	(120)	33,421	32,401	1,020
Healthy Food for Children and Youth	650	-	-	650	650	-
Literacy	2,356	-	-	2,356	2,782	(426)
Teachers Professional Improvement Fund	1,967	-	-	1,967	1,743	224
Healthy Children Initiative	2,110	-	-	2,110	1,880	230
Early Childhood Program	4,457	375	(1,276)	3,556	3,918	(362)
Minority Language Education and Second Language Instruction	2,401	-	-	2,401	2,650	(249)
Official Languages:						
Aboriginal Languages Broadcasting	370	-	-	370	375	(5)
Francophone Affairs	350	(329)	-	21	44	(23)
Aboriginal Languages	4,816	-	-	4,816	4,817	(1)
Community Library Services	763	-	-	763	765	(2)
Cultural Organizations	554	-	-	554	539	15
Cultural Projects	36	-	-	36	24	12
Heritage Centres	491	-	-	491	439	52
Arts Council	500	-	-	500	438	62
Support to Northern Performers	181	-	-	181	156	25
Mineral Development Strategy	-	-	-	-	12	(12)
Skills Canada	70	-	-	70	120	(50)
Small Community Employment	339	-	-	339	382	(43)
New Northern Arts Program	250	-	-	250	238	12
Cultural Component of Sports Events	50	-	-	50	40	10
Infrastructure Contributions for Education and Culture	1,261	-	269	1,530	632	898
Infrastructure Contributions for Advanced Education	-	269	(669)	(400)	160	(560)
	209,546	315	(3,358)	206,503	202,870	3,633
Total	670,767	28,108	(2,348)	696,527	680,558	15,969

Government of the Northwest Territories**Non-Consolidated Schedule of Special Warrants (unaudited)****Schedule 7****for the year ended March 31, 2015**

(thousands of dollars)

	Date of FMB Approval	Amount Authorized \$
OPERATIONS AND MAINTENANCE		
A special warrant was approved to fund the projected shortfall in the forest fire suppression budget due to extreme fire conditions in 2014.	15-Jul-2014	17,698
A special warrant was approved to fund the shortfall in the forest fire suppression budget due to extreme fire conditions in 2014.	21-Aug-2014	<u>29,713</u>
Total Special Warrants		<u>47,411</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, 2015**(thousands of dollars)

	Transfer to (from) \$	Explanation
OPERATIONS AND MAINTENANCE		
Health and Social Services		
Program Delivery Support	1,603	Reallocation of resources resulting from re-organization and the movement of Healthy Families and Anti-Poverty funding to Aboriginal Health and Community Wellness Division.
Community Programs	(1,603)	Reallocation of resources resulting from re-organization and the movement of Healthy Families and Anti-Poverty funding to Aboriginal Health and Community Wellness Division.
Program Delivery Support	855	Reallocation of resources resulting from re-organization and the movement of Anti-Poverty funding to Aboriginal Health and Community Wellness Division.
Directorate	(855)	Reallocation of resources resulting from re-organization and the movement of Anti-Poverty funding to Aboriginal Health and Community Wellness Division.
Infrastructure Project Classification	1,095	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
Education, Culture and Employment		
Corporate Management	1,378	Reallocation for French language operating plans.
Education and Culture	(1,378)	Reallocation for French language operating plans.
Infrastructure Project Classification	65	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		
Directorate	(250)	Reallocation to cover shortfall for the one-time data conversion costs to transfer Aboriginal Affairs and Northern Development Canada (AANDC) electronic records to the Government.
Asset Management	250	Reallocation to cover shortfall for the one-time data conversion costs to transfer AANDC electronic records to the Government.
Directorate	(285)	Reallocate devolution funding for two property management positions
Asset Management	285	Reallocate devolution funding for two property management positions
Infrastructure Project Classification	2,057	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, 2015****(thousands of dollars)**

	Transfer to (from) \$	Explanation
Human Resources		
Management and Recruitment	303	Salaries moved between program areas to facilitate core business.
Strategic Human Resources	(303)	Salaries moved between program areas to facilitate core business.
Regional Operations	465	Regional Recruitment Strategy Program and funding moved from Headquarters (HQ) to Southern Region
Strategic Human Resources	(465)	Regional Recruitment Strategy Program and funding moved from HQ to Southern Region
Industry, Tourism, and Investment		
Mineral and Petroleum Resources	(2,000)	Establishment of the office of the Regulator of Oil and Gas Operations
Office of Regulator Oil and Gas	2,000	Establishment of the office of the Regulator of Oil and Gas Operations
Infrastructure Project Classification	21	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
Lands		
Directorate	1,009	Liabilities and Financial Assurances unit reprofiled from Planning and Coordination Activity.
Planning and Coordination	(1,009)	Liabilities and Financial Assurances unit reprofiled to Directorate Activity.
CAPITAL INVESTMENT		
Transportation		
Highways	(593)	Transfer as a result of increased project costs from weather delays and unforeseen site conditions in Trout Lake Airport Relocation
Airport	593	Transfer as a result of increased project costs from weather delays and unforeseen site conditions in Trout Lake Airport Relocation.
Justice		
Court Services	(559)	Transfer completed to fund the integrated Case Management Unit and Specialized Wellness Court office space tenant improvements.
Corrections	559	Transfer completed to fund the integrated Case Management Unit and Specialized Wellness Court office space tenant improvements.

for the year ended March 31, 2015

ACCOUNTS RECEIVABLE WRITTEN OFF

No amounts were written off during the
fiscal year ended March 31, 2015.

FORGIVENESS OF DEBT

The total debts forgiven during the fiscal
year ended March 31, 2015 was \$115,266.

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, 2015

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	\$
Adam, Shariff	4,000	Bowen, Michael	5,600
Adams, Jhillian	6,324	Boyd, Jayson	1,258
Aitken, Christopher Michael	1,301	Bradbury, Amanda	4,000
Aitken, Jennifer Laura	2,598	Bradbury, Chelsea	4,000
Alty, Rebecca	489	Bradford, Adam	318
Anavilok, Judy	3,253	Brasseur, Kali	4,000
Anderson, Neil	718	Brenton, Sarah	1,984
Anderson, Fraser	1,984	Brenton, Victoria Samantha	2,850
Anderson, Kari	6,017	Brewster, Jasmine Dawn	1,228
Anderson, Wesley Brian	6,664	Bromley, Kelty	4,000
Andre, Deiter	2,269	Bromley, Tara	1,984
Arberry, Saundra	1,984	Brown, Robyn	1,348
Ashby, Kaleigh	492	Bruser, Benjamin	4,000
Ashcroft, Sunny	4,004	Bruser, Rebecca	4,000
Babiuk, Michelle	4,779	Buchanan, Christopher	4,000
Bachand, Brendan	1,984	Buchanan, David	6,017
Balasanyan, Roza	2,685	Buckley, Tayler	3,146
Bauhaus, Stephanie	12,122	Budgell, Alexandra	2,663
Beemer, Levi	2,674	Budgell, Victoria	2,181
Bell, Adrian	1,758	Bullock, Corrine Eden	6,587
Bell, Jason	1,984	Callahan, Mitchell	9,261
Bell, Karlee Dawn	6,729	Callas, Brendan	4,143
Bell, Margaret Jean	4,000	Callas, Michael	4,000
Bell, Tyler	756	Campbell, Alexis	2,466
Bengts, Lauren	5,239	Campbell, Donald	1,984
Bengts, Stacie	4,000	Campbell, Donald	2,017
Benoit, Shelby-Lynn	4,669	Campbell, Gordon	1,140
Bent, Celeste	2,970	Campbell, Lana	3,989
Bentley-Little, McKenzie	4,702	Campbell, Terrence	4,000
Besarra, Renfred	1,253	Canam, Rebecca	2,915
Bevan, Kyle	4,000	Canning, Sara	3,409
Biggar, Kyle Anthony	1,151	Canuel-Kirkwood, Shoshanna	3,288
Blesse, Lida	2,507	Carey, Katie	4,000
Boggis, Cristina	1,315	Carrillo, Karen	4,000
Bokovay, David	4,000	Carter, Angela	7,201
Bolstad, Joshua	4,000	Cartwright, Aidan	1,984
Bolstad, Mandi	4,000	Castro, Paula Melissa	274
Bonnell, Nicole	4,000	Chambers, Mary	4,844
Booth, Miranda	3,102	Charpentier, Hope	2,345
Borden, Jessie	4,000	Chenkie, Ryan	4,000
Borkovic, Joey	4,000	Cherwaty, Kyla	712
Borschneck, Thomas	3,365	Chetwynd, Jamie	6,628
Bothamley, Kelly	4,000	Choquette, Bradley	6,017
Bourassa, Darcy	4,000	Christensen, Marc	2,269
Bowden, Rachel	4,000	Christensen, Michael	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, 2015

Chung, Carissa	4,000	Grayston, Jodi	4,000
Coleman, Melanie	3,978	Green, Ashley	964
Collier, Ryan	1,984	Greening, Cassandra	1,151
Cooper, Merrill	2,718	Grinsted, Roya Jean	2,641
Corey, Jeffery	1,973	Groenheyde, Cali	2,356
Corey, Laura	3,957	Guthrie, Lydia	1,984
Cote, Lee Ann	493	Gzowski, Angela	6,017
Couturier, Donald	4,000	Hall, Heather	3,387
Creed, Leslie	798	Hamilton, Shelby	6,017
Crews, Angela	1,622	Hand, Michael	2,203
Cumming, Kelly	291	Harding, Jonathan	4,000
Curtis, Dustan	6,346	Harman, Megan Kathleen	5,634
Dahl, Diana	1,688	Harris, Brooke	4,000
Dam, Thomas	3,343	Hernandez, Anneluzelia	6,017
Dang, Debbie	1,984	Hernandez, Moses	1,543
Dautel, Janell	1,984	Herriot, Brittany	4,000
De Bastiani, Thomas	4,000	Heslep, Alison	1,984
Debassige, Lindsay Elizabeth	4,000	Hess, Samera	1,984
Debogorski, Dominic	1,140	Hewitt, Kevin Samuel	2,828
Debogorski, Juliane Louise	3,080	Hiebert, Talia	1,984
Del Valle, Tirzah	3,400	Hinchey, Alexandra Paige	2,455
Desilets, Angela	4,000	Hnatiw, Keegan	1,481
Devitt, Allison Christina	4,110	Hoefler, Dietrich	2,060
Digness, Samantha	4,000	Holden, Alberta	2,861
Dillon, Kathleen	448	Hubert, Storm	2,900
Elford, Rebecca	2,806	Hurley, Tara	4,000
Elkin, Katherine	1,337	Hussey, Steven	1,984
Enerio, Marry	2,082	Hysert, Gwen	4,000
Enns, Monica	1,984	Irvine, Taylor	4,000
Escalante, Lucy	5,479	Jacobs, Taylor	5,820
Fabien, Brandon	2,641	Jaffray, Caitlin	1,984
Fabien, Katelyn	723	Jameson, Brette	918
Faulkner, Morgan Kathleen	2,800	Jason, Whitney	2,800
Fisher, Whitney	4,658	Jefferson, Kate	4,000
Forget-Manson, Avivah	1,984	Jeffery, Julia	4,088
Forget-Manson, Elijah	3,014	Johansen, Nichol	1,984
Foster, Brianne	1,984	Johnson, Jessi	4,000
Fournier, Tristen	4,000	Johnson, Michaela	3,978
Freund, Charlene	1,976	Johnston, Andrew	4,000
Fryer, Janine	4,000	Jonasson, Jessica	4,000
Fuentes, Max	4,186	Jones, Brittany	4,000
Gard, Tehnille	1,984	Jones, Quintin	4,000
Gardiner, Corin	4,000	Jung, Courtney	4,000
Gebauer, Morgan	877	Kaesar, Courtney	6,499
Gibbons, Katelyn	1,984	Kalnay, William	1,707
Gibbons, Rebecca	2,707	Kamitomo, Travis	4,220
Gilbert, Stephanie	5,984	Kanwal, Inderjit	1,984
Gilday, Jillian Marguerite Dunbar	4,866	Kefalas, Kyle	4,000
Gill, Carolyn Mary Elizabeth	4,340	Kelly, Erica	435
Gillander, Amanda	4,000	Kimble, Jessica	5,984
Gillard, Danielle Alexandra	4,110	King, Emily	2,093
Glowach, Christine	4,000	Kipling, Keisha	1,984
Grabke, Dwight	4,000	Kocik, Kirsten	4,000
Graf, Derek	4,000	Komi, Arisa	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, 2015

Kornichuk, Rebecca	9,985	McCreadie, Allister	4,000
Koswan, Bradley	4,000	McDonald, Mande	4,000
Krivda, Carlie Anne	4,209	McGreish, Kendra	4,000
Kronstal, Alana	1,984	McIntyre-Smith, Julia	3,452
Kronstal, Karin	4,998	McKay, James	3,117
Lafferty, Jessica	354	McKee, Janel	3,616
Laity, Erin	4,000	McKiel, Courtney	1,984
Lakhani, Sabrina	2,444	McLeod, Laura	4,000
Lakusta, Matthew	2,324	McMullen, Andrea	2,740
Lalonde, Keshki	2,313	Menard, Alanna	5,568
Lambert, Richard	2,192	Merrithew, Leslie	4,000
Laratta, Elisabeth	997	Meulenbroek, Mark	2,729
Lavoie-Stobbs, Arlene	4,000	Meulenbroek, Yvonne	3,613
Lee, Kaylan	700	Michel, Gina	3,573
Lemieux, Tanya	1,440	Miklosovic, Stefanie	4,899
LePrieur, Joanna	5,206	Milne, Christopher	2,970
Letourneau-Paci, Chloe	2,696	Miyok, Valerie	1,298
Letourneau-Paci, Sebastien	2,619	Moffitt, Morgan	1,984
Lindsay, Michel	625	Moore, Kelly	4,000
Lippert, Joshua	4,000	Moran, Colton	4,000
Lodge, Emily	4,000	Morgan, Bibi Nawsheen	4,000
Long, Jenna	4,000	Morrison, Amanda	5,513
Look, Raynor	4,000	Morse, Julian	2,017
MacDonald, Amy	581	Morse, Melanie	4,000
MacDonald, David	4,000	Morton, Fallon	4,000
MacDougall, Kelsey	4,296	Moss, Chase	2,817
MacKay-Johnson, Brenna	2,247	Moss, Tessa	1,110
Mackenzie, James	1,000	Mulders, Tamika	2,148
MacLellan, Joseph	4,000	Muller, Mikaela	2,137
MacNeill, Laura	4,000	Munroe-Rosen, Soura	4,000
MacNeill, Nancy	6,138	Murphy, Christine	4,000
Maddeaux-Young, Hayley	1,984	Murray, Daniel	619
Madsen, Devin	4,000	Murray, Janet	5,601
Magtibay, Angeline	2,137	Myrick, Andrea	6,017
Maguire, David	6,170	Nendsa, Troy	877
Mahler, Kirstin	1,984	Nguyen, Phi	2,800
Mahler, Rebecca	1,359	Nilson, Andrea	2,367
Mailloux-Tennant, Justin	1,271	Noel, Jeremy	4,000
Mair, Colin	2,269	Nojeda, Jovi-Lynn	4,000
Mair, Dylan	6,017	Nolting, Michael	2,430
Maisonneuve, Shayla	4,000	Norbert, Nigit'stil	4,000
Makletzoff, Tonya	2,017	Normandin, Chelsey	2,100
Malakoe, Alexandria	4,000	Oake, Meha	4,176
Malakoe, Michael	2,291	O'Connell, Kevin	2,334
Mandeville, Curtis	4,000	O'Connor, Elise	1,052
Maracle, Alisen	1,815	Offredi, Stephen	2,803
Marriott, Jessica	4,000	O'Keefe, Harry	4,000
Marsh, Tegan	3,825	Ollerhead, Diana	4,406
Marshall, Jasmin	680	Orbell, Mark	1,666
Marshman, Michelle	4,669	Pagonis, Shayla	4,000
Marta, Ashley	1,984	Paivalainen, Braeden	2,828
Martin-Elson, Sonja	2,608	Paquin, Jahliele	4,340
McArthur, Allison	6,170	Paquin, Myriam	2,343
McCabe, Stephanie	6,017	Parker, Melody	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, 2015

Parrell, Cassandra	567	Skinner, Shelby	1,348
Paul, Lyndsay	2,356	Skolny, Joel	3,858
Peart, Sheldon	4,340	Smith, Angus	2,674
Phillips, Trenton	4,088	Smith, Jodi	6,017
Pidborochynski, Dezeræ	2,006	Smith, Maggie	2,740
Pilling, Tyler	2,400	Snyder, Cody	20
Plouffe, Michael	5,272	Sosiak, Kevin	4,000
Postras, Austen	4,400	St. Arnaud, Jessica	4,000
Pond, Ryan	4,000	St. Croix, Aleta	3,803
Porter, Raylene	4,000	Starling, Brent	6,017
Pound, Shawna	1,984	Steen, Rebecca	4,000
Power, Sarah	1,633	Stevens, Megan	2,685
Purchase, Elizabeth	4,000	Stinson (Scott), Cleo	2,257
Radicchi, Laura	4,000	Stipdonk, Chris	4,000
Raffai, Roland	4,000	Stirling, Aislinn	3,998
Ratray, Kevin	4,000	Stock, Edeil	2,652
Redshaw, Braden	1,469	Straker, Devon	3,002
Reid, Taylor	2,685	Strand, Christina	2,587
Remtmeister, Taylor	3,913	Styan, Bryce	6,477
Rivera, Jill	4,000	Sullivan, Joshua	1,572
Roberts, Brittany	4,000	Sumcad, Jasmin	1,984
Robertson, Drew	4,000	Sveinsson, Chelsea	1,984
Robinson, Erica	4,000	Swanson, Laura	1,984
Rodriques-Masongsong, Rebecca	4,000	Swihart, Kristi	4,088
Roebuck, Daniel	1,700	Taggart, Craig	1,984
Roesch, Kendra	1,723	Tam, Alexander	337
Ross, Jamie	4,000	Tam, Jared	4,000
Ross, Lee	4,000	Taylor, Brooke	2,800
Ross, Sasha	2,641	Taylor, Pamela	6,729
Roy, Vanessa	2,674	Telbis, Dessislava	2,367
Rozestraten, Katherine	4,000	Tilden, Emma	2,897
Rozestraten, Scott	4,000	Tram, John	4,000
Ruptash, Kenneth	2,097	Tremblay, Brad	4,000
Russell, Brittany	783	Tremblay, Dawn	42
Sartor-Pielak, Carina	4,000	Triffo, Daniel	4,000
Sasseville, Jamie-Lee	1,984	Tucker, Carly	9,130
Savage, Genevieve	4,000	Tulugarjuk, Lucy	4,500
Savage, Jean-Frederic	3,500	Tuma, Michelle	2,247
Schaap, Jamie	4,000	Turner-Davis, Alexandra	2,389
Scheper, Phyllip	2,619	Tymchatyn, Shantel	4,000
Schmalz, Alexandra	2,630	Vallillee, Erin	2,017
Scott, Danika Paige	2,477	Van Dyke, Christian	4,000
Seeton, Matthew	2,114	Van Metre, Stacey	899
Shannon, Samuel	4,000	Vandenbergh, Conrad	5,348
Shouhda, Lyle	2,146	Velez, Victoria	1,578
Shouhda, Meagan	4,000	Vendiola, Arnel	1,692
Shuparski, Meagan	4,121	Vician, Kaitlyn	2,729
Sidhu, Harjot	4,000	Vician, Kristin	2,729
Silke, Andrew	6,017	Vivian, Adam	6,017
Silke, David	1,984	Vornbrock, Jarrett	3,858
Silveira Da Graca Costa, Nihal	2,488	Ward, Emma	4,000
Silverio, Sandra	4,000	Watton, Brenda	2,800
Simpson, Tanis	5,425	Waugh, Jennifer	2,685
Singer, Claire	1,022	Webber, Paul	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, 2015

Weitzel, Caitlin	1,984
Westergreen, Anneka	1,984
Westergreen, Jena	2,696
Wheaton, Dylan	4,033
White, Amanda	4,000
White, Rebecca	3,726
Whitehead, Kevin	3,661
Wick, Malek	2,587
Wickens, Kim	3,488
Williams, Heather	5,480
Wilson, Elizabeth	2,806
Wilson, Joseph	4,000
Wiseman, Amelia	2,696
Wong, Daniel	1,984
Wong, Helen	2,707
Wong, Janet	4,000
Wood, Shantana	7,014
Wray, Kirsty	850
Wrigglesworth, Patrick	6,017
Wright, Briony	4,000
Wright, Kimberly	4,000
Wright, Kyla	4,000
Yee, Colton	2,159
Zenko, Benjamin	822

Total Remissions **1,436,779**

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, 2015

Name	\$
Finance	
Arslanian Cutting Works NWT	895,000
Justice	
Peffer, Dolly Mae	7,514
Individual amounts under \$500	<u>305</u>
	<u>802,819</u>

Government of the Northwest Territories

Non-Consolidated Schedule of Projects for the Government of Canada, Nunavut and Others - Expenditures Recovered (unaudited)

Schedule 11

for the year ended March 31, 2015

\$

Lands

Inuvialuit Implementation	200,000
Northwest Territories Discovery Portal	13,870
	<hr/>
	213,870

Aboriginal Affairs and Intergovernmental Relations

Inuvialuit Implementation	146,043
Gwich'in Land Claim Implementation	155,919
Sahtu Land Claim Implementation	142,079
Tlicho Agreement Implementation	219,511
	<hr/>
	663,552

Finance

Public Policy Forum on Northern Connectivity	25,000
Northwest Territories Mining Survey	30,000
Gwich'in Tribal Council - Senior Policy Analyst Position	135,000
	<hr/>
	190,000

Municipal and Community Affairs

Gas Tax	12,762,775
Search and Rescue	136,873
Pan Territorial Sport Strategy	331,206
	<hr/>
	13,230,854

Transportation

National Safety Code Monitoring and Enforcement	153,371
Airline Glycol Recovery	51,478
Wood Buffalo National Park Highway Maintenance	1,244,390
Hold Baggage System at the Yellowknife Airport	96,336
Alberta Road Maintenance	436,989
Hay River Access Corridor Maintenance	48,953
	<hr/>
	2,031,517

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, 2015

\$

Public Works and Services

Sahtu Implementation	4,538
Gwich'in Implementation	4,538
Tlicho Implementation	15,444
Leased Office Space- Beaufort Delta Education Authority	141,627
Royal Canadian Mounted Police Facility Maintenance	4,006,504
Royal Canadian Mounted Police Minor Capital Facilities Maintenance	1,455,970
	<hr/>
	5,628,621

Justice

Sahtu Implementation	22,514
Gwich'in Implementation	25,467
Tlicho Implementation	45,412
Native Estates	171,835
Framework for Enhancing Victim Services	500,000
Aboriginal Courtwork Program	77,400
Library Materials and Supplies	28,000
Northwest Territories Law Foundation Library Project	50,000
Supporting Families Fund	200,562
Northwest Territories Courtworker Training	30,028
Building a Northern Evidence-Based Approach to Crime	100,618
	<hr/>
	1,251,836

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, 2015**

	\$
Health and Social Services	
Home and Community Care Enhancement	4,751,851
Development of Autism Spectrum	24,949
Working on Wellness in Strategic Populations	103,220
Collaborative Action on Childhood Obesity	10,333
Congenital Anomalies Surveillance	75,622
Dialogue and Storybook in Support of First Nations, Inuit and Metis Cancer Patients	417,558
Non-Insured Health Benefits	12,104,897
Continuity of Care	134,696
Pan - Territorial Fetal Alcohol Syndrome Disorder	577
Diabetes Validation Study	661
Pan - Canadian Public Health Network	8,875
Electronic Immunization Registry	38,102
Toll Free Tobacco Quitline Services	25,131
Canadian Chronic Disease Surveillance System	129,929
Building on Existing Tools to Improve Chronic Disease Prevention	231,237
Helicobacter Pylori Infection	26,250
Territorial Health Investment Fund	3,421,985
Power Up	18,871
Pan -Territorial Healthy Eating	15,217
Health Portfolio Funding	8,830,584
	30,370,545

Education, Culture and Employment

Sahtu Implementation	35,524
Gwich'in Implementation	22,250
Tlicho Implementation	136,203
Canada - Northwest Territories Job Fund	919,715
Canada - Northwest Territories Agreement on Labour Market Development	4,447,789
Targeted Initiative for Older Workers	239,988
Territorial Gathering of Arts and Cultural Organizations	16,000
Early Childhood Education - Chevron Canada Resources	129,051
	5,946,520

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, 2015**

\$

Environment and Natural Resources

Inuvialuit Implementation	4,074,029
Gwich'in Implementation	219,073
Tlicho Implementation	184,820
Dall's Sheep Survey	18,000
Water Knowledge Application Network	75,000
Forest Industry Biomass Initiative	1,505,661
Canadian Wildlife Services Project	25,322
Northern Biodiversity Information	20,094
Climate Change Adaptation	500,107
Parks Canada	3,000
Lichen Suitability Collection	2,000
Habitat Stewardship Contribution Program	20,000
Bison Control	49,826
Barren Ground Caribou Monitoring	9,000
Peary Sound Caribou	99,997
Sahtu Implementation	145,760
Viscount Melville Sound Polar Bear Assessment	15,000
Sahtu Duck Banding	13,251
Community Based Monitoring	26,920
Geomatics Information System	4,380
Canadian High Arctic Research Station	50,000
Mutual Aid Research Sharing	367,314
Bluenose West Caribou Monitoring	50,000
Barren Ground Caribou Collaring	18,000

7,496,554**Industry, Tourism and Investment**

Strategic Investments in Northern Economic Development	1,486,123
Growing Forward II	693,562
Gwich'in Implementation	13,473
Sahtu Implementation	70,000
Tourism Research and Product Development	323,500
Canadian High Arctic Research Station	50,000

2,636,658

Total **69,660,527**

PUBLIC ACCOUNTS
OF THE
GOVERNMENT OF THE NORTHWEST TERRITORIES
FOR THE YEAR ENDED MARCH 31, 2015

SECTION III
SUPPLEMENTARY FINANCIAL STATEMENTS
OTHER ENTITIES

HONOURABLE J. MICHAEL MILTENBERGER
Minister of Finance

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

Table of Contents

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
Status of Women Council of the Northwest Territories

Revolving Funds

Fur Marketing Service Revolving Fund
Northwest Territories Liquor Commission
Northwest Territories Liquor Licensing Board
Petroleum Products 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

AURORA COLLEGE

Audited Financial Statements

June 30, 2014

AURORA COLLEGE

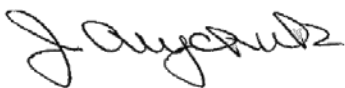
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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
Acting Director of Finance/Chief Financial
Officer

Fort Smith, Canada
December 15, 2014



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 2014, and the statement of operations and accumulated surplus, statement of change in net financial assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

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 2014, 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.

A handwritten signature in black ink, appearing to read 'Guy LeGras', with a stylized flourish at the end.

Guy LeGras, CA
Principal
for the Auditor General of Canada

15 December 2014
Edmonton, Canada


AURORA COLLEGE
STATEMENT OF FINANCIAL POSITION
as at June 30, 2014
(in thousands of dollars)

	<u>2014</u>	<u>2013</u>
Financial assets		
Cash and cash equivalents (Note 4)	\$ 8,202	\$ 9,490
Accounts receivable (Note 5)	<u>5,328</u>	<u>2,476</u>
	<u>13,530</u>	<u>11,966</u>
 Liabilities		
Accounts payable and accrued liabilities	1,808	1,862
Employee leave payable	1,767	1,565
Deferred project income	256	329
Due to the Government of the Northwest Territories	2,820	1,817
Employee future benefits (Note 6)	1,960	1,970
Professional development fund (Note 7)	<u>1,961</u>	<u>1,907</u>
	<u>10,572</u>	<u>9,450</u>
 Net financial assets	 <u>2,958</u>	 <u>2,516</u>
 Non-financial assets		
Prepaid expenses	425	638
Tangible capital assets (Note 8)	<u>5,529</u>	<u>6,044</u>
	<u>5,954</u>	<u>6,682</u>
 Accumulated surplus (Note 9)	 <u>\$ 8,912</u>	 <u>\$ 9,198</u>


Contingent liabilities and commitments (Notes 12 and 13)

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

Approved by the Board:



Sydney O'Sullivan
Chairperson of the Board



Ethel Blondin-Andrew
Chairperson of the Finance Committee

AURORA COLLEGE
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
for the year ended June 30, 2014
(in thousands of dollars)

	<u>Budget</u>	<u>2014 Actual</u>	<u>2013 Actual</u>
Revenues			
Government contributions (Note 10)	\$ 30,952	\$ 37,265	\$ 37,324
Project income			
Territorial government	-	3,731	4,015
Other third parties	-	2,743	2,316
Federal government	-	3,836	3,319
Tuition fees	935	1,681	1,920
Recoveries and other	364	1,177	756
Room and board	764	873	896
Interest income	<u>30</u>	<u>109</u>	<u>95</u>
	<u>33,045</u>	<u>51,415</u>	<u>50,641</u>
Expenses			
Financial and accounting services	1,675	2,034	1,744
Pooled services	2,157	5,257	5,163
Student services	9,448	10,327	9,334
Education and training	11,782	20,452	19,972
Community and extensions	6,340	10,831	10,344
Aurora Research Institute	<u>1,643</u>	<u>2,800</u>	<u>2,864</u>
	<u>33,045</u>	<u>51,701</u>	<u>49,421</u>
Annual (deficit) surplus	-	(286)	1,220
Accumulated surplus at beginning of year	<u>9,198</u>	<u>9,198</u>	<u>7,978</u>
Accumulated surplus at end of year	<u>\$ 9,198</u>	<u>\$ 8,912</u>	<u>\$ 9,198</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, 2014
(in thousands of dollars)

	<u>Budget</u>	<u>2014 Actual</u>	<u>2013 Actual</u>
Annual (deficit) surplus	\$ -	\$ (286)	\$ 1,220
Effect of change in tangible capital assets			
Acquisition of tangible capital assets	-	(446)	(370)
Disposal of tangible capital assets	-	4	16
Amortization of tangible capital assets	<u>451</u>	<u>957</u>	<u>967</u>
	<u>451</u>	<u>515</u>	<u>613</u>
Effect of change in other non-financial assets			
(Increase) decrease in prepaid expenses	<u>-</u>	<u>213</u>	<u>(363)</u>
Increase in net financial assets	451	442	1,470
Net financial assets at beginning of year	<u>2,516</u>	<u>2,516</u>	<u>1,046</u>
Net financial assets at end of year	<u>\$ 2,967</u>	<u>\$ 2,958</u>	<u>\$ 2,516</u>

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

AURORA COLLEGE
STATEMENT OF CASH FLOWS
for the year ended June 30, 2014
(in thousands of dollars)

	<u>2014</u>	<u>2013</u>
Operating transactions		
Cash receipts from Territorial Government	\$ 35,661	\$ 34,872
Cash receipts from students and other third parties	3,364	5,309
Cash receipts from Federal Government	3,836	3,319
Cash paid for compensation and benefits	(28,095)	(26,663)
Cash paid to suppliers	(15,717)	(14,319)
Interest received	<u>109</u>	<u>95</u>
Cash provided by (used in) operating transactions	<u>(842)</u>	<u>2,613</u>
Capital transactions		
Acquisition of tangible capital assets	(446)	(370)
Proceeds from disposal of tangible capital assets	<u>-</u>	<u>16</u>
Cash used in capital transactions	<u>(446)</u>	<u>(354)</u>
Increase (decrease) in cash and cash equivalents	(1,288)	2,259
Cash and cash equivalents at beginning of year	<u>9,490</u>	<u>7,231</u>
Cash and cash equivalents at end of year	<u>\$ 8,202</u>	<u>\$ 9,490</u>

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

Aurora College
Notes to the Financial Statements
June 30, 2014

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

Aurora College
Notes to the Financial Statements
June 30, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Measurement uncertainty (continued)

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.

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. 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.

Aurora College
Notes to the Financial Statements
June 30, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

ii) Employee severance and removal benefits

Employees are entitled to severance benefits and reimbursement of removal costs, 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 these benefits is accrued as employees render the services necessary to earn them. Termination benefits are also recorded when employees are identified for lay-off. The cost of the benefits has been determined based on management's best estimates using the expected compensation level and employee leave credits.

e) Government contributions

Government funding is 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) General revenues

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

h) Project income and deferred project income

The College provides education and research services to private companies, federal and territorial government departments, agencies, and corporations through contractual

Aurora College
Notes to the Financial Statements
June 30, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Project income and deferred project income (continued)

arrangements. Payments received under these contracts for which the development and delivery of courses and projects are not completed are recorded as deferred project income 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 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.

Aurora College
Notes to the Financial Statements
June 30, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

3. FUTURE ACCOUNTING CHANGES

Liability for Contaminated Sites, Section PS 3260

PSAB released Section PS 3260 – Liability for Contaminated Sites. This new Section establishes recognition, measurement and disclosure standards for liabilities relating to contaminated sites of governments and those organizations applying the CPA Canada Public Sector Accounting Handbook.

This Section is effective for fiscal periods beginning on or after April 1, 2014.

The College expects to adopt these standards for the year ending June 30, 2015 and is in the process of evaluating the impact of the transition on the financial statements.

Aurora College
Notes to the Financial Statements
June 30, 2014

4. CASH AND CASH EQUIVALENTS

	<u>2014</u>	<u>2013</u>
	(in thousands)	
Cash	\$1,367	\$ 651
Cash equivalents	<u>6,835</u>	<u>8,839</u>
	<u>\$ 8,202</u>	<u>\$ 9,490</u>

The College's cash balances 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, 2014 was 1.10% (2013 – 1.10%).

5. ACCOUNTS RECEIVABLE

	<u>2014</u>		<u>2013</u>	
	(in thousands)			
	Accounts		Net	
	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>	<u>Net</u>
Project income:				
Government	\$ 791	\$ 68	\$ 723	\$ 707
Other	4,601	80	4,521	1,677
Students	260	176	84	92
Advances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 5,652</u>	<u>\$ 324</u>	<u>\$ 5,328</u>	<u>\$ 2,476</u>

Aurora College
Notes to the Financial Statements
June 30, 2014

6. 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 \$1.45 (2013 - \$1.64) for every dollar contributed by the employee, and \$7.59 (2013 - \$8.00) for every dollar contributed by the employee for the portion of the employee's salary above \$155 thousand (2013 - \$150.9 thousand).

For new employees who are participating in the Plan on or after January 1, 2013, the College contributes \$1.43 (2013 - \$1.57) for every dollar contributed by the employee, and \$7.59 (2013 - \$8.00) for every dollar contributed by the employee for the portion of the employee's salary above \$155 thousand (2013 - \$150.9 thousand).

The College's and employees' contributions to the Public Service Pension Plan for the year were as follows:

	<u>2014</u>	<u>2013</u>
	(in thousands)	
College's contributions	\$ 2,618	\$ 2,384
Employees' contributions	<u>1,609</u>	<u>1,381</u>
	<u>\$ 4,227</u>	<u>\$ 3,765</u>

b) Employee severance and removal benefits

The College provides severance benefits to its employees based on years of service and final salary. The College also provides removal assistance to eligible 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.

Information about the plan, measured as at the Statement of Financial Position date, is as follows:

Aurora College
Notes to the Financial Statements
June 30, 2014

6. EMPLOYEE FUTURE BENEFITS (continued)

b) Employee severance and removal benefits (continued)

	<u>2014</u>	<u>2013</u>
		(in thousands)
Accrued benefit obligation, beginning of year	\$ 1,970	\$ 1,859
Cost for the year	150	181
Benefits paid during the year	<u>(160)</u>	<u>(70)</u>
Accrued benefit obligation, end of year	<u>\$ 1,960</u>	<u>\$ 1,970</u>

7. 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>2014</u>	<u>2013</u>
		(in thousands)
Professional development fund, beginning of year	\$ 1,907	\$ 1,797
Contributions	450	442
Recovery of funds	-	17
Professional development paid during the year	<u>(396)</u>	<u>(349)</u>
Professional development fund, end of year	<u>\$ 1,961</u>	<u>\$ 1,907</u>

Aurora College
Notes to the Financial Statements
June 30, 2014

8. TANGIBLE CAPITAL ASSETS

June 30, 2014	Mobile equipment	Building additions and renovations	Furniture and equipment	Leasehold improvements	2014 Total	2013 Total
Cost						
Opening balance	\$ 5,134	\$ 1,991	\$ 7,197	\$ 2,385	\$ 16,707	\$ 16,353
Additions	178	-	80	188	446	370
Disposals	<u>-</u>	<u>-</u>	<u>(777)</u>	<u>(450)</u>	<u>(1,227)</u>	<u>(16)</u>
Closing balance	<u>5,312</u>	<u>1,991</u>	<u>6,500</u>	<u>2,123</u>	<u>15,926</u>	<u>16,707</u>
Accumulated amortization						
Opening balance	2,404	1,543	4,952	1,764	10,663	9,696
Amortization	235	100	508	114	957	967
Disposals	<u>-</u>	<u>-</u>	<u>(775)</u>	<u>(448)</u>	<u>(1,223)</u>	<u>-</u>
Closing balance	<u>2,639</u>	<u>1,643</u>	<u>4,685</u>	<u>1,430</u>	<u>10,397</u>	<u>10,663</u>
Net book value	<u>\$ 2,673</u>	<u>\$ 348</u>	<u>\$ 1,815</u>	<u>\$ 693</u>	<u>\$ 5,529</u>	<u>\$6,044</u>

Aurora College
Notes to the Financial Statements
June 30, 2014

9. 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, 2013	Net results of operations	Appropriated	Used in operations	Balance, ending June 30, 2014
a) Mallik research reserve	\$ 100	\$ -	\$ -	\$ -	\$ 100
b) Northern strategic research reserve	481	-	5	-	486
c) Program delivery	300	-	-	-	300
d) Research & development	130	-	55	(40)	145
e) HEO replacement & maintenance	140	-	-	-	140
f) Restricted donations	35	-	-	-	35
Total reserves	1,186	-	60	(40)	1,206
Operating surplus (deficit)	8,012	(286)	(60)	40	7,706
Total accumulated surplus	\$ 9,198	\$ (286)	\$ -	\$ -	\$ 8,912

Aurora College
Notes to the Financial Statements
June 30, 2014

9. ACCUMULATED SURPLUS (continued)

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.

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.

Aurora College
Notes to the Financial Statements
June 30, 2014

10. GOVERNMENT CONTRIBUTIONS

	<u>2014</u>	<u>2013</u>
	(in thousands)	
Operating contributions	\$31,555	\$ 30,225
Capital contributions	190	361
Services received without charge (Note 11)	<u>5,520</u>	<u>6,738</u>
	<u>\$37,265</u>	<u>\$37,324</u>

11. 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.

Accounts receivable and accounts payable

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>2014</u>	<u>2013</u>
	(in thousands)	
Accounts receivable (Note 5)	\$ 791	\$ 801
Amounts due to the Government	\$ 2,820	\$ 1,817

Revenues

Included in Recoveries and other revenues is \$175 (2013 – nil) 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 \$1,134,000 (2013 – \$926,000) for facility operating and utility costs, employee benefits and other expenses recorded in these statements.

Services received without charge

During the year, the College received without charge from the Government services including utilities \$1,819,000 (2013 – \$2,392,000) and repairs and maintenance \$1,627,000 (2013 – \$1,631,000).

Aurora College
Notes to the Financial Statements
June 30, 2014

11. RELATED PARTIES (continued)

Services received without charge (continued)

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 \$367,000 (2013 – \$334,000) 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 \$1,661,000 (2013 – \$2,335,000) 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 \$46,000 (2013 – \$ 45,000).

These services without charge have been recognized as a government contribution – services received without charge (Note 10) and included in the following expenses:

	<u>2014</u>	<u>2013</u>
	(in thousands)	
Contract services	\$ 367	\$ 334
Repairs and maintenance	1,627	1,631
Building utilities	1,819	2,393
Building leases	1,661	2,335
Medical travel	46	45
	<u>\$ 5,520</u>	<u>\$ 6,738</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.

Aurora College
Notes to the Financial Statements
June 30, 2014

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:

	(in thousands)
2015	\$ 5,098
2016	1,890
2017	1,361
2018	1,303
2019	1,186
2020	<u>534</u>
	<u>\$ 11,372</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 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.

Aurora College
Notes to the Financial Statements
June 30, 2014

14. FINANCIAL RISK MANAGEMENT (continued)

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 invested by the Government of the Northwest Territories in high quality short term income producing investments. The maximum exposure to credit risk is \$8,202,000 (2013 - \$9,490,000).

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 2014 the College's debtors are the Government of the Northwest Territories, 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 \$5,328,000 (2013 - \$2,476,000).

At 30 June 2014 there are accounts receivable past due but not impaired. These amounts for students are: 31-60 days \$18,000; 61-90 days \$12,000; and over 90 days \$19,000. These amounts for the Government and for other parties are shown below.

	91-365 days	1 to 2 years	over 2 years
Territorial government	\$241,000	\$3,000	Nil
Other third parties	\$583,000	\$27,000	Nil
Federal government	\$2,171,000	\$4,000	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.

Aurora College
Notes to the Financial Statements
June 30, 2014

14. FINANCIAL RISK MANAGEMENT (continued)

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. 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.

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.

Aurora College
Notes to the Financial Statements
June 30, 2014

16. SEGMENT DISCLOSURE (continued)

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 Tlicho 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.

Aurora College
Segmented disclosures
June 30, 2014

For the period ended June 30, 2014	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)	2014 Total (in thousands)	2014 Budget (in thousands)	2013 Total (in thousands)
Revenues									
Government contributions	\$ 1,645	\$ 4,835	\$ 8,663	\$ 13,831	\$ 6,706	\$ 1,585	\$ 37,265	\$ 30,952	\$ 37,324
Project income									
Territorial government	-	-	93	2,725	802	111	3,731	-	4,015
Other third parties	-	-	84	2,206	147	306	2,743	-	2,316
Federal government	-	-	-	182	3,064	590	3,836	-	3,319
Tuition fees	-	-	71	1,108	502	-	1,681	935	1,920
Recoveries and other	175	700	37	88	51	126	1,177	364	756
Room and board	-	-	795	-	-	78	873	764	896
Interest income	109	-	-	-	-	-	109	30	95
	<u>1,929</u>	<u>5,535</u>	<u>9,743</u>	<u>20,140</u>	<u>11,272</u>	<u>2,796</u>	<u>51,415</u>	<u>33,045</u>	<u>50,641</u>
Expenses									
Compensation and benefits	1,780	1,138	4,349	12,478	8,071	1,701	29,517	22,367	27,049
Building leases	-	-	4,933	1,676	9	-	6,618	4,933	6,750
Materials and supplies	18	395	173	810	254	46	1,696	1,384	1,516
Utilities	-	-	198	1,832	1	8	2,039	178	2,542
Contract services	35	392	82	675	661	523	2,368	1,248	2,077
Repairs and maintenance	1	1,627	230	273	68	22	2,221	-	2,439
Small equipment	3	6	138	423	151	33	754	160	478
Fees and payments	56	558	52	611	172	143	1,592	1,282	1,616
Travel and accommodation	71	132	58	491	499	129	1,380	618	1,341
Professional services	2	2	16	986	788	84	1,878	-	1,900
Amortization of tangible capital assets	-	957	-	-	-	-	957	451	967
Communication, postage and freight	68	50	98	197	157	111	681	424	746
	<u>2,034</u>	<u>5,257</u>	<u>10,327</u>	<u>20,452</u>	<u>10,831</u>	<u>2,800</u>	<u>51,701</u>	<u>33,045</u>	<u>49,421</u>
Annual surplus (deficit)	<u>\$ (105)</u>	<u>\$ 278</u>	<u>\$ (584)</u>	<u>\$ (312)</u>	<u>\$ 441</u>	<u>\$ (4)</u>	<u>\$ (286)</u>	<u>\$ -</u>	<u>\$ 1,220</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, 2015

TABLE OF CONTENTS

	Page
Management's Responsibility for Reporting	
Independent Auditor's Report	
Statement of Financial Position	1
Statement of Changes in Net Assets	2
Statement of Operations	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 16
Schedule I - Schedule of Deferred Revenue	17
Schedule II - Schedule of Core and Program Revenues and Expenses	18 - 21



#101, 5102 - 51st Street, Yellowknife, NT X1A 1S7

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 applicable for government not-for-profit organizations. 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 of Avery, Cooper & Co., 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.

A handwritten signature in blue ink, appearing to read "Louie Azzolini".

Louie Azzolini
Executive Director

June 30, 2015

***Arctic Energy Alliance: Taking action on high heating and power
high transportation costs, and climate change!***



AVERY, COOPER & Co.

Certified General Accountants

Toll-Free: 1-800-661-0787
Website: www.averycooper.com

Gerald F. Avery, FCGA
W. Brent Hinchey, B. Comm., C.G.A.
Cathy A. Cudmore, B. Rec, C.G.A.

4918 - 50th Street, P.O. Box 1620
Yellowknife, NT X1A 2P2
Telephone: (867) 873-3441
Facsimile: (867) 873-2353

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, 2015, 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, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



INDEPENDENT AUDITOR'S REPORT, continued

Comparative Information

Without modifying our opinion, we draw attention to note 3 to the financial statements which describes that Arctic Energy Alliance adopted Canadian public sector accounting standards April 1, 2014 with a transition date of April 1, 2013. These standards were applied retrospectively by management to the comparative information in these financial statements, including the Statements of Financial Position as at March 31, 2014 and April 1, 2013, and the Statements of Changes in Net Assets, Operations, and Cash Flows for the year ended March 31, 2014 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

Avery, Cooper & Co.

Avery, Cooper & Co.
Certified General Accountants
Yellowknife, NT

June 30, 2015

ARCTIC ENERGY ALLIANCE

STATEMENT OF FINANCIAL POSITION

March 31, 2015

ASSETS

	<u>March 31,</u> <u>2015</u>	<u>March 31,</u> <u>2014</u>	<u>April 1,</u> <u>2013</u>
CURRENT			
Cash	\$ 664,045	\$ 611,897	\$ 542,401
Short term investments (note 4)	60,252	60,262	60,278
Accounts receivable (note 5)	525,066	385,341	291,364
Prepaid expenses	<u>37,614</u>	<u>28,192</u>	<u>9,189</u>
	1,286,977	1,085,692	903,232
TANGIBLE CAPITAL ASSETS (note 6)	<u>82,739</u>	<u>64,291</u>	<u>54,360</u>
	<u><u>\$ 1,369,716</u></u>	<u><u>\$ 1,149,983</u></u>	<u><u>\$ 957,592</u></u>

LIABILITIES

CURRENT			
Wages and benefits payable	\$ 61,094	\$ 53,843	\$ 59,127
Government remittances payable (note 7)	33,893	55,278	38,738
Trade payables and accruals (note 8)	245,976	240,208	122,986
Provision for rebates (note 9)	43,000	80,000	18,000
Deferred revenue (note 10)	<u>203,487</u>	<u>38,177</u>	<u>60,073</u>
	587,450	467,506	298,924
DEFERRED GOVERNMENT ASSISTANCE (note 11)	<u>25,856</u>	<u>13,062</u>	<u>13,768</u>
	<u>613,306</u>	<u>480,568</u>	<u>312,692</u>

NET ASSETS

RESERVE per page 2	566,000	541,000	520,000
INVESTED IN TANGIBLE CAPITAL ASSETS page 2	56,884	51,230	40,593
ACCUMULATED SURPLUS per page 2	<u>133,526</u>	<u>77,185</u>	<u>84,307</u>
	<u>756,410</u>	<u>669,415</u>	<u>644,900</u>
	<u><u>\$ 1,369,716</u></u>	<u><u>\$ 1,149,983</u></u>	<u><u>\$ 957,592</u></u>

Approved:



Director



Director

ARCTIC ENERGY ALLIANCE

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2015

	2015			
	Accumulated Surplus	Reserve	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
Transfers (note 12)	(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	15,000	-	(15,000)	-
Amortization of deferred government assistance	(2,206)	-	2,206	-
BALANCE, closing	\$ 133,526	\$ 566,000	\$ 56,884	\$ 756,410
	2014			
	Accumulated Surplus	Reserve	Invested in Tangible Capital Assets	Total
BALANCE, opening	\$ 84,307	\$ 520,000	\$ 40,593	\$ 644,900
Excess of revenues over expenses	24,515	-	-	24,515
Transfers	(21,000)	21,000	-	-
Purchase of tangible capital assets	(18,771)	-	18,771	-
Amortization of tangible capital assets	8,840	-	(8,840)	-
Amortization of deferred government assistance	(706)	-	706	-
BALANCE, closing	\$ 77,185	\$ 541,000	\$ 51,230	\$ 669,415

ARCTIC ENERGY ALLIANCE

STATEMENT OF OPERATIONS

For the year ended March 31, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
REVENUES			
Contributions from GNWT	\$ 2,978,935	\$ 2,668,776	\$ 2,702,310
Contributions from Canada	18,950	17,263	8,950
Other source income	389,001	351,196	348,077
Membership fees	277,500	277,500	277,500
Interest income	9,000	11,780	10,116
	<u>3,673,386</u>	<u>3,326,515</u>	<u>3,346,953</u>
EXPENSES			
Advertising and promotion	45,200	56,718	16,764
Amortization	9,000	11,209	8,840
Bad debts	13,000	-	801
Carbon offset	2,000	-	-
Consulting fees	366,542	254,906	357,078
Equipment rental	14,905	12,563	3,537
Facility rental and tradeshow fees	9,860	6,941	7,678
Fees and dues	4,004	4,062	5,491
Hospitality	15,112	4,837	10,818
Insurance	13,800	13,672	11,559
Interest and bank charges	2,700	3,022	2,525
Office and general	120,987	132,099	174,920
Professional development	38,140	20,414	38,784
Professional fees	22,441	36,714	21,014
Rebates	586,438	641,916	502,362
Rent and utilities	145,100	138,542	136,164
Telephone, Internet & Website	21,700	26,705	20,411
Travel and accommodation	244,426	185,621	228,402
Wages and benefits	1,894,199	1,689,579	1,775,290
	<u>3,569,554</u>	<u>3,239,520</u>	<u>3,322,438</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 103,832</u>	<u>\$ 86,995</u>	<u>\$ 24,515</u>

ARCTIC ENERGY ALLIANCE

STATEMENT OF CASH FLOWS

For the year ended March 31, 2015

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from GNWT	\$ 2,611,069	\$ 2,535,635
Cash receipts from Government of Canada	11,429	-
Cash receipts from other sources	471,309	425,365
Cash receipts from membership fees	272,500	237,500
Cash receipts from interest	10,980	9,319
Contributions repaid	(48,177)	(2,965)
Cash paid for wages and benefits	(1,703,711)	(1,769,685)
Cash paid for materials and services	<u>(1,552,403)</u>	<u>(1,347,720)</u>
	<u>72,996</u>	<u>87,449</u>
CASH FLOWS FROM CAPITAL ACTIVITIES		
Purchase of tangible capital assets	<u>(21,658)</u>	<u>(18,771)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption of short term investments	60,810	60,818
Purchase of short term investments	<u>(60,000)</u>	<u>(60,000)</u>
	<u>810</u>	<u>818</u>
INCREASE IN CASH	52,148	69,496
CASH, opening	<u>611,897</u>	<u>542,401</u>
CASH, closing	<u><u>\$ 664,045</u></u>	<u><u>\$ 611,897</u></u>

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

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). 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, 2015

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.

(g) Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for 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.

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

3. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING

Effective April 1, 2014, the Society elected to apply the standards for government not-for-profit organizations in the CPA Canada Public Sector Accounting Handbook with Sections PS 4200 to PS 4270.

These are the first financial statements prepared in accordance with this new framework which has been applied retrospectively. The accounting policies set out in note 2 have been applied in accordance with Section PS 2125, "First-time adoption" in preparing the financial statements for the year ended March 31, 2015, the comparative information for the year ended March 31, 2014 and in the preparation of an opening statement of financial position as at April 1, 2013, which is the organization's date of transition to Canadian public sector accounting standards (PSAS).

The Society previously issued financial statements for the year ended March 31, 2014 using Canadian accounting standards for not-for-profit organizations prescribed by Part III of the CPA Canada Handbook – Accounting.

The adoption of PSAS has had no impact on the previously reported assets, liabilities and net assets of the Society, and accordingly, no adjustments have been recorded in the comparative statements of financial position, statement of operations, statement of changes in net assets and statement of cash flows. Certain of the organization's presentation and disclosures included in these financial statements reflect the new presentation and disclosure requirements of PSAS.

4. SHORT TERM INVESTMENTS

Short term investments consist of a non-redeemable guaranteed investment certificate (GIC) held with the Bank of Nova Scotia, 1.30% (2014 - 1.35%) interest per annum, matures December 4, 2015, to secure a credit card.

5. ACCOUNTS RECEIVABLE

	<u>2015</u>	<u>2014</u>
Contributions receivable:		
Government of the Northwest Territories (Schedule I)	\$ 390,706	\$ 183,743
Government of Canada	<u>14,784</u>	<u>8,950</u>
Total contributions receivable	405,490	192,693
Members	15,000	10,000
Other	118,888	196,960
Allowance for doubtful accounts	<u>(14,312)</u>	<u>(14,312)</u>
	<u>\$ 525,066</u>	<u>\$ 385,341</u>

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

5. ACCOUNTS RECEIVABLE, continued

Under the Commercial Energy Conservation & Efficiency Program (CECEP) with the GNWT-ENR, the Society assists business owners in determining the most beneficial building upgrades by performing Targeted Energy Audits.

As at March 31, 2015, the Society performed Targeted Energy Audits for which clients were invoiced a total of \$nil (2014 - \$15,000). In accordance with the program guidelines, the Society waives the audit fee contingent on the business owners committing to making energy efficiency upgrades within six months after the audit is completed. Accordingly, \$nil (2014 - \$15,000) in unpaid audit fees have not been included in these financial statements until the period in which they are received or receivable. During the year, the Society waived such fees in accordance with the program guidelines.

6. TANGIBLE CAPITAL ASSETS

	2015		2014		
Cost	Accumulated amortization	Net	Net		
Computer equipment	\$ 7,473	\$ 7,473	\$ -	\$ 1,525	
Computer software	33,028	6,714	26,314	9,097	
Heating equipment	36,242	3,730	32,512	26,124	
Leasehold improvements	27,396	27,396	-	-	
Office equipment	42,460	18,547	23,913	27,545	
	\$ 146,599	\$ 63,860	\$ 82,739	\$ 64,291	

During the year, the Society purchased tangible capital assets with a cost of \$29,657 (2014 - \$18,771) of which \$8,000 (2014 - \$nil) was acquired by assuming directly related liabilities and the balance of \$21,658 (2014 - \$18,771) was paid cash.

Net assets invested in tangible capital assets as at March 31, 2015 are as follows:

	2015	2014
Tangible capital assets	\$ 82,739	\$ 64,291
Deferred government assistance	(25,855)	(13,061)
Net assets invested in tangible capital assets per page 2	\$ 56,884	\$ 51,230

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

7. GOVERNMENT REMITTANCES PAYABLE

	<u>2015</u>	<u>2014</u>
GST payable	\$ -	\$ 5,651
Payroll remittances payable	22,487	37,843
Related parties:		
Workers' Safety and Compensation Commission	8,634	8,601
GNWT - Department of Finance	<u>2,772</u>	<u>3,183</u>
	<u>\$ 33,893</u>	<u>\$ 55,278</u>

8. TRADE PAYABLES AND ACCRUALS

	<u>2015</u>	<u>2014</u>
Accrued liabilities:		
EEIP rebates	\$ 6,921	\$ 23,151
Other	<u>37,301</u>	<u>26,463</u>
Total accrued liabilities	44,222	49,614
Trade payables	<u>201,754</u>	<u>190,594</u>
	<u>\$ 245,976</u>	<u>\$ 240,208</u>

9. PROVISION FOR REBATES

Under the Energy Efficiency Incentive Program (EEIP) with the GNWT-ENR, 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.

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

9. PROVISION FOR REBATES, continued

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, is reported below as additional prior year rebates. Changes during the year in the provision for EEIP rebates are as follows:

	2015	2014
Provision for the current year	\$ 43,000	\$ 80,000
Rebates paid previously provided for	(59,017)	(46,518)
Additional prior year rebates	-	28,518
Unused provision reversed (note 10)	(20,983)	-
Change in provision during the year	(37,000)	62,000
Provision for rebates, opening	80,000	18,000
Provision for rebates, closing	\$ 43,000	\$ 80,000

10. DEFERRED REVENUE

During the year, the Society entered into contribution agreements with the GNWT, Department of Environment and Natural Resources (ENR), and the Government of Canada. 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.

	2015	2014
Restricted contributions balance, opening	\$ 38,177	\$ 10,073
Receipts	2,430,700	2,535,635
Funding receivable	404,595	192,693
In-kind (note 15)	14,000	14,000
Transfer unused EEIP contributions (note 9)	20,983	-
Repayments	(48,177)	(2,964)
Transfer to deferred government assistance	(15,000)	-
Funding expended	(2,686,039)	(2,711,260)
Restricted contributions balance, closing	159,239	38,177
Fee for service received in advance	44,248	-
Total deferred revenue	\$ 203,487	\$ 38,177

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

10. DEFERRED REVENUE, continued

In addition, during the year, included in revenues from other source income in Schedule II are in-kind contributions with a fair value of \$nil (2014 - \$10,724) received from third parties.

11. DEFERRED GOVERNMENT ASSISTANCE

	2015		2014	
	Cost	Accumulated amortization	Net	Net
GNWT-ENR - Alternative Energy Technology: Wood pellet boiler	\$ 14,121	\$ 1,765	\$ 12,356	\$ 13,062
GNWT-ENR - Energy Efficiency Incentive Program: Database	15,000	1,500	13,500	-
	\$ 29,121	\$ 3,265	\$ 25,856	\$ 13,062

12. RESERVE

During the year, Arctic Energy Alliance transferred \$25,000 (2014 - \$21,000) from unrestricted net assets to set aside net assets in order to meet its capital management objectives as described in f 16. The reserve at March 31, 2015 of \$566,000 (2014 - \$541,000) represents the minimum required net assets to support at least three months of operating costs. This internally restricted reserve is 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 as detailed in note 16.

Changes in net financial assets during the year are as follows:

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

12. RESERVE, continued

	<u>2015</u> Budget	<u>2015</u> Actual	<u>2014</u> Actual
Excess of revenues over expenses per page 3	\$ 103,832	\$ 86,995	\$ 24,515
Acquisition of tangible capital assets	(35,000)	(29,657)	(18,771)
Amortization of tangible capital assets	9,000	11,209	8,840
Acquisition of prepaid expenses	-	(55,722)	(54,597)
Use of prepaid expenses	-	46,300	35,594
Deferred government assistance additions	-	15,000	-
Amortization - deferred government assistance	-	(2,206)	(706)
Increase (decrease) in net financial assets	77,832	71,919	(5,125)
Net financial assets, opening	<u>589,994</u>	<u>589,994</u>	<u>595,119</u>
Net financial assets, closing (note 16)	<u>\$ 667,826</u>	<u>\$ 661,913</u>	<u>\$ 589,994</u>

13. MEMBERSHIP FEES

Membership fees revenue for the year consist of the following:

	<u>2015</u>		<u>2014</u>
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
	<u>277,500</u>		<u>277,500</u>
	<u>\$ 277,500</u>	\$	<u>277,500</u>

Included in membership fees are amounts from the following related parties:

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

13. MEMBERSHIP FEES, continued

	<u>2015</u>	<u>2014</u>
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	<u>50,000</u>	<u>50,000</u>
	<u>150,000</u>	<u>150,000</u>
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	<u>12,500</u>	<u>12,500</u>
	<u>67,500</u>	<u>67,500</u>
	<u>\$ 217,500</u>	<u>\$ 217,500</u>

14. 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.

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

15. COMMITMENTS

The Society has entered into operating leases for office space in Yellowknife and for vehicle equipment. Future minimum lease payments are as follows.

	Office Space	Vehicle Equipment	Total
2016	\$ 66,420	\$ 20,580	\$ 87,000
2017	66,420	1,715	68,135
	\$ 132,840	\$ 22,295	\$ 155,135

Commencing September 2010 and included in revenue, is in-kind contributions regarding office space in Norman Wells, NWT with a fair value of \$14,000 per annum (2014 - \$14,000) from the GNWT-ENR with no specified expiry date. The office is in connection with the Regional Offices program.

16. 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. As at March 31, 2015, 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, 2015 are as follows:

	2015	2014
Net assets per page 2	\$ 756,410	\$ 669,415
Less: Non-financial assets		
Prepaid expenses	37,614	28,192
Tangible capital assets	82,739	64,291
Deferred government assistance	(25,856)	(13,062)
	94,497	79,421
Net financial assets (note 12)	\$ 661,913	\$ 589,994

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

17. 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:

	2015	2014
Excess of revenues over expenses per page 3	\$ 86,995	\$ 24,515
Items not affecting cash:		
Amortization of tangible capital assets	11,209	8,840
Amortization of deferred government assistance	(2,206)	(706)
Increase in deferred government assistance	15,000	-
Change in accrued interest from GICs	10	16
Interest income received relating to short term investments	(810)	(818)
	110,198	31,847
Net change in non-cash working capital accounts:		
Increase in accounts receivable	(139,725)	(93,977)
Increase in prepaid expenses	(9,421)	(19,003)
Increase (decrease) in wages and benefits payable	7,251	(5,284)
Increase (decrease) in government remittances payable	(21,385)	16,540
Increase (decrease) in trade payables and accruals	(2,232)	117,222
Increase (decrease) in provision for rebates	(37,000)	62,000
Increase (decrease) in deferred revenue	165,310	(21,896)
	(37,202)	55,602
Cash flows from operating activities per page 4	\$ 72,996	\$ 87,449

18. ALLOCATED EXPENSES

During the year, the Society allocated \$268,537 (2014 - \$243,515) representing administration and overhead allocated to programs at a 15% rate. These inter-program allocations have been eliminated in the Statement of Operations and in Schedule II.

19. BUDGET AMOUNTS

The 2015 budget amounts on the Statement of Operations are presented for information purposes only and are unaudited.

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

20. 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 15). 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.

	2015	2014
Revenue		
Fee for service:		
GNWT - Department of Public Works and Services	\$ 1,219	\$ -
Northwest Territories Power Corporation	-	1,500
NWT Housing Corporation	32,780	102,335
Aurora College	6,250	28,623
	\$ 40,249	\$ 132,458
Expenses		
Aurora College - Rent	\$ 14,426	\$ 15,862
NWT Housing Corporation	-	2,976
Workers' Safety and Compensation Commission	8,073	7,422
	\$ 22,499	\$ 26,260
Receivables from related parties:		
GNWT-ENR (Schedule I)	\$ 390,706	\$ 183,743
GNWT-Department of Public Works and Services	1,280	-
Northwest Territories Power Corporation	5,000	10,525
NWT Housing Corporation	29,679	88,014
Aurora College	-	25,716
	\$ 426,665	\$ 307,998
Payables to related parties: Aurora College	\$ 3,634	\$ 3,464

21. 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, 2015

Program	(note 10)	(note 10 & 15)	(note 10)	(note 10)	(note 10)	(Schedule II) (note 10)	(note 10)		
	Opening balance	Cash funding received	In-kind contributions	Funding receivable	Repayments	Transfers	Total funding available	Funding expended	Closing balance
CONTRIBUTIONS									
GOVERNMENT OF CANADA									
Department of Natural Resources (NRCan)									
NRCan ecoEnergy for Building & New Housing (EGNH)	\$ -	\$ -	\$ -	\$ 13,889	\$ -	\$ -	\$ 13,889	\$ 13,889	\$ -
Employment and Social Development Canada (ESDC)									
Canada Summer Jobs	-	3,374	-	-	-	-	3,374	3,374	-
Total Government of Canada	-	3,374	-	13,889	-	-	17,263	17,263	-
GOVERNMENT OF THE NORTHWEST TERRITORIES (GNWT)									
Department of Environment and Natural Resources (ENR)									
Core Support	-	150,000	-	-	-	50,000	200,000	200,000	-
Alternative Energy Technologies Program (AETP)	-	250,000	-	10,593	-	-	260,593	260,593	-
Community Energy Program (CEP) Smart Micro-Grid, Jean Marie River	-	10,000	-	-	(10,000)	-	-	-	-
CEP Solar Demonstration Kits Trailer and Shipping	-	12,000	-	2,342	-	-	14,342	14,342	-
CEP Yellowknife Solar Fair	-	7,326	-	-	-	-	7,326	7,326	-
Commercial Energy Conservation & Efficiency Program (CECEP)	-	150,000	-	68,891	-	-	218,891	218,891	-
Energy Conservation Program, Sahtu Region									
Wood Energy Technology Transfer (WETT)	-	25,000	-	7,000	-	20,995	52,995	52,995	-
Energy Efficiency Incentive Program (EEIP)	37,661	350,000	-	87,142	(37,661)	5,983	443,125	422,142	20,983
Energy Rating Services Support (ERS)	-	130,000	-	20,000	-	-	150,000	150,000	-
Electric Hot Water Heaters Replacement (HWH)	-	250,000	-	-	-	-	250,000	193,344	56,656
Electric Vehicle Testing	-	18,500	-	-	-	-	18,500	18,500	-
Energy Management Program (EMP)	-	210,000	-	-	-	-	210,000	192,595	17,405
Implementation Building Audits (NWT Association of Communities)	-	-	-	-	-	23,939	23,939	23,939	-
NWT Biomass Energy	-	150,000	-	5,939	-	-	155,939	155,939	-
Regional Offices	-	700,000	14,000	188,799	-	(94,934)	807,865	756,689	51,176
Renewable Energy Cooperative Formation (RECF)	-	14,500	-	-	-	-	14,500	1,481	13,019
Targeted Biomass	516	-	-	-	(516)	-	-	-	-
Total ENR	38,177	2,427,326	14,000	390,706	(48,177)	5,983	2,828,015	2,668,776	159,239
Total contributions	\$ 38,177	\$ 2,430,700	\$ 14,000	\$ 404,595	\$ (48,177)	\$ 5,983	\$ 2,845,278	\$ 2,686,039	\$ 159,239

See accompanying notes.

ARCTIC ENERGY ALLIANCE

Schedule II

SCHEDULE OF CORE AND PROGRAM REVENUES AND EXPENSES

For the year ended March 31, 2015

	Total	Core Support	ENR-Building Audits (NWTAC)	ENR-AETP	ENR-CECEP
REVENUES					
Contributions from GNWT	\$ 2,683,776	\$ 200,000	\$ 23,939	\$ 260,593	\$ 218,891
Contributions from Canada	17,263	3,374	-	-	-
Other source income	348,990	469,366	137,261	-	-
Membership fees	277,500	277,500	-	-	-
Interest income	11,780	11,780	-	-	-
	<u>3,339,309</u>	<u>962,020</u>	<u>161,199</u>	<u>260,593</u>	<u>218,891</u>
EXPENDITURES					
Administration fees	-	-	-	15,000	15,000
Advertising and promotion	60,467	6,194	158	81	2,218
Consulting fees	275,846	51,251	33,026	-	18
Equipment rental	14,320	3,537	-	-	-
Facility rental and tradeshow fees	5,717	820	-	-	-
Fees and dues	4,062	744	-	-	-
Hospitality	4,837	1,073	-	-	-
Insurance	13,672	12,224	-	-	-
Interest and bank charges	3,022	3,022	-	-	-
Office and general	138,870	48,932	996	848	2,724
Professional development	25,733	1,396	-	2,729	2,752
Professional fees	36,714	36,714	-	-	-
Rebates	641,916	(450)	-	192,662	121,000
Rent and utilities	138,542	92,396	-	-	-
Telephone, Internet & Website	26,600	20,042	-	-	-
Travel and accommodation	186,764	29,221	31,248	2,764	1,331
Wages and benefits	1,690,309	602,115	76,175	46,509	73,848
	<u>3,267,389</u>	<u>909,230</u>	<u>141,603</u>	<u>260,593</u>	<u>218,891</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS (note 12)					
	<u>71,920</u>	<u>52,790</u>	<u>19,596</u>	<u>-</u>	<u>-</u>
TRANSFERS FROM (TO):					
Acquisition of tangible capital assets	29,657	13,413	-	-	-
Amortization of tangible capital assets	(11,209)	(11,209)	-	-	-
Acquisition of prepaid expenses	55,722	32,137	-	-	1,077
Use of prepaid expenses	(46,300)	(42,380)	-	-	-
Deferred government assistance additions	(15,000)	-	-	-	-
Amortization of deferred government assistance	2,206	706	-	-	-
	<u>15,076</u>	<u>(7,332)</u>	<u>-</u>	<u>-</u>	<u>1,077</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES per page 3 (note 12)					
	<u>\$ 86,995</u>	<u>\$ 45,458</u>	<u>\$ 19,596</u>	<u>\$ -</u>	<u>\$ 1,077</u>

See accompanying notes.

18

SCHEDULE OF CORE AND PROGRAM REVENUES AND EXPENSES

For the year ended March 31, 2015

	ENR- CEP Yellowknife Solar Fair	ENR- ECP WETT Sahtu Region	ENR- EEIP	ENR- ERS	ENR- HWH
REVENUES					
Contributions from GNWT	\$ 7,326	\$ 52,995	\$ 437,142	\$ 150,000	\$ 193,344
Contributions from Canada	-	-	-	-	-
Other source income	-	-	-	8,250	-
Membership fees	-	-	-	-	-
Interest income	-	-	-	-	-
	7,326	52,995	437,142	158,250	193,344
EXPENDITURES					
Administration fees	-	500	14,813	23,100	12,600
Advertising and promotion	3,126	-	942	-	-
Consulting fees	3,958	40,338	18,309	415	105,834
Equipment rental	242	-	-	-	-
Facility rental and tradeshow fees	-	-	-	-	-
Fees and dues	-	-	-	633	-
Hospitality	-	1,261	-	-	171
Insurance	-	-	-	-	-
Interest and bank charges	-	-	-	-	-
Office and general	-	-	535	1,300	27,960
Professional development	-	-	2,996	2,500	-
Professional fees	-	-	-	-	-
Rebates	-	-	328,704	-	-
Rent and utilities	-	-	-	-	-
Telephone, Internet & Website	-	-	-	-	-
Travel and accommodation	-	1,500	11	177	10,584
Wages and benefits	-	9,398	70,833	132,473	36,194
	7,326	52,997	437,142	160,597	193,344
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS (note 12)					
	-	(2)	-	(2,347)	-
TRANSFERS FROM (TO):					
Acquisition of tangible capital assets	-	-	16,243	-	-
Amortization of tangible capital assets	-	-	-	-	-
Acquisition of prepaid expenses	-	-	-	1,890	-
Use of prepaid expenses	-	-	-	-	-
Deferred government assistance additions	-	-	(15,000)	-	-
Amortization of deferred government assistance	-	-	1,500	-	-
	-	-	2,743	1,890	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES per page 3 (note 12)					
	\$ -	\$ (2)	\$ 2,743	\$ (457)	\$ -

ARCTIC ENERGY ALLIANCE

Schedule II

SCHEDULE OF CORE AND PROGRAM REVENUES AND EXPENSES

For the year ended March 31, 2015

	ENR- Electric Vehicle Testing	ENR- EMP	ENR- NWT Biomass Energy	ENR- Regional Offices	ENR- CEP Solar Demo Kits
REVENUES					
Contributions from GNWT	\$ 18,500	\$ 192,595	\$ 155,939	\$ 756,690	\$ 14,342
Contributions from Canada	-	-	-	-	-
Other source income	-	-	-	-	-
Membership fees	-	-	-	-	-
Interest income	-	-	-	-	-
	18,500	192,595	155,939	756,690	14,342
EXPENDITURES					
Administration fees	200	31,500	25,325	130,000	-
Advertising and promotion	-	5,996	19,911	21,841	-
Consulting fees	2,407	1,794	14,028	1,857	-
Equipment rental	10,541	-	-	-	-
Facility rental and tradeshow fees	-	2,612	-	2,285	-
Fees and dues	65	2,031	457	-	132
Hospitality	-	-	372	1,960	-
Insurance	1,362	-	-	-	86
Interest and bank charges	-	-	-	-	-
Office and general	4,692	5,056	122	34,891	10,050
Professional development	-	3,749	3,753	5,858	-
Professional fees	-	-	-	-	-
Rebates	-	-	-	-	-
Rent and utilities	-	-	-	46,146	-
Telephone, Internet & Website	-	-	191	6,368	-
Travel and accommodation	-	1,196	6,875	100,252	1,603
Wages and benefits	-	138,661	84,906	405,233	2,471
	19,267	192,595	155,939	756,690	14,342
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS (note 12)					
	(767)	-	-	-	-
TRANSFERS FROM (TO):					
Acquisition of tangible capital assets	-	-	-	-	-
Amortization of tangible capital assets	-	-	-	-	-
Acquisition of prepaid expenses	1,757	4,832	12,754	1,275	-
Use of prepaid expenses	-	(2,612)	-	(1,308)	-
Deferred government assistance additions	-	-	-	-	-
Amortization of deferred government assistance	-	-	-	-	-
	1,757	2,220	12,754	(33)	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES per page 3 (note 12)					
	\$ 989	\$ 2,220	\$ 12,754	\$ (33)	\$ -

See accompanying notes.

SCHEDULE OF CORE AND PROGRAM REVENUES AND EXPENSES

For the year ended March 31, 2015

	ENR- RECP	NRCan- EGNH	(note 18) Eliminations
REVENUES			
Contributions from GNWT	\$ 1,481	\$ -	\$ -
Contributions from Canada	-	13,889	-
Other source income	-	2,650	(268,538)
Membership fees	-	-	-
Interest income	-	-	-
	<u>1,481</u>	<u>16,539</u>	<u>(268,538)</u>
EXPENDITURES			
Administration fees	500	-	(268,538)
Advertising and promotion	-	-	-
Consulting fees	-	2,612	-
Equipment rental	-	-	-
Facility rental and tradeshow fees	-	-	-
Fees and dues	-	-	-
Hospitality	-	-	-
Insurance	-	-	-
Interest and bank charges	-	-	-
Office and general	-	764	-
Professional development	-	-	-
Professional fees	-	-	-
Rebates	-	-	-
Rent and utilities	-	-	-
Telephone, Internet & Website	-	-	-
Travel and accommodation	-	-	-
Wages and benefits	981	10,513	-
	<u>1,481</u>	<u>13,889</u>	<u>(268,538)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS (note 12)			
	<u>-</u>	<u>2,650</u>	<u>-</u>
TRANSFERS FROM (TO):			
Acquisition of tangible capital assets	-	-	-
Amortization of tangible capital assets	-	-	-
Acquisition of prepaid expenses	-	-	-
Use of prepaid expenses	-	-	-
Deferred government assistance additions	-	-	-
Amortization of deferred government assistance	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES per page 3 (note 12)			
	<u>\$ -</u>	<u>\$ 2,650</u>	<u>\$ -</u>

Inuvialuit Water Board

Financial Statements

March 31, 2015

Inuvialuit Water Board

Financial Statements

March 31, 2015

Page

Management's Responsibility for Financial Reporting	3
Independent Auditors' Report	4
Statement of Operations and Operating Fund	5
Statement of Net Assets	6
Statement of Net Financial Resources	7
Statement of Financial Position	8
Statement of Cash Flows	9
Notes to Financial Statements	10-14

Management's Responsibility for Financial Reporting

June 17, 2015

**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**



Crowe MacKay LLP
Member Crowe Horwath International
PO Box 727, 5103-51st Street
Yellowknife, NT X1A 2N5
+1.867.920.4404 Tel
+1.867.920.4135 Fax
+1.866.920.4404 Toll Free
www.crowemackay.ca

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, 2015, and the statements of operations and operating fund, 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 unqualified 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, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Public Sector Accounting Standards.

Crowe MacKay LLP

Chartered Accountants

**Yellowknife, Northwest Territories
June 17, 2015**

Inuvialuit Water Board

Statement of Operations and Operating Fund

For the year ended March 31,	Budget	2015	2014
Revenue			
Government of Canada			
- Aboriginal Affairs and Northern Development			
Core funding	\$ -	\$ -	\$ 1,080,000
Core funding - Funding for Act amendment	-	-	5,000
Core funding - Tuktoyaktuk - Inuvik additional funding	-	-	52,000
Government of Northwest Territories	900,000	900,000	-
Donation in kind	-	48,000	-
Other revenue	8,400	8,743	5,400
Contribution repayable	-	(39,795)	-
	908,400	916,948	1,142,400
Expenses			
Advertising	2,000	1,981	-
Amortization	12,000	22,059	20,632
Board travel	43,000	31,251	38,287
Communications	45,000	44,175	45,039
Conferences	6,000	7,371	4,900
Consulting	30,000	38,772	8,475
Equipment maintenance	1,000	-	74
Equipment rental	12,000	17,273	12,520
Honoraria	210,000	187,609	215,063
Hospitality	-	993	402
HR and Financial Policy Development	20,000	-	-
Interest and bank charges	500	1,071	1,188
Municipal Wastewater Workshop	30,000	19,832	-
Office	36,500	8,909	9,464
Postage	2,000	2,073	1,503
Rent	-	48,000	-
Professional fees	55,000	53,630	39,809
Professional fees - interim Executive Director	-	-	132,120
Publications	2,000	1,438	2,039
Salaries and benefits	475,000	400,490	220,499
Staff training	10,000	518	-
Staff travel	24,000	27,324	13,674
Strategic Plan Updates	10,000	13,824	-
Tuktoyaktuk-Inuvik public hearings	-	-	406,111
	1,026,000	928,593	1,171,799
Surplus (deficit) before other items	(117,600)	(11,645)	(29,399)
Loss on disposal of capital assets	-	(627)	-
Surplus (deficit) before capital asset additions	(117,600)	(12,272)	(29,399)
Capital asset additions	-	(1,671)	(29,867)
Surplus (deficit)	\$ (117,600)	\$ (13,943)	\$ (59,266)

Inuvialuit Water Board

Statement of Net Assets

For the year ended March 31,			2015	2014
	Capital Asset Fund	Operating Fund	Total	Total
Balance, beginning of year	\$ 35,480	\$ 266,641	\$ 302,121	\$ 331,520
Surplus (deficit)	-	(12,272)	(12,272)	(29,399)
Acquisition of capital assets	1,871	(1,871)	-	-
Disposal of capital assets	(627)	627	-	-
Amortization	(22,059)	22,059	-	-
Balance, end of year	\$ 14,465	\$ 275,384	\$ 289,849	\$ 302,121

Inuvialuit Water Board

Statement of Change in Net Financial Resources

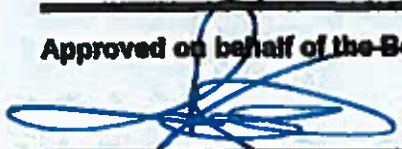
For the year ended March 31,	2015	2014
Operating deficit	\$ (12,272)	\$ (29,399)
Acquisition of tangible capital assets	(1,671)	(29,867)
Amortization of tangible capital assets	22,059	20,632
(Gain)/ loss on sale of tangible capital assets	627	-
Decrease/ (increase) in prepaid expenses	379	(442)
Net remeasurement gains and (losses)	9,122	(39,076)
Net debt at beginning of year	285,037	304,113
Net debt at end of year	\$ 274,159	\$ 265,037

Inuvialuit Water Board

Statement of Financial Position

As at March 31,	2015	2014	2013
Assets			
Cash	\$ 475,212	\$ 278,299	\$ 819,863
Accounts receivable (Note 4)	6,734	25,940	5,359
	481,946	304,239	825,222
Liabilities			
Accounts payable and accrued liabilities	167,992	39,202	29,428
Repayable contributions (Note 6)	39,785	-	291,681
	207,787	39,202	321,109
Net financial resources	274,169	265,037	304,113
Non-Financial Assets			
Prepaid expenses	\$ 1,226	\$ 1,604	\$ 1,162
Tangible capital assets (Note 5)	14,465	35,480	26,245
	15,690	37,084	27,407
Accumulated surplus	\$ 289,849	\$ 302,121	\$ 331,520

Approved on behalf of the Board



Director



Director

Inuvialuit Water Board

Statement of Cash Flows

For the year ended March 31,	2015	2014
Cash provided by (used in)		
Operating activities		
Surplus (Deficit)	\$ (12,272)	\$ (29,399)
Amortization	22,059	20,632
Loss on disposal of assets	627	-
Change in non-cash operating working capital		
Accounts receivable	19,206	(20,581)
Prepaid expenses	379	(442)
Accounts payable and accrued liabilities	128,790	9,774
Repayable contributions	39,796	(291,681)
	198,584	(311,697)
Investing activity		
Investment in capital assets	(1,671)	(29,667)
Change in cash position	196,913	(341,564)
Cash position, beginning of year	278,299	619,863
Cash position, end of year	\$ 475,212	\$ 278,299

Inuvialuit Water Board

Notes to Financial Statements

March 31, 2015

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*.

The schedules and the statement of operations have been adjusted to reflect that the capital assets are treated as expenses by the funding agency - Government of the Northwest Territories, devolution from Government of Canada - Aboriginal Affairs and Northern Development Canada (AANDC).

2. Accounting Policies

These financial statements have been prepared in accordance with Public Sector Accounting Standards as issued by the Public Sector Accounting Board (PSAB). 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 following is a summary of the significant accounting policies used by management in the preparation of these financial statements.

(a) Impact of the Change in the Basis of Accounting

These are the Board's first financial statements prepared in accordance with Canadian Public sector accounting standards ("PSAS"). The 2015 comparative financial statements include an opening statement of financial position as at March 31, 2015 that provides for the impact of the transition. There were no changes required to the comparative balances presented as a result of adoption of this new accounting framework.

The rules for transition to PSAS normally require that an organization prepare its opening statement of financial position using the standards that will be followed thereafter. However, certain elective exemptions are available. In preparing the opening statement of financial position referred to above, the Board has not elected to use any exemptions.

(b) 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, 2015

2. Accounting Policies (continued)

(c) Capital assets

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.

(d) 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.

(e) 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.

(f) Allocation of expenses

The Board allocates expenditures according to their function, and are classified as core expenditures.

(g) 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.

(h) 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, 2015

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) Liability for Contaminated Sites, Section PS 3260

PSAB released Section PS 3260 -- Liability for Contaminated Sites. This new Section establishes recognition, measurement and disclosure standards for liabilities relating to contaminated sites of governments and those organizations applying the Canadian public sector accounting standards.

This Section is effective for fiscal periods beginning on or after April 1, 2015. The impact of the transition to these accounting standards has not yet been determined.

4. Accounts Receivable

	2015	2014
Accounts Receivable	\$ 2,100	\$ 8,400
Goods and Services Tax	4,634	17,540
	\$ 6,734	\$ 25,940

No amount is considered doubtful.

Inuvialuit Water Board

Notes to Financial Statements

March 31, 2015

5. Capital Assets

	Rate	Cost	Accumulated Amortization	2015 Net Book Value	2014 Net Book Value
Furniture and equipment	20%	\$ 9,714	\$ 6,289	\$ 3,425	\$ 2,789
Computer equipment	30%	88,269	75,229	11,040	24,747
Computer software	100%	609	609	-	-
Websites	5yr S/L	39,720	39,720	-	7,944
		\$ 138,312	\$ 121,847	\$ 14,465	\$ 35,480

6. Repayable Contributions

	2015	2014
<u>Government of Northwest Territories</u>	<u>39,795</u>	<u>-</u>
	\$ 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:

2016	6,830
2017	4,746
2018	4,746
2019 and later	8,415
	\$ 24,737

Inuvialuit Water Board

Notes to Financial Statements

March 31, 2015

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 \$481,946 (2014: \$304,239)

(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 \$ 207,787 (2014:\$ 39,202). 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, 2015 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.



2014-15 Annual Report

**NWT Business Development &
Investment Corporation**

Committed to Helping Businesses in the
Northwest Territories

HEAD OFFICE

#701, 5201 – 50th Avenue
Yellowknife NT X1A 3S9
Telephone: (867) 920-6455
Fax: (867) 765-0652
Toll free: 1-800-661-0599

www.bdic.ca

bdicinfo@gov.nt.ca

TABLE OF CONTENTS

1	Message from Chairperson and Chief Executive Officer
2	Corporate Overview
3	Board of Directors
4	Overview of the BDIC
5	Client Profile - Gaia Integrative Clinic
6	Highlights for 2014/15
7	Client Profile - Deh Cho Suites
8	Credit Facilities Program
9	Subsidiary Program
10	Subsidiary Companies
11	Client Profile - Poison Graphics
12	Venture Investment Program
13	Client Profile - The Rusty Raven Gallery & Gift
14	Contribution Program - Business Development Project Fund (BDPF)
15	Business Support Services
16	Write-Offs and Forgiveness
17	Disbursements
21	Financial Statements



MESSAGE FROM THE CHAIR AND CEO

We are pleased to present the NWT Business Development and Investment Corporation's (BDIC) 2014/15 Annual Report to the Minister Responsible for the BDIC. The BDIC continues to innovate and assist business people and potential entrepreneurs with programs and services to help their business succeed.

Our Contribution Program had a record year with applications approved for approximately \$318,000 in Business Development Project Fund to assist NWT businesses with starting or expanding their operations.

At the end of 2014/15 the BDIC's credit facilities portfolio was approximately \$49.1 million (including \$6.5 million of interest not recognized as revenue) with \$8.2 million new approvals in this fiscal year. As a lender of last resort the BDIC provides credit facilities to businesses across the NWT including small communities.

Our Subsidiary and Venture Programs continue to generate employment across the NWT. In 2014/15 the BDIC's subsidiary and venture programs employed over 38 full time equivalent positions. Through the efforts of Arctic Canada Trading Company Ltd. our subsidiary products can now be purchased in galleries and gift shops in every province and territory as well as in Alaska.

Canada Business NWT, our business service centre, continues to serve NWT residents with information and resources to help clients start or expand their business. Clients continue to use the BDIC's online information to help them start their businesses and assist them to grow. This year had a record numbers of visitors to the BDIC's website. This year we hosted 71 small business learning sessions that were attended by 309 people.

In November 2014 the BDIC hosted the sixth biennial Northern Economic Development Practitioners Conference to share information on best practices with economic development service providers from around the NWT.

We would like to recognize Rhonda Macleod, Greg Debogorski and Ron Chiasson for their long service in the public sector. In 2014/15 Rhonda and Greg served with the GNWT for 25 years, while Ron has been with the BDIC for 5 years.

Finally, we would like thank Warren Wright for his service as a Board Director with the BDIC for the past 6 years. Warren's contribution as a businessman from the Sahtu region to the BDIC was invaluable.



Pawan Chugh
Chief Executive Officer



Darrell Beaulieu
Chairperson

CORPORATE OVERVIEW



The Honourable David Ramsay

Minister Responsible for the BDIC

Minister Ramsay has been Minister Responsible for the BDIC for the last 4 years. Mr. Ramsay has served as a member of the Legislative Assembly for 12 years and currently holds portfolios as the Minister for the Department of Industry Tourism and Investment and Department of Justice. He has served as vice president of the Pacific Northwest Economic Region (PNWER) from 2011-2014; and as president 2014-2015. Prior to joining the public sector, Minister Ramsay was a business owner and was awarded “Young Entrepreneur of the Year” by the Business Development Bank of Canada.



Darrell Beaulieu

Chair of the BDIC

Born and raised in the North, Darrell Beaulieu has been Chair of the BDIC for the last 10 years. Darrell is currently President and CEO of Denendeh Investments Incorporated (DII) and sits as Director of Northland Utilities Enterprises Limited, Northland Utilities (NWT) Limited and Northland Utilities (Yellowknife) Limited since 2006.



Pawan Chugh

Chief Executive Officer

With a public service career spanning almost 25 years, Pawan Chugh has been CEO of the BDIC for last 10 years. He provides invaluable expertise with his in depth knowledge of business law, marketing and finance. Pawan has formally served as Chief Financial Officer with Canada Ports Corporation in Churchill, Manitoba for seven years. Prior to joining the public sector, he owned a successful private business.

BOARD OF DIRECTORS

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
Warren Wright - Director (until April 2014)	Normal Wells



Warren Wright receiving his award of recognition for his service as BDIC Board Director for 6 years.

Left to right: David Ramsay, Minister Responsible for the BDIC, Warren Wright, BDIC Director, Bob McLeod, Premier and Darrell Beaulieu, BDIC Chairperson

AUDIT COMMITTEE

Denise Yuhas, Fort Smith, Chairperson
Joanne Deneron, Fort Liard, Vice Chairperson
Louise Lavoie, Yellowknife
Denny Rodgers, Inuvik
John Hazenberg, Yellowknife



Left to Right: Darrell Beaulieu, Denise Yuhas, Gwen Robak, Ruby Landry, Andy Wong, Denny Rodgers, Joanne Deneron, Charlie Furlong

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.

Level I Communities

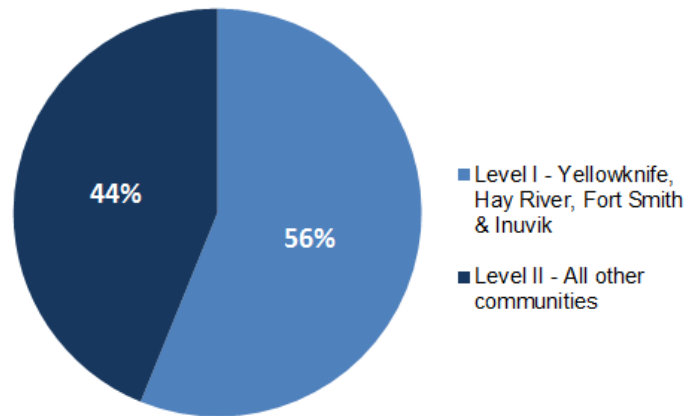
Communities with well developed business infrastructure and air/road transportation links. **Fort Smith, Hay River, Inuvik and Yellowknife.**

Level II Communities

Communities with less developed business infrastructure and air/road transportation links. **All other NWT communities not listed above.**

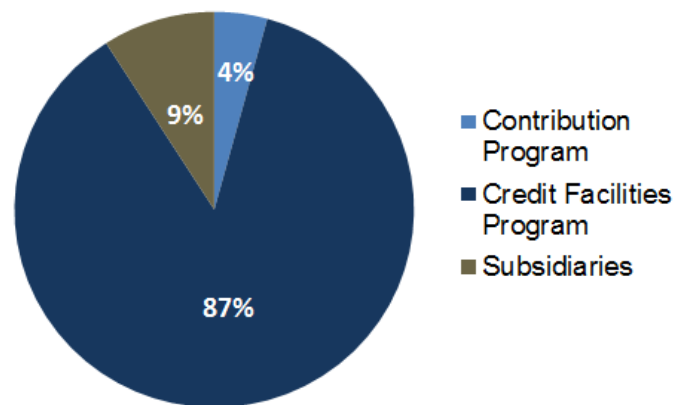
In 2014/15, the BDIC disbursed \$7.03 million dollars in loans, subsidies and contributions, of which 56% was disbursed in Level I communities and 44% was disbursed in Level II communities.

2014/2015 Disbursements by Community Level



The Credit Facilities Program is the largest component (87%) of the BDIC's disbursements, followed by the Subsidiary Program (9%) and the Contribution Program (4%).

2014/2015 Disbursements by Program



CLIENT PROFILE

Gaia Integrative Clinic

Gaia Integrative Clinic is a full-service wellness center providing Northwest Territories residents with unprecedented choice in medical care. Since 2011, the clinic has grown from a home-based operation to a bustling office in downtown Yellowknife, and its founder, Dr. Nicole Redvers, has received national recognition as a finalist for the 2014 Business Development Bank of Canada (BDC) Young Entrepreneur Award.



Dr. Redvers treating a patient at Gaia Integrative Clinic in Yellowknife.

Dr. Redvers has successfully guided Gaia's rise by remaining focused on local needs. "We operate as what we call a social enterprise," says Redvers, "motivated not necessarily by the bottom line, but by what impact we have on the community." The clinic's impact is no doubt felt by those who once had to travel south for diagnostic services and treatment options Gaia now offers here in the Northwest Territories.

Initially, Dr. Redvers faced a challenge in obtaining financing for the clinic. After completing her medical studies, like many

young professionals, she had trouble borrowing from banks due to her student loans. When her other options fell through, she turned to the BDIC, which she credits with helping fund the clinic and making it a reality – "Without services like BDIC I don't think we'd be where we are today."

Today, Gaia continues on a path of steady growth. The clinic is nearing completion of a 1600 sq. ft. expansion that will see more practitioners flock to an already sizable roster including naturopathic doctors, chiropractors, registered massage therapists, a life coach, counseling therapist, mental health counselor, and birth

doula. There are already plans to add a physiotherapist to that list after the expansion, as treatments like pelvic physiotherapy are still unavailable in the Northwest Territories.

Dr. Redvers is also closing in on Gaia's initial goal of providing services to residents

living in Africa, Asia and Central America. During these travels she found that patients were more likely to access medical care when provided with a combination of treatment options. Now in the "safe and trusting environment" Dr. Redvers strives for at

"Without services like the BDIC I don't think we'd be where we are today."

living in the Northwest Territories' smaller communities. Her ambitious plans were inspired by growing up in one of those small communities, and from eight years spent volunteering on mobile clinics offering integrative medi-

Gaia Integrative Clinic, patients in the Northwest Territories have more options than ever.

HIGHLIGHTS FOR 2014/15

- Loan repayments totaling \$7,921,000
- Approved 54 BDPF contribution applications totaling \$318,000
- Approved 23 credit facilities applications totaling \$8,202,000
- BDIC Subsidiary Program maintained 14.3 full-time equivalent jobs
- BDIC Subsidiary Program supported 124 craft producers totalling \$160,000 in purchases
- Hosted 71 small business learning sessions with 309 attendees
- Subsidiary products in stores in every province and territory in Canada
- Over 10,400 online visitors to BDIC.ca
- Over 2,100 visitors to Canada Business NWT website



BDIC Staff with Board

Left to right: Patricia Dillon (Staff), Leonard Kwong (Staff), Denise Yuhas (Director), Darrell Beaulieu (Chair), Charlie Furlong (Director), Greg Debogorski (Staff), Gwen Robak (Director), Joanne Deneron (Director), Pawan Chugh (CEO), Frances Stroeder (Staff), Maggie Huynh (Staff), Ray Gentile (Staff), Chris Taylor (Staff), Ron Chiasson (Staff), Rhonda Macleod (Staff)
Missing from photo: Ruby Landry (Director), Andy Wong (Director), Denny Rodgers (Director), Brad Poulter (Staff), Matt Belliveau (Staff), James Wong (Staff), Sue McKinney (Staff)

CLIENT PROFILE

Deh Cho Suites

Whether you find yourself in Fort Simpson for work or pleasure, there's no better stay than Deh Cho Suites.

Wendy and Kirby Groat opened Deh Cho Suites in 2005, and quickly carved out a niche for themselves by offering more of a hotel experience than is normally found at a bed & breakfast.

"Our guests aren't sharing a living space with other people; they have their own bathroom and their own private entrance" says Wendy. Many also have their own kitchen, and all rooms come with a comfortable workspace

and free Wi-Fi. As Kirby puts it, "Basically, we set our rooms up to work in."

Past guests clearly appreciated the atmosphere during their stay, leaving glowing TripAdvisor reviews that call the Suites a mix of "big city quality" and "old fashioned small town hospitality."

While the Groats ensure their guests have everything they need without ever having to leave their rooms, most still wander outside to poke through the flower and vegetable garden growing next to the Suites. "We have a lot of flowers, and we do a lot of container gardening," says Wendy, "so we have tomatoes, cucumbers,



Flowers in bloom outside of Deh Cho Suites in Fort Simpson.

herbs, things like that, and the guests get to help themselves."

The Groats are long-time residents of Fort Simpson, and long-time clients of the BDIC through the various businesses they've operated in town. "The BDIC being a lender of last resort really does help a lot of entrepreneurs get started," says Wendy. "We tried getting funding from banks and of course we were turned down. The BDIC was definitely able to help us."

With the BDIC's help, the Groats have turned Deh Cho Suites into a destination for the steady stream of tourists passing through Fort Simpson as they complete the Deh Cho Connection or head to Nahanni National Park. Both Wendy and Kirby agree: "We're absolutely the best stay in town – and we live by that."



A full kitchen at the Suites.

"The BDIC being a lender of last resort really does help a lot of entrepreneurs get started."

CREDIT FACILITIES PROGRAM

The BDIC’s credit facilities portfolio was approximately \$49.1 million (including \$6.5 million of interest not recognized as revenue) with \$8.2 million of approved facilities in the 2014/15 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. The client can choose between fixed or variable term loans.

Standby Letter 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 financing source.



Chief Clarence Louie speaking to NWT economic development practitioners at the 6th binneal Northern Economic Development Practitioners Conference

Community Level	Amount of loans approved in 2014/15	% of total loans approved	% of Population*
Level I communities	5,119,225	62%	68%
Level II communities	3,082,886	38%	32%

* estimate based on NWT Bureau of Statistics - July 2014

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 2014/15, the BDIC operated five active subsidiaries:

- Acho Dene Native Crafts Ltd. (ADNC)
- Arctic Canada Trading Company Ltd. (ACTCL)
- 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 across Canada through 56 galleries and giftshops 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 in addition to brochures, sales, and attendance at tradeshows. With the assistance of Arctic Canada Trading Company, the BDIC's subsidiaries increased their sales to \$700,000 up 12% from last year.

In 2014/15, the BDIC's subsidiaries maintained 14.31 direct employees and supported 124 cottage craft producers.



Subsidiary	Direct employment positions 2014-15	Direct employment positions 2013-14	Change	% Change
ACTCL	N/A	N/A	N/A	N/A
ADNC	1.43	1.35	0.08	5.93%
DFC	5.37	4.69	0.68	14.50%
FMTC	6.55	5.95	0.60	10.08%
UAC	0.96	0.86	0.10	11.63%
Total	14.31	12.85	1.46	11.36%

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

Formally 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, jewelry 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.

CLIENT PROFILE

Poison Graphics

No company has left its mark on the Northwest Territories quite like Poison Graphics. The Hay River based sign shop has designed, manufactured, and installed signage all over the territory, from the welcome sign greeting travellers at the 60th parallel to the custom wraps and decals that have turned vehicles around the NWT into what the company dubs “rolling billboards.”

Owner Wally Schumann has led Poison Graphics’ evolution from a one-person auto body and paint shop to the largest one-stop shop for graphics and advertising in the territory. “You have to educate yourself,” says Schumann, who has made mastering northern logistics and tracking the company’s finances a priority.

“You may not be looking after these things yourself but you need to know the true cost of running your business.”

Schumann’s efforts were recognized in 2012 when Poison Graphics received the BDIC Outstanding Business Performance Award. Schumann acknowledges the critical role that the BDIC has played in the company’s growth. “We have worked hard to get to where we are, but without the assistance of the BDIC in purchasing our equipment through the years, I am not sure we would have gotten to the size of operation we are. They are truly one of our most important partners.”

Above all else, Schumann credits the hard work of his staff for making Poison Graphics a success. “We have always worked with the youth, even in the body



Wally Schumann accepting the BDIC Outstanding Business Performance Award.

shop,” says Schumann. “We are always willing to give the ones that are truly interested and want to learn and put in the effort to be truly successful in their career.”

He pushes his staff to keep learning by bringing them along to expos that feature the latest developments in the industry. “As a group this year we said after attending the show, each one of us had to present five things that we should consider as a business, then discuss them and see what comes of it. I am proud to

say that Poison Graphics staff made the decision to purchase a direct-to-garment printer, and we are printing with it as we speak.”

“Without the assistance of the BDIC in purchasing our equipment through the years I am not sure we would have gotten to the size of operation we are. They are truly one of our most important partners.”

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 to be created or maintained by the business.

At the end of 2014/15, the BDIC's Venture Investment Program portfolio totalled \$672,000 with businesses maintaining 23.5 direct employment positions.



Company	Investment	FTE
Holman Eskimo Co-op	\$17,755	18.00
North Nahanni Naturalist Lodge	\$100,000	1.25
175119 Canada Inc. / NWT Marine Group	\$273,311	0.00
Paulette & Clarke	\$61,264	0.00
5352 NWT Ltd. / Snare Lake Lodge	\$220,000	3.50
Enodah Wilderness*	N/A	0.75
Total	\$672,330	23.5

* paid out in 2014/15 fiscal year

CLIENT PROFILE

The Rusty Raven Gallery & Gift

It's hard to leave the Rusty Raven Gallery & Gift empty-handed. Owner Laurie Young has built a dedicated following among Fort Smith locals by providing them with plenty of northern arts and crafts to browse through while they sip on a selection of specialty coffees, teas, and high-end espressos. Young launched the Rusty Raven to save another cherished Fort Smith business. "I've always liked small businesses and I've worked for a number of

them in town, and I loved this little store called North of 60 Books. When they were going to shut it down I hated to see that because these are the types of stores that make a small community more comfortable to live in," says Young. In 2011, she bought the store, rebranded it as The Rusty Raven, and quickly scaled up its operations to include a coffee bar, craft shop, and custom framing service.

Young's custom framing service, which she started as a home-based business, is the only one of its kind in the South Slave. Upgrading to



Entrance to the Rusty Raven Gallery & Gift in Fort Smith.

"I've worked with the BDIC since 2006, and I have nothing but good things to say."



A few of the shop's products on display.

a computerized mat cutter has allowed her to take on a variety of projects, including the framing work for all of the GNWT's long service awards.

Her home-based business is also how she first got involved with the BDIC. "The BDIC worked with me so that I could purchase equipment that let me expand the services I could offer, but that also allowed me to speed my production up, which is huge when you're a one person show." She's now able to take advantage of the BDIC's subsidiary program as well, by stocking the Rusty Raven year-round with products from Acho Dene Native Crafts, Fort McPherson Tent and Canvas, Dene Fur

Clouds and the Ulukhaktok Arts Centre. "I've worked with the BDIC since 2006, and I have nothing but good things to say," says Young. "They allowed me to go into business where I never would have gotten a business loan from a bank."

When she first opened the shop, Young had one part-time employee. She now employs eight staff, three of which are full-time. With a growing list of regulars flocking to the Rusty Raven, Young needs all the help she can get. "We're really good at what we do," she says, "and it's proven by our loyal customers."

CONTRIBUTION PROGRAM - BUSINESS DEVELOPMENT PROJECT FUND (BDPF)

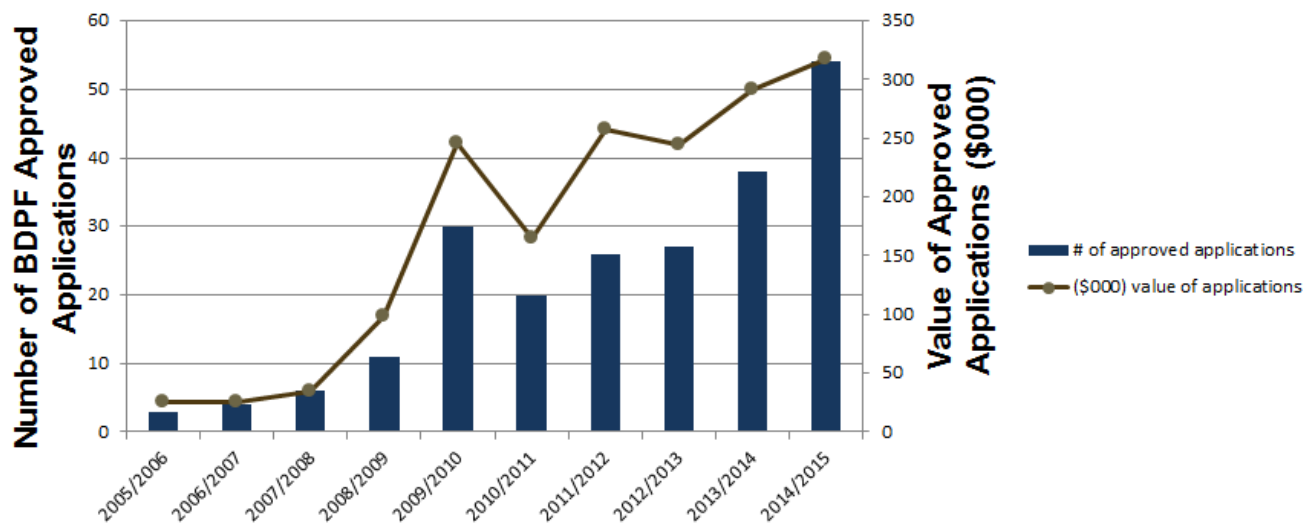
The BDIC offers contribution funding to businesses, arts and crafts persons and harvesters. BDPF funds are available for start-up and expansion projects including feasibility assessments, product development, preparation of marketing and business plans and pilot projects. Approved businesses are eligible for \$10,000 in Level I communities or \$20,000 in Level II communities over a five year period.

In 2014/15, the BDPF Program was oversubscribed with the BDIC approving approximately \$318,000 of the \$514,000 of BDPF applications. With the exception of 2010/2011, the interest in the Contribution Program has increased yearly as noted in the graph below.

As part of BDPF, the BDIC also supports businesses with “aftercare funding”. Aftercare funding enables existing clients to purchase necessary business software, access business-related training and education such as accounting, and obtain succession planning services and advice. Businesses in Level I communities are eligible for \$2,500 in funding over the life of the business and businesses in Level II communities are eligible for \$5,000.



BDPF Performance by Year



BUSINESS SUPPORT SERVICES

The BDIC provides business support services to new and existing clients through Canada Business NWT (CBNWT). The CBNWT is delivered within the BDIC and operates in partnership with the Canadian Northern Economic Development Agency (CanNor). CBNWT's mission is to contribute to economic growth by ensuring business people across the NWT have access to accurate, timely and relevant business information through a convenient single window. CBNWT also support to NWT Community Futures Development Corporations (CFDCs) to offer regional access points for businesses. There is at least one access point located in each region of the NWT. These regional access points have computer, internet access and business resources for clients.

Business services available include:

- Business resources 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
- How to start a business in the NWT – an online guide to starting a business in the NWT
- CanadaBusiness.ca – content created and managed by CBNWT specifically for NWT residents
- Video conference sessions available through CFDCs and webcast to remote communities

- Administration services and business planning resources available in person through the BDIC, CFDCs and partner organizations
- Coordination of Small Business Week in partnership with business stakeholders



BUILDING CAPACITY IN COMMUNITIES

In 2014/15 the BDIC partnered with the NWT Literacy Council and Aurora College to assist in a pilot project to teach essential business and marketing skills to students in NWT communities. The BDIC's staff assisted over 30 aspiring entrepreneurs in Aklavik, Tuktoyaktuk and Fort Providence.

SMALL BUSINESS WEEK

In partnership with Chambers of Commerce around the NWT, the BDIC hosted a number of small business learning sessions for NWT residents. In 2014/15, 49 small business owners attended the BDIC learning sessions.

WRITE-OFFS AND FORGIVENESS

Debts Written off by the Legislative Assembly

Hardisty Petroleum 2002 Ltd.	134,500.50
Kunnek Resource Development Corporation	300,000.00
McLeod Holdings Ltd.	64,181.81
TRi-Vanguard Ka'Nages Productions Ltd.	400,000.00
	898,682.31

Debts Forgiven by the Legislative Assembly

Heron, Brian o/a Heron's Trucking	20,292.80
Inupiam Ltd.	185,998.79
974120 NWT Ltd. o/a Muskox Products Company	180,012.37
Desjarlais, Jack	9,649.71
Schmitz, Michelle	25,826.56
	421,780.23

NORTHERN ECONOMIC DEVELOPMENT PRACTITIONERS CONFERENCE

The Northern Economic Development Practitioners Conference was held at the Explorer Hotel in Yellowknife on October 27 – 29, 2014. As in years past, the BDIC co-hosted the biennial conference with the Department of Industry, Tourism and Investment and the Canadian Northern Economic Development Agency.

Over 70 participants from the federal and territorial government, aboriginal community governments and their economic development organizations, as well as representatives from financial organizations from across the NWT registered for the conference. The keynote speaker was Chief Clarence Louie of the Osoyoos Indian Band.

DISBURSEMENTS

The BDIC disbursed funds to the following NWT businesses during the 2014/15 fiscal year.

Business Name	Owners	Community	Program	Total Amount Disbursed
5983 NWT Ltd. (o/a Ulukhaktok Arts Centre)	BDIC	Ulukhaktok	Subsidiary	90,000
913044 NWT Ltd. (Fort McPherson Tent and Canvas)	BDIC	Fort McPherson	Subsidiary	250,000
Acho Dene Native Crafts Ltd.	BDIC	Fort Liard	Subsidiary	150,000
Arctic Canada Trading Company Ltd.	BDIC	Yellowknife	Subsidiary	50,000
Dene Fur Clouds Ltd.	BDIC	Fort Providence	Subsidiary	100,000
Akaitcho Business Development Corp. Ltd.	Board	Yellowknife	Credit	83,673
Gaia Naturopathic	Redvers, Nicole	Yellowknife	Credit	225,484
Deninu K'ue Development Corporation Ltd.	Deninu K'ue First Nation	Fort Resolution	Credit	342,000
KP Woodwright Ltd.	Wray, Patricia and Wray, Ken	Hay River	Credit	195,737
Fort Smith Construction NT Ltd.	Vogt, Alden	Fort Smith	Credit	27,000
Thebacha Business Dev Services Ltd.	Board	Fort Smith	Credit	515,794
Northwestern Air Lease Ltd.	Harrold, Brian and Harrold, Terry	Fort Smith	Credit	350,000
Big River Service Centre LLP	Providence Versatile Ventures Ltd.	Fort Providence	Credit	275,000
Treestone Holdings Ltd.	Popplestone, Jerry and Coleman-Popplestone, Jolean	Fort Smith	Credit	862,000
Thebacha Helicopters Ltd.	Hornsby, Kim and Hornsby, Phil	Fort Smith	Credit	500,000
GFB Ventures Ltd	Schofield, Kelly and Schofield, Taralynn	Hay River	Credit	464,254
Harokiti Salon & Spa	McArthur-Cahill, Brittany	Fort Smith	Credit	137,700
506771 N.T. Ltd.	Plowman, Jesse and Evens, Kelly	Fort Smith	Credit	200,000

DISBURSEMENTS

NU Mechanical Inc.	Utman, Newly	Fort Smith	Credit	171,000
6233 NWT LTD.	MacDonald Mark and MacDonald, Chivon	Enterprise	Credit	668,890
J & L Transport Limited	Gruben, Peter Louie and Louie, Joseph	Tuktoyaktuk	Credit	196,646
End of the Road Ltd.	Smith, Laverna; Carpenter, Bradley; Howard, Craig and Reidford, Gary	Tuktoyaktuk	Credit	140,000
Yamouri Inn Ltd.	Apex Investments Ltd.; Floyd Holdings Ltd.	Norman Wells	Credit	83,383
Simpson Air (1981) Ltd.	Grant, Edward	Fort Simpson	Credit	646,850
The "J" Group Ltd.	Peterson, Margaret	Yellowknife	Contribution	9,660
506515 NWT Ltd. (o/a Diamond Parking)	Sibbeston, Jerald	Yellowknife	Contribution	7,981
Verge Communications Ltd.	Reaney, Brent and Bird, Jeremy	Yellowknife	Contribution	9,678
Adze Studios Incorporated	Scott, Amos	Yellowknife	Contribution	1,097
506699 NWT Inc. o/a Old Town Paddle & Company	Straker, Evelyne and Gloeden, Ivan	Yellowknife	Contribution	10,000
506703 NWT Ltd. o/a Naturally Northern Wellness Products	Redvers, Nicole	Yellowknife	Contribution	7,273
Ikan Innovations Inc.	Kanwal, Inderjit	Yellowknife	Contribution	200
Arctic Tern	Robinson, Leanne	Yellowknife	Contribution	10,000
Trinity Tactical Consulting Ltd.	Ellsworth, Ian	Yellowknife	Contribution	6,292
NWT Brewing Company Ltd.	Stevens, Fletcher and Stevens, Miranda	Yellowknife	Contribution	10,920
Inukshuk Publishing	Gray, Kathy	Yellowknife	Contribution	2,229
Connections Counselling Services	Boileau, Laura	Yellowknife	Contribution	4,658
Bob Turner Enterprises	Turner, Robert	Yellowknife	Contribution	9,035
Monitor North Inc.	Kanwal, Amrik	Yellowknife	Contribution	10,000
Aurora Ninja Ltd.	Yau, David and Wu, Wynne	Yellowknife	Contribution	10,000
Campbell, Thea	Campbell, Thea	Yellowknife	Contribution	2,329

DISBURSEMENTS

Yellowknife Outdoor Adventures Ltd.	Gonzalez, Carlos	Yellowknife	Contribution	10,000
Incident Management Program - IMP Corp	Engen, Gerard	Hay River	Contribution	2,629
506739 NWT Ltd. o/a Lisa's Place	Thurber-Tsetso, Elizabeth	Enterprise	Contribution	15,912
Ever-Ready Dehcho Expediting Ltd.	Christie, James	Fort Providence	Contribution	16,387
Tammy's Administrative Services	Neal, Tammy	Enterprise	Contribution	7,791
Natacha Kruger Rewega Arts	Kruger, Natacha	Hay River	Contribution	9,681
Maverick Enterprises	Teng, Yong	Hay River	Contribution	6,985
Lepage Productions	Lepage, Simon	Hay River	Contribution	4,654
Got Muktuk?	Leblanc, Robyne	Tuktoyaktuk	Contribution	4,110
Wilson, Helen	Wilson, Helen	Fort McPherson	Contribution	3,623
Koe, Maureen	Koe, Maureen	Fort McPherson	Contribution	2,409
Prodromidis, Winnie	Prodromidis, Winnie	Fort McPherson	Contribution	2,211
Koe, Laura	Koe, Laura	Fort McPherson	Contribution	2,769
Snowshoe, Marlene	Snowshoe, Marlene	Fort McPherson	Contribution	2,525
Nerysoo, Kathy	Nerysoo, Kathy	Fort McPherson	Contribution	3,194
Itsi, Annie	Itsi, Annie	Fort McPherson	Contribution	2,079
TNT Performance	Bain, Tyler	Inuvik	Contribution	9,275
Koe, Eileen M.	Koe, Eileen M.	Fort McPherson	Contribution	1,375
Smith, Ellen	Smith, Ellen	Fort McPherson	Contribution	2,009
Neyando, Georgina Rachel	Neyando, Georgina Rachel	Fort McPherson	Contribution	1,630
Greenland, Winnie	Greenland, Winnie	Fort McPherson	Contribution	6,429
Francis, Agnes	Francis, Agnes	Fort McPherson	Contribution	5,692
Martin, Brenda Anne	Martin, Brenda Anne	Fort McPherson	Contribution	2,557
Alexie, Connie Marie	Alexie, Connie Marie	Fort McPherson	Contribution	6,421

DISBURSEMENTS

Itsi, Olive	Itsi, Olive	Fort McPherson	Contribution	1,936
Wilson, Jessica C. N.	Wilson, Jessica C. N.	Fort McPherson	Contribution	4,806
Francis, Tracey	Francis, Tracey	Fort McPherson	Contribution	7,799
Francis, Bertha	Francis, Bertha	Fort McPherson	Contribution	1,508
Greenland, Bella	Greenland, Bella	Fort McPherson	Contribution	3,305
Neyando, Emily M.	Neyando, Emily M.	Fort McPherson	Contribution	1,117
Peterson, Denise	Peterson, Denise	Fort McPherson	Contribution	3,587
Nerysoo, Sarah	Nerysoo, Sarah	Fort McPherson	Contribution	4,066
McPherson, Rose	McPherson, Rose	Fort McPherson	Contribution	7,810
Neyando, Lisa A.	Neyando, Lisa A.	Fort McPherson	Contribution	5,076
Greenland, Lillian	Greenland, Lillian	Fort McPherson	Contribution	4,705
Krafty Crow	Jacobson, Mavis	Inuvik	Contribution	8,372
Moses, D'arcy J.	Moses, D'arcy J.	Wrigley	Contribution	3,370

TOTAL: 7,026,567

FINANCIALS

Northwest Territories Business Development and Investment Corporation
Consolidated Financial Statements

For the year ended
March 31, 2015

Northwest Territories Business Development and Investment Corporation

Management's Responsibility for Financial Reporting

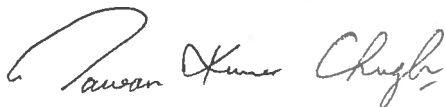
The accompanying consolidated financial statements of the Northwest Territories Business Development and Investment Corporation (the Corporation) are the responsibility of the Corporation's management and have been reviewed and approved by the Board of Directors.

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 26, 2015



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 2015, 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 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 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 Part IX of 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

26 August 2015
Edmonton, Canada

Northwest Territories Business Development and Investment Corporation**Consolidated Financial Statements (March 31, 2015)**

	<u>Page</u>
Consolidated Statement of Financial Position	6
Consolidated Statement of Change in Net Financial Assets	7
Consolidated Statement of Operations and Accumulated Surplus	8
Consolidated Statement of Cash Flows	9
Notes to the Consolidated Financial Statements	10 – 28
Schedule A – Consolidated Schedule of Tangible Capital Assets	29

Northwest Territories Business Development and Investment Corporation

Consolidated Statement of Financial Position (000's)

	March 31, 2015	March 31, 2014
	\$	\$
Financial Assets		
Cash (Note 3)	17,166	14,958
Accounts receivable	132	163
Inventories held for resale (Note 4)	347	353
Loans receivable (Notes 5 and 6)	36,844	36,216
Venture investments (Note 7)	18	66
	54,507	51,756
Liabilities		
Accounts payable and accrued liabilities (Note 11)	1,142	1,444
Cash security payable (Note 8)	2,006	-
Post-employment benefits (Note 9)	448	418
Advances from the Government (Note 10)	26,274	28,015
Asset retirement obligations	13	13
	29,883	29,890
Net financial assets	24,624	21,866
Non-financial assets		
Tangible capital assets (Schedule A)	260	357
Inventories held for use (Note 4)	178	157
Prepaid expenses	13	6
	451	520
Accumulated surplus	25,075	22,386


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 2015	Actual 2015	Actual 2014
	\$	\$	\$
Annual surplus	1,333	2,689	1,904
Acquisition of tangible capital assets	-	-	(25)
Amortization of tangible capital assets	67	95	134
Gain on sale of tangible capital assets	-	(148)	-
Proceeds on sale of tangible capital assets	-	150	-
	67	97	109
Acquisition of inventories held for use	-	(170)	(168)
Acquisition of prepaid expenses	-	(13)	(18)
Use of inventories held for use	-	149	168
Use of prepaid expenses	-	6	32
	-	(28)	14
Increase in net financial assets	1,400	2,758	2,027
Net financial assets, beginning of year	21,866	21,866	19,839
Net financial assets, end of year	23,266	24,624	21,866

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 2015	Actual 2015	Actual 2014
	\$	\$	\$
Revenues			
Interest on loans receivable	2,000	2,111	2,081
Sales and other income	667	748	671
Interest on pooled cash (Note 3)	145	168	160
Gain on sale of tangible capital assets	-	148	-
Recovery of venture investments	-	49	-
Dividends	8	8	7
Gain on sale of Nahanni Butte General Store Ltd.	-	-	169
	2,820	3,232	3,088
Government transfers (Note 11)	4,684	4,370	3,905
	7,504	7,602	6,993
Expenses (Note 12)			
Lending and investments	4,932	3,528	3,523
Retail and manufacturing	1,239	1,385	1,566
	6,171	4,913	5,089
Annual surplus	1,333	2,689	1,904
Accumulated surplus, beginning of year	22,386	22,386	20,482
Accumulated surplus, end of year	23,719	25,075	22,386

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	2015	2014
	\$	\$
Operating transactions		
Cash received from:		
Governments	3,164	3,618
Customers	745	620
Interest	2,030	2,015
Dividends	8	7
	<hr/> 5,947	<hr/> 6,260
Cash paid for:		
Compensation and benefits	1,943	2,203
Payments to suppliers	1,780	1,546
Interest on advances from the Government	259	356
Grants and contributions	301	207
	<hr/> 4,283	<hr/> 4,312
Cash provided by operating transactions	<hr/> 1,664	<hr/> 1,948
Capital transactions		
Acquisition of tangible capital assets	-	(25)
Proceeds on sale of tangible capital assets	150	-
Cash provided by (used for) capital transactions	<hr/> 150	<hr/> (25)
Investing transactions		
Loans receivable disbursed	(4,589)	(2,222)
Loans receivable repaid	4,621	3,761
Proceeds from security (Note 8)	2,006	-
Redemptions of venture investments	97	12
Cash included in sale of Nahanni Butte General Store Ltd.	-	(103)
Cash provided by investing transactions	<hr/> 2,135	<hr/> 1,448
Financing transactions		
Repayment of advances from the Government	(1,741)	(2,344)
Cash used for financing transactions	<hr/> (1,741)	<hr/> (2,344)
Increase in cash	<hr/> 2,208	<hr/> 1,027
Cash, beginning of year	14,958	13,931
Cash, end of year	<hr/> 17,166	<hr/> 14,958

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, 2015

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 IX of the FAA, the Act and its regulations, and any directives issued to it by the Minister responsible for the Corporation 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, 2015

2. Summary of 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 (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 and are carried at the lower of cost and net realizable value, with cost being determined on a first in, first out basis. Inventories held for use consists of raw materials and work-in-process and are carried at the lower of cost and net realizable value, with cost 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 FAA, an account (loan or venture investment) can only be approved for write-off by either the Board of Directors (\$20,000 or less) or the Legislative Assembly (over \$20,000). An account that has been written off is still subject to collection action. An account can only be approved for forgiveness by the FMB (\$1,000 or less) or the Legislative Assembly (over \$1,000). Once an account has been forgiven, no further collection action is possible.

(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.

2. Summary of significant accounting policies (continued)**(f) Allowance for credit losses (continued)**

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 management's best estimates using the expected compensation level and employee leave credits.

(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
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.

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 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 1.13% during the year (2014: 1.10%).

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).

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements**
March 31, 2015

3. Cash (continued)

	000's	
	2015	2014
	\$	\$
Cash held by the Corporation for operations	6,270	6,357
Cash held by the Corporation's organizations	1,207	960
Cash held for post-employment benefits	448	417
	7,925	7,734
Venture Investment Fund	4,170	4,065
Capital Fund	873	873
Subsidy Fund	462	462
Venture Reserve Fund	485	485
Loans and Bonds Fund (Note 8)	3,104	1,192
Capital Reserve Fund	147	147
	9,241	7,224
	17,166	14,958

4. Inventories

	000's	
	2015	2014
	\$	\$
Inventories held for resale:		
Arts and crafts	278	266
Canvas products	69	87
	347	353
Inventories held for use:		
Materials and supplies	178	157

During the year, \$91,000 of inventories were written down (2014: nil) 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 (2014: nil). Inventory write-downs and recoveries are included in the cost of goods sold.

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements**
March 31, 2015

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			
		2015		2014	
		Rate	Balances	Rate	Balances
		%	\$	%	\$
Performing loans due within:	1 year	5.23	3,666	5.09	4,563
	1-2 years	5.18	14,159	5.15	4,803
	2-3 years	5.78	4,251	5.14	16,374
	3-4 years	5.35	4,026	5.70	4,478
	over 4 years	5.49	8,956	5.73	4,276
			35,058		34,494
Accrued loan interest receivable			176		169
Impaired loans			7,388		7,952
			42,622		42,615
Less: allowance for credit losses (Note 6)			5,778		6,399
			36,844		36,216

In 2015, two accounts totalling \$145,000 were written off by the Legislative Assembly (2014: nil) and no accounts were written off by the Board of Directors (2014: nil). In 2015, five accounts totalling \$70,000 were forgiven by the Legislative Assembly (2014: nil). No accounts were forgiven by the FMB during the current year (2014: nil). In 2015, recoveries on loans previously written off totalled \$20,000 (2014: \$6,000).

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:

Northwest Territories Business Development and Investment Corporation
Notes to the Consolidated Financial Statements
March 31, 2015

5. Loans receivable (continued)
Enterprise concentration

Enterprise	000's			
	2015		2014	
	Performing	Impaired	Performing	Impaired
	\$	\$	\$	\$
Construction	8,256	541	8,669	687
Retail trade	6,578	703	6,714	864
Transportation and storage	4,656	19	3,714	60
Accommodations, food and beverage	4,224	2,314	4,499	2,413
Real estate and rentals	3,869	-	3,184	-
Wholesale trade	2,449	-	2,857	-
Manufacturing	1,196	26	607	25
Management of companies	797	-	564	-
Other services	772	314	898	294
Travel and tourism	536	1,764	644	1,852
Communication	467	-	494	-
Finance and insurance	455	820	632	666
Business services	379	-	430	-
Health care	225	-	371	-
Arts and craft	169	-	178	-
Forestry and logging	30	-	39	11
Oil and gas	-	790	-	974
Educational services	-	59	-	59
Fisheries and wildlife	-	38	-	47
	35,058	7,388	34,494	7,952

The loans receivable balance contains loans, totalling \$39,000, made to venture investees (2014: \$135,000). These loans are in addition to the venture investments shown in Note 7.

Geographic concentration

Region	000's			
	2015		2014	
	Performing	Impaired	Performing	Impaired
	\$	\$	\$	\$
South Slave	18,352	2,635	16,769	2,759
Dehcho	6,616	88	6,480	288
North Slave	6,266	3,774	7,118	3,918
Inuvik	1,944	542	1,965	478
Sahtu	1,880	349	2,162	509
	35,058	7,388	34,494	7,952

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements**
March 31, 2015

5. Loans receivable (continued)

The following table illustrates performing loans outstanding classified by the Corporation's credit risk rating system:

Credit risk rating	000's	
	2015	2014
	\$	\$
Low	22,568	22,963
Medium	10,705	9,140
High	1,785	2,391
	35,058	34,494

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	
	2015	2014
	\$	\$
31 – 60 days	147	225
61 – 90 days	239	172
Over 90 days	-	82
	386	479

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 2015 (2014: nil).

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements**
March 31, 2015

6. Allowance for credit losses

	000's	
	2015	2014
	\$	\$
Balance, beginning of year	6,399	6,429
Provision for credit losses	185	564
Loans written off or forgiven	(215)	-
Recoveries from repayments	(591)	(594)
Balance, end of year	5,778	6,399
Comprised of:		
Specific allowance	5,077	5,709
General allowance	701	690
	5,778	6,399

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, 2015, the Corporation does not have significant influence in the companies in which it has invested.

	000's	
	2015	2014
	\$	\$
Balance, beginning of year	66	78
Recoveries	49	-
Redemptions	(97)	(12)
Balance, end of year	18	66

The total cumulative venture investments at March 31, 2015 was \$672,000 (2014: \$1,470,000) with accumulated write-downs of \$654,000 (2014: \$1,404,000). In 2015, the Legislative Assembly approved the write-off of two venture investments totalling \$700,000.

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, 2015

8. Cash security payable

The Corporation received \$2,006,000 from realization of a life insurance policy received as security associated with an irrevocable standby letter of credit (Note 14). The Corporation has not paid out any amount to the third party as the borrower has not defaulted on the underlying facility; therefore, no amount is owed from the borrower. As a result, the Corporation agreed to release the funds to the borrower, subject to receiving satisfactory replacement security. The amount was paid from the Loans and Bonds Fund to the borrower in April 2015.

9. 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 1.9 times (2014 – 2.2) the employee's contribution; and for employment start dates after December 31, 2012, the Corporation's contribution rate effective at year-end was 1.7 times (2014 – 1.5) the employee's contribution. Total contributions of \$236,000 (2014 - \$235,000) 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	
	2015	2014
	\$	\$
Corporation's contributions	236	235
Employees' contributions	126	108

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 and removal benefits

The Corporation provides termination benefits to employees based on years of service and final salary (Note 2(j)(ii)). The Corporation also provides removal assistance to employees, as provided under labour contracts. This benefit plan is pre-funded from current contributions and recognized as part of cash.

