

PUBLIC ACCOUNTS
OF THE
GOVERNMENT OF THE NORTHWEST TERRITORIES
FOR THE YEAR ENDED MARCH 31, 2014

SECTION I
CONSOLIDATED FINANCIAL STATEMENTS

Honourable J. Michael Miltenberger
Minister of Finance

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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 21, 2014



Honourable J. Michael Miltenberger
Minister of Finance

October 17, 2014



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**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	42
Schedule B - Consolidated Schedule of Segmented Information	43

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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 judgments 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 results of its operations, changes in its net debt 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

October 17, 2014

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INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of the Northwest Territories

Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Government of the Northwest Territories, which comprise the consolidated statement of financial position as at 31 March 2014, 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 2014, 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 *Northwest Territories Act*, 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 Government of the Northwest Territories and the consolidated financial statements are in agreement therewith. In addition, 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.



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

17 October 2014
Edmonton, Canada

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

as at March 31, 2014

(thousands of dollars)

	2014	2013
	\$	\$
Financial assets		
Cash and cash equivalents (note 4)	62,924	70,461
Portfolio investments (note 5)	89,174	72,515
Due from the Government of Canada (note 14)	28,154	21,996
Accounts receivable (note 7)	68,304	62,183
Inventories for resale (note 8)	32,548	31,958
Loans receivable (note 9)	61,141	60,264
Investment in Northwest Territories Hydro Corporation (note 10)	115,790	110,557
	458,035	429,934
Liabilities		
Short term loans (note 11)	144,909	104,962
Accounts payable and accrued liabilities (note 12)	267,282	224,165
Deferred revenue (note 13)	29,910	43,323
Due to the Government of Canada (note 14)	100,832	116,917
Capital lease obligations (note 15)	3,181	4,331
Long-term debt (note 16)	194,984	195,030
Pensions (note 17)	25,652	25,528
Other employee future benefits (note 18)	55,165	53,744
	821,915	768,000
Net debt	(363,880)	(338,066)
Non-financial assets		
Tangible capital assets (schedule A)	2,138,614	2,027,351
Inventories held for use (note 8)	5,463	5,350
Prepaid expenses	5,341	6,337
	2,149,418	2,039,038
Accumulated surplus	1,785,538	1,700,972

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, 2014

(thousands of dollars)

	2014	2014	2013
	Budget	Actual	Actual
	\$	\$	\$
Net debt at beginning of year	(338,066)	(338,066)	(457,872)
Items affecting net debt:			
Annual surplus	99,147	84,566	174,987
Acquisition of tangible capital assets	(115,021)	(205,892)	(149,745)
Disposal of tangible capital assets	-	2,478	8,016
Amortization of tangible capital assets	94,352	92,151	89,116
Increase in inventories held for use	(200)	(113)	(2,310)
Decrease (increase) in prepaid expenses	-	996	(258)
Decrease (increase) in net debt	78,278	(25,814)	119,806
Net debt at end of year	(259,788)	(363,880)	(338,066)

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, 2014

(thousands of dollars)

	2014 Budget \$	2014 Actual \$	2013 Actual \$
Revenues			
Grant from the Government of Canada	1,121,244	1,121,244	1,070,023
Transfer payments (<i>note 22</i>)	123,390	154,370	170,570
	1,244,634	1,275,614	1,240,593
Taxation and general revenues			
Corporate and personal income taxes (<i>note 22</i>)	186,141	170,707	213,782
Other taxes (<i>note 22</i>)	117,994	117,277	116,825
General	48,701	56,072	48,320
Income from portfolio investments	4,470	3,471	2,735
Sales	86,590	93,147	96,354
Recoveries	39,425	52,621	46,138
	483,321	493,295	524,154
Recoveries of prior years' expenses	3,000	7,156	27,688
	1,730,955	1,776,065	1,792,435
Expenses (<i>note 23</i>)			
Environment and economic development	124,580	138,427	137,631
Infrastructure	386,652	392,205	384,231
Education	335,220	335,317	324,057
Health, social services and housing	475,122	524,076	485,806
Justice	116,759	118,868	114,736
General government	181,531	168,739	158,846
Legislative Assembly and statutory offices	18,525	19,100	18,631
	1,638,389	1,696,732	1,623,938
Annual operating surplus	92,566	79,333	168,497
Net income from investment in Northwest Territories Hydro Corporation (<i>note 10</i>)	6,581	5,233	6,490
Projects on behalf of third parties			
Expenses	(60,025)	(60,439)	(62,892)
Recoveries	60,025	60,439	62,892
Annual surplus	99,147	84,566	174,987
Accumulated surplus at beginning of year	1,700,972	1,700,972	1,525,985
Accumulated surplus at end of year	1,800,119	1,785,538	1,700,972

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, 2014

(thousands of dollars)

	2014	2013
	\$	\$
Cash provided by (used in)		
Operating transactions		
Annual surplus*	84,566	174,987
Items not affecting cash:		
Change in valuation allowances	(225)	3,708
Amortization	92,151	89,116
Net income from investment in NWT Hydro Corporation	(5,233)	(6,490)
	171,259	261,321
Changes in non-cash assets and liabilities:		
Due to the Government of Canada	(22,243)	(8,146)
Decrease (increase) in accounts receivable	(7,318)	12,572
Increase in inventories for resale	(590)	(468)
Increase (decrease) in accounts payable	43,117	(33,546)
Decrease in deferred revenue	(13,413)	(33,439)
Increase in pensions	124	1,401
Increase in employee future benefits	1,421	2,264
Increase in inventories held for use	(113)	(2,310)
Decrease (increase) in prepaid expenses	996	(258)
Cash provided by operating transactions	173,240	199,391
Investing transactions		
Disposition of portfolio investments	57,306	71,781
Acquisition of portfolio investments	(73,965)	(89,444)
Loans receivable receipts	9,806	9,504
Loans receivable advanced	(9,261)	(10,593)
Cash provided by (used for) investing transactions	(16,114)	(18,752)
Capital transactions		
Acquisition of tangible capital assets	(205,892)	(149,745)
Proceeds of disposition of tangible capital assets	2,478	8,016
Cash used for capital transactions	(203,414)	(141,729)
Financing transactions		
Net proceeds from (repayment) of short term loans	39,947	(29,979)
Repayment of capital lease obligations	(1,150)	(3,151)
Repayment of long-term financing	(46)	(3,094)
Cash provided by (used for) financing activities	38,751	(36,224)
Decrease in cash and cash equivalents	(7,537)	2,686
Cash and cash equivalents at beginning of year	70,461	67,775
Cash and cash equivalents at end of year**	62,924	70,461

* Total interest paid during the year \$7,676 (2013- \$8,184)

**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, 2014

(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
- 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 Opportunities Fund
- 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

Government Business Enterprise consolidated on the modified equity basis:

Northwest Territories Hydro Corporation Act

- Northwest Territories Hydro Corporation

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2014

(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, 2014 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.

(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, allowances 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 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.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2014

(All figures in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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. Other inventories, 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.

(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-offs are recognized when the assets have been deemed unrealizable and or uncollectable. Recoveries are recorded when loans previously written off are subsequently collected. Interest revenue is recorded on an accrual basis. Interest revenue is not accrued when the collectibility of either principal or interest is not reasonably assured.

(f) Investment in Northwest Territories Hydro Corporation

The Northwest Territories Hydro Corporation ("the Corporation") and its subsidiaries are accounted for in these financial statements using the modified equity method. The Government reports only its investment in, and the consolidated net income of, the Corporation. Amounts receivable or payable from the Corporation are disclosed in the notes to these financial statements.

(g) 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.

(h) 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 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
Leasehold improvements	Lesser of useful life or lease term plus renewal option

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2014

(All figures in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Tangible capital assets and leases (continued)

The estimate of the useful life of tangible capital assets is reviewed on a regular basis and revised where appropriate. 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 payments due. 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 lands are not recorded.

(i) Pensions and other employee future benefits

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 based on years of service. The benefits 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. The cost of the benefits has been determined based on management's best estimates using expected compensation levels and employee leave credits.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2014

(All figures in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) 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.

(k) 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.

(l) 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.

(m) 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 personal and corporate income taxes, fuel taxes, tobacco tax, payroll tax, and alcoholic beverage revenues at national average tax rates, and a revenue block of other own-source revenues. Population growth rates and growth in provincial/local government spending are variables used to determine 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.

(n) 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 Consolidated Financial Statements

March 31, 2014

(All figures in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Taxes 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.

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.

(p) Expenses

Grants and contributions are recognized as long as the grant or contribution is authorized and eligibility criteria have been met. All other expenses are recognized on an accrual basis.

(q) Environmental liabilities

Environmental liabilities consist of the estimated costs related to the management and remediation of environmentally contaminated sites. For contaminated sites, a liability is accrued and an expense recorded based on management's best estimates when the contamination occurs or when the Government becomes aware of the contamination and is obligated, or is likely obligated, to incur such costs. If the likelihood of the Government's obligation to incur these costs is either not determinable, or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

(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.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2014

(All figures in thousands of dollars)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

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. There are no significant allocations of revenues or expenses between segments.

Entities considered Government Business Enterprises for financial reporting purposes are identified as another segment since the nature of their operations is substantially different from the Government and the other entities within the Government Reporting Entity.

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. The agencies in this segment operate on a not-for-profit basis and 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, 2014

(All figures in thousands of dollars)

3. FUTURE ACCOUNTING CHANGES

The Public Sector Accounting Board issued PS 3260 Liability for Contaminated Sites effective for fiscal years beginning on or after April 1, 2014. 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. The Government will be required to recognize a liability related to the remediation of such contaminated sites subject to certain recognition criteria. The Government currently recognizes an estimate for further evaluation or remediation depending on the stage of the investigation. The Government is analyzing the impact of this standard on its financial statements.

The Public Sector Accounting Board issued PS 3450 Financial Instruments effective for fiscal years beginning on or after April 1, 2016. Items within the scope of the standard are assigned to one of two measurement categories: fair value, or cost or amortized cost. Fair value measurement will apply to derivatives and portfolio investments in equity instruments that are quoted in an active market. Also, when groups of financial assets and financial liabilities are managed on a fair value basis they may be reported on that basis. Other financial assets and financial liabilities will generally be measured at cost or amortized cost. Until an item is derecognized, gains and losses arising due to fair value remeasurement will be reported in the Statement of Remeasurement of Gains and Losses.

Government 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 in the prior year, however there was no significant impact on their financial statements as a result of its application. The Government is currently analyzing any possible future impact of these standards on its financial statements.

4. CASH AND CASH EQUIVALENTS

	2014	2013
	\$	\$
Cash	56,723	56,369
Short-term investments	6,201	14,092
	62,924	70,461

Cash and cash equivalents include investments in a diversified portfolio of high grade, short-term income producing assets. The portfolio yield for the year-ended March 31, 2014 was 1.08% (2013 - 1.12%). 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 formally known as the Dominion Bond Rating Service. 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. The average term to maturity, as at March 31, 2014, is 30 days (2013 - 65 days).

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2014

(All figures in thousands of dollars)

5. PORTFOLIO INVESTMENTS

	2014	2013
	\$	\$
Marketable securities (market value \$92,183; 2013 - \$75,576)	89,108	72,437
Miscellaneous investments	66	78
	89,174	72,515

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 Regulations.

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

- 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; or
- 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 purposes of meeting the obligations of the Legislative Assembly Supplemental Retiring Allowance and Judges Supplemental Pension Plans (*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.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2014

(All figures in thousands of dollars)

6. DESIGNATED ASSETS (continued)

	2014	2013
	\$	\$
Designated assets		
Student Loan Fund:		
Authorized limit for loans receivable	40,000	40,000
Less: Loans receivable balance (<i>note 9</i>)	(39,502)	(37,712)
	<hr/>	<hr/>
Funds designated for new loans	498	2,288
	<hr/>	<hr/>
Environment Fund:		
Beverage Container Program net assets	1,971	1,743
	<hr/>	<hr/>
Portfolio Investments for the Legislative Assembly Supplementary Retiring Allowance and Judges Supplemental Pension Plans:		
Marketable securities (market value \$28,676; 2013 - \$26,088)	25,227	23,435
Money market (market value approximates cost)	604	879
Cash and other assets (market value approximates cost)	301	393
	<hr/>	<hr/>
	26,132	24,707
	<hr/>	<hr/>
Northwest Territories Business Development and Investment Corporation:		
Venture Investment Fund	4,065	4,045
Subsidy Fund	462	518
Capital Fund	873	873
Venture Reserve Fund	485	485
Capital Reserve Fund	147	147
Loans and Bonds Fund	1,192	484
	<hr/>	<hr/>
	7,224	6,552
	<hr/>	<hr/>
	35,825	35,290
	<hr/>	<hr/>

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2014

(All figures in thousands of dollars)

7. ACCOUNTS RECEIVABLE

	Accounts Receivable	Allowance for Doubtful Accounts	Net 2014	Net 2013
General	69,507	(23,737)	45,770	36,652
Government of Nunavut	8,870	(188)	8,682	6,102
Hospital related costs due from third parties	7,898	(2,929)	4,969	10,344
Revolving fund sales	8,407	(187)	8,220	8,666
Accrued interest	25	-	25	26
	<hr/>	<hr/>	<hr/>	<hr/>
	94,707	(27,041)	67,666	61,790
Receivables from related parties:				
Northwest Territories Hydro Corporation	135	-	135	184
Workers' Safety and Compensation Commission	529	(26)	503	209
	<hr/>	<hr/>	<hr/>	<hr/>
	95,371	(27,067)	68,304	62,183

8. INVENTORIES

		2014	2013
		\$	\$
Inventories for resale:	Bulk fuels	29,318	28,518
	Liquor products	2,720	2,940
	Arts and crafts	510	500
		<hr/>	<hr/>
		32,548	31,958
Inventories held for use:	Housing materials and supplies	2,441	2,664
	Hospital supplies	2,879	2,532
	Public Stores	143	154
		<hr/>	<hr/>
		5,463	5,350
		<hr/>	<hr/>
		38,011	37,308

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2014

(All figures in thousands of dollars)

9. LOANS RECEIVABLE

	2014	2013
	\$	\$
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 5.09% and 5.73%, (2013 between 5.11% and 6.50%) before valuation allowance of \$6,399 (2013 - \$6,429).	42,615	43,940
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 \$4,135 (2013 - \$4,135). The debtor has initiated legal proceedings for receivership.*	5,060	5,635
Students Loan Fund loans due in installments to 2028, bearing fixed interest between 1.25% and 6.88%, (2013 - 1.25% and 11.75%) unsecured, before valuation unsecured, before valuation allowance and loan remissions of \$19,091 (2013 - \$18,070).	39,502	37,712
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%, (2013 - 3.00% and 12.00%) before valuation allowance of \$11,499 (2013 - \$13,912).	15,086	15,509
Other	2	14
	102,265	102,810
Valuation allowances	(41,124)	(42,546)
	61,141	60,264

Interest earned on loans receivable during the year was \$2,700 (2013 - \$2,697).

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 \$5,231 (2013 - \$7,096).

*Subsequent to year end, the Arslanian Cutting Works Inc. promissory note receivable was settled for \$1,836.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2014

(All figures in thousands of dollars)

10. INVESTMENT IN NORTHWEST TERRITORIES HYDRO CORPORATION

The following is summarized consolidated financial information for the Northwest Territories Hydro Corporation ("the Corporation") as at March 31, 2014.

	2014	2013
	\$	\$
Investment in Northwest Territories Hydro Corporation		
Shareholder's Equity	115,790	110,557
Shareholder's Equity is represented by:		
Assets:		
Cash	1,315	2,015
Accounts receivable	13,347	14,904
Inventories	6,051	5,511
Prepaid expenses	1,052	590
Other long-term assets	29,741	25,170
Property, plant and equipment	344,983	326,513
Total assets	396,489	374,703
Liabilities:		
Short-term debt	17,888	5,979
Accounts payable and accrued liabilities	18,113	15,071
Long-term debt	186,181	188,378
Other long-term liabilities	55,508	53,361
Employee future benefits	3,009	1,357
Total liabilities	280,699	264,146
	115,790	110,557

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

Revenue	103,969	101,392
Expenses	(98,736)	(94,902)
Net income	5,233	6,490
Surplus - Retained Earnings at beginning of the year	67,428	60,938
Surplus - Retained Earnings at end of the year	72,661	67,428

Included in the above are revenues from, and expenses to, entities in the Government reporting entity of \$34,819 (2013 - \$40,126) and \$25,659 (2013 - \$27,288), respectively.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2014

(All figures in thousands of dollars)

10. INVESTMENT IN NORTHWEST TERRITORIES HYDRO CORPORATION (continued)

Contractual obligations and contingencies

In March 2013, the Corporation entered into an agreement with Fortis BC to purchase liquefied natural gas (LNG) at the spot rate until December 31, 2014. On October 30, 2013, the Corporation entered into a contract with Ventures West Transport LP (VW) to transport the LNG from anywhere in Western Canada to the Corporation's LNG storage facility in Inuvik. Under the agreement, the Corporation 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 the Corporation under this agreement includes variable costs for LNG transportation as well as a fixed cost component.

Charges were filed by the Workers' Safety and Compensation Commission on February 20, 2014 against the Corporation and two of its employees under the *Northwest Territories Safety Act*, after an investigation around an event that occurred in 2013 while clearing a transmission line near Fort Smith. The Corporation has made one court appearance and is currently waiting for the discovery phase of the proceedings. It is too early to determine what if any cost may be incurred by the Corporation as a result of these charges.

The Corporation's approved capital plan, including estimated costs to complete capital projects in progress, as at March 31, 2014, was \$26,160 (2013 - \$28,384).

The Corporation has a fuel management services agreement with the Petroleum Products Division (PPD) of the Government. This agreement transferred the fuel inventory and maintenance of fuel tank farms of 20 communities served by the Corporation to PPD, consistent with the Corporation's operational requirements. The price of fuel under this agreement changes with the change in market price, the cost of freight, the Government's fuel tax rate and the amount of fuel purchased by the Corporation from PPD in a given year.

11. SHORT TERM LOANS

Based upon operational needs, the Government may enter into short term borrowing arrangements with its bank. Short-term loans of \$144,909 (2013 - \$104,962) incurred interest at a year end rate of 1.13% (2013 - 1.11%). Interest expense in 2014 was \$737 (2013 - \$723).

12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2014	2013
	\$	\$
Trade	163,889	131,327
Other liabilities	8,630	8,864
Employee and payroll-related liabilities	64,952	55,164
Environmental liabilities (<i>note 21(a)</i>)	27,327	26,345
Accrued interest	651	686
	265,449	222,386
Payable to related parties:		
Northwest Territories Hydro Corporation	1,831	1,075
Workers' Safety and Compensation Commission	2	704
	267,282	224,165

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2014

(All figures in thousands of dollars)

13. DEFERRED REVENUE

	2014	2013
	\$	\$
Government of Canada		
Ministry of Finance	5,802	6,658
Building Canada Plan	18,870	35,196
Inuvialuit Implementation Fund	100	-
Other	5,138	1,469
	29,910	43,323

Deferred revenue mainly consists of funds received from the Government of Canada for the GNWT to establish new airports, construct bridges and reconstruct highways. The GNWT is expected to complete these projects by March 31, 2015.

14. DUE FROM AND TO THE GOVERNMENT OF CANADA

	2014	2013
	\$	\$
Receivables		
Projects on behalf of the Government of Canada	(9,311)	(9,436)
Miscellaneous receivables	(18,843)	(12,560)
	(28,154)	(21,996)
Payables		
Excess income tax advanced	58,833	80,776
Advances for projects on behalf of the Government of Canada	5,383	8,141
Miscellaneous payables	36,616	28,000
	100,832	116,917
	72,678	94,921

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

	\$
2015	47,755
2016	9,806
2017	1,044
2018	228
	58,833

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2014

(All figures in thousands of dollars)

15. CAPITAL LEASE OBLIGATIONS

	2014	2013
	\$	\$
Buildings	3,031	4,111
Equipment	150	220
	3,181	4,331

Interest expense related to capital lease obligations for the year was \$301 (2013 - \$540), at an implicit average interest rate of 8.03% (2013 - 9.08%). Capital lease obligations (expiring between 2014 and 2023) are based upon contractual minimum lease obligations for the leases in effect as of March 31, 2014.

	2015	\$
	1,157	1,157
	793	793
	532	532
	479	479
	454	454
	2020 and beyond	350
Total minimum lease payments		3,765
Less: imputed interest		584
Present value of minimum lease payments		3,181

16. LONG-TERM DEBT

	2014	2013
	\$	\$
Loans due to Canada Mortgage and Housing Corporation, repayable in annual installments until the year 2033, bearing interest at a rate of 6.97% (2013 - 6.97%), unsecured.	8,110	8,609
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% (2013 - 2.78% and 3.68%), unsecured.	3,369	3,588
Mortgage payable to Canada Mortgage and Housing Corporation, repayable in monthly installments of \$7 (2013 - \$7) maturing June 2024, bearing interest at 3.30% (2013 - 3.30%), secured with real property.	802	867
Yellowknife Catholic Schools debentures, repayable in monthly installments of \$68, including fixed interest at 5.73%, final installment due in 2018, unsecured.	3,439	4,039
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.	179,264	177,927
	194,984	195,030

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2014

(All figures in thousands of dollars)

16. LONG-TERM DEBT (continued)

Principal amounts due in each fiscal year for the next five years:

	Principal
	\$
2015	4,300
2016	4,552
2017	4,824
2018	5,033
2019	4,473
2020 and beyond	171,802
	<hr/>
	194,984

Interest expense on long-term debt, included in operations and maintenance expenses, was \$10,572 (2013 - \$1,719). Interest incurred for real rate return bonds related to the Deh Cho Bridge was capitalized until the bridge went into service in 2013.

Debt Authority

The Government has the authority to borrow, pursuant to subsection 20(2) of the *Northwest Territories Act (Canada)*, within a borrowing limit authorized by the Government of Canada. The Government's borrowing limit was increased to \$800 million by Order in Council P.C. 2012-279, dated March 8, 2012.

	2014	2013
	\$	\$
Short term borrowing	144,909	104,962
Government of the Northwest Territories Long-term Debt:		
Mortgage payable to Canada Mortgage and Housing Corporation	802	867
Real Return Bonds payable	179,264	177,927
Capital lease obligations	24,223	23,929
NWT Housing Corporation, mortgages and loans payable	11,479	12,197
Guarantees (<i>note 21(b)</i>)	26,421	28,891
NWT Hydro Corporation, long-term debt (net of sinking fund)	177,247	180,404
NWT Hydro Corporation, operational debt	20,309	8,277
Yellowknife Catholic Schools District Education Authority	3,439	4,039
	<hr/>	
Authorized borrowing limit	588,093	541,493
	800,000	800,000
	<hr/>	
Available borrowing capacity	211,907	258,507

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2014

(All figures in thousands of dollars)

17. PENSIONS

a) Plans' descriptions

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 five 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

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 Supplemental plans (*note 6*). The average age of the 4 active members of the Judges' plans is 56. 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. The assets of the Judges' plans consist of a diversified portfolio of Canadian and foreign equities and bonds. The average age of the 19 active members of the MLAs plans is 49. The basic benefit formula of the MLAs plans is 2 percent per year of pensionable service multiplied by the average of the best four consecutive years of earnings. The assets of the MLAs plans consist of Canadian and foreign equities, and Canadian fixed income securities and bonds.

The Hay River Health and Social Services Authority has a defined benefit pension plan for its employees. Retirement occurs when the aggregate of a member's age plus years of service total 87, but not before age 56 or after age 61. The average age of the 154 plan members is 46 years. The basic benefit formula is 1.5 percent of the final five year average earnings up to the final five year average YMPE, plus 2 percent of the final five year average earnings in excess of the 5-year average YMPE multiplied by years of service. Plan assets consist primarily of Canadian and U.S. equities, bonds and mortgages.

All plans provide death benefits to spouses and eligible dependants. Retired members can opt to continue to contribute to the plan post-retirement. 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 Consolidated Financial Statements

March 31, 2014

(All figures in thousands of dollars)

17. PENSIONS (continued)

b) Pension liability

	2014 Regular Funded \$	2014 Supplemental Unfunded \$	2014 Total \$
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

	2013 Regular Funded \$	2013 Supplemental Unfunded \$	2013 Total \$
Accrued benefit obligation	52,368	27,080	79,448
Pension fund assets - market-related value	(53,339)	-	(53,339)
Unamortized actuarial gains (losses)	(1,348)	767	(581)
Pension liability (asset)	(2,319)	27,847	25,528

Included in the pension asset of \$3,402 (2013 - \$2,319) is a surplus for accounting purposes of the Hay River Health and Social Services Authority pension plan in the amount of \$1,002 (2013 - deficit of \$896). The Superintendent of Financial Institutions requires that all plans with a solvency ratio less than 100% file an actuarial valuation annually. There was no solvency shortfall for this plan in 2014 (2013 - \$1,865). Shortfalls are required to be eliminated within 5 years under the *Pension Benefits Standards Act, 1985 (Canada)*. The values of the plan's assets and liabilities on a solvency basis are calculated as though the plan were wound up and settled on the valuation date of January 1, 2014.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2014

(All figures in thousands of dollars)

17. PENSIONS (continued)

c) Change in pension liability (asset)

	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 in 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
	2013 Regular Funded \$	2013 Supplemental Unfunded \$	2013 Total \$
Opening balance	(2,878)	27,005	24,127
Change to pension liability (asset) from cash items:			
Contributions from plan members	(923)	-	(923)
Contributions from Government	(3,234)	-	(3,234)
Benefit payment to plan members	(3,086)	(1,190)	(4,276)
Drawdown from plan assets	3,086	-	3,086
Change to pension liability (asset) from cash items	(4,157)	(1,190)	(5,347)
Change to pension liability (asset) from accrual items:			
Current period benefit cost	3,448	969	4,417
Amortization of actuarial (gains) losses	2,559	(253)	2,306
Prior period cost of plan amendment	(1,477)	-	(1,477)
Interest on average accrued benefit obligation	2,625	1,316	3,941
Expected return on average plan assets	(2,439)	-	(2,439)
Change in pension liability (asset) from accrual items	4,716	2,032	6,748
Ending balance	(2,319)	27,847	25,528

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2014

(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 and contributions from plan members. The total expense is \$5,191 (2013 - \$5,825). 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 \$2,151 (2013 - \$947).

In addition to the above, the Government contributed \$53,866 (2013 - \$52,972) to the Public Service Pension Plan. The employees' contributions to this plan were \$30,541 (2013 - \$28,841).

e) Changes to pension plans in the year

Hay River Health and Social Services Authority

In 2014, there were no amendments and/or revisions to the pension plan provisions.

In 2013, the Authority has decided to revise the pension plan provisions as follows:

a) To increase required employee contributions - Effective April 1, 2013, the member required contributions will be increased to 6.85% of earnings up to the yearly maximum pensionable earnings (YMPE) plus 9.2% of earnings above the YMPE. The member required contribution rates will also increase effective April 1, 2014 to 7.5% of earnings up to the YMPE plus 9.8% for earnings above the YMPE. Moreover, effective April 1, 2015, the member required contribution rates will increase 8.15% of earnings up to the YMPE plus 10.4% for 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.

c) To increase the eligibility period - On April 1, 2013, the eligibility waiting period changed to two years from six months. This change does not affect any current plan members or employees hired prior to April 1, 2013.

f) Valuation methods and assumptions used in valuing pension liability

Valuation date

Actuarial valuations were last completed for the Legislative Assembly and Judges' plans as of April 1, 2012 and April 1, 2013, respectively. As the actuarial valuations were not valued as at the year-end, the Legislative Assembly plans were extrapolated to January 31, 2014 and the Judges' plans were extrapolated to March 31, 2014. The effective date of the next actuarial valuation for the Legislative Assembly and Judges' plans 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, 2014, and the results were extrapolated to March 31, 2014. The effective date of the next actuarial valuation for the Hay River Health and Social Services Authority plan 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.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2014

(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, market-related value, for the MLA's plans is equal to a smoothed market value which spreads the difference between the actual and expected investment income over a four year period and is then adjusted for payments due to, and payable from, the pension plan. The fair market value of the MLA's regular plan is \$22,490 (2013 - \$20,617). The asset valuation method for the Judges' plans is market value. The market value of the regular Judges' plan is \$5,082 (2013 - \$4,543). The asset valuation method for the Retirement Plan for Employees of the Hay River Health and Social Services Authority is market-related value. The fair market value of its pension plan assets is \$31,901 (2013 - \$28,227).

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 5.0 years (2013 - 6.0 years) for the MLA's plans, 4.0 years (2013 - 4.9 years) for the Judges' plans, and 7.7 years (2013 - 7.7 years) for the Hay River Health and Social Services Authority plan.

Actuarial assumptions

	Hay River H&SS Authority plan	MLA's plans	Judges' plans
Expected rate of return on plan assets	5.7%	4.8%	4.8%
Rate of compensation increase	2.5%	2.3%	2.3%
Annual inflation rate	2.0%	2.3%	2.3%
Discount rate	5.7%	4.8%	4.8%

Retirement assumptions

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

18. OTHER EMPLOYEE FUTURE BENEFITS

In addition to pension benefits, the Government provides termination and removal benefits to its employees. The cost of these benefits accrues either as employees render service or upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation.

	2014 \$	2013 \$
Resignation and retirement	37,239	36,279
Removal	17,926	17,465
	55,165	53,744

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2014

(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.