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2015

9. Post-employment benefits (continued)

(b) Termination and removal benefits (continued)

	000's	
	2015	2014
	\$	\$
Post-employment benefits, beginning of year	418	419
Retirement and transfer out	(6)	(53)
Cost and transfer in	36	52
Post-employment benefits, end of year	448	418

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 (2014: \$45 million) as at March 31, 2015.

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 0.43% to 1.2% (2014: 1.0% to 1.4%) during the year.

11. Government transfers

	000's					
	Lending/ Invest- ments	2015 Retail/ Manufac- turing	Total	Lending/ Invest- ments	2014 Retail/ Manufac- turing	Total
	\$	\$	\$	\$	\$	\$
Government:						
Operations and maintenance	2,849	640	3,489	2,263	837	3,100
Services received without charge (Note 16)	784	-	784	708	-	708
	3,633	640	4,273	2,971	837	3,808
Federal programs	97	-	97	97	-	97
	3,730	640	4,370	3,068	837	3,905

During the current fiscal year the Corporation had surplus funding of \$234,000 (2014: \$669,000). 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, 2015

12. Expenses by object

	000's					
	Lending/ Invest- ments	2015 Retail/ Manu- factur- ing	Total	Lending/ Invest- ments	2014 Retail/ Manu- factur- ing	Total
	\$	\$	\$	\$	\$	\$
Advertising and promotion	23	16	39	29	11	40
Amortization	6	89	95	6	128	134
Bad debts (recovery)	5	16	21	(2)	1	(1)
Bank charges and interest	2	25	27	2	23	25
Board members	57	2	59	30	1	31
Business Development Fund	301	-	301	207	-	207
Business Service Centre	257	-	257	264	-	264
Computers and communications	117	16	133	91	19	110
Cost of goods sold	-	707	707	-	641	641
Harvest site clean-up	-	-	-	-	120	120
Insurance	-	25	25	-	17	17
Interest expense on advances from the Government	259	-	259	356	-	356
Office and general	45	39	84	41	61	102
Professional services	140	92	232	70	93	163
Recovery of credit losses, net	(407)	-	(407)	(30)	-	(30)
Rent	180	15	195	188	29	217
Salaries and benefits	2,442	194	2,636	2,174	222	2,396
Supplies	-	3	3	-	4	4
Training and workshops	15	-	15	26	-	26
Travel	86	22	108	71	48	119
Utilities	-	124	124	-	148	148
	3,528	1,385	4,913	3,523	1,566	5,089

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2015

13. Commitments

As at March 31, 2015, loans to businesses, approved but not yet disbursed, totalled \$2.9 million at a weighted average interest rate of 4.9% (2014: \$2.2 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, 2015, contributions to businesses approved but not yet disbursed totalled \$45,000 (2014: \$84,000).

14. Contingencies

Loans

The Corporation has four outstanding loans to three Northern Community Futures organizations for their own lending purposes totalling \$1,161,000 (2014: five outstanding loans totalling \$1,125,000). Loans provided by these three organizations may be assigned to the Corporation when impaired. If assigned, 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 2015, one loan account of \$84,000 was assigned to the Corporation (2014: nil).

Letters of credit

The Corporation has five outstanding irrevocable standby letters of credit. The amounts of these letters of credit totalled \$2,385,000 (2014: \$2,485,000) and expire in 2016. 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 (2014: 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).

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements**
March 31, 2015

15. Related party transactions (continued)

Transactions with related parties during the year and balances at year end are as follows:

	000's	
	2015	2014
	\$	\$
Revenues		
Sales	37	6
Government transfers (Note 11)	4,273	3,808
Expenses		
Purchases	185	179
Interest on advances from the Government	259	356
Balances at year end		
Accounts receivable	26	6
Accounts payable and accrued liabilities	390	741
Advances from the Government	26,274	28,015

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	
	2015	2014
	\$	\$
Staff support	556	475
Accommodation	228	233
	784	708

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2015

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 2015 and 2014 budgeted expenses are as follows:

	000's					
	2015			2014		
	Lending/ Invest- ments	Retail/ Manu- factur- ing	Total	Lending/ Invest- ments	Retail/ Manu- factur- ing	Total
	\$	\$	\$	\$	\$	\$
Advertising and promotion	30	12	42	40	31	71
Amortization	10	57	67	5	132	137
Bad debts	-	5	5	-	4	4
Bank charges and interest	-	20	20	-	23	23
Board members	50	1	51	50	2	52
Business Development Fund	300	-	300	250	-	250
Business Service Centre	97	-	97	97	-	97
Computers and communications	105	19	124	100	20	120
Cost of goods sold	-	600	600	-	575	575
Freight and courier	-	24	24	-	5	5
Harvest site clean-up	-	-	-	-	150	150
Insurance and licenses	-	5	5	-	18	18
Interest expense	475	-	475	360	-	360
Office and general	50	28	78	50	42	92
Professional services	90	74	164	109	94	203
Provision for credit losses, net	500	-	500	300	-	300
Rent	240	13	253	240	35	275
Repairs and maintenance	-	20	20	-	31	31
Salaries and benefits	2,870	170	3,040	2,780	330	3,110
Supplies	-	2	2	-	3	3
Travel and vehicles	115	45	160	125	55	180
Utilities	-	144	144	-	130	130
	4,932	1,239	6,171	4,506	1,680	6,186

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.

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2015

18. Risk Management (continued)

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, 2015, \$467,000 (2014: \$410,000) 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, 2015:

	000's	
	2015	2014
Cash	17,166	14,958
Accounts receivable	132	163
Loans receivable	36,844	36,216
Venture investments	18	66
Letters of credit	2,385	2,485

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.

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.

18. Risk Management (continued)

Based on the Corporation's advances from the Government as at March 31, 2015 and the monthly cash balance on hand, a 100 basis point increase in interest rates would decrease annual surplus by \$118,000 (2014: \$144,000). A 100 basis point decrease in interest rates would increase annual surplus by \$82,000 (2014: \$144,000).

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.

Northwest Territories Business Development and Investment Corporation

Consolidated Schedule of Tangible Capital Assets

**Schedule A
000's**

	Land	Buildings	Equipment	Leasehold Improvements	Computer Equipment	March 31, 2015	March 31, 2014
Cost of tangible capital assets, opening	\$ 82	\$ 2,311	\$ 736	\$ 449	\$ 30	\$ 3,608	\$ 4,373
Acquisitions	-	-	-	-	-	-	25
Disposals	(2)	(360)	(77)	-	(6)	(445)	(790)
Cost of tangible capital assets, closing	80	1,951	659	449	24	3,163	3,608
Accumulated amortization, opening	-	2,129	682	410	30	3,251	3,907
Amortization expense	-	12	44	39	-	95	134
Disposals	-	(360)	(77)	-	(6)	(443)	(790)
Accumulated amortization, closing	-	1,781	649	449	24	2,903	3,251
Net book value	80	170	10	-	-	260	357



NORTHWEST TERRITORIES HERITAGE FUND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2015

(unaudited)

Northwest Territory Heritage Fund

Table of Contents	Page
Management's Responsibility for Financial Reporting	3
Statement of Financial Position	4
Statement of Change in Net Financial Assets	5
Statement of Operations and Accumulated Surplus	6
Statement of Cash Flow	7
Notes to the Financial Statements	8

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 26, 2015

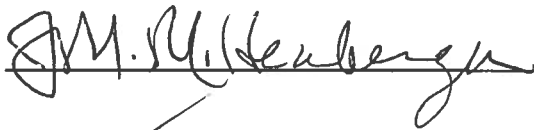
Northwest Territories Heritage Fund

Statement of Financial Position (unaudited)

as at March 31, 2015

	2015 \$	2014 \$
Financial assets:		
Cash (Note 3)	764,843	505,518
Accounts Receivable	779	515
	765,622	506,033
Liabilities	-	-
Net financial assets	765,622	506,033
Accumulated surplus	765,622	506,033

Approved:



J. Michael Miltenberger
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, 2015

	2015	2014
	\$	\$
Net financial assets, beginning of year	506,033	250,140
Items affecting net financial assets:		
Annual surplus	259,589	255,893
Net financial assets, end of year	765,622	506,033

Northwest Territories Heritage Fund

Statement of Operations and Accumulated Surplus (unaudited)

for the year ended March 31, 2015

	2015 Budget \$	2015 Actual \$	2014 Actual \$
Revenues:			
Interest	8,000	9,589	5,893
Contribution from GNWT	250,000	250,000	250,000
	258,000	259,589	255,893
Expenses	-	-	-
Annual surplus	258,000	259,589	255,893
Accumulated surplus, beginning of year	506,033	506,033	250,140
Accumulated surplus, end of year	764,033	765,622	506,033

Northwest Territories Heritage Fund

Statement of Cash Flow (unaudited)

for the year ended March 31, 2015

	2015 \$	2014 \$
Operating transactions		
Cash received from:		
Interest revenue	9,589	5,893
Increase in accounts receivable	(264)	(515)
Contribution from GNWT	250,000	250,000
Increase in cash	259,325	255,378
Cash, beginning of year	506,033	250,140
Cash, end of year	765,622	506,033

Northwest Territories Heritage Fund

Notes to Financial Statements (unaudited)

March 31, 2015

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, 2015 was 1.25% (2014 - 1.20%). 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 2014/2015*



*Northwest Territories
Housing Corporation
Annual Report 2014-2015*

TABLE OF CONTENTS

1. Message from the Minister	4
2. Message from the President and CEO	6
3. Corporate Profile	8
4. Corporate Structure	8 - 11
5. NWT HC Programs	12 - 15
6. NWT HC Program Delivery in a Snapshot	16 - 18
7. Public Housing Unit Condition Ratings	19 - 20
8. Homelessness Activities	21-22
9. Small Community Homelessness Fund and Shelter Enhancement Fund	22
10. Lynn Brooks' Safe Place for Women	23
11. Investment in Affordable Housing Extension	24
12. Project Feature: Utility Tracking Database	24
13. Staff Profile: Erin Shea – Homelessness Coordinator	25
14. Office Profile: Infrastructure	26
15. LHO Profile: Fort Providence Housing Association	27
16. 2014-2015 Long Service Award Recipients	28
17. Appendix A: Management Discussion and Analysis: Fiscal Year 2014-2015	30 - 38
18. Appendix B: Independent Auditor's Report and Consolidated Financial Statements	40 -

MESSAGE FROM THE MINISTER

This past year, the Northwest Territories Housing Corporation (NWT HC) continues to build on its programs. The Community Needs Survey, which included a Housing component completed this year, demonstrated some of the success of the NWT HC. The actions of the NWT HC are being guided by *Building for the Future*, its strategic plan, and the priorities of the 17th Legislative Assembly. Together they lay out a blueprint for what we have to do to move forward in providing the residents of the NWT with safe and affordable housing.



The community needs survey indicates that core need dropped by 24% in our rural and remote communities between 2009 – 2014 with 20 out of the 33 communities having improved housing conditions, illustrating the hard work of the NWT HC. The NWT HC invested heavily into renovating public housing units and other capital projects, expending over \$40 million in this fiscal year.

Meeting the needs of the residents across the housing continuum means providing affordable housing options such as the transitional rent supplement program, which continues to provide rental subsidies to low to middle income families. In response to the housing needs of community workers for more affordable rental options in communities where there are limited market rental options, the NWT HC has started building 100 market rental units over three years. A new program has also been initiated, Rental Housing for Rural and Remote Communities, offering incentives to developers interested in entering the private rental market. There have also been changes to the homeownership and repair programs making them more accessible for residents.

The number of seniors in the NWT has been growing and is indeed one of the fastest growing demographics in the NWT. In response the NWT HC designed and planned for the construction of 5 new independent living seniors' complexes in small communities that will allow our elders to continue to live independently and with dignity. The first of these units began construction in Aklavik. On the homelessness front, the NWT HC continues to assist persons who are homeless on the street or at risk of homelessness and need assistance returning to their home community. Community homelessness initiatives are supported by the Small Communities Homelessness Fund. Capital and equipment needs of shelters may be addressed through a new fund introduced this year called the Shelter Enhancement Fund.

From homelessness to subsidized rental to market housing to homeownership, the Northwest Territories Housing Corporation will continue to address the housing needs of the residents across the NWT, promoting housing stability and encouraging self – sufficiency.

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

The Honourable Robert C. McLeod
Minister Responsible for the Northwest Territories Housing Corporation

MESSAGE FROM THE PRESIDENT AND CEO

The Northwest Territories Housing Corporation (NWTHC) continued to create, revise and deliver programming in line with its priorities that are derived from our strategic framework, *Building for the Future*, and the priorities of the 17th Assembly.

To strengthen public housing, significant investments were made replacing, renovating and repairing homes in the portfolio, expending \$26 million on these projects. Now, less than 7% of NWTHC-owned public housing requires major repair (less than 60% condition rating) and many of these units are scheduled for disposal through either sale or demolition.

Renewal of homeownership programming was also a focus for the year with homeownership purchase being enhanced overall, but specifically for clients in smaller communities and existing public housing clients interested in purchasing their units.

Unsubsidized rental housing in non-market communities, by nature of capacity challenges in these areas, may often be limited as they may involve high risk for private local investors. The NWTHC, recognizing the importance of supporting labour markets in small communities, especially for critical front-line staff, began an initiative to provide 100 new market units over the next 3 years.

Homelessness support is an area of the housing continuum that requires more support and coordination. The NWTHC continued important programming under the Homelessness Assistance Fund and the Small Communities Homelessness Fund, but supplemented these efforts with the introduction of a \$100,000 Shelter Enhancement Fund to support capital needs of Non-Government Organizations in the homelessness field. NWTHC conducted research in the area of Housing First that will inform future programming to pilot this approach in the North. The NWTHC also began working with community partners to implement more transitional housing in small communities.

The demographics of our population have been changing as well and with the growing number of seniors across the NWT, the NWTHC is investing in new Seniors Independent Living Housing facilities that support “aging in place”. Supported independent living is an approach to seniors housing where residents continue to live independently, while being provided appropriate supportive care services. Construction of the first of these 9-unit complexes broke ground in Aklavik. Other complexes will be built in Whati, Fort Good Hope, Fort McPherson, and Fort Liard.

As we move forward the NWTHC will continue to provide responsive housing delivery. The significance of providing safe and affordable housing contributes to the overall health and welfare of the residents of the NWT. The work that the NWTHC is committed to undertaking would not be possible without dedicated staff and our partners. As we innovate and collaborate in our initiatives in response to the needs of the NWT residents we will be leaving an important legacy, one that will hopefully continue for generations to come.



Mr. David Stewart
President and CEO
Northwest Territories Housing Corporation



CORPORATE PROFILE

Mission Statement

The Northwest Territories Housing Corporation provides access to adequate, suitable, and affordable housing. Through the provision of housing programs and services, the NWTHC contributes to the health and education of NWT residents and to the development of sustainable, vibrant and safe communities.

Goals:

- Increase the supply of adequate, suitable and affordable housing in communities to address the housing needs of NWT residents;
- Acquire and plan for sufficient land for the purpose of providing affordable housing;
- Provide homeownership and rental programs and services that are effective and appropriate;
- Enhance the long-term sustainability and energy efficiency of housing in the NWT, and;
- Promote personal responsibility and accountability for housing through community-based training and support.

CORPORATE STRUCTURE

Corporate Summary

The Northwest Territories Housing Corporation provides affordable housing programs and services including subsidized rental and homeownership programs (including purchase and repairs), as well as, unsubsidized rental housing in rural and remote communities. Policy and program development play a key role in creating responsive programs to address the core housing need of NWT residents and promote self-reliance. The NWTHC incorporates energy-efficient technologies in its housing designs and in the retrofitting of housing to improve their sustainability and energy efficiency. The NWTHC continues to work 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 (LHOs), and municipal and Aboriginal governments, to manage and administer public housing in 31 communities.

Branches

The Executive, comprised of the President's Office and the Strategic Planning, Policy and Communications Section coordinates the implementation of the direction of the government related to housing.

President's Office – The President's Office is responsible for supporting the Minister Responsible for the NWTHC, leading the senior management team, and providing overall management and leadership 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, homelessness initiatives, qualitative and quantitative research, and corporate communications. This section represents the NWT HC on a Federal/Provincial/Territorial (FPT) level, on interdepartmental working groups, and on other committees.

Finance and Infrastructure Services - Finance and Infrastructure Services is comprised of the Finance and Administration Division, Infrastructures Services Division, Financial Planning Section and Information Services Section. Through these units, Finance and Infrastructure Services 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 affairs of the NWT HC and Local Housing Organizations. This includes the provision of accounting services, reporting and monitoring, treasury services, mortgage administration, and providing financial advice to senior management and stakeholders. The Finance and Administration Division also manages the NWT HC's own source revenues and funding from the Canada Mortgage and Housing Corporation under the Social Housing Agreement. The Division also provides ongoing subsidy assistance and operational support to various third-party non-profit housing organizations outside of the Public Housing Program.

The Financial Planning Section - 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.

The Information Services Section - The Information Services Section utilizes information management tools and methodologies to support the business processes of the NWT HC and its community partners. The Section develops NWT HC-specific information tools as well as systems training that are critical to the delivery of housing programming.

The Infrastructure Services Division - The Infrastructure Services Division is in control of the overall development, design and procurement, planning and delivery of capital infrastructure projects in support of the NWT HC's rental and homeownership programs. This Division also plans, procures, and administers suitable land for the delivery of housing programs and ensures the security of NWT HC assets and mortgage interests. Infrastructure Services is also responsible for the maintenance management of the NWT HC's public 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 the delivery of the Contributing Assistance for Repairs & Enhancements (CARE) and Securing Assistance For Emergencies (SAFE) programs in collaboration with private homeowners to determine their repair needs and develop scopes of work. Additionally, Infrastructure Services is the NWT HC's lead on issues related to energy efficiency and new housing technologies.

CORPORATE STRUCTURE

Programs and District Operations - Programs and District Operations 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 optimize the NWTHC's responsiveness to housing needs in the NWT, ensuring a continuity of approach to program delivery and implementation.

The Programs Section - Programs works closely with district and community housing providers, Local Housing Organizations, to ensure compliance with existing policies and procedures, as well as, developing and updating operational policies. This Section also ensures that District Offices and LHOs have the support and capacity required to effectively deliver the NWTHC's programs and services.

District Offices - District Offices support communities in program and service delivery. District Offices are responsible for the administration of district capital activities and program delivery. They also play a pivotal role in lands acquisition and development, maintenance, training, and work closely with stakeholders at the community level. Guidance is provided to LHOs and NWT residents to identify options and programming to assist individuals in decision making regarding their housing needs. An important component of the relationship between District Offices and clients are the services related to mortgage advice and counseling as well as services provided to clients under the Homeownership Entry Level Program (HELP) designed to prepare them for future homeownership.

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.

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.

CORPORATE STRUCTURE

Local Housing Organizations (LHOs) – The NWT HC, in partnership with 21 LHOs, and community organizations, administers approximately 2,400 social housing units in 31 communities across the NWT. The LHOs, under agreement with the NWT HC, 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 NWT HC's district offices are responsible for these operations in communities where an LHO has not been established.

LHOs, operating as agents of the NWT HC, are responsible for the administration of Public Housing 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 NWT HC 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
- Behchokö Ko Gha K'òdèè
- Deline Housing Association
- Fort McPherson Housing Association
- Fort Providence Housing Association
- Fort Resolution Housing Authority
- Fort Simpson Housing Authority
- Fort Smith Housing Authority
- Hay River Housing Authority
- Inuvik Housing Authority
- Lutsel K'e Housing Authority
- Norman Wells Housing Authority
- Paulatuk Housing Association
- Radilih Koe Housing Association
- Sachs Harbour Housing Association
- Tsiigehtchic Housing Association
- Tuktoyaktuk Housing Association
- Tulita Housing Association
- Ulukhaktok Housing Association
- Yellowknives Dene Band Housing Division
- Yellowknife Housing Authority

NWTHC PROGRAMS

In the GNWT's strategic plan, Northerners Working Together, one of the priorities outlined is the goal of achieving sustainable, vibrant and safe communities. 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 2014-2015, the NWTHC had 245 units in the HELP program and 120 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.

At any time within four years of leasing, the tenant may purchase the unit. A purchase incentive of \$20,000 is provided for purchasing the unit within two years of leasing and \$10,000 if it is purchased between two to four years of leasing. After four years rents are increased for tenants that want to remain leasing the units.

The Market Housing Program provides affordable housing by way of unsubsidized rental units to critical staff in non-market communities. There are also 17 other market housing units that receive funding from the NWTHC. These units are owned and operated by community governments or organizations to meet the housing needs of education and health care professionals. The funding received from the NWTHC is to assist with the continued operation and maintenance of those units to provide accommodation to professionals in the community.

Transitional Rent Supplement Program

The Transitional Rent Support Program (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.

NWTHC PROGRAMS

Homeownership

The NWTHC provides an opportunity for NWT residents to access government support through its homeownership 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 four homeownership programs offers flexible delivery options to NWT residents and also meets the needs of seniors, and those with accessibility challenges. The programs use education and counselling to help residents in becoming successful homeowners.

Program application intake is completed on a year-round basis 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.

The programs offered through the NWTHC are:

- Solutions To Educate People (STEP)
- Providing Assistance for Territorial Homeownership (PATH)
- Contributing Assistance for Repairs & Enhancements (CARE)
- 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

Providing Assistance for Territorial Homeownership (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. Additional assistance is available for improving the accessibility of dwellings for persons with disabilities. Assistance from between \$10,000 and \$90,000 is provided in the form of a forgivable loan to subsidize the cost of preventative maintenance checks, repairs and renovations to ensure that health and safety standards are maintained for their existing home. The forgiveness period is dependent on the amount of assistance being provided.

CARE also 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

Securing Assistance For Emergencies (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 PROGRAMS

Partnership with Canada Mortgage and Housing Corporation

The NWTHC partnered with CMHC and signed a 5-year extension of the Investment in Affordable Housing (IAH) agreement for 2014-15 representing \$9.2 million from Canada and a cost matched \$9.2 from the NWT for an investment of \$18.4 million. The agreement was signed between the Minister Responsible for the NWTHC and the Minister of State for Social Development on January 30, 2015. The IAH funding will be used largely for renovations and repairs for homeowners. Under the Investment for Affordable Housing, the NWT has the flexibility to design and deliver a range of affordable housing programs to address local housing needs and priorities. This support addresses a variety of housing needs from renters and homeowners, to persons who are homeless, or have experienced family violence.

The NWTHC also partners with CMHC for the delivery of federal housing programs. Access and assistance provided under the CMHC programs follow the policies and program requirements as determined by CMHC. The repair programs are:

- The Home Adaptations for Seniors Independence (HASI)
- The Residential Rehabilitation Assistance Program (RRAP)
- The Emergency Repair Program (ERP)
- The Shelter Enhancement Program (SEP)

HASI

HASI provides financial assistance to clients to carry out minor home adaptations to live independently and safely.

RRAP

RRAP provides financial assistance to lower-income homeowners needing to repair their homes to a minimum level of health and safety.

ERP

ERP assists clients with emergency repairs for the safe occupancy of their homes.

SEP

SEP provides financial assistance for repair and improvements to sponsors of shelters for victims of family violence. This could include funding for repair/rehabilitation/improvements to existing shelters to an acceptable level of health, safety and security for occupants and accessibility for persons with disabilities.

NWTHC PROGRAM DELIVERY IN A SNAPSHOT

Major and Minor Capital Spending

Overall, the NWTHC provided housing programs at a value of \$39,975,000 in fiscal year 2014-2015.

The following chart reports the programs and financial assistance under major and minor capital provided to NWT residents by the NWTHC during fiscal year 2014-2015. 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.

North Slave District

Activity	Dollar Value
<i>Public Housing</i>	
Replacement	\$1,352,000
Major M&I	\$987,000
Minor M&I	\$3,004,000
<i>Affordable Housing New</i>	\$1,273,000
<i>Homeownership Repair</i>	\$1,227,000
<i>Other Capital</i>	\$451,000
Total	\$8,294,000

South Slave District

Activity	Dollar Value
<i>Public Housing</i>	
Replacement	\$925,000
Major M&I	\$901,000
Minor M&I	\$1,269,000
<i>Affordable Housing New</i>	931,000
<i>Homeownership Repair</i>	\$1,802,000
<i>Other Capital</i>	\$77,000
Total	\$5,905,000

Nahendeh District

Activity	Dollar Value
<i>Public Housing</i>	
Replacement	\$1,353,000
Major M&I	\$634,000
Minor M&I	\$249,000
<i>Affordable Housing New</i>	\$1,539,000
<i>Homeownership Repair</i>	\$758,000
<i>Other Capital</i>	\$53,000
Total	\$4,586,000

Sahtu District

Activity	Dollar Value
<i>Public Housing</i>	
Replacement	\$485,000
Major M&I	\$2,645,000
Minor M&I	\$1,184,000
<i>Affordable Housing New</i>	\$988,000
<i>Homeownership Repair</i>	\$459,000
<i>Other Capital</i>	\$83,000
Total	\$5,844,000

Beaufort-Delta District

Activity	Dollar Value
<i>Public Housing</i>	
Replacement	\$7,294,000
Major M&I	\$2,003,000
Minor M&I	\$1,570,000
<i>Affordable Housing New</i>	\$1,610,000
<i>Homeownership Repair</i>	\$1,348,000
<i>Other Capital</i>	\$932,000
Total	\$14,757,000

Northwest Territories

Activity	Dollar Value
<i>Public Housing</i>	
Replacement	\$11,409,000
Major M&I	\$7,170,000
Minor M&I	\$7,276,000
<i>Affordable Housing New</i>	\$6,341,000
<i>Homeownership Repair</i>	\$5,594,000
<i>Other Capital*</i>	\$2,185,000
Total	\$39,975,000

* 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 2014-2015.

North Slave District

Program	Number of Programs
CARE (under \$3000)	82
CARE (over \$3000)	21
PATH	3
HELP	3
SAFE	18
CMHC Programs	0
Totals:	127

South Slave District

Program	Number of Programs
CARE (under \$3000)	51
CARE (over \$3000)	23
PATH	1
HELP	5
SAFE	36
CMHC Programs	12
Totals:	128

Nahendeh District

Program	Number of Programs
CARE (under \$3000)	20
CARE (over \$3000)	9
PATH	0
HELP	3
SAFE	11
CMHC Programs	17
Totals:	60

Sahtu District

Program	Number of Programs
CARE (under \$3000)	5
CARE (over \$3000)	3
PATH	2
HELP	5
SAFE	9
CMHC Programs	1
Totals:	25

Beaufort Delta District

Program	Number of Programs
CARE (under \$3000)	20
CARE (over \$3000)	18
PATH	3
HELP	0
SAFE	15
CMHC Programs	0
Totals:	56

Northwest Territories

Program	Number of Programs
CARE (under \$3000)	178
CARE (over \$3000)	74
PATH	9
HELP	16
SAFE	89
CMHC Programs	30
Totals:	396

NWTHC PROGRAM DELIVERY IN A SNAPSHOT

Public Housing and Affordable Housing Programs

Expenditures for public housing and affordable housing programs in 2014-2015 totaled over \$49.9 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.

North Slave District

Rental Housing	Results
Number of Units	687
Expenditures	\$12,269,000
Tenant Assessed Rent	\$2,587,000
Collection Rate	98%

South Slave District

Rental Housing	Results
Number of Units	489
Expenditures	\$7,384,000
Tenant Assessed Rent	\$1,499,000
Collection Rate	100%

Nahendeh District

Rental Housing	Results
Number of Units	135
Expenditures	\$2,793,000
Tenant Assessed Rent	\$646,000
Collection Rate	74%

Sahtu District

Rental Housing	Results
Number of Units	236
Expenditures	\$6,018,000
Tenant Assessed Rent	\$1,120,000
Collection Rate	103%

Beaufort Delta District

Rental Housing	Results
Number of Units	846
Expenditures	\$20,536,000
Tenant Assessed Rent	\$3,154,000
Collection Rate	101%

Northwest Territories

Rental Housing	Results
Number of Units	2,393
Expenditures ¹	\$49,000,000
Tenant Assessed Rent	\$9,005,000
Collection Rate ²	98.7%

¹ See Notes 15 & 16 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 its community partners, 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 direct the NWTHC on how best to use its scarce financial resources and where best to invest.

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 is to determine whether there exists a cost benefit to investing further dollars to modernize and improve the unit to extend its useful life for a further 15 years. Once the analysis is completed, it may show that the best option may be to dispose of the unit and replace it.

The NWTHC plans for a 50-year life at construction time for its 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 2014-2015. 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 2013-2014				
Community	Unit Condition Ratings			
	Under 60%	60% to 69%	70% and better	TOTAL UCRs Completed
NORTH SLAVE				
Behchoko	22	23	133	178
Dettah	0	6	31	37
Gameti	0	1	16	17
Lutsel K'e	5	9	25	39
N'Dilo	0	7	19	26
Wekweeti	0	0	2	2
Whati	1	0	24	25
Yellowknife	1	1	186	188
TOTAL NORTH SLAVE	29	47	436	512
SOUTH SLAVE				
Fort Providence	3	3	103	109
Fort Resolution	2	1	72	75
Fort Smith	0	4	143	147
Hay River	2	12	132	146
TOTAL SOUTH SLAVE	7	20	450	477
NAHENDEH				
Fort Liard	2	0	22	24
Fort Simpson	2	0	83	85
Jean Marie River	2	0	1	3
Nahanni Butte	0	0	1	1
Trout Lake	0	0	1	1
Wrigley	0	0	8	8
TOTAL NAHENDEH	6	0	116	122
SAHTU				
Deline	31	19	38	88
Fort Good Hope	1	5	34	40
Norman Wells	1	3	31	35
Tulita	4	12	58	74
TOTAL SAHTU	37	39	161	237
BEAUFORT DELTA				
Aklavik	3	3	123	129
Fort McPherson	5	6	111	122
Inuvik	48	104	50	202
Paulatuk	0	4	53	57
Sachs Harbour	0	1	20	21
Tsiigehtchic	1	0	22	23
Tuktoyaktuk	5	22	135	162
Ulukhaktok	0	1	89	90
TOTAL BEAUFORT DELTA	62	141	603	806
TOTAL ALL DISTRICTS	141	247	1766	2154

*Note: Approved surplus and pending surplus units have been removed from this summary. UCRs are not completed on units leased from private landlords.

HOMELESSNESS ACTIVITIES

The NWT HC's homelessness portfolio includes work with federal, municipal, territorial and Aboriginal interest groups in the development and delivering of programs and processes to address homelessness.

The NWT HC has expanded the number of homelessness programs offered this year, increasing the budget from \$325,000 to \$1,105,000.

The NWT directly addresses homeless through the following programs:

- Northern Pathways to Housing: a pilot program to create supportive and transitional housing in four small communities for individuals with housing barriers (\$680,000).
- Homelessness Assistance Fund: one-time emergency assistance for individuals who are homeless or are in danger of becoming homeless (\$125,000).
- Small Community Homelessness Fund: a fund that supports community agencies in delivering community homelessness initiatives (\$200,000).
- Shelter Enhancement Fund: a fund that provides assistance for major and minor capital upgrades and equipment for community agencies delivering homelessness programs (\$100,000).

The NWT HC provides overall coordination of homelessness activities and works with other departments, as homelessness requires the collective efforts of all stakeholders to address. Work on homelessness is ongoing and includes stakeholder collaboration to generate information for planning, design and application of approaches to resolve homelessness.

Current work includes conducting research and obtaining training on other housing models and best practices within other jurisdictions to develop homelessness programs that may be relevant in a northern community context.

NWT HC currently sits on the Integrated Case Management (ICM) Program working group, the Yellowknife Coalition Against Homelessness and the Yellowknife Community Advisory Board on homelessness to share information, create linkages and assist in planning. The NWT HC also has annual bilateral meetings with Employment and Social Development Canada as part of the Homelessness Partnering Strategy.

The NWT HC has earmarked \$150,000 within the current homelessness portfolio for Housing First. Research on delivery models to determine how Housing First could be implemented in the NWT have been, and continue to be a part of ongoing work. This year, discussions with the Department of Justice, ICM Program included the recognition of Housing First as best practice for integrative service delivery. Further exploration with the NWT HC and the DOJ into the use of the Housing First as a best practice method to deliver the ICM Program, may provide insight into the possibility of Yellowknife and Inuvik based Housing First projects. This model may support some of our most vulnerable clients.

Currently NWT HC has developed a supportive housing program for homeless individuals; 'Northern Pathways to Housing'. This housing is in line with the GNWT's antipoverty action plan and is currently directed to support small communities. NWT HC is gathering data and establishing community linkages and program adaptations to address needs of communities. This includes collaboration between housing, income supports, social service supports, clients and traditional and cultural community resources for the implementation of the NPH program.

HOMELESSNESS ACTIVITIES

The NWT HC homelessness coordinator sits on the Community Advisory Board with the City of Yellowknife. The CAB has developed a community plan to end homelessness. The plan includes the implementation of a Housing First model with involvement from all levels of government and community agencies with a stake in homelessness. Information from the surveys conducted in a Point in Time Count on Yellowknife's homeless population to be conducted on May 13, 2015, will be used to design a housing first pilot program.

NWTHC works regularly with stakeholders in other interested NWT communities to administer, support, provide information and assist with coordination around supports for homelessness projects and funding.

INUVIK HOMELESSNESS SHELTER

The NWTHC supports the Inuvik Homelessness Shelter through a \$45,000 multi-year agreement under the Small Community Homelessness Fund. The funding agreement is for \$15,000 per year which started in 2014-2015 and will continue to 2016-2017.

The Inuvik Homelessness Shelter provides service to our individuals undergoing chronic and episodic homelessness. Within this homeless population, the Inuvik Homelessness Shelter also reports on single men and women who also experience disorders of mental health, addictions and disabilities as residing at the shelter and receiving services.

Statistics kept through the shelter help identify key factors that led to and continue to keep people homeless. These include; high utility rates, rising rental properties, housing shortages, transient workers, and social issues like poverty, alcohol, drugs, violence and disabilities.

The shelter provides clients with two meals a day, shower and laundry facilities as well as two television lounges and a range of supportive services. The building is also alcohol and drug free.

The facility itself can house up to 22 single men and women a night. There are five rooms available, most of which can accommodate four people at a time. The shelter is operated and managed through the Inuvik Homeless Shelter Advisory Board.

The Inuvik Homelessness Shelter provides drop-in services 24 hours a day, Wednesday to Sunday, and also operates as a safe house during the Christmas season. The short term goal of the shelter is to provide needy individuals with a safe environment to reside. Their long term goals include assisting clients so they are able to maintain their own homes and manage their lives productively.

LYNN BROOKS' SAFE PLACE FOR WOMEN (LYNN'S PLACE)



In September 2014 Yellowknife opened its doors to Lynn's Place, a new transitional home for women that will help them attain the stability required for the successful transition to permanent housing. It is located on 54th Street, across from Aurora College. Residents began moving in the week of September 22.

It is home to woman and women with children in 18 suites. There are six bed-sitting rooms for single residents, 10 two-bedroom apartments, and two three-bedroom apartments. YWCA Yellowknife staff Lynn's Place and provide women with help to address the issues that have destabilized their housing in the past, such as violent relationships.

The NWT HC was the largest contributor with \$2.3 million for the completion of the facility. Dominion Diamond Ekati Corporation and the Government of Canada are also major funding partners for the project. Other financial supporters include the City of Yellowknife, YWCA Yellowknife, the Yellowknife Community Foundation and other partners.

A large crowd gathered outside the building during the grand opening on Sept. 26, where major partners, including the Honourable Robert C. McLeod, Minister Responsible for Homelessness and the NWT HC, spoke about the importance of Lynn's Place to the community.

Lynn's Place is named for Lynn Brooks, a local resident who has been an advocate and aid to many women in need.



INVESTMENT IN AFFORDABLE HOUSING EXTENSION

On January 30, 2015, the Minister responsible for the Northwest Territories Housing Corporation signed the Investment in Affordable Housing renewal agreement with the Federal Minister of State for Social Development.

This renewal agreement is a five year extension of the Investment in Affordable Housing Agreement (IAH) Agreement that was in place from 2011 to 2014. This results in an investment of \$9.2 million from Canada that will be cost-matched by the NWT for a total investment of \$18.4 million.

Under the Investment in Affordable Housing, the Northwest Territories has the flexibility to design and deliver a range of affordable housing programs to address local housing needs and priorities. This support addresses a variety of housing needs from renters and homeowners, to persons who are homeless, or who have experienced family violence.

Canada and the NWT collaborated on the original 2011-2014 IAH agreement to deliver \$11 million in projects to address housing need. During that period, the NWT HC supported 310 projects using these funds. This includes 252 homeownership units, and assistance for 58 units in transitional shelters, including the Lynn Brooks Safe Place for Women, to support vulnerable households in accessing safe and affordable housing.

Over that same period, the NWT HC invested approximately \$79 million in capital funding for housing in the Northwest Territories, this includes the NWT HC's \$11 million in joint IAH funding during that period.

PROJECT PROFILE: UTILITY TRACKING DATABASE

On April 1, 2014, the NWT HC unveiled a the new Asset Cost Tracking System (ACTS).

Over the past number of years the NWT HC has been developing a variety of information systems to improve the management and delivery of our programs and services. These information systems are designed to enable changes and enhancement in response to changing business requirements.

This new system allows the Housing Corporation to accurately track and report on how utilities are being used in our buildings. Not only that, but the detailed data collected in the Asset Cost Tracking System enables the NWT HC to review historical utility consumption and determine measures to curb or reduce consumption, as well as measure effectiveness of energy initiatives.

ACTS has been developed to integrate with these existing information systems, and larger GNWT information systems including System for Accountability and Management (SAM). This allows the system to interface with SAM for the payment of invoices. This permits the collection of accurate data and reduces the chances of double entry of invoices.

This real time management reporting capabilities enable the development of trend reporting and data analysis in support of program evaluations and improvements.

STAFF PROFILE: ERIN SHEA

Erin Shea took on the role of Homelessness Coordinator with the Northwest Territories Housing Corporation in the fall of 2013. The new role had been created to administer homelessness programming and consult on issues around homelessness. The NWT HC administers funds that provide support and direct assistance to residents who are homeless or at risk of becoming homeless. The NWT HC also funds projects in smaller NWT communities that address issues related to homelessness in these communities; strengthens the capacity of community homelessness partners through capital upgrades and explores innovative homelessness solutions such as Housing First.

Erin has a background in social work, her past experience includes front line work with young offenders. Her job is a mixture of working one-on-one with individual case files, with community leaders and administering the various programs.



Some of these programs include The Homelessness Assistance Fund, which provides emergency one-time funding to individuals experiencing crises within the NWT. The Shelter Enhancement Fund provides funding to shelters and homelessness agencies for capital upgrades or the purchase of equipment required for their operations. The NWT HC will be entering into five-year partnerships with four smaller NWT communities to operate transitional housing for residents under the Northern Pathways to Housing Program. Homelessness in smaller NWT communities often takes a different form than what is seen in larger communities. There are residents that are unable to access social housing because of past behavior (arrearages or other tenant issues) or residents in situations where the availability of housing has limited their options.

Erin is also involved in exploring the applicability of the Housing First concept to the North, which involves the approach of housing homeless persons and then providing them supports they may require.

Erin works with a multitude of stakeholders not only in large communities like Yellowknife, Inuvik and Hay River, but as much of her work is outside these centres, in many small communities as well.

“I find the work that we do very gratifying, because although the persons that our programming assists have many, significant and complex challenges, there are tangible improvements and gains with every intervention and investment we make,” notes Erin.

OFFICE PROFILE: INFRASTRUCTURE SERVICES

The Northwest Territories Housing Corporation's Infrastructure Services division is responsible for the planning and delivery of our capital infrastructure. This includes land acquisition, design of infrastructure and renovations, maintenance activities for all assets that are NWT HC owned, construction of new assets -- including affordable and public housing programs. Other responsibilities include the implementation of energy efficiency projects, including biomass and solar, registering mortgages with land titles, capital planning, lands planning, and management of materials, research and development, and maintenance management. The division also offers support to trades training and housing for staff.

New Construction

During the 2014-15 fiscal year Infrastructure Services procured 31 modular homes for the delivery of affordable housing in rural and remote communities. Construction began on the Joe Greenland senior's center in Aklavik and contracts were awarded for three seniors' projects in Fort Liard, Fort McPherson and Fort Good Hope. Each project will be a 9-plex building, consisting of eight bedrooms and one for a building caretaker. A contract was awarded for the 19-plex to be built in Yellowknife, and a 17-unit complex for public housing was awarded in Inuvik and construction is underway.

Energy

In 2014-15 the NWT HC is investing in alternative energy projects such as solar and biomass in multi-unit buildings as well as energy upgrades in public housing in various communities. Investments in solar energy are a cost reduction effort. A photovoltaic (PV) solar panel system was installed in Hay River's Whispering Willow. This PV system provides power to the main components of the building and is expected to offset up to 70% of the power. Solar installation will also be part of the seniors facilities planned for Fort Liard, Fort McPherson and Fort Good Hope. Additionally, there are bio mass projects in Dettah, N'dilo and Fort Resolution. Bio mass is a heating system that burns wood pellets. It is carbon neutral to reduce greenhouse gas emissions.

The NWT HC in partnership with Canada Mortgage and Housing Corporation (CMHC), signed on for an extension to continue the monitoring of the Northern Sustainable House in Inuvik. The Infrastructure Services division also engaged CMHC for a retrofit strategy that would help to determine the decisions that will need to be made to renovate NWT HC assets to meet energy efficiency standards.

Maintenance

To improve its maintenance activities, the NWT HC recently replaced their maintenance management software with an online centralized version (webworks) for use by all Local Housing Organizations (LHOs). Webworks allows the NWT HC to assign and track maintenance activities and provide improved reporting on maintenance activities on a timely basis.

The NWT HC recognizes that the new system requires ongoing support to be successful. The NWT HC will continue to support the LHOs by offering additional training to those who require it.

LHO PROFILE: FORT PROVIDENCE HOUSING ASSOCIATION

The Local Housing Organization (LHO) in Fort Providence has had a lot of success in the past fiscal year. The manager of the LHO in Fort Providence said that the organization has brought collections up to a 110 per cent. She says President David Stewart, came to the community to congratulate the staff himself.

“We used to be up to \$300,000 and we it brought it down to \$120,000 (in arrears). That happened with the help of the new collections department in Yellowknife,” she said.

The LHO has eight staff; three administration personnel and five maintenance employees. A foreman, two housing maintainers, one custodian and one caretaker service all the LHO’s units. The manager explained the LHO has a total of 111 public housing units occupied and they also look after affordable housing clients through the HELP program and Market Housing. Staff are also in charge of taking care of the seniors’ centre.

She said that HELP is the most popular program. At this point the LHO has about three mortgage clients left. “They just come back for repairs,” she said. “A lot of people come stop in the office, looking for information.”

The LHO in Fort Providence is part of the South Slave District Office. The district sends a program officer out of Hay River every month to help answer questions for the staff, the board and the public. The manager said that change has created much better communication with the LHO and the clients. She said district staff also attends the board meetings. In 2014 the board had seven members.

The manager said a monthly newsletter has also helped improve communication with tenants. It is sent out with their rent assessment. “We tell them if things are changing or thank them to say the payments are coming in steady,” she said. “There has been a lot more good feedback.”



2014-2015 LONG SERVICE AWARD RECIPIENTS

Five Years

Gerry Cheezie, Programs Advisor – North Slave District Office
Jennifer Jones, Administrative Assistant – Strategic Planning, Policy and Communications
Larry Jones, Manager, Construction Services – Infrastructure Services
Doris MacIntosh, Administrative Assistant – Finance and Infrastructure Services
Jessica Relucio, Programs Advisor – North Slave District Office
Guy Saint-Andre, Technical Advisor – Sahtu District Office
Jerry Vanhantsaeme, Program Development Specialist – Housing Programs and District Operations

Ten Years

Ernest McPherson, District Administrator – Nahendeh District Office
Joy Paivalainen, Property Management Officer – Finance and Administration
Jennifer Vachon, Mortgage Officer – Finance and Administration

Twenty Years

Paulette Doucet, Manager, Assets and Mortgages – Finance and Administration

Twenty-five Years

Karen Dove, Coordination Officer – Programs and District Operations
Lucille Harrington, Manager, Programs – South Slave District Office

Thirty Years

Jeff Anderson, Vice-President – Finance and Infrastructure Services
Tom Gross, Senior Technical Advisor – South Slave District Office



Appendix A:
Management Discussion and Analysis
Fiscal Year 2014-2015

MANAGEMENT DISCUSSION AND ANALYSIS - FISCAL YEAR 2014-2015

Managing Risk / Pressures

Although the NWT HC has accomplished much over the 2014-15 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 17th Legislative Assembly federal funding will decline by \$2.2 million.

The NWT HC is currently the Chair of the Provincial - Territorial Housing Forum and leads the inter-jurisdictional efforts to engage the federal government in meaningful discussion regarding sustainable housing. An additional mitigation strategy that the NWT HC plans to explore is the expansion of the market rent program to house critical staff, such as teachers, nurses and 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.

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.

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.

MANAGEMENT DISCUSSION AND ANALYSIS - FISCAL YEAR 2014-2015

During the year the NWT HC designed and implemented a system to improve detailed tracking of utility consumption and pricing. Data obtained from the system will improve reporting to management and 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 98.7% collection rate for public housing in the 2014-15 fiscal year.

Since 2012, the NWT HC has worked with clients to restructure their mortgages with a view to improving overall collections rates. In 2014-15 the NWT HC realized an average mortgage collection rate of 84% across refinanced mortgages, up from 73% in 2012-13 (83% in 2013-14). 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

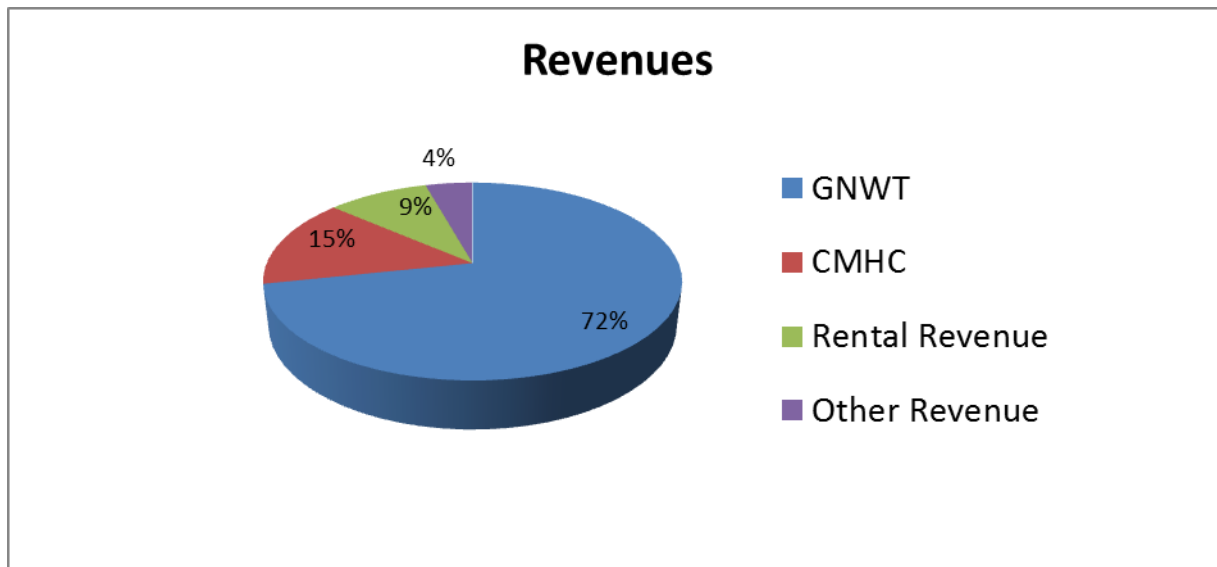
Revenues

The total revenues for the Corporation in 2014-15 were \$117.6 million, an increase of \$14 million from the previous year's total of \$103.6 million.

Government funding, from the GNWT and our Federal housing partner, the Canada Mortgage and Housing Corporation (CMHC), increased from \$86.8 million to \$102.5 million. This increase of \$15.9 million in GNWT funding is mainly related to funding increases for Strategic Investments in Affordable Housing (\$7.5 million), forced growth funding for utilities (\$2 million), and capital funding for renovations and improvements (\$5 million). GNWT funding also increased as a result of forced growth for collective bargaining, hazard assessment and remediation, and to offset declining CMHC funding.

MANAGEMENT DISCUSSION AND ANALYSIS - FISCAL YEAR 2014-2015

Revenue generated from operations amounted to \$15.1 million in 2014-15, a decrease of \$1.7 million from the \$16.8 million in revenue generated in 2013-14. This decrease was related to a lower recovery on the mortgage portfolio as a result of fewer clients refinancing their NWTHC mortgage.



Expenses

The Corporation's total operating expenditures for 2014-15 were \$99.7 million, less than 1% decrease from the previous year's expenses (2013-14 \$100.1 million). Costs of operating the public housing program increased by 4% to \$52.7 million during the fiscal year. Included in these costs was \$26.4 million spent on utilities (2013-14 \$24.8 million) representing a 6% increase over the cost for the previous year. The public housing program costs continue to be the largest component of the Corporation's expenses, representing 52.9% of the annual operating expenditures.

Building, repairs and maintenance costs related to the public housing stock were \$9.3 million in 2014-15, an increase of 46% from the \$6.3 million spent in 2013-14. This includes preventative and demand maintenance as well as non-capital repairs and upgrades under the modernization and improvement program to maximize the useful life of our public housing assets. The decreasing expenditures are partially due to capacity issues within the construction sector in the NWT.

Expenditures on affordable housing programs (market housing and HELP housing programs) were \$4.5 million in 2014-15, a 6% decrease of from the \$4.7 million expended in 2013-14. 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 \$2.5 million to unilateral CMHC programs and other programs, a decrease of \$2.4 million from the \$4.9 million contributed in 2013-14. The decrease was related to the one-time contribution of \$2.3 million to Lynn's Place in 2013-14.

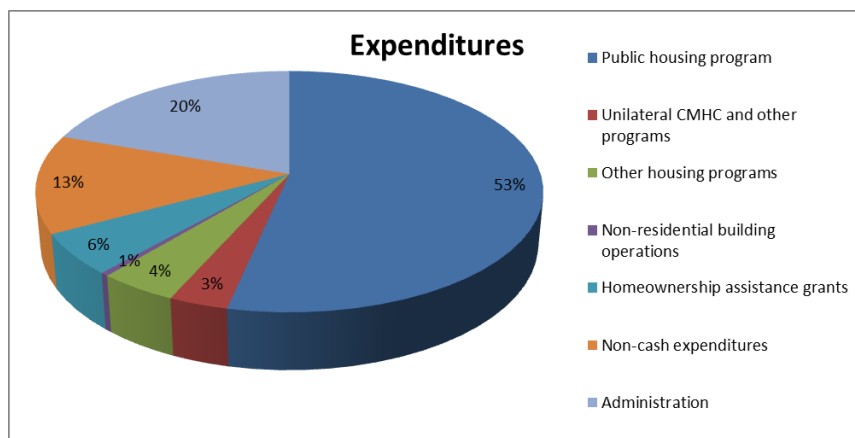
MANAGEMENT DISCUSSION AND ANALYSIS - FISCAL YEAR 2014-2015

Homeownership assistance grants were \$5.6 million in 2014-15, an increase of 7% from the previous year amount of \$5.2 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 NWT HC 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.

The Corporation had losses of \$1.6 million in 2014-15 related to impairment of tangible capital assets, up from \$1.1 million in the previous year. These losses are related to the write-down of asset values as a result of 5 properties damaged by fire and 10 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 2014-15, an increase of \$0.2 million from 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 \$14.7 million (\$14.0 million in 2013-14).

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 as an overall budgeted operating surplus of \$14.3 million. These surplus operating funds are utilized to support the delivery of the capital infrastructure acquisition plan.



Financial Position

The Corporation continues to maintain a solid financial position in 2014-15, with net financial resources of \$51.5 million, an increase of \$5.4 million from 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 \$20.5 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 \$3.6 million as at March 31, 2015.

MANAGEMENT DISCUSSION AND ANALYSIS - FISCAL YEAR 2014-2015

The cash and cash equivalents balance of \$13.4 million (\$14.4 million at March 31, 2014) represents the March 31, 2015 balance in 17 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, 2015 \$65 million (\$54.2 million at March 31, 2014) was invested in portfolio investments with a weighted average rate of return of 1.76%. 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 \$1.6 million of mortgages and loans previously determined to be uncollectible. As a result of this reinstatement the mortgage and loans balance increased from \$3.6 million at March 31, 2014 to \$4.2 million at March 31, 2015.

Investment in Housing

As at March 31, 2015 the Corporation had \$234.8 million of investments in land and buildings, representing the amortized book value of 2,442 owned public housing, homeownership rental and market rental units. During the year, an additional investment of \$22.6 million was made in new properties and the major renovation of existing properties. There were 33 housing units, with a carrying value of \$1.8 million, disposed of during the year through sale or demolition, 13 properties written down by \$1.1 million and \$10.9 million of property costs were amortized during the year.

Summary of Financial Results and Budget Projection (in millions of dollars)

	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016 Budget
Revenues						
GNWT	49.2	54.0	67.0	69.3	85.1	85.3
CMHC	25.0	19.6	18.6	17.5	17.4	17.3
Amortization of Deferred Capital	13.3	14.8	-	-	-	-
Other	11.7	12.8	12.1	16.8	15.1	11.8
Total Revenues	99.2	101.2	97.7	103.6	117.6	114.4
Expenses						
Public Housing Programs	56.3	47.0	52.7	52.7	52.7	50.0
Other Housing Programs		5.5	5.6	9.2	8.3	11.5
Homeownership Assistance Programs	9.6	7.9	7.1	5.2	5.6	7.0
Impairment/ Disposal Loss on TCAs		2.3	3.5	1.1	1.6	-
Amortization		12.3	11.9	12.2	11.7	14.4
Administrative, Program and Technical Services	29.7	17.8	17.6	19.6	19.8	19.3
Total Expenses	95.6	92.8	98.4	100	99.7	102.2
Annual Surplus (Deficit)	3.5	8.3	(0.7)	3.6	17.9	12.1

MANAGEMENT DISCUSSION AND ANALYSIS - FISCAL YEAR 2014-2015

Expenses

Changes in the presentation under the “Consolidated Statement of Operations and Accumulated Surplus” effective April 1, 2011 detailed programs and expenses that were not strictly Public Housing programs. In addition, the salaries, benefits and administrative expenses for the Local Housing Organizations have been removed from “Administrative, Program and Technical Services” and are now included under “Public Housing Programs”.

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. 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 2009-2010, 2010-2011 and 2011-2012, the Corporation incurred substantial surpluses. This was due, in large part to the significant inflow of Federal funding provided from 2008 – 2010 and the ongoing capacity challenges incurred by the Corporation and the housing construction industry generally, to complete all projects as planned within a compressed timeframe.



MANAGEMENT DISCUSSION AND ANALYSIS - FISCAL YEAR 2014-2015

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 2014-2015:

Name	Community	Reason	Amount
Albert Bernarde	Tulita	Deceased	9,491
Darlene Kleignoski	Fort Resolution	Bankruptcy	794
Delores Beaulieu	Fort Resolution	Deceased	224
Antoine, Tony (W)	Fort Simpson	Deceased	415
Sloat, Barb	Fort Simpson	Deceased	6,832
5138 NWT Ltd	Inuvik	Over 6 years, Statute of Limitations	1,060
Price Contracting	Inuvik	Over 6 years, Statute of Limitations	530
Grace Sabourin	Hay River	Over 6 years, Statute of Limitations	489
Alisa Blake	Inuvik	Over 6 years, Statute of Limitations	2,587
Tanya Berry	Inuvik	Over 6 years, Statute of Limitations	115
April Bekale	Inuvik	Over 6 years, Statute of Limitations	74
Angela Benoit	Yellowknife	Over 6 years, Statute of Limitations	2,188
Violet Harrison	Inuvik	Over 6 years, Statute of Limitations	1,367
William Westwell	Yellowknife	Over 6 years, Statute of Limitations	944
Loren Gresl	Yellowknife	Over 6 years, Statute of Limitations	1,934
Kim Squires	Hay River	Over 6 years, Statute of Limitations	505
Lisa McDonald	Norman Wells	Over 6 years, Statute of Limitations	198
Christopher Daniels	Behchoko	Over 6 years, Statute of Limitations	369
Betty Lou Morris	Paulatuk	Over 6 years, Statute of Limitations	197
TOTAL			30,320

Appendix B:
Independent Auditor's Report and
Consolidated Financial Statements



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 2015, 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.

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 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 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 Part IX of 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

19 August 2015
Edmonton, Canada

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 (US)
President & CEO



Jim Martin, B.Comm, CGA, MBA, MA
Vice President
Finance & Infrastructure Services

Yellowknife, Northwest Territories
19 August 2015

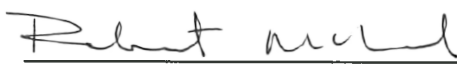
NORTHWEST TERRITORIES HOUSING CORPORATION

Consolidated Statement of Financial Position As at March 31, 2015 (in thousands)


	2015	2014
Financial assets		
Cash and cash equivalents (Note 4)	\$ 13,377	\$ 14,388
Portfolio investments (Note 5)	65,165	54,219
Accounts receivable (Note 6)	5,870	5,854
Mortgages and loans receivable (Note 7)	4,233	3,587
	88,645	78,048
Liabilities		
Bank indebtedness (Note 8)	-	632
Accounts payable and accrued liabilities (Note 9)	20,601	13,355
Deferred revenue	41	87
Loans payable to Canada Mortgage and Housing Corporation (Note 10)	10,719	11,479
Obligations under capital leases (Note 11)	281	1,216
Environmental liabilities (Note 12)	301	-
Retirement and post-employment benefits (Note 13)	5,201	5,195
	37,144	31,964
Net financial assets	\$ 51,501	\$ 46,084
Non-financial assets		
Tangible capital assets (Schedule A)	243,507	231,512
Inventories held for use	2,992	2,441
Prepaid expenses	104	160
	246,603	234,113
Accumulated surplus	\$ 298,104	\$ 280,197

Contractual obligations and contingencies (Notes 19 and 20)

Approved:



 Robert C. McLeod
 Minister Responsible for the
 Northwest Territories Housing Corporation



 Jeff Anderson, CGA, CPA (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, 2015
(in thousands)

	<u>2015</u>	<u>2015</u>	<u>2014</u>
	Budget	Actual	Actual
Net financial assets, beginning of the year	\$ <u>46,084</u>	\$ <u>46,084</u>	\$ <u>40,488</u>
Items affecting net financial assets:			
Annual surplus	14,276	17,907	3,562
Acquisition of tangible capital assets	(46,761)	(27,001)	(12,692)
Amortization of tangible capital assets	13,445	11,700	12,248
Disposal of tangible capital assets	-	1,874	1,070
Write-downs of tangible capital assets	-	1,432	1,111
Acquisition of inventories held for use	-	(1,611)	(881)
Consumption of inventories held for use	-	1,060	1,104
Acquisition of prepaid expenses	-	(68)	(82)
Use of prepaid expenses	<u>-</u>	<u>124</u>	<u>156</u>
Increase in net financial assets	<u>(19,040)</u>	<u>5,417</u>	<u>5,596</u>
Net financial assets, end of year	\$ <u>27,044</u>	\$ <u>51,501</u>	\$ <u>46,084</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, 2015
(in thousands)

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Revenues			
Government funding:			
Government of the Northwest Territories	\$ 84,991	\$ 85,116	\$ 69,316
Canada Mortgage and Housing Corporation (Note 14)	<u>17,148</u>	<u>17,388</u>	<u>17,491</u>
	<u>102,139</u>	<u>102,504</u>	<u>86,807</u>
Generated revenues:			
Rental revenue	8,682	10,221	10,210
Recoveries from mortgages and loans (Note 7(c))	1,400	2,186	4,131
Income from portfolio investments	990	1,788	1,344
Gain on disposal of tangible capital assets	400	-	282
Other revenue and recoveries	90	733	715
Interest revenue on mortgages and loans	<u>120</u>	<u>153</u>	<u>139</u>
	<u>11,682</u>	<u>15,081</u>	<u>16,821</u>
	<u>113,821</u>	<u>117,585</u>	<u>103,628</u>
Expenses			
Public housing program (Note 15)	54,014	52,690	50,958
Unilateral CMHC programs and other programs	2,675	2,542	4,984
Affordable housing (Note 16)	1,742	4,453	4,722
Non-residential building operations (Note 17)	443	450	562
Rent subsidy program	1,050	411	317
Homelessness fund program	705	387	328
Homeownership assistance grants	7,570	5,595	5,231
Contributions for housing for staff initiative	783	-	-
Amortization	13,445	11,700	12,248
Loss on disposal of tangible capital assets	-	195	-
Write-downs of tangible capital assets	-	1,432	1,111
Administration (Note 18)	<u>17,118</u>	<u>19,823</u>	<u>19,605</u>
	<u>99,545</u>	<u>99,678</u>	<u>100,066</u>
Annual surplus	<u>\$ 14,276</u>	<u>\$ 17,907</u>	<u>\$ 3,562</u>
Accumulated surplus, beginning of year	<u>280,197</u>	<u>280,197</u>	<u>276,635</u>
Accumulated surplus, end of year	<u>\$ 294,473</u>	<u>\$ 298,104</u>	<u>\$ 280,197</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, 2015 (in thousands)

	2015	2014
Operating transactions		
Cash received from:		
Government of the Northwest Territories	\$ 84,870	\$ 69,616
Canada Mortgage and Housing Corporation	17,397	15,667
Rental revenue	10,977	10,633
Investment revenue	821	626
Miscellaneous revenue and recoveries	2,169	2,799
	116,234	99,341
Cash paid for:		
Payments to and on behalf of employees	(27,468)	(25,757)
Payments to suppliers	(56,583)	(58,234)
Payments to individuals	(659)	(627)
Payments for interest	(708)	(868)
	(85,418)	(85,486)
Cash provided by operating transactions	30,816	13,855
Capital transactions		
Acquisition of tangible capital assets	(21,563)	(12,692)
Proceeds on disposal of tangible capital assets	1,679	1,352
Cash used in capital transactions	(19,884)	(11,340)
Financing transactions		
Repayment of long-term debt and capital leases	(1,695)	(1,566)
Cash used in financing transactions	(1,695)	(1,566)
Investing transactions		
Redemption of portfolio investments	68,638	56,262
Purchases of portfolio investments	(79,143)	(61,112)
Mortgage payments received	889	1,054
Cash used in investing transactions	(9,616)	(3,796)
Increase (decrease) in cash and cash equivalents	(379)	(2,847)
Cash and cash equivalents, beginning of year	13,756	16,603
Cash and cash equivalents, end of year	\$ 13,377	\$ 13,756
Comprised of:		
Cash and cash equivalents	\$ 13,377	\$ 14,388
Bank indebtedness	-	(632)
	\$ 13,377	\$ 13,756

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, 2015

(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-three 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, contingencies and the liability for retirement and post-employment benefits.

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 LHOs, via consolidation, which are controlled by the Corporation:

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2015

(all figures in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Aklavik Housing Association	Lutsel K'e Housing Authority
Bechokö Kö Gha K'àodèè	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
Hay River Housing Authority	Ulukhaktok Housing Association
Inuvik Housing Authority	Yellowknife Housing Authority

The following three LHOs: Yellowknife Dene First Nation (Housing Division), Hamlet of Fort Liard, and Hay River Dene Band Housing Society 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, 2015

(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 7).

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, 2015

(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, 2015

(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.

Bank indebtedness

Bank indebtedness is comprised of the bank account of those LHOs that have cheques issued in excess of deposits

Employee future benefits

a) 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.

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'òodèe
Deline Housing Association
Fort McPherson Housing Association
Fort Resolution Housing Authority
Fort Simpson Housing Authority

Fort Smith Housing Authority
Inuvik Housing Authority
Lutsel K'e Housing Authority
Radlilh Koe' Housing Association
Yellowknife Housing Authority

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2015

(all figures in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Employee future benefits (continued)

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, employees may earn leave, severance and removal benefits based on years of service and final salary. The benefits are paid upon resignation, retirement, or death of an employee. Also, employees earn 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.

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. CHANGE IN ACCOUNTING POLICY

Environmental liabilities

As at April 1, 2014 the Corporation adopted Section PS3260, Liability for Contaminated Sites. This new standard has been applied prospectively. The new accounting policy has resulted in recognition of a liability of \$301 as at March 31, 2015 and additional disclosures have been made in Note 2 Environmental liabilities and Note 12.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2015

(all figures in thousands)

4. CASH AND CASH EQUIVALENTS

	2015	2014
Cash	\$ 13,377	\$ 8,187
Cash equivalents	-	6,201
	\$ 13,377	\$ 14,388

Cash equivalents in 2014 are comprised of high quality debt instruments and a market yield of 1.07%.

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 \$1,919 (2014 - \$1,848) which are also included in accounts payable and accrued liabilities (Note 9).

5. PORTFOLIO INVESTMENTS

Issuer	Stated interest rate	2015 Remaining term	Carrying amount	2014 Carrying amount
Fixed income investments:				
Bankers acceptances, fixed rate	1.35% to 1.58%	128 to 269 days	\$ 34,923	\$ 25,151
Provincial governments, fixed rate	1.66% to 3.35%	3 to 13 years	8,399	9,455
Ontario Hydro Strip Bonds, fixed rate	1.44% to 3.61%	2 to 11 years	19,155	16,897
Ontario Hydro Zero Coupon Bonds, fixed rate	2.16% to 3.27%	4 to 8 years	2,688	2,716
			\$ 65,165	\$ 54,219

The weighted average effective yield of this portfolio in 2015 was 1.76 % (2014 - 1.94%). Investments in bankers' acceptances are highly liquid investments with original terms to maturities of 90 days to one year.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2015

(all figures in thousands)

6. ACCOUNTS RECEIVABLE

	2015	2014
Trade accounts receivable	\$ 2,376	\$ 2,474
Tenant rents receivable	14,744	15,414
	17,120	17,888
Less allowance for doubtful accounts	(13,625)	(14,242)
	3,495	3,646
Receivables from CMHC	2,116	2,125
Receivables from related parties:		
Government of the Northwest Territories	259	83
Net Accounts Receivable	\$ 5,870	\$ 5,854

7. MORTGAGES AND LOANS RECEIVABLE

a) Mortgage and loans receivable

	2015	2014
Corporate loan, non-interest bearing and repayable in monthly installments, secured, with a term of 10 years.	\$ 405	\$ 462
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.	677	894
Loans based on Income Assessment, repayable in monthly installments at interest rates varying between 3.00% and 12.00%, unsecured, with a term over a maximum of 15 years.	3,698	4,085
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.	1,866	1,732
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.	8,009	8,363
Mortgages and loans receivable	14,655	15,536
Less allowance for impaired mortgages and loans	(10,422)	(11,949)
Net mortgages and loans receivable	\$ 4,233	\$ 3,587

The carrying value of the mortgages and loans receivable that are past due but not classified as impaired is \$1,093 (2014 - \$796) There were eight write-offs in the current year (2014 - thirteen).

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2015

(all figures in thousands)

7. MORTGAGES AND LOANS RECEIVABLE (continued)

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 \$5,595 (2014 - \$5,231), which are expensed on the consolidated statement of operations and accumulated surplus.

c) Net recoveries on mortgages and loans receivable and conditional grants

	2015	2014
Recoveries on impaired mortgages and loans	\$ 208	\$ 522
Adjustment to allowance for impaired mortgages and loans	1,636	3,133
Recoveries from conditional grants	387	476
	\$ 2,231	\$ 4,131

8. BANK INDEBTEDNESS

	2015	2014
Cheques issued in excess of deposits for certain LHOs	\$ -	\$ 632

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2015	2014
Trade payables	\$ 11,673	\$ 8,068
Contractors holdbacks	2,503	1,527
Tender and security deposits	88	74
Wages and employee benefits	711	677
Accrued interest	153	153
Damage deposits	1,831	1,774
Loan guarantee obligation	81	-
Prepaid rent	57	96
Payables to related parties:		
Government of the Northwest Territories	3,504	986
	\$ 20,601	\$ 13,355

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2015

(all figures in thousands)

10. LOANS PAYABLE TO CANADA MORTGAGE AND HOUSING CORPORATION

	2015			2014
	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 2016 to 2038, at interest rates from 5.94% to 19.00% (2014 - 5.94% to 19.00%).	\$ 24,642	\$ (24,642)	\$ -	\$ -
Loans payable to CMHC (NHA Section 82 debt), repayable in annual installments until the year 2033, bearing interest of 6.97% (2014 - 6.97%). These loans are guaranteed by the Government.	17,046	(9,470)	7,576	8,110
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% (2014 - 2.78% to 3.68%).	<u>3,143</u>	<u>-</u>	<u>3,143</u>	<u>3,369</u>
	<u>\$ 44,831</u>	<u>\$ (34,112)</u>	<u>\$ 10,719</u>	<u>\$ 11,479</u>

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 \$3,794 (2014 - \$3,901) and would have made additional principal long-term debt repayments to CMHC of \$1,268 (2014 - \$1,346).

The above mortgages and loans payable to CMHC are not secured.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2015

(all figures in thousands)

10. LOANS PAYABLE TO CANADA MORTGAGE AND HOUSING CORPORATION (continued)

Principal repayments and interest requirements over the life of outstanding loans are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 806	\$ 639	\$ 1,445
2017	844	590	1,434
2018	805	539	1,344
2019	746	491	1,237
2020	735	448	1,183
2021 - 2025	3,734	1,587	5,321
2026 - 2038	<u>3,049</u>	<u>509</u>	<u>3,558</u>
	<u>\$ 10,719</u>	<u>\$ 4,803</u>	<u>\$ 15,522</u>

11. OBLIGATIONS UNDER CAPITAL LEASES

The Corporation is committed to annual payments for three (2014 - ten) lease agreements for public housing units under the Public Housing Rent Supplement Programs and two (2014 - two) lease agreements for market housing units. These lease agreements are based on implicit interest rates varying from 7.00% to 8.95% and expiry dates ranging from 2015 to 2017. The lease payments may be renegotiated every five years for changes in specific operating costs such as interest rates and cost of utilities. 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>
2016	\$ 103	\$ 12	\$ 230	\$ 345
2017	<u>-</u>	<u>1</u>	<u>51</u>	<u>52</u>
Total	<u>\$ 103</u>	<u>\$ 13</u>	<u>\$ 281</u>	<u>\$ 397</u>

The value of the leased housing units which are included as part of the Corporation's tangible capital assets and the related accumulated amortization as at March 31, 2015 is \$2,875 and \$2,583 respectively (2014 - \$7,220 and \$6,458 respectively).

12. ENVIRONMENTAL LIABILITIES

The Corporation has identified six housing units (five fuel spills and one sewage spill) for which an environmental liability has been recorded. The liability is calculated as estimated costs remaining to remediate the spills. The spills are expected to be remediated within the next twelve months subsequent to year end. The estimated amount of recoveries is nil. The Corporation has not identified any sites where an environmental liability may exist but no liability has been recorded.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2015

(all figures in thousands)

13. 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 1.54 times (2014 - 1.81) the employee's contribution; and for employment start dates before December 31, 2012, the Corporation's contribution rate effective at year-end was 1.62 times (2014 - 1.52) the employee's contribution. The Corporation's and employees' contributions for the year were \$1,443 and \$932 respectively (2014 - \$1,494 and \$830 respectively). Total contributions of \$1,443 (2014 - \$1,494) were recognized as an expense in the current year.

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.

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 8.00% (2014 - 8.00%). The Corporation's and employees' contribution to the NEBS Pension Plan for the year were \$459 and \$459 respectively (2014 - \$368 and \$368 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, 2014 the plan had a surplus \$15,474 (December 31, 2013 - \$8,557).

Retirement post-employment and other leave benefits

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:

	2015	2014
Accrued benefit obligation, beginning of year	\$ 5,195	\$ 4,910
Costs for the year	1,898	1,629
Benefits paid during the year	(1,892)	(1,344)
Accrued benefit obligation, end of year	\$ 5,201	\$ 5,195

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2015

(all figures in thousands)

14. FUNDING FROM CANADA MORTGAGE AND HOUSING CORPORATION

	2015	2014
Funding received from CMHC recognized as government funding under the:		
Social Housing Agreement:		
Contributions for public housing rental subsidies	\$ 10,127	\$ 10,227
Contributions to non-profit housing sponsor groups and cooperatives	3,918	3,918
Repairs, maintenance and other costs	1,468	1,473
Agreement for Investment in Affordable Housing	1,840	1,840
Agreement for Incremental Construction Costs	-	33
Agreement for Energy Construction Monitoring	35	-
	\$ 17,388	\$ 17,491

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 four specific housing programs: CARE, PATH, HELP and Shelter Enhancement. 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.

15. PUBLIC HOUSING PROGRAM

	2015	2014
Utilities, taxes and land leases	\$ 26,368	\$ 24,832
Repairs, maintenance and other costs	9,304	6,350
Salaries and benefits	11,196	10,671
Administration	1,147	1,409
Contribution for public housing	1,087	4,223
Rental housing lease	2,890	2,597
Interest on long-term debt	698	856
	\$ 52,690	\$ 50,938

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2015

(all figures in thousands)

16. AFFORDABLE HOUSING

	2015	2014
Utilities, taxes and land leases	\$ 986	\$ 1,033
Repairs, maintenance and other costs	1,495	1,763
Salaries and benefits	1,585	1,510
Administration	162	200
Rental housing lease	57	165
Contribution for affordable housing	168	51
	\$ 4,453	\$ 4,722

17. NON-RESIDENTIAL BUILDING OPERATIONS

	2015	2014
Utilities, taxes and land leases	\$ 206	\$ 231
Repairs, maintenance and other costs	88	74
Contributions	68	80
Non-Residential lease costs	88	177
	\$ 450	\$ 562

18. ADMINISTRATION

	2015	2014
Salaries and benefits	\$ 14,727	\$ 14,048
Building and equipment rentals	2,211	1,899
Administration	652	1,090
Travel and relocation	664	1,035
Professional and special services	533	568
Computer services	474	433
Materials and supplies	240	244
Communications	248	211
Workshops and studies	74	77
	\$ 19,823	\$ 19,605

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2015

(all figures in thousands)

19. 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 2016 contractual obligations are construction commitments of \$19,353 (2014 - \$5,510).

	Total
2016	\$ 23,502
2017	3,632
2018	3,280
2019	2,706
2020	2,360
After	<u>5,774</u>
Total	<u>\$ 41,254</u>

20. 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, 2015 a total of twenty five (2014 – twenty eight) loan guarantees were in effect, and the outstanding balance of loans guaranteed was \$3,592 (2014 - \$3,945). Four (2014 - four) of these loans guaranteed with a total outstanding balance of \$2,461 (2014 - \$2,769) 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, 2015 was \$20,550 (2014 - \$22,476). 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, 2015 is \$81 (2014 - nil) for two personal loans and is recognized under accounts payable and accrued liabilities.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2015

(all figures in thousands)

21. FINANCIAL RISK MANAGEMENT

The Corporation's financial instruments consist of cash and cash equivalents, portfolio investments, accounts receivable, mortgages and loans receivable, accounts payable and accrued liabilities, loans payable to CMHC and obligations under capital lease and 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	\$ 20,601	\$ -	\$ -	\$ -	\$ 20,601
Loans payable to CMHC	722	723	10,519	3,558	15,522
Obligations under capital lease	172	173	52	-	397
Total	\$ 21,495	\$ 896	\$ 10,571	\$ 3,558	\$ 36,520

b) Credit risk

The Corporation is exposed to credit risk on its cash equivalents, portfolio investments, accounts receivable and mortgages and loans receivable.

Cash equivalents and Portfolio investments

Credit risk on cash equivalents and 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 \$65,165 (2014 - \$60,420).

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 \$5,870 (2014 - \$5,854).

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2015

(all figures in thousands)

21. FINANCIAL RISK MANAGEMENT (continued)

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 \$4,233 (2014 - \$3,587).

As at March 31, 2015, \$2,407 (2014 - \$2,463) 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, 2015, the following financial assets were past due but not impaired:

Financial assets	<u>30 days</u>	<u>60 days</u>	<u>90 days</u>	<u>120 days</u>
Tenants rent receivable	\$ 24	\$ 21	\$ 16	\$ 21
Trade accounts receivable	405	25	33	169
Mortgages and loans receivable	25	116	113	123

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.

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	2015	2014
Portfolio investments	\$ 34,923	\$ -	\$ 7,927	\$ 22,315	\$ -	\$ 65,165	\$ 54,219

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.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2015

(all figures in thousands)

22. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The fair value of the Corporation's financial assets and liabilities is estimated as follows:

	2015		2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Portfolio investments	\$ 65,165	\$ 65,579	\$ 54,219	\$ 54,147
Loans payable to CMHC	7,576	9,705	8,110	10,103
Mortgages payable to CMHC	3,143	3,303	3,369	3,376
Obligations under capital lease	281	281	1,216	1,314

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 and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their carrying amounts because of the short term to maturity.

23. 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.

24. COMPARATIVE FIGURES

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

25. 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, 2015
(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	2015	2014
Land	6,381	391	(89)	-	6,683	-	-	-	-	6,683	6,381
Public housing	296,731	8,714	(4,955)	(597)	299,893	136,664	8,351	(4,593)	140,422	159,471	160,067
Affordable housing	65,617	1,242	(1,876)	(132)	64,851	16,798	2,428	(463)	18,763	46,088	48,819
Non-residential properties	8,069	-	-	(378)	7,691	3,780	152	-	3,932	3,759	4,289
Construction in progress	6,053	26,457	(13,347)	(318)	18,845	-	-	-	-	18,845	6,053
Sub-total	382,851	36,804	(20,267)	(1,425)	397,963	157,242	10,931	(5,056)	163,117	234,846	225,609
Property and equipment:											
Warehouses and offices	9,282	3,141	-	-	12,423	4,660	455	-	5,115	7,308	4,622
Office furniture and equipment	5,436	75	-	-	5,511	4,925	107	-	5,032	479	511
Mobile equipment	1,827	328	(67)	(7)	2,081	1,161	195	(57)	1,299	782	666
Software	114	-	-	-	114	10	12	-	22	92	104
Leasehold Improvements	728	-	-	-	728	728	-	-	728	-	-
Sub-total	17,387	3,544	(67)	(7)	20,857	11,484	769	(57)	12,196	8,661	5,903
Total	400,238	40,348	(20,334)	(1,432)	418,820	168,726	11,700	(5,113)	175,313	243,507	231,512

NORTHWEST TERRITORIES HOUSING CORPORATION

Schedule A

Consolidated Schedule of Tangible Capital Assets March 31, 2015 (all figures in thousands)

During the year, an agreement was signed between the Corporation and Government of the Northwest Territories to transfer to the Corporation 838 lots in fee simple title for a nominal consideration of one dollar (\$1.00) in accordance with the Government of the Northwest Territories Land Pricing Policy 21.01. The Corporation has recorded the acquisition of this land in the current year at its nominal value. The legal transfer of the lots is expected to occur over the next several fiscal years.

Northwest Territories Human Rights Commission

Financial Statements

March 31, 2015

Northwest Territories Human Rights Commission

Financial Statements

March 31, 2015

Page

Independent Auditors' Report	3
Statement of Operations	5
Statement of Changes in Net Assets	6
Statement of Financial Position	7
Statement of Cash Flows	8
Notes to Financial Statements	9-12

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, 2015, 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, 2015 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 my notice have, in all material respects, been in accordance with the *Financial Administration Act*.

A handwritten signature in black ink that reads "Crowe MacKay LLP". The signature is written in a cursive, flowing style.

**Yellowknife, Northwest Territories
June 30, 2015**

Chartered Accountants

Northwest Territories Human Rights Commission

Statement of Operations

For the year ended March 31,	2015	2014
Revenue		
Government of the Northwest Territories ("GNWT")		
- Operating grant	\$ 370,000	\$ 250,000
- Expense reimbursement (Note 4)	(63,682)	(21,187)
- Refunded to GNWT	(20,000)	-
	286,318	228,813
Expenses		
Accounting	6,760	7,245
Advertising and promotion	24,901	10,008
Bank charges	25	25
Benefits and pension	1,968	2,891
Catering	4,538	663
Contracts - administration	101,790	5,943
Donations	-	5,000
Events	29,886	8,743
Honorarium - commission chair	23,644	17,933
Honorarium - commission members	38,187	23,801
Legal expenses	28,487	88,028
Membership fees	2,242	1,750
Office supplies	-	597
Postal and courier	97	95
Printing	2,773	6,386
Staff training	-	80
Telephone	268	168
Travel - commission members	220	-
Travel - staff	250	-
Website	639	1,783
	266,675	181,139
Excess revenue	\$ 19,643	\$ 47,674

Northwest Territories Human Rights Commission

Statement of Changes in Net Assets

For the year ended March 31,		2015	2014
	General Fund	Total	Total
Balance, beginning of year	\$ 105,092	\$ 105,092	\$ 57,418
Excess revenue	19,643	19,643	47,674
Balance, end of year	\$ 124,735	\$ 124,735	\$ 105,092

Northwest Territories Human Rights Commission

Statement of Financial Position

As at March 31,	2015	2014
Assets		
Current		
Cash	\$ 147,509	\$ 95,687
Due from GNWT - Legislative Assembly (Note 4)	6,348	18,813
Prepaid expenses	950	936
	\$ 154,807	\$ 115,436
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 30,072	\$ 10,344
Net Assets		
General Fund	124,735	105,092
	\$ 154,807	\$ 115,436

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,	2015	2014
Cash provided by (used in)		
Operating activities		
Excess revenue	\$ 19,643	\$ 47,674
Change in non-cash operating working capital		
Due from GNWT - Legislative Assembly	12,465	9,389
Prepaid expenses	(14)	(192)
Accounts payable and accrued liabilities	19,728	(825)
Change in cash	51,822	56,046
Cash, opening	95,687	39,641
Cash, closing	\$ 147,509	\$ 95,687

Northwest Territories Human Rights Commission

Notes to Financial Statements

March 31, 2015

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 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, 2015

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, 2015

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, \$70,000 of the \$300,000 funding was given to the GNWT for travel. The GNWT spent \$ 63,682 on behalf of the Commission and \$6,348 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 2015	TOTAL 2014
Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 608	\$ -	\$ 608	\$ -
HRC in Person										
Meetings	-	4,448	-	-	-	-	-	-	4,448	8,374
CASHRA	3,780	7,859	-	550	2,200	-	-	-	14,389	12,313
Community Visits	-	9,570	4,781	-	-	-	-	-	14,451	500
Community Events	-	8,414	16,100	-	-	-	-	-	24,514	-
Community Initiatives	-	-	-	-	-	-	-	915	915	-
Comprehensive Review	-	-	-	-	-	4,357	-	-	4,357	-
Total	\$ 3,780	\$ 30,391	\$ 20,881	\$ 550	\$ 2,200	\$ 4,357	\$ 608	\$ 915	\$ 63,682	\$ 21,187

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 \$153,857 (2014 - \$115,500).

Northwest Territories Human Rights Commission

Notes to Financial Statements

March 31, 2015

5. Financial Instruments (continued)

(a) Credit risk (continued)

Concentration of credit risk

The Commission does have concentration risk. At March 31, 2015, 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.

2015 Annual Report



Powering the Next Generation

Please Note

It may appear that this annual report is mainly focussed on the activities of NTPC and that reflects the fact that almost 99 per cent of NT Hydro's annual activities relate to the work of NTPC Consolidated.

In addition, halfway through the 2015 fiscal year the decision was made to move NT Energy to the Government of the Northwest Territories' Department of Public Works and Services' Energy Division at the end of the year. This will be the last NT Hydro annual report that includes the work of NT Energy (NTEC (03)).

Abbreviation Key

CMMS	Computerized Maintenance Management System
GAAP	Generally accepted accounting principles
GNWT	Government of the Northwest Territories
GRA	General Rate Application
HPS	High pressure sodium
IDC	Interest during construction
kW	Kilowatt
kWh	Kilowatt hour
LED	Light-emitting diode
LNG	Liquefied natural gas
MW	Megawatt
NTEC (03)	NT Energy
NTPC	Northwest Territories Power Corporation
NWT	Northwest Territories
NWTEC	Northwest Territories Energy Corporation
PSAS	Public Service Accounting Standards
PUB	Public Utilities Board

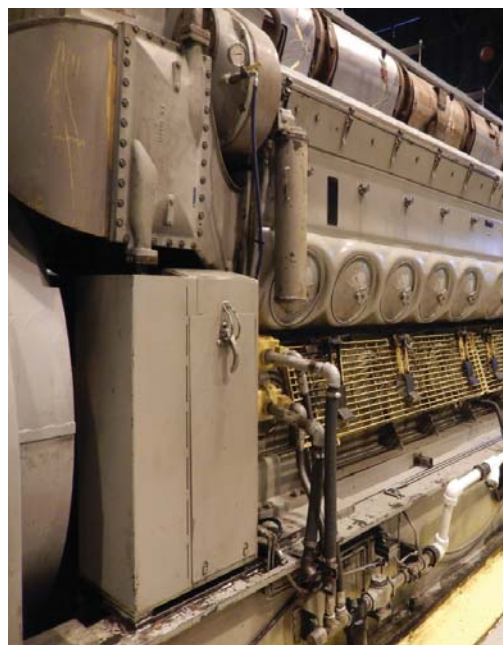


Table of Contents

	Page
Message from the Minister	4
Message from the Chairman	5
Board of Directors and Officers	6
Message to Stakeholders	8
Powering the NWT Today	10
Renewable Generation in the NWT	11
Building Communities for the Future	12
Today's Dedicated Employees	14
The Next Generation of Employees	15
Management Discussion and Analysis	16
Independent Auditor's Report.....	26
Consolidated Financial Statements (Audited)	28
Schedule of Write-Offs	78
Reconciliation from Audited Financial Statements to Unaudited Rate Regulated Basis of Accounting.....	80



Message from the Minister

Guided by a vision of performance leadership in the electrical industry, NT Hydro is working with the Government of the Northwest Territories (GNWT) towards building a robust electrical system for current and future generations. NT Hydro continues to support the development of our tremendous energy resources for the benefit of the people of this great territory.

This vision is driven by a commitment to serving the residents of the NWT in spite of the unique challenges of our operating environment. In this regard, the GNWT hosted an Energy Charrette in December 2014 to ask the public and stakeholders to help us innovate and define a path forward.

During the charrette, we heard from residents about the importance of affordable, reliable and secure power throughout the NWT as well as the role that NT Hydro can play as an economic driver in all communities. We also heard about NT Hydro's responsibility to meet its commitment to the safety of its employees, the public and the environment.

Affordability. Energy security and reliability. Innovation and economic development. The environment. NT Hydro will move forward and make decisions taking these priorities into account, alongside its mission and values.

Low water in the Snare system and volatile diesel prices have profoundly challenged the Corporation's ability to manage electricity costs. That's why investments and research in alternative projects — like wind generation in Inuvik and Yellowknife and solar generation in Colville Lake — are so important.

During the coming years, NT Hydro will continue to research and install alternative generation where it can help mitigate and counteract environmental impacts. NT Hydro will keep an interconnection to the southern grid in its medium to long-term strategy. Interconnectivity could ultimately add reliability to our system, provide insulation from diesel fuel price fluctuations, facilitate higher levels of wind and solar integration in the system, and provide a source of power for load growth or for the sale of surplus generation to southern Canada.

The future of the NWT is a bright one and NT Hydro has an important role to play in powering residents and businesses as they strive to realize their potential.

A handwritten signature in black ink that reads "Michael Miltenberger".

Minister Michael Miltenberger
Minister responsible for the
Northwest Territories Hydro Corporation

Message from the Chairman



It has been pointed out in external reports that the NWT power system is remarkably complex for its size. Power generation sources are small and located long distances away from one another, the cost of generation is vulnerable to diesel price fluctuations, and without a connection to the continental power grid, it is difficult to build efficient generation to match the ever-changing demand for power.

This past year presented some additional challenges for NT Hydro and for all residents of the NWT due to an extended drought through-out the summer and fall, coupled with the worst forest fire season in decades. Guided by our mission, vision and values, and supported by the dedication and expertise of our employees, NT Hydro met these challenges head on.

The Board of Directors is tasked with overseeing NT Hydro's business activities and ensuring the safe delivery of reliable, affordable power. From the implementation of its new computerized maintenance management system (CMMS), to installing solar panels in Fort Simpson, to installing a diesel/solar hybrid plant in Colville Lake, the Corporation is actively seeking integration of new and innovative technologies in our generation, transmission, distribution and operating systems to reduce costs and improve reliability.

When forest fires surrounded transmission lines from NT Hydro's hydro sites, our employees worked around the clock to ensure that residents in all NWT communities had reliable power throughout the fire season.

Regardless of the challenges we may face, NT Hydro's Board of Directors remains focused on providing safe and reliable power, on improving operational efficiency and on looking to new energy sources to manage the cost of generation. NT Hydro will continue to control expenditure growth and to innovate, but not at the expense of providing secure and reliable power to all communities.

As 2015 comes to a close, I want to extend my sincere appreciation to our employees and Board Members, past and present, for their hard work and dedication. They persevered through a difficult year that included low water levels, forest fires, a turbine failure at Snare Falls, and increased diesel production. Thank you all for a job well done.

A handwritten signature in black ink, appearing to be 'DT' followed by a horizontal line.

David Tucker
Chair, Board of Directors

Board of Directors & Officers



David Tucker
Chair



John D. (Jack) VanCamp
Vice Chair



Joseph Mackenzie
Director



Eric Menicoche
Director



Louise Dundas
Matthews
Director



James McDonald
Director



Ren Xiang (Paul)
Tan
Director



Cheryl Tordoff
Corporate
Secretary



Ron Threlkeld
Utility Advisor

NT Hydro Officers

David Tucker, Chairman
Emanuel DaRosa, President & Chief Executive Officer
Judith Goucher, Chief Financial Officer
Cheryl Tordoff, Corporate Secretary

NT Energy (NTEC (03)) Officers

David Tucker, Chairman
Emanuel DaRosa, President & Chief Executive Officer
Judith Goucher, Chief Financial Officer
Andrew Stewart, Director, Business Development
Cheryl Tordoff, Corporate Secretary

NTPC Officers

David Tucker, Chairman
Emanuel DaRosa, President & Chief Executive Officer
Judith Goucher, Chief Financial Officer
Paul Toom, Acting Director, Asset Management & Engineering
David Duncan, Director, Transmission & Distribution
Jay Pickett, Director, Hydro Operations
Mike Ocko, Director, Thermal Operations
Michael Doyle, Director, Human Resources
Eddie Smith, Director, Health, Safety & Environment
Glenn Smith, Director, Information Technology
Cheryl Tordoff, Corporate Secretary

Audit Committee

Eric Menicoche, Acting Chairman
John D. (Jack) VanCamp, Committee Member
Ren Xiang (Paul) Tan, Committee Member
David Tucker, Committee Member

Governance & Compensation Committee

Louise Dundas Matthews, Chairwoman
Joseph Mackenzie, Committee Member
James McDonald, Committee Member
David Tucker, Committee Member



Message to Stakeholders

Every employee who wears our company logo goes to work each day knowing that people count on us to make sure that electricity is generated and transmitted safely and reliably to power their everyday lives.

Our company's success is determined by one thing, and one thing only: how well we serve the people of the Northwest Territories.

We do this by continuing to grow a skilled workforce

Four additional apprentices and ten summer students were hired in 2015 strengthening the next generation of employees. Current employees gained 1,044 hours of training in more than 16 different areas of expertise, strengthening our company, our employees, and the electrical system of the Northwest Territories.

We do this by holding ourselves to high standards

Despite the significant challenges we have faced during the past year; from widespread forest fires, to below average water levels, to a turbine failure at Snare Falls, our employees delivered reliable power to all NWT communities in 2015. During the past year, we generated 337,879,077 kWh for residents and businesses throughout the NWT.

We do this by exceeding our customers' expectations

NWT residents expect and deserve electrical power that is secure, reliable and affordable — goals we work hard to achieve each and every day.

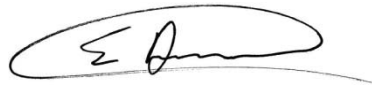
Together with the Department of Environment and Natural Resources and the Arctic Energy Alliance, NTPC launched PowerWise – a power conservation campaign designed to help our customers manage their electrical usage.

Created in response to our customers' needs, the campaign aims to provide customers the information they need to better monitor and manage their energy usage, lowering their electrical bills as well as the overall demand on the Territories' power system.

We do this by managing our finances responsibly

In 2015, NT Hydro made capital investments of \$21.7 million to address our aging power system. This has improved system reliability, service to our customers, and has set the stage to potentially connect to other power sources in the future.

I would like to thank our Board of Directors for its support, our management team for its dedication to improving the company, and most importantly, our employees for their continued commitment to working safely in the service of our customers.



Emanuel DaRosa
President & CEO



Powering the NWT Today

NTPC continues to generate the majority of the power for the Northwest Territories with renewable water, at three hydroelectric sites.

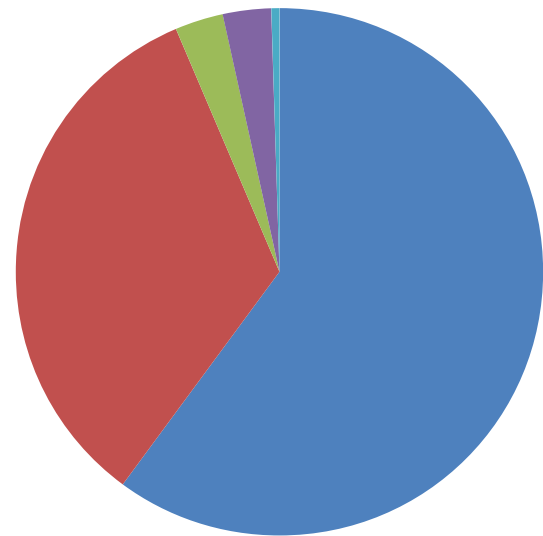
Low water in 2015 created the need to significantly increase the amount of diesel used. Even with this increase, hydro still generated more power than all other generation types combined. Historically, low water years appear to be cyclical — occurring about every 10 years and lasting two years.

Diesel generation in communities outside the North Slave area remained at normal levels and was not affected by the low water on the Snare water system.

Currently power is generated with:

- 7 turbines at 3 hydroelectric sites: Snare, Bluefish and Taltson
- 28 separate diesel plants in 28 communities
- 1 natural gas plant: Inuvik
- 2 solar arrays: Fort Simpson and Colville Lake
- Surplus power generated by Imperial Oil Limited is purchased to supply power to Norman Wells.

2015 Generation by Energy Source



■ Hydro	61%
■ Diesel	34%
■ Natural Gas	3%
■ Purchased	3%*
■ Solar	<1%

Renewable Generation in the NWT

<p><i>Hydro</i></p> <p>NT Hydro has three hydroelectric power generation sites in the NWT. The Snare and Bluefish sites are located in the North Slave and serve customers in that region, while Taltson is located in and serves the South Slave.</p> <p>The power produced from these systems is transmitted along 545 km of transmission line. During the past decade, the GNWT has funded feasibility studies for hydro projects in Lutsel k'e and Lac La Martre. These projects have not advanced due to remote access, complex logistics, and other factors that contribute to high construction costs.</p>	<p><i>Solar</i></p> <p>In addition to NT Hydro's Fort Simpson solar array which has been operating since 2013, this year a utility-scale solar installation was commissioned in Colville Lake. The project will be expanded in the 2016 fiscal year with the completion of a solar-battery-diesel project.</p> <p>The GNWT's Department of Public Works and Services will also be funding utility-scale solar photo-voltaic projects in two road-connected communities in the NWT during the 2015-16 fiscal year.</p>
<p><i>Wind</i></p> <p>Four locations have been identified in the NWT including two sites in the Beaufort Delta which continue to be studied. Wind data collected at Storm Hills shows wind speeds in the 7-8 metres per second (m/sec) range, however the site is located 60 kilometres from town, making the investment in roads and transmission significant. A new anemometer tower is being installed at High Point, located 13 km from Inuvik, with wind speeds projected to be in the 6-7 m/sec range. While the wind speed may be lower, the closer access could make for a better business case.</p>	<p><i>Biomass</i></p> <p>The GNWT is exploring the feasibility of biomass combined heat and power (CHP) for electricity generation in Fort Simpson. CHP has been successfully implemented in other jurisdictions in large-scale applications that have access to very low-cost biomass. The GNWT study was undertaken to examine technologies suitable for use in Fort Simpson, and to estimate the cost of locally harvested biomass. The final results of this study are expected before the end of the next fiscal year of 2015-16.</p>

Building Communities for the future

NTPC invests in the communities where we operate and where our employees live and work.

Financial and in-kind donations and sponsorships support activities and organizations that help to make Northern communities strong for today and tomorrow.

Many of our employees also contribute by volunteering their time and talents to a wide range of causes throughout the NWT.

In 2015, NTPC invested more than \$110,000 in 73 events and organizations in more than 20 communities and territory wide:

Aklavik Christmas Feast
Basketball NWT
Behchoko Happy Daze
Behchoko Spring Carnival
Beluga Jamboree - Tuktoyaktuk
Brendan Green - Olympic Biathlete
Canadian National Institute for the Blind
Chamber of Commerce -Hay River
Children First Gala - Inuvik
Christmas Food & Toy Drive
Dark Sky Festival - Fort Smith
End of The Road Music Festival
Fort Good Hope Traditional Games
Fort Resolution Aboriginal Day
Fort Resolution Dog Musher's Club

Fort Resolution Minor Hockey
Fort Smith Paddling Club
Fort Smith Skating Club
Gwich'in Education Forum
Harry Camsell Elementary School
Hay River BMX/Skate Park Association
Hay River Curling Club
Hay River Golf Club Shootout
Hay River Hospital Foundation
Hay River Senior Women's Curling Team
Holman Eskimo Co-op
Inuvik Curling Club
Inuvik Figure Skating Club
Inuvik Youth Centre
Jean Marie River First Nation Carnival
Lights On Youth Group - Hay River
Long John Jamboree
Metis Cultural Days
Muskrat Jamboree - Inuvik
Northern Games Society
Northern Legion Commemorative Book
NorthWords NWT - Young Writers
NWT Association of Communities
NWT Centennial Library
NWT Chamber of Commerce
NWT Literacy Council
NWT Pride
NWT Track & Field
P.W. Kaeser High School - Youth Program
Paulatuk Hockey Tournament
Polar Pond Hockey
Rotary Club of Hay River
Royal Canadian Legion Alberta-NWT
Royal Canadian Legion #250
Sachs Harbour Holiday Feast
Sachs Harbour White Fox Pancake Breakfast



- Sahtu Dene Council AGM
- Salvation Army
- Santa's Elves
- Senior Ladies Curling
- Skating Sponsorship - Hay River
- Summer Splash - Fort Smith
- Tuktoyaktuk Holiday Celebration
- Tulita Handgames
- Tulita Youth Gym
- Ulukhaktok Billy Joss Open
- Ulukhaktok Holiday Celebrations
- Wha Ti Spring Carnival
- Wha Ti Women's Volleyball Team
- Wha Ti Youth Hand Games
- Winter Games
- Women's Territorial Slo Pitch
- Wood Buffalo Frolics
- Yamozha Kue Society
- Yellowknife Association for Community Living
- Yellowknife Chamber of Commerce
- YWCA - Lynn's Place



Today's Dedicated Employees

2015 Long Service Awards

35 Years

Ken Dies Yellowknife

30 Years

Denis Rivard Inuvik

25 Years

Glenn Colton Inuvik
Steve James Yellowknife
John Vanthull Yellowknife

20 Years

Pat Harrington Hay River

15 Years

Arlene Alcos Hay River
Tom Deleff Yellowknife
Trudy Nelner Fort Simpson
Glenn Smith Hay River

10 years

Darren Hazenberg Yellowknife
John Cazon Fort Smith

5 years

Geraldine Byrne Yellowknife
Joanna Chocolate Gameti
Evellyn Coleman Hay River
Donna Dean Hay River
D'arcy Delorey Hay River
Andrew Ellis Hay River
Bill Hayne Hay River
Tony McDonald Inuvik
Darren Moorman Tulita
Mark Plotner Yellowknife
Todd Simms Fort Simpson
Jeremy Storvold Hay River
Robert Sunderland Yellowknife
Edwin Tejuco Yellowknife



The Next Generation of Employees

Scholarships

NTPC is dedicated to developing a skilled, committed and professional northern workforce and wants to encourage residents to further their education in order to develop a sustainable northern workforce. The scholarship program is being offered to assist students with their post-secondary education in an effort to empower residents to attain their career aspirations.

A \$1,000 scholarship is offered to one student in every community NTPC services or has a presence in for post-secondary education in any field the Corporation employs. Preference will be given to those students furthering their education in fields for which the Corporation is having challenges recruiting.

Apprenticeship Program

NTPC has invested more than \$1 million in our apprenticeship program, which added 12 apprenticeship positions over a three-year period.

Summer Students

Ten students were hired in various departments of the Corporation in the summer of 2014 giving them valuable work experience in a utility.

Photograph Left:

Summer students and staff participated in the NWT Track and Field Corporate Challenge.



Introducing the next generation of employees to the science of electricity at the Inuvik Science Fair.

Management Discussion and Analysis

The following is a discussion of the consolidated financial condition and results of the operations of NT Hydro for the year ended March 31, 2015. It should be read in conjunction with the audited financial statements and accompanying notes.

It was determined during fiscal 2015 that NT's Hydro's primary asset, NTPC, no longer met the criteria to be classified as a government business enterprise (GBE) due to its economic dependence on the GNWT. NTPC is classified as an other government organization (OGO), effective April 1, 2014. As a result of the change in NTPC's classification, NT Hydro is also classified as an OGO, effective April 1, 2014 and has adopted Public Sector Accounting Standards (PSAS), established by the Canadian Public Sector Accounting Board.

All financial information is expressed in Canadian dollars and prior year amounts have been restated to conform to PSAS. For more information on the Corporation's transition to PSAS, please see Notes 2, 3 and 26, in the audited financial statements.

Management assumes full responsibility for the information provided in this Discussion and Analysis and confirms that appropriate information systems, procedures and controls are in place to ensure that the information provided is both complete and reliable.

This report contains forward-looking statements, including statements regarding the business and anticipated financial performance of NT Hydro. These statements are subject to a number of risks and uncertainties that may cause actual results to differ from those contemplated in the forward-looking statements.

Our beginnings and governance

Before 1988, power generation in the Northwest Territories was provided by the Federally-run Northern Canada Power Commission (NCPC). On May 5, 1988 the GNWT acquired NCPC from the Government of Canada and created a Crown Corporation: the Northwest Territories Power Corporation (NTPC).

NT Hydro, a public agency, was established in 2007 under the Northwest Territories Hydro Corporation Act, and is owned 100% by the Government of the Northwest Territories (GNWT/Shareholder). NT Hydro owns 100% of NTPC, which is also a public agency established under the *Northwest Territories Power Corporation Act*.

During fiscal 2015, NTPC and NT Energy were the two active subsidiaries of NT Hydro. NTPC focused on the core business of providing electricity services of operating hydroelectric, diesel, natural gas and solar power generation facilities while NT Energy continued to plan and develop safe and environmentally responsible energy project to serve existing and new energy requirements in the

Territories. NTPC activities are regulated by the Northwest Territories Public Utilities Board (PUB). NTPC has two wholly-owned subsidiaries, the Northwest Territories Energy Corporation Ltd. (NWTEC) and 5383 N.W.T Ltd. (inactive). 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. NWTEC is also responsible for the operation, management and shared ownership (50%) of one residual heat project in Fort McPherson.

In addition to NTPC, NT Hydro owns the Northwest Territories Energy Corporation (03) Ltd. (NT Energy) and Sahdae Energy Ltd. (SEL), both of which are incorporated under the *NWT Business Corporations Act*. NT Energy focussed on an NWT power system plan and alternative energy including liquefied natural gas (LNG). SEL was inactive in fiscal 2015 and there are no current plans for activity in that subsidiary. As of April 1, 2015, NT Energy was absorbed into the newly formed Energy Services Division of the GNWT's Department of Public Works and Services.

Our business - NTPC

NTPC works around the clock to generate power to more than 42,000 people in the Northwest Territories. We pride ourselves on maintaining 28 reliable power systems in the second largest jurisdiction in Canada – covering 1.3 million square kilometres. Our service area includes communities that are only accessible by air, river barge or winter roads. Illustrations 1 and 2 show the operating area of NT Hydro.

Illustration 1 (Right)

NTPC serves all communities in the NWT with the exception of Trout Lake, Kakisa, Fort Providence.

Illustration 2 (below) NWT in relation to all of Canada's territories and provinces.

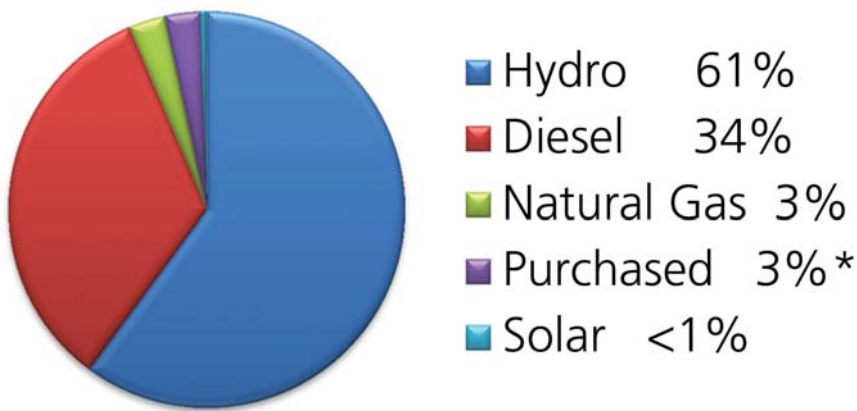


NTPC manages and maintains a territory-wide system of generation, transmission and distribution assets. While we remain focussed on strengthening our customer service we continue to achieve our mission to generate, transmit and distribute electricity in a safe, reliable, efficient and environmentally sound manner; striving to reduce reliance on fossil fuels.

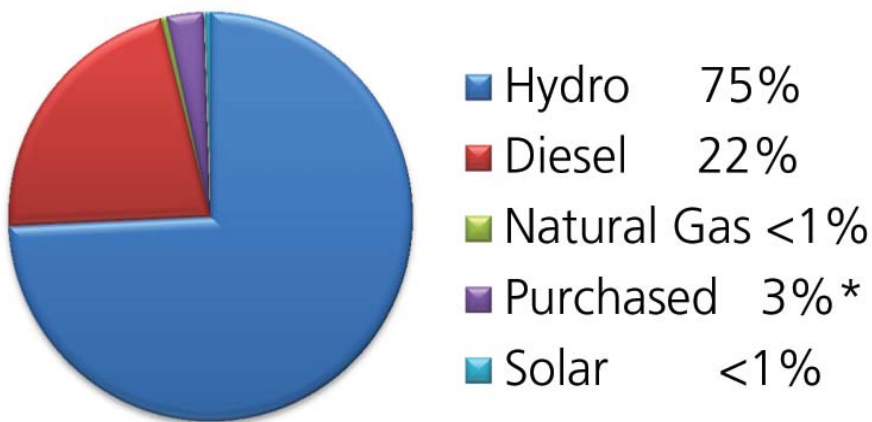
NT Energy aspires to be a centre of excellence, leading in the development of local and renewable energy sources in the NWT for the benefit of all residents, communities and Aboriginal governments.

Generating Comparison by Source

2015 Generation by Source



2014 Generation by Source



In 2015, the North Slave Region experienced extreme drought conditions causing water levels at the Snare hydro site to drop lower than ever before recorded. This changed the make-up of our generation by source for the year. In a normal water year, 75 per cent of the power generated by NTPC is produced with hydro – water is the most reliable source of renewable generation. However, the low water this year resulted in a 13 per cent increase in diesel production in the North Slave Region.

In addition, Inuvik generated using liquefied natural gas (LNG) when available throughout the year. This increased generation by natural gas from less than one per cent to three per cent.

To ensure reliability the total generating capacity of NTPC’s facilities exceeds the peak load in each community. This provides NTPC with the ability to carry out annual maintenance programs without compromising reserve capacity requirements. NTPC balanced water and diesel usage during this past winter in order to maximize hydro-generated power. This resulted in an increase of 20 per cent in the use of diesel to maintain service to the communities of Yellowknife, Behchoko, Ndilo and Dettah.

Reliability

We measure our reliability in the number and length of power outages experienced by the average customer. These numbers are compiled annually and submitted to the Canadian Electricity Association (CEA). Below we compare the NWT number and length of outages with the Canadian numbers.

As indicated in Table 1 below, in 2014 the average customer in the Northwest Territories experienced 12.33 power outages, lasting an average of 23 minutes each and a total annual outage time of 4 hours and 40 minutes. This is compared to the National Average of 2.39 power outages, lasting an average of 2 hours and 40 minutes each, for a total annual outage time of 6 hours and 23 minutes.

Table 1: Reliability of Power Supply to Customers**

	2014 Canada	2014 NWT*
Number of outages (for an average customer)	2.39	12.33
Average length of each outage	2 hr 40 min	23 min
Total length - all outages (for an average customer)	6 hr 23 min	4 hrs 40 min
<p>* This includes disruption of supply to retailer in Yellowknife and Hay River. ** All figures are based on the 2014 calendar year.</p>		

NTPC Strategic Direction

The electricity industry in the NWT continues to change and requires NTPC to manage the unique challenges it faces while maintaining reliability and operational efficiency.

The current strategy for NTPC is one of supporting economic development while focusing on the core business and three fundamental concepts that are referred to as our pillars:

1. **Reliability:** Increase reliability of our core operations using sound and cost effective practices that ensure long term sustainability.
2. **Cost Effectiveness:** Improve efficiency in order to control costs over the long term while not exposing NTPC to risk.
3. **Meeting Commitments:** Match or exceed performance commitments in all aspects of our operations.

By focussing on these three fundamental needs NTPC will bring value to its customers and its shareholder.

Mission

NTPC's mission is to generate, transmit and distribute electricity in a safe, reliable, efficient and environmentally sound manner; striving to reduce reliance on fossil fuels. NTPC exists to provide value to its shareholder and customers through the efforts of a highly dedicated, skilled, and productive workforce.

Vision

Our vision is to be the provider of choice to our customers, a valuable partner to industry and Aboriginal groups in the NWT, as well as a performance leader in the utility industry. As a performance leader, NTPC will develop a highly innovative team that achieves operational excellence, provides industry-leading customer satisfaction and delivers superior financial performance by demonstrating fiscal responsibility, and pursuing growth opportunities. NTPC will also work with stakeholders to support development of the tremendous resource potential of the NWT in a sustainable and responsible manner creating long-term benefits for its customers and residents alike.

Values

While achieving the Vision and Mission, NTPC will uphold its core values of:

- Putting the safety of our employees and the general public first;
- Protecting the environment and working toward a sustainable existence; and
- Complying with all applicable legislation and regulations

NTPC will act ethically and honestly; treating employees, customers and all other stakeholders with respect, integrity and professionalism.

Core strategies

Employee Excellence

Strengthen the Corporation by emphasizing employee development and safety while encouraging and supporting a workplace where employees are engaged, aligned, collaborative, and feel valued and recognized for their efforts.

Operational Excellence

Strengthen the Corporation by emphasizing effective and efficient use of our assets while using well thought-out planning and execution. Industry-leading practices are to be utilized to achieve top quartile performance.

Customer Service Excellence

Providing excellent value and service to our customers, while delivering reliable service and ensuring public safety.

Financial Excellence

Efficient use of our resources and information to ensure the financial health of the Corporation is maintained.

Key Priorities

1. Realize zero injuries through superior safety performance and practices;
2. Achieve environmental sustainability through increased use of renewable energy;
3. Achieve high levels of reliability while maintaining affordably priced electricity;
4. Meet or exceed all customer commitments;
5. Develop and retain a highly skilled workforce that reflects the demographics of the NWT;
6. Support economic development and growth throughout the NWT;
7. Be efficient and effective in our daily operations through continuous improvement;
8. Support communities and encourage employee involvement;
9. Educate customers and youth about conservation; and
10. Meet the future energy needs of NWT residents through proactive planning and consultation.

Our Business - NT Energy

Much of NT Energy's work has been exploratory, continuing to quantify and define available renewable energy resources, educate about opportunities and work in partnership with stakeholders to examine local and regional options for electrical generation at a community and regional scale. A five-year plan was developed for the shareholder that builds on the principles of the NWT Hydro Strategy, NWT Energy Plan, The NWT Water Stewardship Strategy, The Greenhouse Gas Strategy, Solar Energy Strategy, the Biomass Energy Strategy and others to provide a vision for electrical generation and transmission. This plan proposes to continue important exploratory work and to identify a host of potential options for the NWT as part of an energy map for the future.

The long-term vision is to harness cost-effective, local energy supply sources and, where possible, to integrate this energy supply into an expanded grid system in the NWT.

NT Energy investigates opportunities

NT Energy continues to investigate local and renewable energy opportunities that fall within the four pillars of the NT Energy Strategic Plan:

1. Local and Renewable Community Power Supply (Electricity)
2. NWT Power System Plan (Long Term, large scale Planning)
3. Alternative Energy Solutions (Power and Heat)
4. Partnerships with Industry and Aboriginal Government

Mission

To plan and develop safe and environmentally responsible energy projects to serve existing and new energy requirements in the NWT.

Vision

NT Energy (is) aspires to be a centre of excellence, leading in the development of local and renewable energy sources in the NWT for the benefit all residents, communities and Aboriginal governments.

Values and Guiding Principles

In achieving our Vision and Mission, we will:

- Act ethically and honestly, treating employees, partners, and others with fairness, dignity and respect;
- Respect and protect the environment in all our activities to ensure a sustainable environment for the NWT and northerners;
- Operate in an economically efficient manner;
- Communicate in an open and timely manner;
- Work in partnership with communities and Aboriginal governments to assess and develop local and renewable energy sources in the NWT;

- Be a source of expertise in project management, environment, engineering and economics in relation to hydro and renewable energy development;
- Work to develop hydro and renewable energy resources in an environmentally responsible manner;
- Prioritize developments that aid in extending NWT transmission to link more NWT communities.

The Future of NT Energy

Effective April 1, 2015 NT Energy was integrated into the newly formed GNWT Department of Public Works and Services' Energy Division as part of an effort to consolidate the energy functions of the GNWT.

Moving forward, the newly formed Energy Solutions section of the Energy Division will continue to work collaboratively with NTPC to manage funded energy projects while researching and monitoring alternative and renewable energy solutions that can be integrated into NWT communities and the NWT power system.

2015 Financial Results

Operations

The majority of NT Hydro's operating results come from NTPC operations. Comparison from year to year for NT Hydro in the initial year of PSAS transition is difficult given the modified equity basis for NTPC consolidation used in fiscal 2014 compared to the line by line consolidation used in fiscal 2015. This discussion will focus on the comparison of 2015 actuals to budget.

NTPC had electricity sales of \$96.3 million in 2015 compared to \$97.5 million in the budget. This decrease is attributed to a 5.6% increase in power rates offset by a decline in unit sales. Power rates increased in fiscal 2015 as the final phase of NTPC's three year graduated rate increase approved in Decision 1-2013. When GNWT power sales contributions are added into the sale of power, overall power sales revenues are lower than budget by 1.1% in line with NTPC decline in sales units from year to year. This decrease is mainly in the northern communities and can be attributable to a lower number of customers, a warmer winter and potentially an increase in conservation. Some of this decrease in power sales revenues was offset by fuel rider revenues which were implemented in May 2014. These revenues are collecting fuel costs over and above those built into rates. These rider revenues will continue until November 2015.

Expenses under PSAS are now reported by function as opposed to expense elements used in NTPC's previous annual reports. NTPC's functions are based on generation source as well as corporate expenses and transmission, distribution and retail. Total expenses for NTPC in 2015 were \$124.3 million compared to \$107.8 in the PSAS budget. The main driver for this increase was the extreme low water situation experienced on the Snare hydro system. Diesel generation was the main source of electricity for the Yellowknife area and the costs for diesel fuel as well as the cost to operate and maintain the engines contributed to the 15-20% increase in expenses. Forest fires, the failure of the Snare Falls hydro generating unit in February 2015, and the costs for converting to PSAS, also added to the overall increase in expenses.

NT Hydro's expenses of \$1.3 million in fiscal 2015 were mainly a result of NT Energy operations, and are classified as corporate services expenses. These expenses included purchase and transportation costs for liquefied natural gas supplied to NTPC's Inuvik operations, as well as a number of different projects investigating alternative generation and fuel source options. Offsetting the majority of these expenses are other government contributions provided by the GNWT.

Offsetting the majority of extreme low water costs for NTPC, was a \$20 million contribution provided by the GNWT to NTPC in fiscal 2015. Only \$14.2 million of the contribution was applied in 2015 and the remainder will be applied to extreme low water expenses incurred in fiscal 2016. GNWT power sales contributions decreased in 2015 compared to 2014 as part of the three-year graduated rate increase.

Future Outlook

As the 2016 fiscal year begins the final rate increase from the 2012 general rate application (GRA) will be applied. The next GRA is planned for 2017.

An increase of \$23 million in capital expenditure has been budgeted for the coming fiscal year. This additional investment includes new modular generators at the Jackfish plant in Yellowknife, overhaul of Snare Falls hydro, new Colville Lake diesel/solar plant a computerized maintenance management system and other replacement capital.

Capital Expenditures (in thousands)

	Budget 2016	Actual 2015	Change
Capital expenditures:	\$ 44,370	\$ 21,662	\$22,708

Looking beyond fiscal 2015, NTPC will continue to work with its shareholder, the GNWT, to ensure long-term energy sustainability in the territory through alternative energy projects and a transmission grid that could be transformational to the future economic development of the NWT.

Respectfully submitted,



Judith Goucher
Chief Financial Officer



10+346
10+346

next generation



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 2015, 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 2015, 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

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, after giving retrospective effect to the adoption of new standards as explained in notes 2a) and 26 to the consolidated financial statements, 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 Part IX of 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, with the exception that the Northwest Territories Hydro Corporation did not meet its statutory deadline for submitting its annual report to its Minister as described in the following paragraph.

Section 100(1) of the *Financial Administration Act* of the Northwest Territories requires the Northwest Territories Hydro Corporation to submit its annual report to its Minister not later than 90 days after the end of its financial year, or an additional period, not exceeding 60 days, that the Minister of Finance may allow. The Northwest Territories Hydro Corporation did not meet its statutory deadline for submitting its annual report to its Minister for the current fiscal year.



Terrance DeJong, CPA, CA
Assistant Auditor General
for the Auditor General of Canada

5 November 2015
Edmonton, Canada

**NORTHWEST TERRITORIES HYDRO CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2015**

NORTHWEST TERRITORIES HYDRO CORPORATION

Management's Responsibility for Financial Reporting

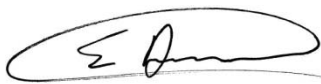
The accompanying consolidated financial statements were prepared by management in accordance with Canadian public sector accounting standards (PSAS). Where PSAS permits alternative accounting methods, management has chosen those it deems most appropriate in the circumstances. A summary of significant accounting policies are described in Note 3 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



Judith Goucher

Chief Financial Officer

Hay River, NT
November 5, 2015

NORTHWEST TERRITORIES HYDRO CORPORATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at March 31 (in thousands of dollars)

	2015	2014	April 1 2013
Financial assets			
Cash	\$ 2,333	\$ 475	\$ 1,014
Investment in NTPC (Note 4)	-	120,288	115,156
Revenues receivable (Note 5)	12,999	150	240
Loan receivable (Note 6)	16,134	-	-
Sinking fund investments (Note 8)	7,194	-	-
Investment in Aadrii Ltd. (Note 9)	656	-	-
	39,316	120,913	116,410
Liabilities			
Accounts payable and accrued liabilities	22,219	743	383
Capital lease obligations (Notes 6 and 7)	20,670	2,327	-
Debenture debt (Note 8)	184,326	-	-
Asset retirement obligations (Note 10)	18,553	-	-
Operating line of credit (Note 11)	18,115	-	-
Deferred government contributions (Note 12)	5,781	-	-
Other employee future benefits (Note 13)	3,248	-	-
Payable to NTPC (Note 23)	-	4,461	5,456
	272,912	7,531	5,839
Net financial assets (debt)	\$ (233,596)	\$ 113,382	\$ 110,571
Non-financial assets			
Tangible capital assets (Note 14)	340,456	2,447	32
Inventories (Note 15)	9,142	-	-
Prepaid expenses	854	1	-
	350,452	2,448	32
Accumulated surplus / equity (Note 16)	\$ 116,856	\$ 115,830	\$ 110,603

Contractual obligations and contingencies (Note 24)

The accompanying notes are an integral part of these consolidated financial statements.

Approved on behalf of the Board:



David Tucker, Chairman of the Board



John D. (Jack) VanCamp, Vice-Chairman

NORTHWEST TERRITORIES HYDRO CORPORATION

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the year ended March 31 (in thousands of dollars)

	2015 Budget	2015 Actual	2014 Actual
Revenues			
Sale of power (Note 17)	\$ 97,485	\$ 96,333	\$ -
Fuel rider revenues (Note 4)	-	2,996	-
Other revenue and customer contributions (Note 18)	2,040	2,160	630
Interest income (Note 20)	1,809	1,677	-
Income from investment in Aadrii Ltd. (Note 9)	100	45	-
Income from investment in NTPC (Note 4)	-	-	5,532
	101,434	103,211	6,162
Expenses (Note 19)			
Corporate services	17,938	17,560	2,425
Thermal generation	59,957	76,208	-
Hydro generation	18,155	17,856	-
Transmission, distribution and retail	9,568	10,155	-
Purchased power	3,061	3,462	-
Alternative power generation	453	332	-
	109,132	125,573	2,425
(Deficit) surplus for the year before government contributions	(7,698)	(22,362)	3,737
Government contributions			
GNWT extreme low water contributions (Note 12)	-	14,219	-
GNWT power sales contributions (Note 21)	2,800	2,800	-
Other government contributions (Note 22)	2,164	2,228	1,490
	4,964	19,247	1,490
(Deficit) surplus for the year before adjustment for NTPC PSAS conversion	\$ (2,734)	\$ (3,115)	\$ 5,227
Adjustment resulting from NTPC conversion to PSAS, beginning of year (Note 26)	-	4,141	-
(Deficit) surplus for the year	\$ (2,734)	\$ 1,026	\$ 5,227
Accumulated surplus / equity, beginning of year	115,830	115,830	110,603
Accumulated surplus / equity, end of year	\$ 113,096	\$ 116,856	\$ 115,830

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>2015</u> Budget	<u>2015</u> Actual	<u>2014</u> Actual
(Deficit) surplus for the year	\$ (2,734)	\$ 1,026	\$ 5,227
Tangible capital assets			
Additions	(21,944)	(18,320)	(2,531)
Capitalized overhead	(3,900)	(3,575)	
Capitalized interest (Note 20)	(316)	(446)	-
Disposals	-	258	-
Amortization (Note 14)	16,590	15,439	116
	<u>(9,570)</u>	<u>(6,644)</u>	<u>(2,415)</u>
Additions of inventories	-	(6,456)	-
Use of inventories	-	6,314	-
Additions to prepaids	-	(2,057)	(1)
Use of prepaids	-	2,255	-
	<u>-</u>	<u>56</u>	<u>(1)</u>
(Decrease) increase in net financial assets for the year	<u>\$ (12,304)</u>	<u>\$ (5,562)</u>	<u>\$ 2,811</u>
Net financial assets, beginning of year	\$ 113,382	\$ 113,382	\$ 110,571
Adjustment to net financial assets upon consolidation of NTPC, beginning of year (Note 26)	<u>(341,416)</u>	<u>(341,416)</u>	<u>-</u>
Adjusted net financial assets (debt), beginning of year	<u>(228,034)</u>	<u>(228,034)</u>	<u>110,571</u>
Net financial assets (debt), end of year	<u>\$ (240,338)</u>	<u>\$ (233,596)</u>	<u>\$ 113,382</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)

	2015	2014
Cash provided by (used in) operating activities		
Cash receipts from customers	\$ 101,175	\$ 631
Government contributions received	25,477	1,664
Cash paid to suppliers	(62,208)	(1,103)
Cash paid to employees	(26,941)	(820)
Interest received	1,677	-
Interest paid	(13,359)	(142)
	25,821	230
Cash provided by (used in) investing activities		
Loan receivable receipts	752	-
Sinking fund investment purchases	(681)	-
Dividends received from NTPC	-	455
	71	455
Cash provided by (used in) capital activities		
Acquisition and development of tangible capital assets	(21,662)	-
Proceeds on sale of tangible capital assets	7	-
	(21,655)	-
Cash provided by (used in) financing activities		
Repayment of debenture debt	(2,421)	-
Repayment of capital lease obligations	(849)	(229)
Net proceeds from operating line of credit	227	-
Repayments to related parties	(18)	(995)
	(3,061)	(1,224)
Increase (decrease) in cash	\$ 1,176	\$ (539)
Cash, beginning of year	\$ 475	\$ 1,014
Adjustment to cash upon consolidation of NTPC, beginning of year (Note 26)	682	-
Adjusted cash, beginning of year	1,157	1,014
Cash, end of year	\$ 2,333	\$ 475

The accompanying notes are an integral part of these consolidated financial statements

NORTHWEST TERRITORIES HYDRO CORPORATION

1. 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 16).

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 two wholly-owned subsidiaries: the Northwest Territories Energy Corporation Ltd. (NWTEC) and 5383 NWT Ltd. 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 6). NWTEC is also responsible for the joint operation and shared ownership (50%) in one residual heat project in Fort McPherson (Note 9). 5383 NWT Ltd. is an inactive company.

NT Hydro is also involved in other energy related projects through its subsidiaries: Northwest Territories Energy Corporation (03) Ltd. (NTEC(03)) and Sahdae Energy Ltd. (SEL). NTEC(03) undertakes projects in support of the Shareholder's Energy Plan and has a 33.3% interest in Deze Energy Corporation which is an inactive company. The operations of NTEC(03) were transferred to the GNWT's Public Works and Services (PWS) effective April 1, 2015 (Note 23 and 24). SEL is an inactive company.

2. Basis of presentation

a) Basis of accounting

It was determined during fiscal 2015 that NT's Hydro's primary asset, NTPC, no longer met the criteria to be classified as a government business enterprise (GBE) due to its economic dependence on the GNWT (Note 4). NTPC is classified as an other government organization (OGO), effective April 1, 2014. As a result of the change in NTPC's classification, NT Hydro is also classified as an OGO, effective April 1, 2014. Upon becoming classified as an OGO, management determined the most relevant accounting framework to report under for users of NT Hydro's consolidated financial statements is Public Sector Accounting Standards (PSAS), established by the Canadian Public Sector Accounting Board.

These are NT Hydro's first consolidated financial statements prepared in accordance with PSAS, including PS2125, *First-time Adoption by Government Organizations*. An explanation of how the transition to PSAS has affected the reported financial position, results of operations and cash flows of NT Hydro is provided in Note 26. This note includes reconciliations of accumulated surplus at the date of transition and operations and accumulated surplus for the year ended March 31, 2014 reported under Canadian generally accepted accounting principles under Part V of the CPA Handbook (previous GAAP) to those reported for the same periods under PSAS. The change to PSAS has also been implemented retroactively to the date of transition being April 1, 2013, with restatement of prior periods with the adoption of the elections and exemptions in Note 26.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 2. Basis of presentation (continued)

Under PSAS, the main qualitative differences between NT Hydro's previous and current consolidated financial statements include the following:

- The consolidated balance sheet has been replaced by the consolidated statement of financial position which segregates financial and non-financial assets and presents net debt (financial assets less liabilities) and accumulated surplus / equity at the statement date.
- The consolidated statement of operations and comprehensive income has been replaced by the consolidated statement of operations and accumulated surplus which shows actual revenue and expenses, with expenses classified on a functional basis, and compares such amounts to budget for the current period.
- The consolidated statement of change in net debt is a new statement and it shows NT Hydro's annual surplus, adjusted for the acquisition and amortization/use of tangible capital assets and other items for the period, explaining the difference between the change in surplus (deficit) and net debt, and compares such change to budgeted changes in the period.
- The presentation of NT Hydro's consolidated statement of cash flows has been revised to be consistent with PSAS, and the balances adjusted to reflect the change in accounting using the modified equity method for the investment in NTPC in fiscal 2014 and the investment in Aadrii Ltd. in fiscal 2015. The acquisition of tangible capital assets, previously reflected as an investing activity, has been revised to be presented as a capital activity. The consolidated statement of cash flows has also been amended to be consistent with other presentation changes to the consolidated statement of financial position and the consolidated statement of operations and accumulated surplus.

b) Adoption of new and revised standards and interpretations

The following PSAS standards are new in fiscal 2015. These standards are effective for periods starting on, or after April 1, 2017 and earlier adoption is permitted. NT Hydro has chosen to early adopt these standards retroactively effective April 1, 2013:

- PS2200 *Related Party Disclosures*, provides guidance on the disclosures required for related party transactions. No significant changes to NT Hydro's note disclosure were required as a result of the adoption of this standard.
- PS3420 *Inter-entity Transactions*, establishes standards on the recognition and disclosures required for entities reporting under NT Hydro. No significant changes to NT Hydro's note disclosure were required as a result of the adoption of this standard.

In addition, *PS3260 Liability for Contaminated Sites*, which establishes standards on the recognition and disclosures for contaminated sites, is effective for fiscal years beginning April 1, 2014. The adoption of this standard was adopted retroactively and did not have a significant impact on NT Hydro.

NORTHWEST TERRITORIES HYDRO CORPORATION

3. Significant accounting policies

The accounting policies set out below have been applied in preparing the consolidated financial statements as at March 31, 2015, comparative information as at March 31, 2014 and in preparation of an opening PSAS consolidated statement of financial position as at April 1, 2013.

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. Starting in 2015 NT Hydro's investment in a government business partnership, resulting from NWTEC's 50% shared ownership in Aadrii Ltd. (Note 9) 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.

NTPC, at the beginning of 2015, was determined to be classified as an OGO and, as a result, was consolidated by NT Hydro for the year ended March 31, 2015. Prior to fiscal 2015, NTPC was classified as a GBE and was accounted for using the modified equity basis (Note 4).

All inter-entity transactions and balances with the 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.

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.

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: revenues receivable, sinking fund investments, loan receivable, accounts payable and accrued liabilities, the operating line of credit, and the debenture debt.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 3. Significant accounting policies (continued)

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.

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 2015 was 5.676% (2014 – 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.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 3. Significant accounting policies (continued)

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

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.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 3. Significant accounting policies (continued)

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.

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 management 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.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 3. Significant accounting policies (continued)

Environmental liabilities are discounted for the time value of money and are included with the AROs on the consolidated statement of financial position. 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.

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.

NORTHWEST TERRITORIES HYDRO CORPORATION

4. Investment in NTPC, regulated activities and economic dependence

a) Investment in NTPC

NT Hydro's primary asset is its 100% ownership interest in NTPC.

i) Condensed financial information

Condensed supplemental financial information of NTPC is provided below as at April 1, 2013 and March 31, 2014, and the year ending March 31, 2014, corresponding to the periods when NTPC has been accounted for on a modified equity basis by NT Hydro. The financial information is presented under NTPC's accounting basis unadjusted, being Part V of the CPA Handbook (previous GAAP of NTPC), as follows:

Financial Position	March 31 2014	April 1 2013
Current assets	\$ 25,642	\$ 27,318
Non-current assets		
Property, plant and equipment, net	341,529	325,331
Regulatory assets	23,228	19,494
Sinking fund investments	6,513	5,676
Intangible assets	1,007	1,150
	<u>372,277</u>	<u>351,651</u>
Total assets	\$ 397,919	\$ 378,969
Current liabilities	\$ 37,244	\$ 22,952
Non-current liabilities		
Debenture debt	183,760	186,080
Net lease obligation	2,653	2,306
Regulatory obligations	34,594	36,262
Asset retirement obligations	13,477	12,224
Deferred government contributions	2,894	2,632
Employee future benefits	3,009	1,357
	<u>240,387</u>	<u>240,861</u>
Total liabilities	\$ 277,631	\$ 263,813
Net assets	\$ 120,288	\$ 115,156
Statement of Operations		For the year ended March 31, 2014
Total revenues		\$ 102,493
Total expenses		96,961
Net income for the year		\$ 5,532

Contractual obligations and contingencies of NTPC are disclosed in Note 24.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 4. Investment in NTPC, regulated activities and economic dependence (continued)

Details of NTPC's operating line of credit, debenture debt (guaranteed by the GNWT) and lease obligations are disclosed in Notes 6, 8 and 11.

ii) NTPC classification change to OGO:

It was determined during fiscal 2015 that NTPC no longer met the criteria of a GBE as the result of a number of events including:

- In September 2014, NTPC filed a fuel rider application with the Public Utilities Board (PUB) of the Northwest Territories to recover an expected \$20,000 in additional diesel fuel costs as a result of extreme low water. The GNWT determined that customers were unable to pay the rider and elected to fund these additional fuel costs directly to NTPC.
- In addition to this action, the GNWT advised NTPC that it was unlikely that future rates applied to customers would be set to achieve full cost of service and as a result it was expected that in the future some percentage of rates will be subsidized directly by the GNWT for all customers.

These events create the expectation that the ongoing operations of NTPC will continue to be financially dependent on the GNWT. As a result, on April 1, 2014, NTPC changed classification to an OGO and was consolidated by NT Hydro beginning on that date. In applying consolidation accounting, the accounts of NTPC are adjusted to conform to the PSAS policies of NT Hydro (see Note 26 for details of conversion to PSAS).

b) Regulated activities of NTPC

The activities of NTPC are regulated by the PUB 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 (IRA) 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.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 4. Investment in NTPC, regulated activities and economic dependence (continued)

Decision 3-2014 issued by the PUB on March 31, 2014 approved a 5.6% increase in base energy rates effective April 1, 2014 to give effect to the phasing in of the 2013/14 revenue requirement in 2014/15. Decision 8-2015 issued by the PUB on March 12, 2015 approved the final 6.2% increase in base energy rates effective April 1, 2015 for fiscal 2016.

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 \$2.5 million 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.

c) Economic dependence

NTPC 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 has been 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, NTPC is economically dependent on the GNWT to maintain its operations and meet its liabilities. It is expected that the ongoing operations of NTPC will depend on continued financial support from GNWT. This economic dependence resulted in NTPC being classified as an OGO, beginning in fiscal 2015.

5. Revenues receivable

At March 31, 2015, the aging of revenues receivable was as follows:

	2015			
	Current (less than 28 days)	29-90 days	Over 90 days	Total
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>

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 5. Revenues receivable (continued)

At March 31, 2014, the aging of revenues receivable was as follows:

	2014*				April 1 2013*
	Current (less than 28 days)	29-90 days	Over 90 days	Total	Total
Utility*	\$ 10,897	\$ 973	\$ 625	\$ 12,495	\$ 12,907
Non-utility*	1,024	74	439	1,537	3,059
Allowance for doubtful accounts*	-	-	(793)	(793)	(1,206)
NTPC only*	\$ 11,921	\$ 1,047	\$ 271	\$ 13,239	\$ 14,760
NT Hydro – non-utility	\$ 150	\$ -	\$ -	\$ 150	\$ 240
NT Hydro consolidated	\$ 150	\$ -	\$ -	\$ 150	\$ 240

*These balances relate to NTPC and its subsidiaries. For fiscal 2013 and fiscal 2014 NT Hydro accounted for its investment in NTPC under the modified equity method for these periods (Note 4) and as a result these balances are not separately presented in the consolidated financial statements of NT Hydro for these periods.

The changes in the allowance for doubtful accounts were as follows:

	2015	2014*
Balance, beginning of the year	\$ (793)	\$ (1,206)
Receivables written off	193	432
Increase (decrease) to allowance	88	(19)
Balance, end of the year, NTPC*	<u>\$ (793)</u>	<u>\$ (793)</u>
Balance, end of the year, NT Hydro consolidated	<u>\$ (512)</u>	<u>\$ -</u>

*These balances relate to NTPC and its subsidiaries. For fiscal 2013 and fiscal 2014 NT Hydro accounted for its investment in NTPC under the modified equity method for these periods (Note 4) and as a result these balances are not separately presented in the consolidated financial statements of NT Hydro for these periods.

Revenues receivable on utility accounts are generally due in 45 days and interest is charged after 28 days at rates in the terms of service agreement. Revenues receivable on non-utility accounts are generally due in 45 days and subject to interest after 30 days at rates in the terms of service agreement. As at March 31, 2015, 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 25.

NORTHWEST TERRITORIES HYDRO CORPORATION

6. Loan receivable and capital lease obligation

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 Northwest Territories between 1994 to 1996. The balance of the loan receivable is \$16,134 (March 31, 2014 - \$16,886* and April 1, 2013- \$17,570*). 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. The loan is recorded at amortized cost.

*These balances relate to NTPC and its subsidiaries. For fiscal 2013 and fiscal 2014 NT Hydro accounted for its investment in NTPC under the modified equity method for these periods (Note 4) and as a result these balances are not separately presented in the consolidated financial statements of NT Hydro for these periods.

Capital lease obligation

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. The value of the capital lease obligation is \$18,787 (March 31, 2014 - \$19,192* and April 1, 2013 - \$19,598*). To reflect the effective acquisition and financing nature of the lease, the Snare Plant is included in electric power plant under capital lease (Note 14).

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.

The present values of the minimum lease payments required for the capital lease obligation over the next five years and thereafter are as follows:

Year		
2016	\$	2,212
2017		2,167
2018		2,121
2019		2,073
2020		2,024
Thereafter		48,419
Less: amounts representing imputed interest on capital lease obligation		<u>(40,229)</u>
Total capital lease obligation	\$	<u>18,787</u>

*These balances relate to NTPC and its subsidiaries. For fiscal 2013 and fiscal 2014 NT Hydro accounted for its investment in NTPC under the modified equity method for these periods (Note 4) and as a result these balances are not separately presented in the consolidated financial statements of NT Hydro for these periods.

Additional disclosures on NT Hydro's exposure and management of risk associated with the loan receivable and associated capital lease obligation can be found in Note 25.

NORTHWEST TERRITORIES HYDRO CORPORATION

7. LNG capital lease obligation

NTEC(03) entered into a 5 year contract to transport liquefied natural gas (LNG) to facilities in Inuvik. The contract includes a capital lease obligation with an imputed interest rate of 3.40% until October 2018. The contract includes a mobile vaporizer and two truck/trailer units delivered in fiscal 2014 with an additional two truck/trailer units delivered in fiscal 2015. The value of the capital lease obligation as at March 31, 2015 is \$1,883 (2014 - \$2,327). To reflect the effective acquisition and financing nature of the lease, the equipment is included in LNG assets under capital lease (Note 14).

The present values of the minimum lease payments required for the LNG capital lease obligation over the next four years are:

Year		
2016	\$	565
2017		576
2018		587
2019		272
		<u>2,000</u>
Less: amounts representing imputed interest		<u>(117)</u>
Total LNG capital lease obligation	\$	<u>1,883</u>

Additional disclosures on NT Hydro's exposure and management of risk associated with the LNG capital lease obligation can be found in Note 25.

NORTHWEST TERRITORIES HYDRO CORPORATION

8. Debenture debt and related sinking fund investments

	2015	2014*	April 1, 2013*
5.16% amortizing debenture, due September 13, 2040	\$ 47,476	\$ 48,361	\$ 49,201
5.443% debenture, due August 1, 2028	25,000	25,000	25,000
5.995% debenture, due December 15, 2034	25,000	25,000	25,000
3.818% debenture, due November 25, 2052	25,000	25,000	25,000
5% debenture, due July 11, 2025	15,000	15,000	15,000
6.42% amortizing debenture, due December 18, 2032	12,000	12,667	13,333
6.33% sinking fund debentures, due October 27, 2018	10,000	10,000	10,000
8.41% sinking fund debentures, due February 27, 2026	8,700	8,700	8,700
9.11% debenture series 3, due September 1, 2026 repayable in equal monthly payments of \$73	6,206	6,503	6,774
9.75% debentures series 2, due October 1, 2025 repayable in equal monthly payments of \$69	5,394	5,676	5,932
10% debenture series 1, due May 1, 2025 repayable in equal monthly payments of \$70	5,323	5,615	5,879
	<u>\$ 185,099</u>	<u>\$ 187,522</u>	<u>\$ 189,819</u>
Less: Unamortized premium, discount and issuance costs	<u>(773)</u>	<u>(1,341)</u>	<u>(1,441)</u>
Debt, NTPC consolidated*		<u>\$ 186,181</u>	<u>\$ 188,378</u>
Debt, NT Hydro consolidated	<u>\$ 184,326</u>	<u>\$ -</u>	<u>\$ -</u>

The GNWT guarantees NT Hydro's debenture debt.

Principal repayments for the next five years are as follows:

2016	2017	2018	2019	2020	Thereafter	Total
\$ 2,552	\$ 2,700	\$ 2,857	\$ 13,027	\$ 3,210	\$160,753	\$ 185,099

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 8. 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 25.

The weighted average effective rate of return for the year was 0.87% (2014 - 0.95*%)

Estimated sinking fund investment requirements for future years are as follows:

2016	2017	2018	2019	2020	Thereafter	Total
\$ 760	\$ 760	\$760	\$ 290	\$290	\$1,740	\$ 4,600

*These balances relate to NTPC and its subsidiaries. For fiscal 2013 and fiscal 2014 NT Hydro accounted for its investment in NTPC under the modified equity method for these periods (Note 4) and as a result these balances are not separately presented in the consolidated financial statements of NT Hydro for these periods.

9. Investment in government business partnership

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	2015	2014	
Heat revenues	\$ 208	\$ 260	
Operating expenses including amortization	119	92	
Net income	\$ 89	\$ 168	
Statement of Financial Position as at March 31	2015	2014	April 1, 2013
Current assets	\$ 526	\$ 388	\$ 500
Non-current assets	810	860	910
	\$ 1,336	\$ 1,248	\$ 1,410
Current liabilities	\$ 23	\$ 24	\$ 54
Shareholder's equity	1,313	1,224	1,356
	\$ 1,336	\$ 1,248	\$ 1,410
Statement of Cash Flows - Years Ending March 31	2015	2014	
Cash flows (used in) provided by operating activities	\$ 146	\$ (104)	

NORTHWEST TERRITORIES HYDRO CORPORATION

10. Asset retirement obligations

	<u>2015</u>	<u>2014*</u>
Balance, beginning of year* (Note 26)	\$ 15,106	\$ 12,224
Liabilities settled	(147)	(598)
Accretion expense	149	872
Valuation adjustment	3,057	(251)
Additions	388	1,230
Balance, end of year, NTPC*	<u>\$ 18,553</u>	<u>\$ 13,477</u>
Balance, end of year, NT Hydro consolidated	<u>\$ 18,553</u>	<u>\$ -</u>

AROs include costs related to the disposal of generating plants on leased land, storage tanks systems and the associated piping for petroleum products in all communities served by NT Hydro 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 - \$48,855 (March 31, 2014 - \$42,242* and April 1, 2013 - \$37,310*)
- Expected timing of payments of the cash flows – majority of expenditures expected to occur after fiscal 2030
- The discount rate is the cost of borrowing rate of 2.33% for those obligations to be settled in less than 10 years and 3.17% for those obligations to be settled in 10 years or longer (for March 31, 2014 – the weighted average discount rate was used based on the credit-adjusted risk-free rate of 7.67%* for those obligations identified prior to fiscal 2014 and 4.10%* for those obligations identified in fiscal 2014).

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 (March 31, 2014 - 24 sites*, April 1, 2013 - 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.

*These balances relate to NTPC and its subsidiaries. For fiscal 2013 and fiscal 2014 NT Hydro accounted for its investment in NTPC under the modified equity method for these periods (Note 4) and as a result these balances are not separately presented in the consolidated financial statements of NT Hydro for these periods.

NORTHWEST TERRITORIES HYDRO CORPORATION

11. Operating line of credit

NT Hydro has a \$30,000 (March 31, 2014 - \$20,000* and April 1, 2013 - \$20,000*) 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, 2015 had a weighted average 31 day term and a 1.85% (2014- 2.02%*) weighted average annual interest rate.

*These balances relate to NTPC and its subsidiaries. For fiscal 2013 and fiscal 2014 NT Hydro accounted for its investment in NTPC under the modified equity method for these periods (Note 4) and as a result these balances are not separately presented in the consolidated financial statements of NT Hydro for these periods.

12. Deferred government contributions

In December 2014, NTPC signed a contribution agreement with the GNWT to fund an expected \$20,000 in diesel fuel and lubricant costs resulting from extreme low water on NTPC's hydro systems in fiscal 2015. NTPC received the \$20,000 from the GNWT in fiscal 2015. In January 2015, the agreement was amended to cover costs incurred between April 1, 2014 and December 31, 2015. In March 2015, the agreement was amended a third time to allow NTPC to apply any amounts unspent from the \$20,000 to be applied against fuel and lubricant expenses related to the failure of a hydro unit at the Snare Falls Hydro Plant in February 2015. Any of the \$20,000 applied to the Snare Falls fuel and lubricant expenses would be applied only to those expenses not first recoverable through insurance proceeds.

As of March 31, 2015 \$14,219 has been recorded as extreme low water government contributions to offset equivalent thermal generation expenses related to the additional diesel fuel and lubricant costs resulting from extreme low water in fiscal 2015 (Note 19). The remaining \$5,781 is recorded in deferred government contributions and will be recorded as extreme low water government contributions in fiscal 2016 to offset equivalent thermal generation expenses related to the additional diesel fuel and lubricant costs resulting from extreme low water between April 1, 2015 and December 31, 2015.

Note 28 provides details on an additional agreement signed in fiscal 2016 which covers the continuing costs resulting from extreme low water on NTPC's hydro systems as well as the fuel and lubricant expenses related to the failure of a hydro unit at the Snare Falls Hydro Plant in February 2015.

13. 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 pension plan. The basic benefit formula is 2 percent per year of pensionable service multiplied by the average of the five consecutive years of highest paid service. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The employer contribution rate effective at the end of the year was 1.28 times (2014 - 1.45*) the employees' contributions for employees who started prior to January 2013 and 1.28 times (2014 - 1.43*) the employees' contributions for all other employees. Employer contributions of \$ 2,810 (2014 - \$2,815*) were recognized as an expense in the current year.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 13. Other employee future benefits (continued)

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:

	2015			2014*		
	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 (Note 26)	\$ 3,420	\$ 175	\$ 3,595	\$ 1,942	\$ -	\$ 1,942
Current period benefit cost	33	106	139	1,608	-	1,608
Benefits paid during the year	(387)	(99)	(486)	(541)	-	(541)
Accrued benefit obligation, end of the year, NTPC only*				\$ 3,009	\$ -	\$ 3,009
NT Hydro consolidated	\$ 3,066	\$ 182	\$ 3,248	\$ -	\$ -	\$ -

*These balances relate to NTPC and its subsidiaries. For fiscal 2013 and fiscal 2014 NT Hydro accounted for its investment in NTPC under the modified equity method for these periods (Note 4) and as a result these balances are not separately presented in the consolidated financial statements of NT Hydro for these periods.

An actuarial valuation for accounting purposes was prepared at March 31, 2015 for NT Hydro's other employee future benefit plans using the projected benefits method prorated on services.

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 13. Other employee future benefits (continued)

The actuarial valuation at March 31, 2015 and cost of severance and removal benefits and sick leave benefits in 2014 reflects management's best estimate based upon a number of assumptions about a number of future events including:

	<u>2015</u>	<u>2014</u>
Expected inflation rates	2.0%	2.0%
Discount rate used to determine the accrued benefit obligation	2.33%	2.50%
Expected average remaining service life of related employee groups (EARSL)	9.3 years	N/A

Total expenses in fiscal 2015 related to the severance, removal benefit and sick leave plan include the following components:

Current benefit cost	\$	64
Interest expense		75
	<u>\$</u>	<u>139</u>

Expected severance and removal payments are as follows:

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Thereafter</u>	<u>Total</u>
\$ 489	\$ 198	\$ 194	\$ 163	\$ 225	\$2,401	\$ 3,670

Expected sick leave payments are as follows:

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Thereafter</u>	<u>Total</u>
\$ 98	\$ 51	\$ 20	\$ 9	\$ 4	\$ 1	\$ 183

NORTHWEST TERRITORIES HYDRO CORPORATION

14. Tangible capital assets

	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 – Completed projects	16,364	4,714	3,509	-	1,242	(3,488)	22,341
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

Note 14. Tangible capital assets (continued)

	March 31, 2014							
	Electric power plants	T&D systems	Warehouse equipment, motor vehicles, and general facilities	Electric power plant under capital lease	LNG assets under capital lease	Assets held for future (critical spare parts)	Construction work in progress	Total
Cost								
Opening balance	\$264,795	\$ 78,383	\$ 55,326	\$ 26,455	\$ -	\$ 3,274	\$ 15,246	\$443,479
Additions – Completed projects	22,992	1,810	2,268	23	-	-	3,396	30,489
Disposals	(1,940)	(283)	(395)	(9)	-	(45)	-	(2,672)
Closing balance	285,847	79,910	57,199	26,469	-	3,229	18,642	471,296
Accumulated Amortization								
Opening balance	(68,082)	(21,965)	(21,348)	(6,753)	-	-	-	(118,148)
Amortization	(8,208)	(2,160)	(3,614)	(435)	-	-	-	(14,417)
Disposals	1,910	283	596	9	-	-	-	2,798
Closing balance	(74,380)	(23,842)	(24,366)	(7,179)	-	-	-	(129,767)
Net book value NTPC*								
March 31, 2014	<u>\$211,467</u>	<u>\$ 56,068</u>	<u>\$ 32,833</u>	<u>\$ 19,290</u>	<u>\$ -</u>	<u>\$ 3,229</u>	<u>\$ 18,642</u>	<u>\$341,529</u>
Net book value NTPC*								
March 31, 2013	<u>\$196,713</u>	<u>\$ 56,418</u>	<u>\$ 33,978</u>	<u>\$ 19,702</u>	<u>\$ -</u>	<u>\$ 3,274</u>	<u>\$ 15,246</u>	<u>\$325,331</u>
Cost								
Opening balance	\$ -	\$ -	\$ 63	\$ -	\$ -	\$ -	\$ (14)	\$ 49
Additions – Completed projects	-	-	-	-	1,314	-	1,217	2,531
Disposals	-	-	-	-	-	-	-	-
Closing balance	\$ -	\$ -	\$ 63	\$ -	\$ 1,314	\$ -	\$ 1,203	\$ 2,580
Accumulated Amortization								
Opening balance	\$ -	\$ -	\$ (17)	\$ -	\$ -	\$ -	\$ -	\$ (17)
Amortization	-	-	(5)	-	(111)	-	-	(116)
Disposals	-	-	-	-	-	-	-	-
Closing balance	\$ -	\$ -	\$ (22)	\$ -	\$ (111)	\$ -	\$ -	\$ (133)
Net book value NT Hydro consolidated								
March 31, 2014	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41</u>	<u>\$ -</u>	<u>\$ 1,203</u>	<u>\$ -</u>	<u>\$ 1,203</u>	<u>\$ 2,447</u>
Net book value NT Hydro consolidated								
March 31, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14)</u>	<u>\$ 32</u>

*These balances relate to NTPC and its subsidiaries. For fiscal 2013 and fiscal 2014 NT Hydro accounted for its investment in NTPC under the modified equity method for these periods (Note 4) and as a result these balances are not separately presented in the consolidated financial statements of NT Hydro for these periods.

NORTHWEST TERRITORIES HYDRO CORPORATION

15. Inventories

	<u>2015</u>	<u>2014*</u>	<u>April 1 2013*</u>
Materials, supplies and lubricants	\$ 6,067	\$ 5,763	\$ 5,206
Critical spare parts	2,735	-	-
Fuel	340	288	305
Total, NTPC*	<u>\$ 9,142</u>	<u>\$ 6,051</u>	<u>\$ 5,511</u>
Total, NT Hydro consolidated	<u>\$ 9,142</u>	<u>\$ -</u>	<u>\$ -</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 24. Diesel fuel requirements for the remaining 20 plants are all managed under the fuel management services agreement described in Note 24.

*These balances relate to NTPC and its subsidiaries. For fiscal 2013 and fiscal 2014 NT Hydro accounted for its investment in NTPC under the modified equity method for these periods (Note 4) and as a result these balances are not separately presented in the consolidated financial statements of NT Hydro for these periods.

16. Accumulated surplus / equity

	<u>2015</u>	<u>2014</u>	<u>April 1 2013</u>
Share capital, common and preferred shares	\$ 43,129	\$ 43,129	\$ 43,129
Accumulated operating surplus / equity	73,727	72,701	67,474
	<u>\$ 116,856</u>	<u>\$ 115,830</u>	<u>\$ 110,603</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, 2015, 1 common share (March 31, 2014 – 1 common share and April 1, 2013 – 1 common share), at \$43,129 per share, (March 31, 2014 – \$43,129 per share and April 1, 2013 – \$43,129 per share), have been issued and fully paid, and one preferred share at one dollar.

NT Hydro may only issue its shares to the GNWT.

NORTHWEST TERRITORIES HYDRO CORPORATION

17. Sale of power

	2015	2014*
Power sales to external customers	\$ 70,499	\$ 69,792
Power sales to GNWT and related parties	14,928	11,388
GNWT TPSP payments	4,923	4,798
GNWT HSP payments	5,983	5,626
Total, NTPC*	<u>\$ 96,333</u>	<u>\$ 91,604</u>
Total, NT Hydro consolidated	<u>\$ 96,333</u>	<u>\$ -</u>

*These balances relate to NTPC and its subsidiaries. For fiscal 2013 and fiscal 2014 NT Hydro accounted for its investment in NTPC under the modified equity method for these periods (Note 4) and as a result these balances are not separately presented in the consolidated financial statements of NT Hydro for these periods.

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.

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.

18. Other revenue and customer contributions

	2015	2014*
Heat revenues	\$ 555	\$ 254
Customer contributions in aid of construction	536	-
Contract work	353	228
Connection fees	341	265
Pole rental	273	270
Miscellaneous	102	207
Other government contributions	-	79
Total, NTPC*	<u>\$ 2,160</u>	<u>\$ 1,303</u>
Total, NT Hydro consolidated	<u>\$ 2,160</u>	<u>\$ 630</u>

*These balances relate to NTPC and its subsidiaries. For fiscal 2013 and fiscal 2014 NT Hydro accounted for its investment in NTPC under the modified equity method for these periods (Note 4) and as a result these balances are not separately presented in the consolidated financial statements of NT Hydro for these periods.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 18. Other revenue and customer contributions (continued)

Customer contributions in aid of construction

Certain tangible capital asset additions are made with the assistance of cash contributions from customers. During the current year contributions of \$536 (2014 - \$312*) were received which had external restrictions and stipulations by agreements to use such funds on eligible project expenditures to connect customers to NTPC's electrical grid. Revenue was recognized in the year of \$536 (2014 - \$312*) as all restrictions imposed by the agreements had been satisfied.

19. Expenses

The following is a summary of the expenses for the year by object:

	2014		
	2015	NT Hydro, consolidated	NTPC*
Fuels and lubricants (Note 24)	\$ 44,663	\$ 301	\$ 29,200
Salaries and wages	26,404	842	22,489
Amortization (Note 14)	15,439	116	19,468
Supplies and services	22,340	983	12,646
Travel and accommodation	2,579	42	2,344
Interest expense (Note 20)	12,947	141	12,526
Net loss on disposal of assets	1,052	-	-
Accretion on AROs (Note 10)	149	-	-
	\$ 125,573	\$ 2,425	\$ 98,673

*These balances relate to NTPC and its subsidiaries. For fiscal 2013 and fiscal 2014 NT Hydro accounted for its investment in NTPC under the modified equity method for these periods (Note 4) and as a result these balances are not separately presented in the consolidated financial statements of NT Hydro for these periods.

20. Interest expense and interest income

Interest expense

	2015	2014*
Interest on debenture debt (Note 8)	\$ 12,767	\$ 13,031
Short-term debt financing costs (Note 11)	545	308
Capitalized interest during construction (Note 8)	(446)	(813)
Total, NTPC*		<u>\$ 12,526</u>
Interest on payable to NTPC		114
Interest on LNG capital lease (Note 7)	81	27
Total, NT Hydro consolidated	\$ 12,947	\$ 141

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 20. Interest expense and interest income (continued)

Interest income

	2015	2014*
Income on loan receivable (Note 6)	\$ 1,588	\$ 1,657
Income from sinking fund investments (Note 8)	59	56
Income from overdue accounts	30	186
Income from NT Hydro	-	114
Total, NTPC*	\$ 2,013	\$ 2,013
Total, NT Hydro consolidated	\$ 1,677	\$ -

*These balances relate to NTPC and its subsidiaries. For fiscal 2013 and fiscal 2014 NT Hydro accounted for its investment in NTPC under the modified equity method for these periods (Note 4) and as a result these balances are not separately presented in the consolidated financial statements of NT Hydro for these periods.

21. GNWT power sales 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

22. Other government contributions

NT Hydro and its subsidiaries have recorded \$2,228 in government contributions (2014 - \$1,490) relating to various contribution agreements with the GNWT. One of the agreements in place in fiscal 2015 was a carryover from fiscal 2014 for NT Energy. Of the \$500 available in the agreement, \$450 was provided in fiscal 2014 of which \$286 was spent. In fiscal 2015 NT Energy spent an additional \$32 on the project. The remaining balance of \$132 is recorded in accounts payables and accrued liabilities.

The remaining agreements in fiscal 2015 were all one year agreements. The agreements related to the recovery of operating and maintenance expenses totalled \$1,691 in eligible funding. These projects included furthering the NWT hydro strategy, water monitoring activities, a combined heat and power feasibility study, biomass investigation in Fort Simpson, electric heat distribution study in Fort Smith, participation in the NWT Energy Charrette, Fort Simpson LNG feasibility and design, apprenticeship support, NWT electricity system analysis, Powerwise campaign, and attendance at the Canada Energy Storage summit and a purchase power agreement meeting in Lutsel K'e. \$1,481 was spent on these projects in fiscal 2015 and as of March 31, 2015, the net revenues receivable from the GNWT as at March 31, 2015 is \$28 (2014 - \$129 net receivable).

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 22. Other government contributions (continued)

NTPC entered into three one year capital contribution agreements in fiscal 2015 totaling \$735 in eligible funding. One agreement funded \$100 for LED streetlight installations in Deline and Fort Good Hope. Project costs totaled only \$80 and \$20 is recorded in accounts payable and accrued liabilities as at March 31, 2015. The other two agreements, totaling \$635, partially funded projects in Colville Lake: battery bank integration and the completion of the photovoltaic system. Both of these projects are associated with the construction of the new production plant scheduled to be completed in fiscal 2016. All \$635 of the funding was spent on these projects. \$592 was received in fiscal 2015 and \$43 is recorded in revenues receivable as at March 31, 2015.

23. Related party transactions and balances

Transactions with related parties and balances at year-end not disclosed elsewhere in these consolidated financial statements are as follows:

	<u>2015</u>	<u>2014*</u>	<u>April 1 2013*</u>
Expenses			
Purchases of fuel from PWS (Note 24)	\$ 35,538	\$ 24,902	
Other operating expenses	782	757	
NTPC, only*		<u>\$ 25,659</u>	
NT Hydro, consolidated	<u>\$ 36,320</u>	<u>\$ -</u>	
Financial assets			
Revenues receivable			
Utility	\$ 1,953	\$ 1,384	\$ 1,607
Non-utility	347	356	4
Allowance for doubtful accounts	(68)	-	-
NTPC, only*		<u>\$ 1,740</u>	<u>\$ 1,611</u>
Receivable from NTPC for purchases of LNG	-	\$ 457	\$ -
Dividend receivable from NTPC	-	42	96
NT Hydro, consolidated	<u>\$ 2,232</u>	<u>\$ 499</u>	<u>\$ 96</u>
Liabilities			
Accounts payable to PWS for fuel (Note 23)	\$ 8,694	\$ 4,148	\$ 2,191
Other accounts payable and accrued liabilities	37	28	29
NTPC, only*		<u>\$ 4,176</u>	<u>\$ 2,220</u>
Payable to NTPC for transfer of investment in NTEC(03) and SEL	-	\$ 4,565	\$ 4,565
Short term payable to NTPC	-	353	891
NT Hydro, consolidated	<u>\$ 8,731</u>	<u>\$ 4,918</u>	<u>\$ 5,456</u>

*These balances relate to NTPC and its subsidiaries. For fiscal 2013 and fiscal 2014 NT Hydro accounted for its investment in NTPC under the modified equity method for these periods (Note 4) and as a result these balances are not separately presented in the consolidated financial statements of NT Hydro for these periods.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 23. Related party transactions and balances (continued)

Receivable from NTPC for purchases of LNG

This balance is a receivable for NTEC(03) from NTPC for invoices resulting from the purchase and transportation of LNG to NTPC's generation plant in Inuvik.

Payable to NTPC for transfer of investment in NTEC(03) and SEL

This balance is the payable from NT Hydro to NTPC for NT Hydro's investment in NTEC(03) and SEL and is due on demand and bears interest at prime less fifty basis points. The credit risk associated with this receivable is minimized by the fact that this receivable is to NTPC's parent company, NT Hydro, which is a public agency and which in turn is owned by the GNWT.

Short term payable to NTPC

This balance is payable from NTEC(03) and NT Hydro to NTPC for various transactions. This balance was due on demand and bears interest at prime less fifty basis points.

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.

Transfer of related party operations / write off

As part of the windup of NTEC(03) (Note 24), NTPC reviewed its loan receivable from NT Hydro for NT Hydro's investment in NTEC(03) and SEL. With the operations of NTEC(03) moving to the Petroleum Products Division of Public Works and Services (PWS) of the GNWT 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 the \$4,565 loan receivable from NT Hydro and short term loans of \$292 resulting from various transactions.

All other inter-entity receivables and payables between NTPC and NTEC(03) and NT Hydro were identified as of March 31, 2015 as part of NTEC(03)'s windup and will be settled in fiscal 2016. These transactions and the associated intercompany gains and losses resulting from the write off of the intercompany loans are eliminated in NT Hydro's consolidated results as of March 31, 2015.

24. Contractual obligations and contingencies

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, 2015:

	<u>Expiry</u>	<u>2016</u>	<u>2017 to 2018</u>
Non related parties	2018	\$ 2,958	\$ 446

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 24. Contractual obligations and contingencies (continued)

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 PWS of the GNWT. 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 on October 31, 2015, however NTPC and PWS have agreed to extend the current contract term until March 31, 2016.

Liquefied natural gas purchases

In March 2013, NTEC(03) entered into an agreement with Fortis BC to purchase LNG at the spot rate until December 31, 2014. This contract was subsequently renewed effective January 1, 2015 with no expiry date.

On October 30, 2013, NTEC(03) entered into a contract with Ventures West Transport LP (VW) to transport the LNG from anywhere in Western Canada to NTPC's LNG storage facility in Inuvik. NTEC(03) transfers the ownership of the LNG at the point of delivery into the storage tanks to NTPC. Under the agreement, NTEC(03) is able to request the required volumes and quantities and delivery dates for LNG from VW. The agreement is effective for five years until October 31, 2018. The cost of fuel for NTEC(03) under this agreement includes variable costs for LNG transportation as well as a fixed cost component, which is accounted for as the LNG capital lease obligation in Note 7.

Transfer of NTEC(03) operations

In fiscal 2015 the GNWT issued a Directive for the operations of NTEC(03) to be brought under the Petroleum Products Division of PWS, to be renamed "Fuel Services Division", effective April 1, 2015. With the transfer of NT Energy operations to the PWS, the existing LNG transportation contract NTPC signed with NTEC(03), will be transferred to PWS without interruption of service although no contract has been signed to date. The existing LNG transportation contract NTEC(03) signed with VW and the LNG purchase contract NTEC(03) had with Fortis BC were both transferred in fiscal 2016 to PWS without interruption of service.

Contingencies

Aklavik electric shock incident

NTPC has been named as a co-defendant in a personal injury claim that occurred in Aklavik in 2012. It is too early to determine what if any cost may be incurred by NTPC as a result of these charges.

NORTHWEST TERRITORIES HYDRO CORPORATION

25. 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.

	2015	2014*	April 1 2013*
Loan receivable	\$ 16,134	\$ 16,886	\$ 17,570
Revenues receivable	12,999	17,700	20,216
Sinking fund investments	7,194	6,512	5,676
Cash	2,333	840	1,001
Total, NTPC*		<u>\$ 41,938</u>	<u>\$ 44,463</u>
Revenues receivable	-	150	240
Cash	-	475	1,014
Total, NT Hydro consolidated	<u>\$ 38,660</u>	<u>\$ 625</u>	<u>\$ 1,254</u>

*These balances relate to NTPC and its subsidiaries. For fiscal 2013 and fiscal 2014 NT Hydro accounted for its investment in NTPC under the modified equity method for these periods (Note 4) and as a result these balances are not separately presented in the consolidated financial statements of NT Hydro for these periods.

Loan receivable

The credit risk for the loan receivable for the Snare Cascades hydro project was minimized by security in place. See Note 6 for additional details.

Revenues receivable

The majority of NT Hydro's revenues receivable are held by NTPC. NTPC 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 (2014 – 37%*) of NTPC's sales are to two other utilities. Twenty seven percent of sales are to the GNWT (2014 - 11% for TPSP and HSP sales*).

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 25. 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 \$30,000 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, 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
Total, NT Hydro consolidated	\$ 21,103	\$ 20,408	\$ 124,132	\$ 64,866	\$ 230,509

	March 31, 2014					April 1 2013 Total
	1 Year or less	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	\$ 17,888	\$ -	\$ -	\$ -	\$ 17,888	\$ 5,979
Debenture debt	2,422	24,346	92,350	68,404	187,522	189,819
Sinking fund investments	-	(4,516)	(1,997)	-	(6,513)	(5,676)
Capital lease obligation	2,256	10,598	23,141	25,278	61,273	63,573
Loan receivable	(2,341)	(11,705)	(14,825)	-	(28,871)	(31,211)
Total, NTPC*	\$ 20,225	\$ 18,723	\$ 98,669	\$ 93,682	\$ 231,299	\$ 222,484
LNG capital lease obligation	447	1,850	-	-	2,327	-
Total, NT Hydro consolidated	\$ 447	\$ 1,850	\$ -	\$ -	\$ 2,327	\$ -

*These balances relate to NTPC and its subsidiaries. For fiscal 2013 and fiscal 2014 NT Hydro accounted for its investment in NTPC under the modified equity method for these periods (Note 4) and as a result these balances are not separately presented in the consolidated financial statements of NT Hydro for these periods.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 25. Financial instruments and risk management (continued)

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.

26. Transition to PSAS

As stated in Note 2, these are NT Hydro's first consolidated financial statements prepared in accordance with PSAS. Pursuant to PS2125, NT Hydro has applied the following relevant mandatory exception to retrospective application of PSAS:

Estimates

PS2125 provides that estimates in accordance with PSAS at the date of transition shall be consistent with estimates made in accordance with previous GAAP (after adjustment to reflect differences in accounting policies), unless there is objective evidence those estimates were in error. There were no adjustments made to previous GAAP estimates.

Pursuant to PS2125, NT Hydro has applied the elections available upon adoption of PSAS as follows:

i) Tangible capital assets

NT Hydro has elected not to reassess past write-downs recorded prior to the transition date and has applied the impairment guidance under PS3150 *Tangible Capital Assets* prospectively from the date of transition.

ii) Retirement and post-employment benefits

NT Hydro has elected to delay the discount rate provisions of PS3250 *Retirement Benefits* and PS3255 *Post-employment Benefits, Compensated Absences and Termination Benefits* until March 31, 2015, the date of the next actuarial valuation.

iii) Investments in government business enterprises and government business partnerships

NT Hydro has elected to account for any investments in GBEs using the modified equity method under PS3070 *Investments in Government Business Enterprises* prospectively from the date of transition. NT Hydro has also elected to account for any investments in government business partnerships using the modified equity method under PS3060 *Government Partnerships* prospectively from the date of transition.

In preparing its opening PSAS consolidated financial statements, NT Hydro has adjusted amounts reported previously in its consolidated financial statements prepared in accordance with Part V of the CPA Handbook (its previous GAAP). An explanation of how the transition from previous GAAP to PSAS has affected NT Hydro's consolidated financial position, results of operations and cash flows is set out in the following tables and the notes that accompany the tables.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 26. Transition to PSAS (continued)

a) Reconciliation of consolidated statement of financial position and accumulated surplus of NT Hydro as at April 1, 2013:

	Previous GAAP (Footnote 2ii)	Adjustment to reflect NTPC on a modified equity basis (Footnote 1)	Related party reclass and other adjustments (Footnote 1 and 2i)	PSAS
Financial assets:				
Cash	\$ 2,015	\$ (1,001)	\$ -	\$ 1,014
Investment in NTPC	-	109,796	5,360	115,156
Revenues receivable	14,904	(14,760)	96	240
Sinking fund investments	5,676	(5,676)	-	-
	22,595	88,359	5,456	116,410
Liabilities:				
Accounts payable and accrued liabilities	14,962	(14,579)	-	383
Capital lease obligations	2,306	(2,306)	-	-
Debenture debt	188,378	(188,378)	-	-
Asset retirement obligations	12,224	(12,224)	-	-
Operating line of credit	5,979	(5,979)	-	-
Deferred government contributions	2,678	(2,632)	(46)	-
Other employee future benefits	1,357	(1,357)	-	-
Payable to NTPC	-	-	5,456	5,456
Regulatory obligations	36,262	(36,262)	-	-
	264,146	(263,717)	5,410	5,839
Net financial assets (debt)	\$ (241,551)	\$ 352,076	\$ 46	\$ 110,571
Non-financial assets:				
Tangible capital assets	325,363	(325,331)	-	32
Intangible assets	1,150	(1,150)	-	-
Inventories	5,511	(5,511)	-	-
Prepaid expenses	590	(590)	-	-
Regulatory assets	19,494	(19,494)	-	-
	352,108	(352,076)	-	32
Accumulated surplus / equity	\$ 110,557	\$ -	\$ 46	\$ 110,603

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 26. Transition to PSAS (continued)

b) Reconciliation of consolidated statement of financial position and accumulated surplus of NT Hydro as at March 31, 2014:

	Previous GAAP (Footnote 2ii)	Adjustment to reflect NTPC on a modified equity basis (Footnote 1)	Related party reclass and other adjustments (Footnote 2)	PSAS
Financial assets:				
Cash	\$ 1,315	\$ (840)	\$ -	\$ 475
Investment in NTPC	-	115,869	4,419	120,288
Revenues receivable	13,347	(13,239)	42	150
Sinking fund investments	6,513	(6,513)	-	-
	21,175	95,277	4,461	120,913
Liabilities:				
Accounts payable and accrued liabilities	18,113	(16,893)	(477)	743
Capital lease obligations	4,503	(2,653)	477	2,327
Debenture debt	186,181	(186,181)	-	-
Asset retirement obligations	13,477	(13,477)	-	-
Operating line of credit	17,888	(17,888)	-	-
Deferred government contributions	2,934	(2,894)	(40)	-
Other employee future benefits	3,009	(3,009)	-	-
Payable to NTPC	-	-	4,461	4,461
Regulatory obligations	34,594	(34,594)	-	-
	280,699	(277,589)	4,421	7,531
Net financial assets (debt)	\$ (259,524)	\$ 372,866	\$ 40	\$ 113,382
Non-financial assets:				
Tangible capital assets	343,976	(341,529)	-	2,447
Intangible assets	1,007	(1,007)	-	-
Inventories	6,051	(6,051)	-	-
Prepaid expenses	1,052	(1,051)	-	1
Regulatory assets	23,228	(23,228)	-	-
	375,314	(372,866)	-	2,448
Accumulated surplus / equity	\$ 115,790	\$ -	\$ 40	\$ 115,830

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 26. Transition to PSAS (continued)

c) Reconciliation of the consolidated statement of operations of NT Hydro for the year ended March 31, 2014:

	Previous GAAP (Footnote 2ii)	Adjustment to reflect NTPC on a modified equity basis (Footnote 1)	Related party reclass and other adjustments (Footnote2i, 2iii)	Functional adjustment (Footnote 2iv)	PSAS
Revenues					
Sale of power	\$ 91,605	\$ (91,605)	\$ -	\$ -	\$ -
Other revenue and customer contributions	1,323	(1,302)	609	-	630
Interest income	72	(186)	114	-	-
GNWT power sales contributions	9,400	(9,400)	-	-	-
Income from investment in NTPC	-	5,532	-	-	5,532
Other government contributions	1,569	-	(79)	-	1,490
	<u>103,969</u>	<u>(96,961)</u>	<u>644</u>	<u>-</u>	<u>7,652</u>
Expenses					
Fuels and lubricants	28,971	(29,200)	530	(301)	-
Salaries and wages	23,331	(22,489)	-	(842)	-
Amortization	19,578	(19,468)	6	(116)	-
Supplies and services	13,629	(12,646)	-	(983)	-
Travel and accommodation	2,386	(2,344)	-	(42)	-
Interest expense	10,841	(10,814)	114	(141)	-
Corporate services				2,425	2,425
	<u>98,736</u>	<u>(96,961)</u>	<u>650</u>	<u>-</u>	<u>2,425</u>
Surplus for the year	\$ 5,233	\$ -	\$ (6)	\$ -	\$ 5,227

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 26. Transition to PSAS (continued)

d) Consolidated statement of cash flows

Other than presenting expenditures on additions to tangible capital assets as a separate category and presenting NTPC on a modified equity basis, there were no significant changes to the consolidated statement of cash flows of NT Hydro as a result of the conversion to PSAS for the year ended March 31, 2014:

	Previous GAAP	Adjustment to reflect NTPC on a modified equity basis (Footnote 1)	Related party reclass (Footnote 2)	Activity reclass	PSAS
Operating activities					
Cash receipts from customers	\$ 95,640	\$ (96,330)	\$ 530	\$ 791	\$ 631
Government assistance	11,176	(9,512)	-	-	1,664
Cash paid to suppliers	(75,201)	74,599	(530)	29	(1,103)
Cash paid to employees	-	-	-	(820)	(820)
Interest received	72	(186)	114	-	-
Interest paid	(11,599)	11,571	(114)	-	(142)
	20,088	(19,858)	-	-	230
Investing activities					
Sinking fund instalments	(780)	780	-	-	-
Loan receivable receipts	684	(684)	-	-	-
Investment in NTPC	-	455	-	-	455
	(96)	551	-	-	455
Capital activities					
Property, plant and equipment constructed or purchased	(29,853)	29,853	-	-	-
	(29,853)	29,853	-	-	-
Financing activities					
Net proceeds from short-term debt	11,909	(11,909)	-	-	-
Repayment of long-term debt	(2,298)	2,298	-	-	-
Payments on capital lease obligation	(406)	406	-	-	-
Payables to NTPC, net	-	(995)	-	-	(995)
Repayment of LNG capital lease obligation	(229)	-	-	-	(229)
Government contributions (repayments)	185	(185)	-	-	-
	9,161	(10,385)	-	-	(1,224)
Net (decrease) increase in cash	(700)	161	-	-	(539)
Cash, beginning of year	2,015	(1,001)			1,014
Cash, end of year	\$ 1,315	\$ (840)	\$ -	\$ -	\$ 475

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 26. Transition to PSAS (continued)

The following notes describe adjustments in reconciliations to arrive at PSAS financial statements:

1) Adjustment to reflect NTPC on a modified equity basis

Under previous GAAP, NTPC and its subsidiaries were consolidated in the consolidated financial statements of NT Hydro as at April 1, 2013 and March 31, 2014 and for the year ended March 31, 2014. Under PSAS, NTPC was considered to be a GBE during those periods and is accounted for under the modified equity method (Note 4).

2) Other adjustments

Other adjustments are PSAS conversion adjustments specific to NT Hydro and its own subsidiary entities and government partnership interests, as follows:

i) Deferred government contributions

Under previous GAAP, NT Hydro recorded approved government contributions for purchasing tangible capital assets as deferred government contributions on the consolidated balance sheet. Deferred government contributions were amortized as a reduction to amortization expense on the same basis as the amortization of the related tangible capital assets. Under PSAS, government contributions are recognized in revenue when all stipulations or restrictions, if any, are met. As a result, adjustments were made to the timing of revenue recognition, resulting in a reclassification of the deferred government contributions to accumulated surplus of \$40 at March 31, 2014 (April 1, 2013 - \$46) and increases amortization expense by \$6. There were no new government contributions in 2014 that were recorded as deferred revenues.

ii) Current portion of assets and liabilities

The current portion of assets and liabilities are not presented under PSAS. As a result, the current portion of assets and liabilities were reclassified to the appropriate asset or liability balance. The column heading "Previous GAAP" reflects the recombining of short-term and long-term balances.

Under previous GAAP, debt expected to be repaid with sinking fund investments held was separately presented. Under PSAS, no similar presentation exists.

Under previous GAAP, the current portion of the LNG capital lease obligation of \$477 at March 31, 2014 (April 1, 2013 – nil) was recorded in accounts payable and accrued liabilities; however, under PSAS this amount has been reclassified to capital lease obligation.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 26. Transition to PSAS (continued)

iii) Related party transactions

Under previous GAAP, all intercompany transactions and balances were eliminated upon consolidation. Under PSAS, NTPC was classified as a GBE and was accounted for using the modified equity basis prior to fiscal 2015, which does not result in the elimination of intercompany transactions and balances. As a result, other revenues and customer contributions and fuel and lubricants expense increased by \$530 for the LNG purchases by NTPC from NTEC(03). In addition, interest income and interest expense increased by \$114 for interest paid by NT Hydro for the short-term payable to NTPC.

iv) Functional presentation of expenses

Previous GAAP financial statements presented expenses by object or type in the consolidated statement of operations and accumulated surplus. PSAS requires that expenses be classified by function, with note disclosure providing expenses by object. Adjustments are presented to reclassify expenses under PSAS on a functional basis.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 26. Transition to PSAS (continued)

3) Adjustments to reflect NTPC on a consolidated basis April 1, 2014 upon a classification change:

NTPC, on April 1, 2014, changed classification to an OGO and, as a result, was consolidated by NT Hydro beginning on that date. In applying consolidation accounting, the accounts of NTPC are required to be amended to comply with the PSAS policies of NT Hydro. The below table shows the adjustments to convert the consolidated statement of financial position of NTPC as at April 1, 2014 from previous GAAP of NTPC to PSAS (see Note 4):

	Previous GAAP	Notes	Adjustments	PSAS
Financial assets				
Cash	\$ 840	vi	\$ (158)	\$ 682
Revenues receivable	13,239	v, vi, x	4,079	17,318
Sinking fund investments	6,513	-	-	6,513
Loan receivable	-	v	16,886	16,886
Net receivable from related parties	4,461	x	(4,461)	-
Investment in Aadrii Ltd.	-	vi	612	612
	25,053		16,958	42,011
Liabilities				
Accounts payable and accrued liabilities	16,893	iii, vi	(421)	16,472
Operating line of credit	17,888	-	-	17,888
Capital lease obligation	2,653	v	16,539	19,192
Dividend payable	42	-	-	42
Debenture debt	186,181	v, viii	522	186,703
Deferred government contributions	2,894	ii	(2,894)	-
Other employee future benefits	3,009	iii	586	3,595
Asset retirement obligations	13,477	iv	1,629	15,106
Regulatory obligations	34,594	i	(34,594)	-
	277,631		(18,633)	258,998
Net debt	\$ (252,578)		\$ 35,591	\$ (216,987)
Non-financial assets:				
Tangible capital assets	341,529	iv, vi, vii	(10,164)	331,365
Intangible assets	1,007	vii	(1,007)	-
Inventories	6,051	vii, ix	2,949	9,000
Prepaid expenses	1,051	-	-	1,051
Regulatory assets	23,228	i	(23,228)	-
	372,866		(31,450)	341,416
Accumulated surplus / equity	\$ 120,288		\$ 4,141	\$ 124,429

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 26. Transition to PSAS (continued)

The following notes describe adjustments in reconciliations to arrive at condensed PSAS consolidated statement of financial position of NTPC as at April 1, 2014:

i) Rate regulated accounting

Under previous GAAP, NTPC deferred certain costs as assets and certain revenues as liabilities and recorded them in the consolidated statement of operations and accumulated surplus as it collected or refunded the amounts through subsequent customer rates or over an amortization period.

Under previous GAAP, NTPC deferred contributions received from customers for the acquisition or construction of tangible capital assets to connect them to the network as a regulatory obligation. These contributions were amortized and recognized against amortization expense at the same rate as the related tangible capital assets. Under PSAS, contributions with external restrictions or stipulations are recognized as deferred revenue and as revenue in the period in which the resources are used for the purpose specified, being when the related assets are acquired or constructed. As a result, adjustments have been made to the timing of revenue recognition, reducing the related regulatory obligation and increasing accumulated surplus at April 1, 2014 by \$6,439.

All other deferred amounts are not recognized in the consolidated statement of financial position since they do not meet the definition of an asset or liability under PSAS. As a result, as at April 1, 2014 reductions were made to regulatory assets of \$23,228, regulatory liabilities of \$28,155, and accumulated surplus of \$4,927.

ii) Deferred government contributions

Under previous GAAP, NTPC recorded approved government contributions for purchasing tangible capital assets as deferred government contributions on the consolidated balance sheet. Deferred government contributions were amortized as a reduction to amortization expense on the same basis as the amortization of the related tangible capital assets. Under PSAS government contributions are recognized in revenue when all stipulations or restrictions, if any, are met. As a result, adjustments were made to the timing of revenue recognition, resulting in a reclassification of the deferred government contributions to accumulated surplus totalling \$2,894 at April 1, 2014.

iii) Other employee future benefits

Under previous GAAP, NTPC did not recognize an obligation for non-vesting accumulating sick-leave benefits. Under PSAS, these accumulating benefits are recognized resulting in adjustments to accumulated surplus at April 1, 2014 of \$176 to recognize the resulting other employee future benefits obligation. In addition, previous GAAP classified the current portion of other employee future benefits of \$410 at April 1, 2014 in accounts payable and accrued liabilities; however, under PSAS this has been reclassified to other employee future benefits.

iv) Asset retirement obligations and environmental liabilities

Under previous GAAP, AROs were recognized on a fair value basis by discounting the estimated future cash flows using NTPC's credit-adjusted risk-free rate and were recognized as an adjustment to a regulatory reserve. Under PSAS, AROs are recognized on a best estimate basis by discounting the estimated future cash flows using NTPC's cost of borrowing and an adjustment to tangible capital assets. As a result, at April 1, 2014 AROs increased \$1,629 with additions to tangible capital assets of \$3,656 and an increase to accumulated surplus of \$2,027.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 26. Transition to PSAS (continued)

v) Debenture debt, loan receivable and capital lease obligation

Under previous GAAP, certain costs related to an extinguishment of a debt transaction were deferred and amortized over the term of the new debt. Under PSAS, these costs would be recognized as an expense when incurred. As a result, debenture debt increased and accumulated surplus decreased by \$522 as of April 1, 2014.

Under previous GAAP, NTPC's capital lease obligation was offset against its loan receivable from DPC for financial statement presentation and disclosure. PSAS does not allow for this netting; therefore, the loan receivable of \$16,886 at April 1, 2014 has been reclassified to financial assets from the capital lease obligation of \$16,539 and revenues receivable of \$347.

vi) Government business partnership

Under previous GAAP, NTPC accounted for its shared 50% interest in Aadrii Ltd using the proportionate consolidation method. Under PSAS, the investment is classified as a government business partnership accounted for using the modified equity method. This change resulted in the recognition of an investment in Aadrii Ltd. of \$612 as of April 1, 2014, reallocated from decreases in cash of \$158, revenues receivable of \$35, accounts payable and accrued liabilities of \$11, and tangible capital assets of \$430.

vii) Tangible capital assets

Under previous GAAP, enterprise software was presented at March 31, 2014 as an intangible asset totaling \$1,007. Under PSAS, such assets are included in tangible capital assets.

Under previous GAAP, NTPC capitalized fuel associated with a capital project as a result of a decision by the PUB. Under PSAS, the capitalizing of fuel is not permitted in tangible capital assets. Due to this change, tangible capital assets and accumulated surplus decreased \$2,565 as at April 1, 2014.

Under previous GAAP, tangible capital assets replaced under insurance were recorded at full value with the insurance proceeds capitalized as an offset and amortized as a reduction to amortization expense on the same basis as the amortization of the related tangible capital assets. Under PSAS, NTPC is required to recognize insurance proceeds as proceeds on disposal when realized or certain of realization. As a result, adjustments have been made to the timing of revenue recognition, resulting in derecognition of net insurance proceeds from tangible capital assets to accumulated surplus at April 1, 2014 of \$5,522.

Under previous GAAP the straight-line average group useful life basis of amortization supported recognizing the gains and losses on disposal or abandonment of tangible capital assets in accumulated depreciation. PSAS does not allow for the application of this amortization principle. Adjustments were made to increase accumulated surplus and derecognize the accumulated net loss on disposal of tangible capital assets included in tangible capital assets at April 1, 2014 of \$11,539.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 26. Transition to PSAS (continued)

Under previous GAAP, NTPC reported critical spare parts under tangible capital assets for those inventory items where substitutes were not readily available and/or fabricated, the absence of the item would have caused a significant loss of asset service availability, and there was an expectation the asset had benefit extending beyond one year. PSAS requires that tangible capital assets be currently in service; therefore, adjustments of \$3,229 were required at April 1, 2014 to reallocate critical spare parts from tangible capital assets to inventory.

Under previous GAAP, feasibility studies were considered tangible capital assets as they provided long-term benefits to NTPC. PSAS requires tangible capital assets to have physical substance and therefore feasibility studies of \$2,586 at April 1, 2014 were derecognized from tangible capital assets to accumulated surplus.

viii) Current portion of assets and liabilities and sinking fund investments

The current portion of assets and liabilities are not presented under PSAS. As a result, the current portion of assets and liabilities were reclassified to the appropriate asset or liability balance. The column heading "Previous GAAP" reflects the recombining of short-term and long-term balances.

ix) Inventories

Under previous GAAP, interest was added to the cost of major spare parts inventory while it was being held for installation. Under PSAS, this capitalization of interest costs is not permitted. As a result of this transition change, inventory and accumulated surplus decreased by \$280 at April 1, 2014.

x) Related party balances

Under previous GAAP, NTPC presented the net receivable from related parties in the consolidated balance sheet. Under PSAS, no similar presentation exists. As a result, the net receivable from related parties at April 1, 2014 of \$4,461 has been reclassified to revenues receivable.

NORTHWEST TERRITORIES HYDRO CORPORATION

27. Budgeted figures

NT Hydro's budgeted annual surplus was provided for comparison purposes and was derived from the budget approved by the Board of Directors on March 11, 2014. The approved budget for 2015 was based upon previous GAAP. The table below discloses the adjustments required to present the budget on a PSAS basis consistent with the related financial statement amounts.

	2015 budget as approved	PSAS conversion changes	2015 PSAS budget
Revenues			
Sale of power	\$ 98,404	\$ (919)	\$ 97,485
Fuel rider revenues	-	-	-
Other revenue and customer contributions	1,295	745	2,040
Interest income	2,023	(214)	1,809
Income from investment in Aadrii Ltd.	-	100	100
	101,722	(288)	101,434
Expenses			
Corporate services	17,410	528	17,938
Thermal generation	56,174	3,783	59,957
Hydro generation	18,026	129	18,155
Transmission, distribution and retail	9,004	564	9,568
Purchased power	3,082	(21)	3,061
Alternative power generation	345	108	453
	104,041	5,091	109,132
Deficit for the year before government contributions	(2,319)	(5,379)	(7,698)
Government contributions			
GNWT extreme low water contributions	-	-	-
GNWT power sales contributions	2,800	-	2,800
Other government contributions	1,509	655	2,164
	4,309	655	4,964
(Deficit) surplus for the year	\$ 1,990	\$ (4,724)	\$ (2,734)

The cash flow figures required for the consolidated statement of change in net debt were derived from the original budget and cash flow projections prepared by management. The adjusted budget amounts prepared by management have been presented in the consolidated statement of operations and accumulated surplus and the consolidated statement of changes in net debt.

NORTHWEST TERRITORIES HYDRO CORPORATION

28. Subsequent events

GNWT funding agreement

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 incurred by NTPC in fiscals 2016 and 2017 due to low water levels in the Snare hydro system. The agreement also includes funding for two capital projects in fiscal 2016: \$300 for LED streetlight conversions and \$100 for a 10 – 15 kW solar project in Wrigley.

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.

The most important reasons to work safely:



What's your reason?

Schedule of Write-offs

For the year ended March 31, 2015

Utility Accounts Over \$500

Customer Name	Community	Amount
Keone Villeneuve	Fort Simpson	500.46
Angus Banksland	Ulukhaktok	549.30
Fast Food	Inuvik	555.93
Walter Andrew	Tulita	556.71
Robert Cleary	Norman Wells	579.48
Dustin Greenland	Inuvik	586.54
Esther Kendi-Ross	Inuvik	595.55
Marlo Allen	Inuvik	608.58
Terrance Allen	Inuvik	639.92
Victoria Gargan	Fort Simpson	678.43
Jonathon Mcleod	Fort Liard	688.72
David Brown/Gloria Villeneuve	Fort Simpson	701.89
Timothy Base/Laurie Rabesca	Behchoko	761.18
Andrew Tyler/Cassdandra Chaplin	Norman Wells	787.79
Warren Barnaby	Fort Good Hope	791.19
Donald Ayres	Norman Wells	824.21
Louisa Black	Gameti	878.19
Sahtu Contracting Ltd	Norman Wells	937.06
Tanya Tourangeau/Brett Tourangeau	Fort Smith	938.02
Jill Rymer	Fort Resolution	970.20
Dowlands Contracting Ltd	Inuvik	1,020.41
Rita Hestline	Fort Smith	1,025.76
SahtuConstruction Ltd.	Fort Good Hope	1,056.93
Contracting Jensen'S	Inuvik	1,165.24
Joseph O'Rielly	Fort Resolution	1,364.37
Esther Kendi-Ross	Inuvik	1,439.50
Dennis Blancho	Colville Lake	1,653.07
Norman Wells Petroleum Ltd	Norman Wells	2,841.48
Stanley Beaulieu	Fort Simpson	2,929.96
North Of Sixty	Fort Simpson	3,646.46
Sahtu Contracting Ltd	Norman Wells	3,826.26
Tthenaago Dev. Corp	Nahanni Butte	5,580.92
Tire Arctic	Inuvik	6,637.29
Nihjaa Properties	Inuvik	9,240.55
Sahtu Contracting Ltd	Norman Wells	14,581.55

Schedule of Write-offs

For the year ended March 31, 2015

Non-Utility Accounts Over \$500

Customer Name	Community	Amount
Dave Hehn	Fort Smith	507.08
AC Contracting	Inuvik	680.00
Tulita Land Corporation	Tulita	937.31
Charlie Schaefer	Fort Smith	963.75
Mullen Trucking	Inuvik	5,243.00
Randy Kakfwi	Inuvik	5,863.34
Arctic Cooperative	Inuvik	9,105.46
Northern Properties Management	Inuvik	19,839.85

Northwest Territories Power Corporation

Reconciliation from Audited Financial Statements to Unaudited Rate
Regulated Basis of Accounting
For the year ended March 31, 2015
UNAUDITED

Reconciliation from Audited Financial Statements to Unaudited Rate Regulated Basis of Accounting
For the year ended March 31, 2015
(in thousands of dollars)
Unaudited

STATEMENT OF FINANCIAL POSITION	Unaudited					Rate Regulated Accounting
	Audited PSAS Financial Statements	Reclassification Adjustments	Regulated Assets and Liabilities (note 1)	TCA and ARO Adjustments (note 2)	Other (note 3)	
Assets						
Current assets						
Cash and short-term investments	566	-	-	-	-	566
Accounts receivables	14,044	(752)	890	-	6	14,188
Net receivable from related parties	-	1,047	-	-	-	1,047
Inventories	9,142	(2,735)	-	-	-	6,407
Prepaid expenses	854	-	-	-	-	854
	<u>24,606</u>	<u>(2,440)</u>	<u>890</u>	<u>-</u>	<u>6</u>	<u>23,062</u>
Property, plant and equipment (net)	338,411	2,735	-	5,865	(2)	347,009
Other long term assets						
Loan receivable	16,134	(16,134)	-	-	-	-
Investment in Aadrii (equity)	656	-	-	-	-	656
Sinking fund investments	7,194	-	-	-	-	7,194
Regulatory assets	-	-	24,085	-	-	24,085
	<u>23,984</u>	<u>(16,134)</u>	<u>24,085</u>	<u>-</u>	<u>-</u>	<u>31,935</u>
	<u>387,001</u>	<u>(15,839)</u>	<u>24,975</u>	<u>5,865</u>	<u>4</u>	<u>402,006</u>
Liabilities and Shareholder's Equity						
Current liabilities						
Short-term debt	18,115	-	-	-	-	18,115
Accounts payable and accrued liabilities	21,799	357	-	-	(7)	22,149
Dividend payable	63	-	-	-	-	63
Current portion of long-term debt	-	2,468	-	-	-	2,468
	<u>39,977</u>	<u>2,825</u>	<u>-</u>	<u>-</u>	<u>(7)</u>	<u>42,795</u>
Long-term debt						
Long-term debt net of sinking funds	177,132	(2,468)	-	-	(470)	174,194
Sinking funds as reflected in assets	7,194	-	-	-	-	7,194
Net lease obligation	18,787	(15,787)	-	-	-	3,000
	<u>203,113</u>	<u>(18,255)</u>	<u>-</u>	<u>-</u>	<u>(470)</u>	<u>184,388</u>
Other long term liabilities						
Regulatory liabilities	-	-	32,862	-	-	32,862
Asset retirement obligations	18,553	-	1,252	(6,328)	-	13,477
Deferred government contributions	5,781	-	-	3,408	-	9,189
Employee Future Benefits	3,248	(409)	-	-	(182)	2,657
	<u>27,582</u>	<u>(409)</u>	<u>34,114</u>	<u>(2,920)</u>	<u>(182)</u>	<u>58,185</u>
Shareholder's equity	116,329	-	(9,139)	8,785	663	116,638
	<u>387,001</u>	<u>(15,839)</u>	<u>24,975</u>	<u>5,865</u>	<u>4</u>	<u>402,006</u>

Reconciliation from Audited Financial Statements to Unaudited Rate Regulated Basis of Accounting
For the year ended March 31, 2015
(in thousands of dollars)
Unaudited

STATEMENT OF OPERATIONS	Unaudited					Rate Regulated Accounting
	Audited PSAS Financial Statements	Reclassification Adjustments	Regulated Assets and Liabilities (note 1)	TCA and ARO Adjustments (note 2)	Other (note 3)	
Revenues						
Sale of power	96,333	-	919	-	-	97,252
GNWT power revenue contributions	2,800	-	-	-	2	2,802
Fuel rider revenue	2,996	(2,996)	-	-	-	-
GNWT low water contributions	14,219	(14,219)	-	-	-	-
Net investment income Aadrii	45	-	-	-	-	45
Other government contributions	888	-	-	(764)	-	124
Other revenue	2,138	-	(538)	-	-	1,600
	119,419	(17,215)	381	(764)	2	101,823
Expenses						
Salaries and wages	-	25,338	(1,110)	-	(12)	24,216
Fuel and lubricants	-	28,278	236	-	-	28,514
Supplies and services	-	21,512	(5,792)	(1,518)	(4)	14,198
Amortization	-	14,998	4,822	435	-	20,255
Travel and accommodation	-	2,560	(365)	-	-	2,195
Net loss on disposal of assets	-	1,063	(844)	(219)	-	-
Dividend expense	-	360	-	-	(360)	-
Accretion on ARO	-	149	-	(149)	-	-
Thermal generation	76,359	(76,359)	-	-	-	-
Hydro generation	17,979	(17,979)	-	-	-	-
Corporate services	15,977	(15,977)	-	-	-	-
Transmission, distribution and retail	10,223	(10,223)	-	-	-	-
Purchased power	3,462	(3,462)	-	-	-	-
Alternative power generation	339	(339)	-	-	-	-
	124,339	(30,081)	(3,053)	(1,451)	(376)	89,378
Earnings from operations	(4,920)	12,866	3,434	687	378	12,445
Interest income	1,677	(1,572)	-	-	-	105
Earnings before interest expense	(3,243)	11,294	3,434	687	378	12,550
Interest expense	-	11,294	(643)	-	332	10,983
Net earnings before other	(3,243)	-	4,077	687	46	1,567
Fuel rider revenue	-	2,996	-	-	-	2,996
Offset to Rider Revenue	-	(2,996)	-	-	-	(2,996)
Extreme low water revenue	-	14,219	-	-	-	14,219
Offset to extreme low water revenue	-	(14,219)	-	-	-	(14,219)
	-	-	-	-	-	-
Write off of NT Hydro Loan	(4,857)	-	-	-	-	(4,857)
	(4,857)	-	-	-	-	(4,857)
Net income for the year	(8,100)	-	4,077	687	46	(3,290)
Retained earnings, beginning of year	81,300	-	(13,216)	8,098	977	77,159
Dividend	-	-	-	-	(360)	(360)
Retained earnings, end of year	73,200	-	(9,139)	8,785	663	73,509
Share capital	43,129	-	-	-	-	43,129
Shareholder's equity, end of year	116,329	-	(9,139)	8,785	663	116,638

Notes to the Reconciliation from Audited Financial Statements to Unaudited
Rate Regulated Basis of Accounting
For the year ended March 31, 2015
(in thousands of dollars)
Unaudited

Note 1 Under PSAS, regulated assets and liabilities as at April 1, 2014 were charged to retained earnings (accumulated surplus) with changes being recorded to net income.

Note 2 Under PSAS, certain studies are not allowed to be recorded as tangible capital assets and were charged to expense or opening retained earnings.

Net losses on disposal are recorded as an expense under PSAS in the year of disposal.

Under Rate Regulated Accounting, gains and losses are deferred and included in accumulated amortization.

Asset retirement obligations were adjusted under PSAS for differences in discount rates and environmental related obligations were expensed. For PSAS, certain property plant and equipment values were increased to account for asset retirement costs.

Note 3 Other adjustments include differences for how NTPC accounted for its long term debt swap costs, accumulated sick leave and dividends paid to NT Hydro.

NWT LOTTERY AUTHORITY
Yellowknife, NT

FINANCIAL STATEMENTS
For the year ended March 31, 2015

TABLE OF CONTENTS

	Page
Management's Responsibility for Reporting	
Independent Auditor's Report	
Statement of Financial Position	1
Statement of Changes in Net Financial Assets	2
Statement of Operations	3
Statement of Changes in Accumulated Surplus	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 8
Schedule of Lottery Revenue, Net	9



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 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 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.



General Manager,
NWT Sport and Recreation Council

June 3, 2015

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, 2015, and the Statements of Changes in Accumulated Surplus and Net Financial 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, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

INDEPENDENT AUDITOR'S REPORT, continued

Comparative Information

Without modifying our opinion, we draw attention to note 3 to the financial statements which describes that NWT Lottery Authority adopted Canadian public sector accounting standards on April 1, 2014 with a transition date of April 1, 2013. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial position as at March 31, 2014 and April 1, 2013, and the Statements of Changes in Net Financial Assets, Changes in Fund balances, Operations and Cash Flows for the year ended March 31, 2014 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

Avery, Cooper & Co.

Avery, Cooper & Co.
Certified General Accountants
Yellowknife, NT

June 3, 2015

NWT LOTTERY AUTHORITY

STATEMENT OF FINANCIAL POSITION
March 31, 2015

	<u>2015</u>	<u>2014</u>	<u>2013</u>
FINANCIAL ASSETS			
Cash	\$ 385,932	\$ 1,061,875	\$ 208,800
Accounts Receivable	-	840	900
Due from Western Canada Lottery Corporation	478,788	443,093	473,592
Due from NWT Sport and Recreation Council (Note 5)	67,481	58,792	62,723
Cash Holdback (Note 4)	<u>275,000</u>	<u>275,000</u>	<u>275,000</u>
	<u>1,207,201</u>	<u>1,839,600</u>	<u>1,021,015</u>
LIABILITIES			
Accounts Payable & Accrued Liabilities	11,142	58,764	11,048
Wages & Benefits Payable	6,631	6,140	8,312
Accrued termination benefits	42,453	37,200	34,815
Due to Government of Nunavut (Note 5)	<u>376,094</u>	<u>463,886</u>	<u>99,482</u>
	<u>436,320</u>	<u>565,990</u>	<u>153,657</u>
NET FINANCIAL ASSETS	770,881	1,273,610	867,358
NON-FINANCIAL ASSETS			
Prepaid Expenses	<u>7,496</u>	<u>1,163</u>	<u>-</u>
ACCUMULATED SURPLUS (Note 4)	<u><u>\$ 778,377</u></u>	<u><u>\$ 1,274,773</u></u>	<u><u>\$ 867,358</u></u>

Approved:


 _____ Member
 
 _____ Member

See the accompanying notes.

NWT LOTTERY AUTHORITY

**STATEMENT OF CHANGES IN NET FINANCIAL ASSESTS
For the Year Ended March 31, 2015**

	<u>2015</u>	<u>2014</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (496,396)	\$ 407,415
Change in Prepaid Expenses	<u>(6,333)</u>	<u>(1,163)</u>
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(502,729)	406,252
NET FINANCIAL ASSETS, opening	<u>1,273,610</u>	<u>867,358</u>
NET FINANCIAL ASSETS, closing	<u><u>\$ 770,881</u></u>	<u><u>\$ 1,273,610</u></u>

See the accompanying notes.

NWT LOTTERY AUTHORITY

STATEMENT OF OPERATIONS

For the year ended March 31, 2015

	2015 Budget Unaudited	2015 Actual	2014 Actual
REVENUES			
Lottery Revenue, Net - Schedule 1	\$ 5,607,564	\$ 4,656,843	\$ 5,185,364
Nunavut Lottery revenue	(816,344)	(589,689)	(754,616)
Miscellaneous income	-	6,670	5,826
Interest income	-	4,637	4,333
Management fee revenue	20,000	12,557	14,124
	4,811,220	4,091,018	4,455,031
EXPENSES			
Advertising and promotion	-	8,277	7,604
Allocation of insurance - Nunavut	-	-	(264)
Audit and accounting	13,000	5,507	8,442
Communications	4,000	3,119	4,587
Contributions	4,327,919	4,080,736	3,558,592
Equipment lease	-	816	191
Grants to retailers	120,000	118,089	115,375
Insurance	4,400	1,948	2,690
Interest and bank charges	1,000	1,168	1,214
Legal	-	-	19,550
Miscellaneous	-	1,732	22
Office supplies	2,000	9,300	3,763
Periodicals, printing and newsletters	-	26	10
Postage and courier	26,000	30,256	30,815
Professional fees	27,820	-	-
Repairs and maintenance	-	1,083	2,775
Retailer training (NWT only)	1,895	1,163	2,005
Travel	7,585	5,535	2,064
Wages and benefits	275,601	318,659	288,181
	4,811,220	4,587,414	4,047,616
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ -	\$ (496,396)	\$ 407,415

NWT LOTTERY AUTHORITY

**STATEMENT OF CHANGES IN ACCUMULATED SURPLUS
For the Year Ended March 31, 2015**

	<u>2015</u>	<u>2014</u>
<u>For the Year Ended March 31, 2015</u>		
ACCUMULATED SURPLUS, opening	\$ 1,274,773	\$ 867,358
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>(496,396)</u>	<u>407,415</u>
ACCUMULATED SURPLUS, closing (Note 4)	<u>\$ 778,377</u>	<u>\$ 1,274,773</u>
	<u>2014</u>	<u>2013</u>
<u>For the Year Ended March 31, 2014</u>		
ACCUMULATED SURPLUS, opening	\$ 867,358	\$ 275,001
EXCESS OF REVENUES OVER EXPENSES	<u>407,415</u>	<u>592,357</u>
ACCUMULATED SURPLUS, closing	<u>\$ 1,274,773</u>	<u>\$ 867,358</u>

See the accompanying notes.

NWT LOTTERY AUTHORITY

STATEMENT OF CASH FLOWS

For the year ended March 31, 2015

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ 4,040,801	\$ 4,483,697
Cash receipts from other revenue	6,670	5,826
Cash paid to suppliers and employees	<u>(4,723,414)</u>	<u>(3,636,448)</u>
(DECREASE) INCREASE IN CASH	(675,943)	853,075
CASH, opening	<u>1,061,875</u>	<u>208,800</u>
CASH, closing	<u><u>\$ 385,932</u></u>	<u><u>\$ 1,061,875</u></u>

NWT LOTTERY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

1. NATURE OF OPERATIONS

NWT Lottery Authority was established by the NWT Sport and Recreation Council (NWT SRC) 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 NWT SRC 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 NWT SRC 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. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian public sector accounting standards in accordance with the Public Sector Accounting Board (PSAB). The significant accounting 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.

NWT LOTTERY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

3. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING

Effective April 1, 2014, the Authority elected to apply the public sector accounting standards in the CPA Canada Public Sector Accounting Handbook without Sections PS 4200 to PS 4270.

These are the first financial statements prepared in accordance with this new framework which has been applied retrospectively. The accounting policies set out in note 2 have been applied in accordance with Section PS 2125, "First-time adoption" in preparing the financial statements for the year ended March 31, 2015, the comparative information for the year ended March 31, 2014 and in the preparation of an opening statement of financial position as at April 1, 2013, which is the organization's date of transition to Canadian public sector accounting standards (PSAS).

The Authority previously issued financial statements for the year ended March 31, 2014 using Canadian accounting standards for not-for-profit organizations prescribed by Part III of the CPA Canada Handbook – Accounting.

The adoption of PSAS has had no impact on the previously reported assets, liabilities and accumulated surplus of the Authority, and accordingly, no adjustments have been recorded in the comparative statements of financial position, operations, changes in accumulated surplus and net financial assets, and cash flows. Certain of the organization's presentation and disclosures included in these financial statements reflect the new presentation and disclosure requirements of PSAS.

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 (2014 - \$275,000) and is included in accumulated surplus as at March 31, 2015 as follows:

	<u>2015</u>	<u>2014</u>
Reserve	\$ 275,000	\$ 275,000
Operating Surplus	<u>503,377</u>	<u>999,773</u>
Accumulated Surplus	<u>\$ 778,377</u>	<u>\$ 1,274,773</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 \$465,187 (2014 - \$472,968) from NWT Sport and Recreation Council relating to payroll expenses. The Organization also paid out \$4,080,736 (2014 -\$ 3,268,036) in lottery contributions to NWT Sport and Recreation Council.

NWT LOTTERY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

5. DUE FROM/TO RELATED PARTY, continued

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.

6. CONTRIBUTIONS

The NWT Lottery Authority funds have been distributed to the following organizations during the year:

	<u>2015</u>	<u>2014</u>
Lex Borealis Ltd.	\$ -	\$ 290,556
NWT Sport and Recreation Council	<u>4,080,736</u>	<u>3,268,036</u>
	<u>\$ 4,080,736</u>	<u>\$ 3,558,592</u>

7. 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.

(a) Liquidity risk

The Organization does have a liquidity risk in the accounts payable and accrued liabilities of \$11,142 (2014 - \$58,764). 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.

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, 2015

SCHEDULE OF LOTTERY REVENUE, NET

Schedule 1

	2015 Budget Unaudited	2015 Actual	2014 Actual
SALES			
Lottery ticket sales	\$ 17,868,000	\$ 15,199,689	\$ 16,522,696
Interest and other income	31,001	18,501	28,667
	<u>17,899,001</u>	<u>15,218,190</u>	<u>16,551,363</u>
DIRECT EXPENSES			
Free tickets	789,961	782,932	730,484
Prizes	9,247,330	7,753,810	8,551,087
Retailer commissions	991,724	827,029	917,056
Ticket printing	234,367	222,135	216,721
	<u>11,263,382</u>	<u>9,585,906</u>	<u>10,415,348</u>
OPERATING INCOME	<u>6,635,619</u>	<u>5,632,284</u>	<u>6,136,015</u>
EXPENSES			
Amortization	114,276	95,454	79,124
Communications	167,210	157,545	137,108
Cost of premises	21,706	19,889	22,659
Draws and winning numbers publication	6,263	4,541	5,099
Employee development	7,979	3,802	4,829
Equipment	32,001	38,373	32,909
Freight and product transport	3,260	2,944	3,171
Goods and services tax	75,926	74,012	78,686
I. L. C. expense	16,472	13,599	13,902
Insurance and bank charges	1,887	1,668	1,749
Media & advertising	127,402	133,210	128,284
Overhead allocation	(257)	(245)	(248)
Payment to Government of Canada	152,883	154,702	155,329
Presentations, publications and miscellaneous	2,574	3,963	2,334
Professional fees	74,554	44,984	50,399
Promotion	7,378	5,728	15,602
Supplies	3,003	2,087	2,441
Travel	4,547	2,613	3,018
Wages and benefits	208,991	216,572	214,256
	<u>1,028,055</u>	<u>975,441</u>	<u>950,651</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 5,607,564</u>	<u>\$ 4,656,843</u>	<u>\$ 5,185,364</u>

N.W.T. SPORT AND RECREATION COUNCIL
Yellowknife, NT

FINANCIAL STATEMENTS
For the year ended March 31, 2015

TABLE OF CONTENTS

	Page
Management's Responsibility for Reporting	
Independent Auditor's Report	
Statement of Financial Position	1
Statement of Changes in Net Financial Assets	2
Statement of Operations	3
Statement of Changes in Accumulated Surplus	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 11
Schedule of Administration	12
Schedule of Governance	13
Schedule of Investment and Evaluation	14
Schedule of Multi Sport Games	15
Statement of Operations by Object	16




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 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 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.

General Manager,
NWT Sport and Recreation Council
May 14, 2015



VERY COOPER & CO. LTD.
Certified General Accountants

4918—50th Street, P.O. Box 1620
Yellowknife, NT X1A 2P2
www.averycooper.com

Telephone: (867) 873-3441
Facsimile: (867) 873-2353
Toll-Free: 1-800-661-0787

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, 2015, and the Statements of Changes in Accumulated Surplus and Net Financial 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, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



INDEPENDENT AUDITOR'S REPORT, continued

Comparative Information

Without modifying our opinion, we draw attention to note 3 to the financial statements which describes that N.W.T. Sport and Recreation Council adopted Canadian public sector accounting standards on April 1, 2014 with a transition date of April 1, 2013. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial position as at March 31, 2014 and April 1, 2013, and the Statements of Changes in Accumulated Surplus and Net Financial Assets, Operations, and Cash Flows for the year ended March 31, 2014 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

Avery, Cooper & Co.

Avery, Cooper & Co.
Certified General Accountants
Yellowknife, NT

May 14, 2015


N.W.T. SPORT AND RECREATION COUNCIL

STATEMENT OF FINANCIAL POSITION

March 31, 2015

	<u>2015</u>	<u>2014</u>	<u>2013</u>
FINANCIAL ASSETS			
Cash (Note 6)	\$ 1,192,294	\$ 2,259,575	\$ 3,540,772
Short-Term Investments (Note 4)	29,250	29,018	28,731
Accounts Receivable	344,101	432	9,526
Government remittances receivable	9,746	6,251	5,375
Due from related party (Note 5)	238	238	1,303
	<u>1,575,629</u>	<u>2,295,514</u>	<u>3,585,707</u>
LIABILITIES			
Accounts Payable & Accrued Liabilities	155,554	15,392	21,198
Wages & Benefits Payable	3,621	33,821	38,863
Due to related party (Note 5)	67,482	58,831	62,723
	<u>226,657</u>	<u>108,044</u>	<u>122,784</u>
NET FINANCIAL ASSETS	<u>1,348,972</u>	<u>2,187,470</u>	<u>3,462,923</u>
NON-FINANCIAL ASSETS			
Prepaid Expenses	3,156	-	1,990
Tangible Capital Assets (Note 7)	7,513	7,610	11,754
	<u>10,669</u>	<u>7,610</u>	<u>13,744</u>
ACCUMULATED SURPLUS	<u>\$ 1,359,641</u>	<u>\$ 2,195,080</u>	<u>\$ 3,476,667</u>

Approved:


 _____ Member
 
 _____ Member

See the accompanying notes.

N.W.T. SPORT AND RECREATION COUNCIL

**STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For the Year Ended March 31, 2015**

	<u>2015</u>	<u>2014</u>
DEFICIENCY OF REVENUES OVER EXPENSES	\$ (835,439)	\$ (1,281,587)
Acquisition of Tangible Capital Assets	(4,837)	(1,007)
Amortization of Tangible Capital Assets	4,934	5,151
Change in Prepaid Expenses	<u>(3,156)</u>	<u>1,990</u>
DECREASE IN NET FINANCIAL ASSETS	(838,498)	(1,275,453)
NET FINANCIAL ASSETS, opening	<u>2,187,470</u>	<u>3,462,923</u>
NET FINANCIAL ASSETS, closing	<u><u>\$ 1,348,972</u></u>	<u><u>\$ 2,187,470</u></u>

See the accompanying notes and schedules.

N.W.T. SPORT AND RECREATION COUNCIL

STATEMENT OF OPERATIONS

For the year ended March 31, 2015

	2015 <u>Budget</u>	2015 <u>Actual</u>	2014 <u>Actual</u>
REVENUES			
Administration - Schedule 1	\$ 673,035	\$ 505,883	\$ 743,697
Governance - Schedule 2	46,891	6,903	30,404
Investment and Evaluation - Schedule 3	4,990,363	3,536,988	2,513,253
Multi Sport Games - Schedule 4	<u>725,757</u>	<u>692,600</u>	<u>650,333</u>
	<u>6,436,046</u>	<u>4,742,374</u>	<u>3,937,687</u>
EXPENSES			
Administration - Schedule 1	673,035	505,883	590,277
Governance - Schedule 2	46,891	6,903	30,404
Investment and Evaluation - Schedule 3	4,990,363	4,829,408	3,316,260
Multi Sport Games - Schedule 4	<u>725,757</u>	<u>235,619</u>	<u>1,282,333</u>
	<u>6,436,046</u>	<u>5,577,813</u>	<u>5,219,274</u>
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	<u>\$ -</u>	<u>\$ (835,439)</u>	<u>\$ (1,281,587)</u>

N.W.T. SPORT AND RECREATION COUNCIL

**STATEMENT OF CHANGES IN ACCUMULATED SURPLUS
For the Year Ended March 31, 2015**

	<u>Unrestricted Surplus</u>	<u>Building Reserve</u>	<u>Games Reserve</u>	<u>General 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>\$ -</u>	<u>\$ 658,533</u>	<u>\$ 1,359,641</u>
	<u>Unrestricted Surplus</u>	<u>Building Reserve</u>	<u>Games Reserve</u>	<u>General Reserve</u>	<u>Program Reserve</u>	<u>Total 2014</u>
<u>For the Year Ended March 31, 2014</u>						
ACCUMULATED SURPLUS, opening	\$ 82,594	\$ 600,000	\$ 386,152	\$ 857,513	\$ 1,550,408	\$ 3,476,667
DEFICIENCY OF REVENUES OVER EXPENSES	(1,281,587)	-	-	-	-	(1,281,587)
CONTRIBUTIONS	3,150,000	-	650,000	-	2,500,000	6,300,000
EXPENSES	(1,714,993)	-	(1,282,000)	-	(3,303,007)	(6,300,000)
TRANSFERS	-	-	300,000	(857,513)	557,513	-
ACCUMULATED SURPLUS, closing	<u>\$ 236,014</u>	<u>\$ 600,000</u>	<u>\$ 54,152</u>	<u>\$ -</u>	<u>\$ 1,304,914</u>	<u>\$ 2,195,080</u>

See the accompanying notes and schedules.

N.W.T. SPORT AND RECREATION COUNCIL

STATEMENT OF CASH FLOWS

For the year ended March 31, 2015

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ 4,395,212	\$ 3,945,902
Cash paid to suppliers and employees	<u>(5,466,073)</u>	<u>(5,222,978)</u>
	(1,070,861)	(1,277,076)
CASH FLOWS FROM FINANCING ACTIVITY		
Changes in amounts due to/from related parties	8,651	(2,827)
CASH FLOWS FROM CAPITAL ACTIVITY		
Purchase of tangible capital assets	<u>(4,839)</u>	<u>(1,007)</u>
(DECREASE) INCREASE IN CASH	(1,067,049)	(1,280,910)
CASH, opening	<u>2,288,593</u>	<u>3,569,503</u>
CASH, closing	<u>\$ 1,221,544</u>	<u>\$ 2,288,593</u>
 REPRESENTED BY:		
Cash	\$ 455,274	\$ 517,848
Restricted cash	737,020	1,741,727
Short term investment	<u>29,250</u>	<u>29,018</u>
	<u>\$ 1,221,544</u>	<u>\$ 2,288,593</u>

N.W.T. SPORT AND RECREATION COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

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. SIGNIFICANT ACCOUNTING POLICIES

The Organization follows Canadian public sector accounting standards in preparing its financial statements. The significant accounting policies used are 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) 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, 2015

2. 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 expenses in the year of acquisition. Capital assets are being amortized to expense using the declining balance method at the following rates:

Computer equipment	40%
Computer software	50%
Equipment	30%

(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.

3. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING

Effective April 1, 2014, the Council elected to apply the public sector accounting standards in the CPA Canada Public Sector Accounting Handbook without Sections PS 4200 to PS 4270.

These are the first financial statements prepared in accordance with this new framework which has been applied retrospectively. The accounting policies set out in note 2 have been applied in accordance with Section PS 2125, "First-time adoption" in preparing the financial statements for the year ended March 31, 2015, the comparative information for the year ended March 31, 2014 and in the preparation of an opening statement of financial position as at April 1, 2013, which is the organization's date of transition to Canadian public sector accounting standards (PSAS).

The Council previously issued financial statements for the year ended March 31, 2014 using Canadian accounting standards for not-for-profit organizations prescribed by Part III of the CPA Canada Handbook – Accounting.

The adoption of PSAS has had no impact on the previously reported assets, liabilities and accumulated surplus of the Council, and accordingly, no adjustments have been recorded in the comparative statements of financial position, operations, changes in net financial assets and accumulated surplus, and cash flows. Certain of the organization's presentation and disclosures included in these financial statements reflect the new presentation and disclosure requirements of PSAS.

N.W.T. SPORT AND RECREATION COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

4. SHORT TERM INVESTMENT

The Council has invested in Prime-Linked Cashable GIC's issued by the Royal Bank of Canada with interest rate of .8% and a maturity date of July 27, 2015. The Council does not anticipate redemption of the investments within the next year.

	<u>2015</u>	<u>2014</u>
RBC Prime-Linked Cashable GIC	<u>\$ 29,250</u>	<u>\$ 29,018</u>

5. 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, 2015

5. 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.

	2015	2014
Revenue		
MACA - Games funding	\$ 650,000	\$ 650,000
NWT Lottery - Program funding	3,524,492	2,500,000
NWT Lottery - SRC funding	556,244	768,036
	\$ 4,730,736	\$ 3,918,036
Expenses - NWT Lottery Authority - payroll	\$ 465,187	\$ 472,968

(c) Due from related party

	2015	2014
Nunavut Lottery	\$ 238	\$ 238

(d) Due to related party

	2015	2014
NWT Lottery Authority	\$ 67,482	\$ 58,831

These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

6. RESTRICTED CASH

	2015	2014
RBC Dominion Securities mutual funds	\$ 737,020	\$ 1,741,727

Cash, in the amount of \$737,020, is restricted for use in the establishment of the reserve funds as outlined in Note 8. At March 31, 2015 reserves exceeded restricted cash by \$387,646.

N.W.T. SPORT AND RECREATION COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

7. TANGIBLE CAPITAL ASSETS

			2015			2014
	Cost	Accumulated amortization	Net			Net
Computer equipment	\$ 26,520	\$ 21,660	\$ 4,860	\$		3,262
Computer software	18,408	17,434	974			1,949
Equipment	10,926	9,247	1,679			2,399
	\$ 55,854	\$ 48,341	\$ 7,513	\$		7,610

8. RESERVES

	Opening Balance	Additions	Expenses	2015			2014
Program reserve	\$ 1,304,914	\$ 4,169,492	\$ 4,815,873	\$ 658,533	\$		1,304,914
Building reserve	600,000	-	345,000	255,000			600,000
Games reserve	54,152	650,000	493,019	211,133			54,152
	\$ 1,959,066	\$ 4,819,492	\$ 5,653,892	\$ 1,124,666	\$		1,959,066

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:

	2015
GNWT MACA Contribution	\$ 650,000
Transfer to Program reserve	300,000
NAIG 2014	250,000
Arctic Winter Games 2014	(56,981)
Total expenses	493,019
	\$ 156,981

N.W.T. SPORT AND RECREATION COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

8. RESERVES, continued

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. In the current year, the Council and Minister of MACA approved a transfer of \$345,000 from the building reserve to the program reserve.

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 \$3,524,492 from Lottery revenue in the current year end and expended \$4,815,873 to partners during the year. In the current year, the Council and Minister of MACA approved a transfer of \$645,000 from the Games and Building reserve to the program reserve.

9. 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.

10. LOTTERY FUNDING

NWT Sport and Recreation Council received the following amounts from the NWT Lottery Authority during the year:

	<u>2015</u>	<u>2014</u>
Funds transferred from NWT Lottery Authority	<u>\$ 4,080,736</u>	<u>\$ 3,268,036</u>

11. 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 letter dated March 2, 2009, provision of marketing the WCLC products in the Nunavut territory has been extended until March 31, 2015.

N.W.T. SPORT AND RECREATION COUNCIL

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2015

ADMINISTRATION

Schedule 1

	<u>2015</u>	<u>2015</u>	<u>2014</u>
	Budget	Actual	Actual
REVENUE			
Lottery contribution	\$ 528,035	\$ 494,245	\$ 724,046
Interest revenue	-	10,498	19,651
Miscellaneous Revenue	<u>145,000</u>	<u>1,140</u>	<u>-</u>
	<u>673,035</u>	<u>505,883</u>	<u>743,697</u>
EXPENSES			
Advertising and promotion	1,900	-	4,427
Amortization	9,000	4,934	5,151
Audit and accounting fees	8,750	9,111	26,467
Bank charges	600	173	106
Catering	1,600	578	681
Communications	8,300	6,894	8,667
Computer	13,075	16,424	2,461
Contracts/fees	50,000	1,323	14,091
Course registration/Professional development	28,500	12,405	22,546
Insurance	2,650	4,851	4,164
Membership fees	620	233	850
Miscellaneous	-	-	224
Postage and freight	100	-	113
Professional fees	2,000	1,274	1,202
Supplies	13,930	3,324	6,556
Travel	15,010	9,032	17,520
Wages and benefits	<u>517,000</u>	<u>435,327</u>	<u>475,051</u>
	<u>673,035</u>	<u>505,883</u>	<u>590,277</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 153,420</u>

N.W.T. SPORT AND RECREATION COUNCIL

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2015

GOVERNANCE

Schedule 2

	2015 <u>Budget</u>	2015 <u>Actual</u>	2014 <u>Actual</u>
REVENUE			
Lottery contribution	\$ 46,891	\$ 6,903	\$ 30,404
EXPENSES			
Advertising & promotion	-	-	652
Catering	2,200	317	548
Communications	200	92	160
Contracts/fees	10,000	1,156	8,256
Insurance	-	-	650
Professional fees	-	-	1,477
Supplies	4,550	-	876
Travel	29,941	5,338	17,785
	<u>46,891</u>	<u>6,903</u>	<u>30,404</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, 2015

INVESTMENT AND EVALUATION

Schedule 3

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
REVENUE			
NWT Lottery Program Funding	\$ 4,974,263	\$ -	\$ 2,500,000
Lottery contribution	<u>16,100</u>	<u>3,536,988</u>	<u>13,253</u>
	<u>4,990,363</u>	<u>3,536,988</u>	<u>2,513,253</u>
EXPENSES			
Catering	300	32	80
Communications	-	-	69
Contracts/fees	10,000	9,937	10,250
Contributions to Partners	4,974,263	-	-
Professional fees	-	-	172
Membership fees	-	516	161
Office	-	-	43
Course registration/Professional development	-	-	54
Supplies	-	-	575
Travel	<u>5,800</u>	<u>3,050</u>	<u>1,849</u>
	4,990,363	13,535	13,253
Aboriginal Sport Circle of the NWT	-	1,043,603	541,845
Beaufort Delta Sahtu Recreation	-	382,308	325,980
Mackenzie Recreation Association	-	309,631	304,686
NWT Recreation and Parks Association	-	981,142	550,496
Sport North Federation	<u>-</u>	<u>2,099,189</u>	<u>1,580,000</u>
	<u>4,990,363</u>	<u>4,829,408</u>	<u>3,316,260</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ (1,292,420)</u>	<u>\$ (803,007)</u>

N.W.T. SPORT AND RECREATION COUNCIL

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2015

MULTI SPORT GAMES

Schedule 4

	<u>2015</u> Budget	<u>2015</u> Actual	<u>2014</u> Actual
REVENUE			
MACA Contribution	\$ 650,000	\$ 650,000	\$ 650,000
Lottery contribution	177,010	42,600	333
Games Reserve Funds	<u>(101,253)</u>	<u>-</u>	<u>-</u>
	<u>725,757</u>	<u>692,600</u>	<u>650,333</u>
EXPENSES			
Contracts/fees	-	-	333
Contribution to Sport North Federation	548,747	(56,981)	1,005,000
Contribution to games ASCWA	-	250,000	277,000
Grants	<u>177,010</u>	<u>42,600</u>	<u>-</u>
	<u>725,757</u>	<u>235,619</u>	<u>1,282,333</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ 456,981</u>	<u>\$ (632,000)</u>

N.W.T. SPORT AND RECREATION COUNCIL

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2015

STATEMENT OF OPERATIONS BY OBJECT

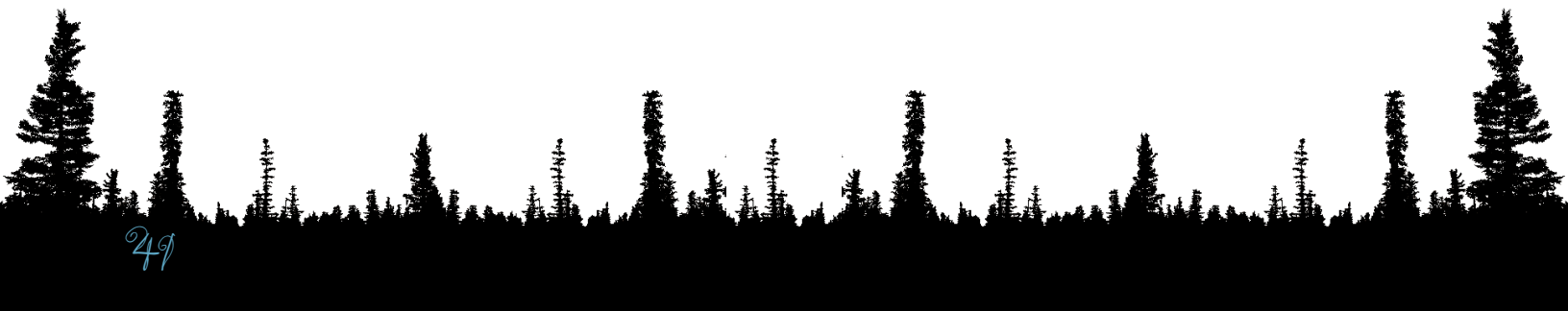
Schedule 5

	2015 <u>Budget</u>	2015 <u>Actual</u>	2014 <u>Actual</u>
Lottery Revenue	\$ (5,742,299)	\$ (4,080,736)	\$ (3,268,036)
MACA Revenue	(650,000)	(650,000)	(650,000)
Interest Revenue	-	(10,498)	(19,651)
Miscellaneous Revenue	(43,747)	(1,140)	-
Advertising & promotion	1,900	-	5,079
Amortization	9,000	4,934	5,151
Audit and accounting fees	8,750	9,113	26,468
Bank charges	600	172	107
Catering	4,100	926	1,309
Communications	7,700	6,986	8,912
Computer	13,075	16,424	2,461
Contracts/fees	70,000	12,416	32,931
Contribution to games	548,747	193,019	1,282,000
Contribution to partners	4,974,263	4,815,873	3,303,007
Course registration	28,500	12,405	22,599
Insurance	2,650	4,851	4,814
Membership fees	620	749	1,011
Miscellaneous	177,010	42,600	110
Office	800	-	26
Postage & freight	100	-	113
Professional fees	2,000	1,274	2,850
Rental equipment	-	-	114
Supplies	18,480	3,324	8,007
Travel	50,751	17,420	37,154
Wages	517,000	435,327	475,051
	<u>\$ -</u>	<u>\$ 835,439</u>	<u>\$ 1,281,587</u>

Financial Statements 2014-15

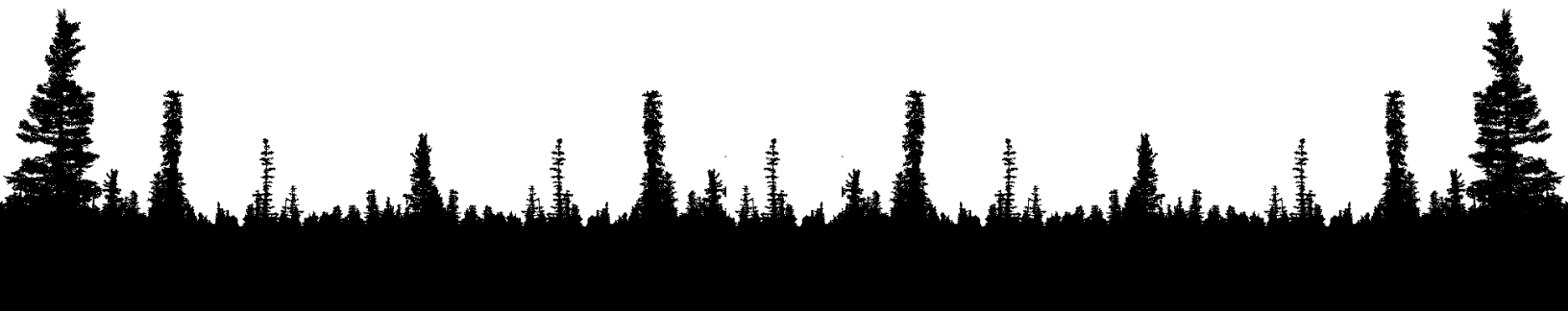
**Status of Women Council
of the Northwest Territories
Yellowknife, NT**

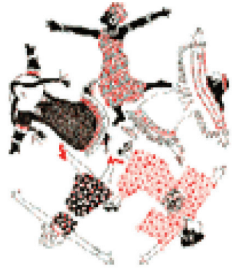
**Financial Statements
March 31, 2015**



INDEX

Management Letter	40
Independent Auditor's Report	41
Other Matter	42
Financial Statement	
Statement of Financial Position	43
Statement of Operations	44
Statement of Changes in Net Financial Assets	45
Statement of Cash Flows	46
Notes to Financial Statements	47-54
Schedule of Revenue and Expenditure-Programs	55-58





Status of Women Council of the N.W.T.

P.O. Box 1320, Yellowknife, NWT 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.

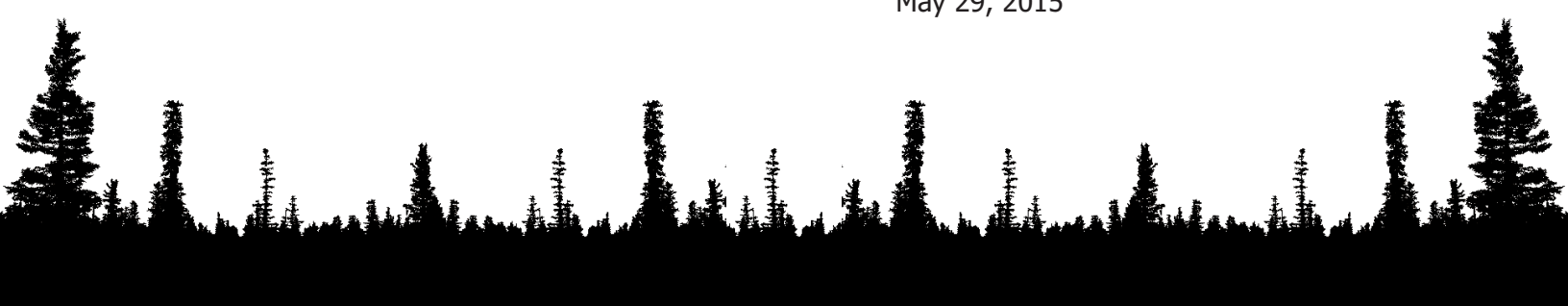
The Council maintains systems in internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the Council's assets are appropriately 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

Yellowknife, Northwest Territories
May 29, 2015



Independent Auditor's Report

To the Directors of Status of Women Council of the Northwest Territories

I have audited the statement of financial statements of The Status of Women Council of the Northwest Territories, which comprise the statements of financial position as at March 31 2015, 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.

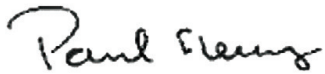
Opinion

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, 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.

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.

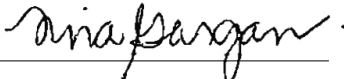


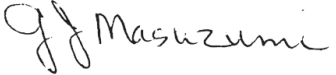
Paul Fleury, CGA
Yellowknife, NWT
May 19, 2015

**Status of Women Council of the Northwest Territories
Statement of Financial Position
as at March 31, 2015**

	<u>2015</u>	<u>2014</u>
Financial assets		
Cash and cash equivalents (Note 4)	\$ 110,562	\$ 183,089
Accounts receivable (Note 5)	74,975	5,554
	<u>185,537</u>	<u>188,643</u>
Liabilities		
Accounts payable and accrued expenses	46,158	52,205
Vacation payable	9,194	19,776
Employee deductions payable	1,272	1,704
Deferred Revenue	2,000	-
Benefits Fund (Note 6)	38,334	38,261
Contingency Fund (Note 7)	42,854	42,772
	<u>139,812</u>	<u>154,718</u>
Net financial assets	<u>45,725</u>	<u>33,925</u>
Non-financial assets		
Capital Assets -Council	3,100	4,040
-Projects	788	1,126
	<u>3,888</u>	<u>5,166</u>
Accumulated Surplus	\$ 49,613	\$ 39,091

Approved on behalf of the Board

 President

 Vice-President

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



**Status of Women Council of the Northwest Territories
Statement of Operations
For the year ended March 31, 2015**

	2015	2014
REVENUE		
Contributions		
Government of the NWT	\$ 567,850	\$ 437,500
Government of Canada	20,904	57,046
Other Revenue		
Administration fees & miscellaneous	9,079	34,022
Contributed Rent	70,870	70,870
	668,703	599,438
EXPENDITURES		
Wages and Benefits	279,343	275,961
Professional development, staff	3,495	650
Contracted Services	83,130	37,533
Participants support	-	200
Honoraria	9,075	5,525
Books, videos, subscriptions	4,106	150
Office supplies & photocopies	5,019	26,188
Supplies and workshops	9,641	7,593
Travel	92,690	31,009
Food service special events	6,080	45,725
Facility rental	8,417	16,452
Contributed rent	70,870	70,870
Bank charges	1,033	1,204
Audit, Legal and accounting	10,625	10,139
Advertising	21,643	29,670
Meetings and conferences	5,546	1,102
Dues & fees	2,165	3,476
Telephone, fax, internet & website	7,823	8,284
Postage & courier	5,363	4,882
Design & printing	11,560	10,066
Project management	9,000	8,700
Amortization	940	632
Administration fees	8,279	2,822
Deferred Expenses	2,000	-
	657,843	598,833
EXCESS REVENUE (EXPENDITURE)	\$ 10,860	\$ 605

The accompanying notes and supplementary schedules are integral part of the financial statements

**Status of Women Council of the Northwest Territories
Statement of Change in Net Financial Assets
for the year ended March 31, 2015**

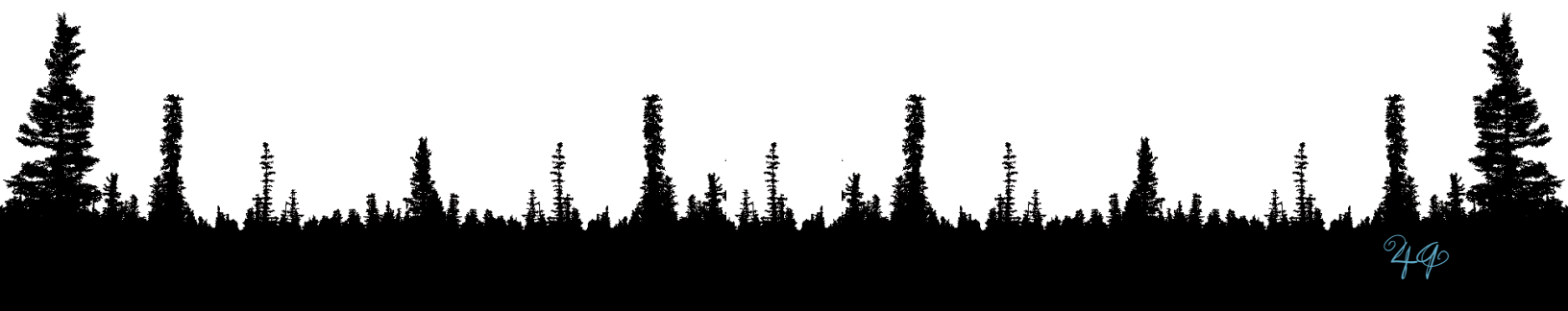
	<u>2015</u>	<u>2014</u>
Annual (deficit) surplus	\$ 10,860	\$ 605
Effect of change in tangible capital assets		
Amortization of tangible Capital assets	940	632
Increase (decrease) in net financial assets	11,800	1,237
Net financial assets at Beginning of year	33,925	32,688
Net financial assets at end of year	\$ 45,725	\$ 33,925

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
for the year ended March 31, 2015**

	2015		2014
Operating Activities			
Excess revenue/ (expenditure)	\$ 10,860	\$	605
Interest earned	155		218
Amortization	940		632
Accounts receivable	(69,421)		46,305
Payables	(15,061)		43,184
	(72,527)		90,944
Investing Activities - Capital Assets	-		-
Change in cash position	(72,527)		90,944
Cash position, beginning of year	183,089		92,145
Cash position, end of year	110,562		183,089
Represented by			
Cash in Bank	17,595	\$	90,276
Guaranteed investment certificates	92,967		92,813
	\$ 110,562	\$	183,089

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.

a) Financial Instruments

The Status of Women Council has reported Financial Instruments as per the requirements of Section 3450 of the Public Sector Accounting Standards Handbook.

b) 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.

c) Tangible Capital Assets

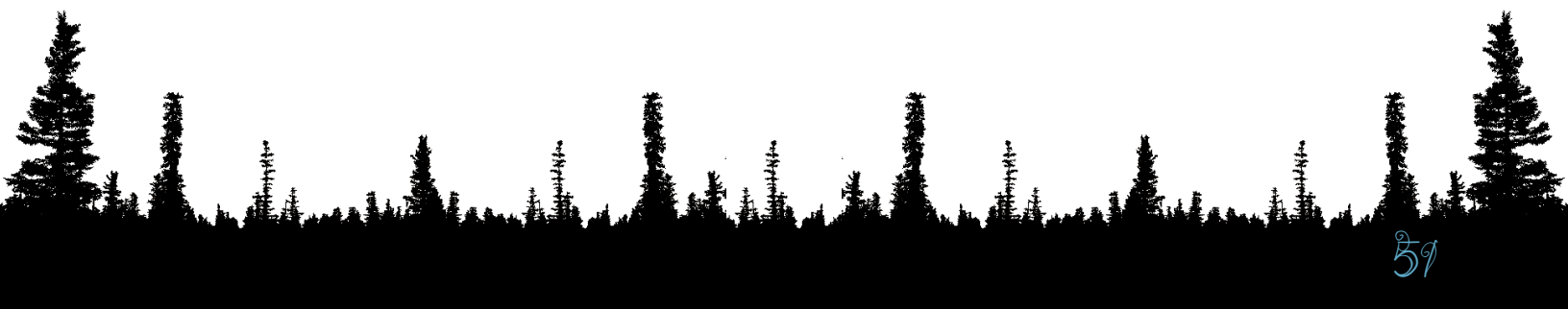
Tangible capital assets are recorded at cost. Tangible capital assets are amortized following the declining balance method at the following annual rates.

Equipment	20%
Computers	30%

d) 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.



**Status of Women Council of the Northwest Territories
Notes to Financial Statements**

March 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Government contributions

Contributions from the Government of the Northwest Territories represent the source of funding for the Council's operating expenses.

Contributions received for operating expenses are recognized as revenues in the fiscal year to which they relate.

f) 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.

g) General revenues

Administrative fees, donations, interest income and other miscellaneous income are recognized on an accrual basis as they are earned.

h) Project income and deferred project income

The Council receives contributions from the Government of The Northwest Territories and the Government of Canada for the delivery of projects. Payments received under these contributions for the delivery of projects which are not completed are recorded as deferred project income.

i) Contract services

Contract services acquired by the Council 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 amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements

**Status of Women Council of the Northwest Territories
Notes to Financial Statements**

March 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Prepaid expenses

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

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.

3. FUTURE ACCOUNTING CHANGES

Liability for Contaminated Sites, Section PS 3260

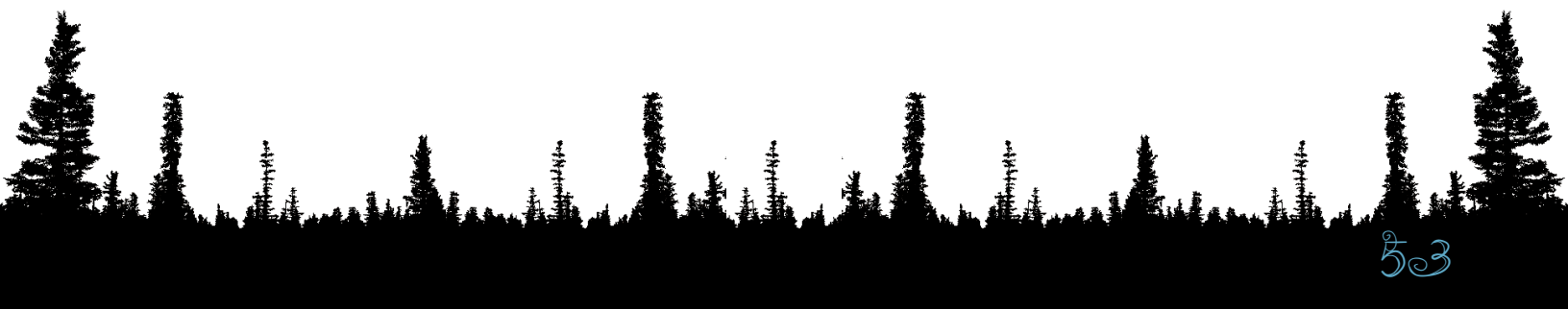
PSAB released Section PS 3260-Liability for Contaminated Sites. This new Section establishes recognition, measurement and disclosure standards relating to contaminated sites of those organizations applying the CICA Public Sector Accounting Handbook.

This section is effective for fiscal periods beginning on or after April 1, 2014.

The Status of Women Council does not own any property and is therefore not affected by this Section

Government Transfers, Section 3410

Section 3410 applies to years beginning on or after April 1, 2015 with earlier adoption permitted. The Status of Women Council has not yet adopted this section. Adoption of Section 3410 is not expected to have an impact on the entity.



**Status of Women Council of the Northwest Territories
Notes to Financial Statements**

March 31, 2015

4. CASH AND CASH EQUIVALENTS

Cash balances are made up as follows:

	<u>2015</u>	<u>2014</u>
Cash	17,595	90,276
Investment Cash Account	<u>92,967</u>	<u>92,813</u>
 Total cash and cash equivalents	 <u>\$ 110,562</u>	 <u>\$ 183,089</u>

5. ACCOUNTS RECEIVABLE

	<u>2015</u>	<u>2014</u>
Project income Government of the NWT	\$ 74,925	\$ 4,985
Other	<u>50</u>	<u>569</u>
 Total accounts receivables	 <u>\$ 74,975</u>	 <u>\$ 5,554</u>

6. 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>2015</u>	<u>2014</u>
Benefits Fund, beginning of year	\$ 38,261	\$ 38,159
Interest earned	<u>73</u>	<u>102</u>
Benefits Fund, end of year	<u>\$ 38,334</u>	<u>\$ 38,261</u>

**Status of Women Council of the Northwest Territories
Notes to Financial Statements**

March 31, 2015

7. CONTINGENCY FUND

The Council created a contingency fund to protect against funding cutbacks.

Information about the fund is as follows:

	<u>2015</u>	<u>2014</u>
Benefits Fund, beginning of year	\$ 42,772	\$ 42,657
Interest earned	82	115
Benefits Fund, end of year	\$ 42,854	\$ 42,772

8. TANGIBLE CAPITAL ASSETS- ASSOCIATION

March 31, 2015	Furniture	Projector	Computer	Total
Cost				
Opening balance	\$ 4,870	\$ 1,125	\$ 28,722	\$ 34,717
Additions	-	-	-	-
Disposals	-	-	-	-
Closing balance	\$ 4,870	\$ 1,125	\$ 28,722	\$ 34,717
Accumulated amortization				
Opening balance	2,153	936	27,588	30,677
Amortization	543	57	340	940
Closing balance	2,696	993	27,928	31,617
Net book value	\$ 2,174	\$ 132	\$ 794	\$ 3,100

March 31, 2014	Furniture	Projector	Computer	Total
Cost				
Opening balance	\$ 2,412	\$ 1,125	\$ 28,721	\$ 32,258
Additions	2,459	-	-	2,459
Disposals	-	-	-	-
Closing balance	\$ 4,871	\$ 1,125	\$ 28,721	\$ 34,717
Accumulated amortization				
Opening balance	2,088	855	27,102	30,045
Amortization	65	81	486	632
Closing balance	2,153	936	27,588	30,677
Net book value	\$ 2,718	\$ 189	\$ 1,133	\$ 4,040

**Status of Women Council of the Northwest Territories
Notes to Financial Statements**

March 31, 2015

9. TANGIBLE CAPITAL ASSETS-PROJECTS

March 31, 2015	Computer
Cost	
Opening balance	\$ 13,664
Additions	-
Disposals	-
Closing balance	<u>\$ 13,664</u>
Accumulated amortization	
Opening balance	12,538
Amortization	338
Closing balance	<u>12,876</u>
Net book value	<u><u>\$ 788</u></u>

March 31, 2014	Computer
Cost	
Opening balance	\$ 13,664
Additions	-
Disposals	-
Closing balance	<u>\$ 13,664</u>
Accumulated amortization	
Opening balance	12,056
Amortization	482
Closing balance	<u>12,538</u>
Net book value	<u><u>\$ 1,126</u></u>

10. ACCUMULATED SURPLUS

	2015	2014
Balance, opening April 1, 2014	\$ 39,091	\$ 36,509
Operating surplus (deficit)	10,860	605
Capital asset addition	-	2,459
Amortization tangible capital assets - projects	(338)	(482)
Balance, closing	<u>\$ 49,613</u>	<u>\$ 39,091</u>

**Status of Women Council of the Northwest Territories
Notes to Financial Statements**

March 31, 2015

11. GOVERNMENT OF THE NORTHWEST TERRITORIES- CONTRIBUTIONS

	2015	2014
Operating contributions	\$ 379,000	\$ 379,000
Other Project contributions	188,850	58,500
Services received without charges	70,870	70,870
	<u>\$ 638,720</u>	<u>\$ 508,370</u>

12. RELATED PARTIES

The Council receives contributions from the Government of the Northwest Territories.

Expenses

Under the terms of administrative agreements, the Government of the Northwest Territories charges for certain support services provided to the Council. The Council reimbursed the Government \$5,363 for Mail Service.

Services received without charges

During the year, the Council operated in office premises provided free of charge by the Government of the Northwest Territories. This service has been valued at \$ 70,870 for the year ended March 31, 2015.

14. CONTINGENT LIABILITIES

Management is not aware of any contingent liabilities outstanding against the Status of Women Council

15. COMMITMENTS

The Council is committed to office equipment leases of \$ 1,904.30 per quarter. Remaining payments on this lease amount to \$ 24,755.90.

**Status of Women Council of the Northwest Territories
Revenue And Expenditure
Period Ending March 31, 2015**

Schedule A

	Core Budget	Core Actual
REVENUE		
GNWT - Core Funding	379,000	379,000
Service Revenue	-	-
Contributed Rent	-	70,870
	379,000	449,870
EXPENSE		
*Wages & Benefits	290,604	279,343
Professional Development - Staff	3,000	3,495
Professional Development - Board	4,500	-
Facilitators /Contractors	1,600	3,000
Honoraria	7,500	9,075
Books	700	4,106
Office Supplies	8,900	3,813
Equipment Rental	-	5,713
Travel Council Directors	14,600	-
Travel Community Worker	3,000	-
Travel F/P/T	5,400	31,218
Bank Charges	800	1,033
Audit	9,000	10,500
Advertising & Promotion	7,806	3,290
Telephone & Fax	5,600	6,401
Postage , Courier , mail service	5,500	2,829
Meeting Expenses/Conference Fees	-	1,713
Food Service Special Events	1,490	3,507
Materials, Resources/Subscriptions	-	255
Workshop Expenses	-	2,560
Design & Printing	3,500	2,262
Computer Services and Internet	5,500	2,165
Amortization	-	940
Facility Rental	-	-
Contributed Rent	-	70,870
	379,000	448,088
NET INCOME (DEFICIENCY)	\$ -	\$ 1,782



**Status of Women Council of the Northwest Territories
Revenue And Expenditure
Period Ending March 31, 2015**

Schedule B

	Donations	Family Violence	FV Educational Series
REVENUE			
GNWT - HSS	-	10,000	50,000
GNWT - Justice (Victims Assistance Fund)	-	15,000	-
GNWT - Executive	-	-	-
GNWT - DAAIR	-	5,000	-
Service Revenue	8,279	-	1,500
Donations, Events Grants	800	-	-
	9,079	30,000	50,000
EXPENSE			
Office supplies - Small Equipment	-	208	-
Research / Contract Fees	-	-	-
Design and Printing	-	8,073	595
Project Management	-	4,000	-
Advertising and promotion	-	10,259	-
Meeting Expenses	-	-	690
Telecommunications	-	543	-
Travel Expenses - General	-	-	32,463
Mail Service	-	2,507	-
Materials, Resources,/Subscriptions	-	606	4,052
Workshop Expenses	-	-	-
Equipment Rental	-	1,904	-
Contract / Research Fees	-	-	9,700
Food Services-Special Events	-	400	2,500
Administration Fees	-	1,500	-
	0	30,000	50,000
NET INCOME (DEFICIENCY)	\$ 9,079	\$ -	\$ -

**Status of Women Council of the Northwest Territories
Revenue And Expenditure
Period Ending March 31, 2015**

Schedule C

	Leadership Workshops	Dehcho Protocol	Victim Awareness Week
REVENUE			
GNWT - HSS	-	89,850	-
GNWT - DAAIR	19,000	-	-
Department of Justice Canada	-	-	5,904
	19,000	89,850	5,904
EXPENSE			
Office supplies - Small Equipment	-	-	-
Design and Printing	-	631	-
Advertising and promotion	2,189	-	5,957
Mail Service	-	27	-
Accommodation - General	-	-	-
Travel - General	10,692	18,317	-
Salaries and wages	-	-	-
Materials, Resources/Subscriptions	553	1,615	-
Telecommunications	-	879	-
Workshop Expenses	-	-	-
Computer Services	-	-	-
Meeting Expenses	3,143	-	-
Research and Contract Fees	-	62,430	-
Facility Rental	800	-	-
Equipment Rental	-	-	-
Food Service-Special Events	500	1,672	-
Awards & Gifts and Hospitality	1,123	-	-
Administration fees	-	4,279	-
	19,000	89,850	5,957
NET INCOME (DEFICIENCY)	\$ -	\$ -	\$ -

**Status of Women Council of the Northwest Territories
Revenue And Expenditure
Period Ending March 31, 2015**

Schedule D

	Community Response to FV (CRVF)	Motivational Interviewing Training
REVENUE		
RCMP	12,000	-
Department of Justice Canada	-	3,000
Donations, Event, Grants	-	-
	12,000	3,000
EXPENSE		
Office supplies - Small Equipment	-	-
Design and Printing	-	-
Advertising and promotion	-	-
Mail Service	-	-
Accomodation - General	-	-
Travel - General	-	-
Project Management	5,000	-
Materials, Resources/Subscriptions	-	-
Telecommunications	-	-
Workshop Expenses	-	-
Meeting Expenses	-	-
Research and Contract Fees	5,000	3,000
Facility Rental	-	-
Equipment Rental	-	-
Food Service - Special Events	-	-
Awards & Gifts and Hospitality	-	-
Deferred Expense	2,000	-
	12,000	3,000
NET INCOME (DEFICIENCY)	\$ -	\$ -



to 9

FUR MARKETING SERVICE REVOLVING FUND

FOR YEAR ENDED MARCH 31, 2015

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 800 trappers take advantage of this program.

(thousands of dollars)

	2014/2015 Actuals	2014/2015 Revised Estimates	2014/2015 Main Estimates	2013/2014 Actuals
Authorized Limit	1,500	1,500	1,500	1,500
Opening Accounts Receivable	927	927	947	953
Advances to Trappers	662	1,000	1,000	988
Repayment of Fur Account Loans	(1,231)	(977)	(977)	(1,015)
Closing Accounts Receivable	357	950	970	927
Cash	(1,227)			(430)
Other Asset Accounts	2			1
Liability Accounts	(3)			(3)
Clearing Accounts	63			63
Closing Balance Fund 12	<u>(808)</u>			<u>558</u>
Authorized limit	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 50, with regards to content, format, completeness, analysis and

reconciliation to SAM data, and its due date of May 14, 2015.

Sawader DFA
May 12, 2014



2014 – 2015 61st ANNUAL REPORT

**NORTHWEST
TERRITORIES
LIQUOR COMMISSION**

TABLE OF CONTENTS

Members of the Legislative Assembly	ii
Minister of Finance	iii
Organization Chart	iv

NORTHWEST TERRITORIES LIQUOR COMMISSION

Director, Liquor Operations Report	7
Mandate	8
Operational Review	9
Strategic Objectives	9
Five Year Performance History	12
Three Year Dollar Sales by Category	13
Three Year Litre Sales by Category	14
Three Year Litre Sales by Distribution Channel	15
Store Operations	16
Statement of Operations by Location	17
Store Locations	19

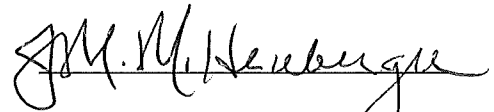
AUDITED FINANCIAL REPORT STATEMENTS

Management's Responsibility for Financial Reporting	23
Auditor's Report	24
Statement of Financial Position	26
Statement of Operations	27
Statement of Accumulated Surplus	28
Statement of Change in Net Financial Resources	29
Statement of Cash Flows	30
Notes to Financial Statement	31

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-first Annual Report for the Northwest Territories Liquor Commission for the fiscal year ending March 31, 2015.