	2014	2013
	\$	\$
Correctional institutions and other	407	389
Natural Resources - capital	235	244
Public Trustee	6,280	6,414
Territorial and Supreme Courts	795	1,138
Government of New Brunswick	5,132	6,944
Scholarship bequest - Beaufort Delta Divisional Education Council	256	253
Bequest - South Slave Divisional Education Council	80	79
School functions - Sahtu Divisional Education Council	277	430
Patient funds - Stanton Territorial Health Authority	12	10
Patient funds - Dehcho Health and Social Services Authority	5	-
Patient funds - Hay River Health and Social Services Authority	53	-
Patient funds - Fort Smith Health and Social Services Authority	31	18
Patient funds - Beaufort Delta Health and Social Services Authority	164	211
	13,727	16,130

20. CONTRACTUAL OBLIGATIONS

The Government has entered into agreements for, or is contractually committed to, the following payments subsequent to March 31, 2014:

	Expiry Date	2015 \$	2016- 2023 \$	Total \$
Operational commitments	2020	77,553	81,291	158,844
RCMP Policing Agreement	2032	44,430	755,310	799,740
Commercial and residential leases	2023	25,310	52,623	77,933
Equipment leases	2019	1,830	1,994	3,824
Tangible capital asset projects in progress at year-end	2018	161,810	112,264	274,074
		310,933	1,003,482	1,314,415

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2014

(All figures in thousands of dollars)

21. CONTINGENCIES

(a) Environmental liabilities

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which the Government is responsible. The Government has identified 129 (2013 - 126) sites as potentially requiring environmental remediation at March 31, 2014. Where an estimate could be determined for remediation costs, a liability has been recorded and included as a component of accounts payable and accrued liabilities.

One of the 129 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 balance of the Government's share of the Giant Mine remediation liability at March 31, 2014 is \$3,052 (2013 - \$3,162).

There are 31 active or decommissioned landfill sites that are outside incorporated communities. Further analysis is required to assess the extent, if any, of the Government's liability. Of the remaining 97 sites, the majority of which have been investigated but are still awaiting full environmental assessments, 15 are airports or airport strips or reserves, 18 are sewage lagoons, 14 are fuel tanks and 10 are highways. Remediation costs for the sites that are known to be contaminated and the Government is obligated to remediate are currently estimated at \$24,275 (2013 - \$23,183).

The Government's ongoing efforts to assess the remaining sites may result in additional environmental liabilities. These liabilities will be recorded in the year in which they become known and can be reasonably estimated.

(b) Guarantees

The Government has guaranteed residential housing loans to banks totaling \$3,945 (2013 - \$4,609) and indemnified Canada Mortgage and Housing for third party loans totaling \$22,476 (2013 - \$24,282). 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.

(c) Loans

The Northwest Territories Business Development and Investment Corporation (BDIC) has five outstanding loans to three Northern Community Futures organizations totaling \$1,125 (2013 - \$1,000). 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 2014 no accounts were assigned to the BDIC (2013 - nil).

The BDIC has six outstanding irrevocable standby letters of credit. The amounts of these letters of credit totaled \$2,485 (2013 - \$2450) and expire in 2014. 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 (2013 - nil).

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2014

(All figures in thousands of dollars)

21. CONTINGENCIES (continued)

(d) 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. The allowance 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 \$1,225 (2013 - \$49). 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.

22. TRANSFER PAYMENTS AND TAXATION REVENUE

	2014	2013
	\$	\$
Transfer payments:		
Capital transfers	18,513	37,210
Canada Health and Social Transfer Reform Fund	37,069	51,993
Federal cost shared	76,148	57,582
Other	22,640	23,785
	<hr/> 154,370	<hr/> 170,570
Taxation:		
Corporate Income Tax	81,256	108,422
Personal Income Tax	89,451	105,360
	<hr/> 170,707	<hr/> 213,782
Fuel	18,514	18,607
Tobacco	15,683	15,587
Payroll	41,245	41,619
Property and school levies	37,190	36,249
Insurance	4,645	4,763
	<hr/> 117,277	<hr/> 116,825
	<hr/> 442,354	<hr/> 501,177

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, 2014

(All figures in thousands of dollars)

23. EXPENSES

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.

	2014	2013
	\$	\$
Expenses by Object:		
Grants	95,978	93,937
Contributions	98,613	107,337
Operations and maintenance	663,484	630,323
Compensation and benefits	743,581	695,830
Change in valuation allowances	2,925	7,395
Amortization of tangible capital assets (<i>schedule A</i>)	92,151	89,116
	1,696,732	1,623,938

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 Opportunities Fund Northwest Territories Heritage Fund Arctic Energy Alliance
Infrastructure	Department of Public Works and Services Department of Municipal and Community Affairs Department of Transportation
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

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2014

(All figures in thousands of dollars)

23. EXPENSES (continued)

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. RELATED PARTIES

Significant transactions with related parties and balances at year-end are disclosed separately in the financial statements and notes thereto.

25. SUBSEQUENT EVENTS

Devolution of Federal Responsibilities

Effective April 1, 2014 Canada will devolve 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. From and after the transfer date, Canada shall provide to the Government additional funding of \$67,300 by making an adjustment with an effective date of April 1, 2014 to the current gross expenditure based grant from Canada as determined under the *Federal-Provincial Fiscal Arrangements Act (Canada)* and *Federal-Provincial Fiscal Arrangements Regulations, 2007 (Canada)* or any successor program governing the financial arrangements between Canada and the GNWT.

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	Other ²	Leasehold Improvements	Equipment ^{1,3}	Computers	2014	2013
	\$	\$	\$	\$	\$	\$	\$	\$
Cost of tangible capital assets, opening	11,161	1,421,811	1,317,322	37,824	199,525	104,127	3,091,770	2,645,624
Acquisitions	486	26,547	129,615	641	6,696	4,325	168,310	468,754
Disposals	-	(5,842)	-	(449)	(6,170)	(368)	(12,829)	(22,608)
Cost of tangible capital assets, closing	11,647	1,442,516	1,446,937	38,016	200,051	108,084	3,247,251	3,091,770
Accumulated amortization, opening	-	(531,322)	(442,940)	(27,314)	(105,752)	(57,211)	(1,164,539)	(1,090,015)
Amortization expense	-	(41,065)	(34,059)	(1,736)	(8,546)	(6,745)	(92,151)	(89,116)
Disposals	-	3,613	-	448	5,922	368	10,351	14,592
Accumulated amortization, closing	-	(568,774)	(476,999)	(28,602)	(108,376)	(63,588)	(1,246,339)	(1,164,539)
Net book value	11,647	873,742	969,938	9,414	91,675	44,496	2,000,912	1,927,231
Work in Progress							137,702	100,120
							2,138,614	2,027,351

¹ Included in buildings and equipment are assets under capital lease cost, \$11,504 (2013 - \$12,764); accumulated amortization, \$7,941 (2013 - \$8,520); net book value, \$3,563 (2013 - 4,244).

² Includes roads, bridges, airstrips, aprons, and water/sewer works

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	Government Business Enterprises ²	Other Public Agencies ³	Total for All Segments	Adjustments ⁴	2014	2013
	\$	\$	\$	\$	\$	\$	\$
Revenues							
Grant from the Government of Canada	1,121,244	-	-	1,121,244	-	1,121,244	1,070,023
Transfer payments	131,729	-	22,641	154,370	-	154,370	170,570
	1,252,973	-	22,641	1,275,614	-	1,275,614	1,240,593
Taxation and general revenues							
Corporate and personal income taxes	170,707	-	-	170,707	-	170,707	213,782
Other taxes	107,952	-	9,325	117,277	-	117,277	116,825
General	31,623	72	596,497	628,192	(572,120)	56,072	48,320
Income from portfolio investments	2,642	-	765	3,407	64	3,471	2,735
Sales ⁵	87,349	103,897	6,022	197,268	(104,121)	93,147	96,354
Recoveries	34,341	-	18,280	52,621	-	52,621	46,138
	434,614	103,969	630,889	1,169,472	(676,177)	493,295	524,154
Recoveries of prior years' expenses	7,156	-	-	7,156	-	7,156	27,688
	1,694,743	103,969	653,530	2,452,242	(676,177)	1,776,065	1,792,435
Expenses							
Grants and contributions	722,302	-	4,876	727,178	(532,587)	194,591	201,274
Operations and maintenance	478,949	55,827	226,811	761,587	(98,103)	663,484	630,323
Compensation and benefits	326,468	23,331	413,611	763,410	(19,829)	743,581	695,830
Change in valuation allowances	2,814	-	111	2,925	-	2,925	7,395
Amortization of tangible capital assets	77,021	19,578	14,998	111,597	(19,446)	92,151	89,116
	1,607,554	98,736	660,407	2,366,697	(669,965)	1,696,732	1,623,938
Annual operating surplus (deficit)	87,189	5,233	(6,877)	85,545	(6,212)	79,333	168,497
Net income from investment in Government Business Enterprise - Northwest Territories Hydro Corporation					5,233	5,233	6,490
Projects on behalf of third parties							
Expenses	(60,439)	-	-	(60,439)	-	(60,439)	(62,892)
Recoveries	60,439	-	-	60,439	-	60,439	62,892
Annual surplus (deficit)	87,189	5,233	(6,877)	85,545	(979)	84,566	174,987

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

² The Northwest Territories Hydro Corporation is the only Government Business Enterprise for financial reporting purposes.

³ Public agencies consist of those listed in Note 23 other than Departments that are grouped under environment and economic development, infrastructure, economic, health, social services and housing, justice, general government, and legislative assembly and statutory offices.

⁴ Includes adjustments to remove the effect of Government Business Enterprises accounted on the modified equity basis and entries 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.

⁵ 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
GOVERNMENT INDICATORS
FOR THE YEAR ENDED MARCH 31, 2014
(Unaudited)

HONOURABLE J. MICHAEL MILTENBERGER
Minister of Finance

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Table of Contents

	Page
INTRODUCTION	5
GROSS DOMESTIC PRODUCT	6
LONG-TERM DEBT BORROWING LIMITS	8
DEBT PER CAPITA	11
FINANCIAL POSITION	12
TANGIBLE CAPITAL ASSETS	15
ANNUAL SURPLUS (DEFICIT) AND NET FINANCIAL RESOURCES (DEBT)	17
REVENUES AND EXPENSES	18
REVENUES BY SOURCE	19
EXPENSES BY OBJECT	21
EXPENSES BY PROGRAM	22
DEBT SERVICING COSTS	23
CONCLUSION	24

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INTRODUCTION

The Public Accounts report the financial position and results of operations of the Government for a fiscal year. The Consolidated Statement of Financial Position discloses the assets, liabilities, accumulated surplus or deficit, as well as the net debt position of the Government. The Consolidated Statement of Change in Net Debt discloses the significant items that impacted the Government's net debt position since the last fiscal year end. The financial position of the Government is measured at a specific point in time (March 31 fiscal year end), whereas information relating to revenues and expenses encompasses the results for a fiscal year as disclosed in the Consolidated Statement of Operations. It is important to note that the financial position of a 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. Organizations included in the Government Reporting Entity are listed in Note 1 to the Consolidated Financial Statements.

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 \$3,537 million for 2013, which represents a 1.9% increase relative to the 2012 estimate of \$3,470 million. This rise is a result of an increase in both the oil and gas sector and capital investment (construction) in the 2013 calendar year.

Gross Domestic Product at Market Prices, calendar years 2012 and 2013
 Canada, Provinces and Territories
 Chained (2007) Dollars (\$ in millions)

	2013	2012	Percent Change
Canada	1,589,488	1,558,077	2.0
Northwest Territories	3,537	3,470	1.9
Nunavut	1,942	1,758	10.5
Yukon	2,258	2,229	1.3
British Columbia	196,519	192,648	2.0
Alberta	289,774	278,795	3.9
Saskatchewan	58,452	55,791	4.8
Manitoba	52,091	50,955	2.2
Ontario	584,231	577,488	1.2
Quebec	306,774	303,473	1.1
New Brunswick	26,077	26,080	0.0
Nova Scotia	33,102	32,843	0.8
Prince Edward Island	4,529	4,467	1.4
Newfoundland and Labrador	27,916	25,878	7.9

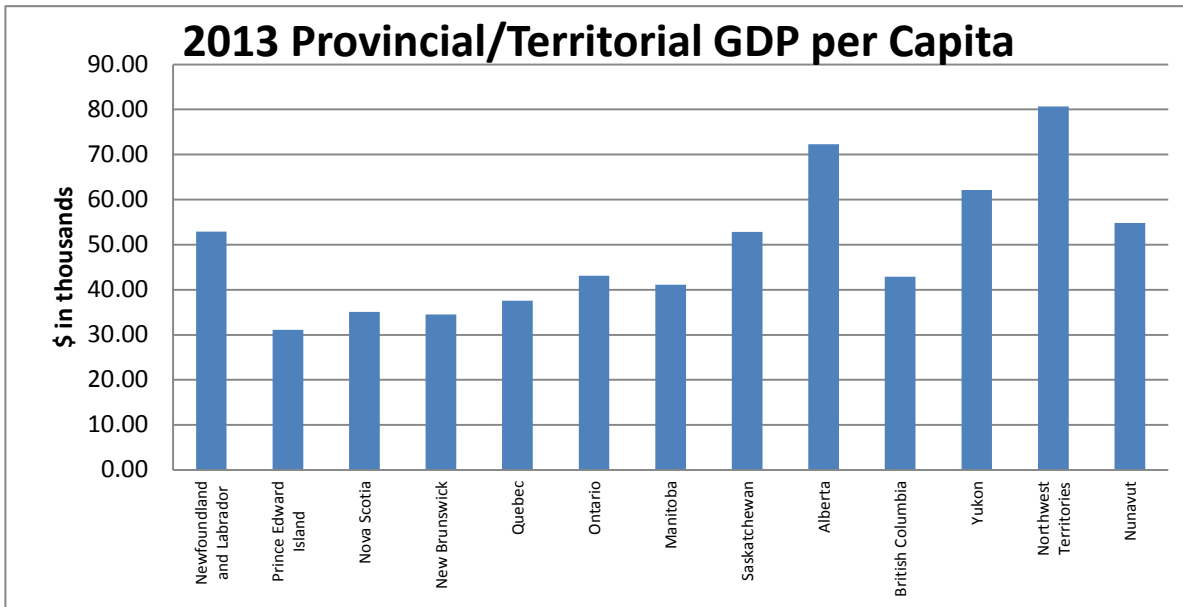
Source: Statistics Canada

Prepared by NWT Bureau of Statistics

Note:

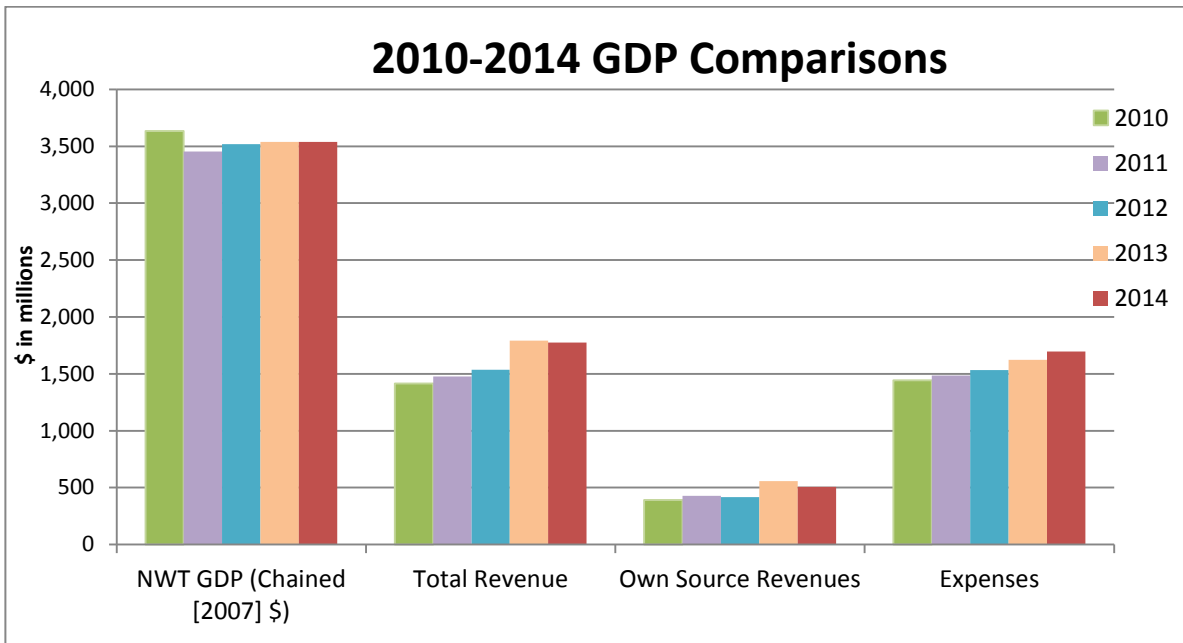
1. Data will not sum to totals since chained dollars are not additive.

GROSS DOMESTIC PRODUCT (continued)



Based on July 1, 2013 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 2013 figure for NWT GDP has been used for 2014 illustration purposes. Net income from the NWT Hydro Corporation and recoveries are included in GNWT own source revenues.

When comparing the GDP with the Government’s revenues and expenses one can see that a detailed analysis would be required to capture any relational data.

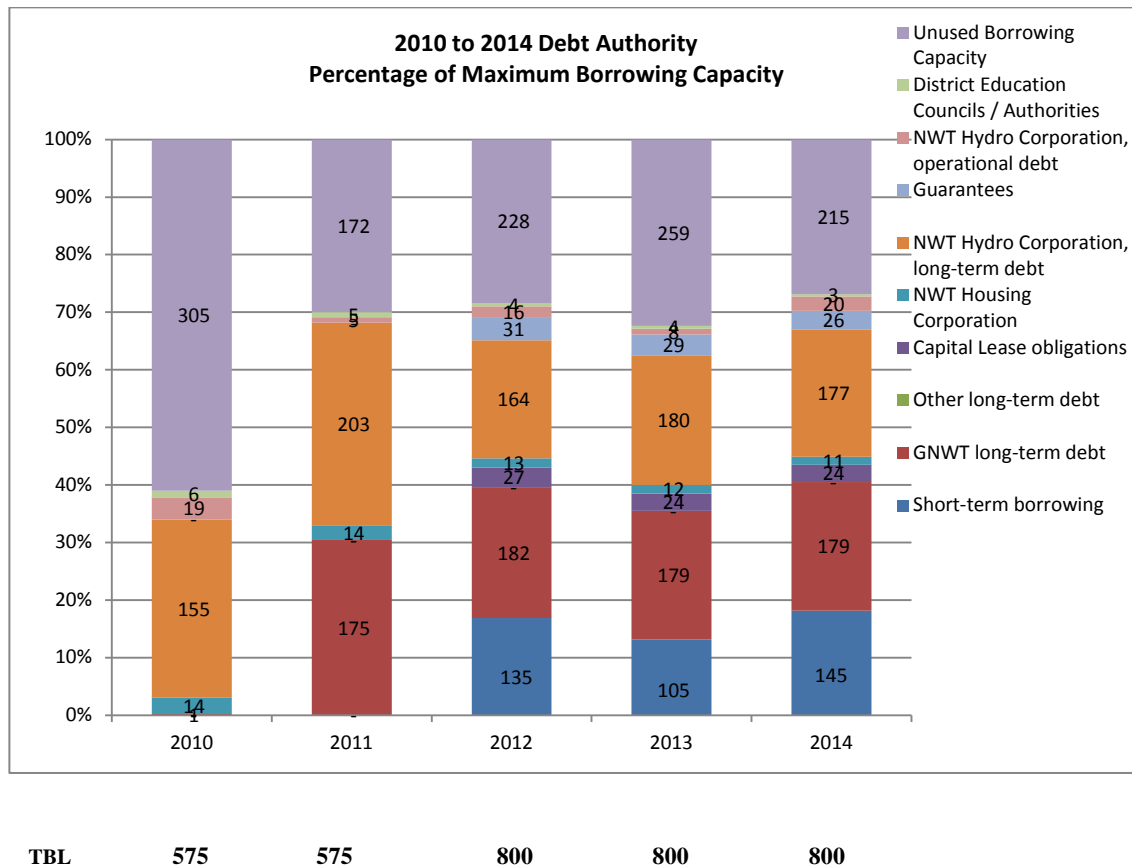
LONG-TERM DEBT BORROWING LIMITS

The borrowing limit of the GNWT is established pursuant to subsection 20(2) of the *Northwest Territories Act*. In 2010 the Government of Canada temporarily increased the GNWT’s Territorial Borrowing Limit (TBL) to \$575 million from the \$500 million approved limit. On March 8, 2012, the Government of Canada again increased the TBL to \$800 million. A portion of this \$225 million increase was to offset items that were previously excluded from the definition of borrowing for the purposes of the TBL (for example obligations under capital leases must now be included).

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 TBL to support long term planning for the Northwest Territories.

Consolidated debt, for purposes of the TBL, includes the debts of all Government organizations that are included within the Consolidated Public Accounts. The borrowings of the Northwest Territories Hydro Corporation (NWT Hydro Corporation), while included in the calculation, are serviced through revenues generated by the NWT Hydro Corporation, and therefore do not require the Government to fund the related interest expense or principal repayment.

In 2011 the debt associated with the Deh Cho Bridge was assumed by the GNWT and required to be included within the GNWT’s debt calculation.



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.

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.

The 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 debt management criteria include the following:

Ratio: Government Debt to Revenue

- i) From year to year, the ratio of total Government debt, excluding guaranteed debt, compared to consolidated revenue, in relation to provinces shall be in the lowest 4.

In 2013 the NWT was ranked 3.

This ratio is an indicator of the increase in debt in proportion to the increase 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.

Ratio: Debt per Capita

- ii) From year to year, the total debt per capita ratio, compared to provinces shall be in the lowest 5.

In 2013 the NWT was ranked 5.

This ratio is a measure of the debt burden, on a per person basis, where a decreasing ratio is a positive indicator of a decreasing debt burden.

Debt Servicing Costs (interest), as a Percentage of Revenue

- iii) From year to year, debt servicing costs on Government debt, excluding amounts paid by Public Agencies, as a percentage of revenue, compared to other provinces and territories shall be in the lowest 4.

In 2013 the NWT was ranked 2.

This 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.

Debt Servicing Payments, as a Percentage of Revenue

- iv) From year to year, payments on Government debt, excluding Public Agency debt service payments, as a percentage of revenue shall not exceed 5 percent of revenue.

In 2014 the NWT was at 0.61% of revenue.

This is a measure of the extent that Government revenues are being applied to debt charges and debt repayment, rather than on programs and services or to reducing taxes.

Debt Servicing Payments as a Percentage of 3-year moving GDP average

- v) Given the volatility of GDP in the NWT, a 3-year moving average GDP shall be used.

From year to year, debt-servicing payments, excluding Public Agency debt, as a percentage of the 3-year moving GDP average, compared to debt servicing payments of provinces shall be in the lowest 4.

In 2013 the NWT was ranked 2 (based on GDP nominal dollars since 3 year moving GDP average is not available at this point).

This ratio 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.

Net Debt per Capita

- vi) From year to year, net debt per capita, compared to provinces shall be in the lowest 5.

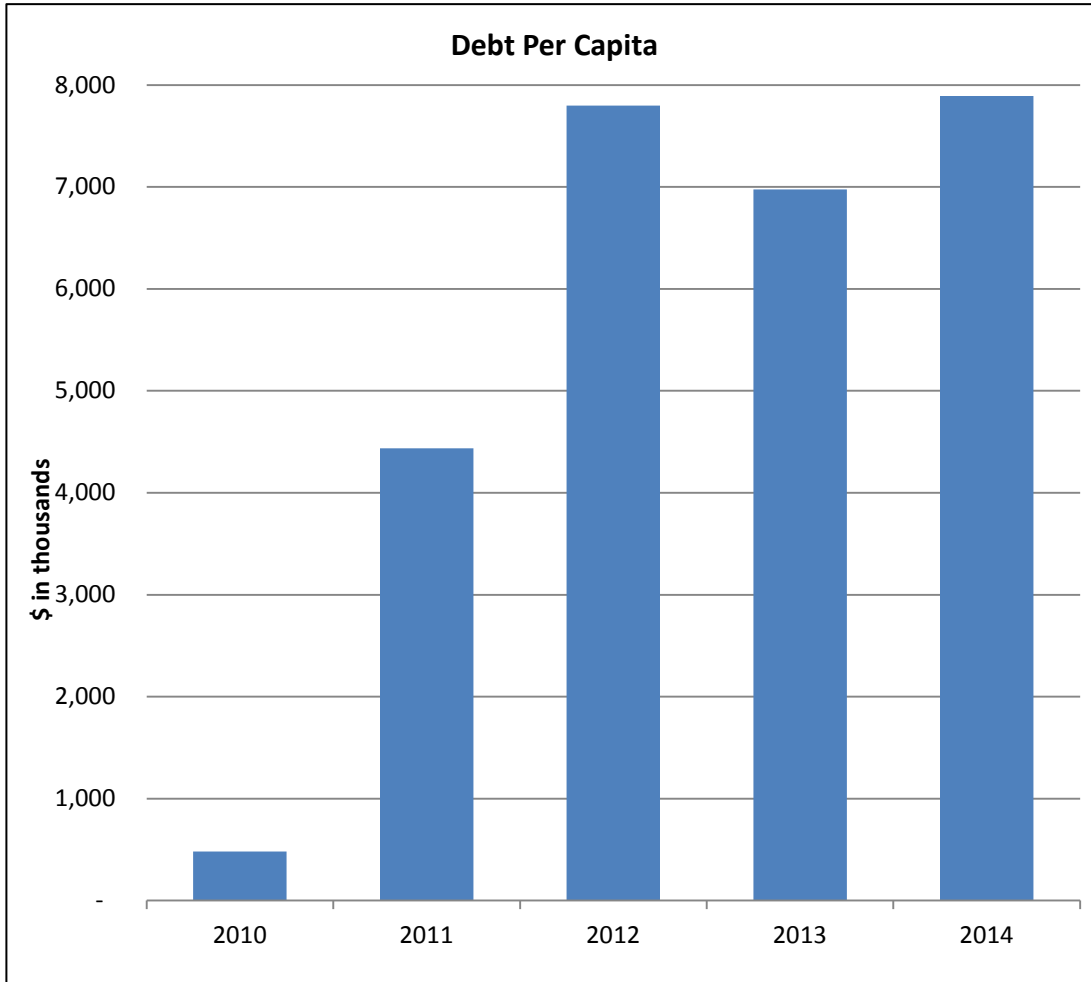
In 2013 the NWT was ranked 5.

This ratio is a measure of the excess of liabilities over financial assets.

The GNWT policy on borrowing and performance measurement criteria, for management of debt, is to be reviewed and updated annually.

DEBT PER CAPITA

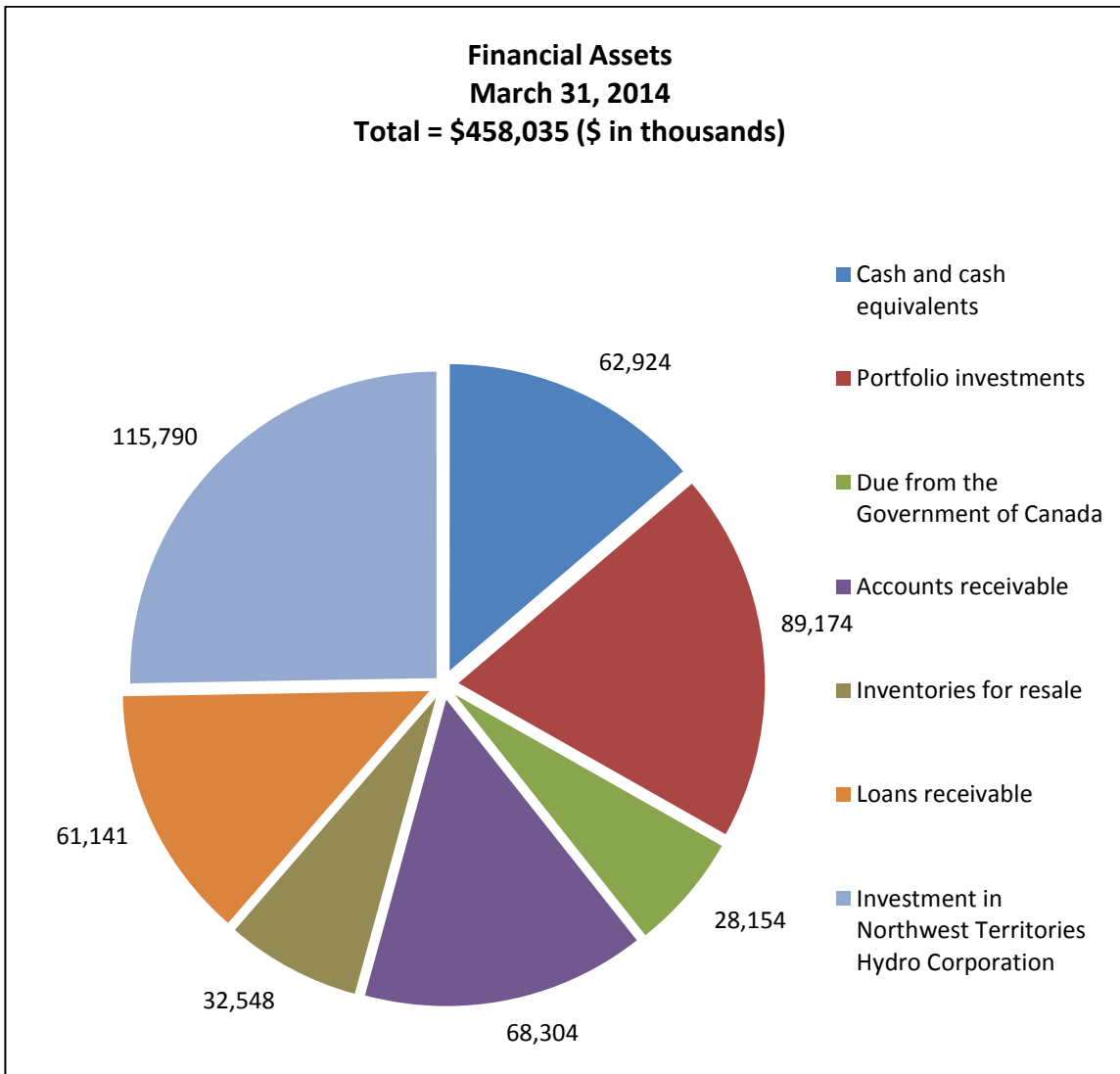
The following chart depicts the debt per capita with respect to the entire debt load that the GNWT is directly responsible for. This debt is comprised of short and long-term borrowing, (excluding the borrowings of the NWT Opportunities Fund (which were repaid in 2012) and the NWT Hydro Corporation as they are not funded through general revenues), capital lease obligations and guarantees. At March 31, 2014, long-term debt was \$198 million (2013 - \$199 million), with short-term borrowings of \$145 million (2013 - \$105 million).