J. Michael Miltenberger
Minister Responsible for the
NWT Liquor Commission

**THE HONOURABLE J. MICHAEL MILTENBERGER
MINISTER OF FINANCE**

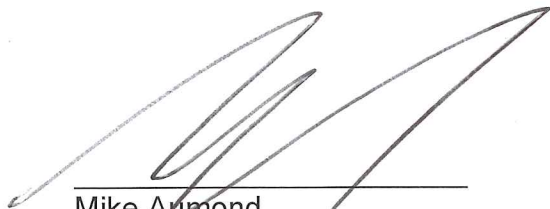
NWT Liquor Commission

Pursuant to Subsection 64 (1) of the *Liquor Act*, we are pleased to submit the sixtieth Annual Report of the Northwest Territories Liquor Commission for the fiscal year ending March 31, 2015.

We wish to express our thanks to our staff for all their support and contributions to the progress of the Commission during the year.

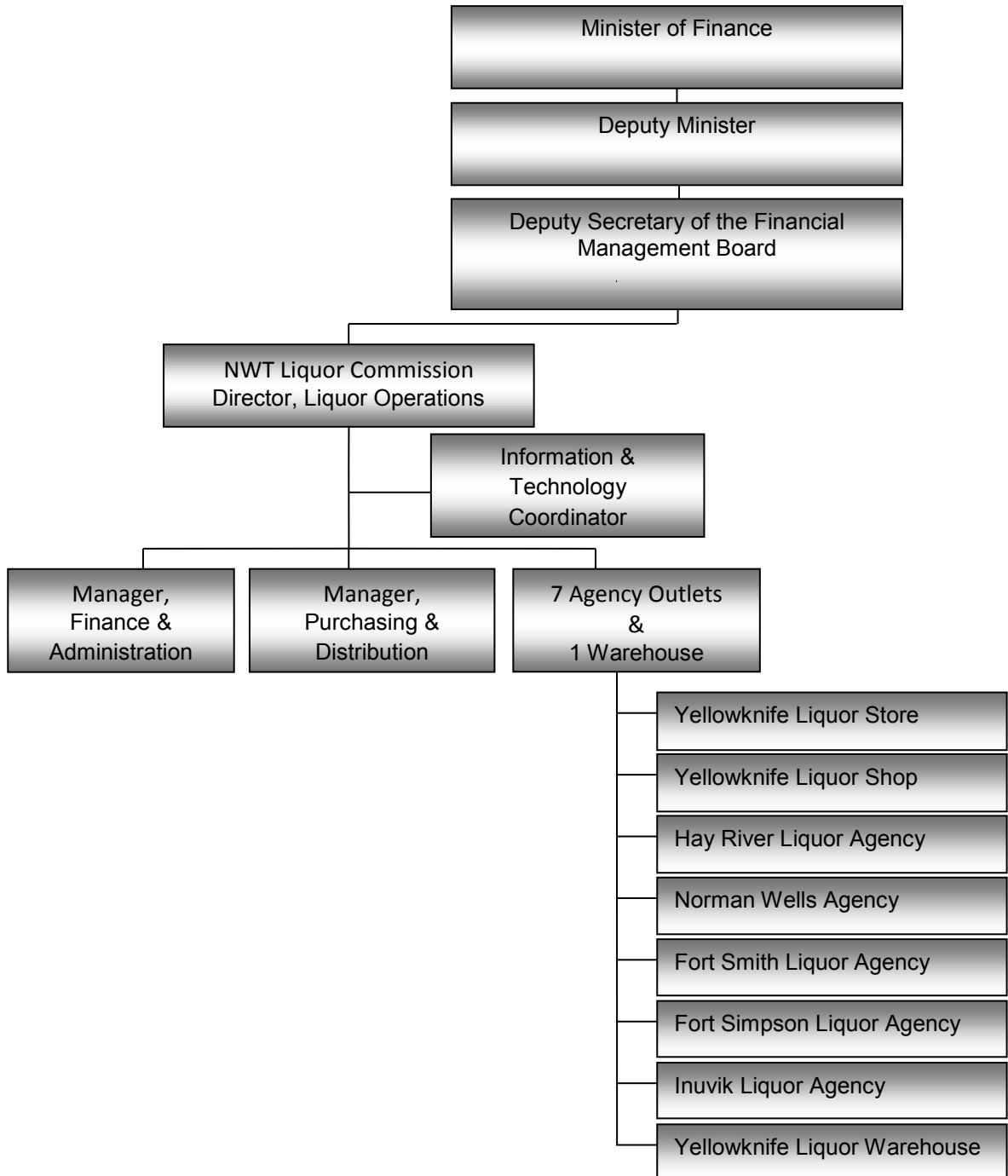


Peter Maher
Director, Liquor Operations
NWT Liquor Commission



Mike Armond
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 3.5% sales growth over the prior year at \$48 million. Budget estimates for the year were achieved; with the annual surplus within .2% of the budget targets. The volume of liquor sold, in litres, was up 1.5% over 2013/14, and \$25 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 2014 – 2015 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

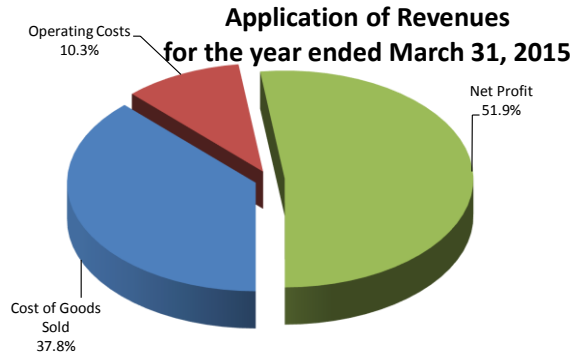
Goal #1

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 nine 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. 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 10.3% of sales revenue, of which 6.8% 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 ask for ID because we care!

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.

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 2.1% higher than the previous fiscal year and .2% within budget targets. Sales volume in litres was approximately 1.5% higher than the previous year. Increase in sales in all locations with the exception of Fort Simpson.

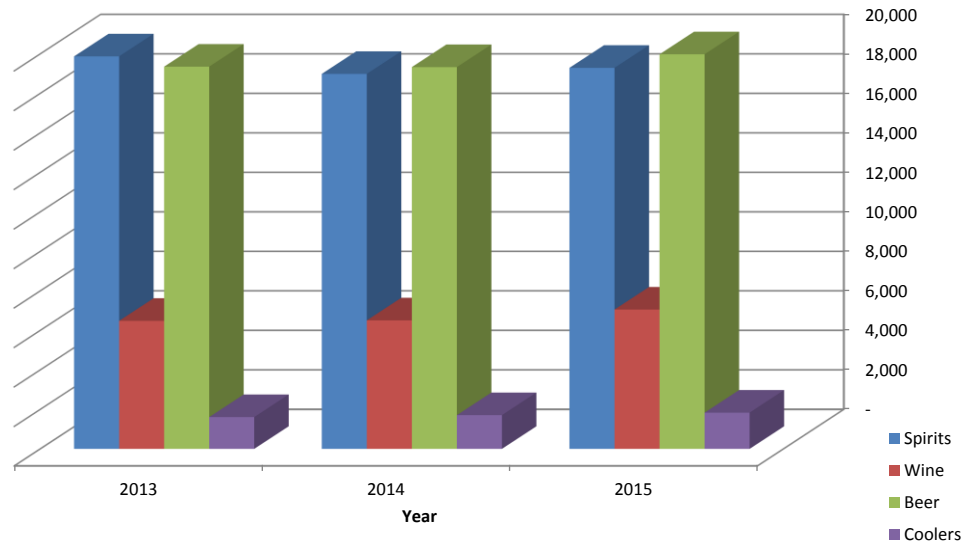
Five Year Performance History

For the year ending March 31st

(\$000's)

	2015	2014	2013	2012	2011
Gross sales	48,157	46,527	47,313	46,300	45,312
Gross profit	29,976	29,350	30,239	29,378	28,782
as a % of sales	62.2	63.1	63.9	63.5	63.5
Net surplus	25,043	24,523	25,441	24,463	24,072
as a % of sales	52.0	52.7	53.8	52.8	53.1
Operating expenses	4,943	4,834	4,807	4,936	4,721
as a % of sales	10.3	10.4	10.2	10.7	10.4

Three Year Dollar Sales Trend by Category

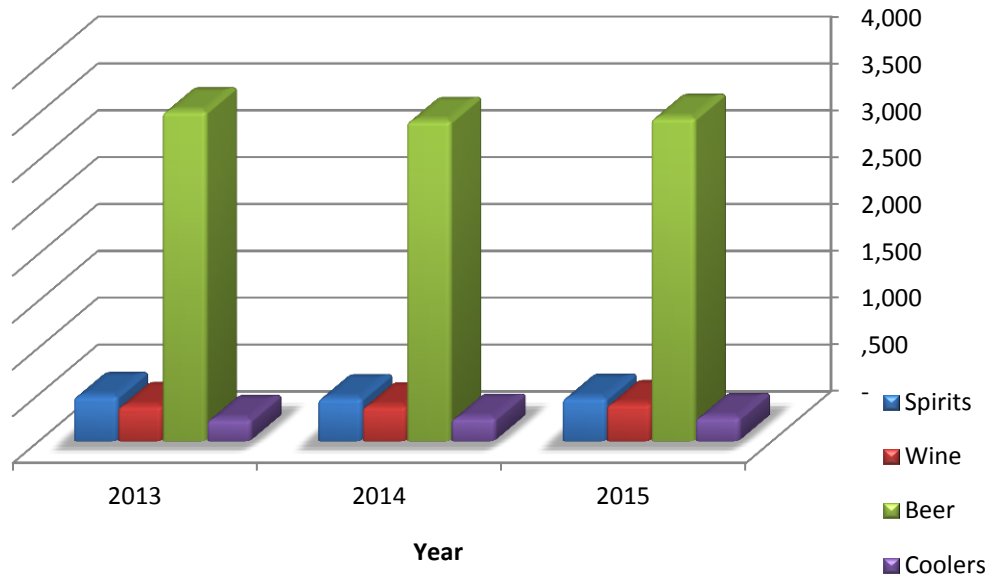


Three Year Dollar Sales by Category
for the year ending March 31

(\$000's)

	Spirits	Wine	Beer	Coolers	Total
2013	19,872	6,482	19,351	1,608	47,313
2014	18,985	6,506	19,329	1,707	46,527
2015	19,292	7,053	19,978	1,834	48,157

Three Year Litre Sales Trend by Category



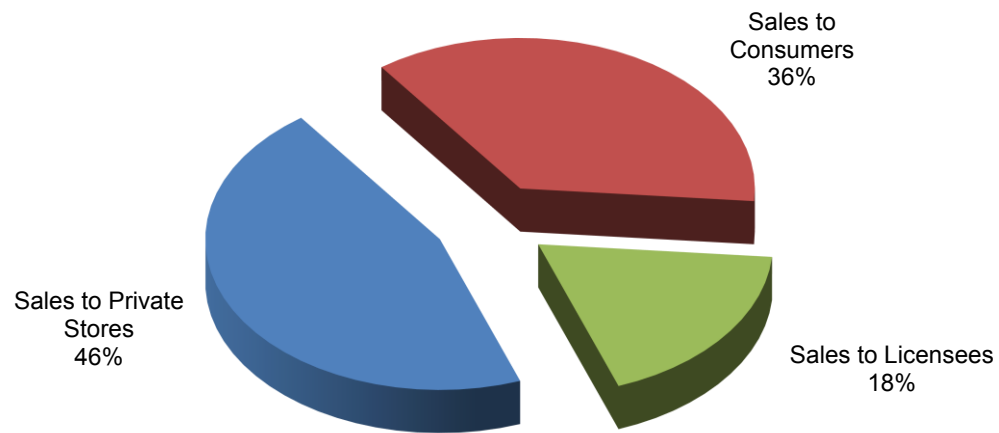
Three Year Litre Sales by Category

for the year ending March 31

(000's)

	Spirits	Wine	Beer	Coolers	Total
2013	470	366	3,510	225	4,571
2014	448	364	3,407	239	4,458
2015	452	387	3,439	246	4,523

Litre Sales by Distribution Channel



Three Year Litre Sales by Distribution Channel

for the year ending March 31

(000's)

	2015	2014	2013
Sales to Private Stores	2,057	2,116	2,116
Sales to Consumers	1,647	1,616	1,625
Sales to Licensees	819	839	884
Total	4,523	4,571	4,625

Three Year Dollar Sales by Distribution Channel

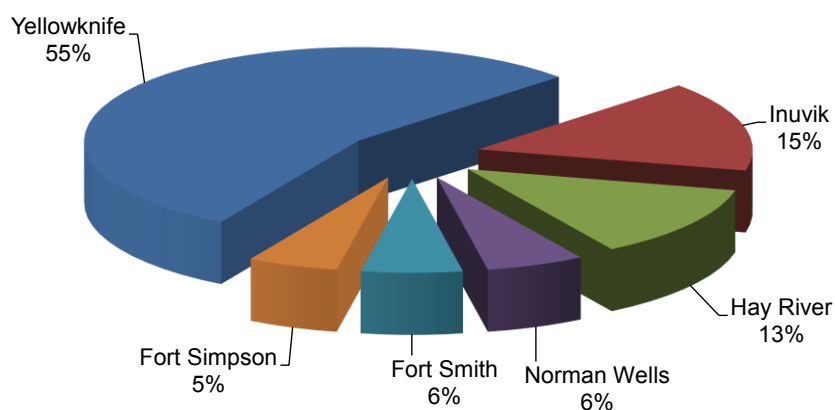
for the year ending March 31

(000's)

	2015	2014	2013
Sales to Private Stores	22,500	21,916	22,539
Sales to Consumers	19,990	19,248	19,025
Sales to Licensees	5,667	5,363	5,749
Total	48,157	46,527	47,313

STORE OPERATIONS

**Location Sales
for the year ending March 31, 2015**



Sales by Location

for the year ended March 31

(\$000's)

	2015	2014	Increase (Decrease)
Yellowknife	\$ 26,275	\$ 25,498	\$ 777
Inuvik	7,479	7,156	323
Hay River	6,050	5,627	423
Norman Wells	2,786	2,745	41
Fort Smith	2,865	2,780	85
Fort Simpson	2,562	2,568	-6
*Other	140	153	-13
Total	\$ 48,157	\$ 46,527	\$ 1630

* 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, 2015 with comparative figures for 2014)
(revenue and expenses directly related to sales per location)

YELLOWKNIFE OPERATIONS

(\$000's)

					2015	2014
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Private Stores	9,204	4,240	8,210	846	22,500	21,916
Licensees	779	517	2,327	152	3,775	3,582
	9,983	4,757	10,537	998	26,275	25,498
Cost of goods sold	2,868	2,280	4,894	476	10,518	9,975
Gross margin	7,115	2,477	5,643	522	15,757	15,523
Other income					-	-
Operating expenses					851	839
Net income					14,906	14,684

INUVIK OPERATIONS

(\$000's)

					2015	2014
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Consumers	3,266	753	2,457	216	6,692	6,427
Licensees	146	41	565	35	787	729
	3,412	794	3,022	251	7,479	7,156
Cost of goods sold	942	335	1,244	110	2,631	2,469
Gross margin	2,470	459	1,778	141	4,848	4,687
Other income					-	-
Operating expenses					799	791
Net income					4,049	3,896

HAY RIVER OPERATIONS

(\$000's)

					2015	2014
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Consumers	2,322	623	2,389	264	5,598	5,266
Licensees	77	36	325	14	452	361
	2,399	659	2,714	278	6,050	5,627
Cost of goods sold	660	267	1,059	119	2,105	1,902
Gross margin	1,739	392	1,655	159	3,945	3,725
Other income					-	-
Operating expenses					647	580
Net income					3,298	3,145

NORMAN WELLS OPERATIONS

(\$000's)

					2015	2014
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Consumers	1,260	197	1,026	67	2,550	2,445
Licensees	44	30	156	6	236	300
	<u>1,304</u>	<u>227</u>	<u>1,182</u>	<u>73</u>	<u>2,786</u>	<u>2,745</u>
Cost of goods sold	<u>359</u>	<u>106</u>	<u>503</u>	<u>34</u>	<u>1,002</u>	<u>967</u>
Gross margin	945	121	679	39	1,784	1,778
Other income					-	-
Operating expenses					<u>496</u>	<u>356</u>
Net income					<u>1,288</u>	<u>1,422</u>

FORT SMITH OPERATIONS

(\$000's)

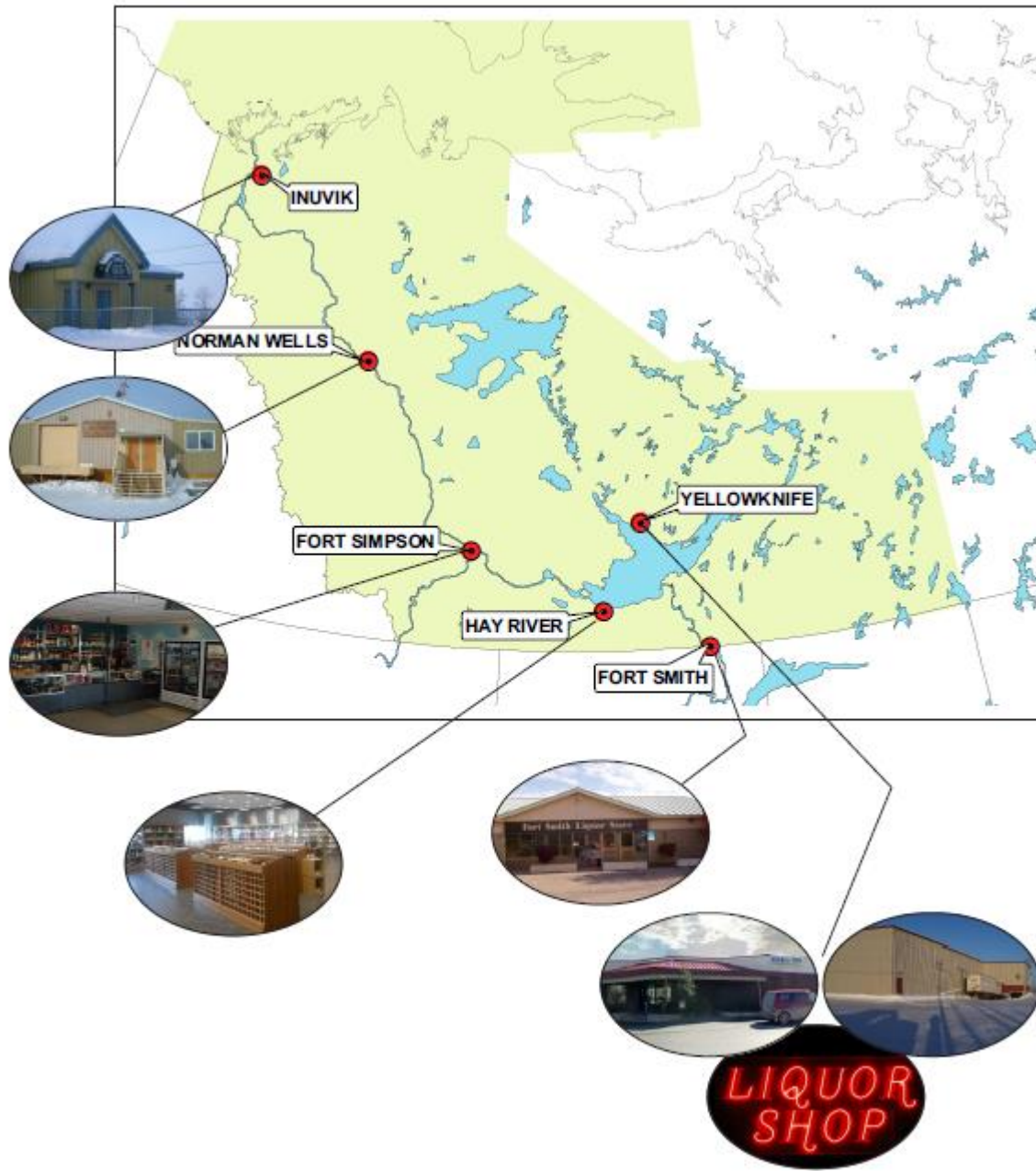
					2015	2014
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Consumers	910	370	1,330	141	2,751	2,652
Licensees	23	2	85	4	114	128
	<u>933</u>	<u>372</u>	<u>1,415</u>	<u>145</u>	<u>2,865</u>	<u>2,780</u>
Cost of goods sold	<u>273</u>	<u>150</u>	<u>545</u>	<u>56</u>	<u>1,024</u>	<u>981</u>
Gross margin	660	222	870	89	1,841	1,799
Other income					-	-
Operating expenses					<u>478</u>	<u>452</u>
Net income					<u>1,363</u>	<u>1,347</u>

FORT SIMPSON OPERATIONS

(\$000's)

					2015	2014
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Consumers	1,214	150	818	77	2,259	2,305
Licensees	32	2	255	13	303	263
	<u>1,247</u>	<u>152</u>	<u>1,073</u>	<u>90</u>	<u>2,562</u>	<u>2,568</u>
Cost of goods sold	<u>323</u>	<u>67</u>	<u>402</u>	<u>42</u>	<u>833</u>	<u>830</u>
Gross margin	924	86	671	48	1,729	1,738
Other income					-	-
Operating expenses					<u>375</u>	<u>328</u>
Net income					<u>1,353</u>	<u>1,410</u>

STORE LOCATIONS



AUDITED FINANCIAL STATEMENTS
2014 – 2015

NORTHWEST TERRITORIES LIQUOR COMMISSION

Financial Statements

Year ended March 31, 2015

NORTHWEST TERRITORIES LIQUOR COMMISSION

Index to Financial Statements

March 31, 2015

Management's Responsibility for Financial Reporting	23
Auditor's Report	24
Statement of Financial Position	26
Statement of Operations	27
Statement of Accumulated Surplus	28
Statement of Change in Net Financial Resources	29
Statement of Cash Flows	30
Notes to Financial Statements	31

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 28, 2015

Chris Polselli, 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, 2015, 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, 2015 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

As required by the *Financial Administration Act* of the Northwest Territories, I report that, in my opinion, 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 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 Part IX of 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 centered on a light green rectangular background.

August 28, 2015
Spruce Grove, Canada

NORTHWEST TERRITORIES LIQUOR COMMISSION

Statement of Financial Position

As at March 31 (\$000)	2015	2014
Financial Assets		
Cash	\$ 2,632	\$ 1,748
Accounts Receivable	28	-
Inventories for resale (note 3)	2,495	2,720
	<u>5,155</u>	<u>4,468</u>
Financial Liabilities		
Accounts payable and accrued liabilities	1,717	1,572
Pension and other employee benefits (note 4)	160	75
Due to the NWT Liquor Licensing Board (note 5)	201	128
	<u>2,078</u>	<u>1,775</u>
Net Financial Resources	<u>3,077</u>	<u>2,693</u>
Non-Financial Assets		
Tangible capital assets (note 6)	575	661
Prepaid Expenses	52	33
	<u>627</u>	<u>694</u>
Accumulated Surplus	<u>\$ 3,704</u>	<u>\$ 3,387</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)	2015		2014
	Budget	Actual	Actual
Sales			
Beer	\$ 19,709	\$ 19,978	\$ 19,329
Spirits	19,197	19,292	18,985
Wine	6,631	7,053	6,506
Coolers and Ciders	1,912	1,834	1,707
	<u>47,449</u>	<u>48,157</u>	<u>46,527</u>
Cost of goods sold			
Beer	8,296	8,647	8,216
Spirits	5,346	5,428	5,294
Wine	2,976	3,268	2,923
Coolers and ciders	751	838	744
	<u>17,369</u>	<u>18,181</u>	<u>17,177</u>
Gross profit on sales	<u>30,080</u>	<u>29,976</u>	<u>29,350</u>
Other income			
Government contribution - services provided without charge (note 7)	-	3	-
Import fees and Income	5	7	7
	<u>5</u>	<u>10</u>	<u>7</u>
Expenses (note 7)			
Commissions to agents	3,079	3,256	2,981
Salaries, wages and employee benefits	1,094	975	1,112
Administration	453	375	384
Travel	35	27	31
Rent	221	219	222
Amortization of tangible capital assets	111	91	104
	<u>4,993</u>	<u>4,943</u>	<u>4,834</u>
Annual surplus	<u>\$ 25,092</u>	<u>\$ 25,043</u>	<u>\$ 24,523</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)	2015		2014
	Budget	Actual	
Accumulated surplus, beginning of the year	\$ 3,387	\$ 3,387	\$ 4,759
Annual surplus	25,092	25,043	24,523
Amounts transferred to the Consolidated Revenue Fund	(24,720)	(24,511)	(25,601)
Amounts Transferred to the NWT Liquor Licensing Board (note 5)	(372)	(215)	(294)
Increase in accumulated surplus	-	317	(1,372)
Accumulated surplus, end of year	\$ 3,387	\$ 3,704	\$ 3,387

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)	2015		2015		2014
	Budget		Actual		
Net financial resources, beginning of the year	\$	2,693	\$	2,693	\$ 3,986
Items affecting net financial resources:					
Increase (decrease) in accumulated surplus		-		317	(1,372)
Net investment in tangible capital assets:					
Acquisitions		-		(5)	(28)
Amortization expense		111		91	104
(Increase) decrease in prepaid expenses		-		(19)	3
Net financial resources, end of year	\$	2,804	\$	3,077	\$ 2,693

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)	2015	2014
Operating activities		
Cash received from customers	\$ 48,136	\$ 46,544
Cash paid to employees and suppliers	(22,594)	(22,777)
Cash provided by operating activities	25,542	23,767
Capital activities		
Purchase of tangible capital assets	(5)	(28)
Financing activities		
Cash transferred to the Consolidated Revenue Fund	(24,511)	(25,601)
Cash Transferred to the NWT Licensing Board	(142)	(295)
Decrease in cash	884	(2,157)
Cash, beginning of year	1,748	3,905
Cash, end of Year	\$ 2,632	\$ 1,748

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

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

March 31, 2015 (\$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, 2015, the Fund's assets exceeded the liabilities by \$3,077 (2014 – \$2,693).

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, 2015 (\$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 for years prior to 2015 were based on management's best estimates using the expected compensation level and employee leave credits. In 2015 these benefits were actuarially determined using the projected unit credit valuation methodology and expected utilization methods. This change has been accounted for in 2015 and no comparative figures have been restated.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

March 31, 2015 (\$000)

3. Inventories for resale

	2015	2014
Spirits	\$ 1,074	\$1,120
Beer	776	929
Wine	537	569
Coolers and ciders	108	102
	\$ 2,495	\$2,720

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, 2015, the employer contribution rates for employees hired before January 1, 2013 is 1.28 (2014 - 1.45) times employee's contributions. The employer's contribution rate for employees hired after January 1, 2013 is 1.28 (2014 - 1.43) 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:

	2015	2014
Commission's contributions (recognized as expense) \$	76 \$	102
Employees' contribution	54	64

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

March 31, 2015 (\$000)

4. Pension and other employee benefits (continued)

b) Other employee benefits

	2015			2014		
	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	\$ 75	\$ -	\$ 75	\$ 73	\$ -	\$ 73
Current period benefit cost	70	65	135	2	74	76
Accretion in liability	1	-	1	-	-	-
Benefits paid during the year	-	(51)	(51)	-	(74)	(74)
Accrued benefit obligation, end of the year	\$ 146	\$ 14	\$ 160	\$ 75	\$ -	\$ 75

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, 2015 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, 2015 (\$000)

4. Pension and other employee benefits (continued)

b) Other employee benefits (continued)

The actuarial valuation at March 31, 2015 reflects management's best estimate based upon a number of future orientated assumptions including:

	<u>2015</u>	<u>2014</u>
Expected inflation rate	2.0%	N/A
Discount rate used to determine the accrued benefit obligation	2.5%	N/A
Expected average remaining service life of related employee groups (EARSL)	8.8	N/A
Expected age at termination	58.6	N/A

2014 balances were not determined actuarially and the comparative figures were not restated because the effect on prior years was not material, as described in note 2(h).

Timing of expected payments for other employee benefits are as follows:

2016	\$ 15
2017	12
2018	12
2019	12
2020	12
2021 and beyond	<u>12</u>
	<u>\$160</u>

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

March 31, 2014 (\$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	2015	2014
Cost:					
Opening balance	\$ 100	\$ 611	\$ 848	\$ 1,559	\$ 1,550
Acquisitions	1	4	-	5	28
Disposals and write-downs	-	-	-	-	(19)
Closing balance	101	615	848	1,564	1,559
Accumulated Amortization:					
Opening balance	(91)	(567)	(240)	(898)	(813)
Amortization	(2)	(31)	(58)	(91)	(104)
Disposals and write-downs	-	-	-	-	19
	(93)	(598)	(298)	(989)	(898)
Net book value	\$ 8	\$ 17	\$ 550	\$ 575	\$ 661

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 \$975 (2014 – \$1,112) 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 (2014 – \$0). 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 \$172 (2014 – \$146) for bottle deposits payable to the Department of Environment and Natural Resources, \$188 (2014 – \$64) for salaries, wages, and employee benefits to the Department of Finance, and \$0 (2014 – \$4) for other government departments.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

March 31, 2014 (\$000)

8. Contractual obligations

The Commission has a five year lease agreement ending April 30, 2016 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:

2015/16	\$ 226
2016/17	\$ 150
2017/18	\$ 143
2018/19	\$ 143
2019/20	\$ 143

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.



2014 – 2015 61st ANNUAL REPORT

**NORTHWEST TERRITORIES
LIQUOR LICENSING BOARD**

&

LIQUOR ENFORCEMENT



TABLE OF CONTENTS

Members of the Legislative Assembly	iii
Minister of Finance (Board)	iv
Minister of Finance (Department)	v
Organization Chart	vi

NORTHWEST TERRITORIES LIQUOR BOARD

Board Chair.....	8
------------------	---

NORTHWEST TERRITORIES LIQUOR LICENSING BOARD

Liquor Licensing Board Report	9
-------------------------------------	---

LIQUOR ENFORCEMENT

Liquor Enforcement Report	14
Community Options	17

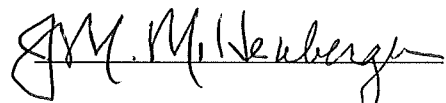
AUDITED FINANCIAL REPORT STATEMENTS

Management's Responsibility for Financial Reporting	24
Auditor's Report	25
Statement of Financial Position	27
Statement of Operations	28
Statement of Accumulated Surplus	29
Statement of Change in Net Financial Resources.....	30
Statement of Cash Flows	31
Notes to Financial Statement	32

MEMBERS OF LEGISLATIVE ASSEMBLY

NWT Liquor Licensing Board Annual Report

I am pleased to present, for the information of the Members of the Legislative Assembly, the 61st Annual Report for the Northwest Territories Liquor Licensing Board for the fiscal year ending March 31, 2015.

A handwritten signature in black ink, appearing to read "J.M. Miltenberger", written over a horizontal line.

J. Michael Miltenberger
Minister Responsible for the
NWT Liquor Commission



**THE HONOURABLE J. MICHAEL MILTENBERGER
MINISTER OF FINANCE**

NWT Liquor Licensing Board Annual Report

Pursuant to section 64(1) of the *Liquor Act*, I am pleased to submit the 61st Annual Report of the Northwest Territories Liquor Licensing Board for the fiscal year ending March 31, 2015.

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
NWT Liquor Licensing Board



THE HONOURABLE J. MICHAEL MILTENBERGER
MINISTER OF FINANCE

NWT Liquor Licensing Board 2014-2015 Annual Report

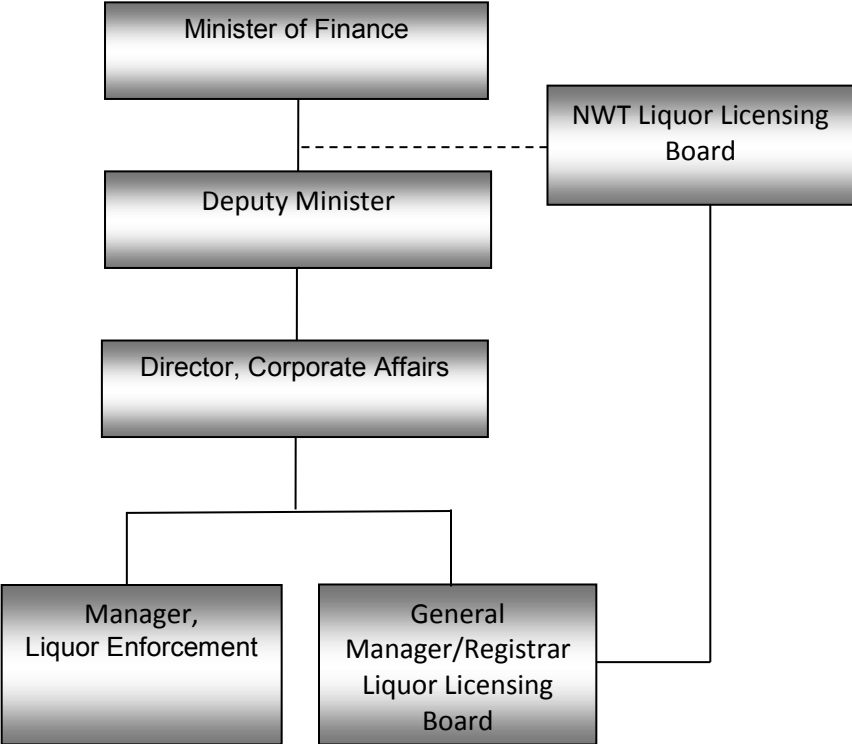
Pursuant to section 64(1) of the *Liquor Act*, I am pleased to submit the 61st Annual Report of the Northwest Territories' Liquor Licensing Board for the fiscal year ending March 31, 2015.

This report contains the activities of Enforcement.



Mike Aumond
Deputy Minister
Department of Finance

ORGANIZATION CHART



**NORTHWEST TERRITORIES
LIQUOR LICENSING BOARD**



BOARD CHAIR'S REPORT

The Northwest Territories Liquor Licensing Board (NWTLLB) is established under Section 4(2) of the Northwest Territories *Liquor Act* to issue licences and permits. The Board is responsible for the regulation of licence holders, permit holders, and the operations of licensed premises and manufacturing facilities.

A handwritten signature in black ink, appearing to read "Colin Baile".

Colin Baile
Chairperson
NWT Liquor Licensing Board

NWT LIQUOR LICENSING BOARD MISSION STATEMENT

The mission of the NWT Liquor Licensing Board is to conduct business to the best of our ability in accordance with the *Liquor Act* and the principals of natural justice.

BOARD MEMBERS (as of MARCH 31, 2015)

Chairperson:	Mr. Colin Baile	Yellowknife
Members:	Ms. Adelle Guigon	Yellowknife
	Mr. Albert Monchuk	Fort Smith
	Mr. Wayne Smith	Inuvik

MEETINGS/PUBLIC HEARINGS

The Board held 6 application hearings to consider 10 requests for new applications or to transfer licences. The Board also considered requests from licence holders for exemptions to the *Liquor Act* and *Regulations* where the Board has the legislative authority to do so.

The Board held three Compliance Hearings under Section 28 of the *Liquor Act* where 6 allegations were lodged against three licence holders. The hearings were held to adjudicate allegations of non-compliance brought forward by Liquor Enforcement. After holding a hearing the Board may dismiss the matter or make an order that it considers appropriate which may include: imposing conditions on the licence holder, disqualifying the licence holder, an associate of the licence holder or the licence holder's on-site manager from eligibility to hold a licence; disqualifying any premises from eligibility to serve as a licensed premises; imposing a compliance penalty on the licence holder not exceeding \$10,000 for the first offence or \$20,000 for a second or subsequent offence and providing for the suspension of the licence until the penalty is paid in full; suspending the licence for a period not exceeding 12 months; and cancelling the licence.

The Board held two administrative meetings to deal with administrative issues such as establishing policies, revision of Board forms, recommending legislative amendments to the Minister; review requests submitted by licence holders; review correspondence written on the Board's behalf and to deal with any other issue brought forward for Board attention or review of an administrative nature.

The Board will hold Compliance Hearings and administrative meetings consecutively in order to reduce travel and honoraria costs.

NWT LIQUOR LICENCES

There are different types of liquor licences available in the NWT.

- **Class A:** (liquor primary) authorizes the licence holder to purchase, sell, possess, transport and use liquor for patrons in licensed premises where the licence holder operates a bar or similar business to generate revenue primarily from the sale and service of liquor where the bar or similar business is located.
- **Class B:** (food primary) authorizes the licence holder to purchase, sell, possess, transport and use liquor for patrons in the licensed premises where the licence holder operates a restaurant or similar business to generate revenue primarily from the sale and service of meals.
- **Class C:** (mobile) authorizes the licence holder to purchase, sell, possess, transport and use liquor for patrons in one of the following situations:
 - at events hosted by other persons in various premises where the licence holder is generating revenue primarily from the catering of food.
 - on a ship while navigating waters in the NWT.
 - at special events organized by the licensee in premises it rents or uses from time to time for the purpose of generating revenue primarily from the sale and service of entertainment.
- **Class D:** (liquor incidental) authorizes the licence holder who operates a canteen, bed and breakfast, or a facility that provides community, recreational, or cultural activities to purchase, sell, possess, transport and use liquor for its authorized patrons; and for a licence holder who operates a tourist facility without licensed premises to hold a mini-bar extension.

Manufacturing Licence - authorizes the licence holder to manufacture the liquor specified in the licence at the manufacturing facility specified in the licence, to purchase, possess, transport and use that liquor for related purposes and to sell and provide samples of that liquor. The holder of a manufacturing licence shall only sell any liquor manufactured by it to the Commission or a liquor commission or other similar authority located in a jurisdiction 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 specified in the holder's manufacturing licence. No holder of a manufacturer's retail outlet licence shall allow liquor to be sold from the retail outlet except as authorized by the Liquor Regulations and the terms and conditions of the licence. The holder of a manufacturer's retail outlet licence may only sell from the retail outlet liquor that has been manufactured in the facility specified in the holder's manufacturing licence.

The following liquor licences were in effect on March 31, 2015:

Community	Class A	Class B	Class C	Class D
Fort Providence	2	1	0	0
Fort Simpson	2	2	0	2
Fort Smith	1	2	0	2
Hay River	2	5	0	6
Inuvik	2	4	0	4
Norman Wells	3	2	0	2
Yellowknife	16	21	3	9
Other (Lodges)	-	-	-	7
Total	28	37	3	32

LIQUOR LICENSING BOARD COMPLIANCE HEARINGS

The Liquor Licensing Board is a quasi-judicial board that has the power to bring licence holders to a Compliance Hearing to determine why their liquor licence should not be suspended, cancelled and/or have conditions imposed when allegations of violations under the *Liquor Act* or *Regulations* are reported and brought forward at a Compliance Hearing.

The following licence holders appeared before the Liquor Licensing Board at a Compliance Hearing during the period of April 1, 2014 to March 31, 2015. Dispositions vary according to the specifics of each case.

COMPLIANCE HEARINGS

Hearing Date, Licence Holder, Location	Alleged Violation	Board Order
June 4 th , 2014 Woodland Wok & Grill Hay River, NT	Count 1: Fail to purchase liquor from the Liquor Warehouse contrary to <i>Liquor Regulations Section 113(1)</i> Count 2: Fail to separate food and liquor items from invoices to patrons contrary to <i>Liquor Regulations Section 44(2)</i>	Count 1: The Board made an Order that the Licence Holder pay a compliance penalty of \$500.00 Count 2: The Board made an Order that the Licence Holder pay a compliance penalty of \$250.00

<p>February 12th, 2015</p> <p>Coyotes Bar & Grill</p> <p>Yellowknife, NT</p>	<p>Count 1: Serve more than 2 drinks to one person contrary to <i>Liquor Act Regulations 32(1)</i></p> <p>Count 2: Serve alcohol outside operating hours contrary to <i>Liquor Act Regulations Section 47(1)</i></p> <p>Count 3: Staff drinking while on duty contrary to <i>Liquor Act Regulations Section 57</i></p>	<p>Count 1: The Board made an Order that the Licence Holder pay a compliance penalty of \$300.00</p> <p>Count 2: The Board made an Order that the Licence Holder pay a compliance penalty of \$500.00</p> <p>Count 3: The Board made an Order that the Licence Holder pay a penalty of \$500.00</p>
<p>February 13th, 2015</p> <p>Bullocks Bistro</p> <p>Yellowknife, NT</p>	<p>Count 1: Over Occupancy Load contrary to <i>Liquor Act Regulations Section 55(4)</i></p>	<p>Count 1: The Board made an Order that the Licence Holder pay a compliance penalty of \$750.00</p>

SPECIAL OCCASION PERMITS

The Liquor Licensing Board is responsible for the issuance of Special Occasion Permits. There are three types of permits; (a) Class 1 (ordinary), (b) Class 2 (not-for-profit) resale; and (c) Class 3 (fundraising). Permits are issued through contractors in various privately owned companies, hamlets, and government departments.

- **Class 1** (ordinary) allows any person, other than a minor, to apply for a permit, which will allow that individual to serve alcohol.
- **Class 2** (not-for-profit) allows any person, other than a minor to apply for a permit to sell liquor while not making a profit on the sale of the liquor.
- **Class 3** (for-profit) allows the following groups to apply for a permit to sell liquor for a profit:
 - (a) an unincorporated group of persons that:
 - (i) has been in existence for not less than six months
 - (ii) has an executive elected by its members
 - (iii) conducts a community, recreational or cultural activity and does not carry on a trade or business of the pecuniary gain of its members;

- (b) a society incorporated under the *Society's Act*;
- (c) a body incorporated under Part 11 of the *Canada Corporations Act*;
- (d) a service club that holds a premises licence.

In 2014 - 2015 there were 388 ordinary and resale permits issued across the Northwest Territories.

Special Occasion Permits Issued

Community	2014 - 2015		2013 - 2014	
	Resale	Ordinary	Resale	Ordinary
Fort Providence	2	2	-	-
Fort Resolution	3	0	-	-
Fort Simpson	10	0	7	1
Fort Smith	27	6	29	9
Hay River	48	10	73	7
Inuvik	47	2	51	0
Norman Wells	16	1	15	2
Ulukhaktok	0	1	-	-
Yellowknife	119	94	134	122
Total	272	116	309	141

Special Purpose Permits - 3

ADMINISTRATION

The administrative offices for the Liquor Licensing Board, Licensing and Enforcement and Community Options are maintained in Hay River. The office maintains a toll free number (1-800-351-7770) for the benefit of the licence holders and the general public.

NORTHWEST TERRITORIES LIQUOR 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 supervising 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. dining rooms).

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	
	2014 - 2015	2013 - 2014
Fort Providence	1	-
Fort Simpson	3	7
Fort Smith	47	72
Hay River	133	183
Inuvik	164	239
Norman Wells	71	79
Yellowknife	802	779
TOTAL	1221	1359

Fluctuations in the number of inspections performed are affected by the availability of the inspectors. The RCMP also conduct inspections in all communities with licensed premises, however reports are only submitted if an alleged violation is being reported.

SERVER TRAINING

Enforcement offers and conducts server training courses free of charge to licence holders, their staff 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*. The server training course educates the licensees 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 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	2014 - 2015	2013- 2014
Fort Providence	12	5
Fort Simpson	0	0
Fort Smith	8	0
Hay River	59	25
Inuvik	0	0
Norman Wells	0	0
Yellowknife	160	112
Total	239	142

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
Detah	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.

Uluhaktok

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 Uluhaktok 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

Behchokò
Gamètì
Lutsel'Ke

Nahanni Butte
Tsiigehtchic

Whatì
Wekweètì

AUDITED FINANCIAL STATEMENTS
2014 – 2015

NORTHWEST TERRITORIES LIQUOR LICENSING BOARD

Financial Statements

Year ended March 31, 2015

NORTHWEST TERRITORIES LIQUOR LICENSING BOARD

Index to Financial Statements

March 31, 2015

Management's Responsibility for Financial Reporting.....	24
Auditor's Report	25
Statement of Financial Position	27
Statement of Operations	28
Statement of Accumulated Surplus	29
Statement of Change in Net Financial Resources.....	30
Statement of Cash Flow.....	31
Notes to Financial Statements.....	32

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of the financial statements of the Northwest Territories Liquor Licensing Board (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 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 Board.



Colin Baile
Chairman, NWT Liquor Licensing Board
August 28, 2015

Chris Polselli, 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

Report on the Financial Statements

I have audited the accompanying financial statements of the Northwest Territories Liquor Licensing Board, which comprise the statement of financial position as at March 31, 2015, and the statements of operations, accumulated surplus, and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Northwest Territories Liquor Licensing Board as at March 31, 2015, the results of its operations, 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

As required by the *Financial Administration Act* of the Northwest Territories, I report that, in my opinion, 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 Liquor Licensing Board and the financial statements are in agreement therewith. In addition, the transactions of the Northwest Territories Liquor Licensing Board 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) and the *Liquor Act* of the Northwest Territories (and regulations).



August 28, 2015
Spruce Grove, Canada

NORTHWEST TERRITORIES LIQUOR LICENSING BOARD

Statement of Financial Position

As at March 31 (\$000)	2015		2014	
Financial Assets				
Accounts Receivable	\$	-	\$	5
Due from NWT Liquor Commission (note 3)		201		128
		<u>201</u>		<u>133</u>
Financial Liabilities				
Accounts Payable		169		85
Pension and other employee benefits (note 4)		12		28
Deferred Revenue		23		20
		<u>204</u>		<u>133</u>
Net financial resources		<u>(3)</u>		<u>-</u>
Non-financial Assets				
Prepaid Expenses		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
Chairman, Liquor Licensing Board

NORTHWEST TERRITORIES LIQUOR LICENSING BOARD

Statement of Operations

For the year ended March 31, (\$000)	2015	2015	2014
	Budget	Actual	Actual
Other income			
License fees and permits	\$ 442	\$ 375	\$ 373
Government contribution – services provided without charge (note 6)	-	11	13
	442	386	386
Expenses (notes 5 and 6)			
Salaries, wages and employee benefits	531	379	493
Administration	30	26	21
Travel	75	25	34
Inspector's Fees	68	45	53
Professional Fees	29	20	19
Rent (note 5)	31	72	27
Honoraria	50	34	33
	814	601	680
Annual Surplus (loss)	\$ (372)	\$ (215)	\$ (294)

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

NORTHWEST TERRITORIES LIQUOR LICENSING BOARD

Statement of Accumulated Surplus

For the year ended March 31, (\$000)	2015	2014
Accumulated surplus, beginning of year	\$ -	\$ -
Annual Surplus (loss)	(215)	(294)
Amounts transferred from the NWT Liquor Commission	215	294
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

Statement of Change in Net Financial Resources

For the year ended March 31 (\$000)	2015 Budget	2015 Actual	2014
Net financial resources, beginning of the year	\$ -	\$ -	\$ -
Items affecting net financial resources:			
Increase (decrease) in accumulated surplus	-	-	-
Net investment in tangible capital assets:			
Acquisitions	-	-	-
Amortization expense	-	-	-
(Decrease) increase in prepaid expenses	-	(3)	-
Net financial resources, end of year	\$ -	\$ (3)	\$ -

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

NORTHWEST TERRITORIES LIQUOR LICENSING BOARD

Statement of Cash Flow

For the year ended March 31, (\$000)	2015	2014
Operating transactions		
Cash received from customers	\$ 383	\$ 377
Cash paid to employees and suppliers	(525)	(672)
Cash provided by operating transactions	(142)	(295)
Financing transactions		
Cash transferred from the NWT Liquor Commission	142	295
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

Notes to Financial Statements

March 31, 2015 (\$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. In addition this member, with other staff, is also responsible for the co-ordination of the enforcement program under the Act. The financial activities of the Board are administered by the Northwest Territories Liquor Commission (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 provides for the financial administration of 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, 2015, the Fund's assets exceeded the liabilities by \$3,077 (2014 – \$2,693).

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.

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

Notes to Financial Statements

March 31, 2015 (\$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

The Board 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 for years prior to 2015 were based on management’s best estimates using the expected compensation level and employee leave credits. In 2015 these benefits were actuarially determined using the projected unit credit valuation methodology and expected utilization methods. This change has been accounted for in 2015 and no comparative figures have been restated.

3. Due from NWT Liquor Commission

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 tangible capital assets for the use by the Board without charge.

NORTHWEST TERRITORIES LIQUOR LICENSING BOARD

Notes to Financial Statements

March 31, 2015 (\$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, 2015, the employer contribution rates for employees hired before January 1, 2013 is 1.28 (2014 - 1.45) times employee's contributions. The employer's contribution rate for employees hired after January 1, 2013 is 1.28 (2014 - 1.43) times employee's contributions.

The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation. The Board & Enforcement's and employees' contributions to the Plan for the year were as follows:

	2015	2014
Employer's contributions (recognized as expense)	\$ 38	\$ 42
Employee's contribution	27	27

b) Other employee benefits

	Severance and Removal Obligation			Severance and Removal Obligation		
	Accumulated Sick & Special Obligation	Total		Accumulated Sick & Special Obligation	Total	
Accrued benefit obligation, beginning of the year	\$ 28	\$ -	\$ 28	\$ 27	\$ -	\$ 27
Current period benefit cost	7	24	31	1	32	34
Accretion in liability	1	-	1	-	-	-
Benefits paid during the year	(28)	(20)	(48)	-	(32)	(32)
Accrued benefit obligation, end of the year	\$ 8	\$ 4	\$ 12	\$ 28	\$ -	\$ 28

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.

NORTHWEST TERRITORIES LIQUOR LICENSING BOARD

Notes to Financial Statements

March 31, 2015 (\$000)

4. Pension and other employee benefits, continued

b) Other employee benefits, continued

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, 2015 for the Board's other employee future benefit plans using the projected benefits method prorated on services.

The actuarial valuation at March 31, 2015 reflects management's best estimate based upon a number of future orientated assumptions including:

	<u>2015</u>	<u>2014</u>
Expected inflation rate	2.0%	N/A
Discount rate used to determine the accrued benefit obligation	2.5%	N/A
Expected average remaining service life of related employee groups (EARSL)	8.8	N/A
Expected age at termination	58.6	N/A

2014 balances were not determined actuarially and the comparative figures were not restated because the effect on prior years was not material, as described in note 2(h).

Time of expected payments for other employee benefits are as follows:

2016	\$ 1
2017	1
2018	1
2019	1
2020	1
2021 and beyond	<u>7</u>
	<u>\$12</u>

NORTHWEST TERRITORIES LIQUOR LICENSING BOARD

Notes to Financial Statements

March 31, 2015 (\$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	
	2015	2014
Expenses (notes 6 and 7)		
Salaries, wages and employee benefits	\$ 225	\$ 363
Travel	4	9
Professional Fees	-	-
Rent	42	19
Inspector's Fees	45	53
Honoraria	-	-
Other	16	13
	<hr/>	<hr/>
	332	457
	<hr/>	<hr/>
Annual Surplus (loss)	\$ (332)	\$ (457)

(b) Rent Expense

Rent expense in 2015 includes retroactive charges by the landlord, related to the following years:

2011/12	\$ 7
2012/13	\$ 8
2013/14	<u>\$13</u>
	\$28

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 \$379 (2014 - \$493) related to salaries, wages, and employee benefits for the Board's employees and \$34 (2014 - \$33) related to honoraria for Board members. The Board reimburses the Department of Finance for these costs.

The Department of Justice provides the Board with legal services without charge. The total cost of these services has been estimated to be \$11 (2014 - \$13). The cost of the services noted above has been recognized on the statement of operations.

Included in accounts payable and accrued liabilities is \$104 (2014 - \$41) for salaries, wages, and employee benefits, and honorariums.

NORTHWEST TERRITORIES LIQUOR LICENSING BOARD

Notes to Financial Statements

March 31, 2015 (\$000)

7. Contractual obligations

The Board has a five year lease agreement ending April 30, 2016 for its Office premises. The minimum annual lease payments for the leases over the next five year(s) are:

2015/16	\$ 35
2016/17	\$ 3
2017/18	\$ -
2018/19	\$ -

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.

Petroleum Products Division

Financial Statements

March 31, 2015

Petroleum Products Division

Financial Statements

March 31, 2015	Page
Management's Responsibility for Financial Reporting	2
Independent Auditors' Report	4 - 5
Statement of Financial Position	6
Statement of Changes in Net Financial Resources (Debt)	7
Statement of Operations	8
Statement of Accumulated Surplus	9
Notes to Financial Statements	10 - 18

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 statement, which has 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 designated 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 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
Petroleum Products Division
Fort Simpson, Northwest Territories
June 26, 2015**



Crowe MacKay LLP
Member Crowe Horwath International
PO Box 727, 5103-51st Street
Yellowknife, NT X1A 2N5
+1.867.920.4404 Tel
+1.867.920.4135 Fax
+1.866.920.4404 Toll Free
www.crowemackay.ca

Independent Auditors' Report

**To the Minister of Public Works and Services
Government of the Northwest Territories**

We have audited the accompanying financial statements of Petroleum Products Division, which comprise the statement of financial position as at March 31, 2015, and the statement of change in net financial resources (debt), the statement of operations, and the statement of accumulated surplus (deficit) 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 Petroleum Products Division as at March 31, 2015 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 Petroleum Products 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 Petroleum Products Division.

Crowe MacKay LLP

Chartered Accountants

**Yellowknife, Northwest Territories
June 26, 2015**

Petroleum Products Division**Statement of Financial Position**

As at March 31, 2015 2014

Financial Assets

Accounts receivable (note 4)	\$ 13,098,875	\$ 8,599,433
Inventories for resale (note 5)	26,453,417	29,316,474
	39,552,292	37,915,907

Liabilities

Accounts payable and accrued liabilities (note 6)	5,704,637	4,147,382
Employee benefits payable	229,069	241,399
Due to the Government of the Northwest Territories (note 7)	32,827,745	33,630,169
	38,761,451	38,018,950
Net Financial Resources (Debt)	790,841	(103,043)

Non-financial Assets

Prepaid expenses	-	1,198
------------------	---	-------

Accumulated Surplus (Deficit)	\$ 790,841	\$ (101,845)
--------------------------------------	-------------------	---------------------

Commitments (note 13)

Approved:



Derrick Briggs, Director

Trevor Ryhorchuk, Comptroller

Petroleum Products Division**Statement of Changes in Net Financial Resources (Debt)**

March 31,	2015	2014
Annual surplus (deficit)	\$ 892,686	\$ (283,826)
Change in prepaid expenses	1,198	108,383
Increase in net financial resources (debt)	893,884	(175,443)
Net financial resources, beginning of year	(103,043)	72,400
Net financial resources (debt), end of year	\$ 790,841	\$ (103,043)

Petroleum Products Division**Statement of Operations**

For the year ended March 31,	2015	2014
Revenues		
Sales of petroleum products (note 9)	\$ 55,821,030	\$ 43,630,793
Cost of sales	48,779,763	37,404,335
Gross margin	7,041,267	6,226,458
Expenditures		
Bad debts (recovered)	10,430	(47,136)
Commissions	2,440,408	2,392,796
Contracts and purchased services	626,980	776,186
Operating and maintenance costs	274,896	371,627
Miscellaneous	89,531	77,249
Salaries, wages and employee benefits	1,956,750	2,085,528
Travel	309,945	310,661
Utilities	443,502	393,860
	6,152,442	6,360,771
Excess (deficiency) of revenues over expenditures before other items	888,825	(134,313)
Other expenses (revenue)		
Other expenses (revenue)	(3,861)	149,513
Grant-in-kind, Government assets provided at no cost (note 8)	(2,723,034)	(2,413,422)
Financing charges (note 8)	570,831	494,072
Tangible capital assets - rent expenses (note 8)	2,152,203	1,919,350
	(3,861)	149,513
Excess (deficiency) of revenues over expenditures	\$ 892,686	\$ (283,826)

Petroleum Products Division

Statement of Accumulated Surplus (Deficit)

March 31,	2015	2014
Stabilization fund, beginning of year	\$ (101,845)	\$ 181,981
Annual surplus (deficit)	892,686	(283,826)
Total Accumulated Surplus (Deficit)	\$ 790,841	\$ (101,845)

Petroleum Products Division

Notes to the Financial Statements

March 31, 2015

1. Authority and Operations

Petroleum Products 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 Petroleum Products 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, 2015 is a surplus of \$790,841 (2014 - deficit of \$101,845).

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.

Petroleum Products Division

Notes to the Financial Statements

March 31, 2015

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

Other than an annual administration fee of \$17,365 charged by Public Works and Services and service charges of \$70,645 charged by Technology Service Centre, following existing practice, 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 \$152,574 (2014 - \$163,525) to the plan which was recognized as an expense while employees contributed \$129,173 (2014 - \$102,965). 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.

Petroleum Products Division

Notes to the Financial Statements

March 31, 2015

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.

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.

Petroleum Products Division

Notes to the Financial Statements

March 31, 2015

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.

4. Accounts receivable

	2015	2014
Commercial and Private Customers	\$ 2,254,866	\$ 1,793,366
Territorial and Municipal Housing Authorities	1,669,435	2,160,773
Government of the Northwest Territories		
Departments and Agencies	749,536	500,999
Northwest Territories Power Corporation	8,722,085	4,375,232
Government of Canada	21,739	77,219
	13,417,461	8,907,589
Less: Allowance for doubtful accounts	318,586	308,156
	\$ 13,098,875	\$ 8,599,433

Petroleum Products Division

Notes to the Financial Statements

March 31, 2015

5. **Inventories for resale**

	2015	2014
Diesel	\$ 21,665,359	\$ 22,815,712
Gasoline	3,961,625	4,762,080
Jet A1	766,625	1,665,482
Naphtha	59,808	73,200
	\$ 26,453,417	\$ 29,316,474

Inventory in the amount of \$48,779,763 (2014 - \$37,404,335) was expensed during the year.

6. **Accounts payable and accrued liabilities**

	2015	2014
Commissions	\$ 214,724	\$ 66,593
Government remittances	328,689	218,378
Petroleum products	4,462,431	3,129,636
Trade payables	198,793	732,775
Offer in settlement of NTCL dispute	500,000	-
	\$ 5,704,637	\$ 4,147,382

A liability of \$500,000 has been recorded at year end in regards to an active dispute with the Northern Transportation Company (NTCL). The dispute is in regards to prices for fuel and delivery charges in the 2012 year.

In December 2014, the Government of the Northwest Territories took responsibility for \$500,000 of the disputed amount, and offered this amount to NTCL to settle the dispute. NTCL has not accepted or rejected this offer, and the parties plan to meet again in July 2015.

As of the financial statement date, the best of estimate of the liability is \$500,000.

Petroleum Products Division

Notes to the Financial Statements

March 31, 2015

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:

	2015	2014
Balance, beginning of year	\$ 33,630,169	\$ 31,141,030
Plus: Payments made by the Government		
Purchases of petroleum products	45,869,287	38,203,067
Other cash disbursement	4,549,877	7,802,119
Less: Cash received by the Government	(51,321,588)	(43,516,047)
	<u>\$ 32,827,745</u>	<u>\$ 33,630,169</u>

8. Grant in kind

Financing charges

Management estimated that the Fund required up to \$50 million in working capital with an estimated financing cost of \$570,831 for the year. (For 2014 they were \$40 million and \$494,072 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:

Fuel storage facilities	30 years straight line, no salvage
Fuel delivery vehicles	10 years straight line, no salvage

	Cost	Accumulated Amortization	2015	2014
Fuel storage facilities	\$ 62,006,190	\$ 24,055,466	\$ 37,950,724	\$ 32,283,537
Fuel delivery vehicles	5,054,392	3,790,147	1,264,245	1,103,086
Construction in process	1,070,386	-	1,070,386	7,918,140
	<u>\$ 68,130,968</u>	<u>\$ 27,845,613</u>	<u>\$ 40,285,355</u>	<u>\$ 41,304,763</u>

Amortization expense for 2015 is \$2,152,203 (2014 - \$1,919,350).

Petroleum Products Division

Notes to the Financial Statements

March 31, 2015

9. Sales of Petroleum Products

	2015	2014
Commercial / Private	\$ 10,745,876	\$ 9,489,103
Territorial Municipalities and Housing Associations	6,920,476	6,743,952
Government of the Northwest Territories		
Northwest Territories Power Corporation	34,995,568	24,270,511
Departments and Agencies	2,972,499	2,783,045
Government of Canada	186,611	344,182
	\$ 55,821,030	\$ 43,630,793

10. 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.

11. 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 landed cost to purchase and deliver petroleum products to its facilities in the communities.

12. Comparative amounts

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

Petroleum Products Division

Notes to the Financial Statements

March 31, 2015

13. 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 April 26, 2013. The prices will be subject to an adjustment factor calculated on June 1st of each year. The contract will terminate in December 2019.

In 2013, the Government entered into a two-year contract 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 is Bassett Petroleum Ltd. This contract will terminate in July 2015.

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. Three contracts were renewed in the fiscal year ending March 31, 2015. Under these contracts, fixed commission rates are paid.

The value of this commitment is estimated at \$4,458,314 as follows:

2016	\$	1,469,572
2017		1,257,848
2018		977,240
2019		753,654
		<hr/>
		\$ 4,458,314

The Fund paid \$2,440,408 (2014 - \$2,392,796) in commissions to local contractors in the 16 communities that they serve.

14. 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 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.

Petroleum Products Division

Notes to the Financial Statements

March 31, 2015

14. Financial Instruments (continued)

(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 the financial assets for a total of \$13,098,875 (2014 - \$8,599,433). Financial assets consist of accounts receivable. All financial assets are considered current and mature within 6 months. At March 31, 2015, 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 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, 2015, receivables from three customers comprised 69% of the total outstanding accounts receivables (2014 - 50%). 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.

(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 \$38,532,382 (2014 - \$37,777,551). 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.

Petroleum Products Division

Year End: March 31, 2015

Trial balance

N.B.:

Adjustments/reclass entries to reconcile to SAM.

Contingent Liability recorded as Accrued Liability in SAM.

Account	Prelim	Adj's	Reclass	03/15
11040 PWS PPD Point of Sale Account	202,623.00	0.00	(202,623.00)	0.00
11.01 Cash	202,623.00	0.00	(202,623.00)	0.00
13010 Accounts Receivable - Sundry	(400,132.20)	0.00	400,132.20	0.00
13040 Revolving Fund Receivables	6,899,257.72	6,518,203.29	0.00	13,417,461.01
13300 Accrued Receivables	0.00	0.00	0.00	0.00
11.02 Accounts receivable	6,499,125.52	6,518,203.29	400,132.20	13,417,461.01
13100 Allowance for Doubtful Acts	(318,585.77)	0.00	0.00	(318,585.77)
11.02.00 Allowance for doubtful accou	(318,585.77)	0.00	0.00	(318,585.77)
16005 Prepaid Expenses	0.00	0.00	0.00	0.00
11.07 Prepaid expenses (and deposits)	0.00	0.00	0.00	0.00
14010 Bulk Fuels	26,729,682.22	(276,265.50)	0.00	26,453,416.72
11.09.01 Inventory #1	26,729,682.22	(276,265.50)	0.00	26,453,416.72
20000 Accounts Payable - Trade	(4,839,612.44)	3,562.12	90,627.23	(4,745,423.09)
20005 Expenses Accrual	(21,829.24)	0.00	0.00	(21,829.24)
20020 Accrued Liabilities	49,820.06	(3,562.12)	(90,627.23)	(44,369.29)
20070 Customer Suspense	97.27	0.00	0.00	97.27
20520 GST Payable	0.00	(286,353.29)	0.00	(286,353.29)
20530 Sundry Payables	2,252.57	(44,587.92)	0.00	(42,335.35)
20540 PPD Commissions Payable	(257,400.81)	192,977.66	0.00	(64,423.15)
28000 Contingent Liability	0.00	(500,000.00)	0.00	(500,000.00)
13.01 Accounts payable and accrued li	(5,066,672.59)	(637,963.55)	0.00	(5,704,636.14)
20200 Income Tax Deductions	(2,023,195.90)	0.00	2,023,195.90	0.00
20201 Canada Pension Plan	(405,463.26)	0.00	405,463.26	0.00
20202 Employment Insurance	(175,260.59)	0.00	175,260.59	0.00
20203 Superannuation	(1,440,918.95)	0.00	1,440,918.95	0.00
20208 Payroll Recoveries	2,491.32	0.00	(2,491.32)	0.00
20211 Sudden Death Benefits	(31,641.24)	0.00	31,641.24	0.00
20213 Bonds	(61,643.59)	0.00	61,643.59	0.00
20215 G S M I P	(85,844.81)	0.00	85,844.81	0.00
20217 Disability Insurance	(107,779.49)	0.00	107,779.49	0.00
20222 P S M I P	(30,558.87)	0.00	30,558.87	0.00
20227 Union NWTTA	(1.62)	0.00	1.62	0.00
20228 Union Dues PSAC	(125,587.40)	0.00	125,587.40	0.00

Account	Prelim	Adj's	Reclass	03/15
20229 Payroll Direct Deposit	(5,533,418.69)	0.00	5,533,418.69	0.00
20231 Requirement to Pay	(22,125.00)	0.00	22,125.00	0.00
20240 Recovery of Territorial Debts	(1,352.77)	0.00	1,352.77	0.00
20248 United Way Contributions	(146.52)	0.00	146.52	0.00
20250 Payroll Tax Liability	(176,433.55)	0.00	176,433.55	0.00
20252 General Payroll Deductions	(3.89)	0.00	3.89	0.00
20253 Social Justice Fund	(2,448.99)	0.00	2,448.99	0.00
20299 Payroll Cheques	(33,385.48)	0.00	33,385.48	0.00
13.02 GST payable/receivable	(10,254,719.29)	0.00	10,254,719.29	0.00
11001 FIN Yellowknife Con Rev (CIBC)	217,211,288.01	0.00	(217,211,288.01)	0.00
11003 FIN Yellowknife Con Rev (RBC)	(218,975,015.04)	0.00	218,975,015.04	0.00
11037 FIN Ft. Smith Con Rev (RBC)	15,543.42	0.00	(15,543.42)	0.00
11047 PWS HQ Revenue Transfer	3,035.59	0.00	(3,035.59)	0.00
99130 Maintenance Worksheet Clearing	(3,319,711.66)	0.00	3,319,711.66	0.00
99140 GNWT Internal Tax Clearing	141,200.47	(141,200.47)	0.00	0.00
99199 Default Clearing	115,470.00	0.00	(115,470.00)	0.00
13.05 Due to/from shareholders	(4,808,189.21)	(141,200.47)	4,949,389.68	0.00
26020 Removal Benefits	(58,139.70)	0.00	0.00	(58,139.70)
26030 Resignation Benefits	(37,852.00)	0.00	0.00	(37,852.00)
26040 Annual Leave Accrual	(125,565.48)	0.00	0.00	(125,565.48)
26050 Lieu Time Accrual	(7,511.74)	0.00	0.00	(7,511.74)
13.98.01 Other current liability #1	(229,068.92)	0.00	0.00	(229,068.92)
2999 Due to Treasurer	(17,795,283.96)	(3,562.12)	(15,028,899.39)	(32,827,745.47)
3501 Purchases of petroleum products by	0.00	0.00	0.00	0.00
3502 Other cash disbursements by GNWT	0.00	0.00	0.00	0.00
3505 Cash receipts by GNWT	0.00	0.00	0.00	0.00
13.98.02 Other current liability #2	(17,795,283.96)	(3,562.12)	(15,028,899.39)	(32,827,745.47)
30000 Accumulated Surplus, opening	474,563.28	0.00	(372,718.78)	101,844.50
15.10.01 Opening/As previously stated	474,563.28	0.00	(372,718.78)	101,844.50
44320 Petroleum Products	(49,496,118.69)	(6,324,910.93)	0.00	(55,821,029.62)
21.02 Sales	(49,496,118.69)	(6,324,910.93)	0.00	(55,821,029.62)
52020 Write Off Expense	0.00	90,782.34	0.00	90,782.34
53390 Fuel for Resale	47,912,715.52	776,265.50	0.00	48,688,981.02
22.01 Cost of Sales (inventory/purcha	47,912,715.52	867,047.84	0.00	48,779,763.36
52010 Bad Debt Expense	10,429.60	0.00	0.00	10,429.60
23.05 Bad debts	10,429.60	0.00	0.00	10,429.60
53210 Freight	74,553.83	0.00	0.00	74,553.83
53220 Delivery & Courier Charges	4,377.69	0.00	0.00	4,377.69
53230 Telecommunications	65,192.73	0.00	0.00	65,192.73

Account	Prelim	Adj's	Reclass	03/15
53240 Postal Services	3,371.81	0.00	0.00	3,371.81
53260 Insurance Services	110,416.08	0.00	0.00	110,416.08
53265 Bank Services	59,309.03	0.00	0.00	59,309.03
53270 Conference & Meeting Services	49.35	0.00	0.00	49.35
53280 Advertising	4,775.58	0.00	0.00	4,775.58
53370 Gasoline	12,738.94	0.00	0.00	12,738.94
53430 Maintenance Contracts	196,733.93	0.00	0.00	196,733.93
53440 Construction Contracts	0.00	0.00	0.00	0.00
53450 Consulting Contracts	7,662.57	(1,348.56)	0.00	6,314.01
53470 Equipment Leases	1,667.71	0.00	0.00	1,667.71
53490 Miscellaneous Contracts	87,479.44	0.00	0.00	87,479.44
23.10 Contract service	628,328.69	(1,348.56)	0.00	626,980.13
53110 Office Supplies	69,346.04	0.00	0.00	69,346.04
53130 Publications & Printing	1,783.19	0.00	0.00	1,783.19
53140 Building/Maintenance Supplies	82,153.72	0.00	0.00	82,153.72
53150 Equipment Supplies/Maintenance	91,046.37	0.00	0.00	91,046.37
53160 Promo/Educational Material	0.00	0.00	0.00	0.00
53170 Clothing/Household Items	446.17	0.00	0.00	446.17
53810 Computer Hardware Purchases	225.00	0.00	0.00	225.00
53820 Computer Software Purchases	5,255.13	0.00	0.00	5,255.13
53830 Computer Parts and Supplies	0.00	0.00	0.00	0.00
53840 Computer Software Support	9,037.44	0.00	0.00	9,037.44
53860 Software Licensing	15,312.78	0.00	0.00	15,312.78
53880 Internet Service	290.06	0.00	0.00	290.06
23.28 Materials	274,895.90	0.00	0.00	274,895.90
50315 Advertising & Recruitment-South	1,188.73	0.00	0.00	1,188.73
53510 Fees	3,301.34	0.00	0.00	3,301.34
53530 License and permits	0.00	0.00	0.00	0.00
53540 Workshops, Training & Dev	1,198.00	0.00	0.00	1,198.00
53620 Interest Expense	35.23	0.00	0.00	35.23
53630 Chargeback Expense	69,820.00	0.00	0.00	69,820.00
53720 Mobile Equipment	12,454.39	0.00	0.00	12,454.39
53730	1,533.00	0.00	0.00	1,533.00
53740 Furniture and Fixtures	0.00	0.00	0.00	0.00
23.31 Miscellaneous	89,530.69	0.00	0.00	89,530.69
50010 Regular Salaries, Perm Empl	1,322,185.31	0.00	0.00	1,322,185.31
50020 Overtime, Permanent Employees	137,707.83	0.00	0.00	137,707.83
50030 Northern Allowance, Perm Empl	105,723.81	0.00	0.00	105,723.81
50040 Employer Share Benefits, Perm	0.00	0.00	0.00	0.00
50050 Misc Compensation, Perm Empl	1,653.87	0.00	0.00	1,653.87
50110 Regular Salaries, Casuals	138,203.90	0.00	0.00	138,203.90
50120 Overtime, Casuals	41,922.11	0.00	0.00	41,922.11
50130 Northern Allowance, Casuals	19,207.30	0.00	0.00	19,207.30
50140 Employer Share Benefits Casual	(122.27)	0.00	0.00	(122.27)

Account	Prelim	Adj's	Reclass	03/15
50210 Dental Premiums	12,849.99	0.00	0.00	12,849.99
50220 WSCC Premiums	8,074.76	0.00	0.00	8,074.76
50230 Relocation (Recruit/Transfer)	15,284.95	0.00	0.00	15,284.95
50250	0.00	0.00	0.00	0.00
50280 Superannuation	152,573.71	0.00	0.00	152,573.71
50310	0.00	0.00	0.00	0.00
50320 Employee Training and Development	0.00	0.00	0.00	0.00
50321 Employee Training (UNW)	200.00	0.00	0.00	200.00
50330 Long Service Awards.	85.00	0.00	0.00	85.00
50335 Retirement	0.00	0.00	0.00	0.00
50340 Employee Recognition Awards	1,200.00	0.00	0.00	1,200.00
23.44 Salaries and related benefits	1,956,750.27	0.00	0.00	1,956,750.27
53010 Airfare	122,154.15	0.00	0.00	122,154.15
53020 Air Charter	31,337.29	0.00	0.00	31,337.29
53030 Ground Transportation	37,993.92	0.00	0.00	37,993.92
53040 Accommodation	63,517.48	0.00	0.00	63,517.48
53050 Meals and Incidentals	39,126.60	0.00	0.00	39,126.60
53070 Other Travel Expenses	15,815.75	0.00	0.00	15,815.75
23.51 Travel and accommodation	309,945.19	0.00	0.00	309,945.19
53310 Electrical Utilities	443,501.80	0.00	0.00	443,501.80
23.53 Utilities	443,501.80	0.00	0.00	443,501.80
53520 Commissions	2,440,408.21	0.00	0.00	2,440,408.21
23.61 Commissions	2,440,408.21	0.00	0.00	2,440,408.21
44840 Sundry Income	(3,861.46)	0.00	0.00	(3,861.46)
24.98.01 Other other income #1	(3,861.46)	0.00	0.00	(3,861.46)
7505 Grant in Kind	0.00	(2,723,034.03)	0.00	(2,723,034.03)
24.98.02 Other other income #2	0.00	(2,723,034.03)	0.00	(2,723,034.03)
9000 Financing Charges	0.00	570,831.03	0.00	570,831.03
24.99.01 Other other expense #1	0.00	570,831.03	0.00	570,831.03
9001 Tangible capital assets - rent expe	0.00	2,152,203.00	0.00	2,152,203.00
24.99.02 Other other expense #2	0.00	2,152,203.00	0.00	2,152,203.00
	0.00	0.00	0.00	0.00
Net Income (Loss)	(4,566,525.72)			892,685.93

5/27/2015

PUBLIC STORES REVOLVING FUND

FOR YEAR ENDED MARCH 31, 2015

**Schedule of Public Stores Revolving Fund Inventories
for the year ended March 31, 2015**

Public Stores	Balance March 31, 2014	Net Receipts	Net Issues	Board of Survey	Inventory (Write-downs) Write-ups	Balance March 31, 2015
Yellowknife	143,429	127,375	(120,854)	-	-	149,950
Total	143,429	127,375	(120,854)	-	-	149,950

for Shelley Adams Sept 16/2015
Steve Lewis, Director Corporate Services



Environment Fund

Financial Statements

March 31, 2015

Environment Fund

Financial Statements

March 31, 2015

	Page
Management Responsibility Statement	3
Independent Auditors' Report	4 - 5
Statement of Operations	6
Statement of Changes in Net Assets	7
Statement of Financial Position	8
Notes to the Financial Statements	9 - 15

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 designated 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

June 25, 2015

Independent Auditors' Report

To the Minister of the Environment Fund

We have audited the accompanying financial statements of the Environment Fund, which comprise the statement of financial position as at March 31, 2015, and the statements of operations and changes in net assets 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 audited, 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 net assets.

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, 2015 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
June 25, 2015

Crowe MacKay LLP
Chartered Accountants

Environment Fund

Statement of Operations

For the year ended March 31,	2015	2014
	\$	\$
Revenues		
Beverage container program	4,994,935	5,086,435
Recoveries	35,017	3,747
Salvage	345,175	-
Single-use retail bag program	561,857	615,203
	5,936,984	5,705,385
Expenditures		
Advertising and promotion	21,154	1,740
Contract service - miscellaneous	94,838	30,640
Contract service - satellite depots	81,292	69,284
Depot handling fee	641,143	662,879
E-waste fee	21,000	12,000
Equipment, supplies and maintenance	193,378	78,581
Freight	337,863	323,925
Grants and contributions	259,271	139,103
Insurance	4,125	8,000
Memberships	8,091	9,071
Office	17,127	10,254
Processing centre handling fee	566,160	585,720
Professional fees	60,311	37,471
Refundable deposit fee	2,805,887	2,929,342
Storage	81,894	56,724
Travel and training	31,554	32,453
Wages and benefits (note 4)	198,388	518,175
	5,423,476	5,505,362
Excess of revenues over expenditures before other item	513,508	200,023
Other income		
Interest	41,849	28,420
Excess of revenues over expenditures	\$ 555,357	\$ 228,443

Environment Fund**Statement of Changes in Net Assets**

For the year ended March 31, 2015

	Unrestricted	Equipment replacement reserve	Total 2015	Total 2014
	\$	\$	\$	\$
Balance, beginning of year	1,536,668	434,431	1,971,099	1,742,656
Excess of revenues over expenditures	555,357	-	555,357	228,443
Transfers (Note 2c)	(59,511)	59,511	-	-
Balance, end of year	2,032,514	493,942	2,526,456	1,971,099

Environment Fund

Statement of Financial Position

March 31,	2015	2014
	\$	\$
Financial Assets		
Accounts receivable	747,323	797,449
Due from treasury (note 5)	3,110,971	2,539,834
Loans receivable (note 6)	472	472
	3,858,766	3,337,755
Liabilities		
Accounts payable and accrued liabilities	559,122	593,468
Unredeemed container liability (note 8)	773,188	773,188
	1,332,310	1,366,656
Net financial assets	\$ 2,526,456	\$ 1,971,099
Fund balances		
Unrestricted	2,032,514	1,536,668
Equipment replacement reserve	493,942	434,431
	2,526,456	1,971,099

Approved on behalf of the fund:



Deputy Minister



Director, Finance and Administration

Environment Fund

Notes to the Financial Statements

March 31, 2015

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 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 two 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 two 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, 2015

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 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 Chartered Professional Accountants Canada. 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 and Single-use Retail Bag Program revenue is recognized when beverage containers and single use retail bags are sold by distributors to retailers. Recoveries and salvage revenue from recycled materials are recognized when 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 2015 transfer is \$59,511 (2014 - \$53,679). 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, 2015

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 from 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, 2015

2. Significant accounting policies (continued)

(h) Measurement uncertainty

The preparation of financial statements in conformity with PSA-NPO 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 reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Accounts specifically affected by estimates in these financial statements are unredeemed container liability and refundable deposit fees expense. It is not possible to estimate the uncertainty as it is not possible to determine the number of unredeemed containers in the Northwest Territories.

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

Environment Fund

Notes to the Financial Statements

March 31, 2015

4. Wages and benefits

During the year the Department of Environment and Natural Resources allocated funds to directly pay a significant portion of the payroll for the Fund. This is expected to be a one time reduction of wages and benefits. The details of the transaction are noted below.

	2015	2014
	\$	\$
Wages and benefits	660,339	518,175
Reduction of wages and benefits by the Department of Environment and Natural Resources	(461,951)	-
	198,388	518,175

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.

6. Loan receivable

The Fund loaned two bottle depot operators funds to be used to pay persons returning empty beverage containers to the depots and to secure additional space for depot operations. One of the loans was fully repaid during the prior year. The outstanding loan is a non-interest bearing loan with an amount currently outstanding of \$472 and is repayable in monthly installments of \$139, the loan was due on February 1, 2010 and is currently in arrears. As a result the Fund will recover the amount in arrears via equal monthly holdbacks against the grant owed in the 2016 fiscal year.

As the full amount of the loans receivable is due within one year, it has been classified as current as at March 31, 2015.

7. 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.

Environment Fund

Notes to the Financial Statements

March 31, 2015

8. 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.

9. Comparative figures

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

10. 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, 2015

11. 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 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 \$747,323 (2014 - \$797,449). 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, 2015, receivables from three customers comprised 45% of the total outstanding accounts receivables (2014 - 57%). The Fund reduces this risk by monitoring overdue balances.

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND
Yellowknife, NT**

**FINANCIAL STATEMENTS
For the Year Ended March 31, 2015**

TABLE OF CONTENTS

Managements' Responsibility for Financial Reporting

Independent Auditors' Report

Statement of Financial Position 1

Statement of Changes in Net Assets Available for Benefits 2

Statement of Changes in Pension Obligations 3

Notes to the Financial Statements 4 - 13



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:

Jackie Jacobson, Speaker

Tim Mercer, Clerk

May 20, 2015

INDEPENDENT AUDITOR'S 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, 2015 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, 2015 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 26, 2015




Ashton Chartered Accountants

**LEGISLATIVE ASSEMBLY RETIRING
ALLOWANCE FUND**

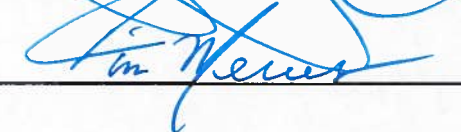
STATEMENT OF FINANCIAL POSITION
March 31, 2015

	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT		
Accounts Receivable (Note 3)	\$ 22,848	\$ 26,324
Accrued Interest Income	<u>33,935</u>	<u>33,602</u>
	56,783	59,926
INVESTMENTS (Note 4)	<u>26,172,327</u>	<u>23,073,944</u>
	<u>\$ 26,229,110</u>	<u>\$ 23,133,870</u>
LIABILITIES		
CURRENT		
Accounts Payable	<u>\$ 41,550</u>	<u>\$ 47,585</u>
NET ASSETS AVAILABLE FOR BENEFITS per page 2	26,187,559	23,086,285
PENSION OBLIGATIONS per page 3 (Note 5)	<u>20,021,100</u>	<u>19,083,400</u>
PENSION PLAN FUND SURPLUS	<u>\$ 6,166,459</u>	<u>\$ 4,002,885</u>

APPROVED



Speaker



Clerk

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Year Ended March 31, 2015**

	<u>2015</u>	<u>2014</u>
INCREASE IN ASSETS		
Contributions:		
Members	206,031	200,836
In-Kind Contributions	<u>6,000</u>	<u>9,625</u>
	<u>212,031</u>	<u>210,461</u>
Investment Income:		
Interest	302,302	304,357
Dividends	385,479	300,340
Gain on Sale of Investments	<u>1,399,746</u>	<u>625,643</u>
	2,087,527	1,230,340
Current Period Change in Fair Values of Investments	<u>1,740,186</u>	<u>1,619,789</u>
Net Investment Income	<u>3,827,713</u>	<u>2,850,129</u>
Total Increase in Assets	<u>4,039,744</u>	<u>3,060,590</u>
DECREASE IN ASSETS		
Benefits		
Pension Payments	775,456	751,149
Termination/Lump sum Payments	<u>-</u>	<u>-</u>
Total Benefits	<u>775,456</u>	<u>751,149</u>
Administrative		
Actuary Fees	42,186	53,864
Audit Fees	6,000	9,625
Investment Management Fees	71,581	63,415
Meeting Travel & Accommodation	8,683	11,928
Trustee Fees	<u>34,564</u>	<u>32,541</u>
Total Administrative	<u>163,014</u>	<u>171,373</u>
Total Decrease in Assets	<u>938,470</u>	<u>922,522</u>
INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS	\$ 3,101,274	\$ 2,138,068
NET ASSETS AVAILABLE FOR BENEFITS		
BEGINNING OF YEAR	<u>23,086,285</u>	<u>20,948,217</u>
END OF YEAR	<u>\$ 26,187,559</u>	<u>\$ 23,086,285</u>

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

STATEMENT OF CHANGES IN PENSION OBLIGATIONS
For the Year Ended March 31, 2015

	<u>2015</u>	<u>2014</u>
INCREASE IN PENSION OBLIGATIONS		
Interest accrued on benefits	\$ 934,700	\$ 838,000
Benefits accrued	776,000	710,000
Changes in Mortality Assumption	<u>-</u>	<u>1,163,500</u>
	<u>1,710,700</u>	<u>2,711,500</u>
DECREASE IN PENSION OBLIGATIONS		
Benefits Paid	\$ 773,000	\$ 747,000
Experience gains	<u>-</u>	<u>-</u>
	<u>773,000</u>	<u>747,000</u>
INCREASE IN PENSION OBLIGATIONS	937,700	1,964,500
PENSION OBLIGATIONS, BEGINNING OF YEAR	<u>19,083,400</u>	<u>17,118,900</u>
PENSION OBLIGATIONS, END OF YEAR	<u>\$ 20,021,100</u>	<u>\$ 19,083,400</u>
AS REPRESENTED BY		
Active Members	\$ 7,102,200	\$ 6,000,900
Pensioners & Terminated Members	<u>12,918,900</u>	<u>13,082,500</u>
	<u>\$ 20,021,100</u>	<u>\$ 19,083,400</u>

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended March 31, 2015

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, 2015

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

2% 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, 2015**

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, 2015

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for pension plans. The Significant polices 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, 2015**

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 principles 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, 2015**

3. ACCOUNTS RECEIVABLE

	2015	2014
Member Contributions	\$ 16,848	\$ 16,699
In-Kind Contributions- GNWT	6,000	9,625
	\$ 22,848	\$ 26,324

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	2015 Market	Cost	2014 Market
Cash & Cash Equivalents	474,285	474,285	143,677	143,677
Canadian Equity Mutual Funds	5,612,979	6,443,956	5,039,944	6,061,835
International Equity Mutual Funds	6,426,521	9,055,640	6,041,271	7,694,422
Temporary Investments	62,652	62,652	66,948	66,948
Canadian Fixed Income Funds	5,407,864	5,818,139	5,334,264	5,180,700
Government of Canada Bonds	2,628,822	3,691,683	2,628,822	3,374,937
Province of Ontario Bonds	430,653	625,972	430,653	551,425
	\$ 21,043,776	\$ 26,172,327	\$ 19,685,579	\$ 23,073,944

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, 2015**

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:

	<u>2015</u>	<u>2014</u>
Level 1	<u>\$ 26,172,327</u>	<u>\$ 23,073,944</u>

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.

	<u>2015</u>	<u>2014</u>
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, 2015 has been obtained using a measurement date of January 31, 2015 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, 2015

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, 2015**

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, 2015**

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, 2015, the Plan is not in violation of any externally imposed legal or regulatory requirements.

8. AUTHORIZATION

On May 26, 2015, the Board of Management authorized the issue of the financial statements for the year ended March 31, 2015.

**THE NATURAL RESOURCES
CONSERVATION TRUST FUND**
Yellowknife, NT

FINANCIAL STATEMENTS
For the year ended March 31, 2015

TABLE OF CONTENTS

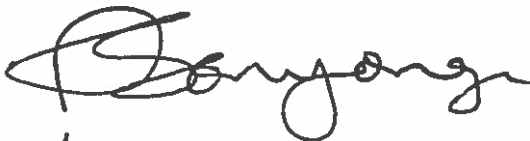
	Page
Management's Responsibility for Reporting	
Independent Auditor's Report	
Statement of Financial Position	1
Statement of Changes in Net Assets	2
Statement of Operations	3
Notes to the Financial Statements	4 - 5

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. 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.



A/ Director

July 2, 2015



VERY, COOPER & Co.
Certified General Accountants

Toll-Free: 1-800-661-0787
Website: www.averycooper.com

Gerald F. Avery, FCGA
W. Brent Hinchey, B. Comm., C.G.A.
Cathy A. Cudmore, B. Rec, C.G.A.

4918 - 50th Street, P.O. Box 1620
Yellowknife, NT X1A 2P2
Telephone: (867) 873-3441
Facsimile: (867) 873-2353

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, 2015, 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, 2015, 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.

Avery, Cooper & Co.
Certified General Accountants
Yellowknife, NT

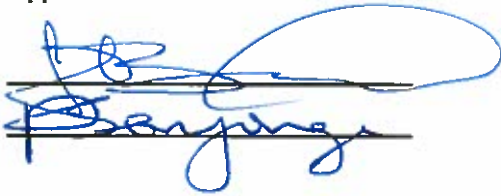
July 2, 2015

THE NATURAL RESOURCES CONSERVATION TRUST FUND

STATEMENT OF FINANCIAL POSITION March 31, 2015

	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT		
Cash	<u>\$ 235,926</u>	<u>\$ 234,559</u>
LIABILITY		
CURRENT		
Accounts payable and accrued liabilities	\$ 2,500	\$ 1,500
FUND BALANCES		
BALANCE per page 2	<u>233,426</u>	<u>233,059</u>
	<u>\$ 235,926</u>	<u>\$ 234,559</u>

Approved:



THE NATURAL RESOURCES CONSERVATION TRUST FUND

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2015

	<u>Capital Portion</u>	<u>Interest Portion</u>	<u>Total 2015</u>	<u>Total 2014</u>
BALANCE, opening	\$ 187,828	\$ 45,231	\$ 233,059	\$ 231,716
Excess of revenues over general and administrative expenses per page 3	<u>-</u>	<u>367</u>	<u>367</u>	<u>1,343</u>
BALANCE, closing	<u>\$ 187,828</u>	<u>\$ 45,598</u>	<u>\$ 233,426</u>	<u>\$ 233,059</u>

THE NATURAL RESOURCES CONSERVATION TRUST FUND

STATEMENT OF OPERATIONS

For the year ended March 31, 2015

	<u>2015</u>	<u>2014</u>
REVENUES		
Interest income	\$ 2,867	\$ 2,843
GENERAL AND ADMINISTRATIVE EXPENSES		
Professional fees	<u>2,500</u>	<u>1,500</u>
EXCESS OF REVENUES OVER GENERAL AND ADMINISTRATIVE EXPENSES	<u>\$ 367</u>	<u>\$ 1,343</u>

THE NATURAL RESOURCES CONSERVATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

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, 2015

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, 2015

TABLE OF CONTENTS

Management's Responsibility for Financial Reporting

Independent Auditors' Report

Estate & Trust Fund

Statement I

Balance Sheet

Statement II

Statement of Operations

Statement III

Statement of Changes in Estate & Trust Fund Balance

Notes to the Financial Statements

File No. 37-100

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

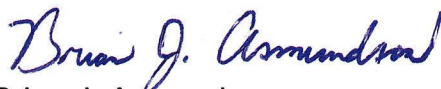
The Public Trustee for the Northwest Territories is responsible for the preparation, integrity and objectivity of the financial statements. The financial statements have been prepared in accordance with the Public Trustee Act. Where appropriate, the preparation of financial information contained in this 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 12, 2015



Brian J. Asmundson



AVERY, COOPER & CO.

Certified General Accountants

Toll-Free: 1-800-661-0787
Website: www.averycooper.com

Gerald F. Avery, FCGA
W. Brent Hinchey, B. Comm., C.G.A.
Cathy A. Cudmore, B. Rec, C.G.A.

4918 - 50th Street, P.O. Box 1620
Yellowknife, NT X1A 2P2
Telephone: (867) 873-3441
Facsimile: (867) 873-2353

INDEPENDENT AUDITORS' REPORT

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, 2015, 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, 2015 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.

Avery, Cooper & Co.

Avery, Cooper & Co.
Certified General Accountants

Yellowknife, NT
May 12, 2015



**PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES
ESTATE & TRUST FUND**

BALANCE SHEET

March 31, 2015


ASSETS

	<u>2015</u>	<u>2014</u>
Cash (Note 3)	\$6,133,658	\$6,279,711
Other assets at nominal value	<u>1</u>	<u>1</u>
	<u>\$6,133,659</u>	<u>\$6,279,712</u>

LIABILITIES

Undistributed Common Fund earnings per Statement II (Note 4)	\$ 34,308	\$ 38,053
Public Trustee Management Fund (Note 6)	24,997	18,872
Estate & Trust Fund per Statement III (Note 5)	<u>6,074,354</u>	<u>6,222,787</u>
	<u>\$6,133,659</u>	<u>\$6,279,712</u>

APPROVED:



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, 2015

	<u>2015</u>	<u>2014</u>
Undistributed Common Fund earnings, opening	<u>\$ 38,053</u>	<u>\$ 36,185</u>
Add		
Common Fund earnings	<u>65,765</u>	<u>71,542</u>
Less		
Interest paid to estates and trusts (Statement III)	53,522	55,918
Excess interest paid to the Government of the Northwest Territories	113	-
Transfers to Public Trustee Management Fund (Note 6)	<u>15,875</u>	<u>13,756</u>
	<u>69,510</u>	<u>69,674</u>
Increase (decrease) in Undistributed Common Fund earnings balance	<u>(3,745)</u>	<u>1,868</u>
Undistributed Common Fund earnings, closing	<u>\$ 34,308</u>	<u>\$ 38,053</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, 2015

	<u>2015</u>	<u>2014</u>
Estate & trust funds provided:		
Estate and trust assets received	\$ 1,553,477	\$ 1,500,120
Common Fund interest paid to estates and trusts (Statement II)	<u>53,522</u>	<u>55,918</u>
	<u>1,606,999</u>	<u>1,556,038</u>
Estate & trust funds applied:		
Payments to beneficiaries	978,067	772,755
Disbursements made on behalf of estates and trusts	663,522	773,889
Administration fees (Note 2c)	106,950	139,937
GST on Administration fees	5,346	6,973
Court fees	<u>1,547</u>	<u>2,637</u>
	<u>1,755,432</u>	<u>1,696,191</u>
Decrease in Estate & Trust Fund balance	(148,433)	(140,153)
Estate & Trust Fund balance, opening	<u>6,222,787</u>	<u>6,362,940</u>
Estate & Trust Fund balance, closing	<u>\$ 6,074,354</u>	<u>\$ 6,222,787</u>

See the accompanying notes.

PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

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 \$107,063 (2014 - \$139,937) 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, 2015

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>2015</u>	<u>2014</u>
Common Fund	\$6,074,353	\$6,222,786
Other assets, at nominal value	<u>1</u>	<u>1</u>
	<u>\$6,074,354</u>	<u>\$6,222,787</u>

PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2015

NOTE 6 PUBLIC TRUSTEE MANAGEMENT FUND

The change during the year in the Public Trustee Management Fund is as follows:

	<u>2015</u>	<u>2014</u>
Public Trustee Management Fund balance, opening	\$18,872	\$14,866
Add		
Management fees paid to the Public Trustee out of the excess interest earned	15,875	13,756
Less		
Costs incurred in respect of the annual audit	<u>(9,750)</u>	<u>(9,750)</u>
Public Trustee Management Fund balance, closing	<u>\$24,997</u>	<u>\$18,872</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, 2015

**Government of the Northwest Territories
Student Loan Revolving Fund
Statement of Operations**

for the year ended March 31, 2015

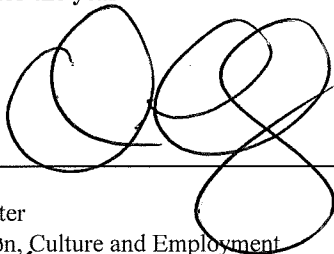
(thousands of dollars)

	2015	2014 (restated)
Loans Receivable, opening balance	39,502	37,713
Loans granted during the year	<u>6,036</u>	<u>6,408</u>
	45,538	44,121
Less:		
Principal amount of loans repaid	(3,506)	(3,073)
Principal amount of loan forgiveness	-	(49)
Principal amount of loan remissions	<u>(1,400)</u>	<u>(1,497)</u>
Loans Receivable, closing balance	40,632	39,502
Less:		
Allowance for remissable and doubtful loans	<u>(17,998)</u>	<u>(19,091)</u>
Net Loans Receivable, closing balance	<u>22,634</u>	<u>20,411</u>

Effect of Student Loan Revolving Fund on Government Operations

Interest earned and credited to general revenues	406	465
Less:		
Collection agency fees	(19)	(18)
Estimated provision for remission and doubtful accounts	<u>(2,414)</u>	<u>(2,563)</u>
Operating deficiency for the year	<u>(2,028)</u>	<u>(2,116)</u>

Approved:



Olin Lovely
Assistant 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, 2015

TABLE OF CONTENTS

	<u>Page</u>
Management's Responsibility for Financial Reporting	
Independent Auditor's Report	
Statement of Financial Position	1
Statement of Changes in Net Assets Available for Benefits	2
Statement of Changes in Pension Obligations	3
Notes to the Financial Statements	4 – 13

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

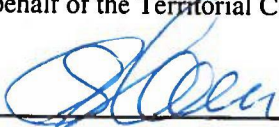
The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with Canadian accounting standards for pension plans. Where necessary the statements include amounts 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., 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

May 4, 2015



AVERY, COOPER & CO.

Certified General Accountants

Toll-Free: 1-800-661-0787
Website: www.averycooper.com

Gerald F. Avery, FCGA
W. Brent Hinchey, B. Comm., C.G.A.
Cathy A. Cudmore, B. Rec, C.G.A.

4918 - 50th Street, P.O. Box 1620
Yellowknife, NT X1A 2P2
Telephone: (867) 873-3441
Facsimile: (867) 873-2353

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, 2015, 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, 2015, 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.

Avery, Cooper & Co.
Certified General Accountants
Yellowknife, NT

May 4, 2015

**TERRITORIAL COURT JUDGES' REGISTERED
PENSION PLAN FUND**

**STATEMENT OF FINANCIAL POSITION
January 1, 2015**

	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT		
Contributions Receivable - GNWT (Note 3)	\$ 12,873	\$ 14,606
INVESTMENTS (Note 4)	<u>5,529,723</u>	<u>5,085,352</u>
	<u>\$ 5,542,596</u>	<u>\$ 5,099,958</u>
LIABILITIES		
CURRENT		
Accounts Payable & Accrued Liabilities (Note 3)	<u>\$ 19,699</u>	<u>\$ 25,087</u>
NET ASSETS AVAILABLE FOR BENEFITS per page 2	5,522,896	5,074,870
PENSION OBLIGATIONS per page 3 (Note 5)	<u>6,560,600</u>	<u>5,852,500</u>
DEFICIENCY		
PENSION PLAN FUND DEFICIT per page 2	<u>\$ (1,037,704)</u>	<u>\$ (777,630)</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, 2015**

	<u>2015</u>	<u>2014</u>
INCREASE IN ASSETS		
Contributions		
Current Service Cost	\$ 77,227	\$ 42,601
Special Payments	-	73,700
Members	62,098	61,283
In-Kind Contributions	<u>38,560</u>	<u>65,307</u>
	<u>177,885</u>	<u>242,891</u>
Investment Income		
Interest & Dividends	369,118	98,839
Gain on Sale of Investments	<u>69,521</u>	<u>44,698</u>
	438,639	143,537
Current Period Change in Fair Value of Investments	<u>189,125</u>	<u>504,204</u>
Net investment income	<u>627,764</u>	<u>647,741</u>
Total Increase in Assets	<u>805,649</u>	<u>890,631</u>
DECREASE IN ASSETS		
Benefits		
Pension Payments	278,702	276,106
Administrative		
Actuary Fees	28,506	55,253
Audit Fees	10,054	10,054
Investment Management Fees	27,452	24,929
Trustee Fees	<u>12,908</u>	<u>12,654</u>
	<u>78,920</u>	<u>102,890</u>
Total Decrease in Assets	<u>357,622</u>	<u>378,996</u>
INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS	\$ 448,027	\$ 511,635
NET ASSETS AVAILABLE FOR BENEFITS		
BEGINNING OF YEAR	<u>5,074,869</u>	<u>4,563,234</u>
END OF YEAR per page 1	<u>\$ 5,522,896</u>	<u>\$ 5,074,869</u>
CHANGES IN PENSION PLAN FUND DEFICIT		
BEGINNING OF YEAR	\$ (777,630)	\$ (334,465)
Increase in net assets available for benefits	448,027	511,635
Increase in pension obligations per page 3	(708,100)	(954,800)
Net change	<u>(260,073)</u>	<u>(443,165)</u>
END OF YEAR per page 1	<u>\$ (1,037,703)</u>	<u>\$ (777,630)</u>

See the accompanying notes.

**TERRITORIAL COURT JUDGES' REGISTERED
PENSION PLAN FUND**

**STATEMENT OF CHANGES IN PENSION OBLIGATIONS
For the Year Ended January 1, 2015**

	<u>2015</u>	<u>2014</u>
INCREASE IN PENSION OBLIGATIONS		
Interest accrued on benefits	\$ 301,900	\$ 269,800
Benefits accrued	219,200	198,600
Actuarial Gain on ABO	-	762,500
Changes in mortality assumption	<u>469,300</u>	<u>-</u>
	990,400	1,230,900
DECREASE IN PENSION OBLIGATIONS		
Benefits paid	<u>282,300</u>	<u>276,100</u>
INCREASE IN PENSION OBLIGATIONS	708,100	954,800
PENSION OBLIGATIONS, BEGINNING OF YEAR	<u>5,852,500</u>	<u>4,897,700</u>
PENSION OBLIGATIONS, END OF YEAR	<u>\$ 6,560,600</u>	<u>\$ 5,852,500</u>

See the accompanying notes.

TERRITORIAL COURT JUDGES' REGISTERED PENSION PLAN FUND

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2015

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 fully 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, 2015

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, 2015

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 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.

(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, 2015

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 or exceed the minimum 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, 2015

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

	2015	2014
In-Kind Contributions	\$ 10,921	\$ 14,606
Current Service Contributions	1,952	-
	\$ 12,873	\$ 14,606

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:

	2015	2014
Canadian Equities	\$ 1,706,576	\$ 1,796,396
Global Equities	1,530,413	1,300,490
Emerging Market Equity	214,698	-
Canadian Bonds	1,943,294	1,664,829
Canadian Money Market Funds	134,742	323,637
Total market value of the investment portfolio	\$ 5,529,723	\$ 5,085,352

TERRITORIAL COURT JUDGES' REGISTERED PENSION PLAN FUND

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2015

4. INVESTMENTS, continued

The total cost of the investments for the year ended Jan 1, 2015 is \$4,374,694 (2014: \$4,119,447).

The above listed investments are held in a pooled pension Trust by Philips, Hager and North (PH & N) Investments Ltd. 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>2015</u>	<u>2014</u>
Level 1	\$ <u>5,529,723</u>	\$ <u>5,085,352</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 PH & N 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, 2015 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, 2015

5. OBLIGATIONS FOR PENSION BENEFITS, continued

	<u>2015</u>	<u>2014</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, 2015

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, 2015

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 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. 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, 2015

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, 2015

SECTION IV
SUPPLEMENTARY FINANCIAL STATEMENTS
BOARDS

HONOURABLE J. MICHAEL MILTENBERGER
Minister of Finance

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

Table of Contents

SECTION IV

SUPPLEMENTARY FINANCIAL STATEMENTS - BOARDS

Education Boards

Beaufort Delta Education Council
Commission scolaire francophone Territoires du Nord-Ouest
Dehcho Divisional Education Council
Dettah District Education Authority
Ndilo District Education Authority
Sahtu Divisional Education Council
South Slave Divisional Education Council
Yellowknife Catholic School (Yellowknife Public Denominational District Education Authority)
Yellowknife District No 1 Education Authority
Tli Cho 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
Yellowknife Health and Social Services Authority

BEAUFORT-DELTA EDUCATION COUNCIL

INUVIK, NT

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

TABLE OF CONTENTS

	Responsibility for Financial Reporting
	Auditors' Report
Statement I	Statement of Financial Position - Consolidated
Statement II	Statement of Changes in Net Financial Resources
Statement III	Statement of Operations - Consolidated
Statement IV	Statement of Cash Flow - Consolidated
	Notes to the Consolidated Financial Statements
Schedule 1	Schedule of Consolidated Expenses
	District Education Authorities (DEAs) Operations
Schedule 2	Statement of Financial Position - Aklavik DEA
Schedule 3	Statement of Operations - Aklavik DEA
Schedule 4	Schedule of Expenses - Aklavik DEA
Schedule 5	Statement of Financial Position - Tsiigehtchic DEA
Schedule 6	Statement of Operations - Tsiigehtchic DEA
Schedule 7	Schedule of Expenses - Tsiigehtchic DEA
Schedule 8	Statement of Financial Position - Fort McPherson DEA
Schedule 9	Statement of Operations - Fort McPherson DEA
Schedule 10	Schedule of Expenses - Fort McPherson DEA
Schedule 11	Statement of Financial Position - Inuvik DEA
Schedule 12	Statement of Operations - Inuvik DEA
Schedule 13	Schedule of Expenses - Inuvik DEA
Schedule 14	Statement of Financial Position - Paulatuk DEA
Schedule 15	Statement of Operations - Paulatuk DEA
Schedule 16	Schedule of Expenses - Paulatuk DEA
Schedule 17	Statement of Financial Position - Sachs Harbour DEA
Schedule 18	Statement of Operations - Sachs Harbour DEA
Schedule 19	Schedule of Expenses - Sachs Harbour DEA
Schedule 20	Statement of Financial Position - Tuktoyaktuk DEA
Schedule 21	Statement of Operations - Tuktoyaktuk DEA
Schedule 22	Schedule of Expenses - Tuktoyaktuk DEA

Schedule 23 Statement of Financial position - Ulukhaktok DEA

Schedule 24 Statement of Operations - Ulukhaktok DEA

Schedule 25 Schedule of Expenses - Ulukhaktok DEA

Non-Consolidated Council Operations

Schedule 26 Statement of Financial Position - BDEC

Schedule 27 Statement of Operations - BDEC

Schedule 28 Schedule of Expenses - BDEC

Specific Programs

Schedule 29 Report on Activities of Specific Programs - Infrastructure

Schedule 30 Report on Activities of Specific Programs - French Language Programs

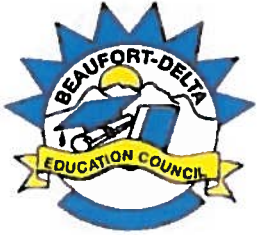
Schedule 31 Report on Activities of Specific Programs - Aboriginal Languages

Schedule 32 Report on Activities of Specific Programs - Student Success Initiative Projects -
Ongoing Development of Collaborative Teams and Response to Interventior

Schedule 33 Report on Activities of Specific Programs - Student success Initiative - eLearning Development/Implementation

Schedule 34 Report on Activities of Specific Programs - Details of Aboriginal and Cultural-based Education Expenses

Schedule 35 Report on Activities of Specific Programs - Details of Inclusive Schooling Expenses



BEAUFORT- DELTA EDUCATION COUNCIL

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

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with generally accepted accounting principles. 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 organization's management recognizes its responsibility for conducting the organization's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to a Divisional Education Council.

The Auditors annually provide an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with 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 Department of Education, Culture and Employment, Government of the Northwest Territories.

A handwritten signature in blue ink that reads "Denise Kurszewski".

Denise Kurszewski
Superintendent
Beaufort-Delta Education Council

Inuvik, NT
September 29, 2014



VERY, COOPER & CO.
Certified General Accountants

Toll-Free: 1-800-661-0787
Website: www.averycooper.com

Gerald F. Avery, FCGA
W. Brent Hinchey, B. Comm., C.G.A.
Cathy A. Cudmore, B. Rec, C.G.A.

4918 - 50th Street, P.O. Box 1620
Yellowknife, NT X1A 2P2
Telephone: (867) 873-3441
Facsimile: (867) 873-2353

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Beaufort-Delta Education Council which comprise the Consolidated Statement of Financial Position as at June 30, 2014 and the Consolidated Statements of Changes in Net Financial Resources (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 Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 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 qualified audit opinion.

Basis for Qualified Opinion

The GNWT is responsible for the calculation and distribution of the wages and benefits 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 Council'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 Organization as at June 30, 2014 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

INDEPENDENT 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 maintained by the Organization, the financial statements are in agreement therewith and the transactions of the Organization that have come under our notice have, in all significant respects, been within the statutory powers of the Organization.

Avery, Cooper & Co.

AVERY, COOPER & CO
Certified General Accountants
Yellowknife, NT

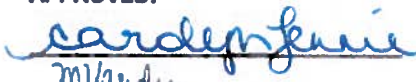
September 29, 2014

**BEAUFORT-DELTA EDUCATION COUNCIL
STATEMENT OF FINANCIAL POSITION
CONSOLIDATED
FOR THE YEAR ENDED JUNE 30, 2014**

STATEMENT I

	2014	2013
<u>Financial Assets</u>		
Cash	5,888,309	3,565,817
Due from the GNWT	82,251	38,713
Other accounts receivable	<u>503,233</u>	<u>575,585</u>
Total Financial Assets	6,473,793	4,179,915
Trust Funds (Note 4)	<u>257,553</u>	<u>256,824</u>
	<u>6,731,346</u>	<u>4,436,739</u>
<u>Liabilities</u>		
Accounts payable	761,029	775,025
Accrued salaries	2,833,324	1,899,107
Due to the GNWT (Note 6)	105,540	28,934
Employee Deductions Payable	36,083	38,898
Leave and termination benefits (Note 7)	2,285,452	2,090,480
Deferred revenue (Note 8)	<u>228,972</u>	<u>235,083</u>
	6,250,399	5,067,526
	<u>257,553</u>	<u>256,824</u>
TRUST FUND		
Total Liabilities (Note 4)	6,507,952	5,324,350
<u>Net Financial Resources (Debt)</u>	223,394	(887,611)
<u>Non-financial Assets</u>		
Tangible capital assets	-	-
Prepaid expenses	<u>2,549</u>	<u>18,173</u>
ACCUMULATED SURPLUS (DEFICIT)	225,943	(869,438)

APPROVED:


M. Vandy

See attached notes and schedules

STATEMENT II

BEAUFORT-DELTA EDUCATION COUNCIL
STATEMENT OF CHANGES IN NET FINANCIAL RESOURCES
CONSOLIDATED
FOR THE YEAR ENDED JUNE 30, 2014

	2014	2013
Annual surplus/(deficit)	1,095,380	593,288
Change in Prepaid Expenses	<u>15,624</u>	<u>24,471</u>
(Increase)/decrease in net debt	1,111,004	617,759
Opening net financial resources	<u>(887,611)</u>	<u>(1,505,370)</u>
Closing net financial resources	<u>223,393</u>	<u>(887,611)</u>

**BEAUFORT-DELTA EDUCATION COUNCIL
STATEMENT OF OPERATIONS
CONSOLIDATED
FOR THE YEAR ENDED JUNE 30, 2014**

	(unaudited) 2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
<u>OPERATING FUND</u>			
REVENUES			
Government of the NWT			
Regular contribution	27,629,474	28,258,496	27,675,986
Other ECE contributions	375,000	522,877	901,254
Other contributions	448,996	779,420	821,471
Total GNWT	<u>28,453,470</u>	<u>29,560,793</u>	<u>29,398,711</u>
Federal Government	<u>477,300</u>	<u>433,060</u>	<u>412,066</u>
BOARD GENERATED FUNDS			
Investment income	20,090	34,488	26,260
Other	170,014	555,425	600,709
Total generated funds	<u>190,104</u>	<u>589,913</u>	<u>626,970</u>
TOTAL REVENUES	<u>29,120,874</u>	<u>30,583,765</u>	<u>30,437,747</u>
<u>EXPENSES (Schedule 1)</u>			
Administration	1,873,488	2,131,574	2,552,335
School Programs	18,703,438	19,284,158	19,622,002
Inclusive schooling	4,705,798	4,387,879	4,111,585
Student accommodations	-	192,094	207,401
Operations and maintenance	883,120	788,561	665,465
Aboriginal language/cultural programs	2,883,390	2,704,117	2,685,671
TOTAL EXPENSES	<u>29,049,234</u>	<u>29,488,384</u>	<u>29,844,460</u>
OPERATING SURPLUS (DEFICIT)	71,640	1,095,381	593,288
ACCUMULATED SURPLUS (DEFICIT) - JULY 1	<u>(869,438)</u>	<u>(869,438)</u>	<u>(1,462,726)</u>
ACCUMULATED SURPLUS (DEFICIT) - JUNE 30	<u>(797,798)</u>	<u>225,943</u>	<u>(869,438)</u>

STATEMENT IV

**BEAUFORT-DELTA EDUCATION COUNCIL
STATEMENT OF CASH FLOW
CONSOLIDATED
FOR THE YEAR ENDED JUNE 30, 2014**

	2014	2013
Operating Transactions		
Cash received from:		
Government of Northwest Territories	29,560,793	29,398,711
Recoveries and general revenue	<u>1,045,676</u>	<u>820,727</u>
	<u>30,606,468</u>	<u>30,219,438</u>
Cash paid for:		
Compensation and benefits	(25,608,354)	(25,413,810)
Operations and maintenance	<u>(2,675,422)</u>	<u>(3,996,437)</u>
	<u>(28,283,776)</u>	<u>(29,410,246)</u>
Net cash from operations	2,322,692	809,192
Cash applied to capital transactions	-	-
Cash provided by investing transactions	-	-
Cash provided by financing transactions	-	-
Increase in cash and cash equivalents	<u>2,322,692</u>	<u>809,192</u>
Opening cash and cash equivalents	<u>3,565,617</u>	<u>2,756,425</u>
Closing cash and cash equivalents	<u>5,888,309</u>	<u>3,565,617</u>

See attached notes and schedules

See attached notes and schedules

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2014

NOTE 1. NATURE OF ORGANIZATION

The Council was established under the Education Act of the Government of the Northwest Territories by order of the Minister dated March 31, 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.

The Council is 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 to provide adequate educational programs within their respective communities.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

a) General

The accounting policies of the Council are as prescribed by the Department of Education, Culture and Employment, Government of the Northwest Territories. These Consolidated financial statements include the operations of the member District Education Authorities (DEA) of Aklavik, Tsiigehtchic, Fort McPherson, Inuvik, Paulatuk, Sachs Harbour, Tuktoyaktuk and Ulukhaktok. Transactions and balances between these organizations have been eliminated for consolidation purposes.

b) Capital Assets

All buildings and works, furniture, equipment and vehicles valued in excess of \$50,000 and purchased with the GNWT capital funds are the property of the GNWT. Although the Minister grants to the Board full occupancy and use of such facilities and equipment required for the administration and delivery of the education programs within the division, they are not shown on the Statement of Financial Position.

Other capital assets, consisting of office furniture and equipment, including computers and other teaching equipment are treated as expenses during the year of acquisition and accordingly do not appear on the Statement of Financial Position.

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2014

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) 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.

d) Personnel and Leases Infrastructure Funding

Any surplus on personnel and leases infrastructure funding at the end of June is recorded as payable to the GNWT. Net deficits are not shown as receivable since recovery is contingent upon legislative approval.

e) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 could differ from those estimates.

f) Deferred Revenue

Deferred Revenue represents contributions received from funding agencies relating to a period subsequent to year-end.

g) Revenue Recognition

The Council 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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

h) Comparative figures have been restated, where necessary, to conform to current presentation.

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2014

NOTE 3. FINANCIAL INSTRUMENTS

The Council conforms with the new financial instruments standards issued by the Canadian Institute of Chartered Accountants (CICA). The Council's financial instruments consist of cash, accounts receivable, due from GNWT, accounts payable and accrued liabilities, accrued payroll, trust fund, trust liability, leave and termination benefits and due to GNWT.

All significant financial assets and financial liabilities are either recognized or disclosed in the financial statements together with available information for a reasonable assessment of future cash flows, interest rate risks and credit risk.

The Council's carrying value of cash, 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 based on 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, currency or credit risks arising from these financial instruments.

NOTE 4. TRUST FUND

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.

Comprised of:

Short-term	- GIC 1.25% Due June 22, 2015	250,000
	- Due from general cash	<u>7,553</u>
		<u>257,553</u>

Fund balance:

Principal proceeds received	216,515
Interest earned to-date	252,452
Expenses to-date	<u>(211,414)</u>
	<u>257,553</u>

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2014

NOTE 5. DUE FROM GNWT

	<u>2014</u>	<u>2013</u>
Chargebacks - Dept. of Education, Culture and Employment	82,251	38,713
	82,251	38,713

NOTE 6. DUE TO GNWT

	<u>2014</u>	<u>2013</u>
Library Contribution Agreement-Dept. of Education, Culture and Employment	10,981	11,806
Excess funding repayable - Dept. of Education, Culture and Employment	94,559	17,127
	105,540	28,934

NOTE 7. LEAVE 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>2014</u>	<u>2013</u>
Annual leave and lieu time	122,987	114,069
Retirement and resignation benefits	1,165,391	1,020,288
Ultimate removal assistance	997,074	956,124
	2,285,452	2,090,480

NOTE 8. DEFERRED REVENUE

	<u>2014</u>	<u>2013</u>
Government of the Northwest Territories -		
- Education, Culture & Employment	115,272	68,125
- Department of Justice	8,751	5,159
- Library	57,285	55,169
- Department of Health and Social Services	4,500	-
- Department of Municipal & Community Affairs	5,155	2,125
NWT Status of Women	-	4,550
Inuvik Community Corporation	800	21,451
Aklavik Community Corporation	1,725	-
Paulatuk Community Corp.	4,674	4,000
Hamlet of Sachs Harbour	1,500	-
Inuvialuit Region Corporation	27,620	-
Food First Foundation	1,691	795
Inuvialuit Education Foundation	-	2,000
Health Canada - Community Oral Health Initiative	-	7,811
Ulukhaktok Community Corporation	-	12,484
Beaufort Delta Sahtu Recreation Association	-	51,414
	228,972	235,083

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2014

NOTE 9. 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 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 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 financial statements are disclosed in this note.

	<u>2014</u>	<u>2013</u>
<u>Accounts receivable</u>		
Department of Education, Culture and Employment	16,238	52,241
Department of Health and Social Services	10,344	-
Department of Municipal and Community Affairs	5,752	3,834
Department of Industry, Tourism and Investment	22,000	-
Department of Justice	5,000	-
Chief Julius School, Ft McPherson	18,647	20,747
	<u>77,981</u>	<u>76,822</u>

<u>Accounts Payable</u>		
Aurora College	330	-
Department of Human Resources	1,500	-
Department of Finance	1,006,080	-
Department of Public Works	669	-
Department of Municipal and Community Affairs	18,585	44,504
Department of Industry, Tourism and Investment	2,245	-
Workers Compensation Board	34,585	-
Various BDEC Schools	377,108	286,391
	<u>1,441,102</u>	<u>330,895</u>

NOTE 10. CONTRACTUAL OBLIGATIONS

The Council has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to June 30, 2014:

	<u>Expires in</u>	<u>2015</u>	<u>2016-2020</u>	<u>Total</u>
	<u>Fiscal Year</u>			
Commercial Leases	2,020	84,976	395,811	480,787
Equipment Leases	2,019	15,714	44,935	60,649
		<u>100,690</u>	<u>440,746</u>	<u>541,436</u>

SCHEDULE 1

BEAUFORT-DELTA EDUCATION COUNCIL
 SCHEDULE OF CONSOLIDATED EXPENSES
 FOR THE YEAR ENDED JUNE 30, 2014

	School Programs	Inclusive Schooling	Student Accommodations	Operations & Maintenance	Administration	Aboriginal Languages	Fiscals & Transfers	Totals
SALARIES								
Teachers	10,793,002		-	-	-	974,287	-	11,767,289
Instruction Assistant	86,217	1,054,435	-	-	-	238,493	-	1,379,145
Non-instructional staff	2,002,700	1,834,684	-	-	1,169,338	477,511	-	5,484,233
Board/Trustee honoraria	4,913	-	-	-	94,389	54,841	-	154,143
EMPLOYEE BENEFITS								
Employee benefit/allowance	4,545,649	1,106,506	-	138,102	301,111	483,115	-	6,574,483
Leave and termination	176,436	-	-	-	-	72,624	-	249,060
SERVICES PURCHASED/ CONTRACTED								
Professional/technical services	-	98,825	-	-	79,471	-	-	178,296
Postage/communication	91,541	-	2,915	-	33,790	-	-	128,246
Utilities & Leases	1,732	-	-	-	3,224	-	-	4,956
Travel	228,328	56,370	6,501	-	138,018	35,487	-	464,704
Student travel	114,900	-	175,877	-	4,179	29,900	-	324,856
Advertising/printing/publishing	-	-	565	-	9,199	-	-	9,764
Maintenance/repair	44,285	-	-	-	23,916	13,433	-	81,634
Rentals/leases	111,342	-	-	138,325	10,997	11,448	-	272,112
Others	41,601	10,540	-	512,135	56,865	9,204	-	630,345
Contracted services	84,855	-	-	-	30,542	170,788	-	286,185
MATERIALS/SUPPLIES/FREIGHT								
Materials	742,900	133,459	6,236	-	162,330	129,416	-	1,174,341
Furniture and equipment	152,720	86,622	-	-	4,755	3,200	-	247,297
Freight	61,034	6,438	-	-	9,453	371	-	77,296
CONTRIBUTIONS/TRANSFERS								
Transfers - Other	-	-	-	-	-	-	-	-
Transfers to Capital	-	-	-	-	-	-	-	-
AMORTIZATION								
	-	-	-	-	-	-	-	-
DEBT SERVICES								
	-	-	-	-	-	-	-	-
TOTAL	19,284,156	4,387,879	192,094	788,561	2,131,577	2,704,118	-	29,488,385

SCHEDULE 2

AKLAVIK DISTRICT EDUCATION AUTHORITY
 STATEMENT OF FINANCIAL POSITION
 FOR THE YEAR ENED JUNE 30, 2014

	2014	2013
<u>Financial Assets</u>		
Cash	43,313	30,178
Other accounts receivable	25,984	41,331
Total Financial Assets	<u>69,297</u>	<u>71,509</u>
<u>Liabilities</u>		
Due to related party	20,866	41,903
Accounts payable	3,216	6,242
Due to GNWT	10,981	-
Wages and Benefits payable	11,279	3,002
Deferred revenue	14,048	12,860
Total Liabilities	<u>60,390</u>	<u>64,007</u>
<u>Net</u>	8,907	7,502
<u>Non-financial Assets</u>		
Tangible capital assets	-	-
Prepaid expenses	-	-
Accumulated Surplus	<u>8,907</u>	<u>7,502</u>

SCHEDULE 3

**AKLAVIK DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2014**

	(unaudited) 2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
<u>REVENUES</u>			
Contributions from Divisional Council	89,900	82,420	50,732
GNWT revenue	54,050	41,955	61,689
Federal Government	224,150	231,538	204,504
Other revenue	<u>7,750</u>	<u>52,475</u>	<u>48,696</u>
TOTAL REVENUES	<u>375,850</u>	<u>408,388</u>	<u>365,621</u>
<u>EXPENSES</u>			
Administration	52,350	71,357	64,800
School programs	60,050	63,347	119,024
Inclusive schooling	25,000	8,992	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	<u>248,450</u>	<u>263,289</u>	<u>227,461</u>
TOTAL EXPENSES	<u>385,850</u>	<u>406,985</u>	<u>411,285</u>
OPERATING SURPLUS (DEFICIT)	(10,000)	1,404	(45,664)
SURPLUS (DEFICIT) JULY 1	<u>7,502</u>	<u>7,502</u>	<u>53,166</u>
SURPLUS (DEFICIT) JUNE 30	<u>(2,497)</u>	<u>8,907</u>	<u>7,502</u>

SCHEDULE 4

AKLAVIK DISTRICT EDUCATION AUTHORITY
 SCHEDULE OF EXPENSES
 FOR THE YEAR ENDED JUNE 30, 2014

	School Programs	Inclusive Schooling	Student Accommodations	Operations & Maintenance	Administration	Aboriginal Languages	Totals
SALARIES							
Teachers	-	-	-	-	-	-	-
Instruction Assistant	-	-	-	-	-	187,950	187,950
Non-instructional staff	39,590	8,992	-	-	50,800	15,703	115,085
Board/Trustee honoraria	-	-	-	-	7,950	-	7,950
EMPLOYEE BENEFITS							
Employee benefit/allowance	3,576	-	-	-	3,576	10,729	17,881
Leave and termination	-	-	-	-	-	-	-
SERVICES PURCHASED/ CONTRACTED							
Professional/technical services	-	-	-	-	-	-	-
Postage/communication	-	-	-	-	862	-	862
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	650	-	650
Student travel	-	-	-	-	-	-	-
Advertising/printing/publishing	-	-	-	-	-	-	-
Maintenance/repair	-	-	-	-	-	-	-
Rentals/leases	-	-	-	-	-	-	-
Others	1,125	-	-	-	6,686	-	7,811
Contracted services	-	-	-	-	-	2,774	2,774
MATERIALS/SUPPLIES/FREIGHT							
Materials	18,318	-	-	-	833	46,133	65,285
Furniture and equipment	356	-	-	-	-	-	356
Freight	380	-	-	-	-	-	380
TRANSFERS	-	-	-	-	-	-	-
TOTAL EXPENSE	63,347	8,992	-	-	71,357	263,289	406,984

SCHEDULE 5

TSIIIGEHTCHIC DISTRICT EDUCATION AUTHORITY
 STATEMENT OF FINANCIAL POSITION
 FOR THE YEAR ENDED JUNE 30, 2014

	2014	2013
<u>Financial Assets</u>		
Cash	56,883	62,731
Due from related party	76,053	52,863
Accounts Receivable	-	450
	<hr/>	<hr/>
Total Financial Assets	132,936	116,044
	<hr/>	<hr/>
<u>Liabilities</u>		
Accounts payable and accrued liabilities	1,455	13,504
Due to related party	4,024	
Wages payable	1,489	296
	<hr/>	<hr/>
Total Liabilities	6,968	13,800
	<hr/>	<hr/>
<u>Net</u>	125,968	102,244
	<hr/>	<hr/>
<u>Non-financial Assets</u>		
Tangible capital assets	-	-
Prepaid expenses	-	-
	<hr/>	<hr/>
Accumulated Surplus	125,968	102,244
	<hr/> <hr/>	<hr/> <hr/>

SCHEDULE 6

**TSIIGEHTCHIC DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2014**

	(unaudited) 2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
<u>REVENUES</u>			
Contributions from Divisional Council	49,200	25,166	22,900
Other - Facility Rental	<u>3,200</u>	<u>15,100</u>	<u>71,809</u>
TOTAL REVENUES	<u>52,400</u>	<u>40,266</u>	<u>94,709</u>
<u>EXPENSES</u>			
Administration	7,400	6,200	20,745
School programs	13,100	2,641	10,719
Inclusive schooling	25,000	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	<u>6,900</u>	<u>7,701</u>	<u>-</u>
TOTAL EXPENSES	<u>52,400</u>	<u>16,543</u>	<u>31,464</u>
OPERATING SURPLUS (DEFICIT)	-	23,724	63,246
SURPLUS (DEFICIT) JULY 1	<u>102,244</u>	<u>102,244</u>	<u>38,998</u>
SURPLUS (DEFICIT) JUNE 30	<u>102,244</u>	<u>125,968</u>	<u>102,244</u>

SCHEDULE 7

TSIIGEHTCHIC DISTRICT EDUCATION AUTHORITY
 SCHEDULE OF EXPENSES
 FOR THE YEAR ENDED JUNE 30, 2014

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Totals
SALARIES							
Teachers	-	-	-	-	-	-	-
Instruction Assistant	-	-	-	-	-	2,362	2,362
Non-instructional staff	-	-	-	-	-	-	-
Board/Trustee honoraria	-	-	-	-	2,925	-	2,925
EMPLOYEE BENEFITS							
Employee benefit/allowance	-	-	-	-	-	15	15
Leave and termination	-	-	-	-	-	-	-
SERVICES PURCHASED/ CONTRACTED							
Professional/technical services	-	-	-	-	-	-	-
Postage/communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Student travel	-	-	-	-	-	-	-
Advertising/printing/publishing	-	-	-	-	-	-	-
Maintenance/repair	-	-	-	-	18	-	18
Rentals/leases	-	-	-	-	-	-	-
Others	2,316	-	-	-	161	1,350	3,827
Contracted services	-	-	-	-	-	-	-
MATERIALS/SUPPLIES/FREIGHT							
Materials	325	-	-	-	998	3,975	5,298
Furniture and equipment	-	-	-	-	2,099	-	2,099
Freight	-	-	-	-	-	-	-
CONTRIBUTIONS/TRANSFERS							
Transfers - Other	-	-	-	-	-	-	-
Transfers to Capital	-	-	-	-	-	-	-
AMORTIZATION							
	-	-	-	-	-	-	-
DEBT SERVICES							
	-	-	-	-	-	-	-
TOTAL	2,641	-	-	-	6,200	7,701	16,543

SCHEDULE 8

**FORT MCPHERSON DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2014**

	2014	2013
<u>Financial Assets</u>		
Cash	26,272	36,278
Due from related party	24,382	20,920
Other accounts receivable	22,997	12,491
Total Financial Assets	<u>73,651</u>	<u>69,689</u>
<u>Liabilities</u>		
Accounts payable and accrued liabilities	11,718	1,200
Wages payable	5,188	6,272
Deferred revenue	21,981	16,700
Total Liabilities	<u>38,887</u>	<u>24,172</u>
<u>Net</u>	34,764	45,517
<u>Non-financial Assets</u>		
Tangible capital assets	-	-
Prepaid expenses	-	1,241
Accumulated Surplus	<u>34,764</u>	<u>46,758</u>

SCHEDULE 9

**FORT MCPHERSON DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2014**

	(unaudited) 2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
<u>REVENUES</u>			
Contributions from Divisional Council	87,000	153,100	62,400
GNWT revenue	53,300	41,071	65,621
Federal Government	224,150	176,387	180,622
Other	<u>10,000</u>	<u>98,068</u>	<u>78,777</u>
TOTAL REVENUES	<u>374,450</u>	<u>468,626</u>	<u>387,420</u>
<u>EXPENSES</u>			
Administration	62,000	84,736	76,534
School programs	54,300	107,383	109,099
Inclusive schooling	25,000	32,555	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	<u>233,150</u>	<u>255,947</u>	<u>240,973</u>
TOTAL EXPENSES	<u>374,450</u>	<u>480,621</u>	<u>426,606</u>
OPERATING SURPLUS (DEFICIT)	-	(11,994)	(39,186)
SURPLUS (DEFICIT) JULY 1	<u>46,758</u>	<u>46,758</u>	<u>85,944</u>
SURPLUS (DEFICIT) JUNE 30	<u>46,758</u>	<u>34,764</u>	<u>46,758</u>

SCHEDULE 10

FORT MCPHERSON DISTRICT EDUCATION AUTHORITY
 SCHEDULE OF EXPENSES
 FOR THE YEAR ENDED JUNE 30, 2014

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Totals
SALARIES							
Teachers	-	-	-	-	-	-	-
Instruction Assistant	86,217	-	-	-	-	-	86,217
Non-instructional staff	-	32,555	-	-	41,651	210,634	284,840
Board/Trustee honoraria	-	-	-	-	3,850	11,450	15,300
							-
EMPLOYEE BENEFITS							
Employee benefit/allowance	7,640	-	-	-	4,584	18,337	30,561
Leave and termination	-	-	-	-	-	-	-
							-
SERVICES PURCHASED/ CONTRACTED							
Professional/technical services	-	-	-	-	3,864	-	3,864
Postage/communication	-	-	-	-	914	-	914
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Student travel	2,889	-	-	-	-	48	2,937
Advertising/printing/publishing	-	-	-	-	-	-	-
Maintenance/repair	-	-	-	-	-	-	-
Rentals/leases	-	-	-	-	-	-	-
Others	952	-	-	-	5,480	-	6,432
Contracted services	-	-	-	-	-	2,100	2,100
							-
MATERIALS/SUPPLIES/FREIGHT							
Materials	9,566	-	-	-	24,395	13,379	47,340
Furniture and equipment	-	-	-	-	-	-	-
Freight	120	-	-	-	-	-	120
							-
TRANSFERS	-	-	-	-	-	-	-
TOTAL EXPENSE	107,383	32,555	-	-	84,736	255,947	480,622

**INUVIK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2014**

	2014	2013
<u>Financial Assets</u>		
Cash	100,970	88,029
Due from related party	14,129	12,734
Other accounts receivable	3,460	2,240
Short-term Investment	-	13,498
Total Financial Assets	<u>118,559</u>	<u>116,501</u>
<u>Liabilities</u>		
Accounts payable	44,979	13,543
Wages payable	965	596
Deferred revenue	5,959	26,610
Facility User Deposits	4,730	3,715
Total Liabilities	<u>56,633</u>	<u>44,464</u>
<u>Net</u>	61,926	72,037
<u>Non-financial Assets</u>		
Tangible capital assets	-	-
Prepaid expenses	-	329
Accumulated Surplus	<u>61,926</u>	<u>72,366</u>

**INUVIK DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2014**

	(unaudited) 2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
<u>REVENUES</u>			
Contributions from Divisional Council	253,650	241,290	233,000
GNWT revenue	5,159	-	-
Investment income	90	85	92
Other revenue	<u>129,655</u>	<u>82,543</u>	<u>64,700</u>
TOTAL REVENUES	<u>388,554</u>	<u>323,918</u>	<u>297,792</u>
<u>EXPENSES</u>			
Administration	129,558	142,002	92,018
School programs	55,000	76,256	115,162
Inclusive schooling	25,000	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	<u>125,305</u>	<u>116,100</u>	<u>107,044</u>
TOTAL EXPENSES	<u>334,863</u>	<u>334,359</u>	<u>314,225</u>
OPERATING SURPLUS (DEFICIT)	53,691	(10,441)	(16,433)
SURPLUS (DEFICIT) JULY 1	<u>72,366</u>	<u>72,366</u>	<u>88,799</u>
SURPLUS (DEFICIT) JUNE 30	<u>126,057</u>	<u>61,925</u>	<u>72,366</u>

**INUVIK DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014**

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Totals
SALARIES							
Teachers	-	-	-	-	-	-	-
Instruction Assistant	-	-	-	-	-	48,181	48,181
Non-instructional staff	19,777	-	-	-	71,854	41,836	133,467
Board/Trustee honoraria	-	-	-	-	10,520	6,000	16,520
EMPLOYEE BENEFITS							
Employee benefit/allowance	1,185	-	-	-	4,742	5,927	11,854
Leave and termination	-	-	-	-	-	-	-
SERVICES PURCHASED/ CONTRACTED							
Professional/technical services	-	-	-	-	-	-	-
Postage/communication	-	-	-	-	-	-	-
Utilities	1,732	-	-	-	3,224	-	4,956
Travel	-	-	-	-	-	-	-
Student travel/awards	1,292	-	-	-	2,679	-	3,971
Advertising/printing/publishing	-	-	-	-	-	-	-
Maintenance/repair	-	-	-	-	-	-	-
Rentals/leases	20,550	-	-	-	-	-	20,550
Others	2,760	-	-	-	5,266	-	8,026
Contracted services	11,653	-	-	-	308	-	11,961
MATERIALS/SUPPLIES/FREIGHT							
Materials	17,307	-	-	-	43,409	14,155	74,871
Furniture and equipment	-	-	-	-	-	-	-
Freight	-	-	-	-	-	-	-
CONTRIBUTIONS/TRANSFERS							
Transfers - Other	-	-	-	-	-	-	-
Transfers to Capital	-	-	-	-	-	-	-
AMORTIZATION							
	-	-	-	-	-	-	-
DEBT SERVICES							
	-	-	-	-	-	-	-
TOTAL EXPENSE	76,256	-	-	-	142,002	116,099	334,357

SCHEDULE 14

PAULATUK DISTRICT EDUCATION AUTHORITY
 STATEMENT OF FINANCIAL POSITION
 FOR THE YEAR ENDED JUNE 30, 2014

	2014	2013
<u>Financial Assets</u>		
Cash	6,913	5,908
Due from related party	<u>3,510</u>	<u>7,260</u>
Total Financial Assets	<u>10,423</u>	<u>13,168</u>
<u>Liabilities</u>		
Wages Payable	781	775
Accrued Payable	684	
Due to Related Party	7,700	
Deferred Revenue	<u>4,674</u>	<u>4,000</u>
Total Liabilities	<u>13,839</u>	<u>4,775</u>
<u>Net</u>	(3,416)	8,393
<u>Non-financial Assets</u>		
Tangible capital assets	-	-
Prepaid expenses	<u>-</u>	<u>-</u>
Accumulated Surplus	<u><u>(3,416)</u></u>	<u><u>8,393</u></u>

**PAULATUK DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2014**

	(unaudited) 2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
<u>REVENUES</u>			
Contributions from Divisional Council	63,900	37,113	39,705
Bingo revenue	6,000	10,274	3,691
Other revenue	<u>4,000</u>	<u>4,900</u>	<u>4,375</u>
TOTAL REVENUES	<u>73,900</u>	<u>52,287</u>	<u>47,771</u>
<u>EXPENSES</u>			
Administration	25,698	31,096	38,791
School programs	18,740	30,536	29,618
Inclusive schooling	25,000	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	<u>4,463</u>	<u>2,463</u>	<u>3,980</u>
TOTAL EXPENSES	<u>73,901</u>	<u>64,095</u>	<u>72,389</u>
OPERATING SURPLUS (DEFICIT)	-	(11,808)	(24,618)
SURPLUS (DEFICIT) JULY 1	<u>8,393</u>	<u>8,393</u>	<u>33,011</u>
SURPLUS (DEFICIT) JUNE 30	<u>8,393</u>	<u>(3,415)</u>	<u>8,393</u>

SCHEDULE 16

PAULATUK DISTRICT EDUCATION AUTHORITY
 SCHEDULE OF EXPENSES
 FOR THE YEAR ENDED JUNE 30, 2014

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Totals
SALARIES							
Teachers	-	-	-	-	-	-	-
Instruction Assistant	-	-	-	-	-	-	-
Non-instructional staff	10,182	-	-	-	14,535	100	24,817
Board/Trustee honoraria	-	-	-	-	9,700	450	10,150
EMPLOYEE BENEFITS							
Employee benefit/allowance	830	-	-	-	1,245	-	2,075
Leave and termination	-	-	-	-	-	-	-
SERVICES PURCHASED/ CONTRACTED							
Professional/technical services	-	-	-	-	-	-	-
Postage/communication	-	-	-	-	1,298	-	1,298
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Student travel	905	-	-	-	-	500	1,405
Advertising/printing/publishing	-	-	-	-	-	-	-
Maintenance/repair	-	-	-	-	-	-	-
Rentals/leases	-	-	-	-	-	-	-
Others	-	-	-	-	1,935	-	1,935
Contracted services	8,000	-	-	-	1,846	-	9,846
	-	-	-	-	-	-	-
MATERIALS/SUPPLIES/FREIGHT							
Materials	10,305	-	-	-	537	1,413	12,255
Furniture and equipment	-	-	-	-	-	-	-
Freight	313	-	-	-	-	-	313
CONTRIBUTIONS/TRANSFERS							
Transfers - Other	-	-	-	-	-	-	-
Transfers to Capital	-	-	-	-	-	-	-
AMORTIZATION	-	-	-	-	-	-	-
DEBT SERVICES	-	-	-	-	-	-	-
TOTAL	30,535	-	-	-	31,096	2,463	64,094

SCHEDULE 17

**SACHS HARBOUR DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2014**

	2014	2013
<u>Financial Assets</u>		
Cash	4,113	3,256
Due from related party	50,397	50,314
Accounts Receivable	-	800
Total Financial Assets	<u>54,510</u>	<u>54,370</u>
<u>Liabilities</u>		
Accounts payable	574	13,800
Due to related party	5,500	
Deferred income	1,500	
Wages payable	20	450
Total Liabilities	<u>7,594</u>	<u>14,250</u>
<u>Net</u>	46,916	40,120
<u>Non-financial Assets</u>		
Tangible capital assets	-	-
Prepaid expenses	-	-
Accumulated Surplus	<u>46,916</u>	<u>40,120</u>

**SACHS HARBOUR DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2014**

	(unaudited) 2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
<u>REVENUES</u>			
Contributions from Divisional Council	52,350	26,823	27,777
Facility Rental Revenue	-	1,800	1,400
TOTAL REVENUES	<u>52,350</u>	<u>28,623</u>	<u>29,177</u>
<u>EXPENSES</u>			
Administration	11,350	1,723	4,859
School programs	12,750	19,804	17,087
Inclusive schooling	25,000	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	3,250	300	1,987
TOTAL EXPENSES	<u>52,350</u>	<u>21,827</u>	<u>23,933</u>
OPERATING SURPLUS (DEFICIT)	-	6,796	5,244
SURPLUS (DEFICIT) JULY 1	<u>40,120</u>	<u>40,120</u>	<u>34,876</u>
SURPLUS (DEFICIT) JUNE 30	<u>40,120</u>	<u>46,916</u>	<u>40,120</u>

SCHEDULE 19

**SACHS HARBOUR DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014**

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Totals
SALARIES							
Teachers	-	-	-	-	-	-	-
Instruction Assistant	-	-	-	-	-	-	-
Non-instructional staff	-	-	-	-	374	-	374
Board/Trustee honoraria	-	-	-	-	1,227	-	1,227
EMPLOYEE BENEFITS							
Employee benefit/allowance	-	-	-	-	-	-	-
Leave and termination	-	-	-	-	-	-	-
SERVICES PURCHASED/ CONTRACTED							
Professional/technical services	-	-	-	-	-	-	-
Postage/communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Student travel	-	-	-	-	-	-	-
Advertising/printing/publishing	-	-	-	-	-	-	-
Maintenance/repair	-	-	-	-	-	-	-
Rentals/leases	-	-	-	-	-	-	-
Others	287	-	-	-	122	300	709
Contracted services	12,000	-	-	-	-	-	12,000
MATERIALS/SUPPLIES/FREIGHT							
Materials	6,765	-	-	-	-	-	6,765
Furniture and equipment	-	-	-	-	-	-	-
Freight	752	-	-	-	-	-	752
CONTRIBUTIONS/TRANSFERS							
Transfers - Other	-	-	-	-	-	-	-
Transfers to Capital	-	-	-	-	-	-	-
AMORTIZATION	-	-	-	-	-	-	-
DEBT SERVICES	-	-	-	-	-	-	-
TOTAL	19,804	-	-	-	1,723	300	21,827

**TUKTOYAKTUK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2014**

SCHEDULE 20

	<u>2014</u>	<u>2013</u>
FINANCIAL ASSETS		
Cash	24,826	8,719
Accounts Receivable	300	-
Due from related party	6,116	47,358
	<u>31,242</u>	<u>56,077</u>
 LIABILITIES		
Accounts Payable	16,606	31,860
Wages Payable	3,498	2,539
Damage Deposits	600	
Deferred Revenue	-	7,811
	<u>20,704</u>	<u>42,210</u>
 NET	 10,538	 13,867
 NON-FINANCIAL ASSETS		
Tangible capital assets	-	-
Prepaid expenses	725	-
ACCUMULATED SURPLUS	<u>11,263</u>	<u>13,867</u>

SCHEDULE 21

**TUKTOYAKTUK DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2014**

	(unaudited) 2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
REVENUES			
Contributions from Divisional Council	103,300	84,896	75,700
GNWT revenue	-	-	10,600
Federal Government revenue	29,000	25,135	26,940
Other revenue	<u>46,000</u>	<u>71,624</u>	<u>51,164</u>
	<u>178,300</u>	<u>181,655</u>	<u>164,404</u>
EXPENSES			
Administration	48,950	53,481	44,676
School Programs	90,550	97,988	100,696
Inclusive Schooling	25,000	-	-
Student Accommodations	-	-	-
Operations and Maintenance	-	-	-
Aboriginal Language/Cultural Programs	<u>13,800</u>	<u>32,791</u>	<u>20,594</u>
	<u>178,300</u>	<u>184,260</u>	<u>165,966</u>
OPERATING SURPLUS (DEFICIT)	-	(2,605)	(1,562)
SURPLUS (DEFICIT) JULY 1			
SURPLUS (DEFICIT) JUNE 30	<u>13,867</u>	<u>13,867</u>	<u>15,429</u>
	<u>13,867</u>	<u>11,262</u>	<u>13,867</u>

SCHEDULE 22

**TUKTOYAKTUK DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014**

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Totals
SALARIES							
Teachers		-	-	-	-	-	-
Instruction Assistant	-	-	-	-	-	-	-
Non-instructional staff	28,112	-	-	-	19,275	15,521	62,908
Board/Trustee honoraria	-	-	-	-	5,400	-	5,400
EMPLOYEE BENEFITS							
Employee benefit/allowance	4,115	-	-	-	10,382	1,182	15,679
Leave and termination	-	-	-	-	-	-	-
SERVICES PURCHASED/ CONTRACTED							
Professional/technical services	-	-	-	-	-	-	-
Postage/communication	-	-	-	-	57	-	57
Utilities	-	-	-	-	-	-	-
Travel	5,137	-	-	-	455	153	5,745
Student support/awards	-	-	-	-	1,500	-	1,500
Advertising/printing/publishing	-	-	-	-	-	-	-
Maintenance/repair	-	-	-	-	-	-	-
Rentals/leases	-	-	-	-	-	1,350	1,350
Others	2,824	-	-	-	2,198	800	5,822
Contracted services	37,140	-	-	-	6,163	1,185	44,488
MATERIALS/SUPPLIES/FREIGHT							
Materials	20,660	-	-	-	8,051	12,600	41,311
Furniture and equipment	-	-	-	-	-	-	-
Freight	-	-	-	-	-	-	-
TRANSFERS	-	-	-	-	-	-	-
TOTAL EXPENSE	97,988	-	-	-	53,481	32,791	184,260

SCHEDULE 23

**ULUKHAKTOK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>2014</u>	<u>2013</u>
<u>Financial Assets</u>		
Cash	52,580	58,328
Accounts Receivable	550	-
Due from related party	4,283	23,206
Total Financial Assets	<u>57,413</u>	<u>81,534</u>
<u>Liabilities</u>		
Accounts payable	250	406
Wages payable	953	632
Deferred revenue	22,980	38,464
Total Liabilities	<u>24,183</u>	<u>39,502</u>
<u>Net</u>	<u>33,230</u>	<u>42,032</u>
<u>Non-financial Assets</u>		
Tangible capital assets	-	-
Prepaid expenses	-	-
Accumulated Surplus	<u>33,230</u>	<u>42,032</u>

SCHEDULE 24

**ULUKHAKTOK DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2014**

	(unaudited) 2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
<u>REVENUES</u>			
Contributions from Divisional Council	74,800	55,953	48,500
GNWT	48,300	51,241	74,955
Other Revenue	<u>16,596</u>	<u>25,568</u>	<u>16,067</u>
TOTAL REVENUES	<u>139,696</u>	<u>132,762</u>	<u>139,522</u>
<u>EXPENSES</u>			
Administration	21,706	25,794	22,748
School programs	74,490	89,183	95,885
Inclusive schooling	25,000	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	<u>18,500</u>	<u>26,588</u>	<u>19,772</u>
TOTAL EXPENSES	<u>139,696</u>	<u>141,565</u>	<u>138,405</u>
OPERATING SURPLUS (DEFICIT)	-	(8,803)	1,117
SURPLUS (DEFICIT) JULY 1	<u>42,032</u>	<u>42,032</u>	<u>40,915</u>
SURPLUS (DEFICIT) JUNE 30	<u>42,032</u>	<u>33,229</u>	<u>42,032</u>

See attached notes.

SCHEDULE 25

**ULUKHAKTOK DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014**

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Totals
SALARIES							
Teachers	8,269	-	-	-	-	-	8,269
Instruction Assistant	-	-	-	-	-	-	-
Non-instructional staff	33,443	-	-	-	3,468	18,239	55,150
Board/Trustee honoraria	400	-	-	-	15,200	1,050	16,650
EMPLOYEE BENEFITS							
Employee benefit/allowance	-	-	-	-	3,825	-	3,825
Leave and termination	-	-	-	-	-	-	-
SERVICES PURCHASED/ CONTRACTED							
Professional/technical services	-	-	-	-	-	-	-
Postage/communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Student support/awards	13,512	-	-	-	-	-	13,512
Advertising/printing/publishing	-	-	-	-	-	-	-
Maintenance/repair	-	-	-	-	-	-	-
Rentals/leases	-	-	-	-	-	-	-
Others	10,941	-	-	-	3,285	-	14,226
Contracted services	-	-	-	-	-	-	-
MATERIALS/SUPPLIES/FREIGHT							
Materials	22,618	-	-	-	16	7,299	29,933
Furniture and equipment	-	-	-	-	-	-	-
Freight	-	-	-	-	-	-	-
CONTRIBUTIONS/TRANSFERS							
Transfers - Other	-	-	-	-	-	-	-
Transfers to Capital	-	-	-	-	-	-	-
AMORTIZATION	-	-	-	-	-	-	-
DEBT SERVICES	-	-	-	-	-	-	-
TOTAL	89,184	-	-	-	25,794	26,588	141,566

SCHEDULE 26

BEAUFORT-DELTA EDUCATION COUNCIL
STATEMENT OF FINANCIAL POSITION
NON-CONSOLIDATED
FOR THE YEAR ENDED JUNE 30, 2014

	2014	2013
<u>Financial Assets</u>		
Cash	5,572,439	3,258,687
Due from the GNWT	82,251	38,713
Other accounts receivable	449,942	518,273
	<u>6,104,632</u>	<u>3,815,673</u>
TRUST FUND	<u>257,553</u>	<u>256,824</u>
Total Financial Assets	<u>6,362,185</u>	<u>4,072,497</u>
<u>Liabilities</u>		
Accounts payable and accrued liabilities	676,217	690,305
Due to related party	140,780	172,752
Accrued salaries	2,809,151	1,884,995
Due to the GNWT	94,559	28,934
Employee deductions payable	36,083	38,898
Deferred revenue	157,830	128,638
Leave and termination benefits	2,285,452	2,090,480
	<u>6,200,071</u>	<u>5,035,001</u>
TRUST FUND	<u>257,553</u>	<u>256,824</u>
Total Liabilities	<u>6,457,624</u>	<u>5,291,825</u>
<u>Net</u>	(95,439)	(1,219,328)
<u>Non-financial Assets</u>		
Tangible capital assets		
Prepaid expenses	1,824	16,603
	<u>1,824</u>	<u>16,603</u>
Accumulated Surplus.(Deficit)	<u>(93,615)</u>	<u>(1,202,725)</u>

**BEAUFORT-DELTA EDUCATION COUNCIL
STATEMENT OF OPERATIONS
NON-CONSOLIDATED
FOR THE YEAR ENDED JUNE 30, 2014**

	(unaudited) 2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
<u>OPERATING FUND</u>			
REVENUES			
Government of the NWT			
Regular contribution	27,629,474	28,258,496	27,675,986
Other ECE Contributions	375,000	522,877	901,254
Other contributions	<u>235,000</u>	<u>645,153</u>	<u>608,606</u>
	<u>28,239,474</u>	<u>29,426,526</u>	<u>29,185,846</u>
Federal Government	-	-	-
Board generated funds			
Investment income	20,000	34,403	26,168
Other	-	<u>193,073</u>	<u>260,030</u>
Total generated funds	<u>20,000</u>	<u>227,476</u>	<u>286,199</u>
TOTAL REVENUES	<u>28,259,474</u>	<u>29,654,001</u>	<u>29,472,045</u>
<u>EXPENSES</u>			
Administration	1,750,176	2,000,393	2,425,363
School programs	18,482,458	18,955,020	19,232,727
Inclusive schooling	4,705,798	4,393,306	4,111,585
Student accommodations	-	192,094	207,401
Operations and maintenance	883,120	788,561	665,465
Aboriginal language/cultural programs	<u>2,409,973</u>	<u>2,215,518</u>	<u>2,178,361</u>
TOTAL EXPENSES	<u>28,231,525</u>	<u>28,544,891</u>	<u>28,820,902</u>
OPERATING SURPLUS (DEFICIT)	27,949	1,109,110	651,143
SURPLUS (DEFICIT) JULY 1	<u>(1,202,725)</u>	<u>(1,202,725)</u>	<u>(1,853,868)</u>
SURPLUS (DEFICIT) JUNE 30	<u>(1,174,776)</u>	<u>(93,615)</u>	<u>(1,202,725)</u>

**BEAUFORT-DELTA EDUCATION COUNCIL
SCHEDULE OF EXPENSE
NON-CONSOLIDATED
FOR THE YEAR ENDED JUNE 30, 2014**

	School Programs	Inclusive Schooling	Student Accommodations	Operations & Maintenance	Administration	Aboriginal Languages	Totals
SALARIES							
Teachers	10,784,733	-	-	-	-	974,287	11,759,020
Instruction Assistant	-	1,054,435	-	-	-	-	1,054,435
Non-instructional staff	1,871,596	1,793,137	-	-	967,381	175,478	4,807,592
Board/Trustee honoraria	4,513	-	-	-	37,617	35,891	78,021
EMPLOYEE BENEFITS							
Employee benefit/allowance	4,528,303	1,106,506	-	138,102	272,757	446,925	6,492,593
Leave and termination	176,436	-	-	-	-	72,624	249,060
SERVICES PURCHASED/ CONTRACTED							
Professional/technical services	-	98,825	-	-	75,607	-	174,432
Postage/communication	91,541	-	2,915	-	30,659	-	125,115
Utilities	-	-	-	-	-	-	-
Travel	223,191	56,370	6,501	-	136,913	35,334	458,309
Student travel	96,302	-	175,877	-	-	29,352	301,531
Advertising/printing/publishing	-	-	565	-	9,199	-	9,764
Maintenance/repair	44,285	-	-	-	23,898	13,433	81,616
Rentals/leases	90,792	-	-	138,325	10,997	10,098	250,212
Others	20,396	10,540	-	512,135	31,732	6,754	581,557
Contracted services	16,062	-	-	-	22,225	164,729	203,016
MATERIALS/SUPPLIES/FREIGHT							
Materials	637,036	133,459	6,236	-	84,091	30,462	891,284
Furniture and equipment	152,364	86,622	-	-	2,656	3,200	244,842
Freight	59,469	6,438	-	-	9,453	371	75,731
CONTRIBUTIONS/TRANSFERS							
Transfers - Other	158,000	46,974	-	-	285,208	216,579	706,761
Transfers to Capital	-	-	-	-	-	-	-
AMORTIZATION	-	-	-	-	-	-	-
DEBT SERVICES	-	-	-	-	-	-	-
	18,955,020	4,393,306	192,094	788,561	2,000,393	2,215,518	28,544,891

SCHEDULE 29

**BEAUFORT-DELTA EDUCATION COUNCIL
REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
INFRASTRUCTURE
FOR THE YEAR ENDED JUNE 30, 2014**

	2014	2013
Personnel Infrastructure		
Contributions	<u>728,695</u>	<u>493,842</u>
Expenses		
Applicant Travel	-	-
Staff Advertising	-	-
Removal In/Transfer	336,051	294,252
Ultimate Removal	176,084	125,231
WCB Premiums	<u>138,102</u>	<u>120,122</u>
Total Expenses	<u>650,236</u>	<u>539,604</u>
Net Surplus (Deficit)	<u>78,459</u>	<u>(45,762)</u>
 Leases Infrastructure		
Contributions	<u>154,425</u>	<u>201,554</u>
Expenses		
Leases	138,325	138,665
Other (specify)	-	-
Total Expenses	<u>138,325</u>	<u>138,665</u>
Net Surplus (Deficit)	<u>16,100</u>	<u>62,889</u>
 REPAYABLE TO EDUCATION, CULTURE AND EMPLOYMENT	 <u>94,559</u>	 <u>17,127</u>

**BEAUFORT-DELTA EDUCATION COUNCIL
REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
FRENCH LANGUAGE PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2014**

	Contributions Jul 1 to June 30	Total Expenses July 1 to June 30	Variance
Bilateral Agreement Funding			
Special projects:			
Teacher's Assistant Salary	30,000	4,962	25,038
Core French 1:12 salary	25,000	576,881	(551,881)
French Immersion-Pioneer Class	70,000	70,000	-
French Immersion-Pioneer Class (Resources)	5,000	-	5,000
French Resources	4,000	4,512	(512)
Cultural Activities	3,000	2,128	872
Professional Development	5,000	3,876	1,124
French Monitor	-	-	-
TOTAL	<u>142,000</u>	<u>662,360</u>	<u>(520,360)</u>
Regular GNWT Funding			
Immersion program	117,000		
Core French instruction	25,000		
Total	<u>142,000</u>		

SCHEDULE 31

BEAUFORT-DELTA EDUCATION COUNCIL
 REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
 ABORIGINAL LANGUAGES
 FOR THE YEAR ENDED JUNE 30, 2014

Contribution Agreement <u>Aboriginal Languages</u>	July 1 to March 31	April 1 to June 30	Total GNWT Fiscal Year
Revenues			
Funding Received July-March	78,000	-	78,000
Total Funding	78,000	-	78,000
Expenses			
Salaries	100,000	-	100,000
Other O & M	74,711	-	74,711
Total Expenses	174,711	-	174,711
Surplus March 31			
Surplus June 30			
Deficit March 31	(96,711)	-	(96,711)
Deficit June 30	-	-	-
Net Surplus/(Deficit)	(96,711)	-	(96,711)

SCHEDULE 32

**BEAUFORT-DELTA EDUCATION COUNCIL
REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
STUDENT SUCCESS INITIATIVE
FOR THE YEAR ENDED JUNE 30, 2014**

NWT Student Success Initiative

Professional Development Initiative

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

	<u>2014</u>
Revenue	<u>212,713</u>
Expenses	
Salaries/Wages	
Facilitator fees (include per diem)	-
Substitute teacher wages	-
Travel	
Facilitator travel	8,391
Air charter	57,873
Staff travel	18,053
Accommodation	45,509
Daily per diems	36,078
Other expenses	850
Workshop Expenses	
Room rental	-
Refreshments	29,322
Resources	5,622
Miscellaneous (stationery)	11,016
Total Expenses	<u>212,713</u>
Net Surplus/Deficit	<u>-</u>

SCHEDULE 33

**BEAUFORT-DELTA EDUCATION COUNCIL
REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
STUDENT SUCCESS INITIATIVE
FOR THE YEAR ENDED JUNE 30, 2014**

NWT Student Success Initiative

Title of Project: eLearning Development/Implementation - Year 3 of 3

Revenue

NWT SSI	\$ 100,000
Other Source	<u>35,000</u>
	<u>135,000</u>

Expenses

Internet/Telephone	53,921
Classroom Materials	1,944
Education Assistants	87,246
Computer Software	4,985
Computer Hardware	37,814
Duty Travel	1,061
Student Travel	3,580
Fees/Other Contracts	<u>10,172</u>

TOTAL EXPENSES200,723**SURPLUS (DEFICIT)**(65,723)

**BEAUFORT-DELTA EDUCATION COUNCIL
REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
DETAILS OF ABORIGINAL AND CULTURAL-BASED EDUCATION EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014**

Aboriginal Language and Culture-Based Education

FUNCTION	Student Instruction	Teaching/ Learning Resources	Professional Development	School Activities and Integrated Community Programs	Total
<u>SALARIES</u>					
ALCBE Teachers	974,287	-	-	-	974,287
Language Consultants	174,098	-	-	-	174,098
Instruction Assistants	238,493	-	-	-	238,493
Non Instructional Staff	-	-	-	302,033	302,033
Honoraria	-	-	-	54,841	54,841
Elders in Schools	-	-	-	1,380	1,380
<u>EMPLOYEE BENEFITS</u>					
Employee Benefits/Allowances	519,549	-	-	36,190	555,739
<u>SERVICES PURCHASED/CONTRACTED</u>					
Professional/Technical Services	-	-	-	-	-
Travel	14,070	-	11,282	153	25,505
Student Transportation (Bussing)	-	-	-	29,900	29,900
Advertising/Printing/Publishing	-	5,104	-	-	5,104
Maintenance/Repair	-	-	-	13,433	13,433
Rentals/Leases	-	-	-	11,448	11,448
Other Contracted Services	-	174,711	-	6,059	180,770
Others	-	-	-	4,100	4,100
<u>MATERIALS/SUPPLIES/FREIGHT</u>					
Materials	-	2,807	3,228	126,580	132,614
Freight	-	-	-	371	371
TOTAL	1,920,497	182,622	14,510	586,488	2,704,117

**BEAUFORT-DELTA EDUCATION COUNCIL
REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
DETAILS OF INCLUSIVE SCHOOLING EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014**

FUNCTION	Staff Development	Assistive Technology	Student Resources	General Inclusive Schooling	Total
<u>SALARIES</u>					
Program Support Teachers	-	-	-	1,054,435	1,054,435
Consultants	-	-	-	321,135	321,135
Support Assistants	-	-	-	1,106,711	1,106,711
Non Instructional Staff	-	-	-	406,838	406,838
Honoraria	-	-	-	-	-
<u>EMPLOYEE BENEFITS</u>					
Employee Benefits/Allowances	-	-	-	1,106,506	1,106,506
<u>SERVICES PURCHASED/CONTRACTED</u>					
Professional/Technical Services	-	-	-	98,825	98,825
Travel	27,401	-	-	28,969	56,370
Student Transportation (Bussing)	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-
Rentals/Leases	-	-	-	-	-
Other Contracted Services	-	-	-	10,540	10,540
<u>MATERIALS/SUPPLIES/FREIGHT</u>					
Materials	11,999	62,063	57,390	88,629	220,081
Freight	-	-	-	6,438	6,438
TOTAL	39,400	62,063	57,390	4,229,027	4,387,880

Commission scolaire francophone Territoires du Nord-Ouest

Financial Statements

June 30, 2014

Commission scolaire francophone Territoires du Nord-Ouest

Financial Statements

June 30, 2014

Page

Managements Responsibility for Financial Reporting	
Independent Auditors' Report	4
Statement of Financial Position	5
Statement of Operations	6
Statement of Changes in Net (Assets) Debt	7
Statement of Cash Flows	8
Notes to Financial Statements	9 - 16
Schedule 1 - Details of Expenses	17
Schedule 2 - Details of Inclusive Schooling Expenses	18
Schedule 3 - Details of Aboriginal Language and Culture Expenses	19
Schedule 4 - French Language Funding	20
Schedule 5 - Student Success Initiative	21
Schedule 6 - Infrastructure Revenues and Expenses	22

Management Responsibility for Financial Reporting

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

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

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

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



Yvonne Careen
Directrice générale
Commission scolaire francophone territoires du Nord-Ouest

Independent Auditors' Report

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

We have audited the accompanying financial statements of Commission scolaire francophone Territoires du Nord-Ouest ("the Commission") which comprise the statement of financial position as at June 30, 2014 and the statements of operations, change in net asset (debt), and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal controls as management determines are 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 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 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 Commission'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 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 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 financial statements present fairly, in all material respects, the financial position of the Commission as at June 30, 2014 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 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 22, 2014**

Crowe MacKay LLP
Chartered Accountants

Commission scolaire francophone Territoires du Nord-Ouest

Statement of Financial Position

As at June 30, 2014 2013

Financial Assets

Current

Cash	\$ 1,253,104	\$ 520,180
Restricted cash (Note 2)	35,000	35,000
Due from the Government of the Northwest Territories (Note 3)	126,149	166,535
Other accounts receivable	159,049	49,153
	1,573,302	770,868

Liabilities

Current

Accounts payable and accrued liabilities	272,324	444,016
Employee deductions payable	1,075	1,767
Salaries and wages payable (Note 3)	532,082	518,978
Vacation payable	37,035	32,945
Contributions repayable (Note 4)	60,776	11,143
Employee leave and termination benefits (Note 5)	156,647	148,234
Deferred revenue (Note 6)	35,000	35,000
	1,094,939	1,192,083

Net asset (debt) **478,363** **(421,215)**

Non-financial assets

Prepaid expenses and deposits 26,114 11,552

Accumulated surplus (deficit) **\$ 504,477** **\$ (409,663)**

Commitments (Note 7)

Contingencies (Note 8)

Approved on behalf of the Board

 Trustee

 Trustee

Commission scolaire francophone Territoires du Nord-Ouest

Statement of Operations

For the year ended June 30,	2014 Budget	2014 Actual	2013 Actual
Revenue			
Government of the Northwest Territories			
Regular contributions	\$ 4,120,389	\$ 4,164,030	\$ 4,024,079
French minority language	1,152,850	1,152,850	1,152,850
Other contributions (note 3)	815,000	1,278,390	120,779
	6,088,239	6,595,270	5,297,708
Government of Canada			
Other contributions	20,000	22,375	40,731
Board Generated Funds			
Northwest Territories Teachers' Association			
Contributions	-	95,889	51,394
Interest	-	-	31
School fees	11,000	15,815	16,481
Other revenue	-	76,757	9,055
	11,000	188,461	76,961
	6,119,239	6,806,106	5,415,400
Expenses (Schedule 1)			
School programs	3,712,782	3,921,101	3,656,794
Inclusive schooling	846,545	862,203	804,733
Operations and maintenance	123,170	103,031	136,611
Administration	829,559	876,967	983,768
Aboriginal languages	144,991	128,664	114,675
	5,657,047	5,891,966	5,696,581
Operating surplus (deficit)	462,192	914,140	(281,181)
Accumulated deficit, beginning of year	-	(409,663)	(128,482)
Accumulated surplus (deficit), end of year	\$ -	\$ 504,477	\$ (409,663)

Commission scolaire francophone Territoires du Nord-Ouest

Statement of Change in Net Asset (Debt)

For the year ended June 30,	2014	2013
Operating surplus (deficit)	\$ 914,140	\$ (281,181)
Use (acquisition) of prepaid expenses and deposits	(14,562)	984
Increase (decrease) in net asset (debt)	899,578	(280,197)
Net debt, beginning of year	(421,215)	(141,018)
Net asset (debt), end of year	\$ 478,363	\$ (421,215)

Commission scolaire francophone Territoires du Nord-Ouest**Statement of Cash Flows**

For the year ended June 30,	2014	2013
Operating transactions		
Cash received from:		
Government of Canada	\$ 39,731	\$ 16,868
Government of the Northwest Territories	6,588,073	5,335,448
Recoveries and general revenue	158,426	10,501
	6,786,230	5,362,817
Cash paid for:		
Compensation and benefits	(4,380,391)	(4,168,630)
Operations and maintenance	(1,672,915)	(1,062,585)
	(6,053,306)	(5,231,215)
Cash provided by operating transactions	732,924	131,602
Investing transaction		
Temporary investments	-	11,473
Change in cash position	732,924	143,075
Cash and cash equivalents, beginning of year	555,180	412,105
Cash and cash equivalents, end of year	\$ 1,288,104	\$ 555,180
Cash and cash equivalents consist of:		
Cash	\$ 1,253,104	\$ 520,180
Restricted cash (note 2)	35,000	35,000
	\$ 1,288,104	\$ 555,180

June 30, 2014

1. Significant Accounting Policies

The financial statements of the Commission scolaire francophone Territoires du Nord-Ouest ("the Commission") have been prepared in accordance with Canadian public sector accounting standards. The financial statements have, in the administration's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

(a) Reporting entity and services offered

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.

(b) Financial instruments

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

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

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, contributions repayable and salaries and wages payable.

1. Significant Accounting Policies (continued)

(b) 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, to a maximum of the related accumulated impairment charges recorded in respect of the particular asset is recognized in operations.

(c) Employee leave 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.

1. Significant Accounting Policies (continued)

(d) 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.

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

Interest

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

(e) Materials and supplies

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

(f) 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.

1. Significant Accounting Policies (continued)

(g) Non-financial assets

Non-financial assets are accounted for as assets by the Commission because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Commission unless they are sold.

(h) 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 financial statements.

(i) Budget data

Section 117 of the *Education Act* of the Northwest Territories requires that Boards of Education prepare an annual budget.

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.

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.

(j) Measurement uncertainty

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

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

June 30, 2014

2. Restricted Cash

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

3. 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. 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 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.

Accounts receivable

	Accounts Receivable	AFDA	2014	2013
GNWT - Department of Education, Culture and Employment	\$ 124,149	\$ -	\$ 124,149	\$ 166,535
GNWT - Department of Health and Social Services	2,000	-	2,000	-
	\$ 126,149	\$ -	\$ 126,149	\$ 166,535

Salaries and wages payable

	2014	2013
GNWT - Department of Finance (salaries and wages payable)	\$ 532,082	\$ 518,978
GNWT - Department of Finance (employee deductions payable)	1,075	1,168
GNWT - Department of Finance (recruitment ads)	4,802	
	\$ 537,959	\$ 520,146

Commission scolaire francophone Territoires du Nord-Ouest

Notes to Financial Statements

June 30, 2014

3. Related Party Transactions (continued)

Other contributions - GNWT

	2014	2013
GNWT - Department of Finance	\$ 1,127,287	\$ -
GNWT - Department of Education, Culture and Employment	141,803	111,725
GNWT - Department of Health and Social Services	9,300	9,054
	\$ 1,278,390	\$ 120,779

Expenditures - GNWT

	2014	2013
GNWT - Department of Finance (taxation)	\$ 1,324	\$ -
GNWT - Department of Finance (salaries and wages)	4,650,026	4,391,476
GNWT - Department of Education, Culture and Employment (various)	14,780	9,054
	\$ 4,666,130	\$ 4,400,530

4. Contributions Repayable

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

	2014	2013
Government of the Northwest Territories		
Department of Education, Culture and Employment - Infrastructure funding	\$ 60,776	\$ 11,143

5. Employee Leave and Termination Benefits

	2014	2013
Severance liability benefit	\$ 64,174	\$ 63,728
Removal liability	92,473	84,506
	\$ 156,647	\$ 148,234

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

June 30, 2014

6. 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.

	2014	2013
PADL funding	\$ 35,000	\$ 35,000

7. Commitments

The Commission is committed to two photocopier lease agreements with Xerox which expire in 2016.

The Commission is committed to a busing services agreement with Cardinal Coach Lines Ltd. The agreement expires in 2015.

The leases are payable in varying monthly installments. The future minimum payments are as follows:

Expires in fiscal year		2015	2016-2018	Total
Equipment leases				
Xerox WC5755 Printer	2016 \$	3,285 \$	3,285 \$	6,570
Xerox WC7125	2016	3,524	-	3,524
Aficio MP C4000	2015	10,140	-	10,140
		16,949	3,285	20,234
Operational Contracts				
Arctic alarm	Continuous	2,375	2,375	4,750
Northern Patrol Services	Continuous	2,688	2,688	5,376
Bus Services	2015	30,000	30,000	60,000
		\$ 52,012	\$ 38,348	\$ 90,360

8. 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.

The GNWT has submitted an appeal, which if successful, the Commission would be required to repay the funds received to the GNWT. The appeal has not yet been heard by the court. In management's view a successful appeal is not likely.

June 30, 2014

9. Financial Instruments

Financial instruments consist of recorded amounts of cash, restricted cash, amounts due from the Government of the Northwest Territories and other accounts receivable which will result in future cash receipts, as well as accounts payable and accrued liabilities, contributions repayable and salaries and wages payable which will result in future cash outlays.

The Commission 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. This risk is in due from GNWT and Other accounts receivable of \$285,198 (2013 - \$215,688). The Commission is exposed to credit risk from government funding agencies, recipients of services and preschool clients. The Commission has a concentrated risk of credit from the Department of Education, Culture and Employment and the Northwest Territories Teachers Association. At June 30, 2014, receivables from these two organizations comprised approximately 78% of the total outstanding receivables. The Commission reduces its risk exposure by following up on old account receivables for collection. Additionally the risk is minimized due to the credit worthiness of the Territorial Government and the Teachers Association. The Commission is also exposed to credit risk in cash of \$1,253,104 (2013 - \$520,180) as a result of having funds with a chartered bank in excess of the insurable limit. Furthermore the full balance of cash is held at one financial institution. This risk has not changed from the prior year.

b) Liquidity risk

The Commission has liquidity risk in the accounts payable, accrued liabilities, contributions repayable and salaries and wages payable of \$865,182 (2013 - \$974,137). Liquidity risk is the risk that the Commission cannot repay its obligations when they become due to its creditors. The Commission reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due and consistently monitoring cash flows. This risk has not changed from the prior year.

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 1 - Details of Expenses

For the year ended June 30, 2014

	School Programs	Inclusive Schooling (Schedule 2)	Operation & Maintenance	Administration	Aboriginal Languages (Schedule 3)	Total
Salaries						
Teacher salaries	\$ 2,773,540	\$ 433,679	\$ -	\$ -	\$ 38,937	\$ 3,246,156
Instruction assistants	179,455	259,591	-	-	-	439,046
Non-instructional staff	387,894	49,174	-	367,332	-	804,400
Board/trustee honorarium	-	-	-	33,920	-	33,920
	3,340,889	742,444	-	401,252	38,937	4,523,522
Employee benefits						
Employee benefits	-	-	19,400	-	-	19,400
Leave and termination benefits	-	-	28,831	-	-	28,831
	-	-	48,231	-	-	48,231
Services purchased						
Advertising/printing	-	-	10,500	5,771	-	16,271
Communications	12,477	-	-	11,865	-	24,342
Contracted services	30,000	37,799	-	376,287	-	444,086
Maintenance/repair	15,028	-	44,300	-	-	59,328
Other	62,676	23,833	-	19,949	39,675	146,133
Rental/leases	110,847	-	-	13,346	-	124,193
Student travel	57,267	-	-	-	-	57,267
Travel	4,810	11,978	-	21,129	12,065	49,982
	293,105	73,610	54,800	448,347	51,740	921,602
Supplies and materials						
Freight	410	2,629	-	273	-	3,312
Materials	286,697	43,520	-	27,095	37,987	395,299
	287,107	46,149	-	27,368	37,987	398,611
	\$ 3,921,101	\$ 862,203	\$ 103,031	\$ 876,967	\$ 128,664	\$ 5,891,966

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 2 - Details of Inclusive Schooling Expenses

For the year ended June 30, 2014

	Staff Development	Student Resources	General Inclusive Schooling	Total
Function Salaries				
Consultants	\$ -	\$ -	\$ 49,174	\$ 49,174
Honoraria	37,799	-	-	37,799
Program support teachers	23,833	-	433,679	457,512
Supportive assistants	-	-	259,591	259,591
	61,632	-	742,444	804,076
Services Purchased/Contracted				
Travel	-	-	11,978	11,978
Materials/Supplies/Freight				
Freight	-	-	2,629	2,629
Materials	-	43,520	-	43,520
	-	43,520	2,629	46,149
	\$ 61,632	\$ 43,520	\$ 757,051	\$ 862,203

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 3 - Details of Aboriginal Language and Culture Expenses

For the year ended June 30, 2014

	Student Instructions	School Activities & Integrated Community Programs	Total
Function Salaries			
ALCBE teachers	\$ 38,937	\$ -	\$ 38,937
Honoraria	-	39,675	39,675
	38,937	39,675	78,612
Services Purchased/Contracted			
Travel	-	12,065	12,065
Materials/Supplies/Freight			
Materials	-	37,987	37,987
	\$ 38,937	\$ 89,727	\$ 128,664

Commission scolaire francophone Territoires du Nord-Ouest**Schedule 4 - French Language Funding**

For the year ended June 30, 2014

	Contributions from GNWT	Commitments from Commission	Expenditures	(Under) Over Funding
STUDENT PARTICIPATION				
School administration (salary)	\$ 231,500	\$ 20,000	\$ 276,631	\$ (25,131)
Retention bursaries	12,000	-	15,250	(3,250)
2 grade level per class (salary)	250,350	1,700,000	2,259,499	(309,149)
2 secretaries / librarian (salary)	117,500	48,000	176,295	(10,795)
SCHOOL PROGRAMS				
Cyber pedagogy (salary)	115,000	10,000	126,327	(1,327)
Technology resources	50,000	-	74,251	(24,251)
PROGRAM ENRICHMENT				
Partnership early childhood	30,000	-	33,044	(3,044)
Teacher assistants for francisation (salary)	120,000	20,000	179,455	(39,455)
Art Program - Ecole Boreale	10,000	-	10,000	-
Cultural activities	50,000	-	62,468	(12,468)
French resource purchase	30,000	5,000	42,002	(7,002)
EDUCATIONAL SUPPORT FOR PERSONNEL				
Mentors in literacy and numeracy	106,500	15,000	98,866	22,634
Mentors in literacy and numeracy (O&M)	20,000	-	41,495	(21,495)
Professional development	10,000	20,000	38,396	(8,396)
Total	\$ 1,152,850	\$ 1,838,000	\$ 3,433,979	\$ (443,129)
Regular GNWT Funding				
Total	\$ 4,164,030			

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 5 - Student Success Initiative

For the year ended June 30, 2014

	Total
Revenue	\$ 24,963
Expenditures	
Salaries/Wages	10,000
Facilitator fees	2,156
Substitute teacher	
	12,156
Travel	9,540
Workshop expenditures	
Material	3,267
Total expenditures	24,963
Surplus	\$ -

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 6 - Infrastructure Revenues and Expenses

For the year ended June 30, 2014

	Total
Personnel Infrastructure Contributions	\$ 89,170
Expenditures	
Staffing:	
Advertising	10,500
Removal in/transfer	28,831
WCB premiums	19,400
	58,731
Personnel infrastructure net	30,439
Utilities and Leases Infrastructure Contributions	74,637
Expenditures	
Other	15,482
Maintenance	28,818
	44,300
Utilities and leases infrastructure net	30,337
Surplus repayable (Note 4)	\$ 60,776

Consolidated Financial Statements of

**DEHCHO DIVISIONAL
EDUCATION COUNCIL**

June 30, 2014

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Financial Statements

June 30, 2014

Auditors' Report	1 - 2
Operating Fund	
Consolidated Statement of Operations and Surplus	3
Consolidated Statement of Financial Position	4
Consolidated Statement of Net Financial Resources	5
Consolidated Statement of Cash Flow	6
Notes to the Consolidated Financial Statements	7-12
Supplementary Information	
Schedule A - Infrastructure Costs	13
Specific Program Activities	
Schedule B-1 - Aboriginal Languages - Teaching and Learning Center	14
Schedule B-2 - NWT Student Success Initiative	15
Schedule B-3 - Inclusive Schooling Expenditures	16
Schedule B-4 - Aboriginal Language and Cultural Education Expenditures	17
Schedule B-5 - French Language Program	18
Schedule C-1 - Details of Council Expenditures (Consolidated)	19
Schedule C-2 - Details of Council Expenditures	20
Schedule C - Graphical Representation of Expenditure (Consolidated)	21
Schedule D-1 - District Education Authority Operations (Summary)	22
Schedule D-2 - Details of DEA Expenditures (Summary)	23
Individual DEA Schedules	24-39

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, 2014, and the consolidated statements of operations and surplus, changes in net financial assets (debt), changes in accumulated surplus and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. These consolidated financial statements have been prepared solely for the information of the Government of the Northwest Territories, as described in Note 2.

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, 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 Council's salaries 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 Council'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 Council as at June 30, 2014 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.

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

These financial statements, which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are solely for the information of the Government of the Northwest Territories and are not intended to be and should not be used by anyone other than the specified user, or for any other purpose.



ASHTON
Chartered Accountants
Business Advisors

Hay River, NT
September 19, 2014

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Statement of Operations and Surplus

For the year ended June 30, 2014

	Budget 2013-2014	Actual 2013-2014	Actual 2012-2013
Revenue			
Government of the NWT, Note 6			
Regular contribution	\$ 13,904,206	\$ 14,190,968	\$ 13,685,085
Other ECE contributions, Note 9	73,000	123,000	153,000
Other GNWT contributions, Note 8	-	407,173	321,493
Government of Canada contributions	-	-	7,560
	<u>13,977,206</u>	<u>14,721,141</u>	<u>14,167,138</u>
Self-Generated Funds			
Rentals	36,000	26,530	27,545
Investment income	15,000	13,833	15,402
Contract and other	147,493	148,520	139,411
	<u>198,493</u>	<u>188,883</u>	<u>182,358</u>
Education authority generated funds, Schedule D-1	-	198,271	260,288
GNWT contributions to Education Authorities, Schedule D-1	-	190,361	124,554
	<u>-</u>	<u>388,632</u>	<u>384,842</u>
	<u>14,175,699</u>	<u>15,298,656</u>	<u>14,734,338</u>
Expenditure (Schedule C-1)			
Council administration	1,122,357	1,189,289	1,087,422
School programs	8,703,757	9,219,765	9,047,464
Inclusive schooling	2,513,847	2,800,811	2,711,130
Student accommodation	-	302,392	264,283
Operations and maintenance	784,071	796,591	886,137
Amortization	-	-	-
Aboriginal language/cultural programs	1,075,555	996,712	1,036,569
	<u>14,199,587</u>	<u>15,305,560</u>	<u>15,033,005</u>
Operating Surplus (Deficit)	\$ (23,888)	\$ (6,904)	\$ (298,667)
Accumulated surplus (Deficit), beginning of year			
Divisional Education Council		\$ (597,160)	\$ (248,413)
District Education Authorities		343,833	293,753
		<u>(253,327)</u>	<u>45,340</u>
Accumulated surplus (deficit), end of year		\$ (260,231)	\$ (253,327)
Comprised of:			
Divisional Education Council		\$ (541,506)	\$ (597,160)
District Education Authorities		281,275	343,833
		<u>\$ (260,231)</u>	<u>\$ (253,327)</u>

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Statement of Financial Position

June 30, 2014

	2014	2013
FINANCIAL ASSETS		
Cash	\$ 2,582,158	\$ 2,056,302
Short term investments	58,558	-
Due from Government of the Northwest Territories, Note 12	42,865	42,638
Other accounts receivable	21,227	11,950
	<u>\$ 2,704,808</u>	<u>\$ 2,110,890</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 124,081	\$ 129,537
Employee deductions payable	927	-
Due to the Government of the Northwest Territories, Note 12	590,084	32,032
Deferred revenue, Note 10	80,255	168,905
Scholarship funds	25,907	11,442
Employees' summer salary, Note 4	1,065,598	995,424
Accrued Employee Leave and Termination Benefits, Note 5	1,098,187	1,046,877
	<u>2,985,039</u>	<u>2,394,217</u>
Net Financial Assets (Deficit)	<u>\$ (280,231)</u>	<u>\$ (273,327)</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	\$ 20,000	\$ 20,000
ACCUMULATED SURPLUS (DEFICIT)	<u>\$ (260,231)</u>	<u>\$ (253,327)</u>

Approved:

L. Christian Martin Chair

[Signature] Vice-chair

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Statement of Net Financial Resources

For the year ended June 30, 2014

	2013-2014	2012-2013
Net financial resources, beginning of the year		
Divisional Education Council	\$ (617,160)	\$ (295,176)
District Education Authorities	343,833	293,753
	(273,327)	(1,423)
Amortization of tangible assets	-	-
Net change in prepaids	-	26,763
Annual surplus (deficit)	(6,904)	(298,667)
Net financial resources, end of year	\$ (280,231)	\$ (273,327)
Comprised of:		
Divisional Education Council	\$ (561,506)	\$ (617,160)
District Education Authorities	281,275	343,833
	\$ (280,231)	\$ (273,327)

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Statement of Cash Flow

For the year ended June 30, 2014

	2013-2014	2012-2013
Operating Transactions		
Cash received from:		
Government of the Northwest Territories	\$ 15,380,677	\$ 14,411,157
Government of Canada	-	7,560
Recoveries and general revenue	392,342	454,866
	<u>15,773,019</u>	<u>14,873,583</u>
Cash paid for:		
Compensation and benefits	12,308,582	12,503,740
Operations and maintenance	2,880,023	2,354,450
	<u>15,188,605</u>	<u>14,858,190</u>
Cash provided by (used for) operating transactions	<u>584,414</u>	<u>15,393</u>
Change in cash and cash equivalents during the year	584,414	15,393
Cash and cash equivalents, beginning of year	2,056,302	2,040,909
Cash and cash equivalents, end of year	<u>\$ 2,640,716</u>	<u>\$ 2,056,302</u>
Consists of:		
Cash	\$ 2,582,158	\$ 2,056,302
Short term investments	58,558	-
	<u>\$ 2,640,716</u>	<u>\$ 2,056,302</u>

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2014

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, Nahanni Butte, Trout Lake, Fort Simpson, Fort Liard, Fort Providence, Jean Marie River and Kakisa Lake. The Council'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

The financial statements of the Council are the representations of the administration. They are prepared in accordance with policies prescribed by the Financial Administrations Act of the Northwest Territories, by the Education Act of Department of Education, Culture and Employment of the Government of the Northwest Territories and the bylaws of the Council. The financial statements, which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are solely for the information of the Government of the Northwest Territories and are not intended to be and should not be used by anyone other than the specified user or for any other purpose. The basis of accounting used in these financial statements materially differs from Canadian generally accepted accounting principles in the reporting of capital assets.

Measurement Uncertainty

Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies.

Capital Assets

In accordance with instructions from the Department of Education, Culture and Employment of the Government of the Northwest Territories, the Council capitalizes only tangible capital assets having a cost greater than \$50,000, otherwise capital assets are recorded as a current expenditure. Amortization is provided for on a straight-line basis, calculated monthly at rates sufficient to write-off the assets over their expected useful lives.

Accrued Liabilities

Consistent with accounting policies used by the Government of the Northwest Territories, the Council has recorded accrued liabilities for employees' summer salary payout (see Note 4) and employee leave and termination benefits (see Note 5). Effective for the year ending June 30, 2007, the summer salary accrual includes teachers' salaries.

No accrual has been made for the related contribution revenue, which will be recorded as it is received from the Government of the Northwest Territories.

Deferred Revenue

Amounts received for specific programs for which project completion dates extend beyond the fiscal year end, or for which conditions attached to the use of the funds have not yet been met, are recorded as deferred revenue.

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2014

Note 2. Summary of Significant Accounting Policies (continued)

Revenue Recognition

Restricted contributions are recognized as they become available under the terms of the applicable funding agreement. Funds received under the funding agreement which relate to a subsequent fiscal period are reflected as deferred revenue in the year of receipt and classified as such on the Statement of Financial Position.

Unrestricted contributions are recognized as revenue of the appropriate fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Note 3. Capital Asset

	Rate	Cost	Accumulated Amortization	Carrying Value 2014	2013
Automotive equipment	s/l 8 years	\$ 57,000	\$ 57,000	\$ -	\$ -

Note 4. Employees' Summer Salary Payout

As described in Note 2 above, accounts payable and accrued liabilities includes a liability for employees' summer salary payout.

The following amounts have been accrued by the Council:

	2013-2014	2012-2013
Non-teacher salaries and benefits	\$ 570,696	\$ 444,053
Teachers' salaries and benefits	494,902	551,371
	\$ 1,065,598	\$ 995,424

Note 5. 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 termination benefits based upon the number of years of service. Annual leave is payable within one fiscal year. Payment of termination benefits is dependent upon the date of termination of employment.

These liabilities are to be funded as they become due through regular contributions from the GNWT.

The following amounts have been accrued by the Council:

	2013-2014	2011-2013
Employee leave	\$ 17,416	\$ 28,888
Employee termination	1,080,771	1,017,989
	\$ 1,098,187	\$ 1,046,877

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2014

Note 6. Contributions from the Government of the Northwest Territories

Operations and maintenance contributions from the Government of the Northwest Territories (GNWT) are received under a Memorandum of Understanding between the Council and the Minister of Education, GNWT.

Under the Memorandum of Understanding, the Council shall retain all surpluses and be responsible for all deficits resulting from the management of funds for the administration and delivery of the education program.

In addition, the Council receives annually from the GNWT, contributions for personnel infrastructure costs. Under the terms of the agreements, the Council must refund to the GNWT, on an annual basis, any net surplus of contributions received over expenditures incurred for the period July 1 to June 30. Additional funding to cover net deficits for the same period may be applied for and is provided at the discretion of the GNWT. (See Schedule "A").

Capital and other contributions from the GNWT are received under separate contribution agreements.

Note 7. Commitments

At June 30, 2014, the Council had outstanding purchase order commitments for goods and services ordered, but not yet received, totaling \$9,831 (June 30, 2013 - \$66,216).

The Council has a contractual obligation for the lease of office equipment. This commitment requires payments as shown below:

	Expires in Fiscal Year*	2015	2016 - 2019	Total
Equipment leases	2019	\$ 30,422	\$ 28,506	\$ 58,928

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

Note 8. Other Revenue

Other GNWT contribution revenue consists of:

	2013-2014	2012-2013
MACA		
Sports and youth programs	\$ 119,853	\$ 36,000
Sport strategy	127,140	143,099
Healthy choices	5,800	-
ITI		
Active after school	58,245	111,510
Take a kid trapping	29,124	7,000
ECE		
Northern grad employment	31,250	20,833
HSS		
Drop the pop	26,219	12,489
Deferred revenue, added	89,797	80,359
Deferred revenue, closing	(80,255)	(89,797)
	\$ 407,173	\$ 321,493

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2014

Note 9. Other ECE Revenue

Other ECE contribution revenue consists of:

	2013-2014	2012-2013
Aboriginal languages Vote 4	\$ 73,000	\$ 73,000
French language	50,000	50,000
Bompas playground equipment	-	30,000
	\$ 123,000	\$ 153,000

Note 10. Deferred Revenue

	2013-2014	2012-2013
Government of the Northwest Territories		
MACA - Ft Providence	\$ 18,288	\$ 72,869
MACA - Wrigley	4,000	4,000
MACA - Wrigley - Bike	2,382	-
MACA - Ft Simpson - Thomas Simpson School	4,540	-
MACA - Kakisa Lake - Healthy Choices	5,800	-
MACA - Ft Liard - Soccer	-	8,000
MACA - Ft Liard - Computers	-	10,890
MACA - Ft Providence - Lunch program	-	2,000
ITI - Active after school	45,245	64,146
ITI - Ft Simpson - Bompas training	-	7,000
	\$ 80,255	\$ 168,905

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2014

Note 11. Financial Instruments

The Council 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 Council's risk exposure and concentration as of March 31, 2014.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Council 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 Council will not be able to meet its obligations as they come due. The Council 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.

Currency risk

The Council 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 Council minimizes risk through its normal operating and financing activities and maintains cash in a general bank account with interest fixed at 1.0%.

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2014

Note 12. Related Parties

The Council is related in terms of common ownership to all GNWT created departments, agencies and corporations. The Council enters into transactions with these entities in the normal course of operations. The Council is provided with various administrative services by the GNWT, the value of which is not reflected in these 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.

	2013-2014	2012-2013
Revenues		
ECE Regular contribution	\$ 14,190,968	\$ 13,685,085
Other ECE contributions, Note 9	123,000	153,000
Other GNWT contributions, Note 10	407,173	321,493
GNWT contributions to Education Authorities, Schedule D-1	190,361	124,554
	<u>\$ 14,911,502</u>	<u>\$ 14,284,132</u>
Accounts payable		
Human Resources - wages	\$ 471,944	\$ -
Finance - other	7,923	-
ECE - Contributions repayable - Infrastructure funding	110,217	32,032
	<u>\$ 590,084</u>	<u>\$ 32,032</u>
Accounts receivable		
Aurora College	\$ 557	\$ 2,119
MACA - Various contributions	3,013	-
PW&S - Janitorial services	2,100	-
ECE - Various contributions/reimbursements	37,195	40,519
	<u>\$ 42,865</u>	<u>\$ 42,638</u>

Note 13. Comparative Figures

Certain figures have been reclassified to conform with the presentation used in the current year.

Note 14. Budget

Budget figures are unaudited and are those approved by Council.

DEHCHO DIVISIONAL EDUCATION COUNCIL

Schedule A - Infrastructure Costs

For the year ended June 30, 2014

Personnel

Revenue

Funding received, July 1, 2013 - June 30, 2014 \$ 259,777

Expenditure

Staffing:

Applicant Travel 10,576

Advertising 1,595

Employee Benefits:

Removal in 33,803

Ultimate Removal 42,514

Workers' Compensation 71,197

159,685

Surplus June 30, 2014 \$ 100,092

Leases Infrastructure

Revenue

Funding received, July 1, 2013 - June 30, 2014 \$ 48,397

Expenditure

Housing:

Utilities 25,072

Leases 13,200

38,272

Surplus June 30, 2014 \$ 10,125

Total Surplus(Deficit) June 30, 2014 \$ 110,217

DEHCHO DIVISIONAL EDUCATION COUNCIL
 Schedule B-1 - Aboriginal Languages - Teaching and Learning Center

For the year ended June 30, 2014

	July 1, 2013 to March 31, 2014	April 1, 2014 to June 30, 2014	Total Fiscal Year 2013/2014
Revenue			
Funding received	\$ 73,000	\$ -	\$ 73,000
Funding received	-	-	-
	<u>73,000</u>	<u>-</u>	<u>73,000</u>
Expenditure			
Salaries	-	-	-
Resources	8,527	105	8,632
Workshops	43,563	515	44,078
Other O & M	2,436	-	2,436
Deficit Funding - June 30 Prev yr	-	-	-
	<u>54,526</u>	<u>620</u>	<u>55,146</u>
Surplus (Deficit), March 31, 2014	\$ <u>18,474</u>		
Surplus (Deficit), June 30, 2014		\$ <u>(620)</u>	\$ <u>17,854</u>

DEHCHO DIVISIONAL EDUCATION COUNCIL

Schedule B-2 - NWT Student Success Initiative

For the year ended June 30, 2014

Revenue		
GNWT - Education, Culture & Employment	\$	55,000
NWT Teachers Association		61,656
		<hr/>
		116,656
<hr/>		
Expenditure		
Salaries and wages		
Substitute teacher wages		8,650
Staff		45,000
Travel		
Facilitator travel		4,322
Air Charter		11,343
Staff travel		9,367
Accommodations		4,705
Per diems		6,725
Student resources		
Room rental		416
Refreshments		14,622
Resources		7,379
		<hr/>
		112,529
<hr/>		
Surplus (Deficit)	\$	4,127

DEHCHO DIVISIONAL EDUCATION COUNCIL

Schedule B-3 - Inclusive Schooling Expenditures

For the year ended June 30, 2014

Function	Staff Development	Intervention Strategies	Assistive Technology	Student Resources	Southern Placements	Magnet Facilities	General Inclusive Schooling	Total
Salaries								
Program support teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 800,637	\$ 800,637
Consultants	-	-	-	-	-	-	239,514	239,514
Instruction assistants	-	-	-	-	-	-	1,402,474	1,402,474
Non-instructional staff	-	-	-	-	-	-	-	-
Honoraria	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	2,442,625	2,442,625
Employee Benefits								
Employee benefits and allowances	-	-	-	-	-	-	184,273	184,273
Services Purchased/Contracted								
Professional and technical services	-	-	-	-	-	-	-	-
Travel	-	12,692	-	-	7,446	-	-	20,138
Student transportation	-	-	-	-	-	-	-	-
Advertising, printing and publishing	-	-	-	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-	-	-	-
Rentals and leases	-	-	-	-	-	-	-	-
Other contracted services	-	77,570	-	-	72,380	-	-	149,950
	-	90,262	-	-	79,826	-	-	170,088
Materials, Supplies and Freight								
Materials	-	-	-	-	-	-	3,437	3,437
Freight	-	-	-	-	-	-	388	388
	-	-	-	-	-	-	3,825	3,825
Total	\$ -	\$ 90,262	\$ -	\$ -	\$ 79,826	\$ -	\$ 2,630,723	\$ 2,800,811

DEHCHO DIVISIONAL EDUCATION COUNCIL

Schedule B-4 - Aboriginal Language and Cultural Education Expenditures

For the year ended June 30, 2014

	Student Instruction	Teaching/ Learning Resources	Professional Development	School Activities and Integrated Community Programs	Total
Salaries					
ALCBE teachers	\$ -	\$ -	\$ -	\$ -	\$ -
Language consultants	-	-	-	-	-
Instruction assistants	778,506	-	-	-	778,506
Non-Instructional staff	-	148,744	-	-	148,744
Elders in schools	-	-	-	30,031	30,031
	<u>778,506</u>	<u>148,744</u>	<u>-</u>	<u>30,031</u>	<u>957,281</u>
Employee Benefits					
Employee benefits and allowances	-	12,137	-	-	12,137
Services Purchased/Contracted					
Professional services	-	-	-	-	-
Postage and communication	-	-	-	-	-
Travel	19,439	-	-	-	19,439
Student transportation	-	-	-	-	-
Advertising, printing and publishing	5,807	-	-	-	5,807
Maintenance and repairs	-	-	-	-	-
Rentals and leases	1,365	-	-	-	1,365
Other contracted services	550	-	-	-	550
	<u>27,161</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,161</u>
Materials, Supplies and Freight					
Materials	-	-	-	-	-
Freight	133	-	-	-	133
	<u>133</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>133</u>
Total	\$ 805,800	\$ 160,881	\$ -	\$ 30,031	\$ 996,712

DEHCHO DIVISIONAL EDUCATION COUNCIL

Schedule B-5 - French Language Program

For the year ended June 30, 2014

	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	\$ 50,000	\$ 119,613	\$ (19,613)

DEHCHO DIVISIONAL EDUCATION COUNCIL

Schedule C-1 - Details of Council Expenditure (Consolidated)

For the year ended June 30, 2014

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations and Maintenance	Council Administration	Aboriginal Languages	Fiscal & Transfers	Total
Salaries								
Teachers' salaries	\$ 6,442,929	\$ 800,637	\$ -	\$ -	\$ -	\$ -	\$ -	7,243,566
Consultants	-	239,514	-	-	-	-	-	239,514
Instruction assistants	-	1,402,474	-	-	-	778,506	-	2,180,980
Non-instructional staff	864,501	-	-	672,025	715,898	148,744	-	2,401,168
Council/Trustee honorarium	-	-	-	-	21,950	30,031	-	51,981
	7,307,430	2,442,625	-	672,025	737,848	957,281	-	12,117,209
Employee Benefits								
Employee benefits and allowances	98,919	31,973	-	8,797	9,658	12,137	-	161,484
Leave and termination	-	152,300	-	-	-	-	-	152,300
	98,919	184,273	-	8,797	9,658	12,137	-	313,784
Services Purchased/Contracted								
Professional services	-	-	-	-	18,819	-	-	18,819
Postage and communication	50,664	-	1,952	-	23,146	-	-	75,762
Utilities	-	-	-	25,072	-	-	-	25,072
Travel	330,486	20,138	27,160	-	86,877	19,439	-	484,100
Student travel (busing)	-	-	-	-	-	-	-	-
Advertising, printing and publishing	-	-	-	-	2,672	5,807	-	8,479
Maintenance and repair	-	-	-	-	18,113	-	-	18,113
Rentals and leases	25,826	-	-	13,200	21,905	1,365	-	62,296
Contracted services	16,971	149,950	232,310	-	-	550	-	399,781
Other	-	-	-	-	38,623	-	-	38,623
Refundable infrastructure costs	-	-	-	-	110,217	-	-	110,217
	423,947	170,088	261,422	38,272	320,372	27,161	-	1,241,262
Materials, Supplies and Freight								
Materials	510,316	3,437	39,717	-	16,628	-	-	570,098
Freight	26,211	388	1,253	-	-	133	-	27,985
	536,527	3,825	40,970	-	16,628	133	-	598,083
Amortization								
	-	-	-	-	-	-	-	-
Local programs, supplies and office								
	852,942	-	-	77,497	104,783	-	-	1,035,222
Total	\$ 9,219,765	\$ 2,800,811	\$ 302,392	\$ 796,591	\$ 1,189,289	\$ 996,712	\$ -	\$ 15,305,560

DEHCHO DIVISIONAL EDUCATION COUNCIL

Schedule C-2 - Details of Council Expenditure

For the year ended June 30, 2014

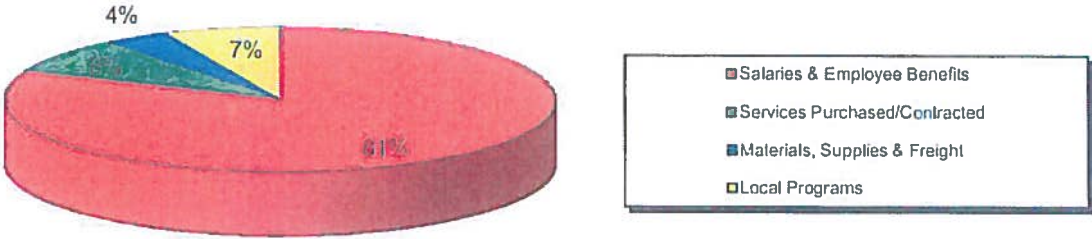
Function	School Programs	Inclusive Schooling	Student Accommodation	Operations and Maintenance	Council Administration	Aboriginal Languages	Fiscal & Transfers	Total
Salaries								
Teachers' salaries	\$ 6,533,925	\$ 800,637	\$ -	\$ -	\$ -	\$ -	\$ -	7,334,562
Consultants	-	239,514	-	-	-	-	-	239,514
Instruction assistants	-	1,402,474	-	-	-	778,506	-	2,180,980
Non-instructional staff	1,023,048	-	-	672,025	715,898	148,744	-	2,559,715
Council/Trustee honorarium	-	-	-	-	21,950	30,031	-	51,981
	7,556,973	2,442,625	-	672,025	737,848	957,281	-	12,366,752
Employee Benefits								
Employee benefits and allowances	98,919	31,973	-	8,797	9,658	12,137	-	161,484
Leave and termination	-	152,300	-	-	-	-	-	152,300
	98,919	184,273	-	8,797	9,658	12,137	-	313,784
Services Purchased/Contracted								
Professional services	-	-	-	-	18,819	-	-	18,819
Postage and communication	50,664	-	1,952	-	23,146	-	-	75,762
Utilities	-	-	-	25,072	-	-	-	25,072
Travel	337,924	20,138	27,160	-	86,877	19,439	-	491,538
Student travel (busing)	52,586	-	-	-	-	-	-	52,586
Advertising, printing and publishing	-	-	-	-	2,672	5,807	-	8,479
Maintenance and repair	-	-	-	-	22,332	-	-	22,332
Rentals and leases	25,826	-	-	13,200	21,905	1,365	-	62,296
Contracted services	19,830	149,950	232,310	4,595	10,000	550	-	417,235
Other	-	-	-	-	38,623	-	-	38,623
Refundable infrastructure costs	-	-	-	-	-	-	-	-
	486,830	170,088	261,422	42,867	224,374	27,161	-	1,212,742
Materials, Supplies and Freight								
Materials	554,739	3,437	39,717	-	16,628	-	-	614,521
Freight	26,211	388	1,253	-	-	133	-	27,985
	580,950	3,825	40,970	-	16,628	133	-	642,506
Amortization								
	-	-	-	-	-	-	-	-
Local programs, supplies and office								
	208,369	-	-	-	-	-	-	208,369
Total	\$ 8,932,041	\$ 2,800,811	\$ 302,392	\$ 723,689	\$ 988,508	\$ 996,712	\$ -	\$ 14,744,153

DEHCHO DIVISIONAL EDUCATION COUNCIL

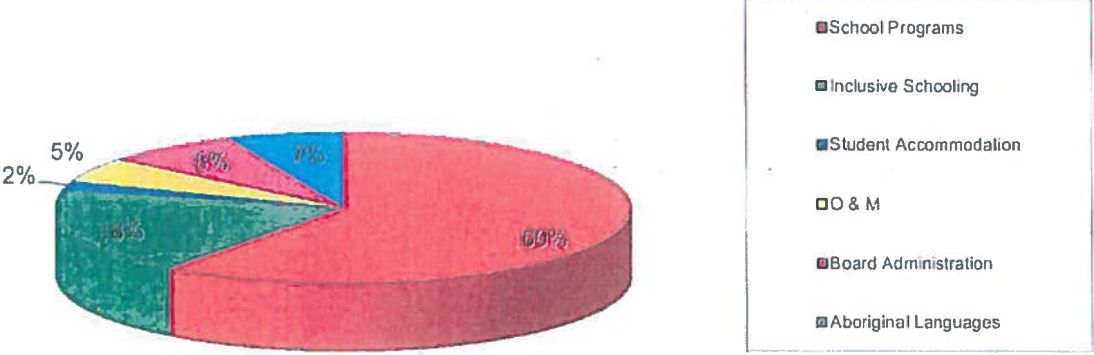
Graphical Representation of Expenditure (Consolidated)

For the year ended June 30, 2014

Detail of Expenditure



Expenditure by Category



DEHCHO DIVISIONAL EDUCATION COUNCIL

Schedule D-1 - District Education Authority Operations (Summary)

For the year ended June 30, 2014

	Fort Simpson	Fort Providence	Fort Liard	Jean Marie River	Wrigley	Nahanni Butte	Trout Lake	Kakisa Lake	Total
Revenue									
Operating contributions from Divisional Council	\$ 48,132	\$ 47,017	\$ 27,158	\$ 15,945	\$ 20,295	\$ 16,922	\$ 17,171	\$ 15,729	\$ 208,369
Other contributions from Divisional Council	68,552	265,544	29,794	-	4,000	800	4,595	2,378	375,663
Contributions from GNWT	26,061	164,300	-	-	-	-	-	-	190,361
Other	123,287	37,730	1,162	-	-	1,869	-	34,223	198,271
	<u>266,032</u>	<u>514,591</u>	<u>58,114</u>	<u>15,945</u>	<u>24,295</u>	<u>19,591</u>	<u>21,766</u>	<u>52,330</u>	<u>972,664</u>
Expenditure									
School programs	240,060	481,336	49,551	25,889	12,000	15,753	9,300	19,053	852,942
Operations and maintenance	62,500	-	-	-	-	-	13,399	1,598	77,497
Council administration	12,396	32,800	13,952	18,281	8,396	972	12,228	5,758	104,783
	<u>314,956</u>	<u>514,136</u>	<u>63,503</u>	<u>44,170</u>	<u>20,396</u>	<u>16,725</u>	<u>34,927</u>	<u>26,409</u>	<u>1,035,222</u>
Excess (Deficiency) of Revenue over Expenditure	(48,924)	455	(5,389)	(28,225)	3,899	2,866	(13,161)	25,921	(62,558)
Accumulated surplus, beginning of year	169,502	89,618	19,515	30,709	5,404	7,373	11,132	10,580	343,833
Accumulated surplus, end of year	<u>\$ 120,578</u>	<u>\$ 90,073</u>	<u>\$ 14,126</u>	<u>\$ 2,484</u>	<u>\$ 9,303</u>	<u>\$ 10,239</u>	<u>\$ (2,029)</u>	<u>\$ 36,501</u>	<u>\$ 281,275</u>
Composition of Ending Accumulated Surplus									
Cash in bank	\$ 49,835	\$ 56,584	\$ 13,601	\$ 2,484	\$ 9,303	\$ 10,239	\$ (2,029)	\$ 36,501	\$ 176,518
Short term investments	58,558	-	-	-	-	-	-	-	58,558
Accounts receivable	12,185	46,355	525	-	-	-	-	-	59,065
Accounts payable	-	(12,866)	-	-	-	-	-	-	(12,866)
	<u>\$ 120,578</u>	<u>\$ 90,073</u>	<u>\$ 14,126</u>	<u>\$ 2,484</u>	<u>\$ 9,303</u>	<u>\$ 10,239</u>	<u>\$ (2,029)</u>	<u>\$ 36,501</u>	<u>\$ 281,275</u>

DEHCHO DIVISIONAL EDUCATION COUNCIL

Schedule D-2 - Details of DEA Expenditures (Summary)

For the year ended June 30, 2014

Function	School Programs	Operations and Maintenance	Council Administration	Total
Salaries				
Teachers' salaries	\$ -	\$ -	\$ -	-
Instruction assistant	-	-	-	-
Non-instructional staff	33,154	14,922	15,472	63,548
Council/Trustee honorarium	-	-	37,309	37,309
	<u>33,154</u>	<u>14,922</u>	<u>52,781</u>	<u>100,857</u>
Employee Benefits				
Employee benefits and allowances	22,281	-	1,675	23,956
Leave and termination	-	-	-	-
	<u>22,281</u>	<u>-</u>	<u>1,675</u>	<u>23,956</u>
Services Purchased/Contracted				
Professional services	-	-	-	-
Postage and communication	-	-	423	423
Utilities	-	6,567	-	6,567
Travel	-	-	798	798
Student travel	18,341	-	-	18,341
Advertising, printing and publishing	-	-	-	-
Maintenance and repair	-	-	-	-
Rentals and leases	-	-	-	-
Other	4,233	-	36,935	41,168
Contracted services	-	32,639	-	32,639
	<u>22,574</u>	<u>39,206</u>	<u>38,156</u>	<u>99,936</u>
Materials, Supplies and Freight				
Materials	53,471	23,369	11,959	88,799
Freight	-	-	-	-
	<u>53,471</u>	<u>23,369</u>	<u>11,959</u>	<u>88,799</u>
Local programs, supplies and office	721,462	-	212	721,674
Total	\$ 852,942	\$ 77,497	\$ 104,783	\$ 1,035,222

FORT SIMPSON

District Education Authority Statement of Revenues and Expenses

For the year ended June 30, 2014

	Current Year Budget	Current Year Actual	Prior Year Actual
Revenue			
Operating contributions from Divisional Council	\$ 48,132	\$ 48,132	\$ 50,002
Other contributions from Divisional Council	-	68,552	47,248
Contributions from GNWT	-	26,061	36,480
Other	-	123,287	202,960
	<u>48,132</u>	<u>266,032</u>	<u>336,690</u>
Expenditure			
School programs	36,732	240,060	209,194
Operations and maintenance	-	62,500	42,846
Council administration	11,400	12,396	51,271
	<u>48,132</u>	<u>314,956</u>	<u>303,311</u>
Excess (Deficiency) of Revenue over Expenditure	-	(48,924)	33,379
Accumulated surplus, beginning of year	-	169,502	136,123
Accumulated surplus (Deficit), end of year	\$ -	\$ 120,578	\$ 169,502
Composition of Ending Accumulated Surplus (Deficit)			
Cash in bank	\$	49,835	\$ 169,502
Short term investments		58,558	-
Accounts receivable		12,185	-
	\$	<u>120,578</u>	\$ <u>169,502</u>

FORT SIMPSON DISTRICT EDUCATION AUTHORITY

Details of DEA Expenditure

For the year ended June 30, 2014

Function	School Programs	Operations and Maintenance	Council Administration	Total
Salaries				
Teachers' salaries	\$ -	\$ -	\$ -	-
Instruction assistant	-	-	-	-
Non-Instructional staff	31,054	-	-	31,054
Council/Trustee honorarium	-	-	3,443	3,443
	<u>31,054</u>	<u>-</u>	<u>3,443</u>	<u>34,497</u>
Employee Benefits				
Employee benefits and allowances	-	-	1,254	1,254
Leave and termination	-	-	-	-
	<u>-</u>	<u>-</u>	<u>1,254</u>	<u>1,254</u>
Services Purchased/Contracted				
Professional services	-	-	-	-
Postage and communication	-	-	423	423
Utilities	-	6,567	-	6,567
Travel	-	-	-	-
Student travel	18,341	-	-	18,341
Advertising, printing and publishing	-	-	-	-
Maintenance and repair	-	-	-	-
Rentals and leases	-	-	-	-
Other	-	-	4,016	4,016
Contracted services	-	32,639	-	32,639
	<u>18,341</u>	<u>39,206</u>	<u>4,439</u>	<u>61,986</u>
Materials, Supplies and Freight				
Materials	51,953	23,294	3,260	78,507
Freight	-	-	-	-
	<u>51,953</u>	<u>23,294</u>	<u>3,260</u>	<u>78,507</u>
Local programs, supplies and office				
	138,712	-	-	138,712
Total	\$ 240,060	\$ 62,500	\$ 12,396	\$ 314,956

FORT PROVIDENCE

District Education Authority Statement of Revenues and Expenses

For the year ended June 30, 2014

	Current Year Budget	Current Year Actual	Prior Year Actual
Revenue			
Operating contributions from Divisional Council	\$ 47,017	\$ 47,017	\$ 48,227
Other contributions from Divisional Council	-	265,544	76,087
Contributions from GNWT	-	164,300	88,074
Other	-	37,730	30,017
	<u>47,017</u>	<u>514,591</u>	<u>242,405</u>
Expenditure			
School programs	25,742	481,336	204,022
Operations and maintenance	-	-	-
Council administration	21,275	32,800	13,204
	<u>47,017</u>	<u>514,136</u>	<u>217,226</u>
Excess of Revenue over Expenditure	-	455	25,179
Accumulated surplus, beginning of year	-	89,618	64,439
Accumulated surplus, end of year	\$ -	\$ 90,073	\$ 89,618
Composition of Ending Accumulated Surplus			
Cash in bank	\$	56,584	\$ 89,618
Accounts receivable		46,355	-
Accounts payable		(12,866)	-
	\$	<u>90,073</u>	\$ <u>89,618</u>

FORT PROVIDENCE DISTRICT EDUCATION AUTHORITY

Details of DEA Expenditure

For the year ended June 30, 2014

Function	School Programs	Operations and Maintenance	Council Administration	Total
Salaries				
Teachers' salaries	\$ -	\$ -	\$ -	-
Instruction assistant	-	-	-	-
Non-instructional staff	-	-	-	-
Council/Trustee honorarium	-	-	8,841	8,841
	-	-	8,841	8,841
Employee Benefits				
Employee benefits and allowances	22,281	-	-	22,281
Leave and termination	-	-	-	-
	22,281	-	-	22,281
Services Purchased/Contracted				
Professional services	-	-	-	-
Postage and communication	-	-	-	-
Utilities	-	-	-	-
Travel	-	-	-	-
Student travel	-	-	-	-
Advertising, printing and publishing	-	-	-	-
Maintenance and repair	-	-	-	-
Rentals and leases	-	-	-	-
Other	-	-	23,959	23,959
Contracted services	-	-	-	-
	-	-	23,959	23,959
Materials, Supplies and Freight				
Materials	-	-	-	-
Freight	-	-	-	-
	-	-	-	-
Local programs, supplies and office	459,055	-	-	459,055
Total	\$ 481,336	\$ -	\$ 32,800	\$ 514,136

FORT LIARD

District Education Authority
Statement of Revenues and Expenses

For the year ended June 30, 2014

	Current Year Budget	Current Year Actual	Prior Year Actual
Revenue			
Operating contributions from Divisional Council	\$ 27,158	\$ 27,158	\$ 27,719
Other contributions from Divisional Council	-	29,794	27,668
Contributions from GNWT	-	-	-
Other	-	1,162	1,559
	<u>27,158</u>	<u>58,114</u>	<u>56,946</u>
Expenditure			
School programs	17,908	49,551	66,156
Operations and maintenance	-	-	-
Council administration	9,250	13,952	14,664
	<u>27,158</u>	<u>63,503</u>	<u>80,820</u>
Excess (Deficiency) of Revenue over Expenditure	-	(5,389)	(23,874)
Accumulated surplus, beginning of year	-	19,515	43,389
Accumulated surplus, end of year	\$ -	\$ 14,126	\$ 19,515
Composition of Ending Accumulated Surplus (Deficit)			
Cash in bank	\$	13,601	\$ 19,515
Accounts receivable		525	-
	\$	<u>14,126</u>	\$ <u>19,515</u>

FORT LIARD DISTRICT EDUCATION AUTHORITY

Details of DEA Expenditure

For the year ended June 30, 2014

Function	School Programs	Operations and Maintenance	Council Administration	Total
Salaries				
Teachers' salaries	\$ -	\$ -	\$ -	-
Instruction assistant	-	-	-	-
Non-Instructional staff	-	-	-	-
Council/Trustee honorarium	-	-	5,305	5,305
	-	-	5,305	5,305
Employee Benefits				
Employee benefits and allowances	-	-	-	-
Leave and termination	-	-	-	-
	-	-	-	-
Services Purchased/Contracted				
Professional services	-	-	-	-
Postage and communication	-	-	-	-
Utilities	-	-	-	-
Travel	-	-	-	-
Student travel	-	-	-	-
Advertising, printing and publishing	-	-	-	-
Maintenance and repair	-	-	-	-
Rentals and leases	-	-	-	-
Other	-	-	143	143
Contracted services	-	-	-	-
	-	-	143	143
Materials, Supplies and Freight				
Materials	-	-	8,504	8,504
Freight	-	-	-	-
	-	-	8,504	8,504
Local programs, supplies and office	49,551	-	-	49,551
Total	\$ 49,551	\$ -	\$ 13,952	\$ 63,503

JEAN MARIE RIVER

District Education Authority
Statement of Revenues and Expenses

For the year ended June 30, 2014

	Current Year Budget	Current Year Actual	Prior Year Actual
Revenue			
Operating contributions from Divisional Council	\$ 15,945	\$ 15,945	\$ 16,165
Other contributions from Divisional Council	-	-	6,169
Contributions from GNWT	-	-	-
Other	-	-	608
	<u>15,945</u>	<u>15,945</u>	<u>22,942</u>
Expenditure			
School programs	4,995	25,889	11,952
Operations and maintenance	-	-	-
Council administration	10,950	18,281	7,639
	<u>15,945</u>	<u>44,170</u>	<u>19,591</u>
Excess (Deficiency) of Revenue over Expenditure	-	(28,225)	3,351
Accumulated surplus, beginning of year	-	30,709	27,358
Accumulated surplus, end of year	\$ -	\$ 2,484	\$ 30,709
Composition of Ending Accumulated Surplus			
Cash in bank		\$ 2,484	\$ 30,709

JEAN MARIE RIVER DISTRICT EDUCATION AUTHORITY

Details of DEA Expenditure

For the year ended June 30, 2014

Function	School Programs	Operations and Maintenance	Council Administration	Total
Salaries				
Teachers' salaries	\$ -	\$ -	\$ -	-
Instruction assistant	-	-	-	-
Non-instructional staff	-	-	5,255	5,255
Council/Trustee honorarium	-	-	6,125	6,125
	-	-	11,380	11,380
Employee Benefits				
Employee benefits and allowances	-	-	-	-
Leave and termination	-	-	-	-
	-	-	-	-
Services Purchased/Contracted				
Professional services	-	-	-	-
Postage and communication	-	-	-	-
Utilities	-	-	-	-
Travel	-	-	-	-
Student travel	-	-	-	-
Advertising, printing and publishing	-	-	-	-
Maintenance and repair	-	-	-	-
Rentals and leases	-	-	-	-
Other	-	-	6,901	6,901
Contracted services	-	-	-	-
	-	-	6,901	6,901
Materials, Supplies and Freight				
Materials	681	-	-	681
Freight	-	-	-	-
	681	-	-	681
Local programs, supplies and office				
	25,208	-	-	25,208
Total	\$ 25,889	\$ -	\$ 18,281	\$ 44,170

WRIGLEY

District Education Authority Statement of Revenues and Expenses

For the year ended June 30, 2014

	Current Year Budget	Current Year Actual	Prior Year Actual
Revenue			
Operating contributions from Divisional Council	\$ 20,295	\$ 20,295	\$ 18,865
Other contributions from Divisional Council	-	4,000	-
Contributions from GNWT	-	-	-
Other	-	-	-
	<u>20,295</u>	<u>24,295</u>	<u>18,865</u>
Expenditure			
School programs	8,245	12,000	6,908
Operations and maintenance	-	-	-
Council administration	12,050	8,396	7,998
	<u>20,295</u>	<u>20,396</u>	<u>14,906</u>
Excess (Deficiency) of Revenue over Expenditure	-	3,899	3,959
Accumulated surplus, beginning of year	-	5,404	1,445
Accumulated surplus, end of year	\$ -	\$ 9,303	\$ 5,404
Composition of Ending Accumulated Surplus			
Cash in bank	\$	9,303	\$ 5,404

WRIGLEY DISTRICT EDUCATION AUTHORITY

Details of DEA Expenditure

For the year ended June 30, 2014

Function	School Programs	Operations and Maintenance	Council Administration	Total
Salaries				
Teachers' salaries	\$ -	\$ -	\$ -	-
Instruction assistant	-	-	-	-
Non-instructional staff	-	-	400	400
Council/Trustee honorarium	-	-	7,288	7,288
	-	-	7,688	7,688
Employee Benefits				
Employee benefits and allowances	-	-	-	-
Leave and termination	-	-	-	-
	-	-	-	-
Services Purchased/Contracted				
Professional services	-	-	-	-
Postage and communication	-	-	-	-
Utilities	-	-	-	-
Travel	-	-	-	-
Student travel	-	-	-	-
Advertising, printing and publishing	-	-	-	-
Maintenance and repair	-	-	-	-
Rentals and leases	-	-	-	-
Other	-	-	513	513
Contracted services	-	-	-	-
	-	-	513	513
Materials, Supplies and Freight				
Materials	-	-	195	195
Freight	-	-	-	-
	-	-	195	195
Local programs, supplies and office	12,000	-	-	12,000
Total	\$ 12,000	\$ -	\$ 8,396	\$ 20,396

NAHANNI BUTTE

District Education Authority Statement of Revenues and Expenses

For the year ended June 30, 2014

	Current Year Budget	Current Year Actual	Prior Year Actual
Revenue			
Operating contributions from Divisional Council	\$ 16,922	\$ 16,922	\$ 17,032
Other contributions from Divisional Council	-	800	2,800
Contributions from GNWT	-	-	-
Other	-	1,869	1,610
	<u>16,922</u>	<u>19,591</u>	<u>21,442</u>
Expenditure			
School programs	5,972	15,753	16,267
Operations and maintenance	-	-	-
Council administration	10,950	972	6,091
	<u>16,922</u>	<u>16,725</u>	<u>22,358</u>
Excess (Deficiency) of Revenue over Expenditure	-	2,866	(916)
Accumulated surplus, beginning of year		7,373	8,289
Accumulated surplus, end of year	\$ -	\$ 10,239	\$ 7,373
Composition of Ending Accumulated Surplus			
Cash in bank		\$ 10,239	\$ 7,373

NAHANNI BUTTE DISTRICT EDUCATION AUTHORITY

Details of DEA Expenditure

For the year ended June 30, 2014

Function	School Programs	Operations and Maintenance	Council Administration	Total
Salaries				
Teachers' salaries	\$ -	\$ -	\$ -	-
Instruction assistant	-	-	-	-
Non-instructional staff	2,100	-	-	2,100
Council/Trustee honorarium	-	-	-	-
	<u>2,100</u>	<u>-</u>	<u>-</u>	<u>2,100</u>
Employee Benefits				
Employee benefits and allowances	-	-	-	-
Leave and termination	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Services Purchased/Contracted				
Professional services	-	-	-	-
Postage and communication	-	-	-	-
Utilities	-	-	-	-
Travel	-	-	-	-
Student travel	-	-	-	-
Advertising, printing and publishing	-	-	-	-
Maintenance and repair	-	-	-	-
Rentals and leases	-	-	-	-
Other	494	-	820	1,314
Contracted services	-	-	-	-
	<u>494</u>	<u>-</u>	<u>820</u>	<u>1,314</u>
Materials, Supplies and Freight				
Materials	837	-	-	837
Freight	-	-	-	-
	<u>837</u>	<u>-</u>	<u>-</u>	<u>837</u>
Local programs, supplies and office	12,322	-	152	12,474
Total	\$ 15,753	\$ -	\$ 972	\$ 16,725

TROUT LAKE

District Education Authority Statement of Revenues and Expenses

For the year ended June 30, 2014

	Current Year Budget	Current Year Actual	Prior Year Actual
Revenue			
Operating contributions from Divisional Council	\$ 17,171	\$ 17,171	\$ 16,731
Other contributions from Divisional Council	-	4,595	24,149
Contributions from GNWT	-	-	-
Other	-	-	8,257
	<u>17,171</u>	<u>21,766</u>	<u>49,137</u>
Expenditure			
School programs	6,221	9,300	5,936
Operations and maintenance	-	13,399	7,997
Council administration	10,950	12,228	27,394
	<u>17,171</u>	<u>34,927</u>	<u>41,327</u>
Excess (Deficiency) of Revenue over Expenditure	-	(13,161)	7,810
Accumulated surplus, beginning of year	-	11,132	3,322
Accumulated surplus (Deficit), end of year	\$ -	\$ (2,029)	\$ 11,132
Composition of Ending Accumulated Surplus			
Cash in bank (Bank overdraft)		(2,029)	(32)
Accounts receivable		-	11,164
	\$	<u>(2,029)</u>	\$ <u>11,132</u>

TROUT LAKE DISTRICT EDUCATION AUTHORITY

Details of DEA Expenditure

For the year ended June 30, 2014

Function	School Programs	Operations and Maintenance	Council Administration	Total
Salaries				
Teachers' salaries	\$ -	\$ -	\$ -	-
Instruction assistant	-	-	-	-
Non-instructional staff	-	13,399	4,917	18,316
Council/Trustee honorarium	-	-	6,307	6,307
	-	13,399	11,224	24,623
Employee Benefits				
Employee benefits and allowances	-	-	421	421
Leave and termination	-	-	-	-
	-	-	421	421
Services Purchased/Contracted				
Professional services	-	-	-	-
Postage and communication	-	-	-	-
Utilities	-	-	-	-
Travel	-	-	-	-
Student travel	-	-	-	-
Advertising, printing and publishing	-	-	-	-
Maintenance and repair	-	-	-	-
Rentals and leases	-	-	-	-
Other	3,739	-	583	4,322
Contracted services	-	-	-	-
	3,739	-	583	4,322
Materials, Supplies and Freight				
Materials	-	-	-	-
Freight	-	-	-	-
	-	-	-	-
Local programs, supplies and office	5,561	-	-	5,561
Total	\$ 9,300	\$ 13,399	\$ 12,228	\$ 34,927

KAKISA LAKE

District Education Authority
Statement of Revenues and Expenses

For the year ended June 30, 2014

	Current Year Budget	Current Year Actual	Prior Year Actual
Revenue			
Operating contributions from Divisional Council	\$ 15,729	\$ 15,729	\$ 15,619
Other contributions from Divisional Council	-	2,378	4,667
Contributions from GNWT	-	-	-
Other	-	34,223	15,277
	<u>15,729</u>	<u>52,330</u>	<u>35,563</u>
Expenditure			
School programs	4,779	19,053	21,598
Operations and maintenance	-	1,598	5,679
Council administration	10,950	5,758	7,094
	<u>\$ 15,729</u>	<u>26,409</u>	<u>34,371</u>
Excess of Revenue over Expenditure	-	25,921	1,192
Accumulated surplus, beginning of year		10,580	9,388
Accumulated surplus, end of year	\$ -	\$ 36,501	\$ 10,580
Composition of Ending Accumulated Surplus			
Cash		\$ 36,501	\$ 10,580

KAKISA LAKE DISTRICT EDUCATION AUTHORITY

Details of DEA Expenditure

For the year ended June 30, 2014

Function	School Programs	Operations and Maintenance	Council Administration	Total
Salaries				
Teachers' salaries	\$ -	\$ -	\$ -	-
Instruction assistant	-	-	-	-
Non-instructional staff	-	1,523	4,900	6,423
Council/Trustee honorarium	-	-	-	-
	-	1,523	4,900	6,423
Employee Benefits				
Employee benefits and allowances	-	-	-	-
Leave and termination	-	-	-	-
	-	-	-	-
Services Purchased/Contracted				
Professional services	-	-	-	-
Postage and communication	-	-	-	-
Utilities	-	-	-	-
Travel	-	-	798	798
Student travel	-	-	-	-
Advertising, printing and publishing	-	-	-	-
Maintenance and repair	-	-	-	-
Rentals and leases	-	-	-	-
Other	-	-	-	-
Contracted services	-	-	-	-
	-	-	798	798
Materials, Supplies and Freight				
Materials	-	75	-	75
Freight	-	-	-	-
	-	75	-	75
Local programs, supplies and office	19,053	-	60	19,113
Total	\$ 19,053	\$ 1,598	\$ 5,758	\$ 26,409



DEHCHO DIVISIONAL EDUCATION COUNCIL

Box 376, Fort Simpson, N.W.T. X0E 0N0

September 25, 2014

Management Responsibility for Financial Reporting

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

The accompanying consolidated 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 statement 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 consolidated 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 council's management recognizes its responsibility for conducting the council's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to a Divisional Education Council.

The auditors annually provide an Independent, objective audit for the purpose of expressing an opinion on the consolidated 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.

Terry Jaffray
Superintendent
Dehcho Divisional Education Council

Dettah District Education Authority

Financial Statements

June 30, 2014

Dettah District Education Authority

Financial Statements

June 30, 2014

Page

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

Management Responsibility for Financial Reporting

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

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

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

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

Lea Lamay for the DDEA Chair

Chairperson
Dettah District Education Authority

- Charlene Sundberg

Independent Auditors' Report

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

We have audited the accompanying financial statements of the Dettah District Education Authority (the Authority), which comprise of the statement of financial position as at June 30, 2014, statement of changes in net financial resources, statement of operations, and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Basis for Qualified Opinion

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

Independent Auditors' Report (continued)

Qualified Opinion

In our opinion, except for the effects of adjustments, if any, of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Authority as at June 30, 2014, and the results of its operations, changes in net financial resources and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

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

Yellowknife, Northwest Territories
September 24, 2014

Crowe Mackay LLP
Chartered Accountants

Dettah District Education Authority

Statement of Financial Position

As at June 30, 2014 2013

Financial Assets

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

Liabilities

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

Net Financial Resources and Accumulated Surplus

\$ 632,591 \$ 611,492

Commitments (note 7)

Approved on behalf of the Authority

Léa Lamouroux ^{Principal}
~~for~~ (Léa Lamouroux)
Chairperson

for Chair of the DEA
Charlene Sundberg

Secretary/Treasurer

Dettah District Education Authority

Statement of Operations

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

Dettah District Education Authority

Statement of Changes in Net Financial Resources

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

Dettah District Education Authority

Statement of Cash Flows

For the year ended June 30,	2014	2013
Operating Activities		
Cash received from:		
Government of the Northwest Territories - Department of Education, Culture and Employment	\$ 1,442,809	\$ 1,636,514
Government of the Northwest Territories - Department of Municipal and Community Affairs	12,000	-
Other revenue	56,647	11,172
	1,511,456	1,647,686
Cash paid for:		
Compensation and benefits	(723,028)	(759,454)
Operations and maintenance	(673,837)	(780,784)
	(1,396,865)	(1,540,238)
Change in cash position	114,591	107,448
Cash position, beginning of year	751,232	643,784
Cash, position, end of year	\$ 865,823	\$ 751,232
Represented by		
Cash	\$ 837,357	\$ 722,837
Short-term investment	28,466	28,395
	\$ 865,823	\$ 751,232

Dettah District Education Authority

Notes to Financial Statements

June 30, 2014

1. Nature of Operations

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

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

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

2. Significant Accounting Policies

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

(a) Tangible capital assets

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

(b) Revenue recognition

GNWT - Regular Contributions

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

Dettah District Education Authority

Notes to Financial Statements

June 30, 2014

2. Significant Accounting Policies (continued)

(b) Revenue recognition (continued)

Government transfers

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

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

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

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

GNWT - Other Contributions

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

Other revenue

Unrestricted contributions are recognized as revenue when they are received or receivable, if the amount can be reasonably estimated and its collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

(c) Budget data

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

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

The budget figures presented are those approved by the Authority and have not been audited.

Dettah District Education Authority

Notes to Financial Statements

June 30, 2014

2. Significant Accounting Policies (continued)

(d) Financial instruments

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

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

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

The Authority has not measured any financial assets at fair value.

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

(e) Measurement uncertainty

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

Dettah District Education Authority

Notes to Financial Statements

June 30, 2014

3. Short-term Investment

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

4. Accounts receivable

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

5. Accounts payable and accrued liabilities

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

6. Deferred Revenue

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

7. Commitments

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

Dettah District Education Authority

Notes to Financial Statements

June 30, 2014

8. Economic Dependence

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

9. Related Party Transactions

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

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

10. Pensions

Defined Contribution Plan

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

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

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

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

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

11. Line of Credit

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

Dettah District Education Authority

Notes to Financial Statements

June 30, 2014

12. Comparative Figures

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

13. Financial Instruments

Financial instruments consist of recorded amounts of cash, short term investments and accounts receivable which will result in future cash receipts, as well as accounts payable and accrued liabilities and accounts payable - Yellowknife Education District #1 which will result in future cash outlays.

The Authority is exposed to the following risks in respect of certain of the financial instruments held:

a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Authority is exposed to credit risk from funding agencies. The Authority has a concentration of credit risk as it has funds due primarily from the GNWT - Department of Education, Culture and Employment. The Authority is also exposed to credit risk in cash and short term investments of \$865,823 (2013 - \$751,232) as a result of having funds with a chartered bank in excess of the insurable limit. Furthermore the full balance of cash is held at one financial institution.

Dettah District Education Authority

Schedule 1 - Revenues

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

Dettah District Education Authority

Schedule 2 - Details of Expenditures

For the year ended June 30,

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

Dettah District Education Authority

Schedule 3

Aboriginal Language and Culture Program Expenditures

For the year ended June 30,

2014

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

Dettah District Education Authority

Schedule 4 Details of Inclusive Schooling Expenses

For the year ended June 30,

2014

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

**K'alemi Dene School
(Ndilo District Education Authority)**

Financial Statements

June 30, 2014

K'alemi Dene School
(Ndilo District Education Authority)

Financial Statements

June 30, 2014

Page

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

Management Responsibility for Financial Reporting

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

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

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

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



Eileen Erasmus
Principal
K'alemi Dene School
July 30, 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

We have audited the accompanying financial statements of the K'alemi Dene School (the Authority), which comprise of the statement of financial position as at June 30, 2014, statement of changes in net financial resources, statement of operations, and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Basis for Qualified Opinion

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



Independent Auditors' Report (continued)

Qualified Opinion

In our opinion, except for the effects of adjustments, if any, of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Authority as at June 30, 2014, and the results of its operations, changes in net financial resources and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

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

**Yellowknife, Northwest Territories
July 30, 2015**

Crowe MacKay LLP

Chartered Accountants

K'alemi Dene School
(Ndilo District Education Authority)

Statement of Financial Position

As at June 30, **2014**

Financial assets

Cash	\$ 8,790
Accounts receivable (note 5)	1,509,946
	<hr/> 1,518,736

Liabilities

Accounts payable and accrued liabilities (note 6)	290,069
---	---------

Net financial resources and accumulated surplus **\$ 1,228,667**

Commitments (note 8)

Approved on behalf of the Authority

M. Eusens Chairperson

[Signature] Trustee

K'alemi Dene School
(Ndilo District Education Authority)

Statement of Operations

For the year ended June 30,	2014	2014
	Budget (unaudited)	Actual
Revenues		
Government of the Northwest Territories - Department of Education, Culture and Employment	\$ -	\$3,267,067
Donations - other	-	4,190
	2,093,884	3,271,257
Expenditures - Schedule 1		
Administration	-	1,302,222
Inclusive schooling	-	225,415
School programs	-	1,681,906
Aboriginal languages	-	67,848
	2,085,847	3,277,391
Surplus (deficit)	8,037	(6,134)
Opening accumulated surplus (deficit)	-	-
Transfer to accumulated surplus (note 7)	-	1,234,801
Surplus end of year	\$ 8,037	\$1,228,667

K'alemi Dene School
(Ndilo District Education Authority)

Statement of Changes in Net Financial Resources

For the year ended June 30,	2014	
	Budget (unaudited)	Actual
Surplus (deficit)	\$ 8,037	\$ (6,134)
Net financial resources, beginning of year	-	-
Net financial resources, end of year	\$ 8,037	\$ (6,134)

K'alemi Dene School
(Ndilo District Education Authority)

Statement of Cash Flows

For the year ended June 30, **2014**

Operating Activities

Cash received from:

Government of the Northwest Territories - Department of Education, Culture and Employment	\$ 2,093,884
Donations	(270,955)

1,822,929

Cash paid for:

Compensation and benefits	(1,627,802)
Operations and maintenance	(186,337)

(1,814,139)

Change in cash position	8,790
--------------------------------	--------------

Cash position, beginning of year	-
---	----------

Cash position, end of year	\$ 8,790
-----------------------------------	-----------------

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Financial Statements

June 30, 2014

1. Commencement of Operations

The 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.

Prior to June 25, 2013 operations were disclosed under the K-12 Education program of the Yellowknives Dene First Nation. This has resulted in unspent contributions received from the Government of the Northwest Territories (GNWT) - Department of Education, Culture and Employment. These unspent contributions have been rolled into and reflected in the Authority's records as of June 30, 2014, as deferred revenue per note 7.

2. Nature of Operation

The Authority's purpose is to administer and maintain the standards of educational programs in N'Dilo as defined under the *Education 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.

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.

3. Significant Accounting Policies

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

(a) Basis of accounting

The basis of accounting refers to the timing of when revenue and expense items are recognized in the accounts and reported in the financial statements.

The accrual basis of accounting is used. 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 and measurable based upon receipts of goods or services and/or the creation of a legal obligation to pay.

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Financial Statements

June 30, 2014

3. Significant Accounting Policies (continued)

(b) Tangible capital assets

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

(c) Revenue recognition

GNWT - Regular Contributions

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

Government transfers

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

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

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

Other revenue - Donations

Due to the uncertainty surrounding the collection of donations, the Authority recognizes only those donations for which amounts have been received at the date of completion of the financial statements.

(d) Budget data

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

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

The budget figures presented are those approved by the Authority and have not been audited.

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Financial Statements

June 30, 2014

3. Significant Accounting Policies (continued)

(e) Financial instruments

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

Financial instruments at amortized cost include cash, accounts receivable 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.

(f) Measurement uncertainty

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

4. Future Accounting Changes

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.

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Financial Statements

June 30, 2014

4. Future Accounting Changes (continued)

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.

5. Accounts Receivable

	2014
Yellowknives Dene First Nation	\$ 1,509,946

There is no allowance for doubtful accounts.

6. Accounts Payable and Accrued Liabilities

	2014
Accounts payable and accrued liabilities	\$ 3,764
Yellowknife Education District # 1	286,305
	\$ 290,069

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Financial Statements

June 30, 2014

7. Transfer to Accumulated Surplus

2014

Transfer to Accumulated Surplus **\$ 1,234,801**

Transfer to accumulated surplus is made up of unexpended government transfers received from the Government of the Northwest Territories, Department of Education, Culture and Employment for school operations. The corresponding restricted cash is receivable from the Yellowknives Dene First Nation as of June 30, 2014.

8. Commitments

	Expires in Fiscal Year	Current year	2016-2019	Total
Equipment leases	2019	\$ 9,056	\$ 36,224	\$ 45,280
Operation leases	2015	27,000	-	27,000
Total		\$ 36,056	\$ 36,224	\$ 72,280

9. Economic Dependence

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

10. Related Party Transactions

Entity	Relationship	Type of transaction	2014
Yellowknife Education District #1	Associated School Board	Payroll	\$ 1,234,801

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.

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Financial Statements

June 30, 2014

11. Risk Management

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 a federally regulated chartered bank who is insured by the Canadian Deposit Insurance Corporation. In the event of default, the Authority's cash are insured up to \$200,000.

Accounts receivable are due from governments and 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 portion of accounts receivable are impaired based on specific identification as well as age of receivables. No impaired amounts are disclosed in Note 5.

The Authority's maximum exposure to credit risk is represented by the financial assets balance for a total of \$1,518,736.

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 of credit risk. At June 30, 2014, receivables from one customer comprised 100% of the total outstanding accounts receivables. The Authority reduces this risk by monitoring overdue balances.

The Authority also has concentration 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 June 30, 2014 mature within the next six months. Total financial assets are \$1,518,736 and financial liabilities are \$290,069. The authority 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.

K'alemi Dene School
(Ndilo District Education Authority)

Schedule 1 - Details of Expenditures

For the year ended June 30,

2014

	School Programs	Inclusive Schooling (schedule 3)	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages (schedule 2)	Transfers & Others	Total
Salaries								
Teachers	\$ 1,099,825	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,099,825
Instruction assistants	114,867	-	-	-	-	47,820	-	162,687
Non-Instructional staff	31,272	73,206	-	-	-	-	-	104,478
Board/Trustee honoraria	-	-	-	-	18,178	-	-	18,178
Total Salaries	1,245,964	73,206	-	-	18,178	47,820	-	1,385,168
Employee Benefits								
Employee benefits and allowances	236,107	6,527	-	-	-	-	-	242,634
Services Purchased or Contracted								
Advertising	-	393	-	-	-	-	-	393
Electricity	3,187	-	-	-	-	-	-	3,187
Insurance & permits	-	4,340	-	-	-	-	-	4,340
Maintenance & repair	3,047	-	-	-	-	-	-	3,047
Postage & communication	7,237	-	-	-	-	-	-	7,237
Professional/technical services	38,058	66,664	-	-	1,280,068	-	-	1,384,790
Rentals & lease	9,151	-	-	-	-	-	-	9,151
Student transportation & bussing	-	31,203	-	-	2,901	-	-	34,104
Water and sewage	6,114	-	-	-	-	-	-	6,114
Total Services Purchased or Contracted	66,794	102,600	-	-	1,282,969	-	-	1,452,363
Total Materials	133,041	43,082	-	-	1,075	20,028	-	197,226
Total Expenditures	\$ 1,681,906	\$ 225,415	\$ -	\$ -	\$ 1,302,222	\$ 67,848	\$ -	\$ 3,277,391

K'alemi Dene School
(Ndilo District Education Authority)

Schedule 2
Aboriginal Language and Culture Program Expenditures

For the year ended June 30,

2014

Function	Student Instruction	Teaching/ Learning Resources	Professional Development	School Activities and Integrated Community Programs	Total
Salaries					
Teachers	\$ -	\$ -	\$ -	\$ -	-
Language consultants	-	-	-	-	-
Instruction assistants	47,820	-	-	-	47,820
Non-instructional staff	-	-	-	-	-
Honoraria	-	-	-	-	-
School secretary	-	-	-	-	-
	47,820	-	-	-	47,820
Employee Benefits					
Employee benefits/allowances	-	-	-	-	-
Services Purchased/Contracted					
Advertising/printing/publishing	-	-	-	-	-
Maintenance/repair	-	-	-	-	-
Other contracted services	-	-	-	-	-
Professional/technical services	-	-	-	-	-
Rentals/leases	-	-	-	-	-
Student transportation (bussing)	-	-	-	-	-
Travel	-	-	-	-	-
	-	-	-	-	-
Materials/Supplies/Freight					
Freight	-	-	-	-	-
Materials	20,028	-	-	-	20,028
	20,028	-	-	-	20,028
Total	\$ 67,848	\$ -	\$ -	\$ -	\$ 67,848

K'alemi Dene School
(Ndilo District Education Authority)

Schedule 3
Details of Inclusive Schooling Expenses

For the year ended June 30,

2014

Function	Staff Development	Intervention Strategies	Assistive Technology	Student Resources	Southern Placements	Magnet Facilities	General Inclusive Schooling	Total
Salaries								
Program support teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Consultants	-	-	-	-	-	-	-	-
Support assistants	-	-	-	-	-	-	-	-
Non-instructional staff	-	-	-	-	-	-	73,206	73,206
School secretary	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	73,206	73,206
Employee Benefits								
Employee benefits/allowances	-	-	-	-	-	-	6,527	6,527
Services Purchased/Contracted								
Professional/technical services	-	-	-	-	-	-	66,664	66,664
Travel	-	-	-	-	-	-	-	-
Student transportation (bussing)	-	-	-	-	-	-	31,203	31,203
Advertising/printing/publishing	-	-	-	-	-	-	393	393
Maintenance/repair	-	-	-	-	-	-	-	-
Rentals/leases	-	-	-	-	-	-	-	-
Other contracted services	-	-	-	-	-	-	4,340	4,340
	-	-	-	-	-	-	102,600	102,600
Materials/Supplies/Freight								
Materials	-	-	-	-	-	-	43,082	43,082
Freight	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	43,082	43,082
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 225,415	\$ 225,415

Sahtu Divisional Education Council
Consolidated Financial Statements
June 30, 2014

Sahtu Divisional Education Council

Consolidated Financial Statements

June 30, 2014

Page

Management Responsibility for Financial Reporting	3
Independent Auditors' Report	4-5
Consolidated Statement of Financial Position	6
Consolidated Statement of Operations	7
Consolidated Statement Changes in Net Financial Resources	8
Consolidated Statement of Cash Flows	9
Notes to Consolidated Financial Statements	10 - 18
Schedule 1 Schedule of Consolidated Expenses by Location	19
Schedule 2 Schedule of Consolidated Detail of Expenses	20
Schedule 3 Schedule of Specific Program - Detail of Inclusive Schooling Expenses	21
Schedule 4 Schedule of Specific Program - Aboriginal Languages	22
Schedule 5 Schedule of Specific Program - Infrastructure	23
Schedule 6 Schedule of Aboriginal Language and Culture-Based Education Expenses	24
Schedule 7 Schedule of French Language Programs	25
Schedule 8 Schedule of Student Success Initiative Projects	26
Schedule 9 - 20 Schedule of Revenue, Expenditure and Financial Position for Central Office, District Education Authorities of Colville Lake, Deline, K'asho Gotine, Norman Wells, and Tulita.	27-38

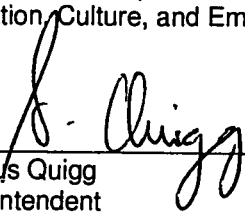
Management Responsibility for Financial Reporting

**To the Minister of Education, Culture and Employment
Government of the Northwest Territories
and
To the Board of Trustees
Sahtu Divisional Education Council**

The accompanying consolidated 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 statement 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 consolidated 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 council's management recognizes its responsibility for conducting the council's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to a Divisional Education Council.

The auditors annually provide an independent, objective audit for the purpose of expressing an opinion on the consolidated 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.



Seamus Quigg
Superintendent
Sahtu Divisional Education Council

Independent Auditors' Report

**To the Minister of Education, Culture and Employment
Government of the Northwest Territories and
To the Board of Trustees
Sahtu Divisional Education Council**

We have audited the accompanying consolidated financial statements of Sahtu Divisional Education Council which comprise the consolidated statement of Financial Position as at June 30, 2014, 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 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 Council'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 Council'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

Salaries and benefits paid by the Council are administered by the Government of the Northwest Territories except for the salaries of the superintendent of schools, casual employees, and elder honoraria. Our audit scope was limited to salaries paid directly by the Council and we did not audit the components of salaries and benefits and associated liabilities administered by the Government of the Northwest Territories. Accordingly, we were not able to determine whether any adjustments might be necessary to salaries and benefits expenditures, accounts payable and accrued liabilities, accrued salaries, employee leave and termination benefits and accumulated surplus.

Independent Auditors' Report (Continued)

Basis of Qualified Opinion (continued)

Also, the council administers accountable funds as described in note 3(h). At June 30, 2014 the balance of the accountable advance was \$427,660 (2013: \$276,819). Our audit scope was limited as we did not audit the transactions nor balances of these accountable advances. Accordingly, we were not able to determine whether any adjustments might be necessary to cash and accountable advances.

Qualified Opinion

In our opinion, except for the possible effect of the matters described in the Basis of Qualified Opinion paragraphs, these consolidated financial statements present fairly, in all material respect, the consolidated financial position of the Sahtu Divisional Education Council as at June 30, 2014, and its financial operations and its change in financial position for the year then ended in accordance with Canadian public sector accounting standards, on a basis consistent with the preceding year.

Report on Other Legal and Regulatory Requirements

We report further, in accordance with the *Financial Administration Act* of the Northwest Territories, that in our opinion, proper books of account have been kept by the Sahtu Divisional Education Council, 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 Sahtu Divisional Education Council.

Yellowknife, Canada
September 26, 2014

Crowe MacKay LLP
Chartered Accountants

Sahtu Divisional Education Council

Consolidated Statement of Financial Position

As at June 30, 2014 2013
Restated

Financial Assets

Cash	\$ 3,179,427	\$ 3,646,917
Accountable funds	427,660	276,820
Due from the GNWT (Note 4)	136,742	163,658
Other accounts receivable (Note 5)	256,199	165,872
	4,000,028	4,253,267

Liabilities

Accounts payable and accrued liabilities (Note 6)	170,831	165,304
Accrued salaries (Note 7)	1,480,602	1,473,691
Deferred revenue (Note 8)	72,077	-
Employee leave and termination benefits (Note 9)	1,409,848	1,394,091
Accountable funds (Note 10)	427,660	276,819
	3,561,018	3,309,905

Net Financial Assets **439,010** **943,362**

Non-Financial Assets

Prepaid expenses 29,993 8,207

Accumulated Surplus **\$ 469,003** **\$ 951,569**

Commitments (Note 11)

Approved on behalf of the Council:


Janet Bayha
Chairperson


Lynda Reminek
Acting Controller

Sahtu Divisional Education Council

Consolidated Statement of Operations

For the year ended June 30,	2014	2014	2013
	(Unaudited) Budget	Actual	Actual Restated
Revenues			
Government of the Northwest Territories			
Regular contribution	\$ 13,203,283	\$ 13,499,292	\$ 13,873,823
Other - HCl / French contribution	143,000	122,687	108,000
Infrastructure 2012-2013	-	72,998	66,792
Progressive experience program	-	-	5,000
	13,346,283	13,694,977	14,053,615
Council generated funds			
Donations	-	-	1,500
Investment income	30,000	39,430	43,092
Other (Note 12)	25,000	97,513	148,993
Total Generated Funds	55,000	136,943	193,585
Total revenues	13,401,283	13,831,920	14,247,200
Expenditures (Schedule 2)			
Administration	1,027,830	1,168,652	1,370,217
School programs	9,394,931	9,653,439	8,794,576
Inclusive schooling	1,651,753	1,677,449	1,756,082
Operations and maintenance	356,400	434,215	383,680
Aboriginal languages	1,338,366	1,380,731	1,413,277
	13,769,280	14,314,486	13,717,832
Annual operating surplus (deficit)	(367,997)	(482,566)	529,368
Accumulated surplus (deficit), beginning of year	-	951,569	422,201
Accumulated surplus, end of year	\$ -	\$ 469,003	\$ 951,569

Sahtu Divisional Education Council**Consolidated Statement of Changes in Net Financial Resources**

For the year ended June 30,	2014		2013
	(Unaudited) Budget	Actual	Actual Restated
Annual operating surplus (deficit)	\$ (263,060)	\$ (482,566)	\$ 529,368
Change in prepaid expenses	-	(21,786)	(8,207)
Increase (decrease) in net financial assets	(263,060)	(504,352)	521,161
Net financial assets, beginning of year	943,361	943,361	422,200
Net financial assets, end of year	\$ 680,301	\$ 439,009	\$ 943,361

Sahtu Divisional Education Council

Consolidated Statement of Cash Flows

For the year ended June 30,	2014	2013
Operating transactions		
Cash received from:		
Government of the Northwest Territories	\$ 13,822,712	\$ 14,151,261
Recoveries and general revenue	17,875	63,987
Leave and termination benefits	15,757	-
Accountable funds	150,840	-
	14,007,184	14,215,248
Cash paid for:		
Compensation and benefits	(12,488,090)	(12,594,153)
Operations and maintenance	(1,835,744)	(1,404,887)
Leave and termination benefits	-	(56,269)
Accountable funds	-	(153,083)
	(14,323,834)	(14,208,392)
Change in cash position	(316,650)	6,856
Cash, beginning of year	3,923,737	3,916,881
Cash, end of year	\$ 3,607,087	\$ 3,923,737
Represented by		
Cash	\$ 3,179,427	\$ 3,646,917
Accountable funds	427,660	276,820
	\$ 3,607,087	\$ 3,923,737

Sahtu Divisional Education Council

Notes to Consolidated Financial Statements

June 30, 2014

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 of 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.

2. Basis of Preparation

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

3. Significant Accounting Policies

These consolidated financial statements of the Council 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 and within the framework of the accounting policies summarized below.

(a) Basis of Accounting

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.

Sahtu Divisional Education Council

Notes to Consolidated Financial Statements

June 30, 2014

3. Significant Accounting Policies (continued)

(b) Financial Instruments

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

Financial assets subsequently measured at amortized cost include cash, 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, employee leave and termination 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.

(c) Tangible Capital Assets

All buildings and works, furniture, equipment, and vehicles valued in excess of \$50,000 and purchased with GNWT capital funds are the property of the GNWT. Although the Minister grants to the Council full occupancy and use of such facilities and equipment required for the administration and delivery of the education programs within the division, the value of the facilities and equipment are not reported on the statement of financial position.

Other capital assets, consisting of office and teaching equipment, and furniture purchased by the Council are treated as expenditures during the year of acquisition and accordingly do not appear on the statement of financial position.

(d) Inventory

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

Sahtu Divisional Education Council

Notes to Consolidated Financial Statements

June 30, 2014

3. Accounting Policies (continued)

(e) Infrastructure

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 because recovery is contingent on legislative approval.

(f) Leave 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 Council and other criteria as outlined in the negotiated collective agreements.

(g) 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 estimated of the amounts can be determined.

Capital transfers or transfer 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 Consolidated Financial Statements

June 30, 2014

3. Accounting Policies (continued)

(g) 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 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 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 expenditures are incurred.

Investment income

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

(h) 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 consolidated financial statements of the Council 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.

(i) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded to reflect the use of the applicable spending appropriations, is employed by the Operating fund surplus (deficit) during the fiscal year to control expenditures. In accordance with Canadian public sector accounting standards; however, encumbrance accounting is not used for recording expenditures for the year. Only the cost of those goods acquired and services received on or before June 30 is recognized as an expenditure in the consolidated financial statements. Encumbrances not converted to expenditures at year-end are charged to the next year's appropriation and are not reflected as either expenditures or liabilities in the consolidated financial statements.

(j) 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.

Sahtu Divisional Education Council

Notes to Consolidated Financial Statements

June 30, 2014

3. Accounting Policies (continued)

(k) 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 and the budget is legally adopted by a motion of the Board in accordance with Section 135(2) of the *Education Act*.

This annual budget includes estimates of revenue and expenditure for the Operating fund 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 approved budget for the fiscal year, and therefore, excludes any amendments that may have been made during the year.

(l) 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.

Sahtu Divisional Education Council

Notes to Consolidated Financial Statements

June 30, 2014

4. Due from GNWT

	2014	2013
Education, Culture, and Employment	\$ 93,147	\$ 95,381
Health and Social Services	43,595	16,335
Municipal and Community Affairs	-	49,444
Yellowknife District No. 1 Education Authority	-	2,498
	\$ 136,742	\$ 163,658

5. Other Accounts Receivable

	2014	2013
Trade receivables	\$ 323,119	\$ 186,163
Allowance for doubtful accounts	(66,920)	(20,291)
	\$ 256,199	\$ 165,872

6. Accounts payable and accrued liabilities

	2014	2013
GNWT - MACA	\$ 19,068	\$ -
GNWT - Petroleum Products	89	396
Trade payables	151,674	164,908
	\$ 170,831	\$ 165,304

Sahtu Divisional Education Council

Notes to Consolidated Financial Statements

June 30, 2014

7. Accrued Salaries

	2014	2013
Summer salary payout accruals	\$ 1,480,602	\$ 1,473,691

Accrued salaries relates to salaries of teachers and classroom assistants who work for 10 months and are paid out over 12 months. Because the payroll is processed and paid to teachers and classroom assistants by the GNWT, the amount above represents amounts due to the GNWT.

8. Deferred Revenue

	2014	2013
Junior Kindergarten	\$ 72,077	\$ -

9. Employee Leave 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. The estimated portion of these benefits extending beyond the subsequent fiscal period is reported as a long-term liability.

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

	2014	2013
Annual leave and lieu time	\$ 364,893	\$ 326,662
Retirement and resignation benefits	636,451	709,997
Removal assistance	408,504	357,432
	\$ 1,409,848	\$ 1,394,091

10. Accountable funds

	2014	2013
Colville Lake	\$ 69,156	\$ 26,356
Deline	53,489	49,154
Fort Good Hope	114,496	55,932
Norman Wells	49,907	58,174
Tulita	140,612	87,203
	\$ 427,660	\$ 276,819

The Council administer funds relating to various activities and functions conducted by certain schools within their district. Revenues and expenditures relating to these funds are unaudited.