2014 and 2013 amounts are based on 2013 population estimates of Statistics Canada as at April 1, 2014

As disclosed on page 8, the GNWT assumed the debt associated with the Deh Cho Bridge on April 1, 2010, significantly increasing the debt load for 2011 and subsequent fiscal years. In addition the GNWT required significant short term borrowing in 2013 and 2014 of \$105 and \$145 million dollars respectively; the need to utilize short-term debt, particularly at year-end can result in a significant spike in debt per capita.

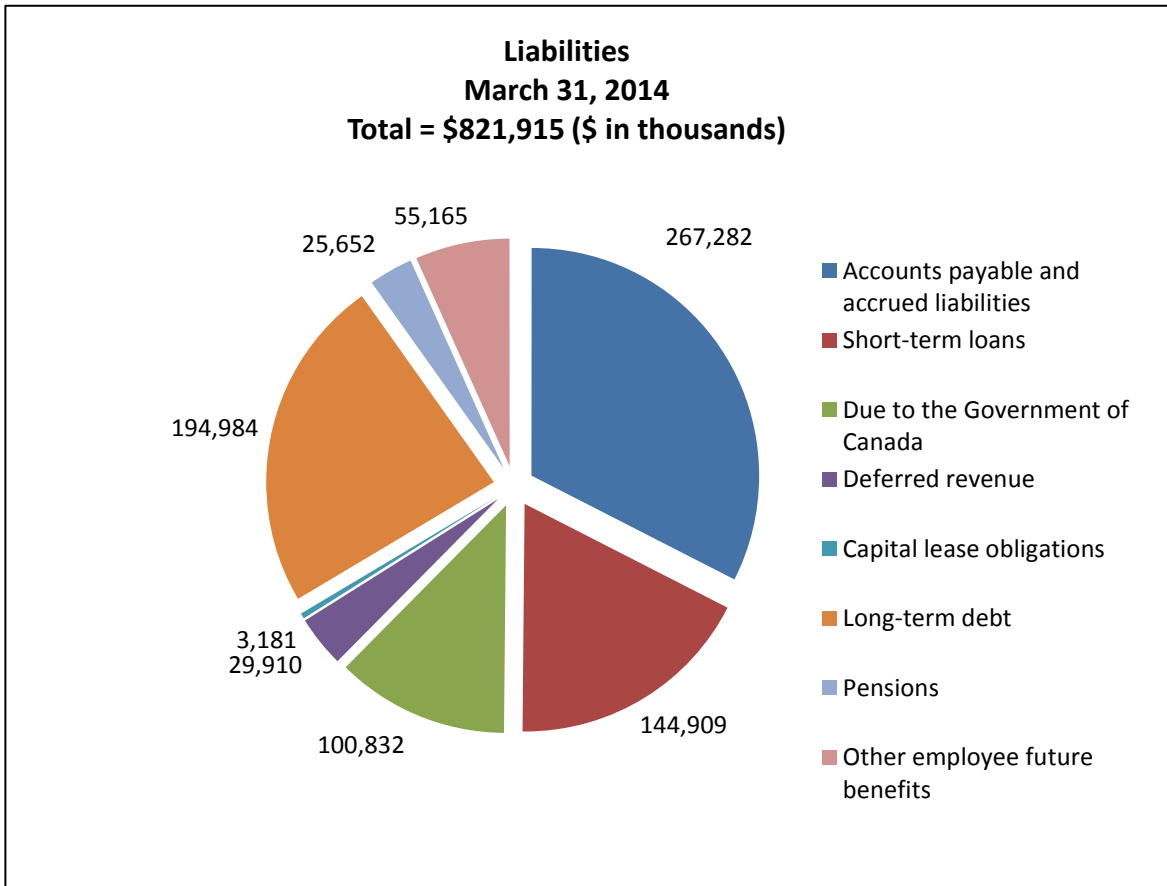
FINANCIAL POSITION



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

Approximately 14% 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 value of the investment in the Northwest Territories Hydro Corporation is not available "for sale" and as such is not available to discharge the GNWT's liabilities at any point in the foreseeable future. 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. 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.

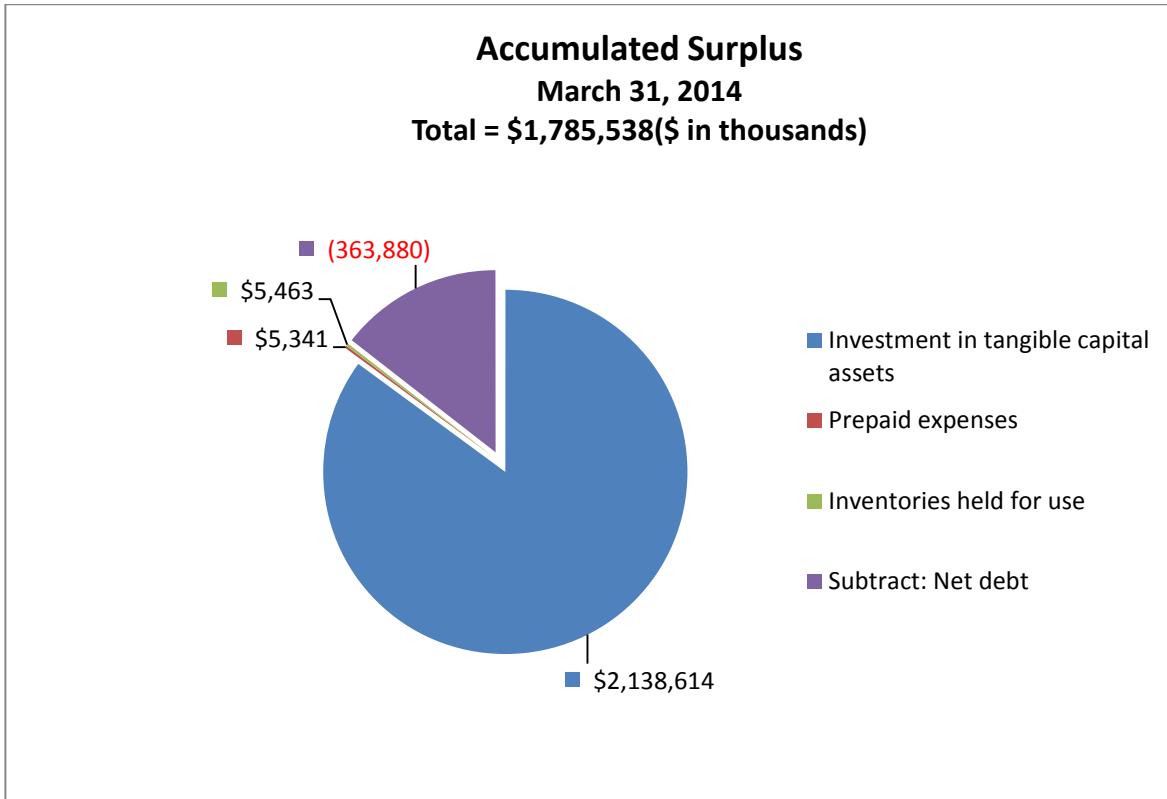
FINANCIAL POSITION (Continued)



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

The GNWT presently has approximately \$458 million in financial assets available to discharge its liabilities of approximately \$822 million. 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.

FINANCIAL POSITION (continued)

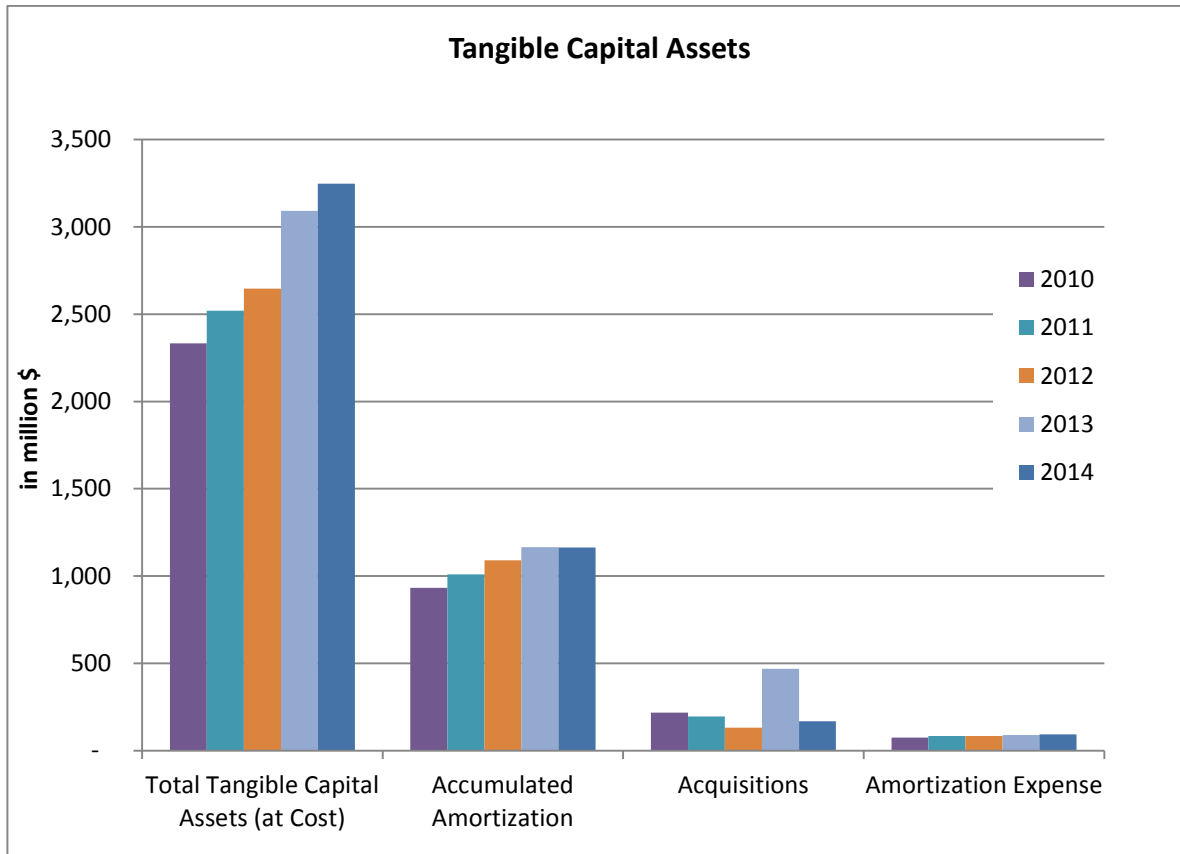


The Government is in a net debt position (depicted above as a negative). This negative amount is subtracted from the Government’s accumulated investment in Non-financial Assets (tangible capital assets/prepaid expenses/inventories held for use) to produce the accumulated surplus balance at the end of the year. 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 without moving to an accumulated deficit position.

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.

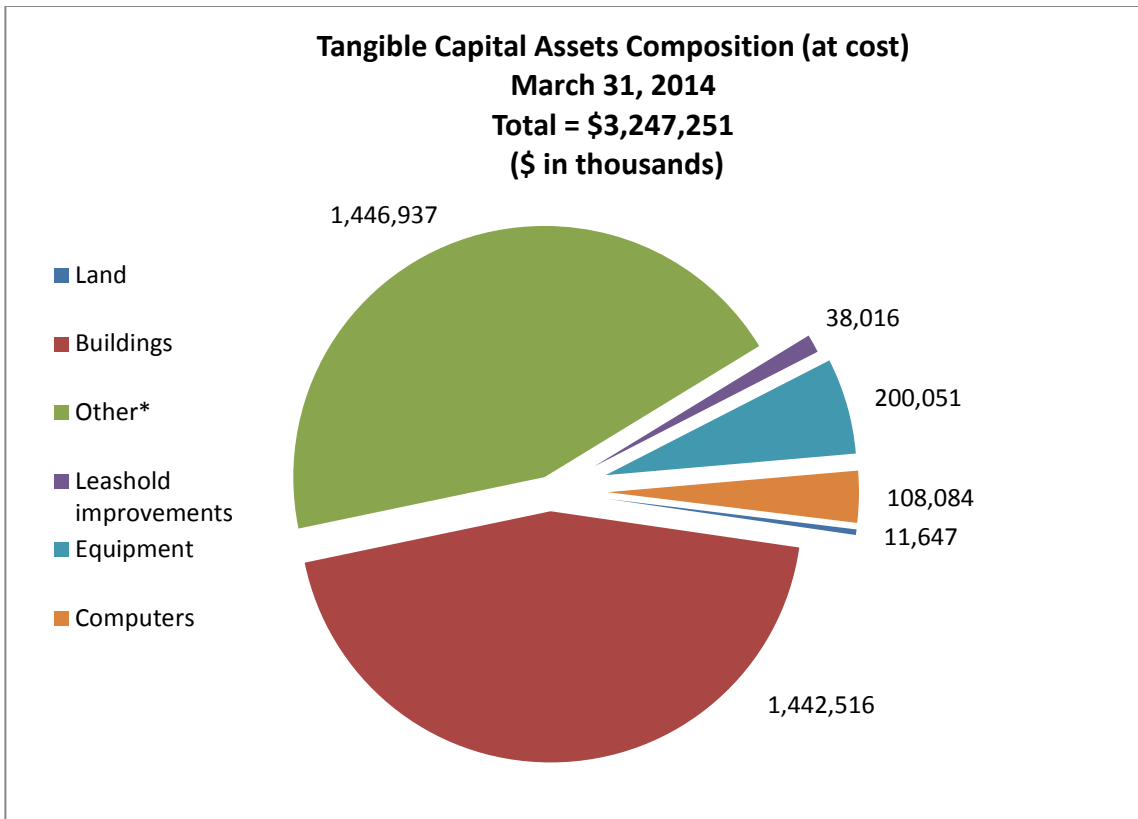
The GNWT records tangible capital assets as non-financial assets on its Consolidated Statement of Financial Position within the Public Accounts. Under this policy, assets valued at \$50,000 or more are capitalized and then expensed as amortization in the Consolidated Statement of Operations based on 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.

TANGIBLE CAPITAL ASSETS (continued)



* Includes roads, bridges, airstrips & aprons, and water/sewer works

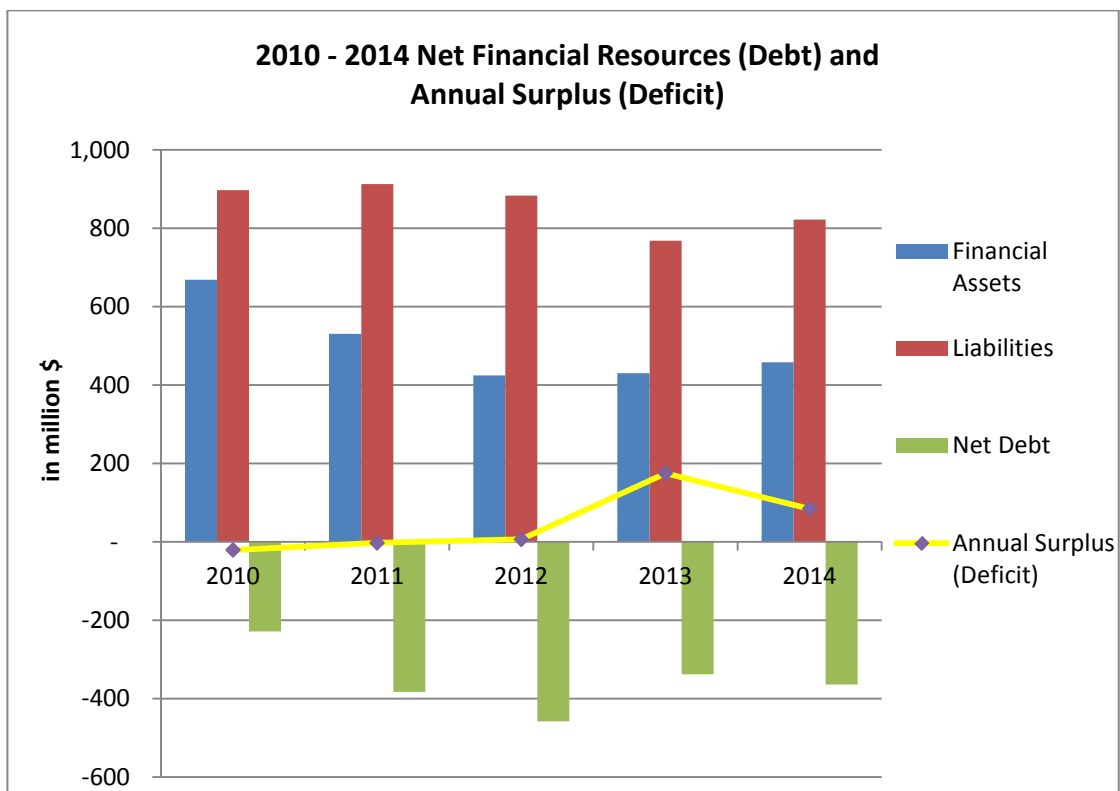
The GNWT is currently investing in tangible capital assets at a level that represents between 50% and 60% of the estimated investment needed for replacement and growth. In the 2014 fiscal year, the Government placed \$168 million of new assets into service (2013 - \$469 million).

ANNUAL 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.

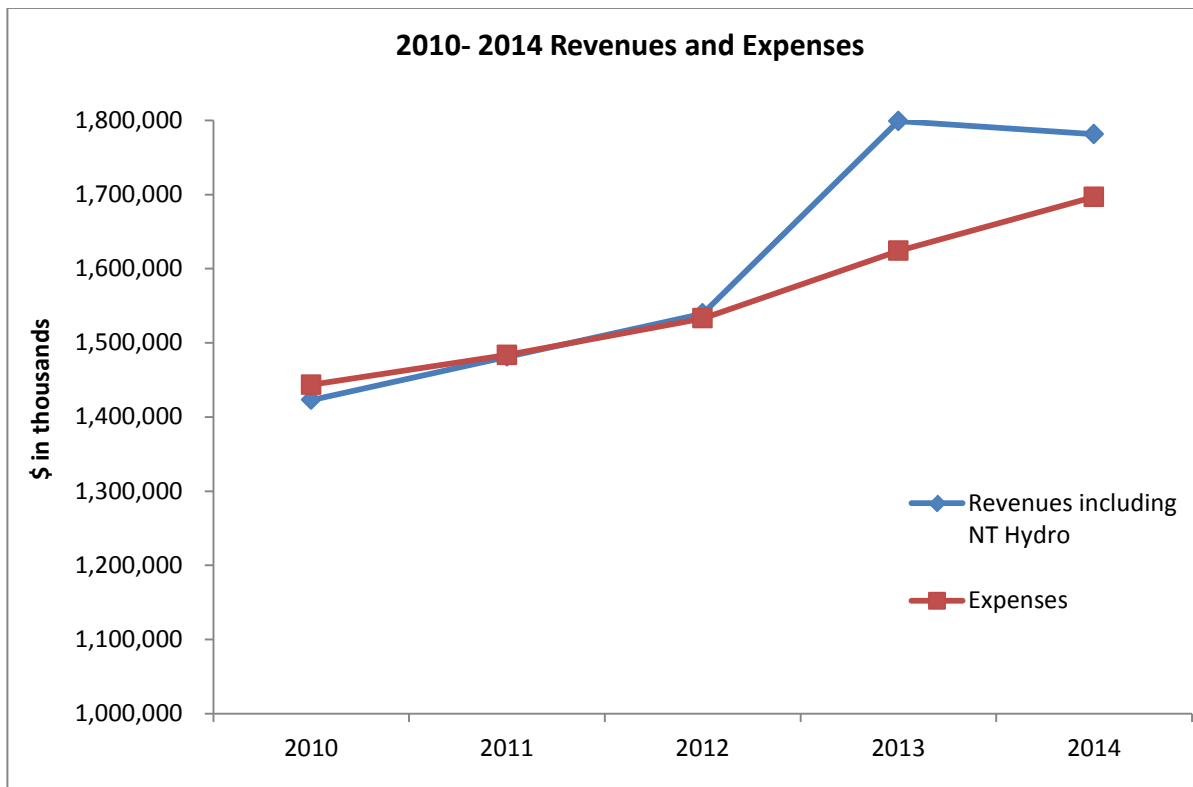
Net debt increased during the 2014 fiscal year primarily due to short term borrowing.

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 net debt position of a government is a good indicator of a government’s ability to meet existing financial obligations. In the near term, the Government may have to fund tangible capital assets with debt and this will further impact our net debt position. With so many variables in the calculation of our net debt position, a prediction of an increase or decrease cannot be made without an in-depth analysis. However, there is certainty that the Government’s net debt position will increase if revenues do not keep pace with, or exceed, the cost of Government operations.

REVENUES AND EXPENSES



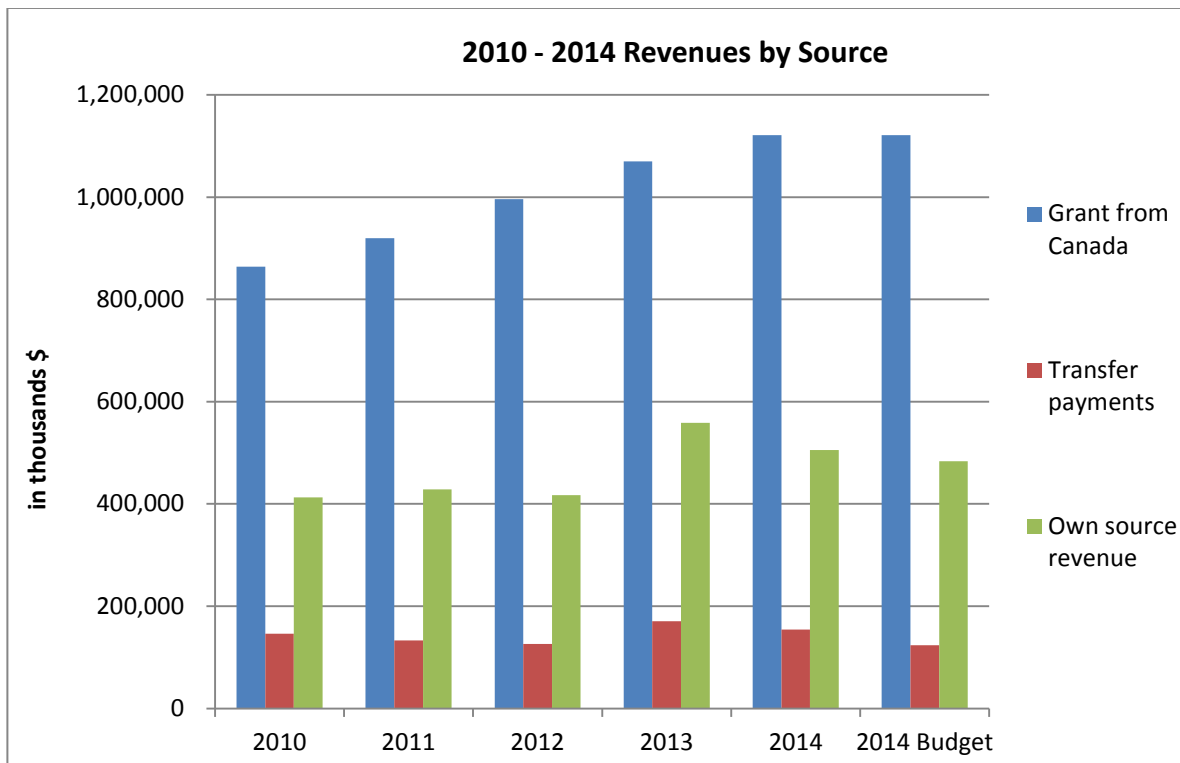
* Revenues depicted above include recoveries of prior year expenditures and net income of the NWT Hydro Corporation.

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. 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.

REVENUES BY SOURCE



* Own source revenues include both recoveries of prior year expenditures and the net income of NWT Hydro Corp.

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.

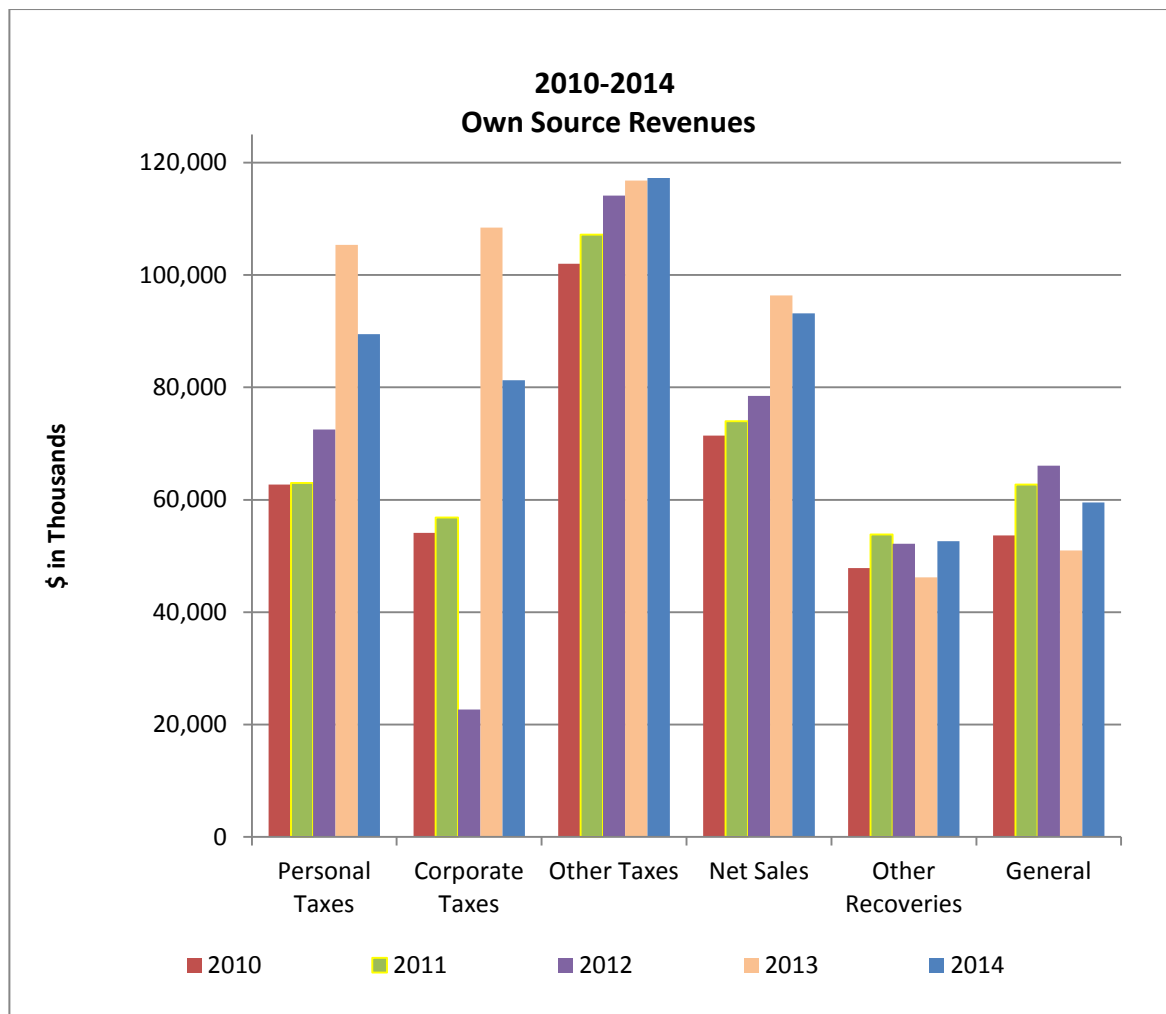
The Government’s major own-source revenues, such as corporate and personal income tax, tobacco tax, fuel tax, and payroll tax, have averaged approximately 30% of total revenues indicating a reliance on the Grant from Canada. Other transfer payments from Canada vary, approximately 9% of total revenues for the current year.

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, 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.