Sahtu Divisional Education Council

Notes to Consolidated Financial Statements

June 30, 2014

11. Commitments

	Expires in Fiscal Year	2015	2016 and thereafter	Total
Commercial and residential leases	2023	\$ 106,752	\$ 854,016	\$ 960,768

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.

12. Other council generated revenue

	2014 Budget	2014 Actual	2013 Actual
Student Success Initiative	\$ -	\$ 36,080	\$ 115,847
NWTTA - Teachers Conference	-	55,000	-
K'Asho Gotine Community	-	433	-
College Literacy Surplus	-	-	9,621
Rental income - Colville Lake	-	6,000	6,000
Prior year salary recovery	-	-	7,358
Health and social services	-	-	585
NWTPC - Utility overpayment	-	-	1,119
Miscellaneous	-	-	1,963
Colville Lake recycling revenue	-	-	3,000
Chief T'Selehye School recycling revenue	-	-	3,500
	\$ -	\$ 97,513	\$ 148,993

13. Comparative Figures

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

Sahtu Divisional Education Council

Notes to Consolidated Financial Statements

June 30, 2014

14. Related party transactions

The Education Authority is related in terms of common ownership to all GNWT created departments, agencies and corporations. The Education 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, payroll services, and internal audit services by the Department of Finance, and utility and maintenance by Public Works and Services.

15. Financial Instruments

Financial instruments consist of recorded amounts of cash, due from the GNWT, and other accounts receivable which will result in future cash receipts, as well as accounts payable and accrued liabilities, employee deductions payable, employee leave and termination benefits and debentures which will result in future cash outlays.

The Council 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 Council is exposed to credit risk from GNWT and other accounts receivable of \$392,923 (2013 - \$329,529). The Council is exposed to credit risk from government funding agencies, recipients of services and preschool clients. The Council has a concentrated risk of credit from NWTTA, GNWT Department of Education, Culture, and Employment and GNWT Health & Social Services. At June 30, 2014, receivables from three organizations comprised approximately 80% of the total outstanding receivables. Furthermore there is a concentration risk in cash as the full balance is held at one financial institution in excess of the insurable limit. 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. The authority reduces its risk exposure by following up on old account receivables for collection and entering into service agreement with well-established organizations. The risk has not changed from the prior year.

Sahtu Divisional Education Council

Schedule 1

Consolidated Expenses by Location

For the Year ended June 30,	2014		2013
	Budget (Unaudited)	Actual	Actual
School Programs			
Colville Lake	\$ 1,002,144	\$ 1,064,654	\$ 974,182
Deline	2,354,465	2,390,084	2,341,183
Division expenditures	174,100	477,047	312,195
Fort Good Hope	2,277,044	2,223,633	2,358,472
Norman Wells	2,222,503	2,267,480	2,271,691
Sick, Maternity, Long term disability	50,000	75,617	44,942
Tulita	2,535,598	2,541,113	2,314,733
	10,615,854	11,039,628	10,617,398
School Support Programs			
Inclusive schooling	202,927	189,524	91,857
Literacy	452,398	327,819	196,474
Supervisor of school program	243,607	294,512	319,429
Teaching and learning centres (aboriginal languages)	360,644	372,940	363,619
Technology consultant	508,259	543,594	460,951
	1,767,835	1,728,389	1,432,330
Administration			
Central office	881,754	925,376	1,003,741
Council board	82,500	78,344	148,015
Transfer to DEAs	64,937	108,533	132,671
	1,029,191	1,112,253	1,284,427
Infrastructure			
Personnel	207,000	295,711	213,350
Utilities	149,400	138,505	170,327
	356,400	434,216	383,677
Total expenditures	\$ 13,769,280	\$ 14,314,486	\$ 13,717,832

Sahtu Divisional Education Council

Schedule 2

Consolidated Detail of Expenses

For the year ended June 30, 2014

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Transfers & Other	Total
Salary								
Teachers salaries	\$ 6,957,983	\$ 691,734	\$ -	\$ -	\$ -	\$ 1,091,326	\$ -	\$ 8,741,043
Instruction assistants	10,707	716,338	-	-	-	174,744	-	901,789
Non-instructional staff	1,540,332	173,607	-	-	645,429	-	-	2,359,368
Board/trustee honoraria	-	-	-	-	40,592	-	-	40,592
Teachers salaries	-	-	-	-	-	43,243	-	43,243
	8,509,022	1,581,679	-	-	686,021	1,309,313	-	12,086,035
Employee Benefits								
Employee benefits/allowances	64,706	-	-	293,081	5,586	15,634	-	379,007
Leave and termination benefits	-	-	-	-	29,959	-	-	29,959
	64,706	-	-	293,081	35,545	15,634	-	408,966
Services Purchased/Contracted								
Other	976	-	-	2,629	5,666	-	-	9,271
Other contracted services	147,540	-	-	-	32,499	20,523	-	200,562
Postage/communication	44,530	-	-	-	33,899	-	-	78,429
Professional/technical services	65,920	7,880	-	-	189,569	12,721	-	276,090
Rental/leases	-	-	-	131,505	-	-	-	131,505
Travel	249,603	26,232	-	-	137,716	5,418	-	418,969
Utilities Electricity	-	-	-	-	-	-	-	-
Heating	-	-	-	-	-	-	-	-
Water/sewage	-	-	-	7,000	-	-	-	7,000
	508,569	34,112	-	141,134	399,349	38,662	-	1,121,826
Materials/Supplies/Freight								
Materials	472,330	61,106	-	-	36,417	16,644	-	586,497
Freight	50,788	552	-	-	8,168	478	-	59,986
	523,118	61,658	-	-	44,585	17,122	-	646,483
Contributions/Transfers								
Transfers - other	-	-	-	-	-	-	-	-
Debt Services								
Other	48,024	-	-	-	3,152	-	-	51,176
	48,024	-	-	-	3,152	-	-	51,176
Total	\$ 9,653,439	\$ 1,677,449	\$ -	\$ 434,215	\$ 1,168,652	\$ 1,380,731	\$ -	\$ 14,314,486

Sahtu Divisional Education Council

Detail of Inclusive Schooling Expenses

For the year ended June 30, 2014

	Staff Development	Intervention Strategies	Assistive Technology	Student Resources	Southern Placements	Magnet Facilities	General Inclusive Schooling	Total
Salary								
Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 691,734	\$ 691,734
Instruction assistants	-	716,338	-	-	-	-	-	716,338
Non-instructional staff	-	-	154,510	-	-	-	19,097	173,607
	-	716,338	154,510	-	-	-	710,831	1,581,679
Employee Benefits								
Employee benefits/allowances	-	-	-	-	-	-	-	-
Services Purchased/Contracted								
Professional/technical services	-	-	7,880	-	-	-	-	7,880
Travel	26,232	-	-	-	-	-	-	26,232
	26,232	-	7,880	-	-	-	-	34,112
Materials /Supplies/Freight								
Materials	-	-	-	61,106	-	-	-	61,106
Freight	-	-	552	-	-	-	-	552
	-	-	552	61,106	-	-	-	61,658
Total	\$ 26,232	\$ 716,338	\$ 162,942	\$ 61,106	\$ -	\$ -	\$ 710,831	\$ 1,677,449

Sahtu Divisional Education Council

Aboriginal Languages

For the year ended June 30, 2014

	July 1, 2013 to March 31, 2014	April 1, 2014 to June 30, 2014	Total
Revenue			
Secretary State Funding	\$ 58,000	\$ -	\$ 58,000
Expenses			
Salaries	73,873	-	73,873
Other O&M	3,992	-	3,992
	77,865	-	77,865
Deficit	\$ (19,865)	\$ -	\$ (19,865)

Sahtu Divisional Education Council

Infrastructure

For the year ended June 30,

	2014	2013
Personnel Infrastructure		
Revenue		
GNWT - ECE contributions	\$ 206,208	\$ 185,994
Expenses		
Staffing		
Storage	1,125	1,750
Employee benefits		
Removal in/transfer	223,004	151,211
WCB premiums	71,581	60,389
	295,710	213,350
Surplus (deficit)	\$ (89,502)	\$ (27,356)

Lease Infrastructure

Revenue		
GNWT - ECE contributions	\$ 209,473	\$ 124,688
Expenses		
Utilities		
Electricity	-	-
Water/sewage	7,000	12,725
Leases	131,505	196,748
	138,505	209,473
Surplus (deficit)	\$ 70,968	\$ (84,785)

Sahtu Divisional Education Council

Aboriginal Language and Culture-based Education Expenses

For the year ended June 30, 2014

	Student Instruction	Teaching/ Learning Resources	Professional Development	School activities and integrated Community Programs	Total
Salaries					
ALCBE teachers	\$ 247,514	\$ -	\$ -	\$ -	\$ 247,514
Language consultants	540,979	-	-	180,326	721,305
Non-instructional staff	174,744	-	-	-	174,744
Elders in school - honoraria	-	-	-	43,243	43,243
	963,237	-	-	223,569	1,186,806
Employee Benefits					
Employee benefits/allowances	-	-	-	-	-
Services Purchased					
Professional/technical services	20,523	-	9,541	-	30,064
Travel	-	-	21,053	-	21,053
	20,523	-	30,594	-	51,117
Supplies and Materials					
Materials	812	15,020	-	-	15,832
Freight	-	478	-	-	478
	812	15,498	-	-	16,310
Total	\$ 984,572	\$ 15,498	\$ 30,594	\$ 223,569	\$ 1,254,233

Sahtu Divisional Education Council**French Language Programs****For the year ended June 30, 2014**

	Contribution	Expenditure	Variance
Bilateral Agreement Funding			
Special Projects			
Consultant - Immersion/Core French	\$ 50,000	\$ 68,498	\$ (18,498)
Total	\$ 50,000	\$ 68,498	\$ (18,498)
Regular GNWT Funding			
Core French		\$ -	
Immersion Program		-	
Total		\$ -	

Sahtu Divisional Education Council

Schedule 8

Student Success Initiative Projects

For the year ended June 30, 2014

	Literacy Place	Integrated Technology	Math Makes Sense	Total
Revenue from SSI Funding	\$ 36,080	\$ -	\$ -	\$ 36,080
Expenses				
Facilitator fees (instructor salary)	-	-	-	-
Training	-	-	-	-
Substitute teacher wages	-	-	-	-
Other	50,535	-	-	50,535
Travel				
Teacher travel (air charter and regular schedule travel / accommodations / per diem / hotel)	-	-	-	-
Staff travel and accommodation	40,545	-	-	40,545
Total Expenses	91,080	-	-	91,080
Net Deficit	\$ (55,000)	\$ -	\$ -	\$ (55,000)

Sahtu Divisional Education Council - Central Office

Statement of Revenue and Expenditures and Financial Position

For the year ended June 30,	2014 Budget	2014 Actual	2013 Actual
Revenues			
Government of the Northwest Territories			
Operating grant	\$ 13,203,283	\$ 13,499,292	\$ 13,873,823
Other contributions	-	72,998	66,792
Other - HCl / French contribution	143,000	122,687	108,000
Progressive experience program	-	-	5,000
	13,346,283	13,694,977	14,053,615
Council generated funds			
Investment income	30,000	39,430	43,092
Other	25,000	97,513	148,993
Total Generated Funds	55,000	136,943	192,085
Total revenues	13,401,283	13,831,920	14,245,700
Expenses			
Administration	989,354	1,095,815	1,305,825
School programs	9,368,470	9,617,743	8,726,297
Inclusive schooling	1,651,753	1,677,449	1,756,082
Student accommodations	-	-	-
Operations and maintenance	356,400	434,215	383,680
Aboriginal language/culture programs	1,338,366	1,380,731	1,413,277
	13,704,343	14,205,953	13,585,161
Excess revenue (expenditures) from operations	(303,060)	(374,033)	660,539
Transfer to DEAs	(64,937)	(122,687)	(132,671)
Surplus (deficit)	\$ (367,997)	\$ (496,720)	\$ 527,868

Sahtu Divisional Education Council - Central Office

Schedule 10

Detail of Expenditures

For the year ended June 30, 2014

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Transfers & Other	Total
Salary								
Teachers salaries	\$ 6,957,983	\$ 691,734	-	\$ -	\$ -	\$ 1,091,326	-	\$ 8,741,043
Instruction assistants	10,707	716,338	-	-	-	174,744	-	901,789
Non-instructional staff	1,540,332	173,607	-	-	605,032	-	-	2,318,971
Board/trustee honoraria	-	-	-	-	26,941	43,243	-	70,184
	8,509,022	1,581,679	-	-	631,973	1,309,313	-	12,031,987
Employee Benefits								
Employee benefits/allowances	63,194	-	-	293,081	5,586	15,634	-	377,495
Leave and termination benefits	-	-	-	-	29,959	-	-	29,959
	63,194	-	-	293,081	35,545	15,634	-	407,454
Services Purchased/Contracted								
Other	976	-	-	2,629	2,774	-	-	6,379
Other contracted services	147,540	-	-	-	23,495	20,523	-	191,558
Postage/communication	44,530	-	-	-	33,899	-	-	78,429
Professional/technical services	65,920	7,880	-	-	183,319	12,721	-	269,840
Rental/leases	-	-	-	131,505	-	-	-	131,505
Travel	249,603	26,232	-	-	137,716	5,418	-	418,969
Utilities water/sewage	-	-	-	7,000	-	-	-	7,000
	508,569	34,112	-	141,134	381,203	38,662	-	1,103,680
Materials/Supplies/Freight								
Materials	438,146	61,106	-	-	35,774	16,644	-	551,670
Freight	50,788	552	-	-	8,168	478	-	59,986
	488,934	61,658	-	-	43,942	17,122	-	611,656
Contributions/Transfers								
Transfers - other	-	-	-	-	-	-	-	-
Debt Services								
Other	48,024	-	-	-	3,152	-	-	51,176
	48,024	-	-	-	3,152	-	-	51,176
Total	\$ 9,617,743	\$ 1,677,449	-	\$ 434,215	\$ 1,095,815	\$ 1,380,731	-	\$ 14,205,953

Colville Lake District Education Authority

Statement of Revenue and Expenditures and Financial Position

For the year ended June 30,	2014 Budget	2014 Actual	2013 Actual
Revenues			
Government of the Northwest Territories			
Operating grant	\$ 12,612	\$ 12,612	\$ 21,000
Council generated funds			
Total Generated Funds	-	-	-
Total revenues	12,612	12,612	21,000
Expenses			
Administration	3,716	3,689	6,784
School programs	5,300	5,087	17,570
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/culture programs	-	-	-
Other	-	-	-
	9,016	8,776	24,354
Surplus (deficit)	3,596	3,836	(3,354)
Opening equity	-	(3,596)	(242)
Closing equity	\$ -	\$ 240	\$ (3,596)
Composition of Closing Equity			
Receivable from (payable to) SDEC	\$	240	\$ (3,596)
Surplus (deficit)	\$	240	\$ (3,596)

Colville Lake District Education Authority

Schedule 12

Detail of Expenditures

For the year ended June 30, 2014

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Transfers & Other	Total
Salary								
Teachers salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instruction assistants	-	-	-	-	-	-	-	-
Non-instructional staff	-	-	-	-	-	-	-	-
Board/trustee honoraria	-	-	-	-	2,439	-	-	2,439
	-	-	-	-	2,439	-	-	2,439
Employee Benefits								
Employee benefits/allowances	-	-	-	-	-	-	-	-
Leave and termination benefits	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Services Purchased/Contracted								
Professional/technical services	-	-	-	-	1,250	-	-	1,250
	-	-	-	-	1,250	-	-	1,250
Materials/Supplies/Freight								
Materials	5,087	-	-	-	-	-	-	5,087
Freight	-	-	-	-	-	-	-	-
	5,087	-	-	-	-	-	-	5,087
Contributions/Transfers								
Transfers - other	-	-	-	-	-	-	-	-
Transfers to capital	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Debt Services								
	-	-	-	-	-	-	-	-
Total	\$ 5,087	\$ -	\$ -	\$ -	\$ 3,689	\$ -	\$ -	\$ 8,776

Deline District Education Authority

Statement of Revenue and Expenditures and Financial Position

For the year ended June 30,

	2014 Budget	2014 Actual	2013 Actual
Revenues			
Government of the Northwest Territories			
Operating grant	\$ -	\$ 25,334	\$ 32,000
Council generated funds			
Total Generated Funds	-	-	-
Total revenues	-	25,334	32,000
Expenditures			
Administration	-	18,086	14,905
School programs	-	4,082	13,841
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/culture programs	-	-	-
	-	22,168	28,746
Surplus	-	3,166	3,254
Opening equity	-	210	(3,044)
Closing equity	\$ -	\$ 3,376	\$ 210
Composition of Closing Equity			
Receivable from SDEC	\$	3,376	\$ 210
Surplus	\$	3,376	\$ 210

Deline District Education Authority

Detail of Expenditures

For the year ended June 30, 2014

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Transfers & Other	Total
Salary								
Teachers salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instruction assistants	-	-	-	-	-	-	-	-
Non-instructional staff	-	-	-	-	9,448	-	-	9,448
Board/trustee honoraria	-	-	-	-	5,973	-	-	5,973
	-	-	-	-	15,421	-	-	15,421
Employee Benefits								
Employee benefits/allowances	-	-	-	-	-	-	-	-
Leave and termination benefits	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Services Purchased/Contracted								
Other	-	-	-	-	1,000	-	-	1,000
Professional/technical services	-	-	-	-	1,250	-	-	1,250
	-	-	-	-	2,250	-	-	2,250
Materials/Supplies/Freight								
Materials	4,082	-	-	-	415	-	-	4,497
Freight	-	-	-	-	-	-	-	-
	4,082	-	-	-	415	-	-	4,497
Debt Services								
	-	-	-	-	-	-	-	-
Total	\$ 4,082	\$ -	\$ -	\$ -	\$ 18,086	\$ -	\$ -	\$ 22,168

K'asho Gotine District Education Authority

Statement of Revenue and Expenditures and Financial Position

For the year ended June 30,	2014 Budget	2014 Actual	2013 Actual
Revenues			
Government of the Northwest Territories			
Operating grant	\$ 25,445	\$ 25,445	\$ 31,000
Council generated funds			
Total Generated Funds	-	-	-
Total revenues	25,445	25,445	31,000
Expenditures			
Administration	19,510	15,910	18,562
School programs	5,935	3,048	22,477
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/culture programs	-	-	-
	25,445	18,958	41,039
Surplus (deficit)	-	6,487	(10,039)
Opening equity	-	(1,076)	8,963
Closing equity	\$ -	\$ 5,411	\$ (1,076)
Composition of Closing Equity			
Receivable from (payable to) SDEC	\$	5,411	\$ (1,076)
Surplus (deficit)	\$	5,411	\$ (1,076)

K'asho Gotine District Education Authority

Detail of Expenditures

For the year ended June 30, 2014

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Transfers & Other	Total
Salary								
Teachers salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instruction assistants	-	-	-	-	-	-	-	-
Non-instructional staff	-	-	-	-	10,415	-	-	10,415
Board/trustee honoraria	-	-	-	-	4,245	-	-	4,245
	-	-	-	-	14,660	-	-	14,660
Employee Benefits								
Employee benefits/allowances	-	-	-	-	-	-	-	-
Leave and termination benefits	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Services Purchased/Contracted								
Professional/technical services	-	-	-	-	1,250	-	-	1,250
	-	-	-	-	1,250	-	-	1,250
Materials/Supplies/Freight								
Materials	3,048	-	-	-	-	-	-	3,048
Freight	-	-	-	-	-	-	-	-
	3,048	-	-	-	-	-	-	3,048
Debt Services								
	-	-	-	-	-	-	-	-
Total	\$ 3,048	\$ -	\$ -	\$ -	\$ 15,910	\$ -	\$ -	\$ 18,958

Norman Wells District Education Authority

Statement of Revenue and Expenditures and Financial Position

For the year ended June 30,	2014 Budget	2014 Actual	2013 Actual
Revenues			
Government of the Northwest Territories			
Operating grant	\$ 30,976	\$ 30,975	\$ 30,000
Council generated funds			
Total Generated Funds	-	-	-
Total revenues	30,976	30,975	30,000
Expenditures			
Administration	15,250	19,136	10,475
School programs	15,726	11,694	2,422
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/culture programs	-	-	-
	30,976	30,830	12,897
Surplus	-	145	17,103
Opening equity	-	16,257	(846)
Closing equity	\$ -	\$ 16,402	\$ 16,257
Composition of Closing Equity			
Receivable from (payable to) SDEC		\$ 16,402	\$ 16,257
Surplus		\$ 16,402	\$ 16,257

Norman Wells District Education Authority

Schedule 18

Detail of Expenditures

For the year ended June 30, 2014

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Transfers & Other	Total
Salary								
Teachers salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instruction assistants	-	-	-	-	-	-	-	-
Non-instructional staff	-	-	-	-	9,654	-	-	9,654
Board/trustee honoraria	-	-	-	-	-	-	-	-
	-	-	-	-	9,654	-	-	9,654
Employee Benefits								
Employee benefits/allowances	1,512	-	-	-	-	-	-	1,512
Leave and termination benefits	-	-	-	-	-	-	-	-
	1,512	-	-	-	-	-	-	1,512
Services Purchased/Contracted								
Other Contracted services	-	-	-	-	8,004	-	-	8,004
Professional/technical services	-	-	-	-	1,250	-	-	1,250
	-	-	-	-	9,254	-	-	9,254
Materials/Supplies/Freight								
Materials	10,182	-	-	-	228	-	-	10,410
Freight	-	-	-	-	-	-	-	-
	10,182	-	-	-	228	-	-	10,410
Debt Services								
	-	-	-	-	-	-	-	-
Total	\$ 11,694	\$ -	\$ -	\$ -	\$ 19,136	\$ -	\$ -	\$ 30,830

Tulita District Education Authority

Statement of Revenue and Expenditures and Financial Position

For the year ended June 30,

	2014 Budget	2014 Actual	2013 Actual
Revenues			
Government of the Northwest Territories			
Operating grant	\$ -	\$ 28,321	\$ 33,000
Total GNWT	-	28,321	33,000
Council generated funds			
Donations	-	-	1,500
Total Generated Funds	-	-	1,500
Total revenues	-	28,321	34,500
Expenditures			
Administration	-	16,016	13,666
School programs	-	11,785	11,970
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/culture programs	-	-	-
	-	27,801	25,636
Surplus	-	520	8,864
Opening equity	-	(906)	(9,770)
Closing equity	\$ -	\$ (386)	\$ (906)
Composition of Closing Equity			
Payable to SDEC		\$ (386)	\$ (906)
Deficit		\$ (386)	\$ (906)

Tulita District Education Authority

Schedule 20

Detail of Expenditures

For the year ended June 30, 2014

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Transfers & Other	Total
Salary								
Teachers salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instruction assistants	-	-	-	-	-	-	-	-
Non-instructional staff	-	-	-	-	10,880	-	-	10,880
Board/trustee honoraria	-	-	-	-	994	-	-	994
	-	-	-	-	11,874	-	-	11,874
Employee Benefits								
Employee benefits/allowances	-	-	-	-	-	-	-	-
Leave and termination benefits	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Services Purchased/Contracted								
Other	-	-	-	-	2,892	-	-	2,892
Professional/technical services	-	-	-	-	1,250	-	-	1,250
	-	-	-	-	4,142	-	-	4,142
Materials/Supplies/Freight								
Materials	11,785	-	-	-	-	-	-	11,785
Freight	-	-	-	-	-	-	-	-
	11,785	-	-	-	-	-	-	11,785
Debt Services								
	-	-	-	-	-	-	-	-
Total	\$ 11,785	\$ -	\$ -	\$ -	\$ 16,016	\$ -	\$ -	\$ 27,801

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

FORT SMITH, NT.

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2014**

TABLE OF CONTENTS

Responsibility for Financial Reporting

Auditors' Report

Statement I - Consolidated Statement of Financial Position

Statement II - Consolidated Statement of Fund Balances

Statement III - Consolidated Statement of Operations

Statement IV - Consolidated Statement of Cash Flow

Notes to the Consolidated Financial Statements

Schedule 1 - Schedule of Consolidated Expenses

Schedule 2 - Statement of Financial Position - Fort Smith DEA

Schedule 3 - Statement of Operations - Fort Smith DEA

Schedule 4 - Schedule of Expenses - Fort Smith DEA

Schedule 5 - Statement of Financial Position - Hay River DEA

Schedule 6 - Statement of Operations - Hay River DEA

Schedule 7 - Schedule of Expenses - Hay River DEA

Schedule 8 - Statement of Financial Position – K'atlodeeche First Nations DEA

Schedule 9 - Statement of Operations – K'atlodeeche First Nations DEA

Schedule 10 - Schedule of Expenses – K'atlodeeche First Nations DEA

Schedule 11 - Statement of Financial Position - Fort Resolution DEA

Schedule 12 - Statement of Operations - Fort Resolution DEA

Schedule 13 - Schedule of Expenses - Fort Resolution DEA

Schedule 14 - Statement of Financial Position - Lutsel K'e DEA

Schedule 15 - Statement of Operations - Lutsel K'e DEA

Schedule 16 - Schedule of Expenses - Lutsel K'e DEA

Schedule 17 - SSDEC Non-Consolidated Statement of Financial Position

Schedule 18 - SSDEC Non-Consolidated Statement of Fund Balance

Schedule 19 - SSDEC Non-Consolidated Statement of Operations

Schedule 20 - SSDEC Non-Consolidated Schedule of Expenses

Schedule 21 – Aboriginal Language Expenses (Federal Contribution)

Schedule 22 – French Language Expenses

Schedule 23 – Personnel Infrastructure Expenses

Schedule 24 – Utilities/Leases Infrastructure Expenses

Schedule 25 – Student Success Initiative Professional Development Expenses

Schedule 26 – NWT Student Success Initiative Expenses

Schedule 27 – Inclusive Schooling Expenses

Schedule 28 – Aboriginal Language and Culture Based Education Expenses

Schedule 29 – 2013/14 Fund Balances (unaudited)

Graphical Representation of Consolidated Expenses



Creating Futures

RESPONSIBILITY FOR FINANCIAL REPORTING

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

The accompanying consolidated financial statements have been prepared by management, who 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, given reasonable limits of materiality.

In discharging its responsibility for the integrity and fairness of the consolidated 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 controls are maintained. These controls include quality standards in hiring and training employees, written policies and procedures manuals and accountability for performance within appropriate well-defined areas of responsibility. The Council's management recognizes its responsibility for conducting the Council's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to a Divisional Education Council.

The auditor annually provides an independent, objective audit for the purposes of expressing an opinion on the consolidated financial statements in accordance with generally accepted auditing standards. The auditor also considers whether transactions that come to their knowledge in the course of this audit are, in all significant respects, in accordance with specified legislation and directives from the Department of Education, Culture and Employment of the Government of the Northwest Territories.

James Watts, CMA
Comptroller - South Slave Divisional Education Council
Fort Smith, NT.
September 5, 2014.



VERY, COOPER & CO.

Certified General Accountants

Toll-Free: 1-800-661-0787
Website: www.averycooper.com

Gerald F. Avery, FCGA
W. Brent Hinchey, B. Comm., C.G.A.
Cathy A. Cudmore, B. Rec, C.G.A.

4918 - 50th Street, P.O. Box 1620
Yellowknife, NT X1A 2P2
Telephone: (867) 873-3441
Facsimile: (867) 873-2353

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of South Slave Divisional Education Council which comprise the Consolidated Statement of Financial Position as at June 30, 2014 and the Consolidated Statements of Changes in Net Financial Resources (Debt), Operations and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 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 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 Council'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 Organization as at June 30, 2014 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 Organization, the financial statements are in agreement therewith and the transactions of the Organization that have come under our notice have, in all significant respects, been within the statutory powers of the Organization.

Avery, Cooper & Co.

AVERY, COOPER & CO
Certified General Accountants
Yellowknife, NT

September 5, 2014

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at June 30, 2014**

	<u>2014</u>	<u>2013</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$6,634,796	\$4,806,726
Cash Held in Trust (Note 3)	\$79,693	\$78,881
Due from the GNWT (note 10)	49,628	112,553
Prepaid Expenses	0	0
Other Accounts Receivable	437,082	399,691
Total Financial Assets	<u>\$7,201,200</u>	<u>\$5,397,851</u>
<u>Liabilities</u>		
Bank Indebtedness	\$16	\$10,663
Accounts Payable and Accrued Liabilities	120,026	117,539
Trust Liability (Note 3)	79,693	79,914
Due to the GNWT (notes 4 and 10)	880,950	902,712
Accrued Payroll & Employee Deductions	1,351,194	629,540
Deferred Revenue (note 9)	3,472	30,193
Leave & Termination Benefits (note 5)	2,299,282	2,161,244
Total Liabilities	<u>\$4,734,633</u>	<u>\$3,931,805</u>
Net Financial Resources	<u>\$2,466,566</u>	<u>\$1,466,045</u>
Fund Balance	<u>\$2,466,566</u>	<u>\$1,446,045</u>

Approved:



Chairperson



Comptroller

See attached notes and schedules.

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL RESOURCES
For the Year Ended June 30, 2014**

	<u>2014</u>	<u>2013</u>
Annual Surplus/(Deficit)	\$1,000,521	\$646,418
Prior Year Adjustments	<u>-</u>	<u>0</u>
Increase/(Decrease) in Net Financial Resources (Statement III)	\$1,000,521	\$646,418
Opening Net Financial Resources	<u>1,466,045</u>	<u>819,627</u>
Closing Net Financial Resources	<u><u>\$2,466,566</u></u>	<u><u>\$1,466,045</u></u>

See attached notes and schedules.

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended June 30, 2014**

	(unaudited) <u>2014 Budget</u>	<u>2014 Actual</u>	<u>2013 Actual</u>
<u>REVENUES</u>			
Government of the NWT			
Regular Contributions	\$24,133,055	\$24,405,871	\$24,384,376
Other Contributions	552,027	901,461	1,291,776
Total Government of the NWT	<u>\$24,685,082</u>	<u>\$25,307,332</u>	<u>\$25,676,152</u>
Federal Government	\$305,994	\$286,943	\$403,177
Generated Funds			
Investment Income	\$500	\$38,397	\$31,976
Non-GNWT Contributions	99,600	119,000	245,590
Donations	-	37,000	5,540
Other	65,500	322,884	302,074
Total Generated Funds	<u>\$165,600</u>	<u>\$517,281</u>	<u>\$585,180</u>
Total Revenues	<u>\$25,156,676</u>	<u>\$26,111,556</u>	<u>\$26,664,509</u>
<u>EXPENSES (Schedule 1)</u>			
Administration	\$1,505,032	\$1,540,075	\$1,493,635
School Programs	16,045,336	16,942,484	17,068,890
Inclusive Schooling	4,091,281	4,228,662	4,842,354
Distance Learning/Technology	301,655	311,726	291,051
Operations and Maintenance	387,494	277,428	257,200
Aboriginal Language/Cultural Programs	1,773,405	1,810,659	2,064,960
Total Expenses	<u>\$24,104,203</u>	<u>\$25,111,034</u>	<u>\$26,018,091</u>
OPERATING SURPLUS/(DEFICIT)	<u>\$1,052,473</u>	\$1,000,521	\$646,418
Fund Balance at beginning of year		1,466,045	819,627
Fund Balance at end of year		<u><u>\$2,466,566</u></u>	<u><u>\$1,466,045</u></u>
Composition of Closing Equity			
Cash		\$6,714,490	\$4,885,606
Accounts Receivable		486,710	512,244
Accounts Payable		(4,734,634)	(3,931,805)
		<u><u>\$2,466,566</u></u>	<u><u>\$1,466,045</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, 2014**

	<u>2014</u>	<u>2013</u>
Operating Transactions		
Cash received from:		
Government of the Northwest Territories	\$25,343,536	\$25,773,892
Government of Canada	286,943	403,177
Recoveries and General Revenue	441,493	433,295
	<u>\$26,071,972</u>	<u>\$26,610,364</u>
Cash Paid For:		
Compensation and Benefits	(\$20,956,747)	(\$23,464,274)
Grants and Contributions	0	0
Operations and Maintenance	(3,314,092)	(2,528,898)
	<u>(\$24,270,839)</u>	<u>(\$25,993,172)</u>
Cash Provided by (Used for) Operating Transactions	<u>\$1,801,133</u>	<u>\$617,192</u>
Cash Provided by Investing Transactions	<u>\$38,397</u>	<u>\$31,976</u>
Increase/(Decrease) in Cash and Cash Equivalents	<u>\$1,839,530</u>	<u>\$649,167</u>
Cash and Cash Equivalents at Beginning of Year	\$4,874,943	\$4,225,776
Cash and Cash Equivalents at End of Year	<u><u>\$6,714,473</u></u>	<u><u>\$4,874,943</u></u>
Represented by:		
Cash and Short Term Investments	\$6,634,796	\$4,806,725
Bank Indebtedness	(16)	(10,663)
Cash Held in Trust	79,693	78,881
	<u><u>\$6,714,473</u></u>	<u><u>\$4,874,943</u></u>

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2014

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.

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) General

The accounting policies of the Council are as prescribed by the Public Sector Accounting Board and the statements prepared in accordance with Canadian public sector accounting standards. Requirements of the *Education Act* are also taken into consideration in the preparation of the statements and related notes.

These Consolidated financial statements include the operations of the South Slave Divisional Education Council and the member District Education Authorities of Fort Smith, Hay River, K'atlo'deeche First Nation, Fort Resolution and Lutsel K'e. Transactions and balances between these organizations have been eliminated for consolidation purposes. These member DEA's are fully consolidated on a line-by-line basis.

b) Capital Assets

All buildings and works, furniture, equipment and vehicles valued in excess of \$50,000 and purchased with GNWT capital funds are property of the GNWT and are recorded at cost and amortized in accordance with the Financial Administration Manual Guidelines. Although the Minister of Education grants to the Council full occupancy and use of such facilities and equipment required for the administration and delivery of education programs within the division.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2014

c) Inventory

Inventories of books, supplies and other expenses are treated as expenses during the year of acquisition and are not recorded on the consolidated statement of financial position.

d) Personnel and Leases Infrastructure Funding

Any surplus on personnel and leases infrastructure funding at the end of June is recorded as a payable to the GNWT. Net deficits are not shown as a receivable since recovery is contingent upon legislative approval.

e) Termination benefit payments made in the current year are reimbursed in the following year, however, the amount is not shown as a receivable as per funding guidelines.

f) Budget Data

The *Education Act* of the NWT requires that Boards of Education prepare an annual budget, as outlined in Sections 128 and 129.

The final priorities and funding allocations are determined by the Council at a special meeting called for the purposes of reviewing budget proposals, recommending changes, additions and deletions and adopting the proposed budget. The budget is then legally adopted by a motion of the Council.

This annual budget includes estimates of revenues and expenses. Budgets are considered a management control and planning tool and as such are incorporated in 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 amended budget for the fiscal year, and therefore, includes any amendments that may have been made during the year.

g) Deferred Revenue.

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

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2014

h) 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.

i) Measurement Uncertainty

The preparation of these consolidated financial statements in conformity with accounting principles generally accepted for Education Councils in the Northwest Territories requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (eg. leave & termination benefits) 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.

Note 3. Trust Fund

The Council received a bequest to establish the Andrew John Piche Scholarship Fund. The terms of the bequest state that the original principal shall remain intact. Up to 90% of the annual income from the fund shall be made available to the students of Fort Smith to support future study at college, university or other institutions of higher learning. The balance of the net annual income will be used to enhance the fund.

Note 4. Due to the GNWT

	<u>2014</u>	<u>2013</u>
Excess funding repayable	\$ 49,013	\$ 0
Other payables	<u>831,937</u>	<u>902,712</u>
	<u>\$ 880,950</u>	<u>\$ 902,712</u>

Note 5. Leave and Termination Benefits

Under conditions of employment, employees qualify for retirement and severance remuneration based on the numbers 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 the other amounts is dependent upon employees leaving the government. The expected cost of providing such benefits accrue when the employee renders service, provided that payment of the benefits is probable and the amount can be reasonable estimated.

	<u>2014</u>	<u>2013</u>
Annual leave and lieu time	\$ 122,926	\$ 102,224
Retirement and resignation benefits	1,532,180	1,459,006
Removal assistance	<u>644,176</u>	<u>600,014</u>
	<u>\$2,299,282</u>	<u>\$2,161,244</u>

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2014

Note 6. Commitments Against Surplus

The Council currently has approved commitments against its surplus of \$1,286,657 consisting of school staffing surpluses. Additional estimated, but not yet approved, commitments are detailed in Schedule 29 to the consolidated financial statements.

Note 7. Financial Instruments

Effective for the year ending June 30, 2008, the Council adopted the new financial instruments standards issued by the Canadian Institute of Chartered Accountants (CICA). The Council's financial instruments consist of cash, accounts receivable, due from the GNWT, accounts payable and accrued liabilities, due to the GNWT, accrued salaries and accrued leave and termination benefits.

All significant financial assets and financial liabilities are either recognized or disclosed in the consolidated financial statements together with available information for a reasonable assessment of risks.

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.

Note 8. Contractual Obligations

The Council has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to June 30, 2014.

	<u>Expired in 2014</u>	<u>2015</u>	<u>2016 onward</u>	<u>Total</u>
Commercial Leases	\$160,201	\$158,650	\$528,833	\$847,684
Equipment Leases	11,325	10,342	16,744	38,411
Operation Leases	<u>10,928</u>	<u>8,197</u>	<u>0</u>	<u>19,125</u>
Totals	<u>\$182,454</u>	<u>\$177,189</u>	<u>\$545,577</u>	<u>\$905,220</u>

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2014

Note 9. Deferred Revenue

Deferred revenue is arrived at by reviewing projects that continue on past the end of the current fiscal year and subtracting the expenses made in the current year from the revenue received during the same time period. The excess of revenue over expenses (if any) is deferred until the following fiscal year to be matched with expenses.

For the fiscal year ended June 30, 2014 the South Slave Divisional Education Council has deferred revenue in the amount of \$3,472 broken down as follows:

	<u>2014</u>	<u>2013</u>
Lutsel K'e CTS/SSI	\$ 0	\$ 9,743
Math 3,6,9 Resources	0	5,450
Hay River Not Us	0	5,000
Self-Regulation Resources	3,472	0
Fort Resolution Not Us	0	5,000
Fort Smith Not Us	0	5,000
	<u>\$ 3,472</u>	<u>\$ 30,193</u>

Note 10. Related Party Transactions

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

	<u>2014</u>	<u>2013</u>
<u>Accounts Payable</u>		
Dept. of Finance	\$805,831	\$902,712
Dept. of Education, Culture & Employment	<u>75,119</u>	<u>0</u>
	<u>\$880,950</u>	<u>\$902,712</u>
<u>Accounts Receivable</u>		
Dept. of Health & Social Services	\$ 9,500	\$ 20,398
Dept. of Education, Culture & Employment	<u>27,322</u>	<u>85,227</u>
	<u>\$ 36,822</u>	<u>\$105,625</u>

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2014

Note 11. Other GNWT Revenue

	<u>2014</u>
Dept. of Education, Culture & Employment	\$ 568,496
Dept. of Justice	15,000
Dept. of Health & Social Services	19,000
Dept. of Human Resources	<u>2,667</u>
Total	<u>\$ 605,162</u>

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended June 30, 2014**

	School Programs	Inclusive Schooling	Distance Learning/Tech	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
Salaries								
Teachers	\$12,683,338	\$1,680,624	\$0	\$0	\$0	\$753,020	\$0	\$15,116,982
Instruction Assistants	\$239,705	\$1,533,607	\$0	\$0	\$0	\$588,745	\$0	\$2,362,057
Non-Instructional Staff	\$1,860,488	\$448,068	\$246,216	\$0	\$1,091,304	\$40,341	\$0	\$3,686,418
Board/Trustee Honoraria	\$0	\$450	\$0	\$0	\$38,312	\$2,250	\$0	\$41,012
Employee Benefits								
Employee Benefits/Allowances	\$138,476	\$43,961	\$2,198	\$0	\$6,594	\$15,386	\$0	\$206,615
Leave & Termination Benefits	\$270,334	\$85,820	\$4,291	\$0	\$12,873	\$30,037	\$0	\$403,355
Services Purchased/Contracted								
Professional/Technical Services	\$19,255	\$60,349	\$0	\$5,050	\$43,039	\$17,801	\$0	\$145,494
Postage/Communication	\$55,031	\$50	\$0	\$0	\$55,539	\$341	\$0	\$110,961
Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Travel	\$155,976	\$175,816	\$18,034	\$13,326	\$89,137	\$36,918	\$0	\$489,208
Student Travel	\$96,413	\$8,822	\$0	\$0	\$0	\$26,284	\$0	\$131,519
Advertising/Printing/Publishing	\$18,749	(\$600)	\$0	\$9,098	\$11,230	\$11,689	\$0	\$50,166
Maintenance/Repair	\$2,708	\$0	\$0	\$0	\$11,568	\$0	\$0	\$14,276
Rentals/Leases	\$83,525	\$5,614	\$0	\$160,201	\$71,019	\$3,139	\$0	\$323,497
Contracted Services	\$280,819	\$27,758	\$0	\$9,557	\$5,075	\$71,052	\$0	\$394,261
Materials/Supplies/Freight								
Materials	\$1,027,562	\$154,062	\$40,987	\$63,529	\$102,013	\$212,274	\$0	\$1,600,427
Freight	\$10,104	\$4,263	\$0	\$16,665	\$2,372	\$1,381	\$0	\$34,786
Total	\$16,942,484	\$4,228,664	\$311,726	\$277,427	\$1,540,075	\$1,810,658	\$0	\$25,111,036

**FORT SMITH DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at June 30, 2014**

	<u>2014</u>	<u>2013</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$100,053	\$121,109
Cash Held in Trust	79,693	78,881
Other Accounts Receivable (net)	<u>1,153</u>	<u>1,033</u>
Total Financial Assets	<u>\$180,899</u>	<u>\$201,023</u>
<u>Liabilities</u>		
Accounts Payable & Accrued Liabilities	\$41,696	(\$3)
Trust Liability	<u>79,693</u>	<u>79,914</u>
Total Liabilities	<u>\$121,389</u>	<u>\$79,911</u>
Net Financial Resources	<u>\$59,510</u>	<u>\$121,112</u>
Fund Balance	<u>\$59,510</u>	<u>\$121,112</u>

**FORT SMITH DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
For the Year Ended June 30, 2014**

	<u>2014 Budget (unaudited)</u>	<u>2014 Actual</u>	<u>2013 Actual</u>
<u>REVENUES</u>			
Government of the NWT			
Regular Contributions	\$508,122	\$474,033	\$477,000
Other Contributions	0	101,300	73,448
Total Government of the NWT	<u>\$508,122</u>	<u>\$575,333</u>	<u>\$550,448</u>
Generated Funds			
Investment Income	\$500	\$898	\$995
Other	39,000	85,864	45,722
Total Generated Funds	<u>\$39,500</u>	<u>\$86,762</u>	<u>\$46,717</u>
Total Revenues	<u>\$547,622</u>	<u>\$662,095</u>	<u>\$597,165</u>
<u>EXPENSES (Schedule 4)</u>			
Administration	\$57,700	\$66,568	\$62,152
School Programs	413,639	510,654	393,982
Inclusive Schooling	38,000	29,462	14,267
Student Accommodations	0	0	0
Operations and Maintenance	0	27,797	16,649
Aboriginal Language/Cultural Programs	92,000	89,217	86,674
Total Expenses	<u>\$601,339</u>	<u>\$723,697</u>	<u>\$573,724</u>
Operating Surplu/(Deficit)	<u>(\$53,717)</u>	<u>(\$61,602)</u>	<u>\$23,441</u>
Fund Balance at beginning of year		121,112	97,671
Fund Balance at end of year		<u>\$59,510</u>	<u>\$121,112</u>
Composition of Closing Fund Balance			
Cash		\$179,746	\$199,990
Accounts Receivable		1,153	1,033
Accounts Payable		(121,389)	(79,911)
		<u>\$59,510</u>	<u>\$121,112</u>

FORT SMITH DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2014

	School Programs	Inclusive Schooling	Student Accom.	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
Salaries								
Teachers	\$6,240							\$6,240
Instruction Assistants								\$0
Non-Instructional Staff					\$58,930			\$58,930
Board/Trustee Honoraria								\$0
Employee Benefits								
Employee Benefits/Allowances								\$0
Leave & Termination Benefits								\$0
Services Purchased/Contracted								
Professional/Technical Services								\$0
Postage/Communication	\$26,449				\$2,939			\$29,388
Utilities								\$0
Travel								\$0
Student Travel								\$0
Advertising/Printing/Publishing	\$369							\$369
Maintenance/Repair	\$1,570							\$1,570
Rentals/Leases	\$16,687				\$1,750			\$18,437
Contracted Services	\$69,175				\$425			\$69,600
Materials/Supplies/Freight								
Materials	\$390,164	\$29,462		\$27,797	\$2,523	\$89,217		\$539,163
Freight								\$0
Total	\$510,654	\$29,462	\$0	\$27,797	\$66,568	\$89,217	\$0	\$723,697

**HAY RIVER DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at June 30, 2014**

	<u>2014</u>	<u>2013</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$252,595	\$296,074
Due from the GNWT	12,806	6,928
Other Accounts Receivable (net)	<u>0</u>	<u>0</u>
Total Financial Assets	<u>\$265,401</u>	<u>\$303,002</u>
<u>Liabilities</u>		
Accounts Payable & Accrued Liabilities	<u>\$1,382</u>	<u>\$414</u>
Total Liabilities	<u>\$1,382</u>	<u>\$414</u>
Net Financial Resources	<u>\$264,019</u>	<u>\$302,588</u>
Fund Balance	<u><u>\$264,019</u></u>	<u><u>\$302,588</u></u>

**HAY RIVER DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
For the Year Ended June 30, 2014**

	2014 Budget (unaudited)	<u>2014 Actual</u>	<u>2013 Actual</u>
<u>REVENUES</u>			
Government of the NWT			
Regular Contributions	\$623,172	\$623,172	\$603,954
Other Contributions	0	177,754	460,245
Total Government of the NWT	<u>\$623,172</u>	<u>\$800,926</u>	<u>\$1,064,199</u>
Generated Funds			
Investment Income	\$0	\$784	\$678
Other	26,500	98,992	158,293
Total Generated Funds	<u>\$26,500</u>	<u>\$99,776</u>	<u>\$158,971</u>
Total Revenues	<u>\$649,672</u>	<u>\$900,702</u>	<u>\$1,223,170</u>
<u>EXPENSES (Schedule 7)</u>			
Administration	\$112,749	\$116,272	\$113,209
School Programs	536,923	743,316	1,037,585
Inclusive Schooling	0	600	595
Student Accommodations	0	0	0
Operations and Maintenance	0	38,934	38,552
Aboriginal Language/Cultural Programs	0	40,149	14,629
Total Expenses	<u>\$649,672</u>	<u>\$939,271</u>	<u>\$1,204,570</u>
Operating Surplus/(Deficit)	<u>\$0</u>	<u>(\$38,569)</u>	<u>\$18,600</u>
Fund Balance at beginning of year		<u>302,588</u>	<u>283,988</u>
Fund Balance at end of year		<u>\$264,019</u>	<u>\$302,588</u>
Composition of Closing Fund Balance			
Cash		\$252,595	\$296,074
Accounts Receivable		12,806	6,928
Accounts Payable		(1,382)	(414)
		<u>\$264,019</u>	<u>\$302,588</u>

HAY RIVER DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2014

	School Programs	Inclusive Schooling	Student Accom.	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
Salaries								
Teachers								\$0
Instruction Assistants	\$231,437					\$2,989		\$234,426
Non-Instructional Staff					\$102,059			\$102,059
Board/Trustee Honoraria					\$9,199			\$9,199
Employee Benefits								
Employee Benefits/Allowances								\$0
Leave & Termination Benefits								\$0
Services Purchased/Contracted								
Professional/Technical Services								\$0
Postage/Communication	\$26,543				\$2,846			\$29,389
Utilities								\$0
Travel								\$0
Student Travel	\$3,540							\$3,540
Advertising/Printing/Publishing								\$0
Maintenance/Repair								\$0
Rentals/Leases	\$46,604							\$46,604
Contracted Services	\$160,585							\$160,585
Materials/Supplies/Freight								
Materials	\$274,607	\$600		\$22,803	\$2,168	\$37,160		\$337,338
Freight				\$16,131				\$16,131
Total	\$743,316	\$600	\$0	\$38,934	\$116,272	\$40,149	\$0	\$939,271

K'ATLODEECHE FIRST NATIONS DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at June 30, 2014

	<u>2014</u>	<u>2013</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$26,964	(\$10,663)
Other Accounts Receivable (net)	<u>0</u>	<u>0</u>
Total Financial Assets	<u>\$26,964</u>	<u>(\$10,663)</u>
<u>Liabilities</u>		
Accounts Payable & Accrued Liabilities	<u>\$0</u>	<u>\$27,601</u>
Total Liabilities	<u>\$0</u>	<u>\$27,601</u>
Net Financial Resources	<u>\$26,964</u>	<u>(\$38,265)</u>
Fund Balance	<u><u>\$26,964</u></u>	<u><u>(\$38,265)</u></u>

K'ATLODEECHE FIRST NATIONS DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
For the Year Ended June 30, 2014

	<u>2014 Budget</u> <u>(unaudited)</u>	<u>2014 Actual</u>	<u>2013 Actual</u>
<u>REVENUES</u>			
Government of the NWT			
Regular Contributions	\$60,263	\$60,263	\$74,254
Other Contributions	0	99,000	59,830
Total Government of the NWT	<u>\$60,263</u>	<u>\$159,263</u>	<u>\$134,084</u>
Generated Funds			
Investment Income	\$0	\$15	\$15
Other	0	19,231	30,553
Total Generated Funds	<u>\$0</u>	<u>\$19,246</u>	<u>\$30,568</u>
Total Revenues	<u>\$60,263</u>	<u>\$178,509</u>	<u>\$164,652</u>
<u>EXPENSES (Schedule 7)</u>			
Administration	\$18,826	\$13,897	\$86,678
School Programs	26,582	82,684	120,570
Inclusive Schooling	0	5,455	6,752
Student Accommodations	0	0	0
Operations and Maintenance	0	4,252	7,034
Aboriginal Language/Cultural Programs	14,855	6,992	21,486
Total Expenses	<u>\$60,263</u>	<u>\$113,280</u>	<u>\$242,520</u>
Operating Surplus/(Deficit)	<u>\$0</u>	<u>\$65,229</u>	<u>(\$77,869)</u>
Fund Balance at beginning of year		<u>(\$38,265)</u>	<u>39,604</u>
Fund Balance at end of year		<u>\$26,964</u>	<u>(\$38,265)</u>
Composition of Closing Fund Balance			
Cash		\$26,964	(\$10,663)
Accounts Payable		0	(27,601)
		<u>\$26,964</u>	<u>(\$38,265)</u>

K'ATLODEECHE FIRST NATIONS DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2014

	School Programs	Inclusive Schooling	Student Accom.	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
Salaries								
Teachers								\$0
Instruction Assistants	\$7,947							\$7,947
Non-Instructional Staff	\$651							\$651
Board/Trustee Honoraria					\$5,775			\$5,775
Employee Benefits								
Employee Benefits/Allowances								\$0
Leave & Termination Benefits								\$0
Services Purchased/Contracted								
Professional/Technical Services					\$4,108			\$4,108
Postage/Communication					\$3,676			\$3,676
Utilities								\$0
Travel	\$1,010							\$1,010
Student Travel	\$1,240							\$1,240
Advertising/Printing/Publishing								\$0
Maintenance/Repair	\$80							\$80
Rentals/Leases	\$6,067							\$6,067
Contracted Services		\$5,455		\$4,252		\$6,992		\$16,700
Materials/Supplies/Freight								
Materials	\$65,689				\$339			\$66,028
Freight								\$0
Total	\$82,684	\$5,455	\$0	\$4,252	\$13,897	\$6,992	\$0	\$113,281

**FORT RESOLUTION DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at June 30, 2014**

	<u>2014</u>	<u>2013</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$163,877	\$155,812
Due from GNWT	0	0
Other Accounts Receivable (net)	<u>0</u>	<u>0</u>
Total Financial Assets	<u>\$163,877</u>	<u>\$155,812</u>
<u>Liabilities</u>		
Accounts Payable & Accrued Liabilities	<u>(\$373)</u>	<u>\$333</u>
Total Liabilities	<u>(\$373)</u>	<u>\$333</u>
Net Financial Resources	<u>\$164,250</u>	<u>\$155,479</u>
Fund Balance	<u><u>\$164,250</u></u>	<u><u>\$155,479</u></u>

FORT RESOLUTION DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
For the Year Ended June 30, 2014

	<u>2014 Budget</u> <u>(unaudited)</u>	<u>2014 Actual</u>	<u>2013 Actual</u>
<u>REVENUES</u>			
Government of the NWT			
Regular Contributions	\$81,696	\$81,696	\$89,449
Other Contributions	0	103,471	141,626
Total Government of the NWT	<u>\$81,696</u>	<u>\$185,167</u>	<u>\$231,075</u>
Generated Funds			
Investment Income	\$0	\$0	\$96
Other	0	68,484	18,175
Total Generated Funds	<u>\$0</u>	<u>\$68,484</u>	<u>\$18,271</u>
Total Revenues	<u>\$81,696</u>	<u>\$253,651</u>	<u>\$249,346</u>
<u>EXPENSES (Schedule 7)</u>			
Administration	\$13,500	\$35,006	\$54,099
School Programs	39,696	122,476	90,282
Inclusive Schooling	0	33,394	28,683
Student Accommodations	0	0	0
Operations and Maintenance	4,500	11,145	7,211
Aboriginal Language/Cultural Programs	24,000	42,859	75,938
Total Expenses	<u>\$81,696</u>	<u>\$244,880</u>	<u>\$256,213</u>
Operating Surplus/(Deficit)	<u>\$0</u>	<u>\$8,771</u>	<u>(\$6,867)</u>
Fund Balance at beginning of year		<u>155,479</u>	<u>162,346</u>
Fund Balance at end of year		<u>\$164,250</u>	<u>\$155,479</u>
Composition of Closing Fund Balance			
Cash		\$163,877	\$155,812
Accounts Receivable		0	0
Accounts Payable		373	(333)
		<u>\$164,250</u>	<u>\$155,479</u>

FORT RESOLUTION DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2014

	School Programs	Inclusive Schooling	Student Accom.	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
Salaries								
Teachers	\$18							\$18
Instruction Assistants								\$0
Non-Instructional Staff	\$160	\$24,080			\$2,285	\$850		\$27,375
Board/Trustee Honoraria					\$10,728			\$10,728
Employee Benefits								
Employee Benefits/Allowances								\$0
Leave & Termination Benefits								\$0
Services Purchased/Contracted								
Professional/Technical Services								\$0
Postage/Communication	\$731				\$4,417			\$5,148
Utilities								\$0
Travel	\$6,738				\$3,968	\$3,040		\$13,746
Student Travel	\$5,176							\$5,176
Advertising/Printing/Publishing	\$1,618				\$811			\$2,429
Maintenance/Repair	\$1,058				\$104			\$1,162
Rentals/Leases	\$1,500				\$3,186			\$4,686
Contracted Services	\$19,294				\$1,260	\$12,380		\$32,934
Materials/Supplies/Freight								
Materials	\$85,617	\$9,313		\$11,145	\$8,247	\$26,589		\$140,912
Freight	\$565							\$565
Total	\$122,476	\$33,394	\$0	\$11,145	\$35,006	\$42,859	\$0	\$244,880

**LUTSEL K'E DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at June 30, 2014**

	<u>2014</u>	<u>2013</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$0	\$5,475
Other Accounts Receivable (net)	<u>0</u>	<u>0</u>
Total Financial Assets	<u>\$0</u>	<u>\$5,475</u>
<u>Liabilities</u>		
Bank Indebtedness	\$17	\$0
Accounts Payable & Accrued Liabilities	<u>24</u>	<u>8,300</u>
Total Liabilities	<u>\$41</u>	<u>\$8,300</u>
Net Financial Resources	<u>(\$41)</u>	<u>(\$2,825)</u>
Fund Balance	<u>(\$41)</u>	<u>(\$2,825)</u>

**LUTSEL K'E DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
For the Year Ended June 30, 2014**

	<u>2014 Budget (unaudited)</u>	<u>2014 Actual</u>	<u>2013 Actual</u>
<u>REVENUES</u>			
Government of the NWT			
Regular Contributions	\$66,251	\$66,251	\$34,027
Other Contributions	0	35,289	32,500
Total Government of the NWT	<u>\$66,251</u>	<u>\$101,540</u>	<u>\$66,527</u>
Generated Funds			
Investment Income	\$0	\$0	\$0
Donations	0	37,000	340
Other	0	33,877	25,768
Total Generated Funds	<u>\$0</u>	<u>\$70,877</u>	<u>\$26,108</u>
Total Revenues	<u>\$66,251</u>	<u>\$172,417</u>	<u>\$92,635</u>
<u>EXPENSES (Schedule 7)</u>			
Administration	\$26,275	\$15,905	\$20,612
School Programs	11,230	56,060	43,534
Inclusive Schooling	2,625	2,439	4,188
Student Accommodations	0	0	0
Operations and Maintenance	5,500	7,623	8,164
Aboriginal Language/Cultural Programs	20,620	87,606	88,064
Total Expenses	<u>\$66,250</u>	<u>\$169,633</u>	<u>\$164,563</u>
Operating Surplus/(Deficit)	<u>\$1</u>	<u>\$2,784</u>	<u>(\$71,928)</u>
Fund Balance at beginning of year		<u>(\$2,825)</u>	<u>\$69,103</u>
Fund Balance at end of year		<u>(\$41)</u>	<u>(\$2,825)</u>
Composition of Closing Fund Balance			
Cash		(\$17)	\$5,475
Accounts Payable		(24)	(8,300)
		<u>(\$41)</u>	<u>(\$2,825)</u>

**LUTSEL K'E DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2014**

	School Programs	Inclusive Schooling	Student Accom.	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
Salaries								
Teachers								\$0
Instruction Assistants	\$322					\$4,003		\$4,325
Non-Instructional Staff					\$618			\$618
Board/Trustee Honoraria					\$4,560	\$1,400		\$5,960
Employee Benefits								
Employee Benefits/Allowances								\$0
Leave & Termination Benefits								\$0
Services Purchased/Contracted								
Professional/Technical Services								\$0
Postage/Communication	\$1,308				\$2,779	\$341		\$4,428
Utilities								\$0
Travel	\$309							\$309
Student Travel	\$7,457					\$26,284		\$33,741
Advertising/Printing/Publishing								\$0
Maintenance/Repair								\$0
Rentals/Leases	\$2,288	\$2,139			\$2,139	\$3,139		\$9,704
Contracted Services	\$13,215	\$300		\$5,305	\$3,390	\$33,530		\$55,740
Materials/Supplies/Freight								
Materials	\$25,742			\$1,784	\$2,174	\$18,909		\$48,609
Freight	\$5,419			\$534	\$245			\$6,199
Total	\$56,059	\$2,439	\$0	\$7,623	\$15,905	\$87,606	\$0	\$169,631

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at June 30, 2014**

	<u>2014</u>	<u>2013</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$6,071,494	\$4,228,255
Due from the GNWT	36,822	105,625
Other Accounts Receivable	468,656	399,962
	<hr/>	<hr/>
Total Financial Assets	\$6,576,972	\$4,733,843
	<hr/>	<hr/>
<u>Liabilities</u>		
Current		
Accounts Payable and Accrued Liabilities	\$90,209	\$82,198
Due to the GNWT	880,950	902,712
Accrued Payroll & Employee Deductions	1,351,194	629,540
Deferred Revenue	3,472	30,193
Leave & Termination Benefits	2,299,282	2,161,244
	<hr/>	<hr/>
Total Liabilities	\$4,625,107	\$3,805,886
	<hr/>	<hr/>
Net Financial Resources	\$1,951,865	\$927,956
	<hr/>	<hr/>
Accumulated Surplus/(Deficit)	\$1,951,865	\$927,956
	<hr/> <hr/>	<hr/> <hr/>

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NON-CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL RESOURCES
For the Year Ended June 30, 2014

	<u>2014</u>	<u>2013</u>
Annual Surplus/(Deficit) (Schedule 19)	\$1,023,909	\$761,042
Prior Year Adjustments	<u>0</u>	<u>0</u>
Increase/(Decrease) in Net Financial Resources	\$1,023,909	\$761,042
Opening net Financial Resources	<u>927,956</u>	<u>166,914</u>
Closing Net Financial Resources	<u><u>\$1,951,865</u></u>	<u><u>\$927,956</u></u>

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NON-CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended June 30, 2014**

	<u>2014 Budget (unaudited)</u>	<u>2014 Actual</u>	<u>2013 Actual</u>
<u>REVENUES</u>			
Government of the NWT			
Regular Contributions	\$24,133,055	\$24,405,871	\$24,384,376
Other Contributions	552,027	651,925	638,050
Total Government of the NWT	<u>\$24,685,082</u>	<u>\$25,057,796</u>	<u>\$25,022,426</u>
Federal Government	\$305,994	\$286,943	\$403,177
Generated Funds			
Investment Income	\$0	\$36,701	\$30,192
Non-GNWT Contributions	99,600	119,000	245,590
Donations	0	0	5,200
Other	0	16,437	23,563
Total Generated Funds	<u>\$99,600</u>	<u>\$172,137</u>	<u>\$304,545</u>
Total Revenues	<u>\$25,090,676</u>	<u>\$25,516,877</u>	<u>\$25,730,148</u>
<u>EXPENSES</u>			
Administration	\$1,275,982	\$1,292,428	\$1,156,885
School Programs	15,017,266	15,425,765	15,458,359
Inclusive Schooling	4,050,656	4,157,313	4,787,867
Distance Learning/Technology	301,655	311,726	291,051
Operations and Maintenance	377,494	187,676	179,591
Aboriginal Language/Cultural Programs	1,621,930	1,601,139	1,778,168
Transfers to DEAs	1,339,504	1,516,921	1,317,184
Total Expenses	<u>\$23,984,487</u>	<u>\$24,492,968</u>	<u>\$24,969,105</u>
Operating Surplus/(Deficit)	<u>\$1,106,189</u>	\$1,023,909	\$761,042
Fund Balance at beginning of year		<u>927,956</u>	<u>166,914</u>
Fund Balance at end of year		<u>\$1,951,865</u>	<u>\$927,956</u>
Composition of Closing Fund Balance			
Cash		\$6,071,494	\$4,228,255
Accounts Receivable		505,478	505,587
Accounts Payable		(\$4,625,107)	(3,805,886)
		<u>\$1,951,865</u>	<u>\$927,956</u>

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF EXPENDITURES
(Non-Consolidated)
For the Year Ended June 30, 2014

	School Programs	Inclusive Schooling	Distance Learning/Tech	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
Salaries								
Teachers	\$12,677,080	\$1,680,624				\$753,020		\$15,110,723
Instruction Assistants		\$1,533,607				\$581,753		\$2,115,360
Non-Instructional Staff	\$1,859,677	\$423,988	\$246,216		\$927,412	\$39,491		\$3,496,784
Board/Trustee Honoraria		\$450			\$8,050	\$850		\$9,350
Employee Benefits								
Employee Benefits/Allowances	\$138,476	\$43,961	\$2,198		\$6,594	\$15,386		\$206,615
Leave & Termination Benefits	\$270,334	\$85,820	\$4,291		\$12,873	\$30,037		\$403,355
Services Purchased/Contracted								
Professional/Technical Services	\$19,255	\$60,349		\$5,050	\$38,931	\$17,801		\$141,386
Postage/Communication		\$50			\$38,883			\$38,933
Utilities								\$0
Travel	\$147,920	\$175,816	\$18,034	\$13,326	\$85,169	\$33,878		\$474,144
Student Travel	\$79,000	\$8,822						\$87,822
Advertising/Printing/Publishing	\$16,762	(\$600)		\$9,098	\$10,419	\$11,689		\$47,368
Maintenance/Repair					\$11,464			\$11,464
Rentals/Leases	\$10,378	\$3,475		\$160,201	\$63,944			\$237,999
Contracted Services	\$18,550	\$22,003				\$18,150		\$58,703
Materials/Supplies/Freight								
Materials	\$184,212	\$114,687	\$40,987		\$86,562	\$40,702		\$467,151
Freight	\$4,120	\$4,263			\$2,127	\$1,381		\$11,892
Transfers to DEA's						\$57,000	\$1,516,921	\$1,573,921
Total	\$15,425,765	\$4,157,313	\$311,726	\$187,676	\$1,292,428	\$1,601,139	\$1,516,921	\$24,492,968

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENDITURES
ABORIGINAL LANGUAGES**

For the Year Ended June 30, 2014

	July 1, 2013 to March 31, 2014	April 1, 2014 to June 30, 2014	Total 2013/14
Revenues			
Funding Received	\$62,000		\$62,000
Total Funding	\$62,000	\$0	\$62,000
Expenditures			
Materials & Supplies	\$61,940	\$0	\$61,940
Wages & Benefit	\$0	\$0	\$0
Total Expenditures	\$61,940	\$0	\$61,940
Surplus/(Deficit)	\$60	\$0	\$60

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
 SCHEDULE OF SPECIFIC PROGRAM EXPENDITURES
 FRENCH LANGUAGE**

For the Year Ended June 30, 2014

	Contributions July 1, 2013 to June 30, 2014	Total Expenses July 1, 2013 to June 30, 2014	Variance
Bilateral Agreement Funding			
Staff (classroom assistants)			
French Monitor	46,763	\$72,473	(\$25,710)
French Resources		\$250	(\$250)
Professional Development		\$1,494	(\$1,494)
French Cultural Activities			\$0
Special Projects:			
Core French Staff	180,000	\$461,215	(\$281,215)
Intensive French	20,400	\$14,552	\$5,848
French Immersion	80,000	\$313,679	(\$233,679)
Totals	\$327,163	\$863,662	(\$536,499)

Regular GNWT Funding

Immersion Program
 Core French Instruction
Total

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
 SCHEDULE OF SPECIFIC PROGRAM EXPENDITURES
 PERSONNEL INFRASTRUCTURE**

For the Year Ended June 30, 2014

Funding Received	\$279,588
Expenditures	
Staffing:	
Applicant Travel	\$13,326
Advertising	\$9,098
Legal Fees	\$5,050
Employee Benefits:	
Removal In/Transfer	\$75,710
Ultimate Removal	\$6,504
Worker's Compensation	\$115,217
Medical Travel Assistance	
Total Expenditures	\$224,905
Net Surplus/(Deficit)	\$54,683

Schedule 24

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENDITURES
UTILITIES & LEASES INFRASTRUCTURE**

For the Year Ended June 30, 2014

Funding Received	\$154,531
Expenditures	
Leases	\$160,201
Total Expenditures	\$160,201
Net Surplus/(Deficit)	(\$5,670)

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENDITURES
NWT STUDENT SUCCESS INITIATIVE - PROFESSIONAL DEVELOPMENT**

For the Period July 1, 2013 to June 30, 2014

Funding Received	
<u>Expenditures</u>	
<u>Salaries/Wages</u>	
Facilitator's Fees	\$305,560
Substitute Teachers Wages	\$24,267
<u>Travel</u>	
Facilitator Travel	\$44,471
Staff Travel	\$17,609
Accommodation	\$24,847
Per Diems	\$12,101
<u>Workshop Expenses</u>	
Room Rental	
Tuition	
Refreshments	\$2,419
Resources	\$18,085
Miscellaneous	\$6,897
Total Expenses	\$456,255
Net Surplus/(Deficit)	-\$456,255

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENDITURES
NWT STUDENT SUCCESS INITIATIVE**

For the Period July 1, 2013 to June 30, 2014

Funding Received	\$55,000
<u>Expenditures</u>	
<u>Salaries/Wages</u>	
Salaries	\$467,215
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	\$15,539
Miscellaneous	
Total Expenses	\$482,754
Net Surplus/(Deficit)	-\$427,754

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENSES
INCLUSIVE SCHOOLING**

For the Year Ended June 30, 2014

	Staff Development	Intervention Strategies	Assistive Technology	Student Resources	Southern Placements	Magnet Facilities	General	Total
Salaries								
Program Support Teachers						\$146,064	\$1,647,622	\$1,793,685
Consultants		\$310,927						\$310,927
Instruction Assistants							\$1,557,687	\$1,557,687
Non-Instructional Staff								\$0
Honoraria							\$450	\$450
Employee Benefits								
Employee Benefits/Allowances *							\$129,781	\$129,781
Services Purchased/Contracted								
Professional/Technical Services		\$31,549						\$31,549
Travel	\$175,816							\$175,816
Student Travel (Bussing)							\$8,822	\$8,822
Advertising/Printing/Publishing							\$28,200	\$28,200
Maintenance/Repair								\$0
Rentals/Leases	\$3,475						\$2,139	\$5,614
Contracted Services							\$27,758	\$27,758
Materials/Supplies/Freight								
Materials	\$847		\$5,500				\$147,764	\$154,112
Freight			\$4,263					\$4,263
Total	\$180,138	\$342,476	\$9,764	\$0	\$0	\$146,064	\$3,550,222	\$4,228,663

* from Schedule 20

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENDSES
ABORIGINAL LANGUAGE AND CULTURE-BASED EDUCATION**

For the Year Ended June 30, 2014

Student Instruction	Teaching Resources	Professional Development	School ** Activities	Total
------------------------	-----------------------	-----------------------------	-------------------------	-------

Salaries

ALCBE Teachers	\$792,809			\$792,809
Language Consultants				\$0
Instruction Assistants	\$581,481		\$7,842	\$589,323
Non-Instructional Staff				\$0
Honoraria		\$850	\$1,400	\$2,250

Employee Benefits

Employee Benefits/Allowances *	\$45,423			\$45,423
--------------------------------	----------	--	--	----------

Services Purchased/Contracted

Professional/Technical Services				\$0
Travel		\$33,878	\$3,040	\$36,918
Student Transportation (Bussing)			\$26,284	\$26,284
Advertising/Printing/Publishing	\$11,689			\$11,689
Maintenance/Repair				\$0
Rentals/Leases			\$3,139	\$3,139
Contracted Services	\$35,951		\$52,902	\$88,853

Materials/Supplies/Freight

Materials	\$58,116	\$18,297	\$21,264	\$114,913	\$212,589
Freight		\$1,381			\$1,381

Total	\$1,477,828	\$68,168	\$55,142	\$209,520	\$1,810,659
--------------	--------------------	-----------------	-----------------	------------------	--------------------

* from Schedule 20

** from respective DEA schedules

Schedule 29

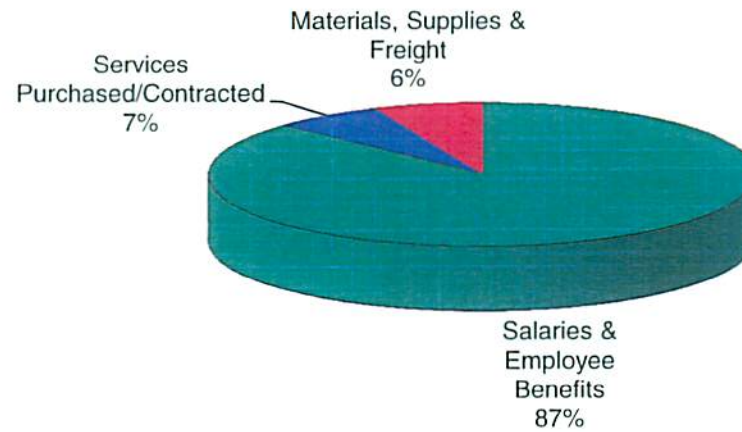
South Slave Divisional Education Council
2013/14 Fund Balances
(Unaudited)

	<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	\$1,951,865	\$59,510	\$264,019	\$26,963	\$164,250	(\$40)
less: Staffing Surpluses						
- Lutsel K'e Dene School	\$68,782					
- Paul William Kaeser	\$133,461					
- Harry Camsell	\$135,259					
- Joseph Burr Tyrrell	\$168,308					
- Chief Sunrise	\$70,260					
- Princess Alexandra	\$87,694					
- Diamond Jenness Secondary School	\$386,881					
- Deninu School	\$236,012					
	(\$1,286,657)					
Commitments against surpluses						
- Council Office	(\$165,208)					
- K'atlo'deeche DEA plan				(\$20,155)		
- Fort Resolution DEA plan					(\$156,072)	
- Hay River DEA plan			(\$206,294)			
Uncommitted Fund Balance	\$500,000	\$59,510	\$57,725	\$6,808	\$8,178	(\$40)
2014/15 contributions from SSDEC		\$568,788	\$577,253	\$68,076	\$81,784	\$73,307
Fund Balance percentage *		10.46%	10.00%	10.00%	10.00%	-0.05%

* Calculated as per SSDEC policy DFAA - Financial Surplus

Salaries & Employee Benefits	\$21,814,136
Services Purchased/Contracted	\$1,658,450
Materials, Supplies & Freight	\$1,634,559
Total	\$25,107,144

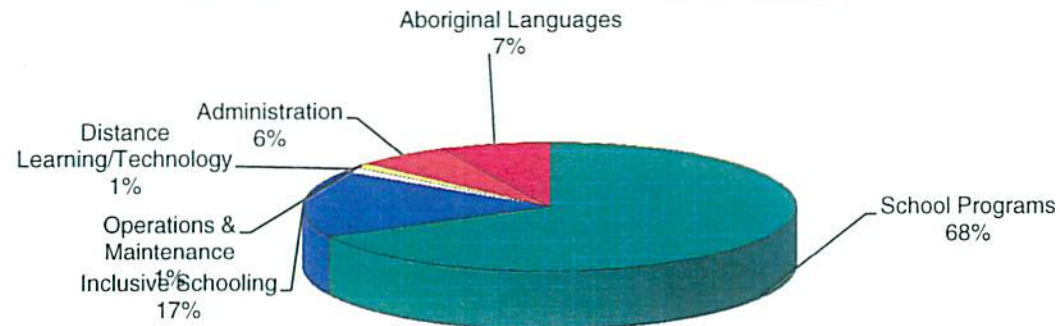
**South Slave Divisional Education Council
Details of Expenditures
For the Year Ended June 30, 2014**



■ Salaries & Employee Benefits ■ Services Purchased/Contracted ■ Materials, Supplies & Freight

School Programs	\$16,938,594
Inclusive Schooling	\$4,228,664
Distance Learning/Technology	\$311,726
Operations & Maintenance	\$277,427
Administration	\$1,540,075
Aboriginal Languages	\$1,810,658
Total	\$25,107,144

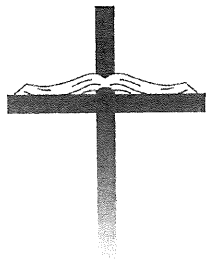
**South Slave Divisional Education Council
Expenditures by Function
For the Year Ended June 30, 2014**



**Yellowknife Catholic Schools
(Yellowknife Public Denominational
District Education Authority)**

Annual Financial Report

June 30, 2014



Yellowknife Catholic Schools

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis (MD&A) of the financial position and results of operations of Yellowknife Public Denominational District Education Authority (Yellowknife Catholic Schools) for the year ended June 30, 2014 should be read in conjunction with Yellowknife Catholic Schools' audited financial statements and related notes.

Yellowknife Catholic Schools (YCS) is the only Catholic school board in the Northwest Territories. YCS was established in July of 1951. YCS' primary operation is the education of students from 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 audited financial statements were prepared for the Government of the Northwest Territories (GNWT) Minister of Education, Culture and Employment(ECE), in accordance with the Education Act using accounting principles as prescribed by ECE. The GNWT directed that all School Boards follow standards set by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada

Highlights of YCS Financial Position

Financial Assets

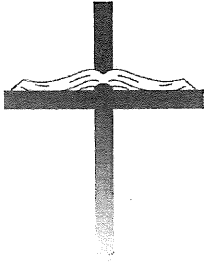
Cash balance is approximately \$5,132,000 indicating good cash flow. The biggest reason for the decrease in cash from the prior year is due our running an operating deficit in 2013/2014. Our biggest account receivable relates to outstanding insurance proceeds from the August 2006 fire at Ecole St. Joseph School. The other large account receivable is for funding from the federal government for the Do Edaeze program.

Liabilities

Deferred Revenue for 2014 consists primarily of a quarterly payment of property tax revenue. We customarily receive this payment on the first of June and recognize it as revenue in the following year.

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 2013/2014 YCS made \$740,993 in principal repayments on our debentures.

The 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 \$1,617,411 decrease in tangible capital assets relates to depreciation of tangible capital assets for this fiscal year partially offset by the purchase of new playground equipment at Weledeh Catholic School.

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 64 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 Statement of Accumulated Surplus.

Highlights of YCS Operations

Operating Revenue

The majority of the funding for YCS comes from the Government of the Northwest Territories (GNWT) Department of Education Culture and Employment (ECE) as core funding. The core funding is derived from a funding formula developed by ECE. The most important factor in the funding formula is student enrollment. GNWT core funding also includes \$860,000 paid to YCS each year to cover principal and interest payments on a debenture issued by YCS to fund the construction of Weledeh Catholic School.

YCS generates revenue from property taxes. The City of Yellowknife collects property tax revenue on our behalf.

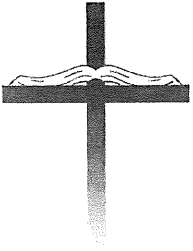
Yellowknife Catholic Schools has contracts with the Government of Canada for two programs (Do Edaeze Program and the Yellowknife Family Centre).

Other GNWT funding includes contribution agreement funding for: French language programs, the Four Plus program, Yellowknife Family Centre, preschool programs, active after-school programs and for the development of materials for aboriginal languages.

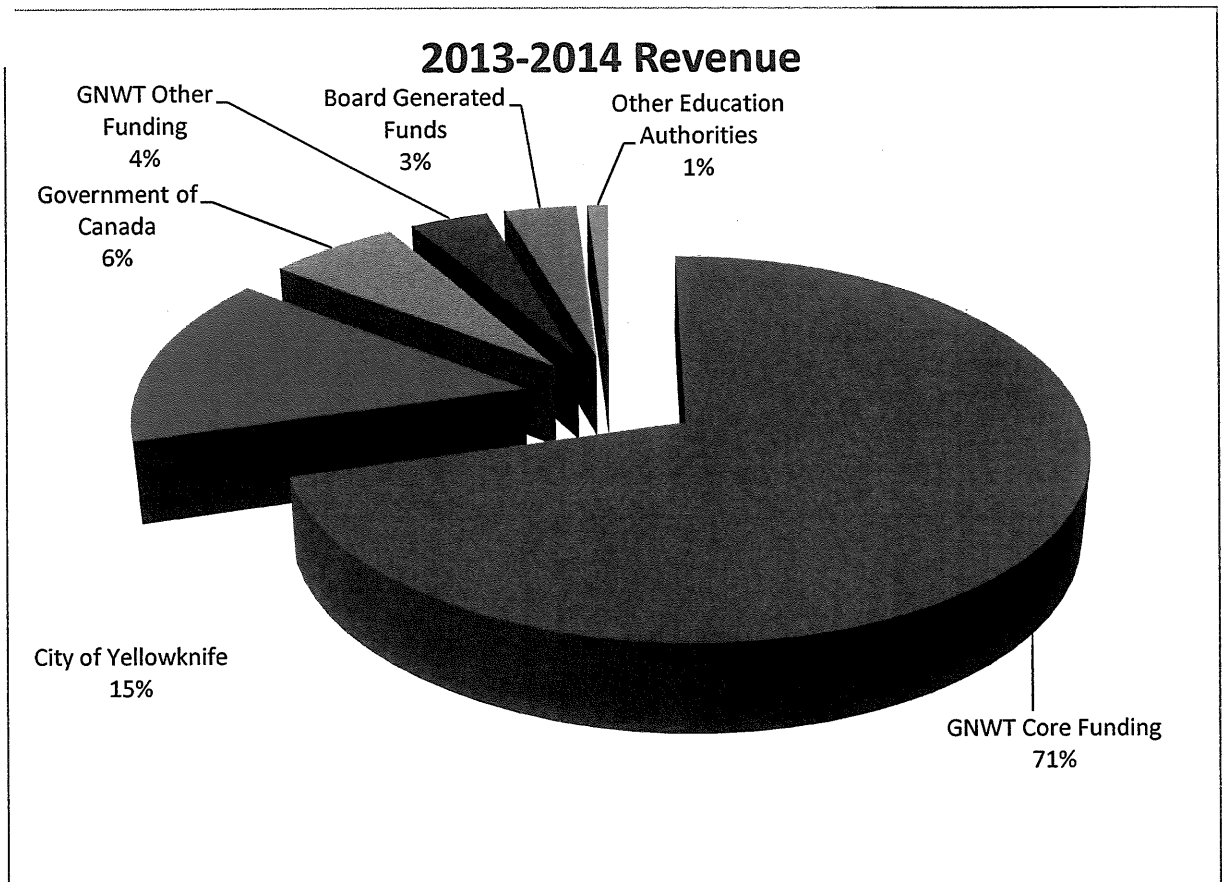
Board generated funds include donations, bus pass sales, day care fees, investment revenue, and rental revenue.

YCS generates revenue from other school districts when a student from that district attends a YCS school and the other district receives GNWT core funding for that student.

YCS is economically dependent upon the GNWT for the majority of its operating revenue. Significant changes to enrollment in Yellowknife or to the GNWT funding formula would have dramatic effects on the future operations of YCS.



Yellowknife Catholic Schools

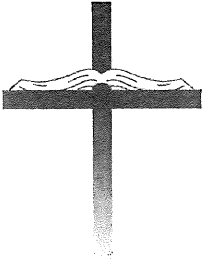


Operating Expenditures

The GNWT provides guidelines on financial presentation of expenditures. The Statement of Operations and Schedule 1 provide two different ways to classify expenditures. In the Statement of Operations, expenditures are classified by program. Schedule 1 of the financial statements provides an additional breakdown by object.

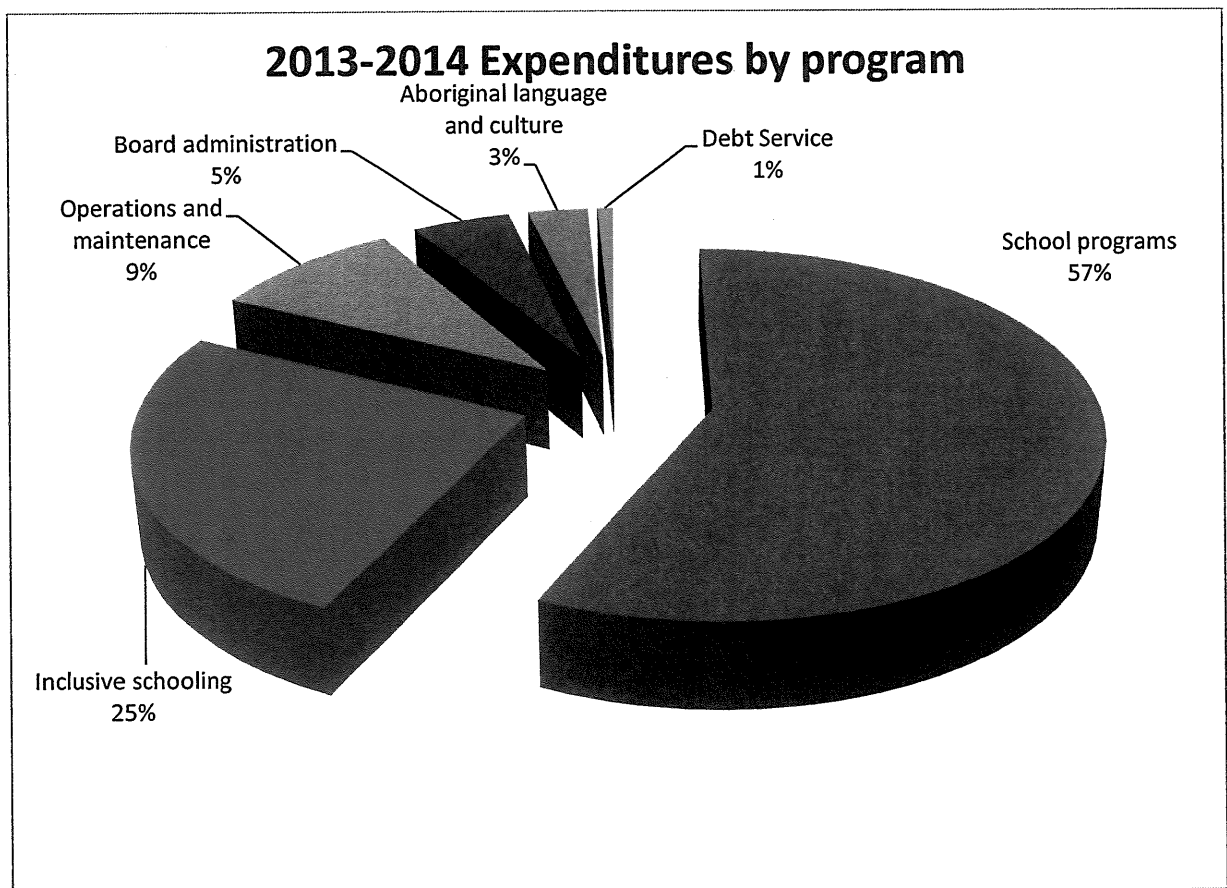
Program categories for YCS are:

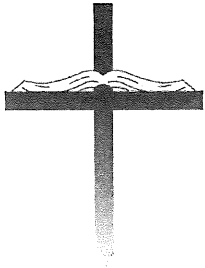
- **School programs:** Salary and benefits for the majority of teachers are recorded in this program. Other large components of expenditure in this program are salary and benefits for school secretaries, library technicians, technology staff and curriculum coordinators, the cost for school textbooks and supplies and the cost of busing services. The cost of ever-greening computers is also included in this category.
- **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.



Yellowknife Catholic Schools

- **Operations and maintenance:** Includes salaries 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).
- **Board Administration:** Includes salary and benefits for central services administrative staff, honoraria for trustees, audit and legal fees, travel costs, advertising and publishing costs.
- **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.
- **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 payments for the Tallah building are mostly funded through lease payments from Aurora College.

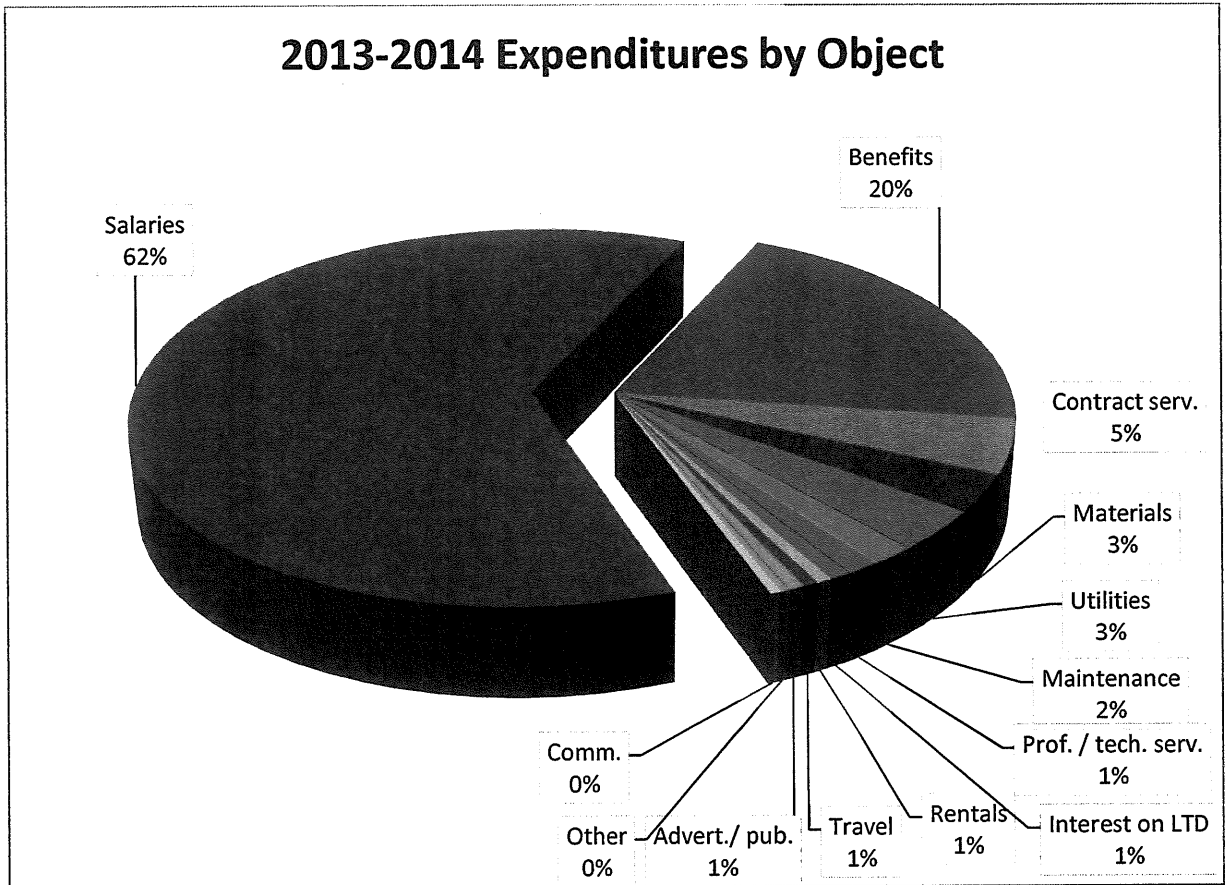


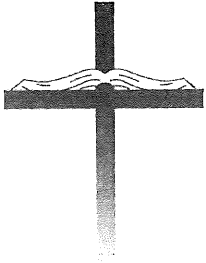


Yellowknife Catholic Schools

Object categories for YCS include:

- **Salaries:** Includes salary for teachers, coordinators, classroom assistants, maintenance staff, secretaries, 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 NWTTA and the 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.
- **Employee benefits:** Consist of employer contributions to pension plans, extended health and dental plans, CPP, EI, WSCC premiums, life insurance, long term disability insurance, maternity leave, professional development, medical travel, vacation travel, removal benefits and other allowances.
- **Contracted services:** Include busing, janitorial services, insurance services, security services and snow removal.





Yellowknife Catholic Schools

Summary of Accumulated Surplus

	Opening	Increase (Decrease)	Closing
Operating Fund Surplus	\$ 1,315,137	\$ (333,789)	\$ 981,348
Investment in Tangible Capital Assets	44,110,342	(876,418)	43,233,924
Decentralized Budget Accumulated Surplus	437,193	(53,658)	383,535
	<hr/>	<hr/>	<hr/>
	\$ 45,862,672	\$ (1,263,865)	\$ 44,598,807

Operating fund surplus or Equity has decreased by \$333,789 which represents our operating deficit for 2013/2014.

Investment in tangible capital assets represents the amount of funds received and recognized as revenue that allow us to purchase our tangible capital assets less accumulated amortization. The decrease in this account this year is due to amortization of our tangible capital assets offset by the principal portion of the repayment of debentures on WCS and the Tallah Building and offset by the purchase of new playground equipment at WCS.

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.

**Yellowknife Catholic Schools
(Yellowknife Public Denominational
District Education Authority)**

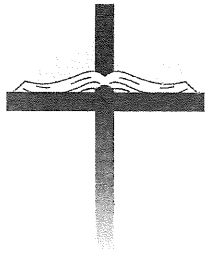
Financial Statements

June 30, 2014

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Financial Statements

	Page
Management Responsibility for Financial Reporting	2
Independent Auditors' Report	3 - 4
Statement of Financial Position	5
Statement of Changes in Net Debt	6
Statement of Operations	7
Statement of Cash Flows	8
Statement of Accumulated Surplus	9
Notes to Financial Statements	10 - 27
Schedule 1 - Operating Fund - Detail of Expenditures	28 - 29
Schedule 2 - Detail of Inclusive Schooling Expenditures	30
Schedule 3 - Aboriginal Language and Culture Program Expenditures	31
Schedule 4 - Aboriginal Language Materials	32
Schedule 5 - Four Plus	33
Schedule 6 - Yellowknife Family Centre	34
Schedule 7 - French Language Programs	35
Schedule 8 - Student Success Initiative Projects	36
Schedule 9 - Weledeh Catholic School Playground Equipment	37
Schedule 10 - Do Edaezhe Program Financial Summary	38



Yellowknife Catholic Schools

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.

The financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS). The Government of the Northwest Territories has specified additional financial reporting requirements. 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 financial statements.

Management has established systems of financial management and internal control. These systems are designed to provide reasonable assurance that financial information is prepared in a timely, accurate and complete manner, and that all transactions are in accordance with the *Financial Administration Act* of the Northwest Territories. These internal control systems are also designed to safeguard Yellowknife Catholic Schools assets.

The Board of Trustees is responsible for the overall stewardship and governance of Yellowknife Catholic Schools, ensuring management fulfills its responsibility for financial reporting and internal control and reviewing and approving the financial statements.

These financial statements have been audited by MacKay LLP, the independent external auditors, in accordance with Canadian generally accepted auditing standards. The auditors' report outlines the scope of their examination and sets forth their opinion.

Claudia Parker
Superintendent
Yellowknife Catholic School
September 17, 2014

Michael Huvenaars
Assistant Superintendent – Business
Yellowknife Catholic Schools
September 17, 2014



Crowe MacKay LLP
Member Crowe Horwath International
PO Box 727, 5103-51st Street
Yellowknife, NT X1A 2N5
+1.867.920.4404 Tel
+1.867.920.4135 Fax
+1.866.920.4404 Toll Free
www.crowemackay.ca

Independent Auditors' Report

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

We have audited the accompanying financial statements of the Yellowknife Public Denominational District Education Authority ("Yellowknife Catholic Schools"), which comprises the statement of financial position as at June 30, 2014, and the statement of change in net debt, the statement of operations, the statement of cash flows 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.

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 financial statements present fairly, in all material respects, the financial position of Yellowknife Catholic Schools as at June 30, 2014 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 financial statements are in agreement therewith and the transactions that have come under our notice have, in all significant aspects, been within the statutory powers of Yellowknife Catholic Schools.

Crowe MacKay LLP

Chartered Accountants

**Yellowknife, Northwest Territories
September 17, 2014**

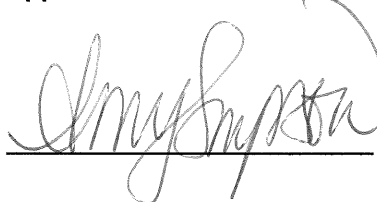
Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Statement of Financial Position

As at June 30,	2014	2013
Financial Assets		
Cash	\$ 5,132,062	\$ 5,820,767
Due from the Government of the Northwest Territories (GNWT) (Note 2)	80,134	88,359
Other accounts receivable (Note 3)	1,092,813	1,109,304
	6,305,009	7,018,430
Liabilities		
Accounts payable and accrued liabilities	704,137	806,955
Employee deductions payable	487,265	453,683
Accrued salary payable (Note 4)	2,265,460	2,426,148
Deferred revenue (Note 5)	946,465	990,435
Employee leave and termination benefits (Note 6)	646,311	644,375
Debentures (Note 7)	3,969,156	4,710,149
Pension plan (Note 8)	14,100	700
	9,032,894	10,032,445
Net debt	(2,727,885)	(3,014,015)
Non-financial Assets		
Tangible capital assets (Note 9)	47,203,078	48,820,489
Prepaid expenses and deposits (Note 10)	123,614	56,198
	47,326,692	48,876,687
Accumulated Surplus	\$ 44,598,807	\$ 45,862,672

Commitments (Note 11)

Approved on behalf of the Board


 _____ Trustee


 _____ Trustee

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Statement of Changes in Net Debt

For the year ended June 30,	2014	2013
Annual deficit	\$ (1,263,865)	\$ (960,005)
Change in prepaid expenses and deposits	(67,416)	22,010
Change in tangible capital assets	1,617,411	1,709,661
Decrease in net debt	286,130	771,666
Net debt, beginning of year	(3,014,015)	(3,785,681)
Net debt, end of year	\$ (2,727,885)	\$ (3,014,015)

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Statement of Operations

For the year ended June 30,	2014 Budget	2014 Actual	2013 Actual
Revenue			
GNWT			
Operating grant	\$ 17,853,544	\$ 17,853,544	\$ 18,072,024
Other contributions (Note 12)	963,408	946,035	780,098
	18,816,952	18,799,579	18,852,122
Government of Canada - grants and contributions	1,682,000	1,565,512	1,655,187
City of Yellowknife - property tax requisitioned	3,774,000	3,761,917	3,702,658
Other Education Authorities			
Extra-jurisdictional tuition	238,860	238,667	313,720
Joint venture funding	22,000	24,149	22,302
	260,860	262,816	336,022
Education authority generated funds (Note 13)	907,969	888,478	796,546
	25,441,781	25,278,302	25,342,535
Expenditures			
School programs (Schedule 1)	14,336,389	14,153,213	13,520,583
Inclusive schooling (Schedule 2)	6,451,426	6,287,811	6,585,282
Operations and maintenance (Schedule 1)	2,340,228	2,287,754	2,200,600
Board administration (Schedule 1)	1,350,230	1,179,508	1,299,630
Aboriginal language and culture (Schedule 3)	690,318	729,020	754,957
Debt service (Schedule 1)	195,221	195,200	231,827
	25,363,812	24,832,506	24,592,879
Excess revenue from operations	77,969	445,796	749,656
Amortization (Schedule 1)	(740,972)	(1,709,661)	(1,709,661)
Annual deficit	\$ (663,003)	\$ (1,263,865)	\$ (960,005)

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Statement of Cash Flows

For the year ended June 30,	2014	2013
Operating activities		
Cash received from:		
Government of Canada	\$ 1,576,110	\$ 1,848,402
Government of the Northwest Territories	18,758,284	18,917,412
City of Yellowknife - property tax requisitioned	3,761,917	4,643,572
Recoveries and general revenue	909,762	751,187
Recovery from other educational authorities	252,975	336,022
	25,259,048	26,496,595
Cash paid for:		
Compensation and benefits	(20,673,978)	(18,208,584)
Operations and maintenance	(4,245,332)	(3,903,951)
Debenture interest	(195,200)	(231,827)
	(25,114,510)	(22,344,362)
Cash provided by operating transactions	144,538	4,152,233
Cash applied to capital transaction	(92,250)	-
Cash provided by financing transactions		
Repayment of debentures	(740,993)	(704,366)
Change in cash position	(688,705)	3,447,867
Cash, beginning of year	5,820,767	2,372,900
Cash, end of year	\$ 5,132,062	\$ 5,820,767

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Statement of Accumulated Surplus

For the year ended June 30, 2014 2013

Operating Fund Surplus

Operating fund surplus, beginning of year	\$ 1,315,136	\$ 1,304,718
Excess revenue from operations	445,796	749,656
Excess expenditures from capital items	(1,709,661)	(1,709,661)
Transfer from investment in tangible capital assets	876,418	1,005,295
Transfer from (to) decentralized budget accumulated surplus	53,658	(34,872)
Operating fund surplus, end of year	\$ 981,347	\$ 1,315,136

Transfer from Investment in Tangible Capital Assets consists of:

Amortization	\$ 1,709,661	\$ 1,709,661
Capital acquisitions	(92,250)	-
Debenture principal repayment	(740,993)	(704,366)
	\$ 876,418	\$ 1,005,295

Investment in Tangible Capital Assets

Investment in tangible capital assets, beginning of year	\$ 44,110,342	\$ 45,115,637
Amortization	(1,709,661)	(1,709,661)
Capital acquisitions	92,250	-
Debenture principal repayment	740,993	704,366
Investment in tangible capital assets, end of year	\$ 43,233,924	\$ 44,110,342

Decentralized Budget Accumulated Surplus

Decentralized budget accumulated surplus, beginning of year	\$ 437,194	\$ 402,322
Transferred from (to) operating fund surplus	(53,658)	34,872
Decentralized budget accumulated surplus, end of year	\$ 383,536	\$ 437,194
Total accumulated surplus	\$ 44,598,807	\$ 45,862,672

Yellowknife Catholic Schools

(Yellowknife Public Denominational District Education Authority)

Notes to Financial Statements

June 30, 2014

1. Accounting Policies

The financial statements of the Yellowknife Public Denominational District Education Authority, Yellowknife Catholic Schools ("YCS") 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.

(a) Reporting Entity and Services Offered

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 is the lowest (and sole) level of government exercising oversight responsibility. The 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 as detailed in Note 1(g).

(b) Basis of Accounting

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 expenditures are recorded when they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay.

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.

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.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Financial Statements

June 30, 2014

1. Accounting Policies (continued)

(b) Basis of Accounting (continued)

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 represents specific amounts eligible for carry-over to subsequent years for each school.

(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 measured at its fair value, the initial fair value is adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value expensed.

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

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, employee deductions payable, accrued salary payable and debentures.

The YCS has not measured any financial assets at fair value.

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

Yellowknife Catholic Schools

(Yellowknife Public Denominational District Education Authority)

Notes to Financial Statements

June 30, 2014

1. Accounting Policies (continued)

(d) 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.

(e) Non-financial Assets

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

(f) Employee Leave 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 YCS and other criteria as outlined in the negotiated employment agreements.

(g) 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.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Financial Statements

June 30, 2014

1. Accounting Policies (continued)

(g) Revenue Recognition (continued)

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. 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.

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 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.

Insurance Proceeds

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.

Extra-Jurisdictional Tuition Fees

Tuition fees revenue is recognized as educational services are provided.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Financial Statements

June 30, 2014

1. Accounting Policies (continued)

(h) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of money are recorded to reflect the use of the applicable spending appropriations, is employed by the Operating fund surplus (deficit) during the fiscal year to control expenditures. In accordance with Canadian public sector accounting standards, however, encumbrance accounting is not used for recording expenditures for the year. Only the cost of those goods acquired and services rendered on or before June 30 is recognized as an expenditure in the financial statements. Encumbrances not converted to expenditures at year-end are charged to the next year's appropriation and are not reflected as either expenditures or liabilities in the financial statements.

(i) 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.

Prior to May 1, 2013 all indeterminate full-time employees had the option to participate in a defined contribution 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 Financial Statements

June 30, 2014

1. Accounting Policies (continued)

(j) 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 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.

(k) 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.

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Notes to Financial Statements

June 30, 2014

2. Due from GNWT

	2014		2013
Government of the Northwest Territories			
Department of Health and Social Services	\$ 2,246	\$	2,363
Department of Finance	1,954		1,535
Department of Education, Culture and Employment	75,934		84,461
	\$ 80,134	\$	88,359

3. Other Accounts Receivable

	2014		2013
Employee loan and advances	\$ -	\$	8,015
Government of Canada	467,423		478,021
GST receivable	130,820		150,888
Insurance proceeds	449,210		449,210
Other	45,360		23,170
	\$ 1,092,813	\$	1,109,304

There is uncertainty as to the amount owing from the insurance company for the Ecole St. Joseph School (ESJS) fire. The amount is currently in dispute. We are unable at this time to determine the total amount of the insurance proceeds at this time. The amount recorded is based on an offer to settle the claim less payments received.

4. Accrued Salary Payable

	2014		2013
Teacher	\$ 1,779,387	\$	1,876,617
Non-Teacher	486,073		549,531
	\$ 2,265,460	\$	2,426,148

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Financial Statements

June 30, 2014

5. Deferred Revenue

	2014	2013
Government of the Northwest Territories		
Active After School	\$ -	\$ 40,100
Aurora College - July Rent	-	9,420
	-	49,520
City of Yellowknife - Tax Revenue	940,915	940,915
Other	5,550	-
	\$ 946,465	\$ 990,435

6. Employee Leave and Termination Benefits

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

	2014	2013
Severance	\$ 166,991	\$ 143,254
Removal	479,320	501,121
	\$ 646,311	\$ 644,375

7. Debentures

	2014	2013
Pacific and Western debenture, repayable in monthly installments of \$68,016, including interest at 5.73%, final installment due in 2018.	\$ 2,802,930	\$ 3,438,582
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.	1,166,226	1,271,567
	\$ 3,969,156	\$ 4,710,149

The debenture is repayable annually as follows:

2015	\$ 779,641
2016	820,497
2017	863,763
2018	773,123
2019 and thereafter	732,132
	\$ 3,969,156

The debentures are registered.

Yellowknife Catholic Schools

(Yellowknife Public Denominational District Education Authority)

Notes to Financial Statements

June 30, 2014

8. 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). During fiscal 2012/2013 year, under the terms of the Plan, employee and employer contributions were each 4.80% of earnings between the Year's Basic Exemption (YBE) and the Yearly Maximum Pensionable Earnings (YMPE) and 6.50% of pensionable earnings below YBE and in excess of YMPE. During fiscal 2012/2013 Yellowknife Catholic Schools' contribution to the DC provision of the Plan was \$556,710. This contribution was treated as an expense during the year.

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, 2014.

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 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 YMPE and 11.60% of earnings above YMPE. The YMPE for the 2014 calendar year is \$52,500 (2013 - \$51,100).

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Financial Statements

June 30, 2014

8. 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 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 2013/2014 Yellowknife Catholic Schools contributed \$1,583,200 [\$212,400 in fiscal 2012/2013] in respect of DB accruals.

The date of the most recent actuarial valuation of the Plan is June 30, 2013. 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 Financial Statements

June 30, 2014

8. Pensions (continued)

Information about the Defined Benefit Plan and Supplementary Defined Benefit Pension Plan as at June 30, 2014 is as follows:

(d) 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)	-	(83,700)
Fair value, end of year	\$ 3,450,600	\$ -	\$ 3,450,600

(e) 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)	-	(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

(f) 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 of limit on assets	(182,600)	-	(182,600)
Accrued benefit asset (liability) after limit on assets	\$ -	\$ (14,100)	\$ (14,100)

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Notes to Financial Statements

June 30, 2014

8. Pensions (continued)

(g) 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)	-	(200)
Increase in valuation allowance	182,600	-	182,600
Pension expense	\$ 1,584,500	\$ 12,100	\$ 1,596,600

Information about the Defined Benefit Plan and Supplementary Defined Benefit Pension Plan as at June 30, 2013 is as follows:

(h) Plan assets

	Pension Plan	Supplementary Plan	2013
Fair value, beginning of year	\$ -	\$ -	\$ -
Actual return on plan assets	(2,400)	-	(2,400)
Employer contributions	212,400	-	212,400
Employee contributions	168,500	-	168,500
Fair value, end of year	\$ 378,500	\$ -	\$ 378,500

(i) Accrued benefit obligations

	Pension Plan	Supplementary Plan	2013
Balance, beginning of year	\$ -	\$ -	\$ -
Current service cost	378,200	2,000	380,200
Interest cost on accrued benefit obligation	2,800	-	2,800
(Gains) / losses on accrued benefit obligation	(7,000)	-	(7,000)
Balance, end of year	\$ 374,000	\$ 2,000	\$ 376,000

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Notes to Financial Statements

June 30, 2014

8. Pensions (continued)

(j) Funded status

	Pension Plan	Supplementary Plan	2013
Plan surplus (deficit)	\$ 4,500	\$ (2,000)	\$ 2,500
Unrecognized (gains) losses	(3,200)	-	(3,200)
Accrued benefit asset (liability)	\$ 1,300	\$ (2,000)	\$ (700)

(k) Determination of pension cost

	Pension Plan	Supplementary Plan	2013
Current service cost	\$ 209,700	\$ 2,000	\$ 211,700
Interest on accrued benefit obligation	2,800	-	2,800
Expected return on plan assets	(1,400)	-	(1,400)
Pension expense	\$ 211,100	\$ 2,000	\$ 213,100

(l) Actuarial assumptions

	2014	2013
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	UP94 generational *	120% of CPM generational **
Expected average remaining services lifetime (EARSL) - pension plan	14.7 Years	14.7 Years
Expected average remaining services lifetime (EARSL) - supplementary plan	8.5 Years	8.5 Years

* The 1994 Uninsured Pensioner Mortality Table with generational improvements using the mortality projection scale AA.

** 120% of the 2014 Canadian Pensioners' Private Sector Mortality Table with projection scale CPM-B.

(m) Plan assets consist of:

	2014	2013
Fixed income securities	60%	60%
Equity securities	40%	40%

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Notes to Financial Statements

June 30, 2014

9. Tangible Capital Assets

	Cost	Additions	Disposals	Amortization	Accumulated Amortization	Net Book Value, June 30, 2014	Net Book Value June 30, 2013
Land and Improvements	\$ 1,838,825	\$ -	\$ -	\$ -	\$ -	\$ 1,838,825	\$ 1,838,825
Equipment	77,451	92,250	-	7,745	54,215	115,486	30,981
Buildings and Portables							
Career and Technical Centre	2,878,913	-	-	73,888	736,162	2,142,751	2,216,639
Central Services offices	953,899	-	-	34,426	473,689	480,210	514,636
Ecole St. Joseph School	37,333,024	-	-	958,888	9,579,077	27,753,947	28,712,835
Ecole St. Patrick High School	11,723,901	-	-	293,431	5,563,183	6,160,718	6,454,149
Tallah Building	444,875	-	-	11,122	25,951	418,924	430,046
Weledeh Catholic School	12,557,840	-	-	330,161	4,265,623	8,292,217	8,622,378
	65,892,452	-	-	1,701,916	20,643,685	45,248,767	46,950,683
	\$ 67,808,728	\$ 92,250	\$ -	\$ 1,709,661	\$ 20,697,900	\$ 47,203,078	\$ 48,820,489

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Financial Statements

June 30, 2014

10. Prepaid Expenses and Deposits

	2014	2013
Deposits	\$ 6,087	\$ 6,087
Other prepaids	117,527	50,111
	\$ 123,614	\$ 56,198

11. Commitments

YCS is committed to two rental agreements. The first rental agreement is with Side Door Ministries and expires June 30, 2015. The second rental agreement is with Shelter Canadian Properties expires November 30, 2014.

YCS is committed to five janitorial contracts for various schools and buildings. All of the contracts expire in June 2016.

YCS has a contract with Cardinal Coachlines Limited for student transportation. YCS is invoiced monthly. The contract expires in June 2015.

YCS has a contract with Thyssen Krupp for elevator maintenance. YCS is invoiced monthly. 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
 (Yellowknife Public Denominational District Education Authority)

Notes to Financial Statements

June 30, 2014

11. Commitments (continued)

The leases are payable in varying monthly installments. The future minimum payments are as follows.

	Expires in fiscal year	2015	2016 - 2021	Total
Commercial and residential leases				
	2014 - 2015			
303 - 100 Beck Court	2014	\$ 9,425	\$ -	\$ 9,425
4903 - 50th Street	2015	71,540	-	71,540
		80,965	-	80,965
Equipment leases				
	2014 - 2017			
Photocopier leases	2015	11,103	-	11,103
Photocopier leases	2016	7,021	7,021	14,042
Photocopier leases	2017	4,768	4,768	9,536
		22,892	11,789	34,681
Operation contracts				
	2014 - 2021			
Employee assistance program	2017	10,243	17,925	28,168
Mail services	2015	6,248	-	6,248
Janitorial services	2016	572,867	572,867	1,145,734
Bussing services	2015	296,234	-	296,234
Elevator maintenance	2021	27,005	160,677	187,682
		912,597	751,469	1,664,066
		\$ 1,016,454	\$ 763,258	\$ 1,779,712

A condition of the renovation at Ecole St. Joseph School is that the insurance proceeds related to the 2006 fire be paid to the GNWT once the funds have been received. To date \$ 838,700 has been recognized for insurance proceeds. The amount is being disputed and the outcome is undeterminable at this time. Once the issue is resolved the applicable amount will be paid to the GNWT.

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 Financial Statements

June 30, 2014

12. Other Contributions - GNWT

	2014	2013
Government of the Northwest Territories		
Department of Health and Social Services	\$ 7,246	\$ 9,725
Department of Human Resources	62,500	20,833
Department of Education, Culture and Employment	820,884	683,329
Department of Industry, Tourism and Investment	8,000	8,000
Department of Municipal and Community Affairs	42,405	58,211
Department of Environment and Natural Resources	5,000	-
	\$ 946,035	\$ 780,098

13. Education Authority Generated Funds

	2014 Budget	2014 Actual	2013 Actual
Donations	\$ 80,196	\$ 99,644	\$ 57,358
Fees and sales	452,656	398,996	344,463
Investments	50,000	56,716	56,303
Other	155,117	157,922	166,036
Rentals	170,000	175,200	172,386
	\$ 907,969	\$ 888,478	\$ 796,546

14. Comparative Figures

The 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 Financial Statements

June 30, 2014

15. Financial Instruments

Financial instruments consist of cash, recorded amounts due from the GNWT, and other accounts receivable which will result in future cash receipts, as well as accounts payable and accrued liabilities, employee deductions payable, accrued salary payable and debentures which will result in future cash outlays.

YCS 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. YCS is exposed to credit risk from funding agencies. YCS has a concentration of credit risk as it has funds due primarily from three organizations, the Department of Education, Culture and Employment - GNWT and the Government of Canada. At June 30, 2014, receivables from these two organizations comprised approximately 78% of the total outstanding receivables. YCS reduces this risk by regularly assessing the credit risk, closely monitoring overdue balances and following up on old accounts receivable for collection. Additionally the risk is minimized due to the credit worthiness of the GNWT and Government of Canada. YCS is also exposed to credit risk in cash of \$5,130,054 (2013 - \$5,818,849) as a result of having funds with a chartered bank in excess of the insurable limit. Furthermore the full balance of cash is held at one financial institution. This risk has not changed from the prior year.

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.

c) Liquidity risk

YCS has liquidity risk in accounts payable and accrued liabilities, employee deductions payable, accrued salary payable and debentures of \$7,426,018 (2013 - \$8,396,935). Liquidity risk is the risk that YCS cannot repay its obligations when they become due to its creditors. YCS reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due and consistently monitoring cash flows. This risk has not changed from the prior year.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 1
Operating Fund - Detail of Expenditures

For the year ended June 30, 2014

	School Programs	Inclusive Schooling (Schedule 2)	Operations & Maintenance	Administration	Aboriginal Languages (Schedule 3)	Transfers & Others	Total
Salaries							
Teachers	\$ 8,308,142	\$ 2,507,738	\$ -	\$ -	\$ 361,718	\$ -	\$ 11,177,598
Instruction assistants	21,992	1,414,707	-	-	-	-	1,436,699
Non-instructional	1,318,524	478,892	329,242	670,210	-	-	2,796,868
Board honoraria	-	-	-	64,062	-	-	64,062
	9,648,658	4,401,337	329,242	734,272	361,718	-	15,475,227
Employee Benefits							
Employee benefits	3,188,169	1,424,222	102,946	196,804	127,398	-	5,039,539
Leave and termination benefits	27,355	-	-	20,087	-	-	47,442
	3,215,524	1,424,222	102,946	216,891	127,398	-	5,086,981
Services Purchased/Contracted							
Advertising/publishing	24,645	-	-	52,656	61,217	-	138,518
Communication	49,731	5,541	8,926	22,978	1,480	-	88,656
Contracted services	479,900	12,710	629,531	2,310	9,895	-	1,134,346
Maintenance & repairs	34,197	2,190	348,572	-	10,825	-	395,784
Other	33,259	-	13,055	37,201	-	-	83,515
Professional/technical	36,777	149,243	-	39,231	77,905	-	303,156
Rental/leases	32,802	82,921	-	6,714	5,002	-	127,439
Student transportation	3,847	96,652	-	-	-	-	100,499
Travel	14,711	-	-	20,400	3,582	-	38,693
Utilities; Electricity	-	-	390,714	-	-	-	390,714
Heating	-	-	367,295	-	-	-	367,295
Water/sewage	-	-	97,473	-	-	-	97,473
	709,869	349,257	1,855,566	181,490	169,906	-	3,266,088
Materials/Freight							
Materials	569,839	112,995	-	46,855	69,998	-	799,687
Freight	9,323	-	-	-	-	-	9,323
	579,162	112,995	-	46,855	69,998	-	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 year ended June 30, 2014

	School Programs	Inclusive Schooling (Schedule 2)	Operations & Maintenance	Administration	Aboriginal Languages (Schedule 3)	Transfers & Others	Total
Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,709,661	\$ 1,709,661
Debt Interest	-	-	-	-	-	195,200	195,200
	-	-	-	-	-	1,904,861	1,904,861
Total	\$ 14,153,213	\$ 6,287,811	\$ 2,287,754	\$ 1,179,508	\$ 729,020	\$ 1,904,861	\$ 26,542,167

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 2
Detail of Inclusive Schooling Expenditures

For the year ended June 30, 2014

	Staff Development	Intervention Strategies	Assistive Technology	Early Childhood	Magnet Facilities	Do Edaeze	General Inclusive Schooling	Total
Salaries								
Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,156	\$ 115,156
Non-instructional	-	195,837	-	283,055	-	-	-	478,892
Support assistants	-	1,363,210	-	-	51,497	-	-	1,414,707
Teachers	26,984	1,312,392	-	-	102,086	951,120	-	2,392,582
	26,984	2,871,439	-	283,055	153,583	951,120	115,156	4,401,337
Employee Benefits	62,759	933,833	-	93,966	46,867	255,642	31,155	1,424,222
Services Purchased/Contracted								
Contracted services	-	-	-	12,710	-	-	-	12,710
Communication	-	-	-	4,141	-	1,400	-	5,541
Maintenance & repairs	-	-	2,190	-	-	-	-	2,190
Professional/technical	10,773	73,091	-	463	-	64,916	-	149,243
Rental/leases	-	862	-	82,059	-	-	-	82,921
Student transportation	-	3,274	-	254	-	93,124	-	96,652
	10,773	77,227	2,190	99,627	-	159,440	-	349,257
Materials/Freight	13,572	35,022	7,669	20,174	6,572	29,986	-	112,995
Total	\$ 114,088	\$ 3,917,521	\$ 9,859	\$ 496,822	\$ 207,022	\$ 1,396,188	\$ 146,311	\$ 6,287,811

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 3
Aboriginal Language and Culture Program Expenditures

For the year ended June 30, 2014

	Student Instruction	Teaching/ Learning Resources	Total
Salaries			
Elders honorarium	\$ 71,507	\$ -	\$ 71,507
Teachers	290,086	125	290,211
	361,593	125	361,718
Employee Benefits	127,390	8	127,398
Services Purchased/Contracted			
Contracted services	9,895	-	9,895
Communications	1,480	-	1,480
Maintenance & repairs	10,825	-	10,825
Printing & publishing	-	61,217	61,217
Professional/technical	77,905	-	77,905
Rentals	5,002	-	5,002
Travel	3,582	-	3,582
	108,689	61,217	169,906
Materials/Freight	63,504	6,494	69,998
Total	\$ 661,176	\$ 67,844	\$ 729,020

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 4
Aboriginal Language Materials

For the year ended June 30, 2014

	July 1, 2013 to March 31, 2014	April 1, 2014 to June 30, 2014	Total
Revenue			
Secretary of State Funding Aboriginal Languages	\$ 59,000	\$ -	\$ 59,000
Expenditures			
Salary and benefits	133	-	133
Supplies and materials	67,388	323	67,711
	67,521	323	67,844
Deficit	\$ (8,521)	\$ (323)	\$ (8,844)

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 5
Four Plus

For the year ended June 30, 2014

	July 1, 2013 to March 31, 2014	April 1, 2014 to June 30, 2014	Total
Revenue			
Contract	\$ 103,000	\$ 25,000	\$ 128,000
Usage	51,139	20,188	71,327
	154,139	45,188	199,327
Expenditures			
Operations and maintenance	15,032	4,919	19,951
Salary and benefits	122,736	90,369	213,105
	137,768	95,288	233,056
Surplus (deficit)	\$ 16,371	\$ (50,100)	\$ (33,729)

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 6
Yellowknife Family Centre

For the year ended June 30, 2014

	July 1, 2013 to March 31, 2014	April 1, 2014 to June 30, 2014	Total
Revenue			
Health Canada	\$ 132,000	\$ 50,000	\$ 182,000
Government of the Northwest Territories	46,500	15,500	62,000
Other	17,236	100	17,336
	195,736	65,600	261,336
Expenditures			
Operations and maintenance	76,211	24,028	100,239
Salary and benefits	96,256	67,270	163,526
	172,467	91,298	263,765
Surplus (deficit)	\$ 23,269	\$ (25,698)	\$ (2,429)

Yellowknife Catholic Schools**(Yellowknife Public Denominational District Education Authority)****Schedule 7****French Language Programs**

For the year ended June 30, 2014

	Contribution from GNWT	Commitment from YCS	Actual Expenditures	Over (under) Expenditures
Bilateral Agreement Funding				
Special Projects				
Consultant - Immersion/Core French	\$ 60,000	\$ 87,000	\$ 151,618	\$ (4,618)
Core French (salary and benefits)	100,000	182,000	307,830	(25,830)
Early Immersion/Literacy (salary and benefits)	56,000	65,000	123,220	(2,220)
French cultural activities	4,000	5,000	9,050	(50)
French monitor	-	14,000	14,647	(647)
French resources	11,000	8,000	19,215	(215)
Professional development	4,000	8,000	20,437	(8,437)
Teacher assistant (salary and benefits)	45,500	30,000	75,480	20
Late Immersion Salary	110,000	-	109,807	193
Late Immersion Supplies	16,000	-	16,316	(316)
Late Immersion Training	3,000	-	3,042	(42)
Total	\$ 409,500	\$ 399,000	\$ 850,662	\$ (42,162)

Regular GNWT Funding

Core French	\$ 211,096
Immersion Program	2,323,938

Total **\$ 2,535,034**

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 8
Student Success Initiative Projects

For the year ended June 30, 2014

	ESJS Literacy Project	Differentiated Professional Development	Total
Revenue	\$ 55,000	\$ 48,000	\$ 103,000
Expenditures			
Facilitator fees	-	11,388	11,388
Resources	-	3,825	3,825
Staff salary and benefits	74,184	-	74,184
Substitute teacher wages	-	57,432	57,432
Staff travel and accommodation	-	484	484
	74,184	73,129	147,313
Deficit	\$ (19,184)	\$ (25,129)	\$ (44,313)

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 9
Weledeh Catholic School Playground Equipment

For the year ended June 30, 2014

	July 1, 2013 to March 31, 2014	April 1, 2014 to June 30, 2014	Total
Revenue			
GNWT Contribution	\$ 35,000	\$ -	\$ 35,000
Other Contribution	-	21,037	21,037
Donations and Fundraising	15,000	21,213	36,213
Donations and Fundraising	50,000	42,250	92,250
Expenditures			
Furniture, fixtures and equipment	53,363	38,887	92,250
Surplus (deficit)	\$ (3,363)	\$ 3,363	\$ -

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 10
Do Edaezhe Program Financial Summary (in thousands of dollars)

For period ending	March 31, 2010			March 31, 2011			March 31, 2012			March 31, 2013			March 31, 2014			June 30, 2014			Project Total			
	Program Direct	Program Indirect	Total	Program Direct	Program Indirect	Total	Program Direct	Program Indirect	Total	Program Direct	Program Indirect	Total	Program Direct	Program Indirect	Total	Program Direct	Program Indirect	Total	Program Direct	Program Indirect	Total	
Revenue																						
Government of Canada \$	866	-	866	1,498	-	1,498	1,447	-	1,447	1,484	-	1,484	1,396	-	1,396	411	-	411	7,103	-	7,103	
Government of the NWT	-	33	33	-	16	16	-	17	17	-	12	12	-	13	13	-	-	-	-	90	90	
Outside agencies	-	8	8	-	24	24	-	36	36	-	13	13	-	10	10	-	6	6	-	98	98	
YCS Operating funds	53	1,451	1,504	30	2,186	2,216	31	2,139	2,170	6	2,182	2,188	36	2,125	2,161	10	630	640	166	10,714	10,880	
	919	1,492	2,411	1,528	2,226	3,754	1,478	2,192	3,670	1,490	2,207	3,697	1,432	2,148	3,580	421	636	1,057	7,269	10,902	18,171	
Expenditures																						
Personnel	639	1,277	1,916	1,137	1,887	3,024	1,210	1,836	3,046	1,264	1,871	3,135	1,213	1,847	3,060	370	560	930	5,835	9,278	15,113	
Transportation	42	30	72	77	-	77	32	3	35	56	16	72	40	3	43	7	-	7	253	52	306	
Equipment	100	25	125	61	65	126	-	88	88	1	48	49	-	30	30	-	21	21	161	277	438	
Materials and supplies	71	70	141	102	61	163	108	30	138	78	26	104	92	29	121	1	8	9	452	224	676	
Rent and utilities	-	63	63	-	148	148	-	164	164	-	198	198	-	193	193	-	35	35	-	801	801	
Evaluation	29	-	29	80	-	80	47	-	47	15	-	15	18	-	18	27	-	27	216	-	216	
Administration	25	15	40	38	37	75	37	38	75	37	37	74	37	38	75	13	12	25	188	178	366	
Other	13	12	25	33	28	61	44	33	77	39	11	50	32	8	40	3	-	3	164	92	255	
	919	1,492	2,411	1,528	2,226	3,754	1,478	2,192	3,670	1,490	2,207	3,697	1,432	2,148	3,580	421	636	1,057	7,269	10,902	18,171	
Suplus (Deficit)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Yellowknife District No.1 Education Authority

(Yellowknife Education District No. 1)

Financial Statements

June 30, 2014





Yellowknife District No. 1 Education Authority

(the Authority)

Table of Contents

June 30, 2014	Page
Managements Responsibility for Financial Reporting	3
Independent Auditors' Report	4-5
Statement 1 - Statement of Financial Position.....	6
Statement 2 - Statement of Changes in Net Financial Resources.....	7
Statement 3 - Statement of Funds.....	8
Statement 4 - Statement of Surplus and Reserves.....	9
Statement 5 - Statement of Operations.....	10
Statement 6 - Statement of Cash Flows.....	11
Notes to Financial Statements.....	12-22
Schedule 1 - Schedule of Tangible Capital Assets.....	23
Schedule 2 - Schedule of Expenditures - Operating Fund.....	24
Schedule 3 - Details of Inclusive Schooling Expenditures.....	25
Schedule 4 - Details of Aboriginal Language and Culture-Based Education Expenditures.....	26
Schedule 5 - Report on Activities of Specific Programs - Aboriginal Languages.....	27
Schedule 6 - Report on Activities of Specific Programs - French Language Program.....	28
Schedule 7 - Report on Activities of Specific Programs - Student Success Initiative Projects.....	29
Schedule 8 - Report on Activities of Specific Programs - Mildred Hall Preschool.....	30



Yellowknife District No. 1 Education Authority

(the Authority)

Management Responsibility for Financial Reporting

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

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

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

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

A handwritten signature in cursive script, appearing to read 'Metro Huculak', is written over a horizontal line.

Metro Huculak
Superintendent
Yellowknife District No. 1 Education Authority



Crowe MacKay LLP
Member Crowe Horwath International
PO Box 727, 5103-51st Street
Yellowknife, NT X1A 2N5
+1.867.920.4404 Tel
+1.867.920.4135 Fax
+1.866.920.4404 Toll Free
www.crowemackay.ca

Independent Auditors' Report

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

We have audited the accompanying financial statements of the Yellowknife District No. 1 Education Authority (the Authority), which comprise of the statement of financial position as at June 30, 2014, statements of changes in net financial resources, funds, surplus and reserves, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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



Independent Auditors' Report (continued)

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Yellowknife District No. 1 Education Authority as at June 30, 2014, and the results of its operations, changes in net financial resources, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

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

Crowe Mackay LLP

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

Chartered Accountants



Yellowknife District No. 1 Education Authority

(the Authority)

Statement of Financial Position

Statement 1

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

Approved on behalf of the board:

Trustee 

Trustee 



Yellowknife District No. 1 Education Authority

(the Authority)

Statement of Changes in Net Financial Resources

Statement 2

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



Yellowknife District No. 1 Education Authority

(the Authority)

Statement of Funds

Statement 3

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



Yellowknife District No. 1 Education Authority

(the Authority)

Statement of Surplus and Reserves

Statement 4

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



Yellowknife District No. 1 Education Authority

(the Authority)

Statement of Operations

Statement 5

For the period July 1 through June 30,

	2014 Budget \$	2014 Actual \$	2013 Actual \$
REVENUE			
Government of the Northwest Territories			
Regular contributions (Note 2a)	24,060,478	24,212,611	24,372,505
Other contributions	123,000	183,393	201,669
Aboriginal languages	60,000	60,000	78,714
French revenue	410,000	410,000	417,150
	24,653,478	24,866,004	25,070,038
Property tax requisitioned (Note 2c)	5,746,000	5,704,347	5,621,618
Education authority generated funds			
Rental income	360,000	379,816	232,392
Portfolio investment income			
- portfolio investment income (losses)	180,000	138,350	(56,553)
- gains (losses) on portfolio investments	-	-	(1,011)
- unrealized gains (losses) on portfolio investments	-	-	97,094
Other (Note 9)	511,372	717,558	523,780
	1,051,372	1,235,724	795,702
Total revenue	31,450,850	31,806,075	31,487,358
EXPENDITURES (Schedule 2)			
School programs	20,702,673	20,281,870	20,928,328
Inclusive schooling	5,459,412	5,246,219	5,754,014
Accommodation	175,500	208,180	187,442
Operations and maintenance	2,896,100	3,196,175	3,058,535
Administration	1,617,116	1,688,972	1,638,910
Aboriginal language/cultural programs	890,568	951,765	729,757
Total operating expenditures	31,741,369	31,573,181	32,296,986
Excess (deficiency) before amortization	(290,519)	232,894	(809,628)
Amortization	-	1,163,041	1,139,141
Excess (deficiency) of revenue over expenditures	(290,519)	(930,147)	(1,948,769)
Accumulated surplus	19,863,468	19,863,268	21,812,037
Closing accumulated surplus	19,572,949	18,933,121	19,863,268



Yellowknife District No. 1 Education Authority

(the Authority)

Statement of Cash Flows

Statement 6

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



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Financial Statements

June 30, 2014

1. Nature of the Organization

The Yellowknife District No. 1 Education Authority (the "Authority"), was established by the *Education Act* of the Government of the Northwest Territories (GNWT). Its purpose is to administer and maintain the standards of education programs defined under the *Education Act* in the City of Yellowknife.

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



June 30, 2014

2. Accounting Policies

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

a) Government of the Northwest Territories - Regular Contributions

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

b) Government transfers

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

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

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

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



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Financial Statements

June 30, 2014

2. Accounting Policies (continued)

c) Property Tax Requisitioned

The *Education Act of the Northwest Territories*, by virtue of Section 136(2), empowers a Board of Education to determine the amount, after taking into consideration territorial grants and other revenue, that is to be requisitioned from the municipality within the territory under the jurisdiction of the Board. This requisitioned amount is one portion of the property tax paid annually by property owners. The City of Yellowknife is advised subsequent to the adoption of the budget of the amount of the requisition of the Yellowknife Education District No. 1 and is responsible for the collection of taxes.

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

d) Revenue Recognition - Other

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

e) Fund Accounting

The Authority uses fund accounting to separate transactions.

The Operating Fund accounts for the Authority's operating and administrative activities.

The Investment in Tangible Capital Assets reports the transactions related to tangible capital assets.

The Decentralized Surplus is the operating surpluses retained by the individual schools.

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

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



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Financial Statements

June 30, 2014

2. Accounting Policies (continued)

f) Materials and Supplies

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

g) Tangible Capital Assets

Tangible capital assets with a cost lower than a threshold value of \$50,000 will be expensed in the year of acquisition or amortized at a rate of 100%. Assets with an acquisition value more than \$50,000 are capitalized and amortized using the straight-line method.

Asset Category Amortization Period:

Land and improvements - Indefinite

Buildings - 40 years

Equipment and furnishings - 4 - 10 years

All capital facilities planning and construction undertaken by the Authority, excluding the Administration Building and Nordic Arms, are funded by the Government of the Northwest Territories and subject to their capital planning and approval process. Capital contributions received but not spent at year end, are recorded as deferred revenue.

h) Budget Data

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

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

The budget figures presented are those approved by the Authority on May 28, 2013 and have not been audited.



June 30, 2014

2. Accounting Policies (continued)

i) Financial Instruments

(i) Measurement of financial instruments

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

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

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

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

Financial assets measured at fair value include portfolio investments.

(ii) Impairment

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

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

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

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



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Financial Statements

June 30, 2014

2. Accounting Policies (continued)

j) Measurement Uncertainty

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

k) Non-financial Assets

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

3. Portfolio Investments

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

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



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Financial Statements

June 30, 2014

4. Due from GNWT

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

5. Other Accounts Receivable

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



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Financial Statements

June 30, 2014

6. Wages and Employee Deductions Payable

Teachers' salaries and benefits earned prior to the end of the fiscal year that are payable during the months of July and August, following the school term, are accrued as follows:

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

7. Leave and Termination Benefits

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

	2014 \$	2013 \$
Leave and termination benefits - current	461,397	369,954
Leave and termination benefits - non-current	1,451,285	1,504,531
	1,912,682	1,874,485

Comprised of:

Removal	663,309	754,396
Annual and compensatory sick leave	639,587	354,362
Severance and sick leave (excluded)	391,417	558,417
Severance (USWA)	88,769	84,910
Non-moving accrual (NWTTA)	129,600	122,400
	1,912,682	1,874,485



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Financial Statements

June 30, 2014

8. Deferred Revenue

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

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

9. Other Revenue

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

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



June 30, 2014

10. Contractual Obligations

The Authority has a contract with Cardinal Coach Lines Limited for student transportation. The Authority is invoiced monthly and the amounts vary depending on a number of factors. The contract expires in June 2015.

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

11. Financial Instruments

Financial instruments consist of recorded amounts of cash, portfolio investments, due from GNWT, and other accounts receivable which will result in future cash receipts, as well as accounts payable and accrued liabilities, and wages and employee deductions payable which will result in future cash outlays.

The Authority is exposed to the following risks in respect of certain of the financial instruments held:

a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Authority is exposed to credit risk from funding agencies, recipients of services and preschool clients. The Authority has a concentrated risk of credit from two other school districts whose funding also comes from the Department of Education, Culture, and Employment. At June 30, 2014, receivables from three organizations comprised approximately 72% of the total outstanding receivables. Furthermore there is a concentration risk in cash and portfolio investments the full balance in these accounts is held at two financial institutions. The authority is funded by Government of Northwest Territories - Department of Education, Culture, and Employment and other stable organizations, which reduces its exposure to credit risk. Most of the credit risk exposure is with trade receivables, Dettah District Education Authority, and Yellowknives Dene First Nation who administer the N'Dilo District Education Authority. The authority reduces its risk exposure by following up on old account receivables for collection and entering into service agreement with well-established organizations. As at June 30, 2014, 4% of other account receivable was non-current which represents \$34,500 of the total balance. All of these were deemed collectable, and as a result, none are impaired.



June 30, 2014

11. Financial Instruments (continued)

b) Interest rate risk

Interest rate risk is the risk that the fair value of financial instruments will fluctuate because of changes in market interest rate. The Authority is exposed to interest rate risk on its fixed and floating interest rate on cash and portfolio investments. Fixed interest instruments subject the authority to a fair value risk while the floating rate instruments subject it to cash flow risk (see note 3). The authority complies with the GNWT financial administration policies and guidelines which reduces its exposure to interest rate risk. Because portfolio investments can be converted into cash on a short notice, the authority's exposure to market risk is reduced.

12. Economic Dependence

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

13. Comparative Figures

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

14. Future Operations

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

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

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

(the Authority)

Schedule of Tangible Capital Assets

Schedule 1

As at June 30,

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

(the Authority)

Schedule of Expenditures - Operating Fund
Schedule 2

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



Yellowknife District No. 1 Education Authority

(the Authority)

Details of Inclusive Schooling Expenditures

Schedule 3

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



Yellowknife District No. 1 Education Authority

(the Authority)

Details of Aboriginal Language and Culture-Based Education Expenditures

Schedule 4

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



Yellowknife District No. 1 Education Authority

(the Authority)

Report on Activities of Specific Programs

Schedule 5

Aboriginal Languages

For the periods and year ended June 30,

**Total
2014
\$**

Secretary of State (Heritage Canada)

REVENUE

Contribution from federal government

60,000

EXPENSES

Salaries and benefits

73,328

Other operating and maintenance

1,219

74,547

Surplus (deficit)

(14,547)



Yellowknife District No. 1 Education Authority

(the Authority)

Report on Activities of Specific Programs

Schedule 6

French Language Program

BILATERAL AGREEMENT FUNDING

For the year ended June 30, 2014

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



Yellowknife District No. 1 Education Authority

(the Authority)

Report on Activities of Specific Programs

Schedule 7

Student Success Initiative Projects

For the year ended June 30,

2014
\$

REVENUES

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

Total Revenue

167,638

EXPENSES

Salaries/Wages

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

Travel

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

Workshop expenses

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

Total Expenses

167,638

Deficit

-



Yellowknife District No. 1 Education Authority

(the Authority)

Report on Activities of Specific Programs

Schedule 8

Mildred Hall Preschool

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

**Financial Statements of
Tlicho Community Services Agency
Behchoko, NT**

For the year ended March 31, 2015

Tlicho Community Services Agency

TABLE OF CONTENTS

	Page
Management's Responsibility for Financial Reporting	
Independent Auditors' Report	
Statement of Financial Position	3
Statement of Operations	4
Statement II - Sheet 1 - Statement of Operations	4
Statement II - Sheet 2 - Health and Social Services	5
Statement II - Sheet 3 - Education	6
Statement II - Sheet 4 - Other	7
Statement of Changes in Net Financial Resources	8
Statement of Cash Flow	9
Notes to the Financial Statements	10-14
Schedule A Schedule of Territorial Operating Advances	15
Schedule B Schedule of Other Recoveries	16
Schedule C Schedule of Other Revenues	17
Schedule C-1 Children's Oral Health	18
Schedule C-2 THSSI	19
Schedule C-3 Home and Community Care Enhancement	20
Schedule C-4 CHNDP Program-NP	21
Schedule C-5 CHNDP Program-CHN	22
Schedule C-6 On the Land Program	23
Schedule D Schedule of Expenses by Function	24
Schedule E Schedule of Non-Insured Recoveries and Expenses	25
Schedule G Health Reserves	26
Schedule L Schedule of Expenses - Education	27
Schedule L.1 Other Education Contribution	28 & 29
Schedule L-1 Schedule of Specific Program - Aboriginal Languages	30
Schedule L-2 Schedule of Specific Program - Infrastructure	31
Schedule L-3 Schedule of Specific Program - Take a Kid Trapping - CJBS	32
Schedule L-4 Schedule of Specific Program - Take a Kid Trapping - EMES	33
Schedule L-5 Schedule of Specific Program - Take a Kid Trapping - JWGS	34
Schedule L-6 Schedule of Specific Program - Take a Kid Trapping - MEZI	35
Schedule L-7 Schedule of Specific Program-Food First Foundation - JWGS	36
Schedule L-8 Schedule of Specific Program - Snack Program - EMES	37

Tlilho Community Services Agency

TABLE OF CONTENTS - cont'd

Schedule L-9	Schedule of Specific Program - Snack Program - MEZI	38
Schedule L-10	Schedule of Specific Program - Snack Program - JWGS	39
Schedule L-11	Schedule of Specific Program - Snack Program - AAS	40
Schedule L-12	Schedule of Specific Program - Snack Program - CJBS Elementary	41
Schedule L-13	Schedule of Specific Program - Snack Program - CJBS High School	42
Schedule L- 14	Schedule of Specific Program - Active After School CJBS	43
Schedule L- 15	Schedule of Specific Program - Active After School MEZI	44
Schedule L- 16	Schedule of Specific Program - Mentorship Program - MEZI	45
Schedule L- 17	Schedule of Specific Program - Miscellaneous	46
Schedule L- 18	Schedule of Specific Program - Public Library-CJBS	47
Schedule L- 19	Schedule of Specific Program - Public Library - MEZI	48
Schedule L- 20	Schedule of Specific Program - Public Library - JWGS	49
Schedule L- 21	Schedule of Specific Program - Food First Program - EMES	50
Schedule L- 22	Schedule of Specific Program - Youth Contribution - JWGS	51
Schedule L- 23	Schedule of Specific Program - Drop the Pop	52
Schedule L- 24	Schedule of Specific Program - Active After School - JWGS	53
Schedule L- 25	Schedule of Specific Program - Active after school - EMES	54
Schedule L- 26	Schedule of Specific Program - Youth Conference - CJBS	55
Schedule L- 27	Schedule of Specific Program - YouthConference- MEZI	56
Schedule L- 28	Schedule of Specific Program - Take a Kid Harvesting - CJBS	57
Schedule L- 29	Schedule of Specific Program - Take a Kid Harvesting- EMES	58
Schedule L- 30	Schedule of Specific Program - Active After School- AAS	59
Schedule L- 31	Schedule of Specific Program - "Not us Drugs" - JWGS	60
Schedule L- 32	Schedule of Specific Program - NWT Taste Makers-Food First	61
Schedule L- 33	Schedule of Specific Program - Literacy - CJBS	62
Schedule L- 34	Schedule of Specific Program - E-Learning	63

TLICHO COMMUNITY SERVICES AGENCY

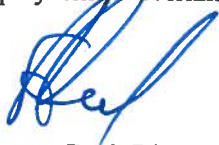
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The Minister's of Health and Social Services and Education, Culture and Employment
Government of the Northwest Territories

The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with Canadian Public Sector accounting standards. Where necessary the statements include amounts that are based on informed 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 organization's management recognizes its responsibility for conducting the organization's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to a Health and Social Services Agency and Divisional Education Council.

The Auditors annually provide an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with 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 Departments of Health and Social Services and Education, Culture and Employment, Government of the Northwest Territories.



Sherman Beal, Director of Corporate Services
Tlicho Community Services Agency

Behchoko, NT
June 24, 2015



EVERY, COOPER & CO.

Certified General Accountants

Toll-Free: 1-800-661-0787
Website: www.averycooper.com

4918 - 50th Street, P.O. Box 1620
Yellowknife, NT X1A 2P2
Telephone: (867) 873-3441
Facsimile: (867) 873-2353

Gerald F. Avery, FCGA
W. Brent Hinchey, B. Comm., C.G.A.
Cathy A. Cudmore, B. Rec, C.G.A.

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, 2015, 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 C.

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, 2015 and the results of operations, net debt and 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 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.

Avery, Cooper & Co.
Certified General Accountants
Yellowknife, NT

June 24, 2015

**Tlich Community Services Agency
Statement of Financial Position**

As at March 31, 2015

	March 31, 2015	March 31, 2014
Financial Assets		
Cash	\$ 3,557,640	\$ 3,780,324
Accounts Receivable (Note 4)	593,987	1,017,522
Inventory held for use (Note 5)	61,000	-
	4,212,627	4,797,846
Liabilities		
Accounts Payable (Note 6)	828,148	1,103,945
Wages and Benefits Payable - GNWT	715,464	577,767
Employee Future Benefits (Note 7)	1,647,145	1,501,711
Deferred Revenue (Note 8)	266,195	278,592
	3,456,953	3,462,014
Net Financial Assets (Debt)	755,674	1,335,832
Non Financial Assets		
Prepaid Expenses	-	-
Tangible Capital Assets (Note 9)	217,926	266,464
	217,926	266,464
Accumulated Surplus (Deficit)	\$ 973,601	\$ 1,602,295

Approved:



Chairperson



Chief Executive Officer

**Tlicho Community Services Agency
Statement of Operations
For the year ended March 31, 2015**

	Budget (Unaudited)	Actual 2015	Actual 2014
Revenue			
Health & Social Services - per page 5	\$ 14,705,000	\$ 14,619,184	\$ 13,328,393
Education - per page 6	15,300,294	17,289,164	16,486,065
Other Operations - per page 7	300,000	273,399	347,562
	30,305,294	32,181,747	30,162,020
Expenditure			
Health & Social Services - Compensation	11,803,864	11,326,449	10,188,078
Health & Social Services - Other	2,901,136	3,670,054	3,127,925
Total Health and Social Services - per page 5	14,705,000	14,996,503	13,316,003
Education - Compensation	14,381,030	14,372,992	13,373,016
Education - Other	2,262,754	3,186,175	2,512,142
Total Education - per page 6	16,643,784	17,559,167	15,885,158
Other Operations - Compensation	-	-	-
Other Operations - Other	300,000	254,772	360,200
Total Other Operations - per page 7	300,000	254,772	360,200
	31,648,784	32,810,442	29,561,361
Operating Surplus / (Deficit)	\$ (1,343,490)	\$ (628,695)	\$ 600,659
Unfunded Items			
Change in employee leave and termination benefits	-	64,036	29,497
Surplus / (Deficit) Before the Following		(564,659)	630,156
Tangible Capital Assets - Rent Expense (Note 13)		144,188	144,188
Grant-In-Kind - GNWT Assets Provided at no cost		(144,188)	(144,188)
Surplus / (Deficit) After Unfunded Items		\$ (564,659)	\$ 630,156

**Tlicho Community Services Agency
Health and Social Services
Statement of Operations
For the year ended March 31, 2015**

	Budget (Unaudited)	Actual 2015	Actual 2014
Revenue			
Territorial Operating Advance (Schedule A)	\$ 13,994,000	\$ 13,379,000	\$ 11,988,191
Other Recoveries (Schedule B)	60,000	74,148	72,324
Other Revenues and Contributions (Schedule C)	491,000	872,255	983,831
Non-Insured Recoveries (Schedule E)	160,000	251,575	247,350
Investment Revenue	-	42,206	36,696
	14,705,000	14,619,184	13,328,393
Expenses			
Schedule of Expenses by Function (Schedule D)	14,135,967	14,156,142	12,261,305
Non-Insured Services (Schedule E)	160,000	251,575	247,350
Contribution Agreements (Schedule C)	409,033	588,786	807,347
	14,705,000	14,996,503	13,316,003
Operating Surplus / (Deficit)	-	(377,319)	12,390
Unfunded Items			
Change in employee leave and termination benefits		64,036	29,497
Surplus / (Deficit) Before the Following		(313,284)	41,888
Tangible Capital Assists - Rent Expense (Note 13)		144,188	144,188
Grant-In-Kind - GNWT Assets Provided at no cost		(144,188)	(144,188)
Surplus / (Deficit) After Unfunded Items		\$ (313,284)	\$ 41,888

**Tlcho Community Services Agency
Education
Statement of Operations
For the year ended March 31, 2015**

	Budget (Unaudited)	Actual 2015	Actual 2014
OPERATING FUND - REVENUE			
Government of the Northwest Territories			
Regular Contribution	\$ 15,300,294	\$ 16,196,150	\$ 15,735,786
Aboriginal Languages	-	215,435	-
	<u>15,300,294</u>	<u>16,411,585</u>	<u>15,735,786</u>
BOARD GENERATED FUNDS			
Other contributions and miscellaneous	-	195,996	198,013
Investment income	-	42,206	36,696
Projects Revenue (Schedule L.1)	-	639,377	515,570
	<u>-</u>	<u>877,579</u>	<u>750,279</u>
TOTAL OPERATING REVENUE	<u>15,300,294</u>	<u>17,289,164</u>	<u>16,486,065</u>
OPERATING FUND EXPENSES - per schedule L			
School Programs	10,592,775	10,833,763	10,092,847
Inclusive Schooling	2,976,897	2,985,898	2,794,777
Operations and Maintenance	163,300	164,641	276,873
Administration	1,235,100	1,271,010	1,036,476
Aboriginal Language/Cultural Programs	1,675,709	1,659,311	1,166,895
Projects Expenditures (Schedule L.1)	-	644,544	517,290
TOTAL EXPENSE	<u>16,643,781</u>	<u>17,559,167</u>	<u>15,885,158</u>
EXCESS REVENUE	<u>\$ (1,343,487)</u>	<u>\$ (270,003)</u>	<u>\$ 600,907</u>

**Tlich Community Services Agency
Other Operations
Statement of Operations
For the year ended March 31, 2015**

Revenue	Budget (Unaudited)	Actual 2015	Actual 2014
Other Revenue	\$ -	\$ 767	\$ 2,791
Recoveries Housing	300,000	272,632	314,794
Personal Support Worker Program - Tlich Government	-	-	29,976
	300,000	273,399	347,562
Expenses			
General Administrative Expenditures			
Leased Property - Housing	300,000	254,772	330,031
Personal Support Worker Program - Tlich Government	-	-	30,168
	300,000	254,772	360,200
Operating Surplus / (Deficit)	\$ -	\$ 18,627	\$ (12,638)

Tlicho Community Services Agency
Statement of Changes in Net Financial Resources
For the year ended March 31, 2015

	2015	2014
Annual Surplus (Deficit)	\$ (628,695)	\$ 600,659
Use (Acquisition) of Prepaids	-	17,743
Acquisition of Tangible Capital Assets	-	(166,443)
Amortization	48,536	48,540
Increase (Decrease) in Net Financial Resources	<u>(580,159)</u>	<u>500,499</u>
Opening Net Financial Resources	1,335,832	835,333
Closing Net Financial Resources	<u>755,674</u>	<u>1,335,832</u>
 Accumulated Surplus		
<u>Health and Social Services</u>		
Opening Surplus - Health and Social Services	(545,133)	(557,523)
Current years' surplus (deficit) per page 5	<u>(377,319)</u>	<u>12,390</u>
Closing Surplus	<u>(922,452)</u>	<u>(545,133)</u>
 <u>Education</u>		
Opening Surplus - Education	2,162,487	1,561,580
Current years' surplus per page 6	<u>(270,003)</u>	<u>600,907</u>
Closing Surplus	<u>1,892,484</u>	<u>2,162,487</u>
 <u>General</u>		
Opening Surplus - Other	(15,062)	(2,424)
Current years' surplus (deficit) per page 7	<u>18,627</u>	<u>(12,638)</u>
Closing surplus(deficit)	<u>3,564</u>	<u>(15,062)</u>
Total Closing Accumulated Surplus	<u>\$ 973,601</u>	<u>\$ 1,602,295</u>

**Tlicho Community Services Agency
Statement of Cash Flow
For the year ended March 31, 2015**

	<u>2015</u>	<u>2014</u>
Operating Surplus	\$ (628,695)	\$ 600,659
(Increase) Decrease in Accounts Receivable	423,535	23,636
Increase (Decrease) in Accounts Payable	(142,758)	720,308
Increase (Decrease) in Wages and Benefits Payable	137,697	(21,695)
(Increase) in Inventory held for use	(61,000)	-
Prepaid Expenses	-	17,743
Non Cash Items included in Operating Deficit		
Amortization of Tangible Capital Assets	48,537	48,538
Net Cash from Operations	<u>(222,683)</u>	<u>1,389,189</u>
FINANCING		
Cash Provided by Financing Transactions	<u>-</u>	<u>-</u>
INVESTING		
Acquisition of Capital Assets	<u>-</u>	<u>(166,443)</u>
Increase (decrease) in cash and cash equivalents	(222,683)	1,222,746
Cash and Short Term Investments, beginning of year	<u>3,780,324</u>	<u>2,557,578</u>
Cash and Short Term Investments, end of year	<u><u>\$ 3,557,640</u></u>	<u><u>\$ 3,780,324</u></u>

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2015

NOTE 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 is an integrated Education and Health & Social Services Agency.

The Agency is dependent upon funding from the Government of the Northwest Territories.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian public sector accounting standards. Significant accounting policies are as follows.

a) Inventory - Held for Use

The Agency's inventory held for use consists of clinic supplies which are accounted for at the lower of cost or net realizable value. Cost is determined on the specific item basis.

b) Cash Equivalents

Cash comprises of cash on hand and demand deposits. The organization considers any and all highly liquid investments with maturities of three months or less from the date of acquisition, that are readily convertible to known amounts of cash and that are subject to insignificant risk of change in value, to be cash equivalents.

b) Revenue Recognition

The Agency 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.

c) Tangible capital assets

Tangible Capital Assets (TCA) are owned by the Government of the Northwest Territories. TCA's funded by the GNWT over \$50,000 are amortized over the estimated useful lives of the assets at the rates established by the Financial Administration Manual of the GNWT. The amortization expense is recorded with an offsetting amount as Grant in Kind Revenue, representing the use of the assets that are owned by the GNWT. Assets funded by the Agency over \$50,000 are capitalized and amortization is recorded.

d) Operating Surplus (Deficit) - Health and Social Services

The Operating Surplus (Deficit) section of the Statement of Financial Position reflects any accumulated excess expenses over revenue (net of repayments from or to the Department of Health & Social Services). The Agency is funded using a block funding approach. Under this approach the authority is responsible for all deficits and is to return the "Adjusted Operating Surplus" to the Department of Health and Social Services. The Authority can request to retain up to 1% of the Audited revenues to a maximum of \$250,000 with certain stipulations. At March 31, 2015 the Authority had an accumulated Deficit of \$922,452.

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2015

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e) Pension Contributions

The Authority and its employees make contributions to the Public Service Superannuation Plan. These contributions represent the total liability to the Authority.

f) Financial Assets

Financial assets, consisting of cash, and accounts receivable are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operation.

g) Non-Financial Assets

Non-Financial Assets, consisting of tangible capital assets, prepaid expense and inventories of supplies. Are not available to discharge existing liabilities and are held for use in the provisions 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 Authority's liabilities and financial assets. The difference bears directly on the Authority's future revenue requirements and on its ability to finance its activities and meet its liabilities and contractual obligations.

i) Measurement Uncertainty

The preparation of these financial statements in conformity with Public Sector Accounting Standards require management to make estimates and assumptions. This affects the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the updated amounts of revenue and expenses during the period. The actual results may differ from these estimates.

j) Budget

The presented budget figures are those approved by both the TCSA Board of Directors and the Ministers of Health & Social Services and Education. These figures represent the Authority's original fiscal plan for the year and do not reflect subsequent changes arising from amendments made by the Departments.

NOTE 3. FUTURE ACCOUNTING CHANGE

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 Agency is currently assessing the impact of this Section.

NOTE 4. ACCOUNTS RECEIVABLE

	<u>2015</u>	AFDA <u>2015</u>	Net <u>2015</u>	Net <u>2014</u>
General	\$ 193,079	\$ 10,244	\$ 182,835	\$ 256,457
Due from GNWT	411,152	-	411,152	677,573
Receivable from Wekweeti School	-	-	-	18,591
Receivable from Whati School	-	-	-	64,901
	<u>\$ 604,231</u>	<u>\$ 10,244</u>	<u>\$ 593,987</u>	<u>\$ 1,017,522</u>

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2015

NOTE 5. INVENTORY - HELD FOR USE

	<u>2015</u>	<u>2014</u>
Clinic Supplies	\$ 61,000	\$ -

NOTE 6. ACCOUNTS PAYABLE

	<u>2015</u>	<u>2014</u>
Trade	\$ 579,877	\$ 854,939
Due to GNWT	164,387	131,538
Payable to Gameti School	83,884	75,235
Payable to Behchoko Schools	-	42,233
	<u>\$ 828,148</u>	<u>\$ 1,103,945</u>

NOTE 7. 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.

	<u>2015</u>	<u>2014</u>
Removal	\$ 590,831	\$ 485,496
Termination	724,496	676,541
Leave	331,818	339,673
	<u>\$ 1,647,145</u>	<u>\$ 1,501,711</u>

NOTE 8. DEFERRED REVENUE

	<u>2015</u>	<u>2014</u>
CJBS Breakfast for Learning	\$ -	\$ 493
CJBS Miscellaneous	3,807	1,014
CJBS Literacy	17,541	
EMES BHP Culture	19,184	26,838
AAS Miscellaneous	1,192	1,559
CJBS - BHP Culture	17,435	42,461
AAS Healthy Snack	-	1,530
AAS Food First	1,204	-
AAS BHP Culture	68,437	85,000
AAS Breakfast for Learning	2,953	-
E Learning	44,408	-
MEZI Health Snack Program	-	-
MEZI Youth Sports	-	15,000
MEZI Mentorship	8,562	-
MEZI Breakfast for Learning	6,341	-
MEZI Active After School	-	14,336
JWGS - Food First	1,251	3,949
JWGS Breakfast for Learning	3,900	-
JWGS BHP Culture	4,802	9,511
JWGS Miscellaneous	1,750	
JWGS Fundraising	6,495	2,218
EMES Health Snack Program	-	5,199
EMES Breakfast for Learning	522	-
MEZI Mentorship	-	15,370
EMES Misc Account	5,181	8,235
MEZI BHP Culture	51,232	45,879
	<u>\$ 266,195</u>	<u>\$ 278,592</u>

Deferred revenue comprises funding received for which the related project is incomplete at year-end or for which unexpended project funds have not been recovered by the contributing agency. Amounts are reported as current liabilities as it is expected the projects will be completed or funds repaid within the next twelve months.

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2015

NOTE 9. 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 2015 (unaudited)	Net book Value 2014 (unaudited)
2013 Ford F450 Ambulance	166,443	47,555	118,888	142,666
School Buses	173,318	74,279	99,039	123,798
Total	<u>\$ 339,761</u>	<u>\$ 121,834</u>	<u>\$ 217,926</u>	<u>\$ 266,464</u>

NOTE 10. COMMITMENTS

The Agency is committed to the following rental/lease payments for the next five years:

	Residential Housing	Equipment	Total
2016	236,400	59,837	298,253
2017	236,400	37,205	275,622
2018	236,400	13,609	252,027
2019	236,400	5,126	243,545
2020	236,400	-	238,420
	<u>1,182,000</u>	<u>115,777</u>	<u>\$ 1,307,867</u>

NOTE 11. OPERATING SURPLUS - EDUCATION

For management purposes, the Department of Education recalculates surplus as shown below.

	2015	2014
Surplus - Education as reported on statement Net Financial Resources page 8	\$ 1,892,484	\$ 2,162,487
Infrastructure (Deficit) L-2	(25,815)	(116,486)
Termination and ultimate removal benefits (Note 6)	914,475	810,909
	<u>\$ 2,781,145</u>	<u>\$ 2,856,910</u>

NOTE 12. FINANCIAL INSTRUMENTS

The Agency's financial instruments consist of cash, accounts receivable, wages and benefits payable, leave and termination payable, contributions repayable and accounts payable. It is the management's opinion that the Agency is not exposed to significant interest, currency or credit risk arising from these financial instruments.

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2015

NOTE 13. EXPENSES SET OFF WITH GRANT-IN-KIND

Tangible Capital Assets (TCA) are owned by the Government of the Northwest Territories. TCA are amortized over the estimated useful life of the assets at the following rates.

Buildings - 40 Years

Leasehold Improvements - Lesser of useful life or lease term plus renewal option

Mobile Equipment - 15 years

	Cost (unaudited)	Accumulated Amortization (unaudited)	Net book Value 2015 (unaudited)	Net book Value 2014 (unaudited)
Buildings	\$ 4,289,695	\$ 3,153,341	\$ 1,136,354	\$ 1,257,242
Leasehold	252,800	163,842	88,958	101,517
Mobile Equipment	161,169	81,507	79,662	90,403
Total	\$ 4,703,664	\$ 3,398,690	\$ 1,304,974	\$ 1,449,162

The TCA information was provided by the Government of the Northwest Territories.

Amortization expense 2014 - 2015 \$144,188 (2013- 2014 \$144,188)

14. PRIOR YEAR FIGURES RESTATED

The prior year figures have been restated to conform with current year presentation of contribution agreements. There is no effect on the prior year operating results due to this restatement.

15. EXPENSE BY OBJECT

	<u>2015</u>	<u>2014</u>
Compensation	\$ 25,699,441	\$ 23,561,094
Other	\$ 7,111,002	6,000,267
	<u>32,810,442</u>	<u>29,561,361</u>

16. RELATED PARTY

The Tlicho Community Services Agency is related through common ownership to all Government of the Northwest Territories ministries, agencies, school districts, and health authorities. Transactions with these entities, unless disclosed separately, are considered to be in the normal course of operations and are recorded at the exchange amount.

(a) Accounts Payable

	<u>2015</u>
GNWT	\$ 164,387
Payable to Gameti School	83,884
Hay River Health and Social Services	11,650
Stanton Territorial Health Authority	21,987
Yellowknife Health and Social Services	21,309
	<u>303,217</u>

Expenses

(a) Yellowknife Health and Social Services Authority (YKHSSA)

Each year the Agency signs a Memorandum of Understanding with the YKHSSA for the delivery of primary physician care in the communities of Behchoko, Gameti, Whati, and Wekweeti on behalf of the TCSA.

For fiscal 2014-2015, the amount was \$ 766,000, billed equally over the twelve month period.

(b) Stanton Hospital

The TCSA provides medical travel assistance to the Tlicho residents, a program that is the responsibility of the Stanton Hospital.

Each quarter, the TCSA invoices the Stanton Hospital for the salaries and wages of the medical travel staff paid by the TCSA.

For 2014-2015 the amount invoiced to the Stanton Hospital for medical travel clerks was \$ 143,292.

**Tlicho Community Services Agency
Health and Social Services
Schedule A
Schedule of Territorial Operating Advances
For the year ended March 31, 2015**

	<u>Budget 2015</u>	<u>Actual 2015</u>	<u>Actual 2014</u>
H&SS - Authority Administration	\$ 923,000	\$ 839,000	\$ 902,000
Authority - Capital (under \$50,000)	13,000	13,000	13,000
Health Centers	5,322,000	5,366,000	4,865,000
Authority Social Service Delivery	2,166,000	2,166,000	2,116,000
Ambulance - Additional	444,000	444,000	429,000
Protective Services	11,000	11,000	11,000
Physician Services	766,000	766,000	751,191
Foster Care	754,000	754,000	754,000
Residential Care - Elderly & Persons with Disabilities	2,784,000	2,209,000	1,346,000
Family Violence	31,000	31,000	31,000
Community Wellness Programs	34,000	34,000	34,000
Homecare	680,000	680,000	662,000
Health Promotion	66,000	66,000	66,000
Epidemiology	-	-	8,000
Total Funding	\$ 13,994,000	\$ 13,379,000	\$ 11,988,191

Tlcho Community Services Agency
Health and Social Services
Schedule B
Schedule of Other Recoveries
For the year ended March 31, 2015

	2015 Budget <u>(unaudited)</u>	2015 <u>Actual</u>	2014 <u>Actual</u>
Housing - JESH	\$ 60,000	\$ 74,148	\$ 72,324
	\$ 60,000	\$ 74,148	\$ 72,324

**Tlcho Community Services Agency
Health and Social Services
Schedule C
Schedule of Other Revenues, Contributions and Expenses
For the year ended March 31, 2015**

	2015 <u>Budget</u>	2014 <u>Actual</u>	2014 <u>Actual</u>
Other Revenues			
Misc. Revenue	86,000	150,392	143,152
Rent		66,300	-
Operations Contribution-Ambulance, HSS	-	13,938	-
Operations Contribution-Ambulance, MACA	-	53,169	33,333
	<u>86,000</u>	<u>283,799</u>	<u>176,485</u>
Contribution Agreement Revenue			
Children's Oral Health		-	12,174
THSSI		-	237,000
Enhanced Home Care / Adult Day Respite - (HSS01-0000002214)	405,000	428,063	400,871
CHNDP - Program - NP		0	64,049
CHNDP - Program - CHN		35,393	93,253
On the Land Program		125,000	0
	<u>405,000</u>	<u>588,456</u>	<u>807,346</u>
Total Revenues	\$ 491,000	\$ 872,255	\$ 983,831
Contribution Agreement Expenses			
Children's Oral Health		-	12,174
THSSI		-	237,000
Enhanced Home Care / Adult Day Respite - (HSS01-2214)	409,033	428,063	400,871
CHNDP - Program - NP		0	64,049
CHNDP - Program - CHN		35,724	93,254
On the Land Program		125,000	-
Total Expenses	<u>409,033</u>	<u>588,786</u>	<u>807,347</u>
Excess Funding over Expense	\$ 81,967.00	\$ 283,468.24	\$ 176,484.24

Tlicho Community Services Agency
Schedule C-1
Schedule of Detailed Contribution Funding and Expenses
Children's Oral Health - (NS1300006 A-01)
Government of Canada
For the year ended March 31, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
Government of Canada		-	12,174
Government of Canada - A/R	-	-	-
	-	-	<u>12,174</u>
Expenses			
Salaries and Benefits	-	-	12,174
Travel	-	-	-
Admin Fee	-	-	-
	-	-	<u>12,174</u>
Excess Funding over Expense	-	-	-

Tlich Community Services Agency
Schedule C-2
Schedule of Detailed Contribution Funding and Expenses
THSSI
For the year ended March 31, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Accreditation and Quality Improvement			
Funding			
GNWT	\$ -	\$ -	\$ 118,500
Contributions Repayable		-	-
A/R Receivable	-	-	118,500
	<hr/>	<hr/>	<hr/>
	-	-	237,000
Expenses			
Salaries	-	-	237,000
	<hr/>	<hr/>	<hr/>
Excess Funding over Expense	\$ -	\$ -	\$ -
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Tlicho Community Services Agency
Schedule C-3
Schedule of Detailed Contribution Funding and Expense
Home and Community Care Enhancement - (HSS01-000002214)
Health & Social Services - GNWT
For the year ended March 31, 2015

Enhanced Home Care	2015	2015	2014
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Funding			
GNWT - Department of Health & Social Services	\$ 405,000	\$ 428,063	\$ 400,871
Contributions Repayable	-	-	-
A/R GNWT	-	-	-
	<hr/>	<hr/>	<hr/>
	405,000	428,063	400,871
 Regional Home Care			
Salaries	368,783	367,822	350,586
Materials and Supplies	4,000	13,000	5,831
Gasoline	3,000	2,400	3,633
Food	6,000	12,000	5,649
Vehicle Maintenance	2,500	1,647	3,178
Medical and Surgical Supplies	3,500	4,000	2,350
Delivery and Courier	2,000	2,000	1,517
Telephone	750	1,831	858
Travel	10,000	18,447	17,264
Equipment Maintenance	1,000	590	600
Minor Equipment	2,500	-	5,007
Contract Services	5,000	4,325	4,398
	<hr/>	<hr/>	<hr/>
Total Regional Home Care	409,033	428,063	400,871
 Excess Funding over Expense	 \$ (4,033)	 \$ -	 \$ -
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Tlicho Community Services Agency
Schedule C-4
Schedule of Detailed Contribution Funding and Expenses
CHNDP Program - NP
For the year ended March 31, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
GNWT	\$ -	\$ -	\$ 46,468
GNWT - A/R	-	-	17,581
	<hr/>	<hr/>	<hr/>
	-	-	64,049
Expenses			
Salaries & Benefits	-	-	63,599
License Fee	-	-	-
Training and Development	-	-	450
Travel	-	-	0
	<hr/>	<hr/>	<hr/>
	-	-	64,049
 Excess Funding over Expense	 \$ -	 \$ -	 \$ -
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Tlicho Community Services Agency
Schedule C-5
Schedule of Detailed Contribution Funding and Expenses
CHNDP Program - CHN
For the year ended March 31, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
GNWT	\$ -	\$ 35,393	\$ 48,700
GNWT (A/R)	-	-	44,553
GNWT Contribution (Repayable)	-	-	-
	<hr/>	<hr/>	<hr/>
	-	35,393	93,253
 Expenses			
Salaries & Benefits	-	33,695	71,983
Materials & Supplies	-	-	21,271
Training and Development	-	2,029	-
Dues & Fees	-	-	-
	<hr/>	<hr/>	<hr/>
	-	35,724	93,254
 Excess Funding over Expense	 \$ -	 \$ (331)	 \$ -
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Tlicho Community Services Agency
Schedule C-6
Schedule of Detailed Contribution Funding and Expenses
GNWT - On the Land Program
For the year ended March 31, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
GNWT Contribution	-	125,000	-
	-	<u>125,000</u>	
Expenses			
Salaries & Benefits	-	4,048	-
Materials and Supplies	-	12,343	-
Client Travel	-	6,981	-
Contracted Services	-	101,628	-
	-	<u>125,000</u>	-
Excess Funding over Expense	\$ -	\$ -	\$ -

**Tlicho Community Services Agency
Health and Social Services
Schedule D
Schedule of Expenses by Function
For the year ended March 31, 2015**

	Grants and Contributions		Compensation and Benefits		Operations and Maintenance		Total Expense 2015 <u>Actual</u>
	2015 <u>Budget</u>	2015 <u>Actual</u>	2015 <u>Budget</u>	2015 <u>Actual</u>	2015 <u>Budget</u>	2015 <u>Actual</u>	
711 - Administration and Support Services	\$ 1,477,000	\$ 1,307,000	\$ 1,161,106	\$ 1,267,951	\$ 547,850	\$ 643,169	\$ 1,911,120
713 - Physician Services	766,000	766,000	742,000	741,996	24,000	24,420	\$ 766,416
715 - Community Health Services	6,063,967	6,112,000	5,116,206	4,553,496	901,300	1,101,890	\$ 5,655,386
716 - Community Social Services	5,829,000	5,194,000	4,215,519	4,105,867	1,427,986	1,717,353	\$ 5,823,220
	\$ 14,135,967	\$ 13,379,000	\$ 11,234,831	\$ 10,669,309	\$ 2,901,136	\$ 3,486,832	\$ 14,156,142

**Tlich Community Services Agency
Health and Social Services
Schedule E
Schedule of Non-Insured Recoveries and Expenses
For the year ended March 31, 2015**

	<u>2015 Budget</u>	<u>2015 Actual</u>	<u>2014 Actual</u>
Recoveries	<u>\$ 160,000</u>	<u>\$ 251,575</u>	<u>\$ 247,350</u>
Expenses			
Transportation	<u>160,000</u>	<u>251,575</u>	<u>247,350</u>
Net Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Tlichon Community Services Agency
Health and Social Services
Schedule G
Health Schedule of Reserves
For the year ended March 31, 2015**

	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.

Tlcho Community Services Agency
Schedule L
Education Division
Schedule of Expenses
For the year ended March 31, 2015

	School Programs	Inclusive Schooling	Infrastructure	Administration	Aboriginal Languages	Other Projects	Totals
Salaries							
Teachers	\$ 7,569,556	\$ 350,424			\$ 601,985		8,521,964
Inst Asst.		1,375,358			242,702		1,618,060
Non-Inst Staff	1,825,553	790,867		823,678	431,516	87,412	3,959,026
Brd Honoraria				31,200			31,200
							-
Employee Benefits							
Benefits/Allow Leave & Term.	18,401	747	164,641	55,673	3,280		242,742
							-
							-
Services Purchased / Contracted							
Prof & Tech Serv							-
Office Supp & Admin							-
Postage/Communication	63,820			40,319	1,346		105,486
Utilities							-
Travel/Training	73,393	247,124		71,604	78,585	750	471,455
Student Travel						25,767	25,767
Advert/Prntg/Pubshng	2,074			-	7,370		9,444
Main/Repair	2,900			6,357	400		9,657
Rentals/Leases	78,852			2,997	3,165		85,014
Vehicle Expense	123,799	540		70	7,110		131,519
Equipment Maintenance				-		425	425
Other	18,083	50		32,700	605		51,438
Contributed Services	184,725	-		2,636	75,000		262,361
Contracted Services	181,683	141,387		90,765	117,412	97,068	628,316
Renovations							-
Home Boarding Allowance	61,660						61,660
							-
Materials / Supplies / Freight							
Materials	583,036	74,231		106,264	73,774	398,769	1,236,074
Furniture and Equipment	3,530	4,548		5,359	15,000	34,051	62,488
Freight	42,699	623		1,389	60	301	45,071
Total Expense	\$10,833,763	\$2,985,898	\$164,641	\$1,271,010	\$1,659,311	\$644,544	\$17,559,167

**Tlicho Community Services Agency
Education - Contribution Agreements
Schedule L.1
Other Education Contributions
For the year ended March 31, 2015**

		2015	2014
		<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	-
Take a Kid Trapping EMES	Schedule L-4	8,000	-
Take a Kid Trapping JWGS	Schedule L-5	8,000	8,000
Take a Kid Trapping MEZI	Schedule L-6	8,000	-
Food First Foundation JWGS	Schedule L-7	8,798	4,681
Snack Program EMES	Schedule L-8	21,277	13,378
Snack Program MEZI	Schedule L-9	963	3,696
Snack Program JWGS	Schedule L-10	-	4,399
Snack Program AAS	Schedule L-11	3,278	2,384
Snack Program CJBS (Elem)	Schedule L-12	3,393	607
Snack Program CJBHS	Schedule L-13	9,216	6,684
Active After School CJBS	Schedule L-14	12,079	9,000
Active After School MEZI	Schedule L-15	15,999	-
Mentorship Program MEZI	Schedule L-16	6,808	13,096
Miscellaneous	Schedule L-17	216,172	198,666
Public Library Services CJBS	Schedule L-18	38,000	66,072
Public Library Services MEZI	Schedule L-19	38,000	38,000
Public Library Services JWGS	Schedule L-20	38,000	22,000
Food First Foundation EMES	Schedule L-21	6,666	3,334
Youth Contribution JWGS	Schedule L-22	-	4,000
Drop the Pop	Schedule L-23	10,100	8,900
Active After School JWGS	Schedule L-24	15,999	14,336
Active After School EMES	Schedule L-25	12,079	14,336
Youth Contribution CJBS	Schedule L-26	5,000	4,000
Youth Contribution MEZI	Schedule L-27	15,000	-
Take a Kid Harvesting CJBS	Schedule L-28	8,000	8,000
Take a Kid Harvesting EMES	Schedule L-29	8,000	8,000
Active After School Wekweeti	Schedule L-30	15,999	-
"Not Us" Drug Strategy JWGS	Schedule L-31	5,000	-
Food First Foundation (NWT Taste Makers)	Schedule L-32	2,940	-
Literacy CJBS	Schedule L-33	11,237	-
E-Learning MEZI	Schedule L-34	19,375	-
		<u>\$ 639,377</u>	<u>\$ 515,570</u>

Contribution Agreement Expenditures

Aboriginal Language	Schedule L-1	\$	62,007	\$	68,315
Take a Kid Trapping CJBS	Schedule L-3		8,053		-
Take a Kid Trapping EMES	Schedule L-4		7,957		-
Take a Kid Trapping JWGS	Schedule L-5		8,024		8,000
Take a Kid Trapping MEZI	Schedule L-6		8,033		-
Food First Foundation JWGS	Schedule L-7		8,798		4,681
Snack Program EMES	Schedule L-8		21,277		13,378
Snack Program MEZI	Schedule L-9		963		3,696
Snack Program JWGS	Schedule L-10		-		4,455
Snack Program AAS	Schedule L-11		3,278		2,384
Snack Program CJBS (Elem)	Schedule L-12		3,364		607
Snack Program CJBHS	Schedule L-13		9,394		6,684
Active After School CJBS	Schedule L-14		11,987		9,270
Active After School MEZI	Schedule L-15		16,000		-
Mentorship Program MEZI	Schedule L-16		6,808		13,096
Miscellaneous	Schedule L-17		217,867		191,633
Public Library Services CJBS	Schedule L-18		38,000		66,088
Public Library Services MEZI	Schedule L-19		38,023		38,007
Public Library Services JWGS	Schedule L-20		38,257		22,000
Food First Foundation EMES	Schedule L-21		6,518		3,382
Youth Contribution JWGS	Schedule L-22		-		4,000
Drop the Pop	Schedule L-23		10,279		8,942
Active After School JWGS	Schedule L-24		16,008		14,336
Active After School EMES	Schedule L-25		12,900		14,333
Youth Contribution CJBS	Schedule L-26		5,000		4,000
Youth Contribution MEZI	Schedule L-27		15,295		-
Take a Kid Harvesting CJBS	Schedule L-28		7,985		8,000
Take a Kid Harvesting EMES	Schedule L-29		8,044		8,001
Active After School Wekweeti	Schedule L-30		15,984		-
"Not Us" Drug Strategy JWGS	Schedule L-31		4,883		-
Food First Foundation (NWT Taste Makers)	Schedule L-32		2,948		-
Literacy CJBS	Schedule L-33		11,237		-
E-Learning MEZI	Schedule L-34		19,375		-
		\$	644,544	\$	517,290
Excess Funding over Expenditures		\$	(5,167)	\$	(1,720)

**Tlicho Community Services Agency
Schedule L-1
Schedule of Specific Program - Aboriginal Languages
For the year ended March 31, 2015**

	<u>2015 Budget</u>	<u>2015 Actual</u>	<u>2014 Actual</u>
Funding			
GNWT Contributions	-	60,000	60,000
Expenses			
Materials & Supplies	-	61,007	59,747
Training & Development	-	-	-
Travel	-	-	798
Contract Services	-	1,000	7,770
	-	62,007	68,315
Excess Funding over Expense	-	(2,007)	(8,315)

Tlicho Community Services Agency
L-2
Schedule of Specific Program - Education Infrastructure
For the year ended March 31, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Personnel Infrastructure			
Funding			
GNWT Regular Contribution	163,300	138,826	160,387
Funding Adjustment			
	<u>163,300</u>	<u>138,826</u>	<u>160,387</u>
Expenses			
Staffing:			
Advertising	-	-	-
Hiring Expenses	-	-	-
Employee Benefits:			
Removal In/Transfer	83,300	78,074	196,632
Ultimate Removal	-	-	-
Medical Travel Assistance	-	-	-
Dental Premiums	-	-	-
Family Assistance Program	-	-	-
WCB	80,000	86,567	80,241
Total Expenses	<u>163,300</u>	<u>164,641</u>	<u>276,873</u>
Surplus (Deficit)	<u>-</u>	<u>(25,815)</u>	<u>(116,486)</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>-</u>	<u>-</u>	<u>-</u>
Surplus (Deficit)	<u>-</u>	<u>-</u>	<u>-</u>
Excess Funding over Expense	<u>-</u>	<u>(25,815)</u>	<u>(116,486)</u>

Tlicho 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, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
GNWT, ITI	-	8,000	-
		8,000	-
Expenses			
Materials & Supplies	-	2,853	-
Gasoline	-	-	-
Contract Services	-	5,200	-
	-	8,053	-
Excess Funding over Expenses	-	(53)	-

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, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
GNWT, ITI	-	8,000	-
	-	8,000	-
Expenses			
Materials & Supplies	-	4,239	-
Gasoline	-	118	-
Contract Services	-	3,600	-
	-	7,957	-
Excess Funding over Expense	-	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, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
GNWT, ITI	-	8,000	8,000
	-	8,000	8,000
Expenses			
Materials & Supplies	-	2,920	866
Gasoline	-	-	3,134
Food	-	504	-
Contract Services	-	4,600	4,000
	-	8,024	8,000
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, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
GNWT, ITI	-	8,000	-
	-	8,000	-
Expenses			
Materials & Supplies	-	6,353	-
Contract Services	-	1,680	-
	-	8,033	-
Excess Funding over Expense	-	(33)	-

Tlich Community Services Agency
Schedule L-7
Schedule of Detailed Contribution Funding and Expense
Food First Foundation - JWGS
For the year ended March 31, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
Food First Foundation (12/13)	-	-	2,034
Food First Foundation (13/14)	-	2,033	4,067
Food First Foundation (Deferred)	-	3,949	(3,949)
Food First Foundation (14/15)	-	4,067	2,529
Food First Foundation (14/15) Deferred	-	(1,251)	-
	-	8,798	4,681
Expenses			
Materials & Supplies	-	8,798	4,681
Minor Equipment	-	-	-
	-	8,798	4,681
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, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
Breakfast for Learning (13/14)	-	6,000	9,000
Breakfast for Learning (13/14) Deferred	-	5,199	(5,199)
Breakfast for Learning (14/15)	-	10,600	-
Breakfast for Learning (14/15) Deferred	-	(522)	-
Breakfast for Learning (12/13) Deferred	-	-	9,577
	-	21,277	13,378
Expenses			
Materials & Supplies	-	21,277	13,378
Contract Services	-	-	-
	-	21,277	13,378
Excess Funding over Expense	-	-	-

Tlich Community Services Agency
Schedule L-9
Schedule of Detailed Contribution Funding and Expenses
Snack Program - MEZI
For the year ended March 31, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
Breakfast for Learning	-	304	2,400
Breakfast for Learning A/R	-	-	1,296
Breakfast for Learning (14/15)		7,000	-
Breakfast for Learning (14/15) Deferred	-	(6,341)	-
	-	963	3,696
Expense			
Materials & Supplies	-	333	3,696
Contract Services	-	630	-
	-	963	3,696
Excess Funding over Expense	-	-	-

Tlicho Community Services Agency
Schedule L10
Schedule of Detailed Contribution Funding and Expenses
Snack Program - JWGS
For the year ended March 31, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
Breakfast for Learning (1st pmt)	-	-	2,100
Breakfast for Learning (2nd pmt) A/R	-	-	1,400
Breakfast for Learning (2014/15)	-	3,900	-
Breakfast for Learning (2014/15) Deferred	-	(3,900)	-
Breakfast for Learning (Deferred)	-	-	899
	-	-	<u>4,399</u>
Expenses			
Materials & Supplies	-	-	4,455
Minor Equipment	-	-	-
	-	-	<u>4,455</u>
Excess Funding over Expense	-	-	<u><u>(57)</u></u>

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, 2015

	<u>2015</u>	<u>2015</u>	<u>2014</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Funding			
Breakfast for Learning	-	1,200	1,900
Breakfast for Learning (Deferred)	-	1,530 -	1,530
Breakfast for Learning (Deferred)	-	-	2,014
Breakfast for Learning (2014/15)	-	3,500	-
Breakfast for Learning (2014/15) Deferred		(2,953)	
	-	3,278	2,384
Expenses			
Materials & Supplies	-	3,278	2,384
Minor Equipment	-	-	-
	-	3,278	2,384
Excess Funding over Expense	-	-	-

Tlicho 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, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
Breakfast for Learning (13/14)	-	800	1,100
Breakfast for Learning (14/15)		2,100	-
Breakfast for Learning (Deferred)	-	493	(493)
	-	3,393	607
Expense			
Materials & Supplies	-	3,364	607
	-	3,364	607
Excess Funding over Expense	-	29	-

Tlich 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, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
Breakfast for Learning (13/14)	-	1,016	6,684
Breakfast for Learning (14/15)	-	8,200	-
	-	<u>9,216</u>	<u>6,684</u>
Expenses			
Materials & Supplies	-	9,394	6,684
Minor Equipment	-	-	-
	-	<u>9,394</u>	<u>6,684</u>
Excess Funding over Expense	-	<u>(179)</u>	-

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, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
GNWT North Slave Region MACA	-	12,079	9,000
	-	<u>12,079</u>	<u>9,000</u>
Expenses			
Materials & Supplies	-	11,987	9,270
Minor Equipment	-	-	-
	-	<u>11,987</u>	<u>9,270</u>
Excess Funding over Expense	-	<u>92</u>	<u>(270)</u>

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, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
NWT Sport & Recreation Council	-	-	14,336
NWT Sport & Recreation Council (Deferred)	-	-	(14,336)
GNWT North Slave Region MACA	-	15,999	-
	-	15,999	-
Expenses			
Materials & Supplies	-	10,910	-
Minor Equipment	-	5,090	-
	-	16,000	-
Excess Funding over Expenses	-	(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, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
GNWT	-	-	5,000
GNWT (Deferred)	-	15,370	(15,370)
GNWT (Deferred)	-	(8,562)	23,466
	-	6,808	13,096
Expenses			
Materials & Supplies	-	1,150	3,880
Travel	-	5,658	9,216
Contract Services	-	-	-
	-	6,808	13,096
Excess Funding over Expense	-	-	-

Tlicho Community Services Agency
Schedule L-17
Schedule of Detailed Contribution Funding and Expenses
Miscellaneous
For the year ended March 31, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
CJBS Miscellaneous	-	30,855	7,767
CJBS Miscellaneous (Deferred)		(3,807)	-
CJBS Cultural Program (BHP & Ekati)	-	25,000	85,000
CJBS Cultural Program (BHP & Ekati)		(17,435)	-
CJBS Cultural Program (BHP& Ekati) Deferred	-	42,461	(42,461)
MEZI Miscellaneous	-	-	2,070
MEZI Fundraising	-	-	8,528
MEZI Cultural Program (BHP & Ekati)	-	25,000	35,000
MEZI Cultural Program (BHP Billiton) Deferred	-	45,879	(45,879)
MEZI Cultural Program (BHP Billiton) Deferred		(51,232)	38,191
MEZI ADI Snack (Tlicho Gov't) Deferred			2,951
JWGS Miscellaneous	-	1,750	14,375
JWGS Miscellaneous (Deferred)		(1,750)	-
JWGS Fundraising		7,723	18,752
JWGS Fundraising (Deferred)		(6,495)	(2,218)
JWGS Cultural Program (BHP & Ekati)	-	25,000	35,000
JWGS Cultural Program (BHP & Ekati) (Deferred)		9,511	(9,511)
JWGS Cultural Program (De Beers)	-	2,500	-
JWGS Cultural Program (BHP & Ekati)		(4,802)	-
EMES Miscellaneous	-	4,876	12,370
EMES Miscellaneous (Deferred)		8,235	(8,235)
EMES Miscellaneous (Deferred)		(5,181)	-
EMES Cultural Program (BHP & Ekati)	-	25,000	72,612
EMES Cultural Program (BHP & Ekati) Deferred		26,838	(26,838)
EMES Cultural Program (BHP & Ekati) Deferred	-	(19,184)	-
AAS Miscellaneous	-	3,500	2,750
AAS Miscellaneous (Deferred)		1,559	(1,559)
AAS Miscellaneous (Deferred)		(1,192)	-
AAS Cultural Program (BHP & Ekati)	-	25,000	85,000
AAS Cultural Program (BHP & Ekati) Deferred	-	85,000	(85,000)
AAS Cultural Program (BHP & Ekati) Deferred		(68,437)	-
	-	216,172	198,666
Expenses			
CJBS Miscellaneous		27,048	7,767
CJBS Cultural Program (BHP & Ekati)		50,027	42,539
MEZI Miscellaneous		(1,284)	3,086
MEZI Fundraising		2,978	-
MEZI Cultural Program (BHP & Ekati)		19,646	27,312
MEZI ADI Snack (TCSA Transfer)		-	2,959
JWGS Miscellaneous		-	14,846
JWGS Fundraising		1,228	16,535
JWGS Cultural Program (Ekati)		32,209	25,489
EMES Miscellaneous		7,930	4,135
EMES Cultural Program (BHP & Ekati)		32,654	45,774
AAS Miscellaneous		3,868	1,191
AAS Cultural Program (BHP Billiton)		41,563	-
	-	217,867	191,633
Excess Funding over Expense	-	(1,695)	7,033

Tlicho 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, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
GNWT ECE	-	38,000	38,000
A/R GNWT ECE (Furniture)	-	-	28,072
	-	38,000	66,072
Expenses			
Salaries & Benefits	-	38,000	38,016
Materials & Supplies	-	-	28,072
Contract Services	-	-	-
	-	38,000	66,088
Excess Funding over Expense	-	-	(16)

Tlicho 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, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
GNWT ECE	-	38,000	38,000
	-	38,000	38,000
 Expenses			
Salaries & Benefits	-	-	-
Materials & Supplies	-	13,233	16,379
Contract Services	-	24,790	21,629
	-	38,023	38,007
 Excess Funding over Expense	-	(23)	(7)

Tlicho 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, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
GNWT ECE	-	38,000	22,000
	-	38,000	22,000
Expenses			
Salaries & Benefits		30,037	-
Materials & Supplies	-	5,342	3,479
Contract Services	-	2,878	18,521
	-	38,257	22,000
Excess Funding over Expense	-	(257)	-

Tlich 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, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
Food First Foundation (13/14)	-	1,666	3,334
Food First Foundation (14/15)		3,334	-
Food First Foundation (14/15) A/R		1,666	-
	<hr/> -	<hr/> 6,666	<hr/> 3,334
Expenses			
Materials & Supplies	-	6,518	3,382
Minor Equipment	-	-	-
	<hr/> -	<hr/> 6,518	<hr/> 3,382
Excess Funding over Expense	<hr/> -	<hr/> 148	<hr/> (48)

Tlicho Community Services Agency
Schedule L-22
Schedule of Detailed Contribution Funding and Expenses
Youth Contribution - Jean Wetrade Gameti School
For the year ended March 31, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
GNWT North Slave Region MACA	-	15,500	4,000
GNWT North Slave Region MACA (Payable)	-	(15,500)	-
	-	-	4,000
Expenses			
Travel	-	-	4,000
Minor Equipment	-	-	-
	-	-	4,000
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, 2015

	2015	2015	2014
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Funding			
GNWT HSS - CJBS	-	2,500	2,600
GNWT HSS - MEZI	-	1,900	2,100
GNWT HSS - JWGS	-	1,600	1,600
GNWT HSS - EMES	-	2,500	2,600
GNWT HSS - Wekweeti	-	1,600	800
GNWT HSS - Wekweeti A/P	-	-	(800)
	-	10,100	8,900
Expenses			
Materials & Supplies - CJBS	-	2,494	2,622
Materials & Supplies - MEZI	-	1,921	2,115
Materials & Supplies - JWGS	-	1,577	1,605
Materials & Supplies - EMES	-	2,650	2,600
Materials & Supplies - Wekweeti	-	1,637	-
	-	10,279	8,942
Excess Funding over Expense	-	(179)	(42)

Tlicho 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, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
GNWT North Slave Region MACA	-	15,999	14,336
	-	15,999	14,336
Expenses			
Materials & Supplies	-	16,008	14,336
Minor Equipment	-	-	-
	-	16,008	14,336
Excess Funding over Expense	-	(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, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
GNWT North Slave Region MACA	-	12,079	14,336
	-	12,079	14,336
Expenses			
Materials & Supplies	-	12,900	880
Minor Equipment	-	-	5,207
Contract Services	-	-	8,246
	-	12,900	14,333
Excess Funding over Expense	-	(821)	3

Tlicho Community Services Agency
Schedule L-26
Schedule of Detailed Contribution Funding and Expenses
Youth Contribution - Chief Jimmy Bruneau School
For the year ended March 31, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
GNWT North Slave Region MACA	-	5,000	4,000
	-	5,000	4,000
Expenses			
Travel	-	-	4,000
Contract Services	-	5,000	-
	-	5,000	4,000
Excess Funding over Expense	-	-	-

Tlicho Community Services Agency
Schedule L-27
Schedule of Detailed Contribution Funding and Expenses
Youth Contribution - MEZI Community School
For the year ended March 31, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</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, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
GNWT, ITI	-	8,000	8,000
	-	8,000	8,000
Expenses			
Materials & Supplies		5,385	-
Gasoline	-	-	2,208
Food	-	-	1,792
Contract Services	-	2,600	4,000
	-	7,985	8,000
Excess Funding over Expense	-	15	-

Tlicho 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, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
GNWT ITI	-	8,000	8,000
	-	8,000	8,000
Expenses			
Materials & Supplies	-	4,394	3,808
Gasoline	-	-	192
Contract Services	-	3,650	4,000
	-	8,044	8,001
Excess Funding over Expense	-	(44)	(1)

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, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
GNWT North Slave Region MACA	-	15,999	-
	-	15,999	-
Expenses			
Materials & Supplies	-	15,984	-
Minor Equipment	-	-	-
Contract Services	-	-	-
	-	15,984	-
Excess Funding over Expense	-	15	-

Tlich 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, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
GNWT, Justice		5,000	-
	-	<u>5,000</u>	-
 Expenses			
Materials & Supplies	-	4,883	-
	-	<u>4,883</u>	-
 Excess Funding over Expense	-	<u><u>117</u></u>	-

Tlicho 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, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
Food First (NWT Taste Makers)	-	4,144	-
Food First (NWT Taste Makers) Deferred		(1,204)	
	-	2,940	-
Expenses			
Chief Jimmy Bruneau School	-	1,024	-
MEZI Community School	-	1,061	-
Jean Wetrade Gameti School		862	
Alexis Arrowmaker School		-	
	-	2,948	-
Excess Funding over Expense	-	(8)	-

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, 2015

	<u>2015</u> <u>Budget</u>	<u>2015</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Funding			
Diavik Diamond Mines		25,000	
NWT Literacy	-	3,360	-
Scholastic Canada (Book Fair)		418	
Diavik Diamond Mines (Deferrred)		(17,541)	
	-	11,237	-
Expenses			
Materials & Supplies	-	6,837	-
Contract Services	-	4,400	-
	-	11,237	-
Excess Funding over Expense	-	-	-

Tlicho Community Services Agency
Schedule L-34
Schedule of Detailed Contribution Funding and Expenses
E-Learning - MEZI Community School
For the year ended March 31, 2015

	2015	2015	2014
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Funding			
Beaufort Delta Education Council		63,783	
Beaufort Delta Ed. Council, Deferred	-	(44,408)	-
	-	<u>19,375</u>	-
Expenses			
Salaries & Benefits	-	19,375	-
Contract Services	-	-	-
	-	<u>19,375</u>	-
Excess Funding over Expense	-	-	-

Beaufort-Delta Health and Social Services Authority

Financial Statements

March 31, 2015

Beaufort-Delta Health and Social Services Authority

Financial Statements

March 31, 2015

Page

	Management's Responsibility for Financial Reporting	3
	Management Discussion and Analysis	4 - 6
	Independent Auditors' Report	7 - 8
Statement I	Statement of Financial Position	9
Statement II	Statement of Operations	10
Statement III	Statement of Change in Net Financial Resources	11
Statement IV	Statement of Cash flow	12
	Notes to Financial Statements	13 - 24
Schedule A	Schedule of Operating Advances from the GNWT	25
Schedule B	Schedule of Other Recoveries for Direct Charges for Services	26
Schedule C	Schedule of Other Revenues	27
Schedule D	Schedule of Expenses by Functional Centre	28
Schedule E	Non-insured Recoveries and Expenses	29
Schedule F	Schedule of Contribution Agreements	30 - 36
Schedule G	Schedule of Reserves	37

Management's Responsibility for Financial Reporting

June 30, 2015

**To Minister of Health and Social Services and
To the Public Administrator of Beaufort-Delta Health and Social Services Authority**

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.

Beaufort-Delta Health and Social Services Authority 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 Authority acts in accordance with the laws of the Northwest Territories. The Authority's management recognizes its responsibility for conducting the Authority's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to a territorial Authority of Health and Social Services.

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.



Arlene Jorgensen, B.A. B.S.W.
Chief Executive Officer
Beaufort-Delta Health and Social Services Authority

Management Discussion Analysis
For the year ended March 31, 2015

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 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.

As at March 31, 2015 the BDHSSA incurred an operating deficit of \$1,536,548 thereby increasing the accumulated operating deficit to \$9,986,361.

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 \$1,059,496 which is very close to last year's costs. This operating cost is not part of the Authority's 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 Authority is responsible for all minor capital; this is defined as items that are less than \$50,000 in cost. The Authority receives \$118,000 as a capital budget and in this fiscal period incurred expenses of \$316,144. Some of the major items were two vehicles for the remote Health Centre of Paulatuk and Sachs Harbour and computer equipment.
3. The cost of medical supplies was \$510,000 over budget caused by increased costs, increased standards and changes to treatment plans required to improve patient care and safety.
4. The costs of the ambulance services are unfunded and the Authority has to cover these costs from other budget sources at a cost of \$360,000.
5. The authority was \$2,590,000 over budget in overtime, callback and stand by pay across the organization.
6. Shortfall in contracted services of \$1,853,000, 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 received a total of \$165,000 in forced growth initiative and \$172,000 in one time funding to offset contract obligations. The Health Authority received \$653,000 to cover collective agreement wage increases and \$18,000 to cover increases in northern allowances. The authority has not received any funding to cover overtime which is governed by the collective agreement, relocation of staff for work, nor funds to cover the shortfall in contracted services.

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 \$977,000. In addition the Authority has been able to recover \$964,000 in other services such as dietary, dental surgery, occupational services and staff rent. Further the Authority was able to recover an additional \$500,000 for patient accommodations. 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 7,636 patients visit the general clinics, and 4,461 visit the walk in clinic. The emergency department had 7,111 patients. The Authority's laboratory provided services to 5,563 patients. BDHSSA's operating room provided 48 surgeries and 418 day surgeries during this fiscal year. There were also 1,722 specialist appointments during the year. The total number of patient visits to the Inuvik regional Hospital for this fiscal period was 27,497 visits.

All of the Community Health Centre's combined together had 21,675 patient visits during 2015. In addition our Physicians saw 2,416 patients in the Community Health Centre. The Community Health Centre's also had 3,153 after hours calls. The community Home Support Workers made 966 home care visits in the communities excluding Inuvik.

During April 1, 2014 to March 31, 2015 there have been 467 intake reports for 1,165 identified children of concern in the Beaufort Delta Health and Social Services Region. There was 324 of these calls during the day and 143 are reported after hours.

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 saving 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, has active partners, is allowed to determine the best courses of action and aggressively manages its day-to-day operations we will be able to achieve a balance between client-focused high quality service and sustainability.



Roger Israel
Director Finance & Operations
Beaufort-Delta Health and Social Services Authority

Independent Auditors' Report

**To the Minister of Health and Social Services
Government of the Northwest Territories
and
To the Public Administrator
Beaufort-Delta Health and Social Services Authority**

We have audited the accompanying financial statements of the Beaufort-Delta Health and Social Services Authority as at March 31, 2015, which comprise the statement of financial position and the statements of operations, 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 F.

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 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 Beaufort-Delta Health and Social Services Authority as at March 31, 2015, 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 F 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, 2015, 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 30, 2015

Crowe MacKay LLP
Chartered Accountants

Beaufort-Delta Health and Social Services Authority

STATEMENT I

Statement of Financial Position

As at March 31, **2015** **2014**

Financial Assets

Cash	\$ 1,018,960	\$ 474,272
Special purpose funds (Note 4)	119,915	119,915
Trust assets (Note 5)	206,287	204,543
Accounts receivable (Note 6)	1,944,964	2,843,917
	3,290,126	3,642,647

Liabilities

Accounts payable and accrued liabilities (Note 7)	1,224,109	1,411,984
Payroll liabilities (Note)	10,101,217	8,820,313
Employee future benefits (Note 9)	2,372,189	2,302,606
Trust liabilities (Note 5)	206,287	204,543
Contributions repayable (Note 10)	15,768	15,768
	13,919,570	12,755,214

Net Financial Debt **(10,629,444)** **(9,112,567)**

Non-Financial Assets

Inventory held for use (Note 11)	519,704	537,706
Prepaid expenses	123,379	125,048
	643,083	662,754

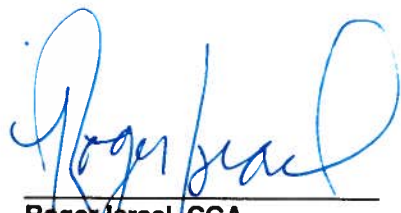
Accumulated deficit (Note 12) **\$ (9,986,361)** **\$ (8,449,813)**

Contingent Liabilities (Note 13)
Contractual Obligations (Note 14)

Approved on behalf of the Authority



Arlene Jorgensen, B.A. B.S.W.
Chief Executive Officer



Roger Israel, CGA
Director of Finance and Admin

Beaufort-Delta Health and Social Services Authority

Statement of Operations

For the year ended March 31,	2015	2015	2014
	(unaudited) Budget	Actual	Actual
REVENUE			
Operating Advance from GNWT (Schedule A)	\$ 45,139,000	\$ 45,139,000	\$ 43,563,000
Other Recoveries (Schedule B)	2,103,456	2,957,941	2,446,943
Other Revenues (Schedule C)	1,734,548	1,734,500	2,725,164
Non-Insured Recoveries (Schedule E)	-	859,371	851,680
Interest revenue	5,004	19,812	24,710
	48,982,008	50,710,624	49,611,497
EXPENDITURES			
Administration and Support Services (Schedule D)	8,349,736	9,269,428	10,311,743
Nursing Inpatient / Resident Services (Schedule D)	9,213,667	9,931,899	9,529,274
Ambulatory Care Services (Schedule D)	6,665,294	6,835,080	7,026,481
Diagnostic and Therapeutic Services (Schedule D)	3,846,864	4,412,709	4,006,253
Regional Health Services (Schedule D)	9,590,834	10,326,182	10,431,894
Regional Social Services (Schedule D)	11,305,617	10,485,432	10,011,324
Education (Schedule D)	-	58,393	25,862
Undistributed and Service Contracts (Schedule D)	9,996	69,991	185
Non-Insured Services (Schedule E)	-	858,058	851,680
	48,982,008	52,247,172	52,194,696
OPERATING DEFICIT	-	(1,536,548)	(2,583,199)
Prior year funding received (Note 15)	-	(172,000)	-
OPERATING DEFICIT BEFORE PRIOR YEAR FUNDING	-	(1,708,548)	(2,583,199)
UNFUNDED ITEM			
Change in employee future benefits	-	69,583	7,177
ANNUAL DEFICIT BEFORE THE FOLLOWING	-	(1,638,965)	(2,576,022)
Rent expense - GNWT assets provided at no cost (Note 16)	-	(1,998,442)	(1,984,721)
Grant-In-Kind - GNWT assets provided at no cost (Note 16)	-	1,998,442	1,984,721
ANNUAL DEFICIT	-	(1,638,965)	(2,576,022)
OPENING ACCUMULATED DEFICIT		\$ (8,449,813)	\$ (5,866,614)
CLOSING ACCUMULATED DEFICIT (NOTE 12)	\$	\$ (9,986,361)	\$ (8,449,813)

Beaufort-Delta Health and Social Services Authority

Statement of Changes in Net Financial Resources

For the year ended March 31,	2015	2014
Operating deficit	\$(1,536,548)	\$(2,583,199)
Adjustments		
Decrease/ (increase) in prepaid expenses	1,669	(10,672)
Decrease/ (increase) in inventories held for use	18,002	17,259
DECREASE / (INCREASE) IN NET FINANCIAL DEBT	(1,516,877)	(2,576,612)
OPENING NET FINANCIAL RESOURCES	(9,112,567)	(6,535,955)
CLOSING NET FINANCIAL RESOURCES	\$ (10,629,444)	\$ (9,112,567)

Beaufort-Delta Health and Social Services Authority

Statement of Cash Flows

For the year ended March 31,	2015	2014
Cash provided by (used in) the following activities:		
Operating activities		
Annual operating deficit	\$ (1,536,548)	\$ (2,583,199)
Change in non-cash assets and liabilities:		
Decrease (increase) in accounts receivable	898,953	(33,016)
Decrease (increase) in prepaid expenses	1,669	(10,672)
Decrease (increase) in inventories held for use	18,002	17,259
Decrease (increase) in accounts payable and accrued liabilities	(187,875)	60,265
Decrease (increase) in payroll related liabilities	1,280,904	(84,002)
Decrease (increase) in employee future benefits	69,583	7,178
Decrease (increase) in trust liabilities	1,744	(47,139)
Decrease (increase) in contributions repayable	-	3,297
Decrease (increase) in foundation donations	-	(20,000)
Cash provided by/ (used in) operating activities	546,432	(2,690,029)
Increase (decrease) in cash and cash equivalents during the year	546,432	(2,690,029)
Cash and cash equivalents at beginning of year	798,730	3,488,759
Cash and cash equivalents at end of year	\$ 1,345,162	\$ 798,730
 Represented by		
Cash	\$ 1,018,960	\$ 474,272
Trust assets	206,287	204,543
Special purpose funds	119,915	119,915
	\$ 1,345,162	\$ 798,730

Beaufort-Delta Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

1. Authority

The Beaufort-Delta 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, 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. 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 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 include cash on hand, demand deposits, trust assets, and special purpose funds that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value.

(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 the activities associated with the 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").

Special Purpose Fund - reflecting activities relating to special purpose funds made available to the Authority under conditions specified by donors and other providers.

Beaufort-Delta Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

2. Summary of Significant Accounting Policies (continued)

(c) Special Purpose Funds

The DHSS requires the Authority to establish the following reserves:

Deficit Reserve - reflects the funds maintained in a reserve according to the DHSS Surplus/Deficit Retention Policy.

Termination Benefit Reserve - the funds received in advance for the severance liability of employees who were transferred to the Authority from the Government of the Northwest Territories (GNWT). These liabilities will be reduced as employees are paid out upon termination of employment with the Authority.

(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) 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 recorded at cost and expensed at the time of purchase.

(f) Accrued employee leave and termination benefits

In accordance with GNWT accounting policies specified for public agencies, the Authority annually accrues estimated employee future 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.

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.

Beaufort-Delta Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

2. Summary of 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 receipt of payment from the DHSS's Health Administration Office in Inuvik.

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 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.

(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 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.

Beaufort-Delta Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

2. Summary of 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) Prepaid expenses

Prepaid expenses include payments made in advance of receipt of service or good and are charged to expense of the periods when the service or good is consumed.

(l) Program recoveries

The Authority has established program delivery contribution agreements with various non-governmental organizations for which the Authority receives funding from the territorial government. Excess revenues or expenditures on the program delivery is reported to the Authority when audited financial statements of the non-governmental organization becomes available. Excess revenues on program delivery contribution agreements, if applicable, are recorded when the non-governmental organizations refund unspent monies to the Authority.

(m) 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 and Social Services Authority**Notes to Financial Statements**

March 31, 2015

3. Future accounting changes**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.

4. Special Purpose Funds

	2015	2014
Special projects reserve (Schedule G)	\$ 50,540	\$ 50,540
Funded leave and termination benefits reserve (Schedule G)	69,375	69,375
	\$ 119,915	\$ 119,915

Beaufort-Delta Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

5. Trust Assets

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. Changes in the trust assets and trust liabilities represent interest earned on the dormant account.

The Authority also has patient trust accounts that it administers.

	2015	2014
Beaufort-Delta Hospital Foundation	\$ 40,272	\$ 40,272
Patient trust	166,015	164,271
	\$ 206,287	\$ 204,543

6. Accounts Receivable

	Amount	Allowance	Net 2015	Net 2014
Government of the Northwest Territories	\$ 2,130,382	\$ 453,918	\$ 1,676,464	\$ 2,459,580
Workers' Safety & Compensation Commission Northwest Territories	-	-	-	250
General	469,894	201,394	268,500	384,087
	\$ 2,600,276	\$ 655,312	\$ 1,944,964	\$ 2,843,917

7. Accounts payable and accrued liabilities

	2015	2014
Government of the Northwest Territories	\$ -	\$ 778
Trade	1,224,109	1,411,206
	\$ 1,224,109	\$ 1,411,984

8. Payroll liabilities

	2015	2014
Government of the Northwest Territories	\$10,101,217	\$ 8,820,313

Beaufort-Delta Health and Social Services Authority**Notes to Financial Statements**

March 31, 2015

9. Employee future benefits

Under the conditions of employment, employees qualify for annual leave of varying lengths depending on their 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 payment of the 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.

	2015	2014
Removal	\$ 971,133	\$ 994,451
Termination, severance, resignation, retirement	414,095	298,220
Leave	986,961	1,009,935
	2,372,189	2,302,606

10. Contributions Repayable

	2015	2014
Government of Northwest Territories - DHSS		
Canada Prenatal Nutrition	\$ 15,768	\$ 15,768

11. Inventories held for use

	2015	2014
Pharmacy - weighted average cost	\$ 231,239	\$ 239,068
Stores - weighted average cost	288,465	298,638
	\$ 519,704	\$ 537,706

12. Accumulated Deficit

	2015	2014
Funded employee future benefits reserve	\$ 69,375	\$ 69,375
Operating deficit	(7,741,473)	(6,197,747)
Special projects reserve	50,540	50,540
Unfunded employee future benefits	(2,364,803)	(2,371,981)
	\$ (9,986,361)	\$ (8,449,813)

Beaufort-Delta Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

13. Contingent Liabilities

In common with many health authorities, claims are made against the Authority and its staff. As of March 31, 2015, there was one claim pending against the Authority. While the final outcome cannot be predicted with certainty, the Authority believes the resolution will not have a material effect on the Authority's financial position, funding, or cash flows.

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.

14. Contractual Obligations

The Authority has commitments for office space leases, contractual agreements for services and purchases, and program contribution agreements which will require payment in upcoming years. The minimum annual payments for these commitments are as follows:

	Expires in Fiscal Year	2016	2017 and thereafter	Total
Equipment leases	2016	8,645	-	8,645
Operational leases/contracts	2018	4,053,906	\$ 6,475,845	10,529,751
Total		\$ 4,062,551	\$ 6,475,845	\$ 10,538,396

15. 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.

	2015	2014
Restricted physician funding	\$ 152,000	\$ -
Physician maternity/paternity funding	20,000	-
	\$ 172,000	\$ 15,768

Beaufort-Delta Health and Social Services Authority**Notes to Financial Statements**

March 31, 2015

16. GNWT Assets Provided at No Cost

			2015	2014
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings	\$ 66,761,805	\$ (25,880,445)	\$ 40,881,360	\$ 42,719,572
General equipment	249,028	(249,028)	-	4,089
Medical equipment	3,995,936	(2,783,185)	1,212,751	1,030,439
Software systems	290,790	(266,916)	23,874	23,874
	\$ 71,297,559	\$ (29,179,574)	\$ 42,117,985	\$ 43,777,974

17. Budget

Budget figures were those approved by the Authority's board of directors and DHSS. The budget figures are not audited and are intended for information purposes only.

18. Comparative Figures

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

19. Economic Dependence

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

Beaufort-Delta Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

20. 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 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, and internal audit services by the Department of Finance.

	2015	2014
Due from related parties:		
Accounts receivable:		
Government of the Northwest Territories	\$ 1,676,184	\$ 2,870,836
NWT Power Corporation	23,610	-
Stanton Territorial Health Authority	27,180	12,141
Sahtu Health and Social Services Authority	36,998	47,410
Yellowknife Health and Social Services Authority	-	7,768
	\$ 1,763,972	\$ 2,938,155

	2015	2014
Due to related parties:		
Accounts payable		
Department of Health Home Based Safety	\$ 700	\$ -
Financial Shared Services	2,500	-
Government of the Northwest Territories	-	778
Beaufort Delta Education Council	1,547	-
NWT Power Corporation	-	104
Stanton Territorial Health Authority	30,072	42,862
Petroleum Products Division	584	-
Payroll-related liabilities		
Government of the Northwest Territories	10,101,217	8,820,313
Contributions repayable		
Government of the Northwest Territories	15,768	15,768
	\$ 10,152,388	\$ 8,879,825

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.

Beaufort-Delta Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

21. Expenses by Object

For the year ended March 31,	2015 Budget	2015 Actual	2014 Actual
Expenditures			
Grants and contribution			
Purchased services	\$ 903,816	\$ 780,130	\$ 741,056
Travel	12,996	5,695	4,523
	916,812	785,825	745,579
Compensation			
EI / CPP	-	1,138,475	1,092,345
Employee benefits	107,676	703,853	700,389
Leave	20,000	1,508,055	1,237,954
Locums	861,717	2,504,512	2,183,366
Merit/retention bonus	210,324	307,380	115,217
Northern allowance	3,904,791	3,638,610	3,723,380
Other	159,996	383,898	379,881
Overtime/callback/shift/responsibility	1,465,416	4,055,567	4,098,917
Purchased services	5,638,388	5,470,449	5,624,273
Removal	-	77,943	243,840
Salaries and wages	23,579,745	19,286,096	18,995,720
Severance/superannuation	4,999,853	2,141,750	2,466,012
	40,947,906	41,216,588	40,861,294
Operations and Maintenance			
Advertising and promotion	35,322	45,199	59,863
Contracted and general services	683,820	722,404	649,083
Equipment rental	189,988	235,613	142,650
Foster care	1,205,028	906,172	866,611
Insurance	-	-	738
Interest and bank charges	15,000	16,722	18,514
License and membership fees	229,260	267,136	289,497
Maintenance	407,676	398,044	390,448
Minor equipment	184,008	316,144	609,065
Other	7,189	2,375	24,256
Postage and freight	315,030	400,276	455,975
Professional services	84,996	126,602	146,923
Removal	57,340	981,559	1,140,714
Rent	17,504	51,123	28,266
Supplies - education and general	141,104	117,894	147,411
Supplies - food	442,128	467,751	436,045
Supplies - housekeeping and laundry	181,868	225,244	198,131
Supplies - medical	1,306,884	1,817,288	1,827,410
Supplies - office	148,944	189,996	189,435
Training	85,996	151,069	141,055
Telephone	248,640	328,155	336,060
Travel	1,048,225	1,293,723	1,427,893
Vehicle operations and maintenance	61,504	77,143	74,041
	7,097,454	9,137,632	9,600,084
Valuation Allowance			
Bad debts expense	19,836	249,069	136,059
Non-insured expenses	-	858,058	851,680
Total expenditures	\$ 48,982,008	\$ 52,247,172	\$ 52,194,696

Beaufort-Delta Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

22. Pension payable

The Authority does not have pension payable as of March 31, 2015.

23. Risk Management

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 and trust asset 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 trust asset 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 6.

The Authority's maximum exposure to credit risk is represented by the financial assets balance for a total of \$ 6,475,845 (2014: \$ 2,843,917)

Concentration of credit risk

Concentration risk 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, 2015, receivables from one customer comprised 80% of the total outstanding accounts receivables (2014 - 83%). The Authority reduces this risk by monitoring overdue balances.

The Authority also has concentration 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, 2015 mature within the next six months. Total financial assets are \$3,290,126 (2014 \$3,642,647) and financial liabilities are \$11,547,381 (2014 \$10,452,608) The authority has disclosed future financial liabilities and commitments in Note 14.

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

Beaufort-Delta Health and Social Services Authority

Schedule of Operating Advances from the GNWT

For the year ended March 31,	2015	2015	2014
	(unaudited) Budget	Actual	Actual
Authority administration	3,445,000	3,445,000	3,446,000
Community wellness programs	157,000	157,000	157,000
Elderly and persons with disabilities	1,946,000	1,946,000	1,946,000
Epidemiology	-	-	21,000
Equipment <\$50,000	48,000	48,000	118,000
Family violence	856,000	856,000	856,000
Foster care	1,605,000	1,605,000	1,605,000
Health centre	8,707,000	8,707,000	8,425,000
Health promotion	217,000	217,000	198,000
Homecare	1,268,004	1,268,000	1,241,000
Hospital services	15,486,000	15,486,000	14,752,000
Intervention services	141,996	142,000	142,000
Physician services to NWT residents	5,608,000	5,608,000	5,120,000
Residential care - children	402,000	402,000	402,000
Social service delivery	5,252,000	5,252,000	5,134,000
	\$ 45,139,000	\$ 45,139,000	\$ 43,563,000

Beaufort-Delta Health and Social Services Authority

Schedule of Other Recoveries for Direct Charges for Services

For the year ended March 31,	2015	2015	2014
	(unaudited) Budget	Actual	Actual
Other Recoveries from the GNWT	\$ 626,004	\$ 1,017,222	\$ 634,281
Other Recoveries directly from Third Parties			
Dietary	176,496	208,466	192,615
Patient services	867,960	827,299	898,152
WSCC	9,996	149,399	56,763
Occupational therapy	50,004	34,317	83,638
Other recoveries	198,000	479,464	310,550
Staff rent	174,996	241,774	270,944
	1,477,452	1,940,719	1,812,662
	\$ 2,103,456	\$ 2,957,941	\$ 2,446,943

Beaufort-Delta Health and Social Services Authority

Schedule of Other Revenues

For the year ended March 31,	2015	2015	2014
	(unaudited) Budget	Actual	Actual
Canadian prenatal nutrition program	\$ -	\$ -	\$ 236,100
Community Health Nurse in Sachs Harbour	-	-	114,000
Dental health and healthy eating	-	-	7,122
Diabetic specialty clinics	-	-	184,946
Elders day program	627,617	627,617	398,923
Enhanced Homecare	549,218	547,989	680,053
French Language services	-	410	16,023
Healthy families	404,000	404,000	252,038
Healthy families program	45,770	44,890	25,074
Home based safety education	4,725	3,539	-
Inuvik warming shelter	75,000	75,000	75,000
Mental health and first aid: northern adaption workshops	15,090	7,545	7,961
Mental health first aid and applied suicide prevention skills workshop	13,128	12,150	21,842
New resident nurse practitioners	-	-	267,000
Nutrition Health Canada	-	8,842	-
Nutrition North Canada - We Cook	-	-	136,251
Physician residents support	-	-	53,000
Physician staffing model	-	-	235,000
Professional development initiative	-	2,518	3,281
Summer students	-	-	11,550
	\$ 1,734,548	\$ 1,734,500	\$ 2,725,164

SCHEDULE D

Beaufort-Delta Health and Social Services Authority

Schedule of Expenses by Functional Centre

For the year ended March 31,

2015

Function Centre	Grants and Contributions		Operations and Maintenance		Compensation and Benefits		Valuation Allowance		Total	
	Budget	actual	(unaudited) Budget	Actual	(unaudited) Budget	Actual	(unaudited) Budget	Actual	(unaudited) Budget	Actual
711 Administration and Support Services	\$ -	\$ -	\$ 2,197,804	\$ 2,563,496	\$ 6,132,096	\$ 6,456,863	\$ 19,836	\$ 249,069	\$ 8,349,736	\$ 9,269,428
712 Nursing Inpatient / Resident Services	-	-	777,036	1,159,523	8,436,631	8,772,376	-	-	9,213,667	9,931,899
713 Ambulatory Care Services	-	-	479,071	426,990	6,186,223	6,408,090	-	-	6,665,294	6,835,080
714 Diagnostic and Therapeutic Services	-	-	1,100,568	1,381,372	2,746,296	3,031,337	-	-	3,846,864	4,412,709
715 Regional Health Services	-	-	813,358	1,708,786	8,777,476	8,617,396	-	-	9,590,834	10,326,182
716 Regional Social Services	916,812	785,825	1,719,621	1,776,004	8,669,184	7,923,603	-	-	11,305,617	10,485,432
718 Education	-	-	-	57,783	-	610	-	-	-	58,393
719 Undistributed and Service Contracts	-	-	9,996	63,678	-	6,313	-	-	9,996	69,991
Total	\$ 916,812	\$ 785,825	\$ 7,097,454	\$ 9,137,632	\$ 40,947,906	\$ 41,216,588	\$ 19,836	\$ 249,069	\$ 48,982,008	\$ 51,389,114

SCHEDULE E**Beaufort-Delta Health and Social Services Authority****Schedule of Non-Insured Recoveries and Expenses**

For the year ended March 31, **2015** **2014**

Actual **Actual**

Recoveries **\$ 859,371** **\$ 851,680**

Expenditures

Dental 367,141 359,015

Eyeglass 208,620 221,181

Ophthalmology services travel - 1,379

Orthodontics 22,621 16,068

Patient and escort transportation 259,676 254,037

858,058 **851,680**

Excess revenue **\$ 1,313** **\$ -**

Beaufort-Delta Health and Social Services Authority

Schedule of Contribution Agreements
Home Based Safety Education

For the year ended March 31,	2015	2015
	(unaudited) Budget	Actual
Revenue		
Department of Health and Social Services	\$ 4,725	\$ 3,539
Expenditures		
Compensation	225	225
Supplies	4,500	3,314
	4,725	3,539
Excess revenue	\$ -	\$ -

See payroll scope limitation in the Independent Auditors' Report.

Beaufort-Delta Health and Social Services Authority

Schedule of Contribution Agreements (continued)
Healthy Families Program Collective Kitchen Inuvik

For the year ended March 31,	2015	2015
	(unaudited) Budget	Actual
Revenue		
Department of Health and Social Services	\$ 45,770	\$ 44,890
Expenditures		
Building expenses	-	750
Compensation	-	13,179
Equipment expenses	-	2,131
Sundry	2,180	2,532
Supplies	43,590	26,298
	45,770	44,890
Excess revenue	\$ -	\$ -

See payroll scope limitation in the Independent Auditors' Report.

Beaufort-Delta Health and Social Services Authority

Schedule of Contribution Agreements (continued)
Home Care Enhancement

For the year ended March 31,	2015	2015
	(unaudited) Budget	Actual
Revenue		
Department of Health and Social Services	\$ 1,176,835	\$ 1,176,835
Expenditures		
Compensation	1,077,215	1,078,876
Equipment expense	-	-
Supplies	58,756	58,756
Sundry	40,864	40,864
	1,176,835	1,178,496
Excess expenditures	\$ -	\$ (1,661)

See payroll scope limitation in the Independent Auditors' Report.

Beaufort-Delta Health and Social Services Authority

Schedule of Contribution Agreements (continued)
Healthy Families

For the year ended March 31,	2015	2015
	(unaudited) Budget	Actual
Revenue		
Department of Health and Social Services	\$ 404,000	\$ 404,000
Expenditures		
Compensation	276,507	241,435
Equipment	79,720	85,000
Sundry	30,878	47,439
Supplies	16,895	30,126
	404,000	404,000
Excess revenue	\$ -	\$ -

See payroll scope limitation in the Independent Auditors' Report.

Beaufort-Delta Health and Social Services Authority

Schedule of Contribution Agreements (continued)
Inuvik Warming Shelter

For the year ended March 31,	2015	2015
	(unaudited) Budget	Actual
Revenue		
Department of Health and Social Services	\$ 75,000	\$ 75,000
Expenditures		
Compensation	75,000	75,000
Excess revenue	\$ -	\$ -

See payroll scope limitation in the Independent Auditors' Report.

Beaufort-Delta Health and Social Services Authority

Schedule of Contribution Agreements (continued)
Mental Health First Aid and Applied Suicide Intervention Skills

For the year ended March 31,	2015	2015
	(unaudited) Budget	Actual
Revenue		
Department of Health and Social Services	\$ 13,128	\$ 12,150
Expenditures		
Compensation	3,636	3,553
Sundry	6,082	5,308
Supplies	3,410	3,289
	13,128	12,150
Excess revenue	\$ -	\$ -

See payroll scope limitation in the Independent Auditors' Report.

Beaufort-Delta Health and Social Services Authority

Schedule of Contribution Agreements (continued)
Mental Health First Aid: Northern Adaption Workshop

For the year ended March 31,	2015	2015
	(unaudited) Budget	Actual
Revenue		
Department of Health and Social Services	\$ 15,090	\$ 9,403
Expenditures		
Sundry	12,390	7,003
Supplies	2,700	2,400
	15,090	9,403
Excess revenue	\$ -	\$ -

See payroll scope limitation in the Independent Auditors' Report.

Beaufort-Delta Health and Social Services Authority

Schedule of Reserves

	Surplus / Deficit Reserve		Funded Employee Future Benefits Reserve		Special Projects Reserve		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Balance, beginning of year	\$ -	\$ -	\$ 69,375	\$ 69,375	\$ 50,540	\$ 50,540	\$ 119,915	\$ 119,915
Balance, end of year	\$ -	\$ -	\$ 69,375	\$ 69,375	\$ 50,540	\$ 50,540	\$ 119,915	\$ 119,915

**Financial Statements of
Dehcho Health and Social Services Authority
Year End March 31, 2015**

**Dehcho Health and Social Services Authority
Financial Statements**

Year End March 31, 2015

	Page
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	
INDEPENDENT AUDITOR'S REPORT	
FINANCIAL STATEMENTS	
Statement I Statement of Financial Position	1
Statement II Statement of Operations	2
Statement III Statement of Changes in Net Financial Debt	3
Statement IV Statement of Cash Flows	4
Notes to the Financial Statements	5 - 13
Schedule A Schedule of Operating Advances from the GNWT	14
Schedule B Schedule of Other Recoveries for Direct Charges for Services	15
Schedule C Schedule of Other Revenues	16
Schedule D Schedule of Expenses by Functional Centre	17
Schedule E Schedule of Non-Insured Recovery and Expense	18
Schedule F Schedule of Detailed Contribution Funding and Expenditures - Home Care	19
Schedule F-1 Schedule of Detailed Contribution Funding and Expenditures- Healthy Families	20
Schedule G Schedule of Surplus (Deficit) and Reserves	21
Schedule G-1 Schedule of Reserves in Departmental Format	22



MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To the Minister of Health and Social Services
Government of the Northwest Territories and
To the Public Administrator
Dehcho Health and Social Services Authority

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 generally accepted accounting principles for Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants. 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 Dehcho Health and Social Services Authority's management recognizes its responsibility for conducting the organization's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to a territorial Health and Services Authority.

The Auditor annually provides an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian 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 Northwest Territories.

A handwritten signature in blue ink, appearing to read "P. H. Allen".

Chief Executive Officer
Dehcho Health and Social Services Authority

June 29, 2015

DEHCHO Health and Social Services Authority
Box 246, Fort Simpson, NT X0E 0N0
Phone: 867-695-3815 Fax: 867-695-2920



**YELLOWKNIFE
ACCOUNTING
PROFESSIONAL
CORPORATION**

**CERTIFIED GENERAL
ACCOUNTANTS**

P.O. Box 20072
4921-49th Street,
4th Floor
NWT Commerce
Place
Yellowknife, NT
X1A 3X8
Tel: (867) 669-0242
Fax: (867) 669-7242
Website:
www.chakrabarty.ca

An Independent
Member Firm of
EPR CANADA
GROUP INC.
www.epr.ca

INDEPENDENT AUDITORS' REPORT

**To the Minister of Health & Social Services
Government of the Northwest Territories and
To the Public Administrator
Dehcho Health and Social Services Authority,**

We have audited the accompanying financial statements of Dehcho Health and Social Services Authority, which comprise the statement of financial position as at **March 31, 2015**, the statement of operations, statement of changes in net financial debt, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. These statements have been prepared to comply with requirements of the Department of Health and Social Services. We have also audited the revenues and expenditures of the programs funded through contribution agreements with the Department of Health and Social Services which total \$250,000 or more as listed in Schedules C and F.

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 revenues and expenditures of all programs funded through contribution agreements in accordance with the financial guidelines of the Department of Health and Social Services.

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.



YELLOWKNIFE
ACCOUNTING
PROFESSIONAL
CORPORATION

CERTIFIED GENERAL
ACCOUNTANTS

Basis for qualified opinion

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. Our audit scope was limited as we did not audit the components of salaries and benefits expenses and related balances. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of salary and benefits in the Authority as at March 31, 2015. Accordingly, we were not able to determine whether any adjustments might be necessary to salaries and benefits expenditures, employee and payroll related liabilities, employee leave and termination benefits, net financial debt, and accumulated deficit.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Dehcho Health and Social Services Authority as at March 31, 2015 and its financial performance and its cash flows for the year ended in accordance with the basis of accounting required by the Government of the Northwest Territories, applied on a basis consistent with the preceding year. Furthermore, these statements present fairly, in all material respects, the funding and expenditures of all Health and Social Services funded programs of \$250,000 or more in Schedules C and F for the year ended March 31, 2015 in accordance with the provisions established by the individual Contribution Agreements.

Report on other legal and regulatory requirements

We further report in accordance with the Financial Administration Act of the Northwest Territories, 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 significant respects, have been within the statutory powers of the Authority.

P.O. Box 20072
4921-49th Street,
4th Floor
NWT Commerce
Place
Yellowknife, NT
X1A 3X8
Tel: (867) 669-0242
Fax: (867) 669-7242
Website:
www.chakmbarty.ca

*EPR Yellowknife Accounting
Prof. Corp.*

EPR Yellowknife Accounting Professional Corporation
Yellowknife, Northwest Territories
June 26, 2015

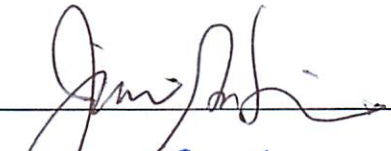
An Independent
Member Firm of
EPR CANADA
GROUP INC.
www.epr.ca

Dehcho Health and Social Services Authority
Statement of Financial Position
As at March 31, 2015


Statement I

	2015 Actual	2014 Actual
Financial Assets		
Cash (Note 4)	\$ 145,878	\$ 508,654
Accounts receivable (Note 8)	628,742	633,874
Trust Assets (Note 2(k)) & (Note 4)	1,067	4,848
Total Financial Assets	775,687	1,147,376
Liabilities		
Accounts Payable and Accrued Liabilities (Note 10)	2,991,291	3,119,241
Payroll Liabilities	318,240	344,693
Employee Leave and Termination Benefits (Note 16)	1,057,954	1,102,640
Contributions repayable (Note 12)	108,223	108,223
Trust Liabilities (Note 2(k)) & (Note 4)	1,067	4,848
Total Liabilities	4,476,775	4,679,645
Net Financial Debts	(3,701,088)	(3,532,269)
Non - Financial Assets		
Tangible capital assets (Note 18)	-	1
Prepaid expenses (Note 19)	4,700	-
Total Non - Financial Assets	4,700	1
Accumulated Deficit (Note 20)	\$ (3,696,388)	\$ (3,532,268)

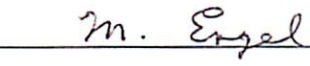
Approved on behalf of the Dehcho Health and Social Services Authority:



Public Administrator



Chief Executive Officer



Director of Finance

The accompanying notes and schedules form an integral part of the financial statements.

Dehcho Health and Social Services Authority
Statement of Operations
For the year ended March 31, 2015

Statement II

	2015		2014	
	Budget (Unaudited)	Actual	Actual	
Revenue				
Operating Advance from GNWT (Schedule A)	\$ 15,651,000	\$ 15,651,000	\$	15,420,641
Other Recoveries (Schedule B)	646,250	631,317		542,245
Other Revenues (Schedule C)	814,955	786,465		823,516
Non-insured recoveries (Schedule E)	75,640	117,788		123,522
Investment revenue	20,000	19,460		15,980
Total Revenue	17,207,845	17,206,030		16,925,904
Expenses				
Administrative and Support Services (Schedule D)	3,056,915	2,815,473		4,153,294
Ambulatory Care Services (Schedule D)	1,285,000	1,285,000		1,383,000
Community Health Services (Schedule D)	6,798,884	7,352,381		6,836,999
Social Services (Schedule D)	6,067,046	5,799,508		5,835,854
Non- Insured Expenses (Schedule E)	-	117,788		123,522
Total Expenses	17,207,845	17,370,150		18,332,669
Operating Deficit for the year	-	(164,120)		(1,406,765)
Operating Deficit before Prior Year Funding	-	(164,120)		(1,406,765)
Unfunded Items				
Change in Employee Leave and Termination Benefits	-	(44,686)		105,796
Deficit Before the Following	-	(208,806)		(1,300,969)
Rent expense - GNWT Assets provided at no cost (Note 22)	-	429,687		441,880
Grant - in - kind - GNWT Assets provided at no cost (Note 22)	-	(429,687)		(441,880)
Annual Deficit	-	(208,806)		(1,300,969)
Opening Accumulated Deficit	-	(3,532,268)		(2,125,503)
Operating deficit for the year	-	(164,120)		(1,406,765)
Closing, Accumulated Deficit	\$ -	\$ (3,696,388)	\$	(3,532,268)

The accompanying notes and schedules form an integral part of the financial statements.

**Dehcho Health and Social Services Authority
Statement of Changes in Net Financial Debt
For the year ended March 31, 2015**

Statement III

	2015	2014
Annual deficit for the year	\$ (164,120)	\$ (1,406,765)
Adjustments:		
- Write off of Tangible capital assets	1	-
- Acquisition of Prepaid Expense	(4,700)	-
(Increase) / decrease in net debt	(168,819)	(1,406,765)
Opening net financial debt	(3,532,269)	(2,125,504)
Closing net financial debt	\$ (3,701,088)	\$ (3,532,269)

Dehcho Health and Social Services Authority
Statement of Cash Flows
For the year ended March 31, 2015

Statement IV

	2015	2014
Cash provided by (used in)		
Operating activities		
Operating deficit for the year	\$ (164,120)	\$ (1,406,765)
Item not affecting cash:		
Increase (decrease) in employee leave and termination benefits	(44,686)	105,796
Adjusted annual deficit	(208,806)	(1,300,969)
Changes in non-cash working capital balances:		
Decrease (increase) in accounts receivable	5,132	448,600
Increase (decrease) in accounts payable and accrued liabilities	(127,949)	2,457,000
Increase (decrease) in payroll liabilities	(26,453)	45,320
Decrease (increase) in prepaid	(4,700)	-
Increase (decrease) in Contribution repayable	-	45,648
Increase (decrease) in trust liabilities	(3,781)	4,848
Net change in non-cash working capital balances	(157,751)	3,001,416
Net cash provided by (used in) operating activities	(366,557)	1,700,447
Net increase (Decrease) in cash position	(366,557)	1,700,447
Cash, beginning of year	513,502	(1,186,945)
Cash, end of year	146,945	513,502
Cash consists of :		
Cash	145,878	508,654
Trust asset	1,067	4,848
	\$ 146,945	\$ 513,502

Dehcho Health and Social Services Authority
Notes to Financial Statements
For the year ended March 31, 2015

1. AUTHORITY AND OPERATION

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 Territories. Consequently, the Authority is dependent upon funding from the Department of Health and Social Services. Certain operating and capital expenditures incurred directly by the Department of Health and Social Services and are not reflected in the Authority's accounts.

The Authority is a public body performing a function of government of 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

Significant aspects of the accounting policies adopted by the Authority are as follows:

2(a) Basis of accounting

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles of the public sector as recommended by the Public Sector Accounting Board of the Canadian Chartered Professional Accountants.

2(b) Revenue and Expenditure Recognition

The Authority is primarily funded by the GNWT in accordance with budget arrangements established by the Department of Health and Social Services. 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 the billing clerks are recognized as revenue on an accrual basis.

Other revenue is recognized when the service is performed or the goods are provided.

2(c) Cash and Cash equivalents

Cash and cash equivalents are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value. These short-term investments generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short-term cash commitments rather than investing.

2(d) Inventory

The Authority has established the policy of accounting for inventories of materials and supplies by expensing them in the period of acquisition.

2(e) Tangible Capital assets

Tangible Capital Assets (TCA) are owned by the Government of the Northwest Territories. Tangible Capital Assets are amortized over the estimated useful lives of the assets at the rates established in the Financial Administration Manual of the GNWT.

Dehcho Health and Social Services Authority
Notes to the financial statements
For the year ended March 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES....(continued)

2(f) 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 amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Items requiring the use of significant estimates include accounts receivable, accounts payable and accrued liabilities, estimated useful lives of tangible capital assets, and estimated employee benefits.

Estimates are based on the best information available at the time of preparation of financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

2(g) Reserves

The Department of Health and Social Services policy requires the Authority to establish the following reserves:

Deficit Reserve - reflects the funds maintained in a reserve according to the Department of Health Surplus/Deficit Retention Policy.

Termination Benefit Reserve- the funds received in advance for the severance liability of employees who were transferred to the Authority from the Government of the Northwest Territories (GNWT). These liabilities will be reduced as employees are paid out upon termination of employment with the Authority.

2(h) Agency Contract Surplus (Deficit)

According to contracts with social service agencies in the communities, any contract surplus is to be recovered by the Authority and any contract deficit is to be retained by the agency. Financial Statements of the agencies have not been reviewed by the Authority and are not available in some cases. Accordingly, any adjustments as a result of the review will similarly be accounted for in the new year.

2(i) Financial instruments

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

Financial assets subsequently measured at amortized cost include cash, accounts receivable, and trust assets.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, payroll liabilities, employee leave and termination benefits, contributions repayable and trust liabilities.

At the end of each reporting period, management assesses whether there are any indications that financial asset 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.

Dehcho Health and Social Services Authority
Notes to the financial statements
For the year ended March 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES....(continued)

2(j) Government transfers

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

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 stimulations give rise to a liability. Transfer revenue is recognized in the statements of operations as the stipulation liabilities are settled.

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

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

2(k) Trust Funds and Liability

Funds are received on behalf of patients by the Authority and recorded in these financial statements.

2(l) Insurance

Insurance on the operations and assets are included in the Government of the Northwest Territories program at no cost to the Authority. It is to be noted that the limit of General Liability (with medical malpractice) is \$5,000,000 per occurrence.

2(m) First Time Adoption of PS 3260

PSAB approved Section 3260, Liability for Contaminated Sites in March 2010. The new standard requires a government or government organization to recognize a liability for a contaminated site when an environmental standard exists, the contamination exceeds the environmental standard, the government is directly responsible or accepts responsibility for remediation of the contaminated site, and a reasonable estimate of the amount can be made. The Authority has assessed the implications of this new accounting policy on their operations and has determined that PS3260 has no impact. Therefore, the new accounting policy PS3260 has no effect on the Authority's financial statements.

3. FUTURE ACCOUNTING CHANGES

PSAB approved Section PS2200, Related Party Disclosure, on December 16, 2014. This new standard defines a related party and establishes disclosure for related party transactions. Disclosures of information about significant 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. Section PS2200 applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

PSAB also approved Section PS 3420, Inter-entity Transactions, on December 16, 2014. This new section establishes standards on how to account for and report transactions between public sector entities from both a provider and recipient perspective. PS 3420 applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

Dehcho Health and Social Services Authority
Notes to the financial statements
For the year ended March 31, 2015

4. CASH AND CASH EQUIVALENTS

	2015		2014	
Cash	\$	145,878	\$	508,654
Trust Assets		1,067		4,848
Total	\$	146,945	\$	513,502

5. SPECIAL PURPOSE FUNDS

The Authority doesn't have special purpose funds for the year ending March 31, 2015.

6. RESTRICTED ASSETS

The Authority doesn't have restricted assets for the year ending March 31, 2015.

7. PORTFOLIO INVESTMENTS

The Authority doesn't have portfolio investments for the year ending March 31, 2015.

8. ACCOUNTS RECEIVABLE

	Accounts Receivable 2015	Allowance for Doubtful Debt	Net 2015	Net 2014
Due from GNWT	\$ 577,900	\$ -	\$ 577,900	\$ 593,862
Due from Third Parties	99,066	60,318	38,748	34,272
WSCC - NWT	11,519	-	11,519	5,166
WCB - Alberta	575	-	575	574
	\$ 689,060	\$ 60,318	\$ 628,742	\$ 633,874

9. INVENTORY

The Authority doesn't have inventory for the year ending March 31, 2015.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2015	2014
Due to GNWT	\$ 2,726,091	\$ 2,864,802
Due to Third Parties	265,200	254,152
WCB-Alberta	-	287
	\$ 2,991,291	\$ 3,119,241

11. DEFERRED REVENUE

The Authority doesn't have deferred revenue for the year ending March 31, 2015.

Dehcho Health and Social Services Authority
Notes to the financial statements
For the year ended March 31, 2015

12. CONTRIBUTIONS REPAYABLE

Government of The Northwest Territories	2015	2014
Healthy Family Choices	\$ 67,803	\$ 67,803
Homecare Enhancement 2013 refund of surplus funds	1,133	1,133
Homecare Enhancement 2014 refund of surplus funds	39,287	39,287
	\$ 108,223	\$ 108,223

13. DUE FROM AND TO THE GOVERNMENT OF CANADA

The Authority doesn't have due from and to the Government of Canada for the year ending March 31, 2015.

14. CAPITAL LEASE OBLIGATIONS

The Authority doesn't have capital lease obligation for the year ending March 31, 2015.

15. PENSIONS

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Authority's contribution are charged as an expense on a current year basis and represent the total pension obligations. The Authority is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Pension Plan. There have been no plan amendments, plan settlements and curtailments or temporary deviations from the plan in 2015 (no changes in 2014).

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 of return to their point of recruitment. Annual leave is payable within one fiscal year. The payment of other amounts is dependant on employees leaving the Authority

These liabilities are to be funded in the year they become due through regular annual budget allocations receivable from the Government of Northwest Territories. Revenue is not accrued in the current period because funding from the Department of Health and Social Services is not directly linked to the employee leave and termination benefits and is not currently receivable.

	2015	2014
Leave	\$ 432,470	\$ 442,790
Termination	334,036	390,689
Removal	291,448	269,161
Total Employee Leave and Termination Benefits	1,057,954	1,102,640
Less: Current portion	588,841	607,752
Long Term Portion	\$ 469,113	\$ 494,888

Dehcho Health and Social Services Authority
Notes to the financial statements
For the year ended March 31, 2015

17. TRUST ASSETS UNDER ADMINISTRATION

The Authority maintains a bank balance for the amount held in patient trust liabilities. These are funds held on behalf of the patients in residential care. These funds does not belong to the Authority as they are restricted for those patients.

18. TANGIBLE CAPITAL ASSETS

The Authority doesn't have tangible capital assets for the year ending March 31, 2015.

19. PREPAID EXPENSES

	2015	2014
Rent	\$ 4,700	\$ -

20. ACCUMULATED DEFICIT

	2015	2014
Operating fund	\$ (4,754,342)	\$ (4,634,908)
Leave and termination fund	1,057,954	1,102,640
	\$ (3,696,388)	\$ (3,532,268)

21. CAPITAL ADVANCES

The Authority doesn't have capital advances for the year ending March 31, 2015.

22. GNWT ASSETS PROVIDED AT NO COST

Tangible Capital Assets are owned by the Government and are amortized over the estimated useful life of the assets at the rate shown below. Amortization expense is \$429,687 (2014 \$441,880) and presented as rent expenses with an offsetting grant-in-kind. Amounts are provided by the Department of Health and Social Services and are unaudited.

	Cost	Accumulated Amortization	2015 Net Book Value	2014 Net Book Value
Buildings	15,397,374	7,718,539	7,678,835	7,956,495
Leasehold Improvements	147,071	85,791	61,280	75,987
Vehicle	51,588	11,751	39,837	43,277
	\$ 15,596,033	\$ 7,816,081	\$ 7,779,952	\$ 8,075,759

23. CONTRACTUAL OBLIGATIONS

The Authority has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to March 31, 2015.

	Expires in Fiscal Year	2016	2017-2019	Total
Residential leases	2016	\$ 145,785	\$ -	\$ 145,785
Equipment leases	2018	24,272	15,171	39,443
Vehicles	2016	14,825	-	14,825
Total		\$ 184,882	\$ 15,171	\$ 200,053

Dehcho Health and Social Services Authority
Notes to the financial statements
For the year ended March 31, 2015

24. CONTINGENCIES

In common with many health authorities, claims are made against the Authority and its staff. As of March 31, 2015, there were no claims pending against the Authority.

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.

25. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

The Authority is related in terms of common ownership to all GNWT created departments, agencies and corporation. 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 Human Resources, and internal audit services by the Department of Finance.

Accounts receivable	2015	2014
GNWT-Department	\$ 577,900	\$ 593,862
GNWT-Stanton Health	2,042	-
Total	\$ 579,942	\$ 593,862

Accounts payable	2015	2014
GNWT payable	\$ 2,726,091	\$ 2,864,802
GNWT- contribution payable	108,223	108,223
GNWT- payroll liabilities	318,240	344,693
Stanton Territorial Health	229	19,694
Hay River Health and Social Authority	87	-
NWT Power	1,167	1,252
Departments of Public Works	197	197
Total	\$ 3,154,234	\$ 3,338,861

26. BUDGET FIGURES

The presented budget figures have been provided for comparison purposes and are those approved by the Department of Health and Social Services. These figures represent the Authority's original fiscal plan for the year and reflect subsequent changes arising from amendments by the Department. The budget figures are unaudited.

27. ECONOMIC DEPENDENCE

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

28. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more 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.

Dehcho Health and Social Services Authority
Notes to the financial statements
For the year ended March 31, 2015

28. FINANCIAL INSTRUMENTS....(continued)

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Authority does have credit risk in accounts receivable of \$628,742 (2014 - \$633,874). The Authority reduces this risk by regularly assessing the credit risk and monitoring overdue balances. This risk has not changed from the prior year.

b) Concentration risk

Concentration risk is the risk that a customer has 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 of these customer(s). The Authority does have some concentration risk. At March 31, 2015, receivables from one customer comprised of 86% of the total outstanding accounts receivable (2014 - 93%). The Authority reduces this risk by monitoring overdue balances. This risk has not changed from the prior year.

c) Liquidity risk

Liquidity risk is the risk that the Authority would not repay its obligations as they become due. The Authority does have liquidity risk in accounts payable and accrued liabilities, employee and payroll - related liabilities, and employee leave and termination benefits \$1,057,954.00 (2014 - \$1,102,640.00). The Authority reduces its exposure to this risk by monitoring its budget and cash flows. This risk has not changed from the prior year.

d) Fair value measurement hierarchy

All financial instruments must be classified in accordance with the significance of the inputs used in making fair value measurements. The fair value hierarchy prioritises the valuation techniques used to determine the fair value of a financial instrument based on whether the inputs to those techniques are observable or unobservable:

Level 1 - Financial instruments are considered level 1 when valuation can be based on quoted prices in active markets for identical assets and liabilities.

Level 2 - Financial instruments are considered level 2 when they are valued using quoted prices for similar assets and liabilities, quoted prices in markets are not active, or models using inputs that are observable.

Level 3 - Financial instruments are considered level 3 when their values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

The fair value hierarchy of financial assets and liabilities at March 31, 2015 is as follow:

	Level 1	Level 2	Level 3	Total
Financial Assets:				
Cash	\$ 145,878	-	-	\$ 145,878
Account Receivable	628,742	-	-	628,742
Trust Assets	1,067	-	-	1,067
Financial Liabilities:				
Accounts Payable and Accrued Liabilities	2,991,291	-	-	2,991,291
Payroll Liabilities	318,240	-	-	318,240
Employee Leave and Termination Benefits	1,057,954	-	-	1,057,954
Contributions Repayable	108,223	-	-	108,223
Trust Liability	\$ 1,067	-	-	\$ 1,067

Dehcho Health and Social Services Authority
Notes to the financial statements
For the year ended March 31, 2015

29. EXPENSE BY OBJECT

Description	Amount
Advertising	\$ 11,589
Audit Fee	28,855
Board Honoraria	112,875
Compensation	12,374,118
Contracted Out	459,014
Dietary Food and Non-Food	97,971
Foster Care	268,260
Freight	92,559
Gasoline	35,321
Locum	1,043,951
Medical Supplies	128,682
Membership	39,195
Minor Equipments less than 5000	14,301
Other	868,392
Purchased Services: Travel	241,049
Rental	130,910
Supplies	305,484
Support agreement per diem	44,080
Telephone	177,475
Training and Development	56,835
Travel	433,732
TSC Support	273,453
Vaccines	42,845
Vehicle lease and maintenance	89,204
Total	\$ 17,370,150

30. SUBSEQUENT EVENTS

There were no subsequent events identified that might affect or require disclosure in the Authority's financial statement.

31. COMPARATIVE FIGURES

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

Unspent portion of the funding for Physician Services has been reclassified from operating advance from GNWT to Ambulatory Care service for the amount of \$64,417 (2014 - 107,175).

Dehcho Health and Social Services Authority
Schedule of Operating Advances from the GNWT
For the year ended March 31, 2015

Schedule A

	2015		2014
	Annual Budget	Actual	Actual
Health Promotion	\$ 9,000	\$ 9,000	\$ 9,000
Authority Administration	1,601,000	1,601,000	1,585,641
Health Centres	6,382,000	6,382,000	6,377,000
Physicians Services to NWT Residents	1,285,000	1,285,000	1,383,000
Equipment (under \$50,000)	20,000	20,000	26,000
Intervention Services	170,000	170,000	167,000
Foster Care	631,000	631,000	631,000
Mental Health & Addictions - Youth on the Land	234,000	234,000	-
Residential Care - Elderly & persons with Disabilities	1,656,000	1,656,000	1,611,000
Authority Social Service Delivery	2,892,000	2,892,000	2,871,000
Family Violence	46,000	46,000	46,000
Community Wellness Programs	47,000	47,000	47,000
Homecare	678,000	678,000	667,000
Total Advances	\$ 15,651,000	\$ 15,651,000	\$ 15,420,641

Dehcho Health and Social Services Authority
Schedule of Other Recoveries for Direct Charges for Services
For the year ended March 31, 2015

Schedule B

	2015		2014
	Annual Budget	Actual	Actual
Other Recoveries from the GNWT			
Training recoveries	\$ 3,850	30,448	\$ 43,645
Programs - Youths on the Land	134,900	134,668	-
Other Recoveries	65,000	46,936	-
Non Residents of Territories	100,000	71,071	101,251
Total	303,750	283,123	144,896
Other Recoveries directly from Third Parties:			
Staff Rent	80,000	47,876	67,520
Physician's Services	30,000	5,659	-
Extended Care Services	162,000	156,845	156,520
Meals on Wheels	1,200	860	-
Vaccines	3,000	2,889	2,295
Other	24,500	25,909	107,422
Workers Compensation	32,300	58,883	56,867
Government of Canada	9,500	25,092	-
Insurance Companies	-	700	6,725
Other GNWT Health Authorities	-	23,481	-
Total	342,500	348,194	397,349
Grand Total	\$ 646,250	\$ 631,317	\$ 542,245

Dehcho Health and Social Services Authority
Schedule of Other Revenues
For the year ended March 31, 2015

Schedule C

	2015		2014
	Annual Budget	Actual	Actual
Other Recoveries from the GNWT:			
Homecare Enhancement Program	\$ 489,287	\$ 489,287	\$ 533,271
DHR CHN Development (CS)	32,775	24,871	-
Healthy Family Choices	250,000	246,677	252,690
Healthy Family Baby Feeding Collective Kitchen	39,533	22,283	28,066
Safety for Victims of Family Violence	3,360	3,347	2,593
Youth Tobacco		-	3,363
French Language		-	3,533
Other Revenue directly from Third Parties:			
None	-	-	-
Total Recoveries	814,955	786,465	823,516
Transferred from (to) deferred revenue	-	-	-
Adjusted Total	\$ 814,955	\$ 786,465	\$ 823,516

Dehcho Health and Social Services Authority
 Schedule of Expenses by Functional Centre
 For the year ended March 31, 2015

Schedule D

	Grants and Contribution		Operations and Maintenance		Compensation and Benefits		Valuation Allowance		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
711 Administrative and Support Services	\$ 320,212	\$ -	\$ 945,586	\$ 883,490	\$ 1,791,117	\$ 1,931,983	\$ -	\$ -	\$ 3,056,915	\$ 2,815,473
712 Nursing Inpatient/Resident Services	-	-	-	-	-	-	-	-	-	-
713 Ambulatory Care Services	-	-	195,049	241,049	1,089,951	1,043,951	-	-	1,285,000	1,285,000
714 Diagnostic & Therapeutic Services	-	-	-	-	-	-	-	-	-	-
715 Community Health Services	494,750	-	692,549	1,384,337	5,611,585	5,968,044	-	-	6,798,884	7,352,381
716 Social Services	292,891	278,686	1,041,070	1,046,731	4,733,085	4,474,091	-	-	6,067,046	5,799,508
717 Research	-	-	-	-	-	-	-	-	-	-
Total	\$ 1,107,853	\$ 278,686	\$ 2,874,254	\$ 3,555,607	\$ 13,225,738	\$ 13,418,069	\$ -	\$ -	\$ 17,207,845	\$ 17,252,362

Dehcho Health and Social Services Authority
Schedule of Non - Insured Recovery and Expense
For the year ended March 31, 2015

Schedule E

	2015		2014
	Budget	Actual	Actual
Recovery	\$ 117,788	\$ 117,788	\$ 123,522
Expense:			
Dental services travel	117,788	117,788	123,522
Excess of Recovery Over Expense	\$ -	\$ -	\$ -

Dehcho Health and Social Services Authority
Schedule of Detailed Contribution Funding and Expenditures - Home Care
For the year ended March 31, 2015

Schedule F

	HomeCare Enhancement SC# HSS01 - 2614	
	Budget	Actual
Revenue:		
Department of Health and Social Services	\$ 489,287	\$ 489,287
Total Revenue	489,287	489,287
Expenses:		
Compensation	428,477	476,004
Training and Development	20,810	18,958
Travel Expense Staff	5,000	3,625
Contracted Out Community Services	35,000	35,000
Total Expenses	489,287	533,587
Excess of Revenue Over Expenses	\$ -	\$ (44,300)

Dehcho Health and Social Services Authority
Schedule of Detailed Contribution Funding and Expenditures - Healthy Families
Healthy Families
For the year ended March 31, 2015

Schedule F-1

	Healthy Families Program SC# HSS01 - 2616	
	Budget	Actual
Revenue:		
Department of Health and Social Services	\$ 250,000	\$ 246,677
Billable		6,378
Total Revenue	250,000	253,055
Expenses:		
Compensation	224,000	216,501
Office Supplies	4,600	2,501
Supplies and Services	11,000	8,298
Travel	7,600	5,801
Staff Training		620
Vehicle Lease and Maintenance & Fuel	2,800	12,910
Telephone and Fax		46
Billable expenses		6,378
Total Expenses	250,000	253,055
Excess of Revenue Over Expenses		

Dehcho Health and Social Services Authority
Schedule of Surplus (Deficit) and Reserves
For the year ended March 31, 2015

Schedule G

	General Operations		Surplus (Deficit) Reserve		Unfunded Leave and Termination Benefits Reserve		Special Project Reserve		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Balance, Opening	\$ (4,634,908)	\$ (3,122,347)	\$ -	\$ -	\$1,102,640	\$ 996,844	\$ -	\$ -	\$ (3,532,268)	\$ (2,125,503)
Repayment of Surplus	-	-	-	-	-	-	-	-	-	-
Operating Surplus (Deficit)	(164,120)	(1,406,765)	-	-	-	-	-	-	(164,120)	(1,406,765)
	(4,799,028)	(4,529,112)	-	-	1,102,640	996,844	-	-	(3,696,388)	(3,532,268)
Interfund transfers	44,686	(105,796)	-	-	(44,686)	105,796	-	-	-	-
Balance, Closing	\$ (4,754,342)	\$ (4,634,908)	\$ -	\$ -	\$1,057,954	\$ 1,102,640	-	-	\$ (3,696,388)	\$ (3,532,268)

Decho Health and Social Services Authority
Schedule of Reserves in Departmental Format
For the year ended March 31, 2015

Schedule G-1

	Surplus/Deficit Reserve		Unfunded Leave and Termination Benefits Reserve		Special Project Reserve		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Balance, Opening	\$ -	\$ -	\$ 1,102,640	\$ 996,844	\$ -	\$ -	\$ 1,102,640	\$ 996,844
Repayment of Surplus	-	-	-	-	-	-	-	-
Operating Surplus	-	-	-	-	-	-	-	-
	-	-	1,102,640	996,844	-	-	1,102,640	996,844
Interfund transfers	-	-	(44,686)	105,796	-	-	(44,686)	105,796
Balance, Closing	-	-	1,057,954	1,102,640	-	-	1,057,954	1,102,640

**Fort Smith Health and Social
Services Authority**

Financial Statements

March 31, 2015

Fort Smith Health and Social Services Authority

Financial Statements

March 31, 2015

Page

	Management's Responsibility for Financial Reporting	3
	Independent Auditors' Report	4-5
Statement I	Statement of Financial Position	6
Statement II	Statement of Operations	7
Statement III	Statement of Change in Net Financial Resources	8
Statement IV	Statement of Cash Flow	9
	Notes to Financial Statements	10 - 20
Schedule A	Schedule of Operating Advances	21
Schedule B	Schedule of Other Recoveries for Direct Charges for Services	22
Schedule C	Schedule of Other Revenues	23
Schedule D	Schedule of Expenditures by Functional Centre	24
Schedule E	Schedule of Non-insured Recoveries and Expenditures	25
Schedule F	Other Contributions	26
Schedule G	Schedule of Reserves	27



FORT SMITH HEALTH & SOCIAL SERVICES

THROUGH PARTNERSHIPS, STRIVES TO PROVIDE AN INTEGRATED CONTINUUM OF CARE THAT RESPECTS THE DIGNITY AND VALUES OF INDIVIDUALS, FAMILIES AND THE COMMUNITY.

Management's Responsibility for Financial Reporting

July 02, 2015

**To Minister of Health and Social Services and
To the Public Administrator of Fort Smith Health & Social Services Authority**

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.

Fort Smith Health and Social Services Authority 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 Authority acts in accordance with the laws of the Northwest Territories. The Authority's management recognizes its responsibility for conducting the Authority's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to a territorial Authority of Health and Social Services.

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.