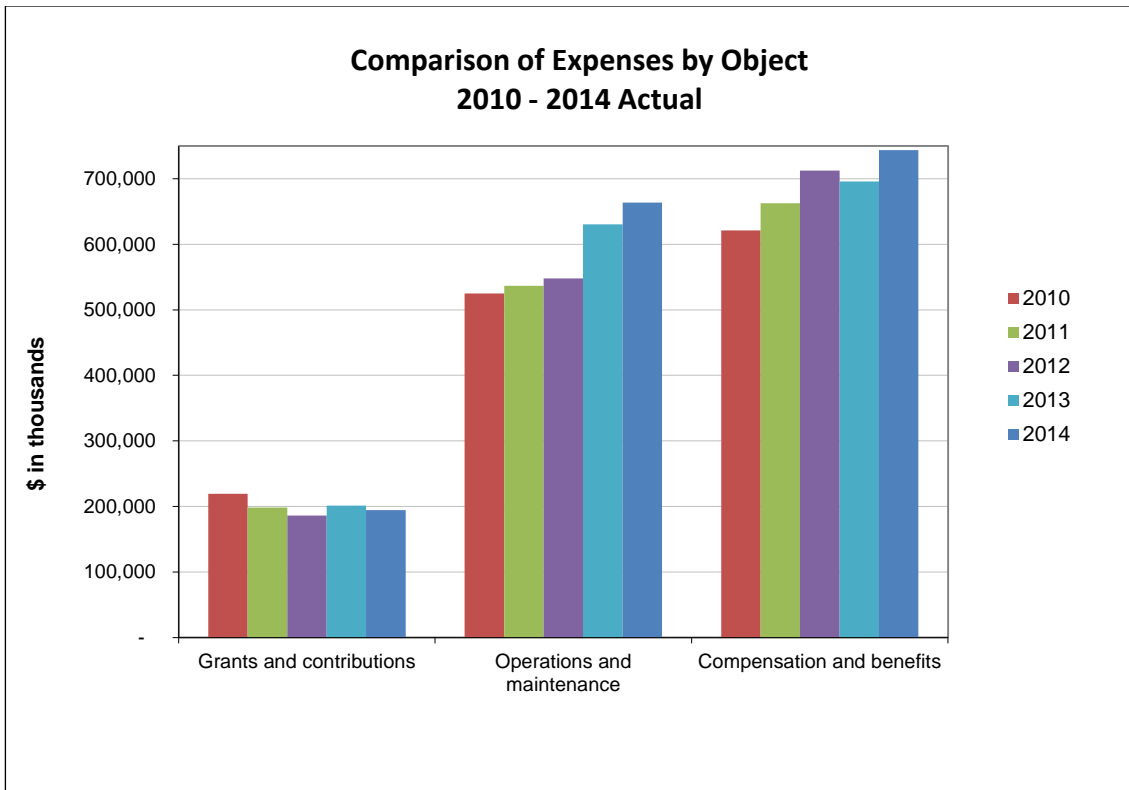
In view of the extreme volatility associated with resource revenues the expected revenue stream could fluctuate by as much as \$30 million from the expected annual average. In addition, resource revenues are also finite in the sense that we cannot rely on receiving them from the same sources forever. For these reasons, resource revenues have not been included in the 2015-2016 budget; rather, resource revenues will be used to fund infrastructure, pay down debt and invest in the NWT Heritage Fund.

From and after the transfer date, Canada shall provide to the GNWT additional funding of \$67.3 million by making an adjustment with an effective date of April 1, 2014 to the current grant from Canada as determined under the *Federal-Provincial Fiscal Arrangements Act (Canada) and Federal-Provincial Fiscal Arrangements Regulations, 2007 (Canada)* or any successor program governing the financial arrangements between Canada and the GNWT. The effects of these changes to the Government’s operations will not be captured until the March 31, 2015 Public Accounts.

With the exception of corporate and personal income tax, 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. Canada bases estimates of corporate income tax on the latest actual prior year tax revenue information available; for example, 2014 estimates were based on 2012 actual collections.



EXPENSES BY OBJECT

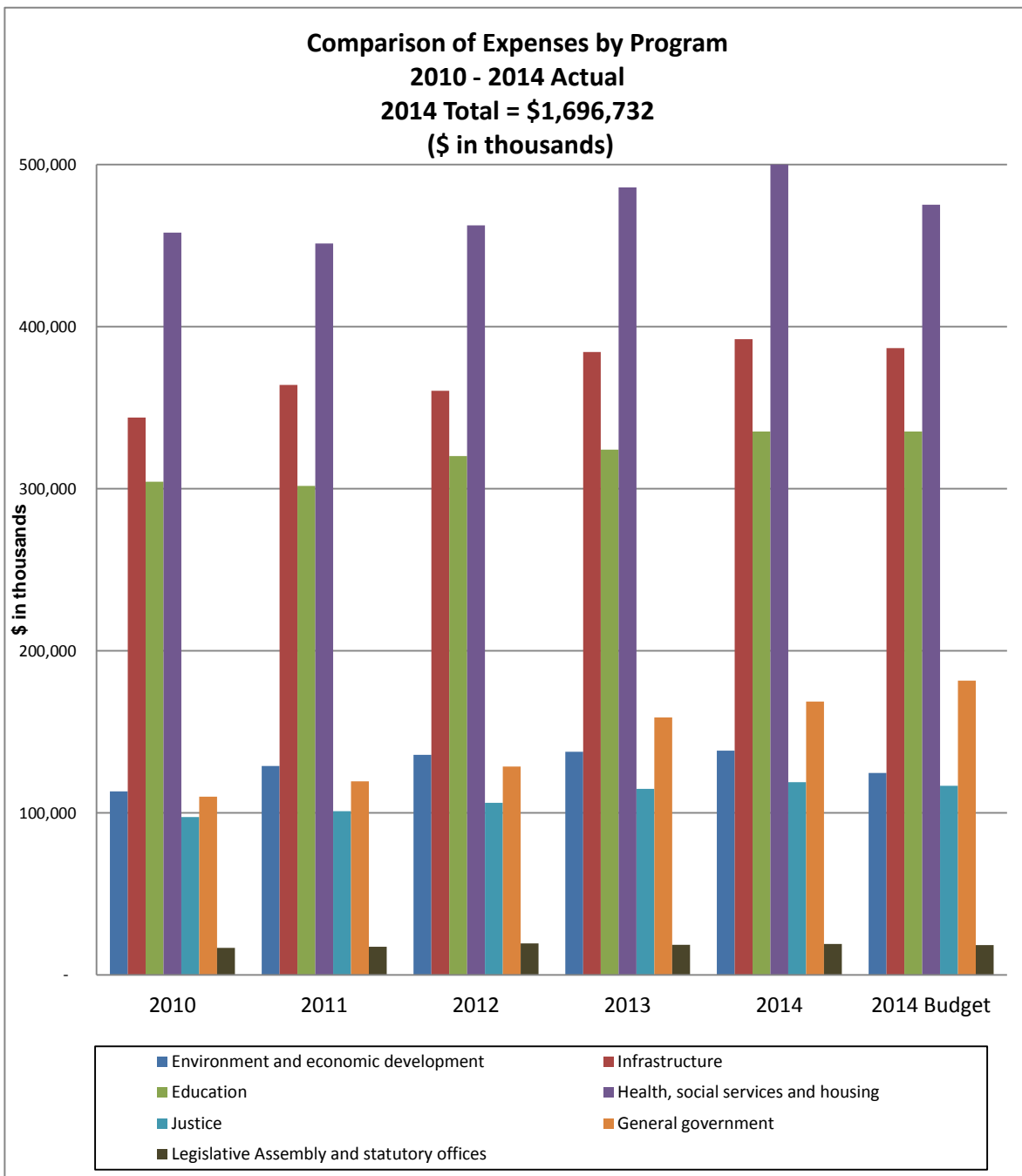


The above graph provides information on the consolidated government operations. Grants and contributions from the GNWT to boards and agencies consolidated in Section I of the Public Accounts are reported under the operations and maintenance and compensation and benefits categories to better reflect the 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 and other commitments, 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, but wage costs comprise a significant factor in determining the amount of grants and contributions given out to third parties.

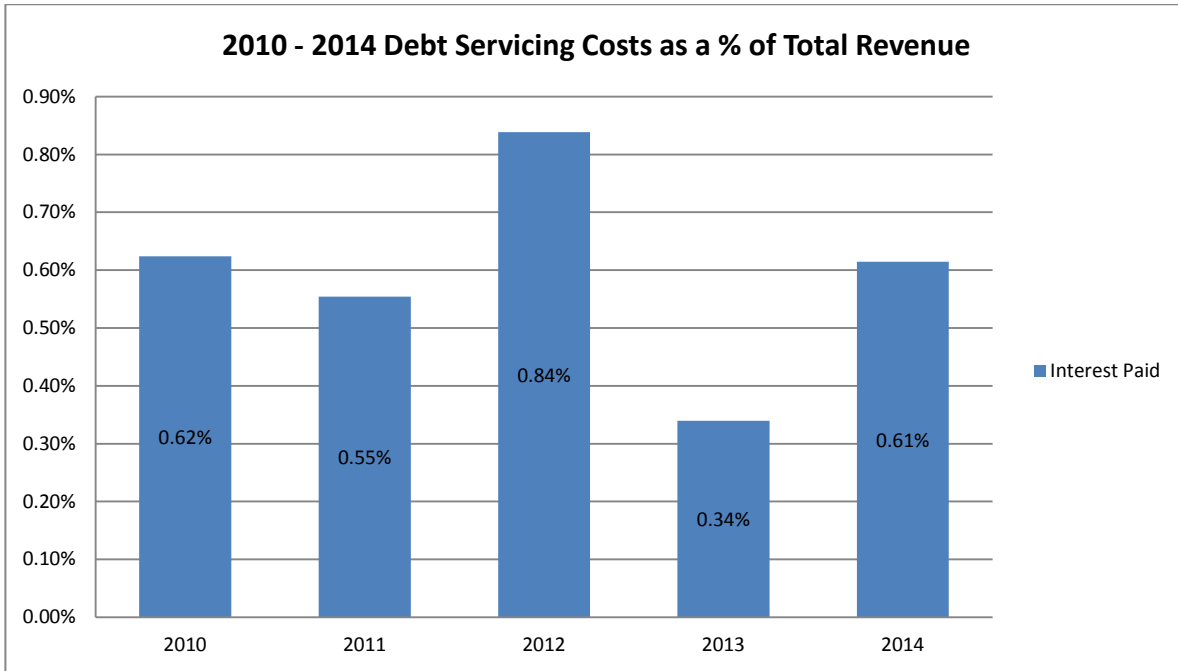
EXPENSES BY PROGRAM



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.

DEBT SERVICING COSTS

As shown on the graph below, the GNWT is in the enviable position of having to expend less than 1% of its total revenues to service its debt load. Interest expense on long-term debt, included in operations and maintenance expenses was 0.61% of total revenues. The financing costs incurred for real rate return bonds related to the Deh Cho Bridge was capitalized until the bridge went into service in 2013, resulting in its full impact only being disclosed in 2014.



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.

CONCLUSION

As described in the Introduction 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 2013-2014 fiscal year the GNWT had a net debt of \$364 million compared to net debt of \$338 million at the end of the prior fiscal year. As stated previously in this document a full analysis is required before conclusions can be drawn. The net debt represents 20.5%, of revenue. At March 31, 2014, the GNWT's long-term debt was \$195 million (excluding the debt of the NWT Hydro Corporation) or 11% of the GNWT's revenues for the year and less than 5.5% of GDP.

Flexibility – pertains to the GNWT's ability to increase its financial resources. The GNWT's own-source revenues decreased from 31.1% of total revenue in 2013 to 28.5% in 2014; income tax revenue is the major source of any fluctuation. The majority of revenue comes from the Grant from the Government of Canada (Formula Financing arrangement). The GNWT did not have access to resource royalty revenues. As previously noted, the GNWT will have access to these revenues beginning April 1, 2014, at which time any increased flexibility will begin to be realized. The GNWT's flexibility to increase taxes and still remain competitive with the other provinces and territories makes a significant increase in other own source revenues unlikely in the short term.

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 47.1% of 2013-2014 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 – this is a measure of how dependent a Government is on sources of funding outside its control or influence. 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 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.

PUBLIC ACCOUNTS
OF THE
GOVERNMENT OF THE NORTHWEST TERRITORIES
FOR THE YEAR ENDED MARCH 31, 2014

SECTION II
NON-CONSOLIDATED FINANCIAL STATEMENT
(unaudited)

HONOURABLE J. MICHAEL MILTENBERGER

Minister of Finance

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Table of Contents

Page

NON-CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Statement of Financial Position	7
Statement of Change in Net Debt	8
Statement of Operations and Accumulated Surplus	9
Statement of Cash Flow	10
Notes to Financial Statements	11
Schedule A - Schedule of Revenues by Source	35
Schedule B - Schedule of Expenses	36
Schedule C - Schedule of Tangible Capital Assets	37

Supplementary Schedules (unaudited)

Schedule 1 - Schedule of Revenues by Department	38
Schedule 2 - Schedule of Expenses by Department	42
Schedule 3 - Schedule of Recoveries of Prior Years Expenses	45
Schedule 4 - Schedule of Summary of Capital Acquisitions	45
Schedule 5 - Schedule of Grants	46
Schedule 6 - Schedule of Contributions	48
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	57
Schedule 10 - Schedule of Recoveries of Debts and Student Loans Previously Written Off	63
Schedule 11 - Schedule of Overdue Travel Advances	64
Schedule 12 - Schedule of Overdue Accountable Advances Related to Previous Fiscal Years	65
Schedule 13 - Schedule of Projects for the Government of Canada, Nunavut and Others - Expenditures Recovered	66

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Government of the Northwest Territories

Non-Consolidated Statement of Financial Position (unaudited)

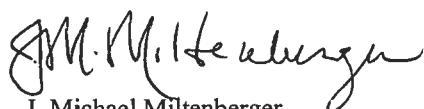
as at March 31, 2014

(thousands of dollars)

	2014 Actual \$	2013 Actual \$
Financial assets		
Portfolio investments (note 4)	26,132	24,706
Accounts receivable (note 5)	108,662	91,433
Due from the Government of Canada (note 9)	28,154	21,996
Inventories (note 6)	32,182	31,612
Loans receivable (note 7)	50,546	52,823
Investment in Northwest Territories Hydro Corporation, at nominal value	-	-
	245,676	222,570
Liabilities		
Bank overdraft (note 4)	13,389	16,655
Short-term loans (note 8)	144,909	104,962
Due to the Government of Canada (note 9)	100,832	116,917
Deferred revenue (note 10)	27,031	43,970
Accounts payable and accrued liabilities (note 11)	231,332	195,680
Capital lease obligations (note 12)	1,965	2,268
Long-term debt (note 13)	180,066	178,794
Pensions (note 14)	26,654	24,632
Other employee future benefits (note 15)	31,341	30,065
	757,519	713,943
Net Debt	(511,843)	(491,373)
Non-financial assets		
Tangible capital assets (schedule C)	1,834,746	1,719,401
Prepaid expenses	3,536	4,399
	1,838,282	1,723,800
Accumulated surplus	1,326,439	1,232,427

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, 2014(thousands of dollars)

	2014 Main Estimates (note 1b) \$	2014 Actual \$	2013 Actual \$
Net debt at beginning of year	(491,373)	(491,373)	(598,299)
Items affecting net financial resources:			
Annual surplus for the year	112,599	94,012	162,971
Increase in tangible capital assets, net book value (<i>schedule C</i>)	(93,463)	(115,345)	(56,179)
Decrease in prepaid expenses	-	863	134
Net debt at end of year	(472,237)	(511,843)	(491,373)

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, 2014

(thousands of dollars)

	2014 Main Estimates (note 1b) \$	2014 Actual \$	2013 Actual \$
Revenues			
Revenues by source (<i>schedule A</i>)	1,606,354	1,624,624	1,617,661
Recoveries of prior years expenses (<i>schedule 3</i>)	3,000	7,155	27,688
	1,609,354	1,631,779	1,645,349
Expenses (<i>schedule B</i>)			
Environment and economic development	121,800	131,875	131,084
Infrastructure	348,304	353,437	346,951
Education	301,540	296,752	292,674
Health, social services and housing	431,348	469,944	455,654
Justice	116,759	118,928	114,810
General government	158,765	147,891	122,923
Legislative Assembly and statutory offices	18,239	18,656	18,096
	1,496,755	1,537,483	1,482,192
Annual operating surplus (deficit)	112,599	94,296	163,157
Petroleum Products Stabilization Fund Net loss for the year (<i>note 16</i>)	-	(284)	(186)
Projects on behalf of the Government of Canada, Nunavut and Others (<i>schedule 13</i>)			
Expenses	(60,025)	(60,439)	(62,892)
Recoveries	60,025	60,439	62,892
Annual surplus (deficit)	112,599	94,012	162,971
Accumulated surplus at beginning of year	1,232,427	1,232,427	1,069,456
Accumulated surplus at end of year	1,345,026	1,326,439	1,232,427

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)	2014 \$	2013 \$
Cash provided by (used in)		
Operating transactions		
Annual surplus (deficit) for the year	94,012	162,971
Items not affecting cash:		
Provision for bad debts and forgivable loans	2,565	3,729
Amortization of tangible capital assets	77,021	73,139
	173,598	239,839
Changes in non-cash assets and liabilities:		
Due to Canada	(22,243)	(8,147)
Increase in other financial assets	(17,799)	(6,863)
Increase (decrease) in other financial liabilities	22,011	(49,634)
Decrease in prepaid expenses	863	135
Cash provided by operating transactions	156,430	175,330
Investing transactions		
Acquisition of tangible capital assets	(192,629)	(129,722)
Disposal of tangible capital assets (net)	263	403
Designated cash and investments purchased	(1,426)	(451)
Loans receivable receipts	6,120	6,182
Loans receivable advanced	(6,408)	(6,728)
Cash used for investing transactions	(194,080)	(130,316)
Financing transactions		
Short-term financing proceeds (repayment)	39,947	(29,979)
Repayment of capital lease obligations	(303)	(547)
Receipt (repayment) of long-term financing	1,272	(1,749)
Cash used for financing activities	40,916	(32,275)
Increase in cash and cash equivalents	3,266	12,739
Cash and cash equivalents at beginning of year	(16,655)	(29,394)
Cash and cash equivalents at end of year*	(13,389)	(16,655)

* 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, 2014

(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
- 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 Opportunities Fund
- 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, 2014

(All figures in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian public sector accounting standards.

(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 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 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. Other inventories 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-offs are recognized when the assets have been deemed unrealizable and or uncollectable. Recoveries are recorded when loans previously written off are subsequently collected. Interest revenue is recorded on an accrual basis. Interest revenue is not accrued when the collectibility of either principal or interest is not reasonably assured.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2014

(All figures in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Investment in the Northwest Territories Hydro Corporation

The Northwest Territories Hydro Corporation and its subsidiaries ("the Corporations") are wholly owned and accountable to the Government, and provide utility services in the Northwest Territories. The net assets of the Corporations have been recorded at nominal value.

(g) 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.

(h) 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. 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 any payments due. 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 crown lands are not recorded.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2014

(All figures in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Pensions and other employee future benefits

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 needed 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 based on years of service. The benefits 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. The cost of the benefits has been determined based on management's best estimates using expected compensation levels and employee leave credits.

(j) 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.

(k) 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.

(l) 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, 2014

(All figures in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) 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 personal and corporate income taxes, fuel taxes, tobacco tax, payroll tax and alcoholic beverage revenues at national average tax rates, and a revenue block of other own-source revenues. Population growth rates and growth in provincial/local government spending are variables used to determine 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.

(n) 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.

(o) Taxes 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 through out 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.

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 revenue 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.

(p) Expenses

Grants and contributions are recognized as long as the grant or contribution is authorized and eligibility criteria have been met. All other expenses are recognized on an accrual basis.

(q) Environmental liabilities

Environmental liabilities consist of the estimated costs related to the management and remediation of environmentally contaminated sites. For contaminated sites, a liability is accrued and an expense recorded based on management's best estimates when the contamination occurs or when the Government becomes aware of the contamination and is obligated, or is likely obligated, to incur such costs. If the likelihood of the Government's obligation to incur these costs is either not determinable, or if an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2014

(All figures in thousands of dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) 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.

3. FUTURE ACCOUNTING CHANGES

The Public Sector Accounting Board issued PS 3260 Liability for Contaminated Sites effective for fiscal years beginning on or after April 1, 2014. 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. The Government will be required to recognize a liability related to the remediation of such contaminated sites subject to certain recognition criteria. The Government currently recognizes an estimate for further evaluation or remediation depending on the stage of the investigation. The Government is analyzing the impact of this standard on its financial statements.

The Public Sector Accounting Board issued PS 3450 Financial Instruments effective for fiscal years beginning on or after April 1, 2016. Items within the scope of the standard are assigned to one of two measurement categories: fair value, or cost or amortized cost. Fair value measurement will apply to derivatives and portfolio investments in equity instruments that are quoted in an active market. Also, when groups of financial assets and financial liabilities are managed on a fair value basis they may be reported on that basis. Other financial assets and financial liabilities will generally be measured at cost or amortized cost. Until an item is derecognized, gains and losses arising due to fair value remeasurement will be reported in the Statement of Remeasurement of Gains and Losses.

Government 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 in the prior year, however there was no significant impact on their financial statements as a result of its application. The Government is currently analyzing any possible future impact of these standards on its financial statements.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2014

(All figures in thousands of dollars)

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, 2014 the investment pool had no net overdraft balance (2013 - 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, 2014, on a cash basis, the Government's share in the investment pool was a deficit of \$8,777 (2013 - \$4,409).

The Government's cash deficit related to the investment pool carried interest at a rate of 1.10% and \$122 was paid to it.

The portfolio yield for the year remained steady at 1.20% (2013 - 1.20%). In 2014, the Government earned interest on short-term investments of \$114 (2013 - \$5).

(b) Designated Assets

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

	2014 \$	2013 \$
Student Loan Fund:		
Authorized limit for loans receivable	40,000	40,000
Less: Loans receivable balance	(39,502)	(37,712)
	<hr/>	<hr/>
Funds designated for new loans	498	2,288
	<hr/>	<hr/>
Environment Fund:		
Beverage Container Program net assets	1,971	1,743
	<hr/>	<hr/>
Portfolio Investments for the Legislative Assembly Supplementary Retiring Allowance Pension Plan:		
Marketable securities (market value \$29,280; 2013 - \$26,088)	25,227	23,434
Money Market (market value approximates cost)	604	879
Cash and other assets (market value approximates cost)	301	393
	<hr/>	<hr/>
	26,132	24,706
	<hr/>	<hr/>
	28,601	28,737
	<hr/>	<hr/>

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 Regulations.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2014

(All figures in thousands of dollars)

4. CASH AND CASH EQUIVALENTS (continued)

(b) Designated Assets (continued)

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 Supplementary Retiring Allowance and Judges Supplemental Pension Plans (*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:

	2014 %	2013 %
Canadian stocks	18.62	20.50
Cash and other assets	3.46	5.15
Fixed income mutual funds	28.13	23.85
Federal bonds	15.90	16.82
Foreign stocks	33.89	33.66
Provincial bonds	-	0.02
	<u>100.00</u>	<u>100.00</u>

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2014

(All figures in thousands of dollars)

5. ACCOUNTS RECEIVABLE

	2014 \$	2013 \$
General	40,756	35,912
Government of Nunavut	7,736	5,008
Revolving funds sales	8,407	8,666
Accrued interest	25	25
	<hr/> 56,924	<hr/> 49,611
Less: allowance for doubtful accounts	<hr/> 8,583	<hr/> 8,233
	<hr/> 48,341	<hr/> 41,378
<hr/> Receivables from related parties:		
Divisional Education Councils and District Education Authorities	5,322	4,559
Health and Social Services Authorities	50,117	42,412
Northwest Territories Business Development and Investment Corporation	255	241
Northwest Territories Housing Corporation	2,170	1,001
Northwest Territories Hydro Corporation	135	184
Tlicho Community Services Agency	1,237	557
Workers' Safety and Compensation Commission (Northwest Territories and Nunavut)	26	209
	<hr/> 60,321	<hr/> 50,055
	<hr/> 108,662	<hr/> 91,433

During the year, no accounts receivable (2013 - \$ nil) were written off and \$55 (2013 - \$ nil) was forgiven.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2014

(All figures in thousands of dollars)

6. INVENTORIES

	2014 \$	2013 \$
Bulk fuels	29,319	28,517
Liquor products	2,720	2,940
Public stores	143	155
	32,182	31,612

Bulk fuel inventory write-down for 2014 was nil (2013 - nil).

7. LOANS RECEIVABLE

	2014 \$	2013 \$
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.	28,015	30,369
Arslanian Cutting Works Inc. promissory note receivable. The debtor has initiated legal proceedings for receivership.*	5,060	5,635
Student Loan Fund loans due in installments to 2028, bearing fixed interest between 1.25% and 6.88%, unsecured.	39,502	37,712
Yellowknife Catholic School Board Advance, unsecured, repayable in monthly installments of \$10. Interest is calculated monthly based upon the Government's current borrowing rate.	1,193	1,298
Other	3	14
	73,772	75,028
Valuation allowance - Student Loan Fund	(19,091)	(18,070)
Valuation allowance - Arslanian Cutting Works	(4,135)	(4,135)
	50,546	52,823

During the year, \$1,497 in student loans (2013 - \$1,400) was remised with proper authority.

Interest earned on loans receivable during the year was \$836 (2013 - \$846).

*Subsequent to year end, the Arslanian Cutting Works Inc. promissory note receivable was settled for \$1,836.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2014

(All figures in thousands of dollars)

8. SHORT-TERM LOANS

Based upon operational needs, the Government may enter into short term borrowing arrangements with its bank. Short term loans of \$144,909 (2013 - \$104,962) incur interest at an average rate of 1.13% (2013 -1.11%). Short-term loans were repaid May, 2014. Interest paid in 2014 was \$737 (2013 - \$723).

The borrowing limit under the *Borrowing Authorization Act* is \$275,000.

9. DUE TO (FROM) THE GOVERNMENT OF CANADA

	2014	2013
	\$	\$
Other receivables:		
Projects on behalf of the Government of Canada	(9,311)	(9,436)
Miscellaneous receivables	(18,843)	(12,560)
	(28,154)	(21,996)
Other payables:		
Advances for projects on behalf of the Government of Canada	5,383	8,141
Excess income tax advanced	58,833	80,776
Miscellaneous payables	36,616	28,000
	100,832	116,917
	72,678	94,921

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

	\$
2015	47,755
2016	9,806
2017	1,044
2018	228
	58,833

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2014

(All figures in thousands of dollars)

10. DEFERRED REVENUE

	2014	2013
	\$	\$
Government of Canada		
Ministry of Finance	5,802	6,658
Building Canada Plan	18,870	35,195
Federal Infrastructure Stimulus Funding	-	1,327
Inuvialuit Implementation Funding	100	-
Other	2,259	790
	27,031	43,970

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2014	2013
	\$	\$
Trade	145,486	117,874
Other liabilities	4,627	4,493
Employee and payroll-related liabilities	38,699	33,325
Environmental liabilities	27,327	26,345
	216,139	182,037

Payables to related parties:

Aurora College	576	1,888
Divisional Education Councils and District Education Authorities	1,673	337
Health and Social Services Authorities	10,674	9,040
Northwest Territories Business Development and Investment Corporation	33	15
Northwest Territories Housing Corporation	20	360
Northwest Territories Hydro Corporation	1,831	1,075
Tlicho Community Services Agency	364	224
Northwest Territories Human Rights Commission	19	-
Workers' Safety and Compensation Commission (Northwest Territories and Nunavut)	2	704
	15,192	13,643
	231,331	195,680

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2014

(All figures in thousands of dollars)

12. CAPITAL LEASE OBLIGATIONS

	2014 \$	2013 \$
Buildings	1,815	2,048
Equipment	150	220
	1,965	2,268

Interest expense related to capital lease obligations for the year was \$163 (2013 - \$186). Capital lease obligations are based upon contractual minimum lease obligations for the leases in effect as of March 31, 2014.

	\$
	2015 476
	2016 455
	2017 382
	2018 382
	2019 382
	Beyond 2019 350
Total minimum lease payments	2,427
Less: imputed interest 7.8%	462
Present value of minimum lease payments	1,965

13. LONG-TERM DEBT

	2014 \$	2013 \$
Mortgage payable to Canada Mortgage and Housing Corporation, repayable in monthly installments of \$7 (2013 - \$7) maturing June 2024, bearing interest at 3.30% (2013 - 3.30%), secured with real property.	802	867
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.	179,264	177,927
	180,066	178,794

Annual principal repayments are due as follows:

	\$
	2015 2,770
	2016 2,935
	2017 3,127
	2018 3,331
	2019 3,548
	Beyond 2019 164,355
	180,066

Interest expense on long term debt for the year was \$7,504 (2013 - \$4,479).

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2014

(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 Supplemental plans.

The average age of the 4 active members of the Judges' plans is 56. 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. The assets of the Judges' plans consist of a diversified portfolio of Canadian and foreign equities and bonds.

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

All plans provide death benefits to spouses and eligible dependants. Retired members can opt to continue to contribute to the plan post-retirement. 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 five consecutive years of highest paid service.

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, 2014

(All figures in thousands of dollars)

14. PENSIONS (continued)

(b) Pension liability

	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 gains (losses)	(1,679)	(2,325)	(4,004)
Pension liability (asset)	(2,400)	29,054	26,654

	Regular Funded \$	2013 Supplemental Unfunded \$	Total \$
Accrued benefit obligation	22,017	27,080	49,097
Pension fund assets - market related value	(25,047)	-	(25,047)
Unamortized actuarial gains (losses)	(185)	767	582
Pension liability (asset)	(3,215)	27,847	24,632

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

March 31, 2014**(All figures in thousands of dollars)**

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

	Regular Funded \$	2014 Supplemental Unfunded \$	Total \$
Opening balance	(3,215)	27,847	24,632
Change to pension liability 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 from cash items	(415)	(1,229)	(1,644)
Change to pension liability 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 average plan assets	(1,184)	-	(1,184)
Net change to pension liability from accrual items	1,230	2,436	3,666
Ending balance	(2,400)	29,054	26,654

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2014

(All figures in thousands of dollars)

14. PENSIONS (continued)

	Regular Funded \$	2013 Supplemental Unfunded \$	Total \$
Opening balance	(3,828)	27,005	23,177
Change to pension liability from cash items:			
Contributions from plan members	(256)	-	(256)
Contributions from Government	(211)	-	(211)
Benefit payment to plan members	(1,284)	(1,190)	(2,474)
Drawdown from plan assets	1,284	-	1,284
Net change to pension liability from cash items	(467)	(1,190)	(1,657)
Change to pension liability from accrual items:			
Current period benefit cost	833	969	1,802
Amortization of actuarial (gains) losses	342	(253)	89
Interest on average accrued benefit obligation	1,099	1,316	2,415
Expected return on plan assets	(1,194)	-	(1,194)
Net change to pension liability from accrual items	1,080	2,032	3,112
Ending balance	(3,215)	27,847	24,632

(d) Pension expense

The components of pension expense include current period benefit cost, amortization of actuarial gains/losses and interest on average accrued benefit obligation net of the expected return on plan assets and contributions from plan members. The total pension expense is \$3,395 (2013 - \$2,856). 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 return on plan assets and the actual return on plan assets was a gain of \$2,030 (2013 - \$846).