Phyllis Mawdsley
Chief Executive Officer
Fort Smith Health and Social Services Authority

Independent Auditors' Report

**To the Minister of Health and Social Services
Government of the Northwest Territories
and
To the Board of Management
Fort Smith Health and Social Services Authority**

We have audited the accompanying financial statements of the Fort Smith Health and Social Services Authority (the "Authority") as at March 31, 2015, which comprise the statement of financial position and the statements of operations, change in net financial resources, 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 F.

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 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, 2015, and its financial operations, changes in its net financial resources, and cash flows for the year then ended in accordance with Canadian public sector accounting standards consistently applied. Furthermore, except for the limitation relating to payroll as described above, Schedule F 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, 2015, 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
July 2, 2015

Crowe MacKay LLP
Chartered Accountants

STATEMENT I

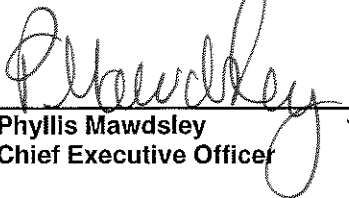
Fort Smith Health and Social Services Authority

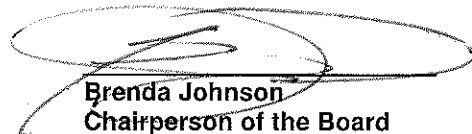
Statement of Financial Position

As at March 31,	2015	2014
Financial Assets		
Cash	\$ 218,864	\$ 224,611
Trust assets (Note 4)	21,804	30,546
Accounts receivable (Note 5)	260,403	697,287
	501,071	952,444
Liabilities		
Accounts payable and accrued liabilities (Note 6)	\$ 990,913	\$ 817,761
Payroll liabilities (Note 7)	4,033,032	3,202,975
Employee future benefits (Note 8)	961,288	973,449
Trust liabilities (Note 4)	21,804	30,546
Total liabilities	6,007,037	5,024,731
Net Financial Debt	(5,505,966)	(4,072,287)
Non-Financial Assets		
Inventories held for use (Note 9)	188,220	266,335
Prepaid expenses (Note 10)	144,972	87,472
	333,192	353,807
Accumulated Deficit (Note 11)	\$ (5,172,774)	\$ (3,718,480)

Contingent Liabilities (Note 12)
Contractual Obligations (Note 13)

Approved on behalf of the Authority


Phyllis Mawdsley
Chief Executive Officer


Brenda Johnson
Chairperson of the Board

STATEMENT II

Fort Smith Health and Social Services Authority

Statement of Operations

For the year ended March 31,	2015	2014
------------------------------	------	------

	(unaudited) Budget	Actual	Actual
REVENUE			
Operating advances from the GNWT (Schedule A)	\$ 17,446,000	\$ 17,500,000	\$ 16,717,000
Other recoveries (Schedule B)	230,992	198,690	249,738
Other revenues (Schedule C)	755,508	624,175	1,024,664
Interest revenue	6,000	8,932	8,125
	18,438,500	18,331,797	17,999,527

EXPENDITURES

Administration and support services (Schedule D)	2,739,737	3,038,012	3,168,257
Nursing inpatients / residents (Schedule D)	2,517,141	3,049,656	3,128,148
Ambulatory care services (Schedule D)	2,692,173	3,403,514	2,902,909
Diagnostic and therapeutic services (Schedule D)	1,348,312	1,303,606	1,330,486
Community health services (Schedule D)	1,520,494	1,353,685	1,572,365
Social services (Schedule D)	7,610,647	7,631,653	7,189,089
Undistributed (Schedule D)	9,996	5,965	3,941
	18,438,500	19,786,091	19,295,195

OPERATING DEFICIT	-	(1,454,294)	(1,295,668)
--------------------------	---	--------------------	-------------

Prior Year Funding Received (Note 14)	-	(54,000)	-
--	---	-----------------	---

OPERATING DEFICIT BEFORE PRIOR YEAR FUNDING UNFUNDED ITEM	-	(1,508,294)	(1,295,668)
--	---	--------------------	-------------

Change in employee future benefits (Note 8)	-	(12,161)	69,905
---	---	----------	--------

ANNUAL DEFICIT BEFORE THE FOLLOWING	-	(1,520,455)	\$ (1,225,763)
--	---	--------------------	----------------

Rent expense - GNWT assets provided at no cost (Note 15)	-	1,727,477	836,301
--	---	-----------	---------

Grant-in-kind - GNWT assets provided at no cost (Note 15)	-	(1,727,477)	(836,301)
---	---	-------------	-----------

ANNUAL DEFICIT	\$ -	\$ (1,520,455)	\$ (1,225,763)
-----------------------	------	-----------------------	----------------

OPENING ACCUMULATED DEFICIT	\$ -	\$ (3,718,480)	\$ (2,422,812)
------------------------------------	------	-----------------------	----------------

CLOSING ACCUMULATED DEFICIT (NOTE 11)	\$ -	\$ (5,172,774)	\$ (3,718,480)
--	------	-----------------------	----------------

STATEMENT III**Fort Smith Health and Social Services Authority****Statement of Change in Net Financial Resources**

For the year ended March 31,	2015	2014
Annual operating deficit	\$ (1,454,294)	\$ (1,295,668)
Adjustments:		
Decrease/ (increase) in prepaid expenses	(57,500)	(43,247)
Decrease/ (increase) in inventory held for use	78,115	27,386
DECREASE / (INCREASE) IN NET FINANCIAL RESOURCES	(1,433,679)	(1,311,529)
OPENING NET FINANCIAL RESOURCES, BEGINNING OF YEAR	(4,072,287)	(2,760,758)
CLOSING NET FINANCIAL RESOURCES, END OF YEAR	\$ (5,505,966)	\$ (4,072,287)

STATEMENT IV

Fort Smith Health and Social Services Authority

Statement of Cash Flow

For the year ended March 31,	2015	2014
Operating transactions		
Annual operating deficit	\$ (1,454,294)	\$ (1,295,668)
Change in Non-cash assets and liabilities		
Decrease (increase) in accounts receivable	436,884	625,087
Decrease (increase) in accounts payable and accrued liabilities	173,151	(98,041)
Decrease (increase) in payroll liabilities	830,057	794,425
Decrease (increase) in deferred revenue	-	(3,510)
Decrease (increase) in employee future benefits	(12,161)	69,905
Decrease (increase) in funds liabilities	(8,741)	12,745
Decrease (increase) in Inventories held for use	78,115	27,386
Decrease (increase) in Prepaid expenses	(57,500)	(43,247)
Cash provided by/ (used in) operating activities	(14,489)	89,082
Cash and cash equivalent at beginning of year	255,157	166,075
Cash and cash equivalent at end of year	\$ 240,668	\$ 255,157
Represented by		
Cash	\$ 218,864	\$ 224,611
Trust assets	21,804	30,546
	\$ 240,668	\$ 255,157

Fort Smith Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

1. Authority

The Fort Smith Health and Social Services Authority ("Authority") operates under the authority of the *Hospital Insurance and Health and Social Services Act* of the Northwest Territories. The Authority provides a full range of health and social services to the community of Fort Smith.

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 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) Reserves

The Department of Health and Social Services (DHSS) requires the Authority to establish the following reserves:

Deficit reserve - reflects the funds maintained in a reserve according to the DHSS Surplus/Deficit Retention Policy.

Termination benefit reserve - reflects the funds received in advance for the severance liability of employees who were transferred to the Authority from the Government of the Northwest Territories (GNWT). These liabilities will be reduced as employees are paid out upon termination of employment with the Authority.

(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, 2015

2. Summary of significant accounting policies (continued)

(c) Inventory held for use

Inventory is valued at the lower of cost and replacement value. The cost of inventories comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition. Replacement value is the estimated cost to replacement the inventory in the ordinary course of operations. The costs of purchase comprise the purchase price, import duties, non-recoverable taxes and transport, handling and other costs directly attributable to the acquisition and inbound delivery of the inventory. Costs are determined using the first-in, first-out method.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand and trust assets

(e) 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 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.

(f) Employee future 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, 2015

2. Summary of 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

Territorial Health Insurance Service funding is recognized as dictated by the DHSS. The revenue is recognized on a straight-line basis throughout the fiscal year.

Billings processed through the ICORE system by the medical centre's billing clerks are recognized as revenue upon receipt of payment from the Department of Health and Social Service's Health Administration Office in Inuvik.

Other revenue is recognized when the service is performed or the goods are provided.

Program recoveries - The Authority has established program delivery contribution agreements with various non-governmental organizations for which the Authority receives funding from the territorial and federal governments. Excess revenues or expenditures on the program delivery are reported to the Authority when audited financial statements of the non-governmental organizations become available. Excess revenues on program delivery contribution agreements are recorded as recoveries when 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.

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.

Fort Smith Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

2. Summary of significant accounting policies (continued)

(i) 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
Medical equipment	5 - 10 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 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.

(j) 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, 2015

3. Future accounting changes

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.

4. Trust assets

Trust assets represents funds held in trust for seniors living at the Northern Lights Special Care Home.

5. Accounts receivable

	Amount 2015	Allowance 2015	Net 2015	Net 2014
Government of Northwest Territories	\$ 153,150	\$ -	\$ 153,150	\$ 575,741
Government of Nunavut	-	-	-	4,232
Goods and Services Tax	63,547	-	63,547	53,165
Other	80,899	51,333	29,566	43,569
Workers' Safety & Compensation Commission	14,140	-	14,140	20,580
	\$ 311,736	\$ 51,333	\$ 260,403	\$ 697,287

Fort Smith Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

6. Accounts payable and accrued liabilities

	2015		2014
Trade payables	\$ 858,678	\$	664,272
Government of the Northwest Territories	132,235		153,489
	\$ 990,913	\$	817,761

7. Payroll liabilities

	2015		2014
Government of the Northwest Territories	\$ 4,033,032	\$	3,202,975

8. Employee future benefits

Under the conditions of employment, employees qualify for annual leave of varying lengths depending on their length of service. Certain employees earn severance remuneration based on the number of years of service. All employees will also receive assistance with removal costs to return to their point of recruitment depending on the number of years of service. Annual leave is payable within one fiscal year. The payment of the 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.

	2015		2014
Removal	\$ 263,330	\$	255,872
Termination, severance, resignation, retirement	175,944		218,309
Leave	522,014		499,268
	961,288		973,449
Less: current portion	48,064		48,672
Long term portion	\$ 913,224	\$	924,777

Fort Smith Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

9. Inventories held for use

	2015	2014
Drugs	\$ 44,025	\$ 41,218
Laboratory and x-ray	25,850	25,029
Laundry	785	1,436
Housekeeping	4,668	6,871
Medical and surgical	86,968	158,475
Office	18,200	23,463
Vaccines	7,724	9,843
	\$ 188,220	\$ 266,335

10. Prepaid expenses

	2015	2014
Agreements, contracts and leases	\$ 135,849	\$ 87,472
Travel expenses	9,123	-
	\$ 144,972	\$ 87,472

11. Accumulated deficit

	2015	2014
Operating accumulated deficit	\$ (4,211,486)	\$ (2,745,031)
Unfunded employee future benefits	(961,288)	(973,449)
	\$ (5,172,774)	\$ (3,718,480)

12. Contingent liabilities

The Authority's operations are affected by federal, territorial and local laws and regulations regarding environmental protection. The Authority is committed to meet these existing laws and regulations. Management is not aware of any material environmental liabilities.

In common with many health authorities, claims are made against the Authority and its staff. As of March 31, 2015, there are no claims pending against the Authority.

Fort Smith Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

13. Contractual obligations

The Authority has commitments for contractual agreements for services and purchases, and program contribution agreements which will require payment in upcoming years. The minimum annual payments for these commitments are as follows:

	Expires in fiscal year	2016	2017 - 2018	Total
Commercial and residential leases	2016	\$ 14,400	\$ -	\$ 14,400
Equipment leases	2016	1,956,973	-	1,956,973
Operational contracts	2018	315,647	75,726	391,373
Total		\$ 2,287,020	\$ 75,726	\$ 2,362,746

14. Prior year funding

The Authority received funding for restricted physician during the year, which is intended to offset the March 31, 2014 operating deficit. This \$54,000 was included in revenues for the current year and has been disclosed separately in order to not impact the current year operating deficit.

15. GNWT assets provided at no cost

			2015	2014
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings	\$ 50,236,533	\$ (12,492,997)	\$37,743,536	\$ 9,242,273
Mainframe and software systems	55,407	(55,407)	-	-
Medical equipment	3,315,091	(2,003,853)	1,311,238	1,488,649
	\$ 53,607,031	\$ (14,552,257)	\$39,054,774	\$10,730,922

Rent expense for 2015 is \$1,727,477 (2014 - \$836,301) with an offsetting grant-in-kind.

16. Pension payable

The Authority does not have pension payable as of March 31, 2015.

Fort Smith Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

17. 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.

18. Budget

Budget figures were those approved by the Authority's board of management and DHSS. The budget figures are not audited and are intended for information purposes only.

19. Comparative figures

The comparative figures have been reclassified, where applicable, to conform with the presentation adopted in the current year.

20. 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 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, and internal audit services by the Department of Finance.

	2015	2014
Accounts payable		
Government of the Northwest Territories	\$ 132,235	\$ 153,489
Government of the Northwest Territories - payroll	4,033,032	3,202,975
Hay River Health and Social Services Authority	2,189	6,377
Stanton Territorial Health Authority	16,790	16,865
Yellowknife Health and Social Services Authority	4,780	-
	<hr/> \$ 4,189,026	<hr/> \$ 3,379,706
Accounts receivable		
Government of the Northwest Territories	\$ 153,150	\$ 575,741
Hay River Health and Social Services Authority	-	9,120
	<hr/> \$ 153,150	<hr/> \$ 584,861

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, 2015

21. Expenses by object

	2015 (unaudited) Budget	2015 Actual	2014 Actual
Expenditures			
Advertising and promotion	\$ 30,996	\$ 30,123	\$ 30,595
Bad debts (recovery)	-	(20,000)	-
Contracted and general services	2,146,932	2,084,759	1,757,962
Equipment rental	74,592	54,652	39,449
Equipment and software maintenance	108,696	135,550	85,188
Foster care	236,604	499,716	251,226
Groceries	158,988	211,921	165,842
Interest and bank charges	2,004	3,448	3,679
Medical supplies	393,180	410,979	416,872
Minor capital	237,964	243,869	90,215
Office and administration services	236,676	226,740	205,593
Postage and freight	71,004	108,310	84,137
Professional services	41,004	41,785	36,637
Rent	39,492	14,400	18,109
Salaries and wages	13,885,072	14,951,470	15,183,308
Telephone and communications	95,844	122,557	121,620
Training and development	257,456	75,786	89,400
Travel and relocation	371,488	560,996	673,591
Utilities	11,004	6,721	6,847
Vehicle operations and maintenance	39,504	22,309	34,926
Total expenditures	\$ 18,438,500	\$ 19,786,091	\$ 19,295,196

Fort Smith Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

22. Risk Management

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, trust assets and accounts receivable.

The Authority holds its cash and trust asset 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 trust asset deposits in trust accounts are insured up to \$200,000.

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 5.

The Authority's maximum exposure to credit risk is represented by the financial assets balance for a total of \$260,403 (2014: \$397,287)

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, 2015, receivables from one customer comprised 69% of the total outstanding accounts receivables (2014 - 78%). 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, 2015 mature within the next six months. Total financial assets \$501,071 (2014 - \$952,444) and financial liabilities are \$5,045,749 outflows \$4,051,282. The authority has disclosed future financial liabilities and commitments in Note 13.

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.

SCHEDULE A

Fort Smith Health and Social Services Authority

Schedule of Operating Advances from the GNWT

For the year ended March 31,	2015	2015	2014
	(unaudited) Budget	Actual	Actual
Authority administration	\$ 1,321,000	\$ 1,321,000	\$ 1,393,000
Authority social service delivery	1,619,000	1,619,000	1,598,000
Community wellness programs	111,000	111,000	99,000
Family violence	519,000	519,000	519,000
Foster care	284,000	284,000	284,000
Homecare	376,000	376,000	363,000
Hospital services	6,942,000	6,942,000	5,658,000
Medical equipment	18,000	18,000	18,000
Physician programs	1,702,000	1,702,000	1,682,000
Prior year restricted physician funding	-	54,000	-
Prevention and promotion services	9,000	9,000	9,000
Protective services	281,000	281,000	21,000
Residential care - children	1,633,000	1,633,000	1,633,000
Residential care - elderly and persons with disabilities	2,420,000	2,420,000	3,229,000
Residential care - group home	211,000	211,000	211,000
	\$ 17,446,000	\$ 17,500,000	\$ 16,717,000

SCHEDULE B

Fort Smith Health and Social Services Authority

Schedule of Other Recoveries for Direct Charges for Services

For the year ended March 31,	2015	2015	2014
	(unaudited) Budget	Actual	Actual
Other Recoveries from the GNWT	\$ -	\$ -	\$ -
Other Recoveries directly from Third Parties			
Non-Residents of the Territory -			
Territorial Health Insurance Plan	129,996	109,280	136,799
Other clinic recoveries	40,996	40,712	48,416
Workers' Safety Compensation Commission	60,000	48,698	64,523
	\$ 230,992	\$ 198,690	\$ 249,738

Fort Smith Health and Social Services Authority

Schedule of Other Revenues

For the year ended March 31,	2015	2015	2014
	(unaudited) Budget	Actual	Actual
Other Revenues from the GNWT			
GNWT - DHSS			
Applied Suicide Intervention Skills (HSS01-2643)	\$ -	\$ 7,475	\$ -
Collective Kitchen (HSS01-2718)	-	18,003	9,885
Commit to be FIT	-	5,000	5,000
Chronic Disease (HSS01-2310)	-	-	103,536
Electronic Medical Record (HSS01-2652)	-	64,519	-
French Language (HSS01-2168)	48,000	12,211	50,691
Healthy Family Kids Safety Education (HSS01-2723)	-	2,325	1,781
Healthy Family Program (HSS01-2208)	-	-	159,093
Home Care Enhancement (HSS01-2694)	484,500	256,771	224,297
Mental Health First Aid (HSS01-2688)	-	4,207	1,326
Nurse Practitioner (HSS01-1880)	-	-	242,268
Other	-	-	651
	532,500	370,511	798,528
Other Revenues directly from Third Parties			
Room and Board	223,008	253,664	226,136
	\$ 755,508	\$ 624,175	\$ 1,024,664

SCHEDULE D

Fort Smith Health and Social Services Authority

Schedule of Expenditures by Functional Centre

For the year ended March 31,

2015

Functional Centre	Grants and Contributions		Operations and Maintenance		Compensation and Benefits		Valuation Allowance		Total	
	(unaudited) Budget	Actual	(unaudited) Budget	Actual	(unaudited) Budget	Actual	(unaudited) Budget	(unaudited) Budget	(unaudited) Budget	Actual
711 Administrative and support services	\$ 49,200	\$ 12,211	\$ 474,082	\$ 509,652	\$ 2,216,455	\$ 2,516,149	\$ -	\$ -	\$ 2,739,737	\$ 3,038,012
712 Nursing Inpatients/Residents	-	-	247,992	376,864	2,269,149	2,672,792	-	-	2,517,141	3,049,656
713 Ambulatory care services	-	64,519	496,008	508,241	2,196,165	2,830,754	-	-	2,692,173	3,403,514
714 Diagnostic and Therapeutic Services	-	-	370,464	461,284	977,848	842,322	-	-	1,348,312	1,303,606
715 Community health services	483,300	282,098	141,192	137,923	896,002	933,664	-	-	1,520,494	1,353,685
716 Social services	-	11,682	2,731,984	2,754,366	4,878,663	4,865,605	-	-	7,610,647	7,631,653
719 Undistributed Nursing Rent	-	-	9,996	5,965	-	-	-	-	9,996	5,965
Total	\$ 532,500	\$ 370,510	\$4,471,718	\$4,754,295	\$13,434,282	\$14,661,286	\$ -	\$ -	\$18,438,500	\$19,786,091

Fort Smith Health and Social Services Authority

Schedule of Non-insured Recoveries and Expenditures

For the year ended March 31,	2015	2015	2014
	(unaudited) Budget	Actual	Actual
Recoveries	\$ -	\$ -	\$ -
Expenditures	-	-	-
Net Expenditure	\$ -	\$ -	\$ -

This schedule is not applicable to the Authority.

Fort Smith Health and Social Services Authority

Other Contributions - Home Care Enhancement

For the year ended March 31,	2015	2015
	(unaudited) Budget	Actual
Funding		
Government of the Northwest Territories	\$ 283,495	\$ 256,771
Compensation	251,995	236,679
Nutrition supplies	15,000	7,842
Office supplies	1,500	-
Training	15,000	12,250
Expenditures	283,495	256,771
Surplus	\$ -	\$ -

See payroll scope limitation in the Independent Auditors' Report.

Fort Smith Health and Social Services Authority

Reserves

	Surplus/Deficit		Leave and Termination		Special Projects		TOTAL	
	2015	2014	2015	2014	2015	2014	2015	2014
Balance, beginning of year	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers between reserves	-	-	-	-	-	-	-	-
Balance, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

This schedule is not applicable to the Authority because there are no reserves.

Financial Statements of

**HAY RIVER HEALTH &
SOCIAL SERVICES AUTHORITY**

March 31, 2015

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Financial Statements

Year ended March 31, 2015

Management Responsibility for Financial Statements

Auditors' Report		1 - 2
Operating Fund Statement of Financial Position		3
Operating Fund Statement of Operations		4
Statement of Changes in Net Financial Resources		5
Statement of Cash Flow		6
Statement of Accumulated Surplus (Deficit) from Operations		7
Statement of Change in Employee Termination Liability Fund		7
Statement of Change in Cash Reserve		7
Notes to the Financial Statements		8 - 18
Schedule of Operating Advances from GNWT	Schedule A	19
Schedule of Other Recoveries for Direct Charges for Services	Schedule B	20
Schedule of Other Revenues	Schedule C	21
Schedule of Expenses by Functional Centre	Schedule D	22 - 23
Schedule of Non-Insured Recoveries and Expenses	Schedule E	24
Other Contributions	Schedule F	25 - 26
Schedule of Reserves	Schedule G	27
Capital Assets	Schedule H	28

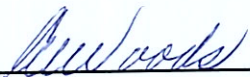
MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Public Administrator, which is responsible for, among other things, the financial statements of the Hay River Health & Social Services Authority, delegates to Administration the responsibility for the financial statements. The Administrator appoints independent auditors to examine and report directly to them on the financial statements. The financial statements were prepared by Administration. Accounting principles have been followed as recommended by the Department of Health and Social Services, based upon the general requirements of the Financial Administration Act of the Northwest Territories, and the Public Sector Accounting Recommendations of the Canadian Institute of Chartered Accountants.


Administration maintains a system of internal accounting controls to ensure that transactions are accurately recorded on a timely basis, are properly approved and result in reliable financial statements. There are limits inherent in all systems based on the recognition that the cost of such systems should not exceed the benefits to be derived. Administration believes its system provides the appropriate balance in this respect.

The Public Administrator carries out his responsibility for review of the financial statements primarily through the Administration. The Administration reports regularly to the Public Administrator on financial matters, including the results of audit examinations and any other matters necessary for his consideration in approving the financial statements for issuance.

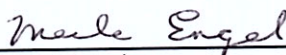
The financial statements have been reported on by Ashton Chartered Accountants. The auditors' report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.



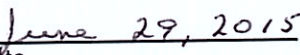
Al Woods
Chief Executive Officer
Hay River Health & Social Services Authority



Date



Merle Engel
Director of Finance
Hay River Health & Social Services Authority



Date

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, 2015 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 C and F.

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 risks 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, 2015 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 C and F for the year ended March 31, 2015, 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 24, 2015

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY


Operating Fund Statement of Financial Position


March 31, 2015

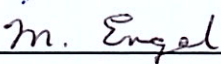
	2015	*2014
Financial Assets		
Cash and cash equivalents, Note 4	\$ 978,838	\$ 1,444,509
Accounts receivable, Note 8	425,819	717,849
Due from Government of Canada, Note 13	1,750	682
Trust asset, Note 17	59,922	-
Post-employment benefits - accrued benefit asset, Note 15	3,638,000	1,002,000
Total Financial Assets	\$ 5,104,329	\$ 3,165,040
Liabilities		
Accounts payable and accrued liabilities, Note 10	1,106,255	1,139,003
Employee and payroll-related liabilities	980,162	1,157,095
Contributions repayable, Note 12	1,280,724	1,271,630
Accrued employee leave, Note 16	849,480	810,591
Accrued employee termination benefits, Note 16	1,889,258	1,768,949
Accountable capital advance, GNWT, Note 21	5,829	5,829
Deferred revenue, Note 11	56,633	56,633
Trust liability, Note 17	59,922	53,106
Total Liabilities	6,228,263	6,262,836
Net Financial Assets (Debt)	\$ (1,123,934)	\$ (3,097,796)
Non-Financial Assets		
Inventory, Note 9	\$ 188,174	\$ 183,101
Prepaid expenses and deposits, Note 19	88,202	105,660
Total Non-Financial Assets	\$ 276,376	\$ 288,761
Accumulated Surplus (Deficit), Note 20	\$ (847,558)	\$ (2,809,035)

* Reclassified for comparative purposes

Contractual obligations, Note 23

Approved:  Public Administrator

 Chief Executive Officer

 Director of Finance

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Operating Fund Statement of Operations

For the year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Revenue			
Territorial Operating Advances, Schedule A	\$ 27,371,000	\$ 27,371,000	\$ 25,911,000
Other Recoveries, Schedule B	1,136,594	1,390,199	1,374,906
Other Revenues, Schedule C	478,090	491,846	979,202
Non-insured Services, Schedule E	-	-	-
Interest	35,000	32,745	38,276
	<u>29,020,684</u>	<u>29,285,790</u>	<u>28,303,384</u>
Expenses			
Administrative and Support Services, Schedule D	9,206,555	9,443,725	9,296,618
Nursing Inpatients/Resident Services, Schedule D	4,239,497	4,146,407	4,074,107
Ambulatory Care Services, Schedule D	3,940,293	4,820,565	4,263,376
Diagnostic and Therapeutic Services, Schedule D	2,663,678	2,749,536	2,650,496
Community Health Services, Schedule D	1,616,530	1,638,663	1,762,945
Social Services, Schedule D	7,354,131	7,153,946	7,253,353
Research, Schedule D	-	-	-
Education, Schedule D	-	7,471	136,201
Non-insured Services, Schedule E	-	-	-
	<u>29,020,684</u>	<u>29,960,313</u>	<u>29,437,096</u>
Operating Surplus (Deficit)	-	(674,523)	(1,133,712)
Prior Year Funding Received, Note 32	-	(109,000)	-
Operating Surplus (Deficit) before Prior Year Funding	-	(783,523)	(1,133,712)
Unfunded items			
Change in employee termination benefits, Note 16	-	120,309	123,519
Adjusted operating surplus (deficit) before the undernoted	-	(663,214)	(1,010,193)
Increase (Decrease) in post-employment benefits	-	2,636,000	1,898,000
Tangible Capital Assets - Rent Expense, Note 22	-	(580,384)	(631,340)
Grant-In-Kind - GNWT assets provided at no cost, Note 22	-	580,384	631,340
Adjusted operating surplus (deficit) for the year	\$ -	\$ 1,972,786	\$ 887,807
Opening Operating Fund Accumulated Surplus (Deficit)		(1,540,086)	(2,427,893)
Prior year funding received, Note 32		109,000	-
Closing Operating Fund Accumulated Surplus (Deficit)		\$ 541,700	\$ (1,540,086)

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Statement of Changes in Net Financial Resources

For the year ended March 31, 2015

	2015	2014
Annual surplus (deficit)	\$ 1,972,786	\$ 887,807
Adjustments		
Change in employee termination benefit	(120,309)	(123,519)
Prior year funding received	109,000	-
(Increase) decrease in inventory	(5,073)	42,136
(Increase) decrease in prepaids and deposits	17,458	28,964
Increase (Decrease) in net financial assets	1,973,862	835,388
Net financial resources, beginning of year	(3,097,796)	(3,933,184)
Net financial resources, end of year	\$ (1,123,934)	\$ (3,097,796)

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Statement of Cash Flow

For the year ended March 31, 2015

	2015	2014
Operating Activities		
Annual surplus (deficit)	\$ 1,972,786	\$ 887,807
Items not affecting cash:		
Change in employee termination benefits, Note 16	(120,309)	(123,519)
Increase (Decrease) in post-employment benefits, Note 15	(2,636,000)	(1,898,000)
	(2,756,309)	(2,021,519)
Changes in non-cash assets and liabilities		
Due from the Government of Canada	(1,068)	(3,515)
Decrease (increase) in accounts receivable	292,030	1,487,625
Decrease (increase) in inventory	(5,073)	42,136
Decrease (increase) in prepaids	17,458	28,964
Increase (decrease) in accounts payable and payroll liabilities	(209,681)	574,742
Increase (decrease) in contributions repayable	9,094	53,415
Increase in employee future benefits	159,198	132,290
Increase (decrease) in capital advances	-	-
Increase (decrease) in deferred revenues	-	808
Increase (decrease) in trust liability	6,816	11,870
	268,774	2,328,335
Cash from operations	(514,749)	1,194,623
Financing Activities		
Deficit funding received, Note 32	109,000	-
Investing Activities		
	-	-
Change in cash during the year	(405,749)	1,194,623
Cash, beginning of year	1,444,509	249,886
Cash, end of year	\$ 1,038,760	\$ 1,444,509
Total Interest paid	\$ 4,061	\$ 4,736
Cash consists of :		
Cash and cash equivalents, Note 4	\$ 978,838	\$ 1,444,509
Trust asset, Note 17	59,922	-
	\$ 1,038,760	\$ 1,444,509

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Statement of Accumulated Surplus (Deficit) from Operations

For the year ended March 31, 2015

	2015	2014
Opening Operating Fund Accumulated Surplus (Deficit)	\$ (1,540,086)	\$ (2,427,893)
Adjusted operating surplus (deficit) for the year	1,972,786	887,807
Prior year funding received, Note 32	109,000	-
Transfer to Cash Reserve, Schedule G	-	-
Closing Operating Fund Accumulated Surplus (Deficit)	\$ 541,700	\$ (1,540,086)

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Statement of Change in Employee Termination Liability Fund

For the year ended March 31, 2015

	2015	2014
Opening Employee Termination Liability Fund	\$ (1,768,949)	\$ (1,645,430)
(Increase) Decrease in employee termination benefits, Note 16	(120,309)	(123,519)
Closing Employee Termination Liability Fund	\$ (1,889,258)	\$ (1,768,949)

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Statement of Change in Cash Reserve

For the year ended March 31, 2015

	2015	2014
Opening Cash Reserve	\$ 500,000	\$ 500,000
Transfer to (from) cash reserve	-	-
Closing Cash Reserve	\$ 500,000	\$ 500,000

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2015

Note 1. Hay River Health & Social Services Authority

The Hay River Health & Social Services Authority, formerly the Hay River Community Health Board, which was incorporated under the Societies Act, is continued under the Hospital Insurance and Health and Social Services Administration Act as a Board of Management, effective November 1, 2003.

The Authority administers the operations of H.H. Williams Memorial Hospital, Woodland Manor, Hay River Medical Clinic, Public Health, Social Services and Supported Independent Living and provides financial and administrative support for community and regional programs.

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 Public Sector Accounting Board of the Canadian Institute of Chartered Accountants 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 into the following funds:

Operating Fund - activities associated with the Authority's daily operations.

Employee 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.

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.

Expenditures recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2015

Note 2. Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents consists of cash on hand and balances within banks and are not subject to significant risk of changes in value.

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.

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, interest rate risk, credit 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.

Financial instruments are recorded at fair value when acquired or issued. 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.

Financial assets subsequently measured at amortized cost include cash, restricted cash (trust accounts) and accounts receivable.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, employment related liabilities, accrued employee leave and termination benefits and contributions repayable.

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

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.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2015

Note 2. Significant Accounting Policies (continued)

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.

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 consolidated change in net financial assets (debt) for the year.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

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 in Schedule D.

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.

Note 4. Cash and Cash Equivalents

	2015	2014
Cash	\$ 978,838	\$ 1,444,509

Note 5. Special Purpose Funds - Not Applicable

Note 6. Restricted Assets - Not Applicable

Note 7. Portfolio Investments - Not Applicable

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2015

Note 8. Accounts Receivable

	Receivables 2015	AFDA 2015	Net 2015	Net 2014
Due from GNWT	\$ 255,717	-	\$ 255,717	\$ 564,543
Due from Government of Nunavut	-	-	-	-
Due from WSCC	29,736	-	29,736	10,639
Due from other GNWT Health Authorities	8,275	-	8,275	3,353
Due directly from third parties	55,017	-	55,017	7,542
GST rebate receivable	7,038	-	7,038	26,722
Other accounts receivable	101,489	(31,453)	70,036	105,050
	\$ 457,272	(31,453)	\$ 425,819	717,849

Note 9. Inventories

	2015	2014
General	\$ 16,067	\$ 15,440
Medical and surgical	140,772	135,316
Laboratory	8,008	8,033
Pharmaceutical	23,327	24,312
	\$ 188,174	183,101

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

	2015	2014
Due to GNWT	\$ 95,224	\$ 26,077
Due to Government of Nunavut	-	-
Due to WSCC	-	-
Due to other GNWT Health Authorities	115,939	37,337
Accounts payable and accrued liabilities	873,458	1,052,291
Unspent donations	21,634	23,298
	\$ 1,106,255	\$ 1,139,003

Note 11. Deferred Revenue

Deferred revenue represents funds that have been received for specific programs but remain unspent at March 31, 2015 as follows:

	2015	2014
Professional Development Initiative, GNWT	\$ 56,633	\$ 56,633

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2015

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, 2015:

	2015	2014
Government of the Northwest Territories		
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	59,247
Grad Placement Program K. Miller 13/14	8,064	8,064
Healthy Families/Collective Kitchen unspent funding 14/15	1,006	-
Enhanced Homecare unspent funding 14/15	30,615	-
	1,244,301	1,271,630
Hay River Metis Government Council		
Community Wellness	36,423	-
	\$ 1,280,724	\$ 1,271,630

Note 13. Due From and To the Government of Canada

	2015	2014
Receivables		
Projects	\$ -	\$ -
Miscellaneous receivable	1,750	682
	\$ 1,750	\$ 682
Payables		
Advances on projects	\$ -	\$ -
Miscellaneous payables	-	-
	\$ -	\$ -

Note 14. Capital Lease Obligations - Not Applicable

Note 15. Post-employment benefits

The authority sponsors a contributory defined benefit pension plan for substantially all of its employees. The net value of the plan asset and liability is recorded on the statement of financial position based 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.

	2015	2014
Accrued benefit obligation	\$ 33,258,000	\$ 30,404,000
Market-related value of pension fund assets	38,531,000	31,728,000
	(5,273,000)	(1,324,000)
Unamortized actuarial gains / (losses)	1,635,000	322,000
Post-employment benefit liability (accrued asset)	\$ (3,638,000)	\$ (1,002,000)

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2015

Note 15. Post-employment benefits (continued)

The post-employment benefits liability (asset) includes the following components:

	2015	2014
Post-employment benefit liability (accrued asset) - beginning of year	\$ (1,002,000)	\$ 896,000
Cash items:		
Member contributions	(970,000)	(813,000)
Employer contributions	(3,702,000)	(3,694,000)
Benefit payments	(1,211,000)	(2,511,000)
Drawdown from plan assets	1,211,000	2,511,000
Net change to pension liability from cash items	(4,672,000)	(4,507,000)
Accrual items:		
Current period benefit cost	2,179,000	2,385,000
Amortization of actuarial gains/losses	3,000	173,000
Past service amendment	-	-
Interest on average accrued benefit obligation	1,761,000	1,545,000
Expected earnings on average pension fund assets	(1,907,000)	(1,494,000)
	2,036,000	2,609,000
Post-employment benefit liability (accrued benefit asset) - end of year	\$ (3,638,000)	\$ (1,002,000)

The pension expense is included in the statement of operations as a component of compensation for Corporate HR.

Actuarial 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:

	2015	2014
Date of actuarial valuation	1-Jan-15	1-Jan-14
Date of audited financial statements	31-Mar-15	31-Mar-14
Discount rate	5.60%	5.70%
Interest rate on pension fund assets	5.70%	5.10%
Interest rate on accrued benefit obligation	5.70%	5.10%
Future inflation	2.00%	2.00%
Future compensation increases	2.50%	2.50%
Expected average remaining service life (years)	7.5	7.7

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2015

Note 15. Post-employment benefits payable (continued)

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, 2015, 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.
- c) To increase the eligibility period - Effective April 1, 2013, the eligibility waiting period was changed to two years from six months. This change does not affect any current plan members or employees hired prior to April 1, 2013. As such no new employees were added to the pension plan in the fiscal year.

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.

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:

	2015	2014
Current		
Employee annual leave*	\$ 849,480	\$ 810,591
Non-current		
Employee severance	\$ 1,157,142	\$ 1,057,407
Employee removal	732,116	711,542
	\$ 1,889,258	\$ 1,768,949
<i>Comprised of:</i>		
HRHSSA portion - earned beyond August 31, 1996	\$ 1,737,502	\$ 1,602,561
GNWT portion - Earned to August 31, 1996	151,756	166,388
	\$ 1,889,258	\$ 1,768,949

* 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 2015 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 \$151,756 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.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2015

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 2014 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 .

	2015	2014
Patient Trust Asset	\$ 59,922	\$ 53,106
Patient Trust Liability	\$ 59,922	\$ 53,106

Note 18. Tangible Capital Assets - Not Applicable

Note 19. Prepaid Expenses and Deposits

	2015	2014
Service and maintenance packages	\$ 74,041	\$ 85,313
Travel	12,161	16,347
Deposit	2,000	4,000
	\$ 88,202	\$ 105,660

Note 20. Accumulated Deficit

	2015	2014
Employee termination liability fund	\$ (1,889,258)	\$ (1,768,949)
Operating fund accumulated surplus (deficit)	541,700	(1,540,086)
Cash Reserve	500,000	500,000
	\$ (847,558)	\$ (2,809,035)

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.

	2015	2014
Beginning balance	\$ 5,829	\$ 5,829
Capital purchases paid out of advanced funds	-	-
Ending balance	\$ 5,829	\$ 5,829

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2015

Note 22. Tangible Capital Assets provided by GNWT

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.

Land	Not amortized
Buildings	Straight-line (40 yrs)
Buildings Service Equipment	Straight-line (5-15 yrs)
Equipment	Straight-line (5-15 yrs)

	Cost	Accumulated Amortization	2015 Net Book Value	2014 Net Book Value
Land	\$ 30,325	\$ -	\$ 30,325	\$ 30,325
Buildings	11,873,890	5,235,005	6,638,885	6,917,538
Buildings Service Equipment	1,748,034	1,390,895	357,139	478,433
Equipment	3,657,982	2,744,652	913,330	1,042,417
	\$ 17,310,231	\$ 9,370,552	\$ 7,939,679	\$ 8,468,713

Amortization expense for 2015 is \$580,384 (2014 = \$631,340)

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	Vehicle	Residential	Total
2016	\$ 17,665	\$ -	\$ 160,200	\$ 177,865
2017	8,518	-	-	8,518
2018	585	-	-	585
2019	292	-	-	292
	\$ 27,060	\$ -	\$ 160,200	\$ 187,260

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.

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.

With any employer, especially those with a union there are always risks of employee grievances. At the end of the fiscal year a number of grievances were awaiting arbitration. In the opinion of management and legal council, no accrued liability needs to be established. Should any further loss result from the resolution of these claims, such loss will be charged to operations in the year of resolution.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2015

Note 25. 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 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 Financial Management Board Secretariat.

Transactions with related parties and balances at year-end are included in the financial statements, but not disclosed separately other than in this note:

	2015	2104
Accounts Receivable		
GNWT, Note 8	\$ 255,717	\$ 564,543
Tlicho Community Services Agency	5,643	-
Fort Smith Health Centre	2,189	-
Stanton Territorial Health Authority	306	-
DehCho Health & Social Services Authority	137	1,258
Beaufort-Delta Health & Social Services Authority	-	1,975
NWT Housing Corporation	-	120
	\$ 263,992	\$ 567,896
Accountable capital advances, GNWT, Note 21	\$ 5,829	\$ 5,829
Accounts Payable:		
GNWT, Note 10	\$ 95,224	\$ 26,077
Yellowknife Health & Social Services Authority	54,714	-
Stanton Territorial Health Authority	61,225	28,217
Fort Smith Health Centre	-	9,120
	\$ 211,163	\$ 63,414
Deferred revenues, GNWT, Note 11	\$ 56,633	\$ 56,633
Contributions repayable, GNWT, Note 12	\$ 1,244,301	\$ 1,271,630
Accrued employee termination benefits, Note 16	\$ 151,756	\$ 166,388

Note 26. Budget

The budget figures are those provided by Management and are unaudited.

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.

Note 28. Financial Instruments

Financial instruments of the Authority can result in transactions that may result in the Authority assuming or transferring one or more of the financial risks described below to or from another entity. The following information is provided to assist users of the financial statements assess the level of risk related to the financial instruments of the Authority.

Credit Risk

The Authority is subject to financial risk that arises from the creditworthiness of the individuals and entities that it provides goods and services to. Credit risk arises from the possibility those parties may experience financial difficulty and may not be able to fulfill their obligations to the Authority. The Authority is subject to credit risk through its accounts receivables of \$427,569 (\$718,531 - 2014). An allowance for doubtful accounts included in accounts receivable represents management's best estimate of the credit risk exposure at year end. The Authority tries to reduce this risk by monitoring overdue balances.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2015

Note 28. Financial Instruments (continued)

Concentration 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. One customer in accounts receivable accounts for 60% (2014 - 79%) 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

The Authority carries a risk that they would not be able to repay all of its obligation when due. The Authority is subject to liquidity risk in accounts payables and accrued liabilities, employee and payroll-related liabilities, accrued employee leave and termination benefits and contributions repayable in the amount of \$6,084,245 (2014 - \$6,123,970). Through regular monitoring of cashflow and budgets, the Authority is able to reduce its exposure to liquidity risk.

Note 29. Expenses by Object

	2015 Budget	2015 Actual	2014 Actual
Compensation	\$ 22,491,164	\$ 23,158,463	\$ 22,928,282
Locums	1,668,728	2,146,839	1,612,290
Medical supplies	857,660	887,952	856,470
Referred out services	706,457	629,346	779,011
Purchases service personnel	551,500	601,360	575,725
Equipment maintenance	309,882	382,326	312,073
Foster care	482,500	328,207	432,638
Rent	293,960	267,064	279,124
Travel assistance	262,000	250,734	360,628
Locum removal	259,000	214,251	212,317
Minor equipment	107,348	158,389	102,830
Phone and postage	140,825	158,233	139,291
Professional fees	198,454	136,621	180,930
Office supplies	143,380	131,358	136,563
Travel	94,900	131,273	109,935
Software licensing	155,041	123,238	146,435
Training	160,000	99,816	120,719
Honorariums	24,000	55,300	57,535
Bad debt	2,000	36,533	11,396
Memberships	32,185	21,587	26,450
Advertising	38,950	21,196	38,025
Garbage	36,200	16,166	13,693
Bank charges	4,550	4,061	4,736
	\$ 29,020,684	\$ 29,960,313	\$ 29,437,096

Note 30. Subsequent Events - Not Applicable

Note 31. Comparative Figures

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

Note 32. Deficit Funding Received

Deficit funding for physicians in the amount of \$56,000 and \$53,000 for maternity and paternity leave were received during the year and is restricted to offset the 2013/2014 operating deficit. As such, these contributions have not been removed from the current operating deficit to be applied directly against the accumulated deficit of the Authority.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY
 Schedule of Operating Advances from the GNWT

Schedule A

For the year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Hospital Services	\$ 13,012,000	\$ 13,012,000	\$ 13,571,000
Board Administration	4,110,000	4,110,000	2,575,000
Physician Services to NWT Residents	2,287,000	2,287,000	2,169,000
Medical Equipment under \$50,000	24,000	24,000	24,000
Intervention Services	289,000	289,000	32,000
Social Service Delivery	1,750,000	1,750,000	1,716,000
Residential Care - Elderly & Persons with Disabilities	4,263,000	4,263,000	4,159,000
Homecare	596,000	596,000	577,000
Family Violence	513,000	513,000	513,000
Foster Care	452,000	452,000	452,000
Primary Community & Acute Care Services	-	-	41,000
Community Wellness Programs	53,000	53,000	53,000
Medical Travel	22,000	22,000	22,000
Epidemiology and Disease Registries	-	-	7,000
	\$ 27,371,000	\$ 27,371,000	\$ 25,911,000

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY
 Schedule of Other Recoveries for Direct Charges for Services

Schedule B

For the year ended March 31, 2015

	2015 Budget	2015 Actual	*2014 Actual
Other Recoveries from the GNWT			
Patient Revenues	\$ 190,000	\$ 212,103	\$ 158,300
Services	21,548	38,727	116,998
Wages	23,000	94,470	9,486
Travel and Training	-	51,028	15,896
Other	-	30,559	82,604
	234,548	426,887	383,284
Other Recoveries directly from Third Parties			
Government of Canada			
Patient Revenues	-	2,381	1,795
Services	498	864	1,452
Other	-	1,322	1,115
	498	4,567	4,362
Workers' Safety and Compensation Commission			
Patient Revenues	117,000	124,384	32,812
Services	23,986	29,087	87,910
Wages	-	8,849	30,230
Other	-	115	160
	140,986	162,435	151,112
Hay River Dental Clinic			
Other	150,000	126,300	143,100
Other GNWT Health Authorities			
Patient Revenues	-	-	7,926
Wages	-	87	8,211
Travel and Training	-	14,283	1,769
Other	-	8,281	10,813
	-	22,651	28,719
Other Third Parties Insurance Companies			
Patient Revenues	-	1,194	1,448
Services	3,115	3,600	3,444
Other	-	2,494	1,774
	3,115	7,288	6,666
Other Third Parties			
Patient Revenues	383,020	386,499	403,830
Cafeteria	142,674	145,299	156,236
Services	54,253	63,992	48,981
Wages	-	4,343	2,353
Travel and Training	-	1,905	3,502
Other	27,500	38,033	42,761
	607,447	640,071	657,663
	\$ 1,136,594	\$ 1,390,199	\$ 1,374,906

* Reclassified for comparative purposes

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Schedule of Other Revenues

Schedule C

For the year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Actual
Other Revenues from the GNWT			
Home and Community Care Enhancement	\$ 366,897	\$ 336,282	\$ 303,851
Other	13,632	35,320	4,862
Children Who Witness Violence	12,500	12,500	12,500
French Language Services	55,000	10,717	55,000
Collective Kitchen	20,061	9,024	13,640
Electronic Medical Records	-	8,234	-
Grad Placement Program	-	7,471	134,860
Healthy Family Program	-	-	235,820
Living with Type 2 Diabetes	-	-	103,763
Nurse Educator/Mentor Program	-	-	57,972
	468,090	419,548	922,268
Other Revenue directly from Third Parties			
Hay River Hospital Foundation - Restricted Donations	-	63,366	15,149
Internal Transfers	10,000	8,932	41,785
	10,000	72,298	56,934
	\$ 478,090	\$ 491,846	\$ 979,202

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Schedule of Expenses by Functional Centre

Schedule D

For the year ended March 31, 2015

	Compensation		Other		Total 2015		*2014
	Budget	Actual	Budget	Actual	Budget	Actual	Actual
Administrative and Support Services							
General Administration/ Mailroom/ Board	\$ 87,000	\$ 21,751	\$ 125,400	\$ 107,067	\$ 212,400	\$ 128,818	\$ 99,194
Executive Offices	826,406	792,610	35,800	59,707	862,206	852,317	630,279
Quality Improvement/Risk Management	148,285	145,421	43,300	55,477	191,585	200,898	249,529
Finance	461,821	388,518	133,487	77,234	595,308	465,752	635,743
Employee Services	320,220	377,402	23,229	14,362	343,449	391,764	357,307
Corporate Human Resources	2,631,000	2,760,476	317,000	182,030	2,948,000	2,942,506	3,104,969
Information Services	249,990	282,272	127,995	134,530	377,985	416,802	386,930
Materials Management	170,567	160,724	15,575	23,512	186,142	184,236	169,645
Supply, Process and Distribution	141,421	159,305	48,932	39,915	190,353	199,220	195,664
Housekeeping and Laundry	721,964	778,079	57,200	61,998	779,164	840,077	904,097
Engineering Services	549,295	544,672	263,190	211,166	812,485	755,838	775,577
Health Center Transition	-	73,935	-	4,772	-	78,707	-
Registration	93,707	112,735	500	1,855	94,207	114,590	123,248
Medical Records	189,252	205,460	26,550	13,513	215,802	218,973	244,705
Electronic Medical Records	271,204	312,690	7,130	45,928	278,334	358,618	136,757
Dietary	764,586	896,333	301,400	315,734	1,065,986	1,212,067	1,199,229
Contribution Agreements	52,449	17,537	700	65,005	53,149	82,542	83,745
Total Administrative and Support Services	7,679,167	8,029,920	1,527,388	1,413,805	9,206,555	9,443,725	9,296,618
Nursing Inpatients/Resident Services							
Acute Care	2,623,172	2,343,362	248,300	320,153	2,871,472	2,663,515	2,779,104
Chronic Long-Term Care	1,065,083	1,150,076	14,900	17,350	1,079,983	1,167,426	1,176,240
Midwifery	144,830	163,736	19,300	35,081	164,130	198,817	32,541
Contribution Agreements	123,912	114,705	-	1,944	123,912	116,649	86,222
Total Nursing Inpatients/Resident Services	3,956,997	3,771,879	282,500	374,528	4,239,497	4,146,407	4,074,107
Ambulatory Care Services							
Endoscopic Procedures	-	27,577	17,550	41,015	17,550	68,592	26,801
Dialysis	264,838	376,000	119,350	125,944	384,188	501,944	455,619
Dental Surgery	-	85,493	21,825	32,394	21,825	117,887	117,557
Physicians	1,758,466	2,523,476	430,000	380,660	2,188,466	2,904,136	2,424,819
Nurse Practitioner Services	400,938	266,485	75,000	13,282	475,938	279,767	307,892
Medical Clinic Administration	808,326	914,786	44,000	33,453	852,326	948,239	930,688
Total Ambulatory Care Services	3,232,568	4,193,817	707,725	626,748	3,940,293	4,820,565	4,263,376

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Schedule of Expenses by Functional Centre

Schedule D (continued)

For the year ended March 31, 2015

	Compensation		Other		Total 2015		*2014
	Budget	Actual	Budget	Actual	Budget	Actual	Actual
Diagnostic and Therapeutic Services							
Laboratory	438,384	478,977	430,000	415,044	868,384	894,021	831,896
Mammography	82,947	134,052	59,100	63,636	142,047	197,688	193,323
Diagnostic Imaging	544,135	525,395	103,050	136,221	647,185	661,616	617,156
Pharmacy	131,723	128,040	50,400	44,161	182,123	172,201	194,780
Physiotherapy	298,889	234,968	10,886	7,536	309,775	242,504	266,456
Occupational Therapy	229,759	259,266	10,114	32,365	239,873	291,631	262,708
Audiology and Speech Language Therapy	143,531	146,746	6,300	5,082	149,831	151,828	152,948
Recreation Therapy	119,960	133,732	4,500	4,315	124,460	138,047	131,229
Total Diagnostic and Therapeutic Services	1,989,328	2,041,176	674,350	708,360	2,663,678	2,749,536	2,650,496
Community Health Services							
Public Health	454,364	493,200	82,550	86,354	536,914	579,554	569,860
Home Care	702,556	682,811	35,350	32,763	737,906	715,574	777,793
Environmental Health	-	-	-	-	-	-	53
Contribution Agreements	301,755	309,952	39,955	33,583	341,710	343,535	415,239
Total Community Health Services	1,458,675	1,485,963	157,855	152,700	1,616,530	1,638,663	1,762,945
Social Services							
Social Services	837,972	722,271	32,350	26,286	870,322	748,557	805,318
Foster Care	-	-	506,000	353,530	506,000	353,530	456,549
Family Violence (Contribution Agreement)	525,500	525,500	-	-	525,500	525,500	525,500
Community Counselling Services	716,050	786,846	30,150	26,886	746,200	813,732	761,562
Woodland Manor	1,731,738	1,830,289	28,554	29,659	1,760,292	1,859,948	1,802,415
Supported Independent Living	2,160,140	2,050,037	95,100	93,943	2,255,240	2,143,980	2,157,285
Supported Independent Living - Day	431,342	469,847	20,800	15,867	452,142	485,714	487,682
Contribution Agreements	179,601	195,311	58,834	27,674	238,435	222,985	257,042
Total Social Services	6,582,343	6,580,101	771,788	573,845	7,354,131	7,153,946	7,253,353
Research	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Contribution Agreements	-	7,471	-	-	-	7,471	136,201
Total Expenses	\$ 24,899,078	\$ 26,110,327	\$ 4,121,606	\$ 3,849,986	\$ 29,020,684	\$ 29,960,313	\$ 29,437,096

* Restated for comparative purposes

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Schedule of Non-Insured Recoveries and Expenses

Schedule E

For the year ended March 31, 2015

	Budget	Total 2015 Actual	2014 Actual
Recoveries	\$ -	\$ -	\$ -
Expenditures	-	-	-
Surplus (Deficit)	\$ -	\$ -	\$ -

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Other Contributions

Schedule F

For the year ended March 31, 2015

	SC#	Budget	Actual
Home and Community Care Enhancement (F-1)	HSS01-2661	\$ 366,897	\$ 366,897

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Home and Community Care Enhancement

Schedule F-1

For the year ended March 31, 2015

Revenue		
GNWT - Home and Community Care Enhancement	\$	366,897
less contributions repayable		(30,615)
		<hr/>
		336,282
Expenditures		
Salaries and benefits		306,104
Supplies		7,241
Sundry		10,511
Referred out services		1,046
Vehicle expense		8,000
Minor equipment		1,362
Telephone and fax		2,018
		<hr/>
		336,282
Surplus (Deficit)	\$	-

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Schedule of Reserves

Schedule G

For the year ended March 31, 2015

	Employee Termination Liability Fund		Cash Reserve	
	2015	2014	2015	2014
Balance, beginning of the year	\$ (1,768,949)	\$ (1,645,430)	\$ 500,000	\$ 500,000
(Increase) Decrease in employee termination benefits, Note 16	(120,309)	(123,519)	-	-
Transfers between reserves	-	-	-	-
Balance end of year	\$ (1,889,258)	\$ (1,768,949)	\$ 500,000	\$ 500,000

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Capital Assets

Schedule H

March 31, 2015

	Cost
Capital Assets owned and Financed by GNWT:	
Land	\$ 30,325
Buildings	11,668,528
Buildings Service Equipment	1,748,034
Equipment	3,274,250
Total Assets Financed by GNWT	\$ 16,721,137
Capital Assets owned by GNWT and Financed by Other Funds:	
Buildings	\$ 205,362
Equipment	383,732
Total Assets Financed by Other Funds	\$ 589,094
Total Capital Assets	\$ 17,310,231
<u>Assets purchased or disposed of during the year:</u>	
Purchased Capital Asset owned and financed by the GNWT:	
Equipment - Ruby Analyzer (Hematology)	\$ 51,350
	\$ 51,350

**Sahtu Health & Social Services Authority
Financial Statements
Norman Wells, NT
Year End March 31, 2015**

Sahtu Health & Social Services Authority

Table of Contents

Management Responsibility for Financial Reporting

Auditors' Report

Statement of Financial Position

Statement of Operations

Statement Changes in Net Financial Resources

Statement of Cash Flow

Notes to the Financial Statement

Schedule A - Schedule of Territorial Operating Advances

Schedule B - Schedule of Other Recoveries for Direct Charges for Services

Schedule C - Schedule of Other Revenues

Schedule D - Schedule of Expenses by Functional Centre

Schedule E - Schedule of Non-Insured Recoveries and Expenses

Schedule F - 1 Schedule of Other Contribution - Home Care Enhancement

Schedule F - 2 Schedule of Other Contribution - Healthy Families

Schedule G - Schedule of Reserves



P.O. BOX 340
NORMAN WELLS, NT
X0E 0V0
Phone: (867) 587-3650
Fax: (867) 587-3436


Sahtu Health Social Services Authority

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 generally accepted accounting principles, unless otherwise indicate in the notes to the financial statements. 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 systems 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 Authority's management recognizes its responsibility for conducting the Authority's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate.

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 her 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.



Arthur Bungay, CMA
Director of Finance and Administration

June 23, 2015



VERY, COOPER & CO.

Certified General Accountants

Toll-Free: 1-800-661-0787
Website: www.averycooper.com

Gerald F. Avery, FCGA
W. Brent Hinchey, B. Comm., C.G.A.
Cathy A. Cudmore, B. Rec, C.G.A.

4918 - 50th Street, P.O. Box 1620
Yellowknife, NT X1A 2P2
Telephone: (867) 873-3441
Facsimile: (867) 873-2353

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, 2015, 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 F.

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, 2015 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.

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.

Avery, Cooper & Co.
Certified General Accountants
Yellowknife, NT

June 23, 2015


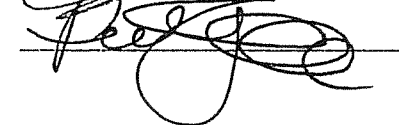
Sahtu Health & Social Services Authority

Statement of Financial Position

As of March 31, 2015

FINANCIAL ASSETS	2015	2014
<i>Cash</i>	399,176	134,213
<i>Accounts Receivable (Note 4)</i>	577,703	804,974
	<u>976,879</u>	<u>939,187</u>
LIABILITIES		
<i>Accounts Payable (Note 6)</i>	728,793	1,003,939
<i>Wages & Benefits Payable - GNWT</i>	673,960	281,275
<i>Contribution Repayable (Note 7)</i>	73,728	169,143
<i>Employee Leave and payroll related Liabilities (Note 8)</i>	705,906	655,893
	<u>2,182,387</u>	<u>2,110,250</u>
Net Financial Assets/(Debt)	<u>(1,205,508)</u>	<u>(1,171,063)</u>
Non-Financial Assets		
<i>Inventory (Note 5)</i>	157,057	174,450
<i>Prepaid Expenses</i>	-	2,290
	<u>157,057</u>	<u>176,740</u>
Accumulated Surplus/(Deficit)	<u>(1,048,451)</u>	<u>(994,322)</u>

Approved:

Chairperson

Chief Executive Officer

See the accompanying notes and schedules.

Sahtu Health & Social Services Authority

Statement of Operations

For the year ended March 31, 2015

	2015 Budget (unaudited)	2015 Actual	2014 Actual
REVENUE			
Territorial Operating Advance (Schedule A)	\$ 12,477,000	\$ 12,469,306	\$ 11,945,618
Other Recoveries (Schedule B)	103,200	163,672	169,377
Other Revenues (Schedule C)	994,030	962,643	1,022,382
Non-insured Health Benefits (Schedule E)	240,000	185,229	114,445
Investment Revenue	15,000	19,342	17,891
	13,829,230	13,800,192	13,269,713
EXPENSES			
Administration (Schedule D)	2,021,602	1,789,494	1,858,083
Ambulatory Care Services (Schedule D)	928,000	920,299	865,618
Community Health Services (Schedule D)	8,006,455	8,474,372	7,812,764
Social Services (Schedule D)	2,157,407	2,270,887	2,367,117
Education (Schedule D)	475,766	214,040	408,736
Non-Insured Expenses (Schedule E)	240,000	185,229	114,445
	13,829,230	13,854,321	13,426,762
OPERATING SURPLUS (DEFICIT)	-	(54,129)	(157,049)
Unfunded Items			
Change in employee leave and termination benefits (Note 8)		50,013	66,225
ANNUAL SURPLUS (DEFICIT) Before the Following		(4,116)	(90,824)
Amortization of Building & Equipment	257,577	302,042	216,129
Grant-in-Kind - GNWT Assets provided at no cost	(257,577)	(302,042)	(216,129)
ANNUAL SURPLUS (DEFICIT)	-	(4,116)	(90,824)
Opening Accumulated Surplus	-	(994,322)	(837,273)
Closing Accumulated Surplus	-	(1,048,451)	(994,322)

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, 2015

	<u>2015</u>	<u>2014</u>
Annual Surplus/(Deficit)	(54,129)	(157,049)
Adjustments:		
Consumption of Inventories Used	194,826	196,302
Acquisition of Inventories Used	(177,432)	(288,349)
Use of Prepaid Expenses	2,290	10,865
Acquisition of Prepaid Expenses	-	(2,290)
(Increase)/Decrease in net debt	<u>(34,445)</u>	<u>(240,521)</u>
Opening net financial resources	<u>(1,171,063)</u>	<u>(930,541)</u>
Closing net financial resources	<u><u>(1,205,508)</u></u>	<u><u>(1,171,063)</u></u>

See the accompanying notes and schedules.

Sahtu Health & Social Services Authority

STATEMENT OF CASH FLOW

For the year ended March 31, 2014

	<u>2015</u>	<u>2014</u>
Operating Surplus / (Deficit)	(54,129)	(157,049)
(Increase) Decrease in Accounts Receivable	227,271	111,450
Increase (Decrease) in Accounts Payable	(275,146)	58,363
Increase (Decrease) in Contributions Repayable	(95,415)	169,143
Increase (Decrease) in Wages and Benefits Payable	442,698	(276,986)
Net (Acquisition) Consumption of Prepaids	2,290	8,575
Net (Acquisition) Consumption of Inventory	17,393	(92,047)
Net Cash from Operations	264,962	(178,551)
Cash Provided by Investing Transactions	-	-
Cash Provided by Financing Transactions	-	-
Opening Cash and Cash Equivalents	134,213	312,764
Closing Cash and Cash Equivalents	<u><u>399,175</u></u>	<u><u>134,213</u></u>

See accompanying notes and schedules.

Sahtu Health & Social Services Authority

Notes to the Financial Statements

For the year ended March 31, 2015

1. NATURE OF OPERATIONS

The Sahtu Health & Social Services Authority (the "Authority") was established under the Hospital Insurance and Health and Social Services Administration Act 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. Consequently the Authority is dependent upon funding from the Department of Health & Social Services.

2. SIGNIFICANT ACCOUNTING POLICIES

a) General

The financial statements are prepared in accordance with the Public Sector Accounting Standards and as directed by the Government of the Northwest Territories - Department of Health and Social Services. The accounting policies of the Authority are as follows:

b) Cash Equivalents

Cash comprises of cash on hand and demand deposits. The organization considers any and all highly liquid investments with maturities of three months or less from the date of acquisition, that are readily convertible to known amounts of cash and that are subject to insignificant risk of change in value, to be cash equivalents.

c) Tangible capital assets

Tangible Capital Assets (TCA) are owned by the Government of the Northwest Territories. TCA's over \$50,000 are amortized over the estimated useful lives of the assets at the rates established by the Financial Administration Manual of the GNWT. The amortization expense is recorded with an offsetting amount as Grant in Kind Revenue, representing the use of the assets that are owned by the GNWT.

d) Inventory

Inventory consists of medical supplies and drugs. Inventory is valued using weighted average at the lower of cost or replacement value.

e) Operating Surplus (Deficit)

The Operating Surplus (Deficit) section of the Balance Sheet reflects any accumulated excess expenditures over revenue (net of repayments from or to the Department of Health & Social Services). The Authority is funded using a block funding approach. Under this approach the authority is responsible for all deficits and is to return the "Adjusted Operating Surplus" to the Department of Health and Social. The Authority can request to retain up to 1% of the Audited revenues to a maximum of \$250,000 with certain stipulations. At March 31, 2015 the Authority had an accumulated Deficit of \$1,048,451.

f) Budget

The presented budget figures are those approved by the Department of Health & Social Services. These figures represent the Authority's original fiscal plan for the year and reflect subsequent changes arising from amendments by the Department. The contribution agreement prohibits the Authority from budgeting for a deficit.

Sahtu Health & Social Services Authority

Notes to the Financial Statements

For the year ended March 31, 2015

g) Revenue Recognition

Revenue is recognized as per the Department of Health and Social Services directives. Other revenue is recognized when the service is performed or goods provided.

h) Pension Contributions

The Authority and its employees make contributions to the Public Service Superannuation Plan. These contributions represent the total liability to the Authority.

i) Measurement Uncertainty

The preparation of these financial statements in conformity with Public Sector Accounting Standards require management to make estimates and assumptions. This affects the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the updated amounts of revenue and expenses during the period. The actual results may differ from these estimates.

j) Financial Assets

Financial assets, consisting of cash, and accounts receivable are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operation.

k) Non-Financial Assets

Non-Financial Assets, consisting of tangible capital assets, prepaid expense and inventories of supplies. Are not available to discharge existing liabilities and are held for use in the provisions 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.

l) Net Debt

Net debt is measured as the difference between the Authority's liabilities and financial assets. The difference bears directly on the Authority's future revenue requirements and on its ability to finance its activities and meet its liabilities and contractual obligations.

Sahtu Health & Social Services Authority

Notes to the Financial Statements

For the year ended March 31, 2015

3. FUTURE ACCOUNTING CHANGE

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 Authority is currently assessing the impact of this Section.

4. ACCOUNTS RECEIVABLE

	Accounts Receivable 2015	AFDA 2015	Net 2015	Net	2014
Due from GNWT	533,009	2,751	530,258		768,996
Due from Third Parties	92,725	45,280	47,445		35,978
	<u>625,734</u>	<u>48,031</u>	<u>577,703</u>		<u>804,974</u>

5. INVENTORY

Inventories, consisting of medical supplies and drugs and vaccines are held for consumption as part of the provision of service and not for re-sale. Items are expensed when taking out inventory.

	2015	2014
Medical Supplies	142,054	162,007
Pharmacy	15,003	12,443
	<u>157,057</u>	<u>174,450</u>

Sahtu Health & Social Services Authority

Notes to the Financial Statements

For the year ended March 31, 2015

6. ACCOUNTS PAYABLE	2015	2014
Due to GNWT	190,894	374,378
Due to Third Parties	537,899	629,561
	<u>728,793</u>	<u>1,003,939</u>

7. CONTRIBUTION PAYABLE	2015	2014
Government of the Northwest Territories		
Healthy Families Program		69,171
Enhanced Home Care	57,213	99,972
Community Wellness Initiative	10,732	
Applied Suicide Intervention	5,784	
	<u>73,728</u>	<u>169,143</u>

8. 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 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:

	2015	2014
Leave	310,254	324,087
Termination, Severance, Resignation, Retirement	146,884	121,374
Removal	248,768	210,432
	<u>705,906</u>	<u>655,893</u>

Sahtu Health & Social Services Authority

Notes to the Financial Statements

For the year ended March 31, 2015

9. EXPENSES SET OFF WITH GRANTS IN KIND

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	2.5%
Computer & Software	7 Years	14.3%
Furniture, Fixtures & Equipment	15 Years	6.7%

			2015	2014
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Buildings	8,099,424	(5,368,693)	2,730,731	2,808,945
Furniture, Fixtures & Equipment	66,955	(66,955)	-	2,199
Computer & Software	46,728	(46,728)	-	-
	<u>8,213,107</u>	<u>(5,482,376)</u>	<u>2,730,731</u>	<u>2,811,144</u>

The above information was provided by the Government of the Northwest Territories.

Amortization expense for 2014-15 is \$302,042 (\$216,129 2013-14).

10. CONTRACTUAL OBLIGATIONS

The Authority has entered into agreements for, or is contractually committed to, the following expenses subsequent to March 31, 2015.

	Expires in Fiscal Year	2015	Remaining Obligation	Total
Commercial & Residential Leases				
Seamus Quigg	2017	25,650	36,450	62,100
Jean Paul Bernard	2015	5,400	-	5,400
Norman Wells Claimant Corporation I	2019	55,800	167,400	223,200
Northwest Territories Housing Corp	2015	16,920	-	16,920
Two Rivers Development Group Ltd.	2016	24,000	6,000	30,000
Northwest Territories Housing Corp	2015	21,520	-	21,520
Northern Cartrols Ltd.	2017	36,000	60,000	96,000
Equipment Leases				
Xerox Canada Limited	2017	14,767	29,534	44,301
Total		<u>200,057</u>	<u>299,384</u>	<u>499,441</u>

Sahtu Health & Social Services Authority

Notes to the Financial Statements

For the year ended March 31, 2015

11. RELATED PARTY TRANSACTIONS

	2015	2014
Accounts Payable		
GNWT	190,894	524,946
Stanton Territorial Hospital Authority	119,752	231,100
Beaufort-Delta Health & Social Services Authority	36,998	29,457
NWT Power Corporation	940	5,452
	<u>348,584</u>	<u>790,955</u>
Wages Payable		
Wages and Benefits Payable to GNWT	<u>673,960</u>	<u>281,275</u>
	<u>673,960</u>	<u>281,275</u>
Accounts Receivable		
GNWT	<u>530,258</u>	<u>768,966</u>
	<u>530,258</u>	<u>768,966</u>
Expenditures		
Stanton Territorial Hospital Authority	264,946	278,110
Beaufort-Delta Health & Social Services Authority	187,820	152,771
NWT Power Corporation	18,613	21,537
NWT Housing Corporation	49,200	43,980
	<u>520,579</u>	<u>496,398</u>

All other related party transactions are disclosed elsewhere in the statements.

12. ECONOMIC DEPENDENCE

The Authority is dependent on funding from the Government of the Northwest Territories. Management acknowledges that the operations would be negatively affected if funding agreements were to change.

13. EXPENSES BY OBJECT

	2015	2014
Compensation	10,204,409	9,875,214
Other	<u>3,951,953</u>	<u>3,767,677</u>
	<u>14,156,362</u>	<u>13,642,891</u>

14. FINANCIAL INSTRUMENTS

The Authority's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. It is management's opinion that the Authority is not exposed to significant interest, or credit risks arising from these instruments. Unless otherwise noted, the fair value of these financial instruments approximate their carrying value.

15. PRIOR YEAR FIGURES

The prior year figures, presented for comparative purposes, have been restated where appropriate to conform with current year presentation.

Sahtu Health & Social Services Authority
SCHEDULE A
Schedule of Territorial Operating Advances
For the year ended March 31, 2015

	2015 Budget	2015 Actual	2014 Actual
	(unaudited)		
<i>Authority Administration</i>	1,522,000	1,522,007	1,357,000
<i>Equipment (under \$50,000)</i>	13,000	13,000	13,000
<i>Health Centres</i>	5,837,000	5,837,000	5,703,000
<i>Physician Services to NWT Residents</i>	928,000	920,299	865,618
<i>Intervention Services</i>	52,000	52,000	52,000
<i>Foster Care</i>	768,000	768,000	768,000
<i>Prevention & Promotion</i>	287,000	287,000	287,000
<i>Authority Social Services Delivery</i>	2,154,000	2,154,000	2,094,000
<i>Family Violence</i>	122,000	122,000	122,000
<i>Community Wellness Programs</i>	86,000	86,000	86,000
<i>Home Care</i>	608,000	608,000	598,000
<i>Residential Care</i>	100,000	100,000	-
	<u>12,477,000</u>	<u>12,469,306</u>	<u>11,945,618</u>

Sahtu Health & Social Services Authority
SCHEDULE B
Schedule of Other Recoveries directly from Third Parties
For the year ended March 31, 2015

	2015 Budget (unaudited)	2015 Actual	2014 Actual
WSCC	18,600	33,979	56,529
<i>Other Provincial Plans</i>	74,400	83,153	94,832
<i>Co-payment Users</i>	10,200	6,422	7,057
<i>Other Payment Sources</i>	-	40,118	10,959
	<u>103,200</u>	<u>163,672</u>	<u>169,377</u>

Sahtu Health & Social Services Authority
SCHEDULE C
Schedule of Other Revenues
For the year ended March 31, 2015

	2015 Budget			
	(unaudited)	2015	Actual 2014	Actual
Other Revenue from the GNWT				
<i>Enhanced Home Care - Schedule F-1</i>	549,059	491,846		456,588
<i>Healthy Family Program - Schedule F-2</i>	250,000	250,000		55,829
<i>Diabetes Awareness</i>	-	-		67,776
<i>Mental Health First Aid</i>	8,160	8,160		10,400
<i>Family Violence Protocol</i>	8,154	8,154		38,094
<i>Community Health Nurse Development</i>	76,329	62,475		295,982
<i>Other</i>	52,688	55,337		18,404
	<u>944,390</u>	<u>875,971</u>		<u>943,073</u>

Sahtu Health & Social Services Authority
SCHEDULE C
Schedule of Other Revenues
For the year ended March 31, 2015

	2015 Budget			
	(unaudited)	2015	Actual 2014	Actual
<i>Grants</i>	800	-		10,976
<i>NIHB Administration Fee</i>	-	-		1,549
<i>Transient Accommodation</i>	48,840	86,672		66,785
	<u>49,640</u>	<u>86,672</u>		<u>79,310</u>
	<u>994,030</u>	<u>962,643</u>		<u>1,022,382</u>

Sahtu Health & Social Services Authority

SCHEDULE D

Schedule of Expenses by Functional Services

For the year ended March 31, 2015

Functional Centre	Grants and Contributions		Operations and Maintenance		Compensation and Benefits		Valuation Allowances		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Administrative and Support Services	-	-	716,192	605,121	1,305,410	1,205,597	-	(21,225)	2,021,602	1,789,494
Ambulatory Care Services	-	-	241,684	231,797	686,316	688,502	-	-	928,000	920,299
Community Health Services	901,935	801,881	1,426,436	1,718,088	5,678,084	5,954,403	-	-	8,006,455	8,474,372
Social Services	22,827	24,760	776,985	698,176	1,357,595	1,547,951	-	-	2,157,407	2,270,887
Education	76,329	103,847	133,277	1,243	266,160	108,950	-	-	475,766	214,040
	<u>1,001,091</u>	<u>930,488</u>	<u>3,294,574</u>	<u>3,254,426</u>	<u>9,293,565</u>	<u>9,505,403</u>	<u>-</u>	<u>(21,225)</u>	<u>13,589,230</u>	<u>13,669,092</u>

For the year ended March 31, 2014

Functional Centre	Grants and Contributions		Operations and Maintenance		Compensation and Benefits		Valuation Allowances		Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Administrative and Support Services	-	-	648,949	640,287	1,179,092	1,159,020	-	58,775	1,828,041	1,858,083
Ambulatory Care Services	-	-	195,705	224,905	749,295	640,713	-	-	945,000	865,618
Community Health Services	893,488	603,140	1,516,043	1,631,318	5,511,035	5,578,306	-	-	7,920,566	7,812,764
Social Services	81,544	49,039	690,654	659,330	1,660,990	1,658,747	-	-	2,433,188	2,367,117
Education	516,184	295,982	33,277	4,027	-	108,727	-	-	549,461	408,736
	<u>1,491,216</u>	<u>948,161</u>	<u>3,084,628</u>	<u>3,159,867</u>	<u>9,100,412</u>	<u>9,145,513</u>	<u>-</u>	<u>58,775</u>	<u>13,676,256</u>	<u>13,312,318</u>

Sahtu Health & Social Services Authority
SCHEDULE E
Schedule of Non-Insured Recoveries and Expenses
For the year ended March 31, 2015

	2015 Budget (unaudited)	2015 Actual	2014 Actual
<i>Recoveries</i>	240,000	185,229	114,445
<hr/>			
<u>Expenses</u>			
<i>Drugs</i>	24,000	36,521	20,249
<i>Dental</i>	216,000	148,708	94,196
	240,000	185,229	114,445
<hr/>			
Net Expenses	-	-	-
<hr/>			

Sahtu Health & Social Services Authority

SCHEDULE F-1

Contribution Agreement

Home Care Enhancement Program

HSS01-2719

For the year ended March 31, 2015

	2015 Budget (unaudited)	2015 Actual	2014 Actual
Funding			
GNWT			
Department of Health & Social Services	549,059	491,846	456,588
Expenses			
Compensation and Benefits			
Norman Wells	44,467	31,710	32,080
Tulita	44,405	30,737	20,050
Fort Good Hope	143,839	160,961	168,368
Deline	206,534	230,151	181,912
Colville Lake	17,814	17,814	5,015
Compensation and Benefits Total	457,059	471,373	407,425
Operations & Maintenance			
Regional	32,000	19,423	-
Norman Wells	-	-	7,057
Tulita	-	-	4,027
Fort Good Hope	60,000	-	36,479
Deline	-	1,050	1,600
Operations & Maintenance Total	92,000	20,473	49,163
Expenses Total	549,059	491,846	456,588
Excess Funding Over Expenses	-	-	-

Sahtu Health & Social Services Authority

SCHEDULE F-2

Contribution Agreement

Healthy Families Program

HSS01-2716

For the year ended March 31, 2015

	2015 Budget (unaudited)	2015 Actual	2014 Actual
Funding			
GNWT			
Department of Health & Social Services	250,000	250,000	55,829
Expenses			
Compensation and Benefits			
Regional	-	-	990
Norman Wells	52,618	-	-
Tulita	55,439	53,770	-
Fort Good Hope	55,470	56,043	31,747
Deline	54,472	-	-
Colville Lake	56,526	54,572	-
Compensation and Benefits Total	274,525	164,386	32,737
Operations & Maintenance			
Norman Wells	-	5,083	-
Tulita	10,610	34,795	-
Fort Good Hope	10,750	11,726	23,092
Deline	2,781	5,242	-
Colville Lake	8,035	36,067	-
Operations & Maintenance Total	32,176	92,913	23,092
Expenses Total	306,701	257,299	55,829
Excess Funding Over Expenses	(56,701)	(7,299)	-

Stanton Territorial Health Authority
Financial Statements
March 31, 2015

Stanton Territorial Health Authority

Financial Statements

March 31, 2015

Page

	Management's Responsibility for Financial Reporting	2
	Independent Auditors' Report	3 - 4
Statement I	Statement of Financial Position	5
Statement II	Statement of Operations	6
Statement III	Statement of Changes in Net Financial Debt	7
Statement IV	Statement of Cash Flows	8
	Notes to Financial Statements	9 - 22
Schedule A	Schedule of Operating Advances from the GNWT	23
Schedule B	Schedule of Other Recoveries for Direct Charges for Services	24
Schedule C	Schedule of Other Revenues	25
Schedule D	Schedule of Expenses by Functional Centre	26
Schedule E	Schedule of Non-Insured Recoveries and Expenses	27
Schedule F	Other Contributions	28 - 29
Schedule G	Schedule of Reserves	30



Management's Responsibility for Financial Reporting

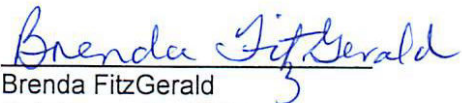
June 26, 2015

To the Minister of Health and Social Services
Government of the Northwest Territories
and
To the Public Administrator
Stanton Territorial Health Authority

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.

Stanton Territorial Health Authority 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 Authority acts in accordance with the laws of the Northwest Territories. The Authority's management recognizes its responsibility for conducting the Authority's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to a Territorial Health Authority.

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.



Brenda FitzGerald
Chief Executive Officer
Stanton Territorial Health Authority



Gloria Badari, CGA
Director of Corporate Services /
Chief Financial Officer
Stanton Territorial Health Authority

Independent Auditors' Report

To the Minister of Health and Social Services
Government of the Northwest Territories
and
To the Public Administrator
Stanton Territorial Health Authority

We have audited the accompanying financial statements of the Stanton Territorial Health Authority as at March 31, 2015, 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 F.

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 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, 2015, and its financial operations, changes in its net financial 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 F 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, 2015, 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 26, 2015

Crowe MacKay LLP
Chartered Accountants

Stanton Territorial Health Authority**Statement of Financial Position****STATEMENT I**

As at March 31, 2015 2014
Restated (Note 14)

Financial Assets

Cash	\$ 2,679,857	\$ 2,647,247
Special purpose funds (Note 4)	153,553	355,732
Trust assets (Note 5)	14,205	11,606
Accounts receivable (Note 6)	18,478,218	19,106,984
	21,325,833	22,121,569

Liabilities

Accounts payable and accrued liabilities (Note 7)	\$ 7,843,920	\$ 7,726,057
Payroll liabilities (Note 8)	31,873,539	25,852,993
Capital advances (Note 9)	23,081	216,663
Employee future benefits (Note 10)	6,262,908	5,938,203
Deferred revenue (Note 11)	-	2,975
Trust liabilities (Note 5)	14,205	11,606

Total Liabilities **46,017,653** **39,748,497**

Net Financial Debt **(24,691,820)** **(17,626,928)**

Non Financial Assets

Prepaid expenses (Note 12)	640,408	281,839
Inventories held for use (Note 13)	1,718,743	1,716,493
	2,359,151	1,998,332

Accumulated Deficit (Note 14) **\$ (22,332,669)** **\$ (15,628,596)**

Contingent Liabilities (Note 15)
Contractual Obligations (Note 16)

Approved on behalf of the Authority


Brenda FitzGerald
Chief Executive Officer


Gloria Badari, CGA
Director of Corporate Services /
Chief Financial Officer

Stanton Territorial Health Authority

Statement of Operations

For the year ended March 31,

2015

2014

Restated (Note 14)

	(unaudited) Budget	Actual	Actual
Revenue			
Operating advances from the GNWT (Schedule A)	\$ 89,049,000	\$ 88,956,187	\$ 83,957,155
Other recoveries (Schedule B)	22,947,480	20,574,359	24,226,215
Other revenues (Schedule C)	1,923,599	2,027,522	5,029,998
Non-insured recoveries and expenditures (Schedule E)	9,104,000	9,444,825	8,784,685
Interest revenue	70,000	89,084	77,486
	123,094,079	121,091,977	122,075,539
Expenditures			
Administration and support services (Schedule D)	45,846,979	46,868,195	45,322,476
Nursing inpatients/residents (Schedule D)	22,484,999	23,167,080	21,970,394
Ambulatory care services (Schedule D)	28,381,182	26,713,934	26,781,039
Diagnostic and therapeutic services (Schedule D)	18,718,352	19,203,296	17,897,485
Community health services (Schedule D)	877,961	775,164	775,286
Education (Schedule D)	1,372,529	1,305,607	775,140
Undistributed (Schedule D)	249,500	317,949	344,227
Non-insured recoveries and expenditures (Schedule E)	9,104,000	9,444,825	8,784,685
	127,035,502	127,796,050	122,650,732
Operating Deficit	(3,941,423)	(6,704,073)	(575,193)
Prior Year Funding Received (Note 17)	-	(370,187)	(1,379,155)
Operating Deficit Before Prior Year Funding	(3,941,423)	(7,074,260)	(1,954,348)
Unfunded Item:			
Change in employee leave and termination benefits (Note 10)	-	324,706	365,277
Annual Deficit Before the Following:	(3,941,423)	(6,749,554)	(1,589,071)
Rent expense - GNWT assets provided at no cost (note 18)	-	(2,405,173)	(2,381,450)
Grant-in-kind - GNWT assets provided at no cost (note 18)	-	2,405,173	2,381,450
Annual Deficit	\$ (3,941,423)	\$ (6,749,554)	\$ (1,589,071)
Opening Accumulated Deficit, as previously stated	-	(15,628,596)	(15,186,068)
Change in accounting policy (Note 14)	-	-	132,665
Opening Accumulated Deficit, as restated	-	(15,628,596)	(15,053,403)
Closing Accumulated Deficit (Note 14)	\$ (3,941,423)	\$ (22,332,669)	\$ (15,628,596)

Stanton Territorial Health Authority

Statement of Changes in Net Financial Debt

For the year ended March 31,	2015		2014
	(unaudited) Budget	Actual	Restated (Note 14)
			Actual
Annual operating deficit	\$ (3,941,423)	\$ (6,704,073)	\$ (575,193)
Adjustments			
Decrease / (increase) in inventories held for use	-	(2,250)	(341,055)
Decrease / (increase) in prepaid expenses	-	(358,569)	77,570
Decrease (Increase) in Net Financial Resources	(3,941,423)	(7,064,892)	(838,678)
Opening Net Financial Resources	-	(17,626,928)	(16,788,250)
Closing Net Financial Resources	\$ (3,941,423)	\$ (24,691,820)	\$ (17,626,928)

Stanton Territorial Health Authority

Statement of Cash Flows

For the year ended March 31,	2015	2014
		Restated (Note 14)
Net inflow (outflow) of cash related to the following activities:		
Operating transactions		
Operating surplus (deficit)	\$ (6,704,073)	\$ (575,193)
Change in non-cash assets and liabilities		
Decrease / (increase) in accounts receivable	628,766	1,109,258
Decrease / (increase) in prepaid expenses	(358,569)	77,572
Decrease / (increase) in inventory	(2,250)	(341,056)
Increase / (decrease) in accounts payable and accrued liabilities	117,862	1,789,380
Increase / (decrease) in payroll liabilities	6,020,546	(524,966)
Increase / (decrease) in deferred revenue	(2,975)	2,975
Increase / (decrease) in capital advances	(193,582)	(69,981)
Increase / (decrease) in employee future benefits	324,706	365,277
Increase / (decrease) in trust fund	2,599	1,988
Cash provided by operating transactions	(166,970)	1,835,254
Decrease in cash and restricted cash during the year	(166,970)	1,835,254
Cash and cash equivalents, beginning of year	3,014,585	1,179,331
Cash and cash equivalents, end of year	\$ 2,847,615	\$ 3,014,585
Represented by		
Cash	\$ 2,679,857	\$ 2,647,247
Special purpose fund	153,553	355,732
Trust assets	14,205	11,606
	\$ 2,847,615	\$ 3,014,585

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2015

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 provides a wide range of hospital services to residents of the Northwest Territories.

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 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) Other organizations

The financial statements do not include the assets, liabilities and activities of any organizations that are related to the Authority, such as the Stanton Territorial Hospital Auxiliary or the Stanton Territorial Hospital Foundation.

(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, 2015

2. Summary of 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.

(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

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2015

2. Summary of 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

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, 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.

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2015

2. Summary of Significant Accounting Policies (continued)

(j) 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) 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.

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2015

4. Special Purpose Funds

	2015	2014
	Restated (Note 14)	
Donation reserves		
Elks fund	18,089	18,604
Equipment fund	\$ 31,611	\$ 61,611
Other	80,772	58,854
	\$ 130,472	\$ 139,069
Capital asset advance	23,081	216,663
	\$ 153,553	\$ 355,732

5. Trust Assets and Liabilities

The trust assets represents cash being held in trust for patients.

	2015	2014
Patient cash in trust	\$ 14,205	\$ 11,606

6. Accounts Receivable

	Accounts Receivable	Allowance for Doubtful Accounts	Net 2015	Net 2014 Restated (Note 14)
Government of the Northwest Territories	12,947,848	1,608,281	11,339,567	13,100,580
Government of Nunavut	1,951,038	157,963	1,793,075	735,728
Government of Canada	500,137	185,292	314,845	435,068
WSCC - NWT	606,067	50,554	555,513	466,656
WSCC - Other jurisdictions	49,232	25,176	24,056	17,878
Other receivables	6,850,535	2,399,373	4,451,162	4,351,074
	\$ 22,904,857	\$ 4,426,639	\$ 18,478,218	\$ 19,106,984

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2015

7. Accounts Payable and Accrued Liabilities

	2015	2014 Restated (Note 14)
Government of the Northwest Territories	\$ 592,504	\$ 929,527
Government of Canada	7,225	14,632
Other	7,244,191	6,781,898
	\$ 7,843,920	\$ 7,726,057

8. Payroll Liabilities

	2015	2014
Government of the Northwest Territories	\$31,873,539	\$25,852,993

9. Capital Advances

	2015	2014
Opening balance	\$ 216,663	\$ 286,644
Disbursements	(193,582)	(69,981)
Closing balance	\$ 23,081	\$ 216,663

The Authority received advances from the DHSS for purchase of capital assets for the Authority and other health authorities in the Northwest Territories. This amount represents the unexpended balance.

10. 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.

	2015	2014
Removal	\$ 1,496,820	\$ 1,429,063
Termination	2,211,960	2,132,870
Leave	2,554,128	2,376,270
	\$ 6,262,908	\$ 5,938,203

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2015

11. Deferred Revenue

Deferred revenue consists of fees collected in advance for courses with dates beyond the fiscal year end. These amounts will be recognized in revenue as expenditures are incurred.

	2015		2014
Fees collected for courses	\$ -	\$	2,975

12. Prepaid Expenses

	2015		2014
Insurance	\$ 232,261	\$	-
Equipment and Software	194,777		87,009
Maintenance	116,800		10,079
Other	96,570		184,751
	\$ 640,408	\$	281,839

13. Inventories held for use

	2015		2014
General	\$ 56,911	\$	59,186
General plant	204,889		212,504
Laboratory	152,175		165,480
Medical/Surgical	763,630		739,896
Pharmacy	541,138		539,427
	\$ 1,718,743	\$	1,716,493

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2015

14. Accumulated Deficit

	2015	2014
Unfunded leave and termination benefits	\$ (6,262,908)	\$ (5,938,203)
Donations reserve	130,736	132,665
Operating deficit	(16,200,497)	(9,823,058)
	\$ (22,332,669)	\$ (15,628,596)

During the year, the Authority combined the "endowment and special purpose" fund with the operating fund. As a result the prior years financial information changed as follows:

	As previously stated	Restated	Change
Statement of Financial Position at March 31, 2013			
Ending accumulated deficit	15,143,247	15,053,403	89,844
Statement of Financial Position at March 31, 2014			
Special purpose funds	216,663	355,732	139,069
Accounts receivable	19,106,720	19,106,984	264
Accounts payable	7,719,387	7,726,055	6,668
Ending accumulated deficit	15,761,259	15,628,596	132,665
Statement of Operations for the year ended March 31, 2014			
Interest income	77,038	77,486	448
Other revenue	21,996,970	22,050,300	448
Administration and support services expenditures	45,311,519	45,322,476	10,957

15. 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.

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2015

16. Contractual Obligations

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	2016	2017 and thereafter	Total
Commercial and residential leases	2018	\$ 390,362	\$ 226,597	\$ 616,959
Services contracts	2026	25,937,482	140,667,541	166,605,023
Total		\$ 26,327,844	\$140,894,138	\$167,221,982

17. Prior Year Funding

The Authority received funding for restricted physician funding during the year.

	2015	2014
Restricted physician Funding	\$ 370,187	\$ 1,379,155

18. GNWT Assets Provided At No Cost

	Cost	Accumulated Amortization	2015 Net Book Value	2014 Net Book Value
Buildings	\$ 48,947,390	\$ 29,874,444	\$ 19,072,946	\$ 20,489,014
Mainframe and software systems	2,387,424	2,387,424	-	-
Medical equipment	16,078,036	10,231,386	5,846,650	6,372,946
Furniture and fixtures	218,604	218,604	-	-
	\$ 67,631,454	\$ 42,711,858	\$ 24,919,596	\$ 26,861,960

Rent expense for 2015 is \$2,405,173 (2014: \$2,381,450) with an offsetting grant-in-kind.

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2015

19. Pension Payable

The Authority does not have pension payable as of March 31, 2015.

20. Budget

Budget figures were those approved by the Authority's Public Administrator. The budget figures are not audited and are intended for information purposes only.

21. 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.

22. Comparative Figures

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, 2015

23. Expense By Object

For the year ended March 31,	2015		2014
	(unaudited) Budget	Actual	Actual
Expenditures			
Advertising and promotion	\$ 95,649	\$ 73,264	\$ 122,991
Communications	256,745	289,445	243,750
Compensation	66,257,676	65,336,637	63,126,004
Contracted and general services	4,504,500	4,651,767	4,336,007
Diagnostic and therapeutic supplies	976,045	989,779	1,097,541
Doubtful accounts (recovery)	-	(110,779)	2,375,567
Drugs and vaccines	2,135,135	2,379,085	1,876,198
Education	963,936	684,111	681,417
Equipment maintenance	1,176,233	1,101,237	1,043,287
General supplies	714,336	718,875	647,745
Insurance	161,208	63,386	152,629
Interest and bank charges	27,100	22,170	30,104
Leases	469,048	470,329	409,439
Maintenance and biomedical	356,000	376,530	293,479
Medical and surgical supplies	3,311,725	3,450,931	3,107,825
Medical gases	94,300	96,807	91,224
Medical travel	31,441,825	32,799,105	30,508,522
Minor capital	366,230	771,395	520,832
Non-capital renovations	109,000	113,473	306,282
Office and general administration	518,717	532,181	416,184
Postage and freight	130,500	168,447	165,587
Professional services	226,000	626,428	145,209
Purchased services	10,776,392	10,220,796	9,185,422
Travel	1,955,201	1,960,675	1,756,093
Utilities	12,000	9,975	11,394
Total Expenditures	\$ 127,035,502	\$ 127,796,050	\$ 122,650,732

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2015

24. 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:

	2015	2014
Accounts receivable (net of allowances):		
Government of the Northwest Territories		
Government of the Northwest Territories	\$ 4,530,331	\$ 6,206,674
Health Services Administration - THIS	3,020,231	4,018,209
Health Services Administration - NIHB	3,783,501	2,856,728
Health Services Administration - EHB	5,504	18,969
Health and Social Services Authorities		
Beaufort-Delta Health and Social Services Authority	51,091	79,147
Dehcho Health and Social Services Authority	6,180	30,697
Fort Smith Health and Social Services Authority	20,323	27,758
Hay River Health and Social Services Authority	69,326	60,226
Sahtu Health and Social Services Authority	128,204	188,761
Tlicho Community Services Agency	-	59,899
Yellowknife Health and Social Services Authority	221,606	171,257
Stanton Territorial Hospital Foundation	115,574	112,497
	\$ 11,951,871	\$ 13,830,822

Due to related parties:

	2015	2014
Accounts payable:		
Beaufort-Delta Health and Social Services Authority	18,003	495
Government of the Northwest Territories	592,504	929,527
Yellowknife Health and Social Services Authority	35,307	49,506
Payroll liabilities		
Government of the Northwest Territories	31,073,539	25,052,993
	\$ 31,719,353	\$ 26,032,521

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, 2015

24. Related Party Transactions (continued)

The Authority controls the Stanton Territorial Hospital Foundation (the "Foundation"). The Foundation raises funds to be contributed to the acquisition of assets for the Authority. The Foundation is incorporated under the *Societies Act* of the Northwest Territories and is registered as a charity under the *Income Tax Act*.

The Foundation has not been consolidated in the Authority's financial statements. Financial statements of the Foundation are available upon request. A financial summary of this unconsolidated entity is as follows:

Financial Position as at March 31,	2015	2014
Total assets	\$ 2,115,322	\$ 1,729,394
Total liabilities (1)	1,113,687	887,593
Net assets (2)	\$ 1,001,635	\$ 841,801

Results of Operations for the year ended March 31,	2015	2014
Total revenues (3)	\$ 468,677	\$ 518,906
Total expenditures	199,719	239,116
Excess of revenue	\$ 268,958	\$ 279,790

Cash Flows as at March 31,	2015	2014
Cash from operations	\$ 139,543	\$ 228,349
Cash generated by (used in) financing and investing activities	(431,297)	703
Change in cash position	\$ (291,754)	\$ 229,052

- (1) At March 31, 2015 the Foundation owed \$115,574 (2014 - \$112,497) to the Authority.
- (2) All of the Foundation's net assets must be provided to the Authority or be used for the Authority's benefit. In accordance with donor imposed restrictions, a surplus of \$153,742 (2014 - \$137,809) is restricted for Run for Our Lives Fund by the donors.
- (3) The Authority provided \$50,000 (2014 - \$50,000) to the Foundation as an operating contribution. The Authority also provides office space to the Foundation at no charge.

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2015

25. Risk Management

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 6.

The Authority's maximum exposure to credit risk is represented by the financial assets for a total of \$ 21,325,833 (2014 \$ 22,260,902).

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, 2015, receivables from one customer comprised 59% of the total outstanding accounts receivables (2014 - 82%). 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, 2015 mature within the next six months. Total financial assets are \$ 21,325,833 (2014 \$ 22,260,902 and financial liabilities are \$ 39,754,745 (2014 \$ 33,807,319). The authority has disclosed future financial liabilities and commitments in Note 16.

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

Schedule of Operating Advances from the GNWT

For the year ended March 31,

2015

2014

	(unaudited) Budget	Actual	Actual
Authority administration	\$ 4,451,000	\$ 4,451,000	\$ 3,961,000
Hospital services	51,847,000	51,847,000	50,210,000
Medical equipment	69,000	69,000	144,000
Medical travel	19,633,000	19,633,000	15,187,000
Physician services to NWT residents	12,958,000	12,495,000	12,985,000
Reallocation of surpluses - prior year	-	370,187	1,379,155
Social service delivery	91,000	91,000	91,000
	\$ 89,049,000	\$ 88,956,187	\$ 83,957,155

Stanton Territorial Health Authority

Schedule of Other Recoveries for Direct Charges for Services

For the year ended March 31,	2015		2014
	(unaudited) Budget	Actual	Actual
Other Recoveries from the GNWT	\$ 16,145,367	\$ 13,840,796	\$ 17,052,738
Other Direct Recoveries			
Government of Canada	295,600	228,866	277,004
Government of Nunavut	2,258,400	2,083,101	2,038,056
Other	3,274,013	3,046,377	3,950,008
Union of Northern Workers	158,000	190,254	198,853
Workers' Safety and Compensation Commission	816,100	1,184,965	709,556
	6,802,113	6,733,563	7,173,477
	\$ 22,947,480	\$ 20,574,359	\$ 24,226,215

Stanton Territorial Health Authority

Schedule of Other Revenues

For the year ended March 31,	2015		2014
	(unaudited) Budget	Actual	Actual
Other Revenues from the GNWT			
Department of Health and Social Services			
Allocation from Capital Advance for Cystoscopes	\$ -	\$ 193,582	\$ 69,981
Breast Cancer Risk Factor Brochure	-	3,000	-
Chief Clinical Advisor (HSS01 - 2744)	399,000	388,492	87,419
Healthy Children, Families and Communities			
Work Plan (HSS01 - 2654)	177,167	157,146	147,895
French Language Services (HSS01 - 2170am1)	229,700	110,642	85,187
Deputy Chief Public Health Officer (HSS01 - 2435)	410,397	397,790	363,593
MNE Graduate Nurse Placement (HSS01-2624am1, 2625am1, 2626am1, 2627am1, 2628am1, 2629am, 2630am1, 2631am1, & 2638am1)	479,339	468,653	104,002
EMR Ergotron Equipment	-	17,753	-
Implementation Specialist for the Electronic Medical Record (HSS01 - 2497)	66,678	66,249	8,505
Foot Care Training Program for NWT Health Care Practitioners (HSS01 - 2454)	14,450	11,732	14,248
THSSI - Medical Travel (HSS01 - 2239)	-	-	3,200,000
THSSI - Physician Staffing Model, Dialysis Program, Physician Resident Program (HSS01 - 1883)	-	-	764,000
Human Resources			
Relevant Experience Program	-	62,633	50,925
Progressive Experience Program	-	-	5,000
	1,776,731	1,877,672	4,900,755
Yellowknife Health & Social Services			
DI Clerk - Yellowknife Primary Care Clinic	43,860	43,860	26,705
French Language	54,588	57,570	56,244
Northern Options for Women	48,420	48,420	46,294
	\$ 1,923,599	\$ 2,027,522	\$ 5,029,998

Stanton Territorial Health Authority

Schedule of Expenses by Functional Centre

For the year ended, March 31,

2015

Functional Centre	Grants and Contributions		Operations and Maintenance		Compensation and Benefits		Valuation Allowance		Total	
	(unaudited) Budget	Actual	(unaudited) Budget	Actual	(unaudited) Budget	Actual	(unaudited) Budget	Actual	(unaudited) Budget	Actual
711 Administrative & support services	\$ 245,318	\$ 361,794	\$ 28,762,808	\$ 30,230,367	\$ 16,838,853	\$ 16,386,813	\$ -	\$ (110,779)	\$ 45,846,979	\$ 46,868,195
712 Nursing inpatient / resident services	-	32,550	2,342,600	2,520,508	20,142,399	20,614,022	-	-	22,484,999	23,167,080
713 Ambulatory care services	505,581	542,596	2,462,714	2,128,189	25,412,887	24,043,149	-	-	28,381,182	26,713,934
714 Diagnostic and therapeutic services	43,860	55,260	6,903,035	7,383,075	11,771,457	11,764,961	-	-	18,718,352	19,203,296
715 Community health services	588,922	549,501	159,094	111,022	129,945	114,641	-	-	877,961	775,164
718 Education	493,789	480,385	538,081	469,260	340,659	355,962	-	-	1,372,529	1,305,607
719 Undistributed	-	-	249,500	317,949	-	-	-	-	249,500	317,949
Total	\$ 1,877,470	\$ 2,022,086	\$ 41,417,832	\$ 43,160,370	\$ 74,636,200	\$ 73,279,548	\$ -	\$ (110,779)	\$ 117,931,502	\$ 118,351,225

Stanton Territorial Health Authority

Schedule of Non-Insured Recoveries and Expenses

For the year ended March 31,	2015		2014
	(unaudited) Budget	Actual	Actual
Recoveries	\$ 9,104,000	\$ 9,444,825	\$ 8,784,685
Expenditures			
Eye team	950,000	883,597	897,374
Eyeglasses	280,000	314,697	253,098
Medical travel	7,645,000	8,050,461	7,396,332
Patient aides	229,000	196,070	237,881
	9,104,000	9,444,825	8,784,685
Surplus	\$ -	\$ -	\$ -

Stanton Territorial Health Authority**SCHEDULE F-1****Schedule of Contributions
Deputy Chief Public Health Officer (HSS01-000000-2435)**

For the year ended March 31,**2015**

	(Unaudited) Budget	Actual
Funding		
Government of Northwest Territories - Department of Health and Social Services	\$ 410,397	\$ 397,790
Expenditures		
Administration fee	5,743	-
Compensation	403,598	416,867
Sundry	1,056	530
	410,397	417,397
Surplus	\$ -	\$ (19,607)

See payroll scope limitation in the Independent Auditors' Report.

Stanton Territorial Health Authority**SCHEDULE F-2****Schedule of Contributions (continued)
Chief Clinical Advisor (HSS01 - 000000 - 2744)**

For the year ended March 31,**2015**

	(Unaudited) Budget	Actual
Funding		
Government of Northwest Territories - Department of Health and Social Services	399,000	388,492
	399,000	388,492
Expenditures		
Compensation	388,492	388,492
Surplus	\$ 10,508	\$ -

See payroll scope limitation in the Independent Auditors' Report.

Stanton Territorial Health Authority

Schedule of Reserves

	Surplus / Deficit Reserve		Leave and Termination Benefits Reserve		Donations Reserve		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
Balance, beginning of year	\$ -	\$ -	\$ -	\$ -	\$ 132,665	\$ 89,844	\$ 132,665	\$ 89,844
Transfer from (to) operating fund	-	-	-	-	(1,929)	42,821	(1,929)	42,821
Balance, end of year	\$ -	\$ -	\$ -	\$ -	\$ 130,736	\$ 132,665	\$ 130,736	\$ 132,665

During the year, the Authority reclassified internally restricted reserves from endowment funds to special purpose funds

Yellowknife Health and Social Services Authority
Financial Statements
March 31, 2015

Yellowknife Health and Social Services Authority

Financial Statements

March 31, 2015

Page

	Management's Responsibility for Financial Reporting	3
	Independent Auditors' Report	4-5
Statement I	Statement of Financial Position	6
Statement II	Statement of Operations	7
Statement III	Statement of Change in Net Financial Resources	8
Statement IV	Statement of Cash Flows	9
	Notes to Financial Statements	10-20
Schedule A	Schedule of Operating Advances from the GNWT	21
Schedule B	Schedule of Other Recoveries for Direct Charges for Services	22
Schedule C	Schedule of Other Revenues	23
Schedule D	Schedule of Expenses by Functional Centre	24
Schedule E	Schedule of Non-insured Recoveries and Expenses	25
Schedule F	Other Contributions	26-28
Schedule G	Schedule of Reserves	29

Management's Responsibility for Financial Reporting

June 26, 2015

To the Minister of Health and Social Services
Government of the Northwest Territories
and
To the Board of Directors
Yellowknife Health and Social Services Authority

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.

Yellowknife Health and Social Services Authority 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 Authority acts in accordance with the laws of the Northwest Territories. The Authority's management recognizes its responsibility for conducting the Authority's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to a territorial Authority of Health and Social Services.

The external auditors annually provide an independent, objective audit for the purpose 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.



Les Harrison, BSW, MSW, MBA
Chief Executive Officer
Yellowknife Health and Social Services Authority

Independent Auditors' Report

**To the Minister of Health and Social Services
Government of the Northwest Territories
and
To the Board of Trustees
Yellowknife Health and Social Services Authority**

We have audited the accompanying financial statements of the Yellowknife Health and Social Services Authority as at March 31, 2015, which comprise the statement of financial position and the statements of operations, change in net financial resources, 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 F.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Management is also responsible for the preparation of 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 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, 2015, and its financial operations, and changes in financial position 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 F 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, 2015, 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 29, 2015

Crowe MacKay LLP
Chartered Accountants

Yellowknife Health and Social Services Authority

Statement of Financial Position

As at March 31,	2015	2014
Financial Assets		
Cash	\$ 1,732,661	\$ 1,108,886
Special purpose funds (Note)	140,190	125,442
Accounts receivable (Note 5)	1,962,438	2,318,534
	3,835,289	3,552,862
Liabilities		
Accounts payable and accrued liabilities (Note 6)	1,529,348	1,723,647
Payroll liabilities (Note 7)	5,469,838	2,794,263
Deferred revenue (Note 8)	21,508	33,140
Contributions repayable (Note 9)	56,893	56,893
Employee future benefits (Note 10)	2,294,942	2,437,257
	9,372,529	7,045,200
Net Financial Resources	(5,537,240)	(3,492,338)
Non-Financial Assets		
Prepaid expenses (Note 11)	697,584	471,670
Accumulated Deficit (Note 12)	\$ (4,839,656)	\$ (3,020,668)

Contingent Liabilities (Note 13)
Contractual Obligations (Note 14)

Approved on behalf of the Authority



Les Harrison, BSW, MSW, MBA
Chief Executive Officer



Tegwen Jones, BA, CMA, CHRP
Director of Finance and
Administration

Yellowknife Health and Social Services Authority

Statement of Operations

For the year ended March 31,	2015		2014
	(unaudited) Budget	Actual	Actual
REVENUE			
Operating advances from the GNWT (Schedule A)	\$ 47,692,000	\$ 47,692,000	\$ 44,723,000
Other recoveries (Schedule B)	2,274,200	3,520,931	2,736,367
Other revenues (Schedule C)	2,370,354	2,732,899	4,189,302
Non-insured recoveries and expenses (Schedule E)	-	40,893	36,075
Interest revenue	70,000	72,277	76,456
	52,406,554	54,059,000	51,761,200
EXPENDITURES			
Administrative and support services (Schedule D)	3,931,065	4,792,943	4,383,875
Ambulatory care services (Schedule D)	16,507,752	18,128,577	16,637,876
Community health services (Schedule D)	8,500,541	8,656,304	8,692,783
Social services (Schedule D)	23,467,196	24,259,271	22,576,155
Non-insured recoveries and expenses (Schedule E)	-	40,893	36,075
	52,406,554	55,877,988	52,326,764
OPERATING DEFICIT	-	(1,818,988)	(565,564)
Prior year physician funding received (Note 15)	-	(361,000)	-
OPERATING DEFICIT BEFORE PRIOR YEAR FUNDING	-	(2,179,988)	(565,564)
UNFUNDED ITEM			
Change in employee future benefits (note 8)	-	(142,314)	99,828
SURPLUS (DEFICIT) BEFORE THE FOLLOWING	-	(2,322,302)	(465,736)
Rent expense - GNWT assets provided at no cost (note 16)	-	446,617	481,591
Grant-in-kind - GNWT assets provided at no cost (note 16)	-	(446,617)	(481,591)
ANNUAL DEFICIT	-	(2,322,302)	(465,736)
OPENING ACCUMULATED DEFICIT	-	(3,020,668)	(2,455,104)
CLOSING ACCUMULATED SURPLUS DEFICIT	\$ -	\$ (4,839,656)	\$ (3,020,668)

Yellowknife Health and Social Services Authority
Statement of Change in Net Financial Resources

For the year ended March 31,	2015		2014
	(unaudited) Budget	Actual	Actual
Operating deficit	\$ -	\$ (1,818,988)	\$ (565,564)
Adjustments:			
Decrease (increase) in prepaid expenses	-	(225,914)	32,223
INCREASE IN NET FINANCIAL RESOURCES	-	(2,044,902)	(533,341)
NET FINANCIAL RESOURCES, BEGINNING OF YEAR	-	(3,492,338)	(2,958,997)
NET FINANCIAL RESOURCES, END OF YEAR	\$ -	\$ (5,537,240)	\$ (3,492,338)

Yellowknife Health and Social Services Authority

Statement of Cash Flows

For the year ended March 31,	2015	2014
Net inflow (outflow) of cash related to the following activities:		
Operating transactions		
Operating deficit	\$ (1,818,988)	\$ (565,564)
Change in non-cash assets and liabilities		
Decrease (increase) in accounts receivable	356,096	(264,501)
Decrease (increase) in prepaid expenses	(225,914)	32,223
Increase (decrease) in accounts payable and accrued liabilities	(194,300)	(95,399)
Increase (decrease) in payroll liabilities	2,675,575	94,432
Increase (decrease) in deferred revenue	(11,632)	(10,189)
Increase (decrease) contributions repayable	-	46,425
Increase in employee future benefits	(142,314)	99,828
Cash provided by operating transactions	638,523	(662,745)
Increase (decrease) in cash and cash equivalent during the year	638,523	(662,745)
Cash and cash equivalent at beginning of year	1,234,328	1,897,073
Cash and cash equivalent at end of year	\$ 1,872,851	\$ 1,234,328
Represented by		
Cash	\$ 1,732,661	\$ 1,108,886
Special purpose funds	140,190	125,442
	\$ 1,872,851	\$ 1,234,328

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

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 provides a full range of health and social services to the communities of Dettah, Deninu, Lutsel K'e, Ndilo and Yellowknife.

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 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 include cash on hand and demand deposits that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value.

(b) Special purpose funds

The DHSS policy requires the Authority to establish the following reserves:

Deficit Reserve - reflects the funds maintained in a reserve according to the DHSS Surplus/Deficit Retention Policy.

Termination Benefit Reserve - the funds received in advance for the severance liability of employees who were transferred to the Authority from the Government of the Northwest Territories (GNWT). These liabilities will be reduced as employees are paid out upon termination of employment with the Authority.

Physician Reserve - the funds received in advance for physician liability.

(c) Employee future benefits

In accordance with GNWT accounting policies specified for public agencies, the Authority annually accrues estimated employee future benefits payable.

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

2. Summary of Significant Accounting Policies (continued)

(d) 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.

(e) 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.

(f) Prepaid expenses

Prepaid expenses include payments made in advance of receipt of services or goods and are charged to expense in the periods when the services or goods are consumed.

(g) 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.

(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.

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

2. Summary of Significant Accounting Policies (continued)

(h) Revenue recognition (continued)

Program recoveries

The Authority has established program delivery contribution agreements with various non-governmental organizations for which the Authority receives funding from the territorial and federal governments. Excess revenues or expenditures on the program delivery are reported to the Authority when audited financial statements of the non-governmental organizations become available. Excess revenues on program delivery contribution agreements are recorded as recoveries when received. Excess expenditures are funded by the non-governmental organizations and do not impact the accompanying financial statements.

Government transfers

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.

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

2. Summary of Significant Accounting Policies (continued)

(j) 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) 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.

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

4. Special purpose funds

	2015	2014
Donation Reserve	\$ 51,327	\$ 63,599
Physician Reserve	27,020	-
Termination Benefit Reserve	61,843	61,843
	\$ 140,190	\$ 125,442

5. Accounts Receivables

	Gross	AFDA	Net	2015	2014
				Net	Net
Government of the Northwest Territories	\$ 689,160	\$ -	\$ 689,160	\$ 1,503,167	
Government of Nunavut	505,774	-	505,774	209,797	
Workers' Safety & Compensation Commission Northwest Territories	7,354	-	7,354	13,429	
Other	818,619	(58,469)	760,150	592,141	
	\$2,020,907	(58,469)	\$1,962,438	\$ 2,318,534	

6. Accounts Payable and Accrued Liabilities

	2015	2014
Government of the Northwest Territories	\$ 149,709	\$ 151,727
Other	1,379,639	1,571,920
	\$ 1,529,348	\$ 1,723,647

7. Payroll liabilities

	2015	2014
Government of the Northwest Territories	\$ 5,469,838	\$ 2,794,263

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

8. Deferred Revenue

Deferred revenue consists of amounts received for which project completion dates extend beyond the fiscal year end, or conditions attached to the use of the funds have not yet been met. These amounts will be recognized in revenue as expenditures are incurred or conditions of funding are satisfied.

	2015	2014
Government of Northwest Territories		
Professional Development Initiative	\$ 21,508	\$ 33,140

9. Contributions Repayable

	2015	2014
Government of the Northwest Territories	\$ 52,238	\$ 52,238
City of Yellowknife	4,655	4,655
	\$ 56,893	\$ 56,893

10. Employee Future Benefits

Under the conditions of employment, employees qualify for annual leave of varying lengths depending on their length of service. Certain employees earn severance remuneration based on the number of years of service. All employees will also receive assistance with removal costs to return to their point of recruitment depending on the number of years of service. Annual leave is payable within one fiscal year. The payment of the 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.

	2015	2014
Removal	\$ 770,028	\$ 763,623
Termination, severance, resignation, retirement	465,456	521,241
Leave	1,059,458	1,152,393
	2,294,942	2,437,257
Less: current portion	1,228,778	1,340,338
Long term portion	\$ 1,066,164	\$ 1,096,919

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

11. Prepaid Expenses

	2015	2014
Leases	\$ 11,262	\$ 3,540
Other	236,724	100,411
Physician signing bonus	449,598	367,719
	\$ 697,584	\$ 471,670

12. Accumulated Deficit

	2015	2014
Donations Reserve	\$ 51,327	\$ 63,599
Leave and Termination Fund	(2,517,727)	(2,375,413)
Operating Fund	(2,462,119)	(770,697)
Severance Reserve	61,843	61,843
Physician Reserve	27,020	-
	\$ (4,839,656)	\$ (3,020,668)

13. Contingent Liabilities

In common with many health authorities, claims are made against the Authority and its staff. As of March 31, 2015, there were no claims pending against the Authority.

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.

14. Contractual Obligations

The Authority has commitments for office space leases, contractual agreements for services and purchases, and program contribution agreements which will require payment in upcoming years. The minimum annual payments for these commitments are as follows:

	Expires in Fiscal Year	2016	2017 and thereafter	Total
Commercial and residential leases	2019	\$ 298,721	\$ 162,866	\$ 461,587
Equipment leases	2016	68,906	10,509	79,415
Total		\$ 367,627	\$ 173,375	\$ 541,002

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

15. Prior Year Funding Received

The Authority received funding for restricted physicians 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.

	2015	2014
Restricted Physician Funding	\$ 361,000	\$ -

16. GNWT Assets Provided at No Cost

			2015	2014
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings	\$ 5,715,699	\$(4,896,630)	\$ 819,069	\$ 1,002,364
Leasehold improvements	5,266,452	(1,250,782)	4,015,670	4,278,992
	\$ 8,802,163	\$(6,147,412)	\$ 4,834,739	\$ 5,281,356

Rent expense for 2015 is \$446,617 (2014 - \$481,591) with an offsetting grant-in-kind.

17. Pension payable

The Authority does not have pension payable as of March 31, 2015.

18. Budget

Budget figures were those approved by the Authority's board of directors and DHSS. The budget figures are not audited and are intended for information purposes only.

19. Comparative Figures

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

20. 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.

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

21. 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 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.

	2015	2014
Due from related parties:		
Accounts receivable:		
Beaufort-Delta Health and Social Services Authority	\$ 9,329	\$ 8,340
Fort Smith Health and Social Services Authority	4,780	-
Government of the Northwest Territories	689,160	1,503,167
NWT Power Corporation	-	75
NWT Housing Corporation	4,463	289
Stanton Territorial Health Authority	39,076	52,926
Tli Cho Community Services Agency	22,203	10,953
	\$ 769,011	\$ 1,575,750

	2015	2014
Due to related parties:		
Accounts payable		
Aurora College	\$ 600	\$ 1,800
Beaufort-Delta Health and Social Services Authority	-	7,768
Government of the Northwest Territories	149,709	151,727
Hay River Health and Social Services	-	1,258
NWT Power Corporation	484	352
Stanton Territorial Health Authority	238,979	188,799
Employee and payroll-related liabilities		
Government of the Northwest Territories	5,469,838	2,794,263
Deferred revenue		
Government of the Northwest Territories	21,508	33,140
Contributions repayable		
Government of the Northwest Territories	52,238	52,238
	\$ 5,933,356	\$ 3,231,345

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.

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

22. Expenses by Object

For the year ended March 31,	2015	2015	2014
	(Unaudited) Budget	Actual	Actual
Expenditures			
Grants and contributions			
Adult services	\$ 490,000	\$ 490,000	\$ 490,000
Community social services	345,026	345,026	345,026
Community wellness	200,000	200,000	200,000
Dementia care	3,663,000	3,633,000	3,633,000
Early intervention	250,000	250,000	250,000
Family violence shelter	668,923	668,923	668,923
Long-term care	3,642,223	3,803,512	3,642,223
Other	670,204	765,297	586,590
Withdrawal management	460,231	460,231	453,430
	10,389,607	10,615,989	10,269,192
Compensation			
Purchased services - fee for service	1,035,000	975,406	784,773
Purchased services - locum	660,000	2,634,966	1,944,889
Purchased services - management & operations	44,700	60,798	35,518
Purchased services - unit producing	126,165	345,184	163,581
Salaries/wages - management & operations	2,102,709	2,067,113	2,069,437
Salaries/wages - physicians	9,959,725	9,419,568	9,109,253
Salaries/wages - unit producing	17,247,081	18,271,899	17,096,305
	31,175,380	33,774,934	31,203,756
Operations and maintenance			
Advertising and promotion	85,300	76,747	79,152
Drugs and vaccines	321,800	419,491	407,043
Foster care	2,104,300	2,194,953	2,016,717
Groceries	124,300	172,975	126,532
Insurance	125,600	142,562	134,157
Maintenance	16,000	24,530	19,745
Medical supplies	199,158	208,995	206,898
Minor capital	335,500	394,297	394,919
Office and administration supplies	547,397	584,966	554,975
Professional services	248,455	243,586	216,896
Referred out and contracted services	5,109,439	5,171,418	5,048,785
Rent - equipment	225,200	264,597	224,815
Rent - land and buildings	376,320	404,032	350,573
Training and development	390,991	335,709	352,706
Travel	528,707	685,854	503,504
Utilities	19,100	34,477	23,150
Vehicle operations and maintenance	84,000	97,898	101,839
	10,841,567	11,457,087	10,762,406
Valuation allowance			
Bad debts (recovery)	-	(10,915)	55,335
Non-insured expenses	-	40,893	36,075
Total Expenditures	\$ 52,406,554	\$ 55,877,988	\$ 52,326,764

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2015

23. Risk Management

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 and trust asset 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 trust asset 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 5.

The Authority's maximum exposure to credit risk is represented by the financial assets balance for a total of \$ 3,835,289 (2014: \$ 3,552,862)

(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 Authority in the event of a default. The Authority does have concentration risk. At March 31, 2015, receivables from one customer comprised 55% of the total outstanding accounts receivables (2014 - 63%). The Authority reduces this risk by monitoring overdue balances.

The Authority also has concentration risk as deposits are held in one Canadian chartered bank.

(iii) 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 does have a liquidity risk in accounts payable and accrued liabilities, payroll liabilities and contributions repayable \$7,056,079 (2014 - \$4,574,803). 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, 2015 mature within the next six months. The authority has disclosed future financial liabilities and commitments in Note 14.

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

Yellowknife Health and Social Services Authority

Schedule of Operating Advances from the GNWT

For the year ended March 31,	2015		2014
	(unaudited) Budget	Actual	Actual
Administration services	\$ 2,540,000	\$ 2,540,000	\$ 2,182,000
Authority social service delivery	4,855,000	4,855,000	4,706,000
Capital under \$50,000	45,000	45,000	45,000
Community wellness programs	1,325,000	1,325,000	1,319,000
Epistemology and disease registry	-	-	44,000
Family violence programs	825,000	825,000	665,000
Foster care	3,195,000	3,195,000	3,195,000
Health centres	4,594,000	4,594,000	4,342,000
Homecare	2,079,000	2,079,000	2,025,000
Intervention services	1,003,000	1,003,000	534,000
Mental health and addictions	175,000	175,000	-
Physicians services	14,253,000	13,892,000	12,854,000
Prevention and promotion	35,000	35,000	35,000
Prior year deficit funding	-	361,000	-
Residential care - alcohol and drug programs	850,000	850,000	850,000
Residential care - children	1,452,000	1,452,000	1,452,000
Residential care - elderly and handicapped	10,466,000	10,466,000	10,475,000
	\$ 47,692,000	\$ 47,692,000	\$ 44,723,000

Yellowknife Health and Social Services Authority

Schedule of Other Recoveries for Direct Charges for Services

For the year ended March 31,	2015		2014
	(unaudited) Budget	Actual	Actual
Other Recoveries from the GNWT			
11016 - Fee for service	1,374,500	1,115,460	771,840
11062 - Non residents self pay	-	42	-
11064 - Non residents reciprocal billing	490,000	769,502	-
11080 - Insured Residents self pay	-	1,435	117,359
11082 - Insured residents self pay	-	7,902	-
	1,864,500	1,894,341	889,199
Other recoveries from Third Parties			
12050 - Drugs and Vaccines	\$ 90,000	\$ 102,658	\$ 109,835
12070 - Housing Rentals	25,200	36,213	14,265
12080 - Other Miscellaneous	22,000	623,066	243,268
12220 - Other Revenue	-	4,663	6,628
12060 - Parking Rentals	36,000	34,385	31,924
12010 - Physician chargeback	-	36,190	40,821
12031 - Meals on Wheels	5,000	1,080	5,025
12322 - WSCC	-	1,481	4,633
	178,200	839,736	456,399
Other			
11050 - WSCC	75,000	173,716	117,197
12320 - Nunavut Recoveries	-	466,884	494,133
11070 - Uninsured residents	2,500	28,929	1,939
11080 - Insured residents self pay	35,000	2,776	48,735
11082 - Insured residents self pay	97,000	109,276	100
11062 - Non residents self pay	22,000	5,273	728,665
	231,500	786,854	1,390,769
	\$ 2,274,200	\$ 3,520,931	\$ 2,736,367

Yellowknife Health and Social Services Authority

Schedule of Other Revenues

For the year ended March 31,	2015		2014
	(unaudited) Budget	Actual	Actual
Other Revenues from the GNWT			
Department of Health & Social Services - EMR	42,334	\$ 42,334	\$ -
Department of Health & Social Services - EHC	898,941	898,941	750,507
Department of Health & Social Services - Healthy Foods	21,079	18,287	-
Department of Health & Social Services - Grad SW	50,000	50,000	50,000
Department of Health & Social Services - Respite	250,000	250,000	250,000
Department of Health & Social Services - Mental health FA	-	17,879	2,074
Department of Health & Social Services - ASIT	-	2,122	-
Department of Health & Social Services - Day Shelter	250,000	115,000	218,750
Department of Health & Social Services - Other	-	-	1,814,170
GNWT Other Departments	-	162,246	83,260
GNWT - Department of Health & Social Services - Admin fees	3,000	2,813	41,084
	1,515,354	1,559,622	3,209,845
Other Revenues from the third parties			
Health and Social Services - Revenue from Other Boards	700,000	974,487	741,163
Revenue from Non Government Entities	155,000	186,857	221,972
Donations/Bequests	-	300	6,134
DI Surplus Revenue	-	11,633	10,188
	855,000	1,173,277	979,457
	\$ 2,370,354	\$ 2,732,899	\$ 4,189,302

Yellowknife Health and Social Services Authority

Schedule of Expenses by Functional Centre

For the year ended March 31,

2015

Functional Centre	Grants and Contributions		Operations and Maintenance		Compensation and Benefits		Valuation Allowance		Total	
	(unaudited) Budget	Actual	(unaudited) Budget	Actual	(unaudited) Budget	Actual	(unaudited) Budget	Actual	(unaudited) Budget	Actual
711 Administrative and support services	\$ -	\$ -	\$ 769,880	\$ 751,762	\$ 3,161,185	\$ 4,053,882	\$ -	\$ (12,701)	\$ 3,931,065	\$ 4,792,943
713 Ambulatory care services	-	-	1,369,152	1,353,618	15,138,600	16,774,959	-	-	16,507,752	18,128,577
715 Community health services	-	-	1,027,458	1,205,935	7,473,083	7,450,369	-	-	8,500,541	8,656,304
716 Social services	10,389,607	10,615,989	7,675,077	8,145,772	5,402,512	5,495,724	-	1,786	23,467,196	24,259,271
Total	\$ 10,389,607	\$ 10,615,989	\$ 10,841,567	\$ 11,457,087	\$ 31,175,380	\$ 33,774,934	\$ -	\$ (10,915)	\$ 52,406,554	\$ 55,837,095

Yellowknife Health and Social Services Authority**Schedule of Non-Insured Recoveries and Expenses**

For the year ended March 31, **2015** **2014**

(unaudited)
Budget **Actual** **Actual**

Recoveries

Dental travel recoveries	\$ -	\$ 40,893	\$ 36,075
--------------------------	------	-----------	-----------

Expenses

Dental travel	-	40,893	36,075
---------------	---	--------	--------

Excess of Recoveries

	\$ -	\$ -	\$ -
--	------	------	------

Yellowknife Health and Social Services Authority
Other Contributions**Primary Physician Care - Behchoko, Gameti, Whati and Wekweeti**

For the year ended March 31,

2015

	(unaudited) Budget	Actual
Revenue		
Tli'cho Community Services Agency	\$ 700,000	\$ 699,996
Expenditures		
Compensation	680,000	680,000
Travel - Physicians	20,000	20,000
	700,000	700,000
Excess of Revenue	\$ -	\$ (4)

See scope limitation in the Independent Auditors' Report.

Yellowknife Health and Social Services Authority
Other Contributions (continued)
Homecare Enhancement

For the year ended March 31,
2015

	(unaudited) Budget	Actual
Revenue		
Department of Health & Social Services	\$ 898,941	\$ 898,941
Expenditures		
Groceries and miscellaneous	47,000	47,000
Medical and surgical supplies	33,558	33,558
Salaries and benefits	759,290	759,290
Training and supplies	39,093	39,093
Travel	20,000	20,000
	898,941	898,941
Excess of Revenue	\$ -	\$ -

See scope limitation in the Independent Auditors' Report.

Yellowknife Health and Social Services Authority
Other Contributions (continued)
Respite Services for Persons With Disabilities

For the year ended March 31,

2015

	(unaudited) Budget	Actual
Revenue		
Department of Health & Social Services	\$ 250,000	\$ 250,000
Expenditures		
Compensation	250,000	250,000
Excess of Revenue	\$ -	\$ -

See scope limitation in the Independent Auditors' Report.

Yellowknife Health and Social Services Authority

Schedule of Reserves

	Physician Reserve		Leave and Termination Benefits Reserve		Donations Reserve		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
March 31,								
Balance, beginning of year	\$ -	\$ -	\$ 61,843	\$ 61,843	\$ 63,598	\$ 60,925	\$ 125,441	\$ 122,768
Transfer from (to) operating fund	27,020	-	-	-	(12,271)	2,673	14,749	2,673
Balance, end of year	\$ 27,020	\$ -	\$ 61,843	\$ 61,843	\$ 51,327	\$ 63,598	\$ 140,190	\$ 125,441