In addition to the above, the Government contributed \$31,136 (2013 - \$29,789) to the Public Service Superannuation Plan. The employees' contributions to this plan were \$17,176 (2013 - \$15,985).

(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 2014 (no changes in 2013).

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2014

(All figures in thousands of dollars)

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

Valuation date

Actuarial valuations were last completed for the Legislative Assembly and Judges plans as of April 1, 2012 and April 1, 2013, respectively. As the actuarial valuations for the plans were not valued as at the year-end, the MLA's plans were extrapolated to January 31, 2014 and the Judges' plans were extrapolated to March 31, 2014. The effective date of the next actuarial evaluation for the plans 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, market-related value, for the MLA's plans is equal to a smoothed market value which spreads the difference between the actual and expected investment income over a four year period and is then adjusted for payments due to, and payable from, the pension plan. The fair market value of the MLA's regular plan is \$22,490 (2013 - \$20,617). The asset valuation method for the Judges' plans is market value. The market value of the Judges' regular plan is \$5,082 (2013 - \$4,543).

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 expected average remaining service lives of the contributors is 5 years (2013 - 6.0 years) for the MLA's plans and 4.0 years (2013 - 4.9 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 at the earliest of age 60, thirty years of service or when age plus service equals 80.
- Judges 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, 2014

(All figures in thousands of dollars)

15. OTHER EMPLOYEE FUTURE BENEFITS

In addition to pension benefits, the Government provides termination and removal benefits to its employees. The cost of these benefits accrues either as employees render service or upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation.

	2014	2013
	\$	\$
Resignation and retirement	23,418	22,314
Removal	7,923	7,751
	31,341	30,065

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.

	2014	2013
	\$	\$
Surplus at beginning of the year	182	368
Add: Petroleum Products Stabilization Fund		
Net loss for the year	(284)	(186)
Surplus (deficit) at end of the year	(102)	182

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.

	2014	2013
	\$	\$
Correctional Institutions	335	312
Public Trustee	6,280	6,414
Natural Resources	235	244
Supreme and Territorial Courts	795	1,138
Others	72	77
Government of New Brunswick - Deh Cho Bridge	5,132	6,944
	12,849	15,129

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2014

(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, 2014:

	Expiry Date	2015 \$	2016- 2048 \$	Total \$
Operational commitments	2020	60,957	77,802	138,759
RCMP policing agreement	2032	44,430	755,310	799,740
Commercial leases	2023	12,607	27,791	40,398
Equipment leases	2019	793	751	1,544
Tangible capital asset projects in progress at year end	2018	156,300	112,264	268,564
		275,087	973,918	1,249,005

Chargeback of Services

The Government has 1 (2013 - 1) cost recovery service agreement with the Government of Nunavut for the provision of various corporate and program delivery services. The expenses for and costs recovered from these projects on behalf of the Government of Nunavut are estimated at \$1,020 for the fiscal year ended 2014 (2013 - \$3,353).

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2014

(All figures in thousands of dollars)

19. CONTINGENCIES

(a) Contractual obligations

The Government is contingently liable for the following guarantees:

	2014
	\$
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
maturing December 1, 2032	13,333
maturing September 13, 2040	49,201
Debenture series issued by the Northwest Territories Power Corporation	
maturing May 1, 2025	5,879
maturing July 11, 2025	15,000
maturing October 1, 2025	5,932
maturing September 1, 2026	6,774
maturing August 1, 2028	25,000
maturing December 15, 2034	25,000
Loans payable by the Northwest Territories Housing Corporation to Canada Mortgage and Housing Corporation *	8,762
Guaranteed residential housing loans	4,609
Total Guarantees	178,190

* In addition to this amount, the Northwest Territories Housing Corporation (NWT HC) has mortgages payable to the Canada Mortgage and Housing Corporation (CMHC) under the Social Housing Agreement. The mortgages mature between the years 2026 and 2027, bearing interest ranging from 2.78% to 3.68% (2013 2.78% to 3.68%). These mortgages relate to assets held by NWT HC in trust for CMHC; therefore, these liabilities are not included in the above listing.

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

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2014

(All figures in thousands of dollars)

19. CONTINGENCIES (continued)

(b) Environmental liabilities

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which the Government is responsible. The Government has identified 125 (2013 - 122) sites as potentially requiring environmental remediation at March 31, 2014. Where an estimate could be determined for remediation costs a liability has been recorded and included as a component of accounts payable and accrued liabilities.

One of the 125 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 balance of the Government's share of the Giant Mine remediation liability at March 31, 2014 is \$3,052 (2013 - \$3,162).

There are 31 active or decommissioned landfill sites that are outside incorporated communities. Further analysis is required to assess the extent, if any, of the Government's liability.

Of the remaining 93 sites, the majority of which have been investigated but are still awaiting full environmental assessments, 15 are airports or airport strips or reserves, 14 are sewage lagoons, 14 are fuel tanks and 10 are highways. Remediation costs for the sites that are known to be contaminated and the Government is obligated to remediate are currently estimated at \$22,902 (2013 - \$22,288).

The Government's ongoing efforts to assess the remaining sites may result in additional environmental liabilities. These liabilities will be recorded in the year in which they become known and can be reasonably estimated.

(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 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 \$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 Non-Consolidated Financial Statements (unaudited)

March 31, 2014

(All figures in thousands of dollars)

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.

	2014	2013
	\$	\$
Aurora College	34,823	33,119
Divisional Education Councils and District Education Authorities	162,746	161,300
Health and Social Services Authorities	252,170	230,168
Northwest Territories Power Corporation	14,303	20,054
Northwest Territories Energy Corporation	1,550	1,330
Northwest Territories Business Development and Investment Corporation	3,754	3,742
Northwest Territories Housing Corporation	69,332	66,961
Northwest Territories Human Rights Commission	229	250
Northwest Territories Sport and Recreation Council	650	-
Status of Women Council of the Northwest Territories	424	396
	539,981	517,320

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.

The Government receives dividend revenue in return for its investment in the Northwest Territories Power Corporation. Dividend revenue for the current year is \$ nil (2013 - \$ nil).

21. OVEREXPENDITURE

During the year no departments (2013 - 1) exceeded their vote (2013 - \$3,794).

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".

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2014

(All figures in thousands of dollars)

22. SUBSEQUENT EVENTS

Devolution of Federal Responsibilities

Effective April 1, 2014 Canada will devolve 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. From and after the transfer date, Canada shall provide to the GNWT additional funding of \$67,300 by making an adjustment with an effective date of April 1, 2014 to the current gross expenditure based grant from Canada as determined under the *Federal-Provincial Fiscal Arrangements Act* (Canada) and *Federal-Provincial Fiscal Arrangements Regulations, 2007* (Canada) or any successor program governing the financial arrangements between Canada and the GNWT.

Inuvik to Tuktoyaktuk Highway

The Government entered into an agreement with Canada to cost share the construction of a highway from Inuvik to Tuktoyaktuk. The cost share agreement contains two conditions that must be met for Canada's obligation to come into effect. The conditions relate to the finalization of an agreement with the Inuvialuit Regional Corporation with respect to granular royalties and access to Inuvialuit lands. These agreements were not finalized until July 31, 2014. The impact of this is \$22,275 of capital transfer revenue relating to the 2013-14 fiscal year will now be recorded in the 2014-15 fiscal year to be consistent with when the conditions of the agreement were met.

23. COMPARATIVE FIGURES

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

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Source (unaudited)

Schedule A

for the year ended March 31, 2014

(thousands of dollars)

	2014 Main Estimates (note 1b) \$	2014 Actual \$	2013 Actual \$
Revenue from the Government of Canada			
Grant	1,121,244	1,121,244	1,070,023
Transfer payments	116,617	131,729	145,723
	1,237,861	1,252,973	1,215,746
Taxation			
Corporate Income Tax	88,034	81,256	108,422
Personal Income Tax	98,107	89,451	105,360
Fuel	18,456	18,514	18,608
Tobacco	16,591	15,683	15,587
Payroll	43,180	41,245	41,619
Property and school levies	25,953	27,866	27,058
Insurance	4,445	4,645	4,763
	294,766	278,660	321,417
Recoveries			
Program	21,686	28,112	21,709
Service and miscellaneous	763	1,463	3,609
Lease	3,754	4,766	5,394
	26,203	34,341	30,712
General			
Revolving Funds net revenue	25,226	24,383	25,255
Regulatory revenues	20,582	21,812	18,316
Other general revenues	-	285	1,578
Investment income	1,123	11,577	4,002
	46,931	58,057	49,151
Grants in Kind	593	593	635
Total Revenues	1,606,354	1,624,624	1,617,661

Government of the Northwest Territories

Non-Consolidated Schedule of Expenses (unaudited)

Schedule B

for the year ended March 31, 2014

(thousands of dollars)

	Main Estimates (note 1b) \$	Compensation and Benefits \$	Grants and Contributions \$	Valuation Allowances \$	Other \$	Amortization \$	2014 Total Expenses \$	2013 Total Expenses \$
Legislative Assembly	18,239	11,171	310	-	6,287	888	18,656	18,096
Executive	20,464	17,100	1,584	1	8,742	7	27,434	16,685
Aboriginal Affairs and Intergovernmental Relations	7,416	4,840	846	-	1,212	-	6,898	6,428
Human Resources	42,099	36,957	-	6	5,586	164	42,713	43,225
Finance	156,278	16,312	108,055	13	23,351	2,081	149,812	139,252
Municipal and Community Affairs	126,788	15,063	105,436	120	6,677	160	127,456	125,757
Public Works and Services	104,505	24,700	-	6	76,030	5,125	105,861	98,165
Health and Social Services	363,856	21,491	265,532	-	95,177	8,778	390,978	372,987
Justice	116,759	55,926	2,404	-	58,415	2,183	118,928	114,810
Education, Culture and Employment	301,540	29,112	210,572	2,526	38,983	15,559	296,752	292,674
Transportation	117,011	35,552	1,151	37	44,389	38,992	120,121	123,029
Environment and Natural Resources	71,565	34,061	6,397	-	40,491	2,191	83,140	82,033
Industry Tourism and Investment	50,235	18,718	20,014	105	9,004	893	48,734	49,051
	1,496,755	321,003	722,301	2,814	414,344	77,021	1,537,483	
Prior Year Totals	1,440,033	302,340	714,035	4,456	388,222	73,139		1,482,192

Government of the Northwest Territories

Non-Consolidated Schedule of Tangible Capital Assets (unaudited)

Schedule C

As at March 31, 2014

(thousands of dollars)

	Land \$	Buildings* \$	Other** \$	Leasehold Improvements \$	Equipment* \$	Computers \$	2014 \$	2013 \$
Cost, beginning of year	2,046	948,071	1,317,323	34,262	174,105	104,098	2,579,905	2,145,203
Acquisitions	-	6,912	129,615	484	5,822	4,325	147,158	449,220
Disposals	-	(303)	-	-	(5,203)	(368)	(5,874)	(14,518)
Cost, end of year	2,046	954,680	1,446,938	34,746	174,724	108,055	2,721,189	2,579,905
Accumulated amortization, beginning of year	-	(332,498)	(442,942)	(24,555)	(89,505)	(57,182)	(946,682)	(887,658)
Amortization expense	-	(26,976)	(34,059)	(1,506)	(7,735)	(6,745)	(77,021)	(73,139)
Disposals	-	255	-	-	4,988	368	5,611	14,115
Accumulated amortization, end of year	-	(359,219)	(477,001)	(26,061)	(92,252)	(63,559)	(1,018,092)	(946,682)
Net book value	2,046	595,461	969,937	8,685	82,472	44,496	1,703,097	1,633,223
Work in progress							131,649	86,178
							1,834,746	1,719,401

* Included in buildings and equipment are assets under capital leases: cost, \$4,284 (2013 - \$4,284); accumulated amortization, \$1,483 (2013 - \$1,349); carrying value, \$2,801 (2013 - \$2,935).

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

Change in net book value of tangible capital assets	2014 \$	2013 \$
Acquisitions	147,158	449,220
Disposals/write-downs/adjustments	(263)	(403)
Amortization	(77,021)	(73,139)
Increase in work in progress	45,471	(319,499)
Increase	115,345	56,179

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1

March 31, 2014

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
Legislative Assembly					
Transfer Payments					
Capital transfers	1	-	1	-	(1)
General Revenues					
Service and miscellaneous	15	-	15	9	(6)
Regulatory revenue	15	-	15	25	10
Investment income	-	-	-	2,649	2,649
	31	-	31	2,683	2,652
Executive					
Transfer Payments					
Federal cost shared	6,071	17,731	23,802	22,500	(1,302)
General Revenues					
Grants in kind	150	-	150	150	-
	6,221	17,731	23,952	22,650	(1,302)
Industry, Tourism and Investment					
Transfer Payments					
Capital transfers	22	243	265	311	46
General Revenues					
Investment income	-	7,230	7,230	7,300	70
Regulatory revenues	60	-	60	70	10
Service and miscellaneous	10	-	10	4	(6)
	92	7,473	7,565	7,685	120
Environment and Natural Resources					
Transfer Payments					
Capital transfers	1,015	-	1,015	-	(1,015)
General Revenues					
Regulatory revenues	555	(246)	309	627	318
Beverage Container Program, Others, Net	246	-	246	259	13
	1,816	(246)	1,570	886	(684)

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1 (continued)

March 31, 2014

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
Finance					
Revenue from the Government of Canada					
Grant	1,121,244	-	1,121,244	1,121,244	-
Transfer Payments					
Federal cost shared	-	-	-	271	271
Canada Health Transfer and Reform Fund	29,513	(8,001)	21,512	21,512	-
Canada Social Transfer	15,153	95	15,248	15,248	-
	1,165,910	(7,906)	1,158,004	1,158,275	271
Taxation					
Corporate	88,034	(9,039)	78,995	81,256	2,261
Personal	98,107	(10,955)	87,152	89,451	2,299
Fuel	18,456	195	18,651	18,514	(137)
Tobacco	16,591	(1,154)	15,437	15,683	246
Payroll	43,180	103	43,283	41,245	(2,038)
Property and school levies	25,953	1,619	27,572	27,866	294
Insurance	4,445	405	4,850	4,645	(205)
	294,766	(18,826)	275,940	278,660	2,720
General Revenues					
Service and miscellaneous	-	-	-	734	734
Program	60	-	60	-	(60)
Revolving funds net revenue	24,980	-	24,980	24,124	(856)
Investment income	680	-	680	1,153	473
Regulatory revenue	453	-	453	505	52
Other general revenues	-	-	-	242	242
	26,173	-	26,173	26,758	(89)
	1,486,849	(26,732)	1,460,117	1,463,693	3,576
Municipal and Community Affairs					
Transfer Payments					
Federal cost shared	-	2,374	2,374	2,262	(112)
General Revenues					
Regulatory revenue	214	-	214	218	4
Lease	700	-	700	1,295	595
	914	2,374	3,288	3,775	487
Justice					
Transfer payments					
Federal cost shared	4,719	327	5,046	5,048	2
Capital transfers	10	-	10	-	(10)
	4,729	327	5,056	5,048	(8)
General Revenues					
Lease	7	-	7	8	1
Service and miscellaneous	17	-	17	8	(9)
Program	4,492	-	4,492	4,135	(357)
Regulatory revenue	5,025	-	5,025	5,735	710
Investment income	3	-	3	-	(3)
	9,544	-	9,544	9,886	707
	14,273	327	14,600	14,934	334

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1 (continued)

March 31, 2014

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
Public Works and Services					
General Revenues					
Service and miscellaneous	343	-	343	395	52
Lease	13	-	13	244	231
Regulatory revenue	1,027	-	1,027	1,106	79
Other general revenues	235	-	235	43	(192)
	1,618	-	1,618	1,788	170
Health and Social Services					
Transfer Payments					
Federal cost shared	36,372	-	36,372	36,376	4
Canadian Health and Social Transfer	315	-	315	309	(6)
Capital transfers	1,450	(298)	1,152	-	(1,152)
	38,137	(298)	37,839	36,685	(1,154)
General Revenues					
Program	14,500	-	14,500	19,835	5,335
Regulatory revenue	300	-	300	364	64
Grants in Kind	443	-	443	443	-
	53,380	(298)	53,082	57,327	4,245
Education, Culture and Employment					
Transfer Payments					
Federal cost shared	8,409	(61)	8,348	8,551	203
Capital transfers	661	(661)	-	-	-
	9,070	(722)	8,348	8,551	203
General Revenues					
Service and miscellaneous	50	-	50	18	(32)
Lease	10	(5)	5	19	14
Program	1,020	-	1,020	1,020	-
Investment income	440	10	450	475	25
Regulatory revenue	15	(1)	14	22	8
	1,535	4	1,539	1,554	15
	10,605	(718)	9,887	10,105	218
Human Resources					
General Revenues					
Program	750	-	750	1,560	810

Government of the Northwest Territories**Non-Consolidated Schedule of Revenues by Department (unaudited)****Schedule 1 (continued)****March 31, 2014**

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
Transportation					
Transfer Payments					
Federal cost shared	406	46,850	47,256	1,140	(46,116)
Capital transfers	12,500	11,400	23,900	18,201	(5,699)
	12,906	58,250	71,156	19,341	(51,815)
General Revenues					
Lease	2,789	-	2,789	3,200	411
Program	864	-	864	1,562	698
Service and miscellaneous	328	-	328	295	(33)
Regulatory revenue	12,918	-	12,918	13,140	222
	16,899	-	16,899	18,197	1,298
	29,805	58,250	88,055	37,538	(50,517)
	1,606,354	58,161	1,664,515	1,624,624	(39,891)

Government of the Northwest Territories

Non-Consolidated Schedule of Expenses by Department (unaudited)

Schedule 2

March 31, 2014

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Legislative Assembly						
Office of the Clerk	7,738	270	-	8,008	8,538	(530)
Expenditures on Behalf of Members	7,934	2	-	7,936	7,412	524
Office of the Chief Electoral Officer	626	-	-	626	649	(23)
Statutory Offices	1,603	120	-	1,723	1,653	70
Office of the Speaker	338	60	-	398	404	(6)
	18,239	452	-	18,691	18,656	35
Executive						
Directorate	6,756	18,008	(211)	24,553	14,242	10,311
Ministers' Offices	3,635	25	-	3,660	3,743	(83)
Executive Operations	7,552	4	-	7,556	7,101	455
Cabinet Support	2,521	-	-	2,521	2,348	173
	20,464	18,037	(211)**	38,290	27,434	10,856
Human Resources						
Directorate	625	-	-	625	969	(344)
Human Resource Strategy and Policy	6,774	346	-	7,120	5,789	1,331
Management and Recruitment Services	4,056	1	-	4,057	4,765	(708)
Corporate Human Resources	9,163	-	-	9,163	5,825	3,338
Employee Services	14,293	1,142	-	15,435	17,898	(2,463)
Region Operations	4,574	9	116	4,699	4,982	(283)
Labour Relations	2,614	1	(116)	2,499	2,485	14
	42,099	1,499	-	43,598	42,713	885
Aboriginal Affairs and Intergovernmental Relations						
Directorate	2,760	-	-	2,760	2,721	39
Implementation	694	-	-	694	535	159
Negotiations	2,437	-	-	2,437	2,026	411
Intergovernmental Relations	1,525	-	-	1,525	1,616	(91)
	7,416	-	-	7,416	6,898	518
Industry, Tourism and Investment						
Economic Diversification & Business Support	22,961	15	-	22,976	21,742	1,234
Directorate	7,908	(96)	(14)	7,798	7,432	366
Tourism and parks	11,962	603	16	12,581	12,246	335
Energy	1,679	(100)	(1)	1,578	1,866	(288)
Minerals and Petroleum Resources	5,725	343	(1)	6,067	5,448	619
	50,235	765	-	51,000	48,734	2,266

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

** Infrastructure investments classified as capital as a result of Devolution.

Government of the Northwest Territories

Non-Consolidated Schedule of Expenses by Department (unaudited)

Schedule 2 (continued)

March 31, 2014

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Environment and Natural Resources						
Wildlife Management	15,286	13	-	15,299	14,786	513
Forest Management	32,067	14,074	-	46,141	43,696	2,445
Directorate	11,492	(95)	-	11,397	11,554	(157)
Land and Water	5,752	-	1	5,753	5,465	288
Environmental Protection	6,968	502	(1)	7,469	7,639	(170)
	71,565	14,494	-	86,059	83,140	2,919
Finance						
Directorate	79,725	1,824	(2)	81,547	82,113	(566)
Budget, Treasury and Debt Management	26,762	-	-	26,762	20,528	6,234
Office of the Comptroller General	22,377	560	2	22,939	21,399	1,540
Office of the Chief Information Officer	2,469	-	-	2,469	1,899	570
Fiscal Policy	24,945	-	-	24,945	23,811	1,134
	156,278	2,384	-	158,662	149,750	8,912
Amortization of tangible capital assets of the NWT Liquor Commission	-	-	-	-	62	(62)
	156,278	2,384	-	158,662	149,812	8,850
Municipal and Community Affairs						
Regional Operations	106,958	10	408	107,376	106,829	547
Community Operations	2,483	6,452	-	8,935	3,541	5,394
Directorate	4,395	(68)	(140)	4,187	4,699	(512)
School of Community Government	3,076	1	-	3,077	2,838	239
Lands Administration	3,047	-	(135)	2,912	2,524	388
Sport, Recreation and Youth	5,200	-	-	5,200	5,526	(326)
Public Safety	1,629	-	(133)	1,496	1,499	(3)
	126,788	6,395	-	133,183	127,456	5,727
Justice						
Corrections	38,169	335	(305)	38,199	36,815	1,384
Policing Services	40,856	1,307	(200)	41,963	41,962	1
Court Services	11,803	602	535	12,940	13,768	(828)
Services to Government	10,925	(91)	469	11,303	11,241	62
Legal Aid Services	6,141	4	(8)	6,137	5,696	441
Services to the Public	5,028	-	(4)	5,024	5,486	(462)
Community Justice and Policing	3,837	316	233	4,386	3,960	426
	116,759	2,473	720 *	119,952	118,928	1,024

* 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, 2014

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Health and Social Services						
Directorate	8,599	120	180	8,899	9,731	(832)
Health Services Programs	198,582	13,006	(575)	211,013	211,241	(228)
Community Health Programs	89,259	10,950	(1,312)	98,897	97,114	1,783
Program Delivery Support	40,686	656	1,649	42,991	42,924	67
Supplementary Health Programs	26,730	2,521	58	29,309	29,968	(659)
	363,856	27,253	-	391,109	390,978	131
Education, Culture and Employment						
Directorate	10,521	(196)	1,053	11,378	13,018	(1,640)
Primary and Secondary School Education	200,301	314	(1,058)	199,557	196,624	2,933
Advanced Education and Careers	49,127	149	134	49,410	45,798	3,612
Income Security	41,591	9	-	41,600	41,312	288
	301,540	276	129 *	301,945	296,752	5,193
Transportation						
Directorate	10,326	192	62	10,580	10,194	386
Airports	29,704	3,162	(3)	32,863	29,617	3,246
Highways	64,766	413	(3)	65,176	65,764	(588)
Marine	5,717	1,398	-	7,115	8,120	(1,005)
Road Licensing and Safety	5,490	3	(55)	5,438	5,535	(97)
Community Local Access Roads	1,008	-	-	1,008	891	117
	117,011	5,168	1 *	122,180	120,121	2,059
Public Works and Services						
Asset Management	92,341	3,128	2,168	97,637	93,024	4,613
Directorate	8,988	858	-	9,846	9,555	291
Technology Services Centre	1,282	-	-	1,282	1,177	105
Petroleum Products	1,894	-	-	1,894	2,105	(211)
	104,505	3,986	2,168	110,659	105,861	4,798
	1,496,755	83,182	2,807 *	1,582,744	1,537,483	45,261

* 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, 2014

(thousands of dollars)

DEPARTMENT	Over-Accruals \$	Other Recoveries \$	Total \$
Legislative Assembly	-	447	447
Aboriginal Affairs and Intergovernmental Relations	12	-	12
Human Resources	467	47	514
Finance	30	133	163
Municipal and Community Affairs	-	161	161
Public Works and Services	169	340	509
Health and Social Services	1,613	183	1,796
Justice	31	159	190
Education, Culture and Employment	331	1,052	1,383
Transportation	210	44	254
Environment and Natural Resources	177	283	460
Industry, Tourism and Investment	347	919	1,266
	3,387	3,768	7,155

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

Schedule 4

March 31, 2014

(thousands of dollars)

DEPARTMENT	Main Estimates \$	Supplementary Estimates \$	Total Appropriation \$	Actual Expenditure \$
Legislative Assembly	-	275	275	46
Human Resources	300	117	417	393
Finance	-	600	600	19
Public Works and Services	19,507	7,462	26,969	23,161
Health and Social Services	36,381	30,350	66,731	37,121
Justice	415	847	1,262	508
Education, Culture and Employment	4,245	6,430	10,675	7,416
Transportation	26,427	108,283	134,710	120,942
Environment and Natural Resources	1,861	1,147	3,008	1,972
Industry, Tourism and Investment	2,060	1,322	3,382	1,594
	91,196	156,833	248,029 *	193,172

\$3,018 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 PWS on behalf of other Departments are reported as expenditures under the owner Department when completed.

Government of the Northwest Territories

Non-Consolidated Schedule of Grants (unaudited)

Schedule 5

for the year ended March 31, 2014

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Executive						
Band Council Leases (in kind)	150	-	-	150	150	-
Women's Initiatives	50	-	-	50	50	-
Indspire Awards	35	-	-	35	35	-
Non - Government Organization						
Operational Assistance	-	-	-	-	17	(17)
Canadian Red Cross	-	25	-	25	25	-
Non-Government Organization Stabilization Fund	350	-	-	350	350	-
Devolution Negotiations, Aboriginal Government Participation and Engagement	-	216	-	216	162	54
	585	241	-	826	789	37

Transportation

Highways - Deh Cho Bridge	200	-	-	200	200	-
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Aboriginal Affairs and Intergovernmental Relations

Core Funding to Metis Locals	225	-	-	225	225	-
Special Events - Aboriginal Organizations	75	-	-	75	191	(116)
Aboriginal Intergovernmental Meetings Fund	350	-	-	350	350	-
	650	-	-	650	766	(116)

Finance

Government of Yukon - Connectivity	-	-	10	10	10	-
Public Policy Forum Grant	-	-	15	15	15	-
Cost of Living Tax Credit	22,400	-	-	22,400	21,390	1,010
NWT Child Benefit	1,200	-	-	1,200	1,116	84
	23,600	-	25	23,625	22,531	1,094

Municipal and Community Affairs

Community Government Funding	168	-	-	168	168	-
New Deal Taxation Revenue Program	475	-	-	475	488	(13)
High Performance Athlete Grant Program	100	-	-	100	82	18
Community Government Funding	47,030	-	-	47,030	47,030	-
Grant in Lieu of Taxes	6,371	-	-	6,371	6,034	337
Senior and Disabled Persons Tax Relief	366	-	-	366	549	(183)
Funding for Regional Operations	1,440	-	-	1,440	1,424	16
	55,950	-	-	55,950	55,775	175

Government of the Northwest Territories**Non-Consolidated Schedule of Grants (unaudited)****Schedule 5 (continued)****for the year ended March 31, 2014**

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Environment and Natural Resources						
Disaster Compensation	100	-	-	100	37	63
Health and Social Services						
Medical Professional Development	40	-	-	40	40	-
Lease Extension - Rockhill Apartments	443	-	-	443	443	-
	483	-	-	483	483	-
Justice						
National Justice Issues	9	-	-	9	8	1
Aboriginal Court Challenges	40	-	-	40	5	35
	49	-	-	49	13	36
Education, Culture and Employment						
Student Grants	11,136	-	-	11,136	9,901	1,235
Community Broadcasting Grants	52	-	-	52	24	28
	11,188	-	-	11,188	9,925	1,263
Industry, Tourism and Investment						
Fur Price Program	610	-	-	610	398	212
Disaster Compensation Program	15	-	-	15	-	15
Diavik Socio - Economic Agreement	-	-	-	-	45	(45)
	625	-	-	625	443	182
Total	93,430	241	25	93,696	90,962	2,734

Government of the Northwest Territories

Non-Consolidated Schedule of Contributions (unaudited)

Schedule 6

for the year ended March 31, 2014

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
Legislative Assembly						
Human Rights Commission	250	-	-	250	250	-
Yellowknife Community Foundation	-	60	-	60	60	-
	250	60	-	310	310	-
Executive						
Status of Women Council	379	-	-	379	379	-
Native Women's Association	416	-	-	416	416	-
	795	-	-	795	795	-
Aboriginal Affairs and Intergovernmental Relations						
Consultation Funding	-	-	-	-	80	(80)
Finance						
Northwest Territories Power Corporation Contribution - General Rate Application Support	9,400	-	-	9,400	9,400	-
Energy Corporation Contribution - Grid Expansion Phase 1	-	-	500	500	450	50
Territorial Power Subsidy Program	11,085	-	-	11,085	6,008	5,077
Northwest Territories Heritage Fund	250	-	-	250	250	-
Mackenzie Valley Fibre Link - Funding	7,000	-	(7,000)	-	-	-
Northwest Territories Housing Corporation - Operations	67,492	1,824	-	69,316	69,316	-
Falcon Communications	100	-	-	100	100	-
	95,327	1,824	(6,500)	90,651	85,524	5,127

Government of the Northwest Territories

Non-Consolidated Schedule of Contributions (unaudited)

Schedule 6 (continued)

for the year ended March 31, 2014

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
Municipal and Community Affairs						
Contribution Funding - Directorate	470	-	-	470	489	(19)
Management of Drinking Water	50	-	-	50	35	15
Ground Ambulance	200	-	-	200	200	-
Recreation Contributions	450	-	-	450	560	(110)
Volunteer Contributions	70	-	-	70	65	5
Training Services-Community Governments	-	-	-	-	17	(17)
Youth Centers	500	-	-	500	485	15
Pan Territorial Sport Program	272	-	-	272	272	-
Youth Corps-Regional Operations	675	-	-	675	643	32
Water Sewer Services Funding	14,647	-	-	14,647	14,655	(8)
Youth Contributions-Regional Operations	25	-	-	25	10	15
A Brilliant North	680	-	-	680	456	224
Multi Sport Games	650	-	-	650	650	-
Healthy Choices	615	-	-	615	646	(31)
Community Financial Services Contributions	135	-	-	135	156	(21)
Infrastructure Contributions	28,002	6,452	-	34,454	28,223	6,231
Get Active	100	-	-	100	100	-
Regional Youth Sport Events	400	-	-	400	382	18
Youth Corp Regional Operations	500	-	-	500	434	66
Youth Regional Operations Contributions	225	-	-	225	238	(13)
Assistance to Community Governments	-	-	-	-	66	(66)
Volunteer Recognition	-	-	-	-	3	(3)
Joint Emergency Preparedness Program	-	-	-	-	47	(47)
Recreation Funding	825	-	-	825	829	(4)
	49,491	6,452	-	55,943	49,661	6,282
Transportation						
Airport Career Development Program	30	-	-	30	50	(20)
Community Access Program	980	-	-	980	863	117
Corporate Services - Ice Engineering	-	-	-	-	25	(25)
Students Against Drinking and Driving	-	-	-	-	13	(13)
	1,010	-	-	1,010	951	59

Government of the Northwest Territories

Non-Consolidated Schedule of Contributions (unaudited)

Schedule 6 (continued)

for the year ended March 31, 2014

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
Health and Social Services						
Health & Social Services Authorities	16,495	82	819	17,396	17,396	-
Professional Development Recruitment	2,701	-	-	2,701	1,023	1,678
System Navigation	-	-	-	-	59	(59)
Hospital Services	83,830	2,227	336	86,393	85,820	573
Anti-Poverty Strategy and Framework	-	-	150	150	220	(70)
Territorial Health Services	739	-	330	1,069	819	250
Office of the Chief Public Health Officer	11	-	-	11	594	(583)
Aboriginal Health and Community Wellness	1,114	-	30	1,144	1,335	(191)
Equipment Evergreening	250	-	-	250	326	(76)
Medical Travel Benefits	16,316	2,521	1	18,838	18,838	-
Mental Health and Addictions	1,463	-	-	1,463	911	552
Residential Care - Elderly & Persons with Disabilities	21,646	-	16	21,662	21,872	(210)
Health Centres	28,618	730	232	29,580	30,159	(579)
Health Awareness, Activities and Education	1,809	-	502	2,311	2,057	254
Children's Services	12,323	-	-	12,323	12,346	(23)
Physician Services	39,426	(326)	(739)	38,361	39,422	(1,061)
Community Services	33,589	22	(2,060)	31,551	31,815	(264)
Tlicho Cultural Coordinator	35	-	-	35	37	(2)
	260,365	5,256	(383)	265,238	265,049	189
Environment and Natural Resources						
Mackenzie River Basin Board	40	-	-	40	40	-
Energy Guides for Houses	150	-	-	150	150	-
Energy Management	1,323	-	-	1,323	1,269	54
Climate Change Adaptation Plan	51	-	-	51	-	51
Traditional Knowledge Contributions	65	-	-	65	17	48
Interim Resource Management Agreement	305	-	-	305	305	-
Energy Conservation Contributions	200	-	-	200	357	(157)
Energy Initiatives	-	400	-	400	680	(280)
Alternative Energy Program Contributions	775	-	-	775	576	199
Biomass Energy	400	-	-	400	511	(111)
Stewardship Program	500	-	-	500	450	50
Biomass Supply (Forest)	-	-	-	-	86	(86)
Forest Management	-	-	-	-	17	(17)
Wildfire Risk Management Plans	50	-	-	50	41	9
Wildlife Research Support	50	-	-	50	22	28
Barren Ground Caribou Monitoring	178	-	-	178	163	15
Energy Efficiency Incentive Program	300	100	-	400	408	(8)
Environmental Stewardship Program	-	-	-	-	-	-
Aquatic Ecosystems Research Partnership Program	200	-	-	200	200	-
Wildlife Research Support - Various	-	-	-	-	25	(25)
Northwest Territories Water Strategy	250	-	-	250	677	(427)
Protected Areas Contribution - Various	60	-	-	60	61	(1)
Policy and Strategy Planning - Various	-	-	-	-	14	(14)
Caribou Strategy	275	-	-	275	275	-
Disease Contaminants	20	-	-	20	16	4
	5,192	500	-	5,692	6,360	(668)

Government of the Northwest Territories

Non-Consolidated Schedule of Contributions (unaudited)

Schedule 6 (continued)

for the year ended March 31, 2014

(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	3,754	-	-	3,754	3,754	-
Community Futures	1,272	-	-	1,272	986	286
Community Transfers Initiative	1,582	-	-	1,582	1,380	202
Fur Marketing Service	-	-	-	-	138	(138)
Support for Entrepreneur and Economic Development	3,866	-	-	3,866	3,865	1
Investment and Economic Analysis	-	-	-	-	90	(90)
Mackenzie Valley Development	715	-	-	715	611	104
Energy Contributions	1,100	-	-	1,100	1,260	(160)
Tourism Core Support	2,736	600	-	3,336	3,336	-
Tourism 2015 - Marketing Contribution	400	-	-	400	400	-
Agriculture Development Infrastructure	300	-	-	300	285	15
Tourism Diversification Program	900	-	-	900	1,030	(130)
Assist Tourism	111	-	-	111	111	-
Tourism Contribution - Various	-	-	-	-	39	(39)
Sport Hunt Outfitter Marketing Support	300	-	-	300	139	161
Take A Kid Trapping	125	-	-	125	-	125
Community Harvester Assistance	1,074	-	-	1,074	1,137	(63)
Commercial Fisheries	225	-	-	225	237	(12)
Western Harvester Assistance Program	-	-	-	-	134	(134)
Local Wildlife Committees	257	-	-	257	122	135
Northern Food Development Program	250	-	-	250	179	71
SocioEconomic Monitoring Agreement	210	-	-	210	45	165
Sahtu Land Claims Implementation	-	-	-	-	20	(20)
Northwest Territories Chamber of Mines	30	-	-	30	110	(80)
Great Northern Arts Festival	25	-	-	25	25	-
Growing Forward II	300	-	-	300	138	162
	19,532	600	-	20,132	19,571	561
Justice						
YWCA of Yellowknife	105	-	-	105	105	-
Victims Assistance Support Projects	615	-	-	615	525	90
Community Justice Committees and Projects	1,371	-	-	1,371	1,761	(390)
Wilderness Camps	149	-	-	149	-	149
Elder's Program	30	-	-	30	-	30
	2,270	-	-	2,270	2,391	(121)

Government of the Northwest Territories

Non-Consolidated Schedule of Contributions (unaudited)

Schedule 6 (continued)

for the year ended March 31, 2014

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
Education, Culture and Employment						
Education Authority Contributions	150,682	88	(1,058)	149,712	146,210	3,502
Aurora College Contributions	32,543	-	121	32,664	32,812	(148)
Community Skills for Work	650	-	70	720	410	310
Literacy	1,996	-	-	1,996	1,977	19
Teachers Professional Improvement Fund	1,916	-	-	1,916	1,704	212
Healthy Children Initiative	2,110	-	-	2,110	1,812	298
Early Childhood Program	3,958	-	-	3,958	3,496	462
Minority Language Education and Second- Language Instruction	2,401	-	-	2,401	2,495	(94)
Official Languages:						
Aboriginal Languages Broadcasting	170	-	-	170	188	(18)
Francophone Affairs	350	-	-	350	276	74
Aboriginal Languages	4,389	-	-	4,389	4,345	44
Community Library Services	763	-	-	763	755	8
Cultural Organizations	554	-	-	554	554	-
Cultural Projects	36	-	-	36	105	(69)
Heritage Centres	491	-	-	491	491	-
Arts Council	500	-	-	500	498	2
Support to Northern Performers	181	-	-	181	165	16
Small Community Employment	160	-	-	160	185	(25)
New Northern Arts Program	250	-	-	250	244	6
Cultural Component of Sports Events	50	-	-	50	10	40
Infrastructure Contributions for Education and Culture	1,529	50	-	1,579	1,407	172
Infrastructure Contributions: Advanced Education	400	108	-	508	508	-
	206,079	246	(867)	205,458	200,647	4,811
Total	640,311	14,938	(7,750)	647,499	631,339	16,160

Government of the Northwest Territories**Non-Consolidated Schedule of Special Warrants (unaudited)****Schedule 7****for the year ended March 31, 2014**

(thousands of dollars)

	Date of FMB Approval	Amount Authorized \$
OPERATIONS AND MAINTENANCE		
A special warrant was approved on July 9, 2013 to fund the projected shortfall in the forest fire suppression budget due to a severe forest fire season in 2013.	09-Jul-2013	11,052
A special warrant was approved on August 29, 2013 to fund the projected shortfall in the forest fire suppression budget due to a severe forest fire season in 2013.	29-Aug-2013	<u>2,842</u>
Total Special Warrants		<u>13,894</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, 2014****(thousands of dollars)**

	Transfer to (from) \$	Explanation
OPERATIONS AND MAINTENANCE		
Municipal and Community Affairs		
Regional Operations	408	Establish new Assistant Regional Superintendent positions in each Regional Office by reallocating Mackenzie Gas Project funding.
Lands Administration	(135)	Establish new Assistant Regional Superintendent positions in each Regional Office by reallocating Mackenzie Gas Project funding.
Directorate	(140)	Establish new Assistant Regional Superintendent positions in each Regional Office by reallocating Mackenzie Gas Project funding.
Public Safety	(133)	Establish new Assistant Regional Superintendent positions in each Regional Office by reallocating Mackenzie Gas Project funding.
Health and Social Services		
Program Delivery Support	361	Realignment of resources as a result of the re-organization and the creation of the Aboriginal Health and Community Wellness Division.
Community Programs	(361)	Realignment of resources as a result of the re-organization and the creation of the Aboriginal Health and Community Wellness Division.
Community Programs	(990)	Reallocation of \$1.67M from Prevention and Promotion Activities to Early Childhood Development Action Plan and Anti-Poverty Framework. Budgets have been transferred to the activities and divisions responsible for the program.
Directorate	100	Reallocation of \$1.67M from Prevention and Promotion Activities to Early Childhood Development Action Plan and Anti-Poverty Framework. Budgets have been transferred to the activities and divisions responsible for the program.
	180	Reallocation of \$1.67M from Prevention and Promotion Activities to Early Childhood Development Action Plan and Anti-Poverty Framework. Budgets have been transferred to the activities and divisions responsible for the program.
Program Delivery Support	505	Reallocation of \$1.67M from Prevention and Promotion Activities to Early Childhood Development Action Plan and Anti-Poverty Framework. Budgets have been transferred to the activities and divisions responsible for the program.
	25	Reallocation of \$1.67M from Prevention and Promotion Activities to Early Childhood Development Action Plan and Anti-Poverty Framework. Budgets have been transferred to the activities and divisions responsible for the program.
Health Services Programs	180	Reallocation of \$1.67M from Prevention and Promotion Activities to Early Childhood Development Action Plan and Anti-Poverty Framework. Budgets have been transferred to the activities and divisions responsible for the program.

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, 2014 **(thousands of dollars)**

	Transfer to (from) \$	Explanation
Program Delivery Support	472	In 2013-14, Stanton Territorial Health Authority received New Initiative funding for the Territorial Support Network. The funding was mistakenly reported under the Supplementary Benefits Program activity in the 2013-14 Main Estimates.
Supplementary Health Programst	(472)	In 2013-14, Stanton Territorial Health Authority received New Initiative funding for the Territorial Support Network. The funding was mistakenly reported under the Supplementary Benefits Program activity in the 2013-14 Main Estimates.
Health Services Programs	(529)	Stanton Territorial Health Authority receives funding from the Government of the Northwest Territories related to medical travel. The funding was mistakenly reported under the Health Services Programs activity in the 2013-14 Main Estimates.
Supplementary Health Programs	529	Stanton Territorial Health Authority receives funding from the Government of the Northwest Territories related to medical travel. The funding was mistakenly reported under the Health Services Programs activity in the 2013-14 Main Estimates.
Health Services Programs	(330)	Responsibility for the delivery of the Midwifery program has been transferred to the Program Delivery Support activity.
Program Delivery Support	330	Responsibility for the delivery of the Midwifery program has been transferred to the Program Delivery Support activity.
Education, Culture and Employment		
Corporate Management	1,058	To reallocate funding to improve corporate governance and program functions with the department.
Education and Culture	(1,058)	To reallocate funding to improve corporate governance and program functions with the department.
Infrastructure Project Classification	129	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		
Infrastructure Project Reclassification	2,168	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, 2014 (thousands of dollars)

	Transfer to (from) \$	Explanation
Justice		
Services to Government	385	Consolidation of budget for the Information Services Division which supports Court Services and Corrections into the Services to Government activity.
Court Services	(185)	Consolidation of budget for the Information Services Division which supports Court Services and Corrections into the Services to Government activity.
Corrections	(200)	Consolidation of budget for the Information Services Division which supports Court Services and Corrections into the Services to Government activity.
Infrastructure Project Classification	720	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
Transportation		
Infrastructure Project Classification	1	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.

for the year ended March 31, 2014

ACCOUNTS RECEIVABLE WRITTEN OFF

No amounts were written off during the
fiscal year ended March 31, 2014.

FORGIVENESS OF DEBT

The total debts forgiven during the fiscal
year ended March 31, 2014 was \$54,579.

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, 2014**

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, Aaliya	895	Brasseur, Kali	3,683
Adam, Shariff	603	Brebner, Ashley	655
Alty, Rebecca	3,814	Brebner, Courtney	2,250
Anavilok, Judy	3,507	Brenton, Sarah	2,411
Anderson, Neil	2,082	Broddy, Taylor	2,225
Anderson, Fraser	2,543	Bromley, Kelty	2,970
Anderson, Kari	1,743	Bromley, Tara	2,017
Arberry, Sandra	1,008	Bruser, Ben	2,148
Ashby, Kaleigh	3,726	Bruser, Benjamin	1,907
Ashcroft, Sunny	5,677	Bruser, Rebecca	3,507
Auge, Michael	2,371	Buchanan, Christopher	1,622
Bachand, Brendan	1,732	Buchanan, David	6,455
Ballantyne, Alexandra	1,786	Buchand, Brendan	2,017
Bannon, Joseph	5,568	Byatt, Gabriel	5,527
Bannon, Sarah	1,503	Bye, Miranda	223
Baron, Vanessa	679	Callas, Michael	3,573
Bauhaus, Stephanie	3,650	Campbell, Donald	3,617
Bell, Andrian	5,129	Campbell, Lana	2,389
Bell, Jason	3,529	Campbell, Terrence	3,683
Bell, Tyler	1,786	Carey, Katie	1,238
Bell, Margaret Jean	3,496	Carrillo, Karen	3,891
Bengts, Amanda	1,633	Cartwright, Aiden	3,584
Bengts, Lauren	2,784	Castillo, Anthony	2,800
Bengts, Stacie	1,425	Castillo, Cristina	1,326
Bennett, Shane	3,946	Chassie, Ann Mary	15,842
Bentley-Little, Mackenzie	2,280	Chenkie, Jessica	1,458
Besarra, Renfred	2,718	Chenkie, Ryan	3,529
Bevan, Kyle	4,143	Cherwaty, Kyla	1,567
Bloomstrand, Candace	2,242	Chetwynd, Courtney	1,644
Bokovay, David	1,611	Christensen, Julia	1,469
Bolstad, Mandi	3,836	Christensen, Michael	3,978
Bolstad, Joshua	3,836	Chung, Carissa	3,496
Bonnell, Nicole	3,124	Coakwell, Heather	3,540
Booth, Miranda	3,496	Coedy, Luke	2,630
Borden, Robert	3,518	Collier, Emily	3,025
Borkovic, Joey	3,529	Collier, Ryan	2,707
Borschneck, Thomas	5,568	Collins, Alexander	2,800
Bothamley, Kelly	2,674	Coolen, Catherine	849
Bouressa, Darcy	1,556	Cooper, Hawna	3,507
Bourgeois, Stephanie	3,660	Cooper, Kayla	1,397
Bowden, Rachel	1,578	Cote, Lee Ann	1,578
Bradbury, Amanda	3,551	Couturier, Donald	2,718
Bradbury, Chelsea	3,156	Cracknell, Alexander	2,247
Braden, Carmen	3,584	Cracknell, James	1,491
Bradford, Adam	3,540	Creed, Leslie	7,602

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, 2014

Cruzpe, Rhon Marlo	460	Hall, Heather	1,512
Cumming, George	4,244	Hamilton, Janet	2,006
Cutler, Joseph	4,790	Hamilton, Shelby	3,091
Dahl, Daniel	2,488	Hand, Michael	1,502
Dang, Debbie	3,507	Harding, Jonathan	1,776
Dautel, Janell	7,727	Harriot, Brittany	2,017
De Bastiani, Thomas	3,606	Harris, Brooke	2,718
Debassige, Lindsay Elizabeth	1,326	Hehn, Brandi	7,683
Debogorski, Amelia	1,907	Hehn, Nikita	2,773
Debogorski, Andrew	1,480	Heide, Hanna	2,575
Debogorski, Dominic	2,104	Heine, Kathryn	2,466
Desilets, Angela	3,694	Hernandez, Anneluzelia	3,420
Desrosiers, Veronica	1,961	Hernandez, Moses	6,236
Devitt, Matthew	2,839	Herriot, Brittany	3,496
Digness, Samantha	3,551	Heslep, Alison	3,737
Dillon, Kathleen	1,567	Hess, Samera	3,825
Dumbuya, Hawa	1,765	Hiebert, Talia	6,839
Dunbar, Stephen	822	Hnatiw, Keegan	3,069
Elanik, Shelley	5,294	Hobbs, Brandon	4,954
Enns, Monica	2,718	Hoyles, Moriah	1,304
Escalante, Jean	902	Huang, Xin Xin	1,074
Esau, Sally Lynn	3,989	Hurley, Tara	7,584
Fabien, Katelyn	2,115	Hurst, Michaelis	2,302
Faster, Brianne	1,808	Hussey, Steven	2,192
Fisher, Whitney	3,770	Hysert, Gwen	3,529
Foley, Tara	2,148	Inglangasuk, Alexandra	2,181
Forget-Manson, Aviva	3,748	Irvine, Taylor	2,356
Forget-Manson, Elijah	7,661	Jaffray, Caitlin	6,291
Foster, Brianne	2,017	Jameson, Brette	5,382
Fournier, Tristen	2,630	Jarris, Alicia	4,159
Fowler, Travis	1,750	Jefferson, Kate	3,518
Franklin, James	844	Jen, Brook	2,663
Freeman, Daniel	6,477	Johansen, Nichol	4,121
Freund, Charlene	1,874	Johnson, Jessi	2,795
Fryer, Janine	4,428	Johnson, Kate	1,754
Fryer, Lisa	224	Johnston, Andrew	2,598
Gagnon, Angela	7,508	Jonasson, Jessica	6,554
Gard, Tehnille	1,129	Jones, Brittany	3,803
Gardiner, Corin	4,055	Jones, Julie	2,017
Gebauer, Morgan	3,814	Jones, Quintin	3,639
Gibbons, Katelyn	2,718	Jung, Courtney	3,694
Gilbert, Stephanie	3,507	Kaip, Kirsten	3,304
Gillander, Amanda	3,748	Kalnay, William	3,913
Glowach, Christine	2,674	Kanwal, Inderjit	3,836
Grabke, Dwight	3,694	Kefalas, Kyle	2,653
Graf, Derek	3,606	Kelln, Danae	2,050
Gray, Kyla	3,014	Kimble, Jessica	5,590
Grayston, Jodi	4,099	Kimble, Stephanie	4,154
Green, Ashley	3,529	King, Christine	1,600
Groenheyde, Amy	3,672	King, Emily	3,803
Groenheyde, Cali	2,181	King, Sharla	2,466
Guthrie, Lydia	2,543	Kinney, Allan	4,328
Gzowski, Angela	1,951	Kipling, Keisha	2,773
Hachey, Mason Eugene	2,800	Klengenberg, Deborah	1,666

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, 2014**

Kocik, Derrick	2,148	Marta, Ashley	6,784
Kocik, Kirsten Denise	6,828	Martel, Shawna	7,047
Komi, Arisa	3,529	Martin, Gabrielle	1,589
Kornichuk, Rebecca	4,669	Martin-Elson, Sonja	2,729
Koswan, Bradley	3,529	Matthews, Brendan	4,220
Kraft-Bailey, Corinne	6,675	McCabe, Stephanie	3,496
Kronstal, Alana	3,783	McCormack, Megan	1,030
Kronstal, Karin	2,948	McCreadie, Allister	3,595
Kruse, Sabine	1,052	McDonald, Mande	1,425
Lafferty, Jessica	8,176	McGreish, Kendra	2,367
Laity, Daniel	4,461	Mckee, Janel	3,606
Laity, Erin Molly	3,496	McKiel, Courtney	2,050
Laratta, Elisabeth	3,518	McLeod, Laura	1,644
Lavoie, Arlene	3,497	McNaughton, Gillian	2,828
Lavoie, Robyn	1,589	McNully, Brenegan	2,159
LeDrew, Jeffrey	4,406	McNulty, Meredith	1,545
LeDrew, Mark	3,496	Merrithew, Leslie	3,672
Lemieux, Kyle	2,800	Meulenbroek, Yvonne	3,387
Lemieux, Tanya	3,485	Michel, Gina	1,940
LePrieur, Joanna	1,195	Miklosovic, Stefanie	351
Letts, Jillian (Snodgrass)	2,844	Milne, Christopher	2,630
Lewis, Michelle	5,524	Miltenberger, Jacky	4,384
Lindsay, Michel	1,808	Mitev, Sierra	2,542
Linloff, Jenna	1,600	Miyok, Valerie	3,102
Lippert, Joshua	6,346	Moffitt, Morgan	2,718
Lodge, Emily	2,707	Moir, Lauren	2,498
Long, Jenna	3,748	Moore, Kelly	3,540
Look, Rayner	3,683	Moore, Kristin	2,356
Lukaniuk, Crystal	1,732	Moran, Colton	3,518
MacDonald, Amy	5,502	Morgan, Nawsheen	1,885
MacDonald, Cameron	2,619	Morse, Julian	3,748
MacDonald, David	3,518	Morse, Melanie	5,535
MacDonald, Laura	3,529	Morton, Fallon	3,661
MacKenzie, James	3,748	Munroe-Rosen, Soura	3,803
Mackenzie, Samantha	2,333	Murphy, Christine	3,474
MacLellan, Joseph	3,540	Murray, Daniel	2,181
MacNeill, Laura	3,858	Murray, John	2,060
Maddeaux-Young, Hayley	3,540	Myrick, Andrea	1,578
Madsen, Devin	2,269	Ndlova, Princes	827
Mahler, Kirstin	1,523	Nendsa, Troy	2,126
Mahler, Rebecca	2,060	Nilson, Andrea	2,674
Mair, Dylan	3,124	Noel, Jeremy	3,540
Maisonneuve, Shayle	3,770	Nogarin, Franco	2,443
Makletzoff, Tonya	1,743	Nojeda, Jovilynn	5,688
Malakoe, Alexandra	3,683	Nolting, Michael	3,773
Maliloux, Justin	4,329	Norbert, Nigit'stil	1,096
Mandeville, Curtis	3,474	Normandin, Jessie	3,507
Maracle, Alisen	3,507	O'Connor, Elise	1,271
Marin, Chavez	2,800	Offredi, Stephen	1,523
Marquez, Vickie	5,053	O'Keefe, Harry	5,491
Marriott, Jessica	3,803	Oliver, Heather	3,500
Marriott, Samantha	1,107	Orbell, Mark	6,718
Marshall, Jasmin	2,115	Pagonis, Meghan	1,502
Marshman, Michelle	1,480	Pagonis, Shayla	3,661

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, 2014

Paquin, Jahlieel	3,573	Scheper, Samtha	7,760
Paquin, Myriam	2,216	Schmalz, Alexandra	5,590
Parker, Desiree	6,300	Shwartzenberger, Jeffrey	2,798
Parker, Melody	1,567	Seeton, Matt	5,535
Parrell, Cassandra	3,814	Shaben, Krystal	3,177
Parsons, Dustin	854	Shannon, Samuel	5,590
Paul, Lyndsay	2,674	Shea, Keegan	17,682
Pawluk, Tierra	3,178	Short, Greg	1,198
Pear, Sheldon	3,321	Shouhda, Lyle	5,732
Peter, Kristopher	7,223	Shouhda, Meagan	5,962
Philippon, Dustin	3,518	Sidhu, Harjot	4,483
Phypers, Daena	2,926	Sidhu, Marjot	2,017
Pierrot, Christina	7,530	Silke, Ryan	2,662
Polakoff, Dayna	2,576	Silke, Andrew	1,754
Pond, Ryan	2,663	Silke, David	6,401
Porter, Raylene	6,565	Silverio, Sandra	5,754
Posynick, Jon	464	Simpson, Tanis	6,938
Pound, Shawna	3,584	Sinclair, Frances	5,513
Power, Sarah	3,825	Singer, Claire	1,480
Purchase, Eli	2,170	Smith, Jodi	1,502
Purchase, Elizabeth	3,650	Snyder, Cody	3,518
Pyke, Caitlynd	2,444	Soderberg, Jonathan	1,414
Pynten, Kirsten	1,030	Sorenson, Alanna	2,800
Radicchi, Laura	3,715	Sosiak, Kevin	3,891
Radicchi, Lisa	130	St. Arnaud, Jessica	3,803
Raffai, Roland	1,502	St. Croix, Aleat	1,206
Rattray, Kevin	3,595	St. Germaine, Kevin	3,518
Redshaw, Walker	1,271	Starling, Brent	1,677
Reid, Katie	632	Steen, Rebecca	2,828
Reid, Taylor	5,644	Stephenson, Gord	3,650
Remtmeister, Tylor	4,121	Stinson, Cleo	3,672
Rivera, Jill	3,606	Stinson, Ella	3,713
Roberts, Brittany	3,661	Stipdonk, Chris	2,017
Robertson, Drew	3,650	Stirling, Aislinn	7,540
Rocher, Jacqueline	716	Stock, Edeil	2,674
Rocher, Lorna	3,529	Straker, Devon	2,948
Rodgers, Tylor	2,655	Strand, Jesslyn	2,126
Rodriques-Masongsong, Rebecca	3,540	Strus, Tynan	2,696
Roesch, Kendra	2,477	Styan, Bryce	3,968
Ropson, Ashley	2,749	Sullivan, Joshua	100
Ross, Jamie	2,411	Sumcad, Jasmin	4,581
Ross, Lee	7,508	Sutherland, Logan	2,800
Rossouw, Max	2,795	Sveinsson, Chelsea	2,619
Rozestraten, Katherine	3,496	Swanson, Laura	3,562
Rozestraten, Scott	3,770	Tabifranca-Antiglio, Mitsouko	5,600
Ruptash, Kenneth	3,606	Taggart, Craig	5,513
Ruttle, Pam	625	Tam, Alexander	3,595
Saravanja, Natacha	6,930	Tam, Jared	2,247
Sartor-Pielak, Carina	2,674	Tennant, James	3,902
Sasseville, Jamie-Lee	3,814	Thopson, Kristan	1,533
Savage, Genevieve	3,080	Torindo, Defny	1,425
Savage, Pascale-Laure	6,444	Tram, John	3,759
Schaap, Jamie	7,530	Tremblay, Brad	3,518
Scheper, Phyllip	2,587	Tremblay, Dawn	3,507

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, 2014

Triffo, Daniel	1,337
Tucker, Carly	8,472
Tymchatyn, Shantel	3,770
Ukkhoy, Nushreen	1,929
Van Dyke, Christian	3,694
Van Metre, Stacey	3,529
Vaydik, Jill	1,852
Velez, Victoria	5,513
Vendiola, Arnel	3,847
Vician, Kristin	2,060
Vivian, Adam	5,776
Vuorela, Arleen	2,179
Ward, Emma	2,729
Watson, Jeffrey	2,800
Watson, Sasha	2,800
Waugh, Jennifer	3,529
Webber, Jayson	327
Webber, Paul	6,017
Weitzel, Caitlin	2,729
Wells, Aaron	3,485
Welsh, Megan	2,192
Westergreen, Anneka	3,704
Westman, Lorraine	1,217
White, Amanda	3,529
White, Rebecca	5,688
Whiteford, Morgan	2,521
Wickens, Kim	5,787
Wile, Griffin	2,795
Williams, Lisa	6,094
Williams, Robert	2,488
Wilson, Joseph	1,228
Wong, Daniel	5,820
Wong, Janet	3,683
Wood, Lisa	2,800
Wood, Melissa	2,571
Woodward, Devon	2,992
Wigglesworth, Patrick	3,211
Wright, Kyla	7,607
Wright, Briony	3,518
Wright, Erica	3,661
Wright, Kimberly	5,918
Zenko, Benjamin	1,907

Total Remissions 1,496,622

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, 2014

Name	\$
Transportation	
994486 NWT	1,009
Snowshoe, Sheena	<u>600</u>
	<u>1,609</u>
Justice	
Peffer, Dolly	<u>3,431</u>
Individual amounts under \$500	<u>477</u>
	<u><u>5,517</u></u>

Government of the Northwest Territories

Non-Consolidated Schedule of Overdue Travel Advances (unaudited)

Schedule 11

for the year ended March 31, 2014

Overdue travel advances represent travel advances which have not been accounted for by an expense claim within 10 working days of the return date given on the travel authorization.

\$

Public Works and Services

Hardisty, Robert 250

Education, Culture and Employment

Bonnetrouge, Cindi-Rae 1,000

Justice

Takazo, Elizabeth 505

1,755

Government of the Northwest Territories

**Non-Consolidated Schedule of Overdue Accountable Advances Related to Previous Fiscal Years
(unaudited)**

Schedule 12

for the year ended March 31, 2014

There were no overdue accountable advances relating to previous fiscal years.

Government of the Northwest Territories**Non-Consolidated Schedule of Projects for the Government of Canada, Nunavut and Others
- Expenditures Recovered (unaudited)****Schedule 13****for the year ended March 31, 2014**

\$

Executive

Bureau of Statistics Analytical Product Survey	60,000
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Aboriginal Affairs and Intergovernmental Relations

Inuvialuit Implementation	97,030
Gwich'in Land Claim Implementation	125,920
Sahtu Land Claim Implementation	94,247
Tlicho Agreement Implementation	136,924
Interchange Agreement - Secondment Indian and Northern Affairs	123,696
	<hr/> 577,817

Finance

Interchange Agreement - Administrative Coordinator	60,427
--	---------------

Municipal and Community Affairs

Gas Tax	12,784,786
Tli Cho Implementation	84,879
Inuvialuit Land Claim	100,000
Pan Territorial Sport Strategy	351,230
	<hr/> 13,320,895

Transportation

National Safety Code	153,371
Airline Glycol Recovery	54,421
Wood Buffalo National Park Highway Maintenance	1,169,990
Winter Maintenance of the Prelude Lake Access Road	7,000
Hold Baggage System at the Yellowknife Airport	132,408
Alberta Road Maintenance	534,441
Hay River Access Corridor	66,879
Federal Arctic Marine Maintenance Program	399,094
	<hr/> 2,517,604

Government of the Northwest Territories**Non-Consolidated Schedule of Projects for the Government of Canada, Nunavut and Others
- Expenditures Recovered (unaudited)****Schedule 13
(continued)****for the year ended March 31, 2014**

\$

Public Works and Services

Sahtu Land Claim Implementation	4,489
Gwich'in Land Claim Implementation	4,489
Tlicho Implementation	15,206
Beaufort Delta Education Board	140,136

164,320

Justice

Sahtu Land Claims Implementation	22,269
Gwich'in Land Claims Implementation	19,316
Tlicho Implementation	87,100
Estates Clerk	177,322
Framework for Enhancing Victim Services	500,000
Aboriginal Courtwork Program National Training Event 13/14	20,953
Library Materials and Supplies	20,000
Translation of the Occupational Health and Safety Regulations	19,113
Framework for Capacity Equalization Workshop	100,000
Northwest Territories Law Foundation Library Project	50,000
Supporting Families Fund	200,562

1,216,635

Health and Social Services

Territorial Oral Health Project	447,128
Home and Community Care Enhancement	4,686,007
Inuit and Metis Cancer Control Initiative Planning	102,904
Working on Wellness in Strategic Populations	20,947
Collaborative Action on Childhood Obesity	27,542
Territorial Mental Health and First Aid	30,499
Dialogue/Storybook Project	33,147
Non-Insured Health Benefits	12,372,250
Continuity of Care	5,309
Territorial Fetal Alcohol Syndrome Disorder Project	587,120
Canadian Diabetes Association	145,485
Canadian Public Health Network	9,298
Fetal Alcohol Spectrum Disorder Prevention and Awareness	49,184
Toll Free Tobacco Quitline Services	40,595
Chronic Disease Prevention	129,739
Territorial Health Access Fund Operational Secretariat	114,727
Youth Drug Treatment	304,689
Territorial Healthy Eating	341,591
Health Portfolio Funding	7,891,360

27,339,521

Government of the Northwest Territories**Non-Consolidated Schedule of Projects for the Government of Canada, Nunavut and Others
- Expenditures Recovered (unaudited)****Schedule 13
(continued)****for the year ended March 31, 2014**

\$

Education, Culture and Employment

Sahtu Land Claim Implementation	17,543
Gwich'in Land Claim Implementation	20,827
Tlicho Implementation	64,968
Labour Market Agreement	1,275,184
Labour Market Development	4,507,393
Older Workers	239,602
Territorial Gathering of Arts and Cultural Organizations	15,000
Early Childhood	28,938

6,169,455

Environment and Natural Resources

Sahtu Implementation - Consultation	145,329
Gwich'in Implementation - Consultation	209,612
Tlicho Implementation	84,732
Inuvialuit Implementation	3,625,128
Nature Conservancy of Canada	41,431
Biomass Energy Strategy	1,400,000
Sahtu Land Use Planning Board	22,468
Sahtu Geographic Information Systems	7,400
Climate Change Adaptation	500,000
Sahtu Banding Project	(1,077)
Caribou Tracking Project	40,000
Mineral Information Tenure System - Devolution	125,130
Bison Control Program	52,459
Water Stewardship Strategy	50,000
Succession and Regeneration of Response on Seismic Lines	60,000
Implementation of Northwest Territories Water Quality Monitoring	100,000
Viscount - Melville Sound Polar Bear	15,000
Aerial Surveys of the Viscount-Melville Sound Polar Bear Population	120,000
Landscape Scale Flood	8,920
Environmental Change and Human Activity Impact on the Tathlina Watershed	5,000
Transboundary Water Agreement Consultation and Engagement Activities	40,000
Territorial Permafrost Workshop	100,000
Bluenose-West Caribou Monitoring	30,000
Aboriginal Forest Biomass Harvesting and Forest Management Training	200,000
Community Water Based Monitoring - Land	100,000
Debeers - Wildlife Monitoring	69,000
13/14 Program Development	116,000
Boreal Caribou Monitoring	25,000
Diavik Diamond Mines Incorporated - Wildlife Monitoring	75,000
Fort Resolution Youth Cumulative Impact Monitoring and Assessment	40,000
Central MacKenzie Valley Wildlife Knowledge Sharing	133,624
Dominion Diamond Ekati Corporation - Caribou Monitoring Programs	105,000
Wolves of Bathurst Caribou	40,000
Discovery Portal Enhancements Phase 2	67,671

7,752,827

Government of the Northwest Territories**Non-Consolidated Schedule of Projects for the Government of Canada, Nunavut and Others
- Expenditures Recovered (unaudited)****Schedule 13
(continued)**

for the year ended March 31, 2014

\$

Industry, Tourism and Investment

Strategic Investments in Northern Economic Development	510,000
Growing Forward II	480,738
Sahtu Implementation	20,100
Economic Opportunity Strategy	95,000
Cumulative Impact Monitoring Program - Geoscience Office	8,800
Investment & Economic Analysis of Territorial Art and Artists	60,000
Investment & Economic Film Sector Strategy	39,750
Norman Wells Seismic - Geoscience Office	44,961

1,259,349

Total**60,438,850**

PUBLIC ACCOUNTS
OF THE
GOVERNMENT OF THE NORTHWEST TERRITORIES
FOR THE YEAR ENDED MARCH 31, 2014

SECTION III
SUPPLEMENTARY FINANCIAL STATEMENTS
OTHER ENTITIES

HONOURABLE J. MICHAEL MILTENBERGER
Minister of Finance

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

Table of Contents

SECTION III

SUPPLEMENTARY FINANCIAL STATEMENTS – OTHER ENTITIES

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

Revolving Funds

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

Special Purpose Fund

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

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AURORA COLLEGE
**Audited Financial
Statements
June 30, 2013**

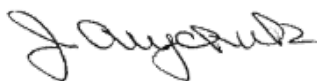
AURORA COLLEGE
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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, Aurora College



Aranka Raffai
Director of Finance, Chief Financial Officer



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 2013, 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 2013, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on Other Legal and Regulatory Requirements

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

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



Guy LeGras, CA
Principal
for the Auditor General of Canada

19 November 2013
Edmonton, Canada

AURORA COLLEGE
STATEMENT OF FINANCIAL POSITION
as at June 30, 2013
(in thousands of dollars)

	<u>2013</u>	<u>2012</u>
Financial assets		
Cash and cash equivalents (Note 4)	\$ 9,490	\$ 7,231
Accounts receivable (Note 5)	<u>2,476</u>	<u>2,337</u>
	<u>11,966</u>	<u>9,568</u>
Liabilities		
Accounts payable and accrued liabilities	1,862	1,592
Employee leave payable	1,565	1,794
Deferred project income	329	383
Due to the Government of the Northwest Territories	1,817	1,097
Employee future benefits (Note 6)	1,970	1,859
Professional development fund (Note 7)	<u>1,907</u>	<u>1,797</u>
	<u>9,450</u>	<u>8,522</u>
Net financial assets	<u>2,516</u>	<u>1,046</u>
Non-financial assets		
Prepaid expenses	638	275
Tangible capital assets (Note 8)	<u>6,044</u>	<u>6,657</u>
	<u>6,682</u>	<u>6,932</u>
Accumulated surplus (Note 9)	<u>\$ 9,198</u>	<u>\$ 7,978</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, 2013
(in thousands of dollars)

	<u>Budget</u>	<u>2013 Actual</u>	<u>2012 Actual</u>
Revenues			
Government contributions (Note 10)	\$ 30,225	\$ 37,324	\$ 35,929
Project income			
Territorial government	4,453	4,015	4,099
Other third parties	2,607	2,316	3,204
Federal government	3,940	3,319	1,359
Tuition fees	1,103	1,920	2,149
Recoveries and other	349	756	706
Room and board	764	896	853
Interest income	30	95	103
	<u>43,470</u>	<u>50,641</u>	<u>48,402</u>
Expenses			
Financial and accounting services	1,605	1,744	1,694
Pooled services	2,988	5,163	6,361
Student services	8,488	9,334	8,294
Education and training	16,342	19,972	21,929
Community and extensions	11,243	10,344	8,552
Aurora Research Institute	<u>2,804</u>	<u>2,864</u>	<u>2,061</u>
	<u>43,470</u>	<u>49,421</u>	<u>48,891</u>
Annual (deficit) surplus	-	1,220	(489)
Accumulated surplus at beginning of year	<u>7,978</u>	<u>7,978</u>	<u>8,467</u>
Accumulated surplus at end of year	<u>\$ 7,978</u>	<u>\$ 9,198</u>	<u>\$ 7,978</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, 2013
(in thousands of dollars)

	<u>2013</u>	<u>2012</u>
	<u>Budget</u>	<u>Actual</u>
Annual (deficit) surplus	\$ -	\$ 1,220
Effect of change in tangible capital assets		
Acquisition of tangible capital assets	-	(370)
Disposal of tangible capital assets	-	16
Amortization of tangible capital assets	<u>451</u>	<u>967</u>
	<u>451</u>	<u>613</u>
Effect of change in other non-financial assets		
(Increase) decrease in prepaid expenses	<u>-</u>	<u>(363)</u>
Increase (decrease) in net financial assets	451	1,470
Net financial assets at beginning of year	<u>1,046</u>	<u>1,046</u>
Net financial assets at end of year	<u>\$ 1,497</u>	<u>\$ 2,516</u>
		<u>\$ (489)</u>
		<u>717</u>
		<u>-</u>
		<u>931</u>
		<u>214</u>
		<u>47</u>
		<u>(228)</u>
		<u>1,274</u>
		<u>\$ 1,046</u>

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

AURORA COLLEGE
STATEMENT OF CASH FLOWS
for the year ended June 30, 2013
(in thousands of dollars)

	<u>2013</u>	<u>2012</u>
Operating transactions		
Cash receipts from Territorial Government	\$ 34,872	\$ 35,734
Cash receipts from students and other third parties	5,309	4,553
Cash receipts from Federal Government	3,319	1,359
Cash paid for compensation and benefits	(26,663)	(27,189)
Cash paid to suppliers	(14,319)	(13,609)
Interest received	<u>95</u>	<u>103</u>
Cash provided by operating transactions	<u>2,613</u>	<u>951</u>
Capital transactions		
Acquisition of tangible capital assets	(370)	(717)
Proceeds from disposal of tangible capital assets	<u>16</u>	<u>-</u>
Cash used in capital transactions	<u>(354)</u>	<u>(717)</u>
Increase in cash and cash equivalents	2,259	234
Cash and cash equivalents at beginning of year	<u>7,231</u>	<u>6,997</u>
Cash and cash equivalents at end of year	<u>\$ 9,490</u>	<u>\$ 7,231</u>

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

Aurora College Notes to the Financial Statements - June 30, 2013

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") 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.

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

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) 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

c) Employee future benefits

i) Pension benefits

All eligible employees participate in the Public Service Pension 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 Public Service Pension Plan.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

ii) Employee severance and removal benefits (continued)

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.

d) Government contributions

Effective 1 July 2011, the College adopted the revised PS 3410 Government Transfers section. 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 definitions 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.

e) 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.

f) General revenues

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

g) 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 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

g) Project income and deferred project income (continued)

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.

h) Contract services

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

i) 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.

j) Prepaid expenses

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

k) 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.

l) Financial instruments

Effective 1 July 2012 the College adopted Public Sector Accounting Standard (PS) 3450 – Financial instruments. This Section establishes standards for recognizing and measuring financial assets, financial liabilities and derivatives. There were no significant impacts of adopting this standard for the year ended 30 June 2013.

In accordance with PS 3450, financial statements of prior years and comparative

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

I) Financial instruments (continued)

information in these financial statements have not been restated upon adoption of this standard. 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 CICA 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.

4. CASH AND CASH EQUIVALENTS

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

4. CASH AND CASH EQUIVALENTS (continued)

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, 2013 was 1.10% (2012 – 1.10%).

5. ACCOUNTS RECEIVABLE

	<u>2013</u>		<u>2012</u>	
	(in thousands)			
	<u>Accounts</u>		<u>Net</u>	<u>Net</u>
	<u>Receivable</u>	<u>Allowance</u>		
Project income:				
Government	\$ 801	\$ 94	\$ 707	\$ 1,034
Other	1,882	205	1,677	1,218
Students	306	214	92	85
Advances	-	-	-	-
	<u>\$ 2,989</u>	<u>\$ 513</u>	<u>\$ 2,476</u>	<u>\$ 2,337</u>

6. EMPLOYEE FUTURE BENEFITS

i) Pension benefits

The College and all eligible employees contribute to the Public Service Pension Plan. This pension plan provides benefits based on years of service and average earnings at retirement. The benefits are fully indexed to the increase in the Consumer Price Index.

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

	<u>2013</u>	<u>2012</u>
	(in thousands)	
College's contributions	\$ 2,384	\$ 2,447
Employees' contributions	<u>1,381</u>	<u>1,340</u>
	<u>\$ 3,765</u>	<u>\$ 3,787</u>

6. EMPLOYEE FUTURE BENEFITS (continued)

i) Pension benefits (continued)

On January 1, 2013 the yearly maximum pension earnings for Canada Pension Plan (CPP) purposes increased to \$51,100 from \$50,100 in 2012. Employees' contributions are calculated at a rate of 6.85% (2012 – 6.2%) for amounts up to the yearly maximum CPP earnings stated above and at a rate of 9.2% (2012 – 8.6%) for amounts above the yearly maximum CPP earnings. The College's contributions are calculated at an amount of 1.643 (2012 – 1.74) times the amount of employees' contributions.

ii) 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:

	<u>2013</u>	<u>2012</u>
		(in thousands)
Accrued benefit obligation, beginning of year	\$ 1,859	\$ 1,711
Cost for the year	181	280
Benefits paid during the year	<u>(70)</u>	<u>(132)</u>
Accrued benefit obligation, end of year	<u>\$ 1,970</u>	<u>\$ 1,859</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>2013</u>	<u>2012</u>
		(in thousands)
Professional development fund, beginning of year	\$ 1,797	\$ 1,593
Contributions	442	420
Recovery of funds	17	-
Professional development paid during the year	<u>(349)</u>	<u>(216)</u>
Professional development fund, end of year	<u>\$ 1,907</u>	<u>\$ 1,797</u>

8. **TANGIBLE CAPITAL ASSETS**

June 30, 2013	Mobile equipment	Building additions and renovations	Furniture and equipment	Leasehold improvements	2013 Total	2012 Total
Cost						
Opening balance	\$ 5,142	\$ 1,991	\$ 6,967	\$ 2,253	\$ 16,353	\$ 15,636
Additions	-	-	238	132	370	717
Disposals	<u>(8)</u>	<u>-</u>	<u>(8)</u>	<u>-</u>	<u>(16)</u>	<u>-</u>
Closing balance	<u>5,134</u>	<u>1,991</u>	<u>7,197</u>	<u>2,385</u>	<u>16,707</u>	<u>16,353</u>
Accumulated amortization						
Opening balance	2,171	1,444	4,445	1,636	9,696	8,765
Amortization	233	99	507	128	967	931
Disposals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Closing balance	<u>2,404</u>	<u>1,543</u>	<u>4,952</u>	<u>1,764</u>	<u>10,663</u>	<u>9,696</u>
Net book value	<u>\$ 2,730</u>	<u>\$ 448</u>	<u>\$ 2,245</u>	<u>\$ 621</u>	<u>\$ 6,044</u>	<u>\$6,657</u>

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, 2012	Net results of operations	Appropriated	Used in operations	Balance, ending June 30, 2013	
a) Mallik research reserve	\$ 100	\$ -	\$ -	\$ -	\$ 100	
b) Northern strategic research reserve	481	-	-	-	481	
c) Program delivery	300	-	-	-	300	
d) Research & development	129	-	1	-	130	
e) HEO replacement & maintenance	140	-	-	-	140	
f) Restricted donations	35	-	-	-	35	
Total reserves	1,185	-	1	-	1,186	
Operating surplus (deficit)	6,793	1,220	(1)	-	8,012	
Total accumulated surplus	\$ 7,978	\$ 1,220	\$ -	\$ -	\$ 9,198	

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.

10. GOVERNMENT CONTRIBUTIONS

	<u>2013</u>	<u>2012</u>
	(in thousands)	
Operating contributions	\$30,225	\$ 29,386
Capital contributions	361	580
Services received without charge (Note 11)	<u>6,738</u>	<u>5,963</u>
	<u>\$37,324</u>	<u>\$35,929</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>2013</u>	<u>2012</u>
	(in thousands)	
Accounts receivable (Note 5)	\$ 801	\$ 1,126
Amounts due to the Government	\$ 1,817	\$ 1,097

Expenses

Under the terms of administrative agreements, the Government charges for certain support services provided to the College. The College reimbursed the Government \$926,000 (2012 – \$657,000) 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 \$2,392,000 (2012 – \$1,807,000) and repairs and maintenance \$1,631,000 (2012 – \$1,539,000).

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 \$334,000 (2012 – \$352,000) 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 \$2,335,000 (2012 – \$2,218,000) 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 \$45,000 (2012 – \$ 47,000).

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

	<u>2013</u>	<u>2012</u>
	(in thousands)	
Contract services	\$ 334	\$ 352
Repairs and maintenance	1,631	1,539
Building utilities	2,393	1,807
Building leases	2,335	2,218
Medical travel	45	47
	<u>\$ 6,738</u>	<u>\$ 5,963</u>

12. CONTINGENT LIABILITIES

The College is subject to claims and lawsuits arising in the ordinary course of operations. While the outcome of these matters is subject to future resolution, management's evaluation and analysis of such matters indicates that, individually and in the aggregate, the probable ultimate resolution of such matters will not have a material financial impact on the College's financial position, results of operations or liquidity.

13. COMMITMENTS

In addition to facilities provided by the Government, the College has operating leases and service agreements for student accommodation, classroom space, office equipment and other services and is committed to basic payments as follows:

	(in thousands)
2014	\$ 4,996
2015	1,970
2016	1,582
2017	1,122
2018	1,105
2019 to 2020	1,598
	<u>\$ 12,373</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 equivalents and accounts receivable.

Cash equivalents

Credit risk on 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 only invests in high quality short term income producing investments. The maximum exposure to credit risk is \$8,839,000 (2012 - \$4,814,000).

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 2013 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 \$2,476,000 (2012 - \$2,337,000).

14. FINANCIAL RISK MANAGEMENT (continued)

At 30 June 2013 there are accounts receivable past due but not impaired. These amounts for students is 31-60 days \$30,000, 61-90 days \$6,000 and over 90 days \$23,000. These amounts for the Government and for other parties are shown below.

	91-365 days	1 to 2 years	over 2 years
Government	\$354,000	\$1,000	Nil
Other third parties	\$244,000	\$151,000	Nil

The College establishes an allowance for doubtful accounts that reflects the estimated impairment of accounts receivable. The allowance is based on specific amounts and is determined by considering the College's knowledge of the financial condition of customers, the aging of accounts receivable, current business condition and historical experience.

c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The College is exposed to interest rate risk in that changes in market interest rates will cause fluctuations in the interest revenue from cash equivalents. This risk is not significant due to the short terms to maturity of cash equivalents.

Although management monitors exposure to interest rate fluctuations, it does not employ any interest rate management policies to counteract interest rate fluctuations.

The College is not exposed to significant currency or other price risk.

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. COMPARATIVE FIGURES

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

17. 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.

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.

17. SEGMENT DISCLOSURE (continued)

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, 2013**

For the period ended June 30, 2013	Financial and accounting <small>(in thousands)</small>	Pooled services ** <small>(in thousands)</small>	Student services <small>(in thousands)</small>	Education and training <small>(in thousands)</small>	Community and extensions <small>(in thousands)</small>	Aurora Research Institute <small>(in thousands)</small>	2013 Total <small>(in thousands)</small>	2013 Budget <small>(in thousands)</small>	2012 Total <small>(in thousands)</small>
Revenues									
Government contributions	\$ 1,575	\$ 5,074	\$ 7,586	\$ 14,676	\$ 6,867	\$ 1,546	\$ 37,324	\$ 30,225	\$ 35,929
Project income									
Territorial government	-	-	112	2,920	814	169	4,015	4,452	4,099
Other third parties	26	(50)	24	1,761	168	387	2,316	2,607	3,204
Federal government	-	-	-	40	2,634	645	3,319	3,940	1,359
Tuition fees	-	-	49	1,187	684	-	1,920	1,103	2,149
Recoveries and other	89	337	80	59	48	143	756	349	706
Room and board	-	-	774	-	-	122	896	764	853
Interest income	95	-	-	-	-	-	95	30	103
	<u>1,785</u>	<u>5,361</u>	<u>8,625</u>	<u>20,643</u>	<u>11,215</u>	<u>3,012</u>	<u>50,641</u>	<u>43,470</u>	<u>48,402</u>
Expenses									
Compensation and benefits	1,481	1,000	3,721	11,376	7,680	1,791	27,049	28,330	28,162
Building leases	-	4	4,381	2,336	29	-	6,750	4,381	6,283
Materials and supplies	27	358	167	650	216	98	1,516	1,968	1,816
Utilities	-	-	125	2,395	13	9	2,542	180	1,942
Contract services	51	351	139	517	352	667	2,077	4,080	1,904
Repairs and maintenance	1	1,639	474	220	85	20	2,439	-	2,256
Small equipment	6	2	67	286	89	28	478	180	422
Fees and payments	53	584	58	697	156	68	1,616	1,532	1,482
Travel and accommodation	58	98	94	583	420	88	1,341	1,838	1,344
Professional services	-	1	11	739	1,142	7	1,900	-	1,156
Amortization of tangible capital assets	-	967	-	-	-	-	967	451	931
Communication, postage and freight	67	159	97	173	162	88	746	532	1,193
	<u>1,744</u>	<u>5,163</u>	<u>9,334</u>	<u>19,972</u>	<u>10,344</u>	<u>2,864</u>	<u>49,421</u>	<u>43,470</u>	<u>48,891</u>
Annual surplus (deficit)	<u>\$ 41</u>	<u>\$ 198</u>	<u>\$ (709)</u>	<u>\$ 671</u>	<u>\$ 871</u>	<u>\$ 148</u>	<u>\$ 1,220</u>	<u>\$ -</u>	<u>\$ (489)</u>

**** Pooled Services includes the revenues and expenses for the President's Office**

FINANCIAL STATEMENTS

Northwest Territories Business Development and Investment Corporation

Consolidated Financial Statements

For the year ended

March 31, 2014

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.

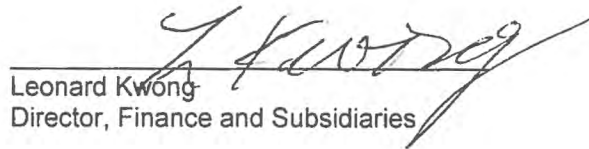
In discharging its responsibility for the integrity, fairness and quality of the consolidated financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are properly authorized and recorded, assets are safeguarded, 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 22, 2014



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 2014, 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 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 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, CA
Principal
for the Auditor General of Canada

22 August 2014
Edmonton, Canada

Northwest Territories Business Development and Investment Corporation**Consolidated Financial Statements (March 31, 2014)**

	<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 – 29
Schedule A – Consolidated Schedule of Tangible Capital Assets	30

Northwest Territories Business Development and Investment Corporation**Consolidated Statement of Financial Position (000's)**

	March 31, 2014	March 31, 2013
	\$	\$
Financial Assets		
Cash (Note 3)	14,958	13,931
Accounts receivable	163	169
Inventories held for resale (Note 4)	353	343
Loans receivable (Notes 5 and 6)	36,216	37,511
Venture investments (Note 7)	66	78
	51,756	52,032
Liabilities		
Accounts payable and accrued liabilities (Note 12)	1,444	1,167
Post-employment benefits (Note 8)	418	419
Advances from the Government (Note 9)	28,015	30,372
Asset retirement obligations (Note 10)	13	235
	29,890	32,193
Net financial assets	21,866	19,839
Non-financial assets		
Tangible capital assets (Schedule A)	357	466
Inventories held for use (Note 4)	157	157
Prepaid expenses	6	20
	520	643
Accumulated surplus	22,386	20,482

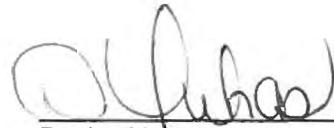
Commitments and contingencies (Notes 14 and 15)

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 2014	Actual 2014	Actual 2013
	\$	\$	\$
Annual surplus	1,209	1,904	1,511
Acquisition of tangible capital assets	-	(25)	(12)
Amortization of tangible capital assets	137	134	127
Loss on disposal of tangible capital assets	-	-	12
Proceeds on sale of tangible capital assets	-	-	1
Write-down of tangible capital assets	-	-	11
	137	109	139
Acquisition of inventories held for use	-	(168)	(123)
Acquisition of prepaid expenses	-	(18)	(30)
Use of inventories held for use	200	168	197
Use of prepaid expenses	-	32	41
	200	14	85
Increase in net financial assets	1,546	2,027	1,735
Net financial assets, beginning of year	19,839	19,839	18,104
Net financial assets, end of year	21,385	21,866	19,839

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 2014	Actual 2014	Actual 2013
	\$	\$	\$
Revenues			
Interest on loans receivable	2,000	2,081	2,099
Sales and other income	641	671	895
Gain on sale of Nahanni Butte General Store Ltd. (Note 11)	-	169	-
Interest on pooled cash (Note 3)	145	160	156
Dividends	8	7	16
Recovery of venture investments	-	-	114
	2,794	3,088	3,280
Government transfers (Note 12)	4,601	3,905	4,679
	7,395	6,993	7,959
Expenses (Note 13)			
Lending and investments	4,506	3,523	3,908
Retail and manufacturing	1,680	1,566	2,540
	6,186	5,089	6,448
Annual surplus	1,209	1,904	1,511
Accumulated surplus, beginning of year	20,482	20,482	18,971
Accumulated surplus, end of year	21,691	22,386	20,482

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	2014	2013
	\$	\$
Operating transactions		
Cash received from:		
Governments	3,618	3,897
Customers	620	953
Interest	2,015	2,058
Dividends	7	8
	<hr/> 6,260	<hr/> 6,916
Cash paid for:		
Compensation and benefits	2,203	2,273
Payments to suppliers	1,546	1,947
Interest on advances from the Government	356	374
Grants and contributions	207	242
	<hr/> 4,312	<hr/> 4,836
Cash provided by operating transactions	1,948	2,080
Capital transactions		
Acquisition of tangible capital assets	(25)	(12)
Proceeds on sale of tangible capital assets	-	1
Cash used for capital transactions	(25)	(11)
Investing transactions		
Loans receivable disbursed	(2,222)	(4,366)
Loans receivable repaid	3,761	4,792
Cash included in sale of Nahanni Butte General Store Ltd.	(103)	-
Redemptions of venture investments	12	127
Proceeds on sale of asset held for sale	-	125
Cash provided by investing transactions	1,448	678
Financing transactions		
Repayment of advances from the Government	(2,344)	(1,826)
Cash used for financing transactions	(2,344)	(1,826)
Increase in cash	1,027	921
Cash, beginning of year	13,931	13,010
Cash, end of year	14,958	13,931

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, 2014

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, 2014

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 useful lives of tangible capital assets, the provision for termination and removal benefits, environmental liabilities, asset retirement obligations, 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
Nahanni Butte General Store Ltd.	Nahanni Butte, NT	51%	October 15, 1992
Muskox Harvesting			
6355 N.W.T. Ltd.	Sachs Harbour, NT	100%	May 12, 2011

2. Summary of significant accounting policies (continued)**(b) Principles of consolidation (continued)**

The Corporation sold its common and preferred shares in the Nahanni Butte General Store Ltd. during the year (Note 11). The revenues and expenses of the organization are proportionately consolidated for the period that the Corporation controlled the organization. As at the date the Corporation no longer controlled the organization, the Corporation derecognized the related assets and liabilities and recognized a gain on sale.

(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 amortized 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.

2. Summary of significant accounting policies (continued)**(e) Loans receivable (continued)**

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.

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.

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2014

2. Summary of significant accounting policies (continued)

(h) Asset retirement obligations (continued)

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.

(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
Vehicles	4 years

2. Summary of significant accounting policies (continued)**(k) Tangible capital assets (continued)**

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.

(l) Financial instruments

The Corporation's financial instruments consists of cash, accounts receivable, loans receivable, venture investments, accounts payable and accrued liabilities, and the advances from the Government. These financial instruments are measured at amortized 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 1.10% during the year (2013: 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

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements**
March 31, 2014

3. Cash (continued)

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 8b).

	000's	
	2014	2013
	\$	\$
Cash held by the Corporation for operations	6,357	5,793
Cash held by the Corporation's organizations	960	1,157
Cash held for post-employment benefits	417	429
	7,734	7,379
Venture Investment Fund	4,065	4,045
Capital Fund	873	873
Subsidy Fund	462	518
Venture Reserve Fund	485	485
Loans and Bonds Fund	1,192	484
Capital Reserve Fund	147	147
	7,224	6,552
	14,958	13,931

4. Inventories

	000's	
	2014	2013
	\$	\$
Inventories held for resale:		
Arts and crafts	266	233
Canvas products	87	84
Retail store	-	22
Muskox products	-	4
	353	343
Inventories held for use:		
Materials and supplies	157	157

During the year, no inventories were written down (2013: 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 (2013: 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, 2014

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			
		2014		2013	
		Rate	Balances	Rate	Balances
		%	\$	%	\$
Performing loans due within:	1 year	5.09	4,563	6.50	513
	1-2 years	5.15	4,803	5.14	5,580
	2-3 years	5.14	16,374	5.11	5,349
	3-4 years	5.70	4,478	5.14	18,930
	over 4 years	5.73	4,276	5.67	4,877
			34,494		35,249
Accrued loan interest receivable			169		173
Impaired loans			7,952		8,518
			42,615		43,940
Less: allowance for credit losses (Note 6)			6,399		6,429
			36,216		37,511

In 2014, no accounts were written off by the Legislative Assembly (2013: nil) and no accounts were written off by the Board of Directors (2013: one account totalling \$5,000). In 2014, no accounts were forgiven by the Legislative Assembly (2013: nil). No accounts were forgiven by the FMB during the current year (2013: nil). In 2014, recoveries on loans previously written off totalled \$6,000 (2013: \$23,000).

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, 2014

5. Loans receivable (continued)

Enterprise concentration

Enterprise	000's			
	2014		2013	
	Performing	Impaired	Performing	Impaired
	\$	\$	\$	\$
Construction	8,669	687	9,307	761
Retail trade	6,714	864	6,943	905
Accommodations, food and beverage	4,499	2,413	3,876	2,522
Transportation and storage	3,714	60	4,111	90
Real estate and rentals	3,184	-	3,326	-
Wholesale trade	2,857	-	3,108	-
Other services	898	294	1,018	305
Travel and tourism	644	1,852	911	1,734
Finance and insurance	632	666	380	788
Manufacturing	607	25	704	-
Management of companies	564	-	535	-
Communication	494	-	-	131
Business services	430	-	464	-
Health care	371	-	378	-
Arts and craft	178	-	188	-
Forestry and logging	39	11	-	11
Oil and gas	-	974	-	1,153
Educational services	-	59	-	61
Fisheries and wildlife	-	47	-	57
	34,494	7,952	35,249	8,518

The loans receivable balance contains loans, totalling \$135,000, made to venture investees (2013: \$189,000). These loans are in addition to the venture investments shown in Note 7.

Geographic concentration

Region	000's			
	2014		2013	
	Performing	Impaired	Performing	Impaired
	\$	\$	\$	\$
South Slave	16,769	2,759	17,201	3,016
North Slave	7,118	3,918	7,613	4,080
Dehcho	6,480	288	6,610	336
Inuvik	1,965	478	2,141	482
Sahtu	2,162	509	1,684	604
	34,494	7,952	35,249	8,518

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements**
March 31, 2014

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	
	2014	2013
	\$	\$
Low	22,963	24,470
Medium	9,140	8,335
High	2,391	2,444
	34,494	35,249

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	
	2014	2013
	\$	\$
31 – 60 days	225	40
61 – 90 days	172	-
Over 90 days	82	-
	479	40

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 2014 (2013: nil).

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements**
March 31, 2014

6. Allowance for credit losses

	000's	
	2014	2013
	\$	\$
Balance, beginning of year	6,429	6,432
Provision for credit losses	564	317
Recoveries from repayments	(594)	(320)
Balance, end of year	6,399	6,429
Comprised of:		
Specific allowance	5,709	5,724
General allowance	690	705
	6,399	6,429

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, 2014, the Corporation does not have significant influence in the companies in which it has invested.

	000's	
	2014	2013
	\$	\$
Balance, beginning of year	78	91
Recoveries	-	114
Redemptions	(12)	(127)
Balance, end of year	66	78

The total cumulative venture investments at March 31, 2014 was \$1,470,000 (2013: \$1,482,000) with accumulated write-downs of \$1,404,000 (2013: \$1,404,000).

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, 2014

8. 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 2.2 times (2013 – 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 1.5 times (2013 – nil) the employee's contribution. Total contributions of \$343 (2013 - \$365) 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	
	2014	2013
	\$	\$
Corporation's contributions	235	249
Employees' contributions	108	116

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.

	000's	
	2014	2013
	\$	\$
Post-employment benefits, beginning of year	419	405
Retirement and transfer out	(53)	-
Cost and transfer in	52	14
Post-employment benefits, end of year	418	419

9. 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 (2013: \$45 million) as at March 31, 2014.

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements**
March 31, 2014

9. Advances from the Government (continued)

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 1.0% to 1.4% (2013: 1.0% to 1.5%) during the year.

10. Asset retirement obligations

	000's	
	2014	2013
	\$	\$
Balance, beginning of year	235	100
Decrease due to disposal of tangible capital assets	(222)	(61)
Additions during the year	-	196
Balance, end of year	13	235

The asset retirement obligations relate to the estimated costs of demolition, removal of structures, and site remediation associated with various buildings. No amount has been paid during the year related to the asset retirement obligations.

11. Sale of Nahanni Butte General Store Ltd.

Effective September 27, 2013, the Corporation sold its common and preferred shares in the Nahanni Butte General Store Ltd. to the Nahanni Butte Dene Band as represented by Naha Dehé Development Corporation for a nominal value. The gain on the sale has been calculated as follows:

	000's	
	2014	
Total assets	\$	115
Total liabilities		(284)
Net deficit		(169)
Proceeds on sale		-
Gain on sale	\$	169

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements**
March 31, 2014

12. Government transfers

	000's					
	Lending	2014 Retail/ Manufac- turing	Total	Lending	2013 Retail/ Manufac- turing	Total
	\$	\$	\$	\$	\$	\$
Government:						
Operations and maintenance	2,263	837	3,100	2,326	1,199	3,525
Services received without charge (Note 17)	708	-	708	879	100	979
	2,971	837	3,808	3,205	1,299	4,504
Federal programs	97	-	97	175	-	175
	3,068	837	3,905	3,380	1,299	4,679

During the current fiscal year the Corporation had surplus funding of \$669,000 (2013: \$303,000). 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, 2014

13. Expenses by object

	000's					
	2014 Lending	2014 Retail/ Manu- factur- ing	2014 Total	2013 Lending	2013 Retail/ Manu- factur- ing	2013 Total
	\$	\$	\$	\$	\$	\$
Accretion, asset retirement (Note 10)	-	-	-	(61)	196	135
Advertising and promotion	29	11	40	20	16	36
Amortization	6	128	134	-	127	127
Bad debts (recovery)	(2)	1	(1)	(1)	1	-
Bank charges and interest	2	23	25	2	21	23
Board members	30	1	31	44	2	46
Business Development Fund	207	-	207	242	-	242
Business Service Centre	264	-	264	97	-	97
Computers and communications	91	19	110	86	21	107
Cost of goods sold	-	641	641	-	855	855
Flood expense	-	-	-	-	352	352
Harvest site clean-up	-	120	120	-	25	25
Insurance	-	17	17	-	-	-
Interest expense on advances from the Government	356	-	356	374	-	374
Loss on disposal of tangible capital assets	-	-	-	-	12	12
Office and general	41	61	102	37	52	89
Professional services	70	93	163	225	95	320
Recovery for environmental liability	-	-	-	-	(17)	(17)
Recovery of credit losses, net	(30)	-	(30)	(3)	-	(3)
Rent	188	29	217	201	31	232
Salaries and benefits	2,174	222	2,396	2,518	479	2,997
Supplies	-	4	4	-	37	37
Training and workshops	26	-	26	33	-	33
Travel	71	48	119	94	90	184
Utilities	-	148	148	-	134	134
Write-down of tangible capital assets	-	-	-	-	11	11
	3,523	1,566	5,089	3,908	2,540	6,448

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2014

14. Commitments

As at March 31, 2014, loans to businesses, approved but not yet disbursed, totalled \$2.2 million at a weighted average interest rate of 4.9% (2013: \$1.8 million at a weighted average interest rate of 4.3%). These loans do not form part of the loans receivable balance until disbursed. Also as at March 31, 2014, contributions to businesses approved but not yet disbursed totalled \$84,000 (2013: \$10,000).

15. Contingencies

Loans

The Corporation has five outstanding loans to three Northern Community Futures organizations for their own lending purposes totalling \$1,125,000 (2013: five outstanding loans totalling \$1,000,000). 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 2014, no accounts were assigned to the Corporation (2013: nil).

Letters of credit

The Corporation has six outstanding irrevocable standby letters of credit. The amounts of these letters of credit totalled \$2,485,000 (2013: \$2,450,000) and expire in 2014. 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 (2013: nil).

16. 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 17).

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements**
March 31, 2014

16. Related party transactions (continued)

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

	000's	
	2014	2013
	\$	\$
Revenues		
Sales	6	8
Government transfers (Note 12)	3,808	4,504
Expenses		
Purchases	179	147
Interest on advances from the Government	356	374
Balances at year end		
Accounts receivable	6	26
Accounts payable and accrued liabilities	741	549
Advances from the Government	28,015	30,372

17. 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	
	2014	2013
	\$	\$
Staff support	475	762
Accommodation	233	217
	708	979

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2014

18. 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 2014 and 2013 budgeted expenses are as follows:

	000's					
	2014			2013		
	Lending	Retail/ Manu- factur- ing	Total	Lending	Retail/ Manu- factur- ing	Total
	\$	\$	\$	\$	\$	\$
Accretion, asset retirement	-	-	-	5	2	7
Advertising and promotion	40	31	71	50	29	79
Amortization	5	132	137	5	140	145
Bad debts	-	4	4	-	5	5
Bank charges and interest	-	23	23	-	24	24
Board members	50	2	52	58	5	63
Business Development Fund	250	-	250	300	-	300
Business Service Centre	97	-	97	97	-	97
Computers and communications	100	20	120	100	23	123
Cost of goods sold	-	575	575	-	898	898
Freight and courier	-	5	5	-	20	20
Harvest site clean-up	-	150	150	-	15	15
Insurance and licenses	-	18	18	-	-	-
Interest expense	360	-	360	475	-	475
Office and general	50	42	92	60	43	103
Professional services	109	94	203	100	108	208
Provision for credit losses, net	300	-	300	500	-	500
Rent	240	35	275	240	18	258
Repairs and maintenance	-	31	31	-	26	26
Salaries and benefits	2,780	330	3,110	2,810	625	3,435
Supplies	-	3	3	-	50	50
Travel and vehicles	125	55	180	100	120	220
Utilities	-	130	130	-	144	144
	4,506	1,680	6,186	4,900	2,295	7,195

19. 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, 2014

19. 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, 2014, \$410,000 (2013: \$596,000) 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, 2014:

	000's	
	2014	2013
Cash	14,958	13,931
Accounts receivable	163	169
Loans receivable	36,216	37,511
Venture investments	66	78
Letters of credit	2,485	2,450

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.

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2014

19. Risk Management (continued)

Based on the Corporation's advances from the Government as at March 31, 2014 and the monthly cash balance on hand, a 100 basis point increase in interest rates would decrease net income by \$144,000 (2013: \$178,000). A 100 basis point decrease in interest rates would increase net income by the same amounts.

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.

20. Subsequent events

In June 2014, the Legislative Assembly approved the write-off of two loans receivable totalling \$199,000 and two venture investments totalling \$700,000. The Legislative Assembly also approved the forgiveness of five loans receivable totalling \$422,000. The venture investments have been fully written-down (Note 7). The loans receivable are included in the impaired loan balance and have an offsetting amount in the allowance for credit losses (Note 5).

21. Comparative figures

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

Northwest Territories Business Development and Investment Corporation

Consolidated Schedule of Tangible Capital Assets

**Schedule A
000's**

	Land	Buildings	Equipment	Leasehold Improvements	Computer Equipment	Vehicles	March 31, 2014	March 31, 2013
Cost of tangible capital assets, opening	\$ 82	\$ 2,957	\$ 837	\$ 449	\$ 30	\$ 18	\$ 4,373	\$ 5,540
Acquisitions	-	-	25	-	-	-	25	12
Disposals	-	(646)	(126)	-	-	(18)	(790)	(1,179)
Cost of tangible capital assets, closing	82	2,311	736	449	30	-	3,608	4,373
Accumulated amortization, opening	-	2,759	768	332	30	18	3,907	4,935
Amortization expense	-	16	40	78	-	-	134	127
Disposals	-	(646)	(126)	-	-	(18)	(790)	(1,166)
Write-down of tangible capital assets	-	-	-	-	-	-	-	11
Accumulated amortization, closing	-	2,129	682	410	30	-	3,251	3,907
Net book value	82	182	54	39	-	-	357	466

NORTHWEST TERRITORIES HERITAGE FUND ANNUAL REPORT

2013-2014

A report on the Northwest Territories Heritage Fund,
for the fiscal year ended March 31, 2014

NORTHWEST TERRITORIES HERITAGE FUND

FINANCIAL STATEMENTS
(unaudited)

For the year ended

March 31, 2014

NORTHWEST TERRITORIES HERITAGE FUND
Financial Statements
(unaudited)
March 31, 2014

	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 30, 2014

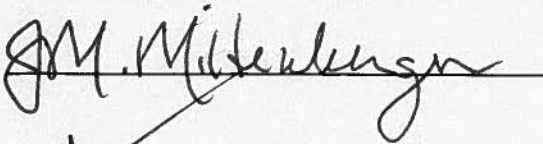
NORTHWEST TERRITORIES HERITAGE FUND

Statement of Financial Position

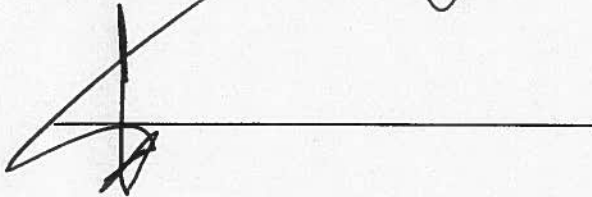
**(unaudited)
As at March 31, 2014**

	<u>2014</u>	<u>2013</u>
Financial assets		
Cash (Note 3)	\$505,518	\$250,140
Accounts Receivable	<u>515</u>	<u>0</u>
Assets	<u>\$506,033</u>	<u>\$250,140</u>
Liabilities	<u>\$0</u>	<u>\$0</u>
Net financial assets	<u>\$506,033</u>	<u>\$250,140</u>
Accumulated surplus	<u>\$506,033</u>	<u>\$250,140</u>

Approved:



J. Michael Miltenberger
Chairman of the Financial Management Board



Sandy Kalgutkar
Deputy Secretary of the Financial Management Board

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

NORTHWEST TERRITORIES HERITAGE FUND

Statement of Change in Net Financial Assets

(unaudited)

For the year ended March 31, 2014

	<u>2014</u> <u>Actuals</u>	<u>2013</u> <u>Actuals</u>
Net financial assets, beginning of year		
Items affecting net financial assets:		
Annual Surplus	<u>\$250,140</u>	<u>\$0</u>
Increase in net financial assets	<u>\$255,893</u>	<u>\$0</u>
	<u>\$506,033</u>	<u>\$250,140</u>
Net financial assets, end of year	<u>\$506,033</u>	<u>\$250,140</u>

NORTHWEST TERRITORIES HERITAGE FUND
Statement of Operations and Accumulated Surplus
(unaudited)
For the year ended March 31, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actuals</u>	<u>2013</u> <u>Actuals</u>
Revenues			
Interest	\$ 6,000	\$ 5,893	\$ 140
Contributions from the Government of the Northwest Territories	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
	<u>256,000</u>	<u>255,893</u>	<u>250,140</u>
Expenses			
	<u>0</u>	0	0
Annual surplus	256,000	255,893	250,140
Accumulated surplus, beginning of year	<u>250,000</u>	<u>250,140</u>	<u>0</u>
Accumulated surplus, end of year	<u>\$506,000</u>	<u>\$506,033</u>	<u>\$250,140</u>

NORTHWEST TERRITORIES HERITAGE FUND

Statement of Cash Flow

(unaudited)

For the year ended March 31, 2014

	<u>2014</u>
Operating transactions	
Cash received from:	
Interest revenue	\$ 5,893
Contribution from the GNWT	<u>250,000</u>
	<u>255,893</u>
Increase in cash	<u>255,893</u>
Cash, beginning of year	<u>250,140</u>
Cash, end of year	<u>\$ 506,033</u>

NORTHWEST TERRITORIES HERITAGE FUND

Notes to the Financial Statements

(unaudited)
March 31, 2014

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 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

The 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, 2014 was 1.20% (2013-1.20%). 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

Consolidated Financial Statements

March 31, 2014

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

These accompanying consolidated financial statements 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 all of the notes to the consolidated financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements. Ensuring that information in the Corporation's annual report is consistent with the consolidated financial statements is management's responsibility.

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 examination, in accordance with Canadian auditing standards, and expresses his opinion on the consolidated financial statements. The external auditor has full and free access to financial information of Northwest Territories Housing Corporation.

On behalf of Northwest Territories Housing Corporation



David Stewart
President & CEO



J.B. (Jeff) Anderson, CGA, CPA (US)
Vice President
Finance & Infrastructure Services

Yellowknife, Northwest Territories
September 17, 2014

NORTHWEST TERRITORIES HOUSING CORPORATION


Consolidated Statement of Financial Position

As at March 31, 2014


(in thousands)

	<u>2014</u>	<u>2013</u>
Financial assets		
Cash and cash equivalents (Note 3)	\$ 14,388	\$ 17,097
Portfolio investments (Note 4)	54,219	49,754
Accounts receivable (Note 5)	5,854	4,484
Mortgages and loans receivable (Note 6)	<u>3,587</u>	<u>1,597</u>
	<u>78,048</u>	<u>72,932</u>
Liabilities		
Bank indebtedness (Note 7)	632	494
Accounts payable and accrued liabilities (Note 8)	13,355	12,715
Deferred revenue	87	65
Loans payable to Canada Mortgage and Housing Corporation (Note 9)	11,479	12,197
Obligations under capital leases (Note 10)	1,216	2,063
Retirement and post-employment benefits (Note 11)	<u>5,195</u>	<u>4,910</u>
	<u>31,964</u>	<u>32,444</u>
Net financial assets	\$ <u>46,084</u>	\$ <u>40,488</u>
Non-financial assets		
Tangible capital assets (Schedule A)	231,512	233,250
Inventories held for use	2,441	2,664
Prepaid expenses	<u>160</u>	<u>233</u>
	<u>234,113</u>	<u>236,147</u>
Accumulated surplus	\$ <u>280,197</u>	\$ <u>276,635</u>
Contractual obligations and contingencies (Notes 17 and 18)		
Subsequent event (Note 19)		

Approved:



 Minister Responsible for the
 Northwest Territories Housing Corporation



 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, 2014

(in thousands)

	<u>2014</u>		<u>2014</u>		<u>2013</u>
	Budget		Actual		Actual
Net financial assets, beginning of the year	\$ 40,488	\$	40,488	\$	38,579
Items affecting net financial assets:					
Annual surplus (deficit)	1,791		3,562		(701)
Acquisition of tangible capital assets	(21,448)		(12,692)		(13,858)
Amortization of tangible capital assets	11,942		12,248		11,875
Disposal of tangible capital assets	-		1,070		1,009
Write-downs of tangible capital assets	-		1,111		3,286
Acquisition of inventories held for use	-		(881)		(808)
Consumption of inventories held for use	-		1,104		1,184
Acquisition of prepaid expenses	-		(82)		(117)
Use of prepaid expenses	-		156		39
Increase in net financial assets	<u>(7,715)</u>		<u>5,596</u>		<u>1,909</u>
Net financial assets, end of year	\$ <u>32,773</u>	\$	\$ <u>46,084</u>	\$	\$ <u>40,488</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, 2014
(in thousands)

	<u>2014</u> Budget	<u>2014</u> Actual	<u>2013</u> Actual
Revenues			
Government funding:			
Government of the Northwest Territories	\$ 69,316	\$ 69,316	\$ 66,961
Canada Mortgage and Housing Corporation (Note 12)	<u>17,272</u>	<u>17,491</u>	<u>18,640</u>
	<u>86,588</u>	<u>86,807</u>	<u>85,601</u>
Generated revenues:			
Rental revenue	8,228	10,210	9,496
Recoveries on mortgages and loans (Note 6)	1,400	4,131	82
Investment revenue	500	626	715
Gain on disposal of investments	490	718	593
Gain on disposal of tangible capital assets	400	282	-
Other revenue and recoveries	90	715	1,109
Interest revenue on mortgages and loans	<u>120</u>	<u>139</u>	<u>126</u>
	<u>11,228</u>	<u>16,821</u>	<u>12,121</u>
	<u>97,816</u>	<u>103,628</u>	<u>97,722</u>
Expenses			
Public housing program (Note 13)	48,155	52,738	51,945
Unilateral CMHC programs & other programs	4,970	4,984	2,992
Market housing program (Note 14)	1,381	1,673	1,805
Supported lease & HELP programs (Note 15)	1,719	1,831	1,333
Rent subsidy program	1,050	317	38
Homelessness fund program	325	328	181
Homeownership assistance grants	7,689	5,231	7,096
Contributions for housing for staff initiative	500	-	75
Amortization	11,942	12,248	11,875
Loss on disposal of tangible capital assets	-	-	245
Writedowns of tangible capital assets	-	1,111	3,286
Administration (Note 16)	<u>18,294</u>	<u>19,605</u>	<u>17,552</u>
	<u>96,025</u>	<u>100,066</u>	<u>98,423</u>
Annual surplus (deficit)	<u>\$ 1,791</u>	<u>\$ 3,562</u>	<u>\$ (701)</u>
Accumulated surplus, beginning of year	276,635	276,635	277,336
Accumulated surplus, end of year	<u>\$ 278,426</u>	<u>\$ 280,197</u>	<u>\$ 276,635</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, 2014 (in thousands)

	2014	2013
Operating transactions		
Cash received from:		
Government of the Northwest Territories	\$ 69,616	\$ 66,935
Canada Mortgage and Housing Corporation	15,667	20,628
Rental revenue	10,633	10,100
Investment revenue	626	357
Miscellaneous revenue and recoveries	2,799	6,089
	99,341	104,109
Cash paid for:		
Payments to and on behalf of employees	(25,757)	(25,555)
Payments to suppliers	(58,861)	(57,360)
Payments for interest	(868)	(1,140)
	(85,486)	(84,055)
Cash provided by operating transactions	13,855	20,054
Capital transactions		
Acquisition of tangible capital assets	(12,692)	(15,843)
Proceeds on disposal of tangible capital assets	1,352	853
Cash used in capital transactions	(11,340)	(14,990)
Financing transactions		
Repayment of long-term debt and capital leases	(1,566)	(1,386)
Cash used in financing transactions	(1,566)	(1,386)
Investing transactions		
Redemption of portfolio investments	56,262	71,316
Purchases of portfolio investments	(61,112)	(73,270)
Mortgage payments received	1,054	1,032
Cash used in investing transactions	(3,796)	(922)
Increase (decrease) in cash	(2,847)	2,756
Cash and cash equivalents, beginning of year	16,603	13,847
Cash and cash equivalents, end of year	\$ 13,756	\$ 16,603
Made of:		
Cash and cash equivalents	14,388	17,097
Bank indebtedness	(632)	(494)
	\$ 13,756	\$ 16,603

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, 2014

(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-one LHOs, via consolidation, which are controlled by the Corporation:

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2014

(all figures in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Aklavik Housing Association	Lutsel K'e Housing Authority
Bechokö Kö Gha K'òdèè	Norman Wells Housing Authority
Deline Housing Association	Paulatuk Housing Association
Fort McPherson Housing Association	Radilih Koe' Housing Association
Fort Providence Housing Association	Sachs Harbour Housing Association
Fort Resolution Housing Authority	Tsiigehtchic Housing Association
Fort Simpson Housing Authority	Tuktoyaktuk Housing Association
Fort Smith Housing Authority	Tulita Housing Association
Hay River Housing Authority	Ulukhaktok Housing Association
Inuvik Housing Authority	Yellowknife Housing Authority
Lac La Martre Housing Association	

The following two LHOs: Yellowknife Dene First Nation (Housing Division) 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.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2014

(all figures in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions for public housing

The Corporation provides contributions to Yellowknife Dene First Nation (Housing Division) and Hay River Dene Band Housing Society for their operation of the public housing programs and maintenance of the public housing units. These contributions are recognized based on estimated costs for administration and maintenance expenses incurred and based on actual costs for utilities, tax and leasing expenses incurred, by the two entities in the year.

As part of contributions for public housing, the Corporation also 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.

Contributions for market housing

The LHOs, on behalf of the Corporation, manage certain market rental units in accordance with operating agreements. The Corporation collects rents at market rates from those rental units and provides contributions to the LHOs for their costs incurred on administration and maintenance of those rental units.

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.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2014

(all figures in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Homeownership assistance grants

The Corporation, under section 44(1) of its Act, may make a home ownership assistance grant in the form of a forgivable loan to eligible homeowners on terms and conditions that may be imposed by the Corporation. The conditional grants, which vary in amount depending on the income or community of the applicant and are not expected to be repaid unless certain conditions are not met, are expensed in the year the grant is approved. Any recoveries on the conditional grants are recognized in the year the amount is recovered from the borrower (Note 6).

The Corporation is not currently providing any new repayable mortgages/loans nor loan guarantees to eligible homeowners under its Homeownership Assistance program.

a) 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 restructured mortgages with payments in arrears between one and six months. A partial allowance is recorded on these mortgages based on the average collection rate and similar type mortgages for the year, which for 2014 was 60%.

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.

Write-offs of impaired mortgages and loans occur after the homeowner and the Corporation have signed a quit claim agreement and the Corporation has obtained the housing unit in exchange for the debt owed. A quit claim is an agreement between the owner of a housing unit and the Corporation to transfer title to 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 suitability criteria are met are added to tangible capital assets.

b) 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.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2014

(all figures in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible capital assets

a) Land and buildings

Land and housing units constructed or purchased by the Corporation for public housing, market housing and supported lease & HELP programs, including construction in progress, 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 recorded at cost and included in construction in progress.

Public 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 and is taken for the full year. 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	
Leaseholds	Straight-line over term of lease	

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.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2014

(all figures in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 MacPherson 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

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 and post-employment benefits

Under the terms and conditions of employment, employees may earn leave, severance and removal benefits based on years of service. The benefits are paid upon resignation, retirement, or death of an employee. The cost of these retirement and post-employment benefits has been determined based on management's best estimates and accrued as a liability as employees render service.

Future accounting change

PSAB approved Section PS 3260, Liability for Contaminated Sites in March 2010. This 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 or government organization is directly responsible or accepts responsibility for remediation of the contaminated site, and a reasonable estimate of the amount can be made. The new standard is effective for fiscal years beginning on or after April 1, 2014. Earlier adoption is encouraged. Management has not early adopted this new standard.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2014

(all figures in thousands)

3. CASH AND CASH EQUIVALENTS

	2014	2013
Cash	\$ 8,187	\$ 12,662
Cash equivalents	6,201	4,435
	\$ 14,388	\$ 17,097

Cash equivalents are comprised of a high quality debt instrument with an original term to maturity of 30 days (2013 – 59 days) and a market yield of 1.07% (2013 – 1.14%).

Also, 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 \$1,848 (2013 - \$1,871) which are also included in accounts payable and accrued liabilities (Note 8).

4. PORTFOLIO INVESTMENTS

Issuer	Stated interest rate	2014 Remaining term	Carrying amount	2013 Carrying amount
Fixed income investments:				
Bankers acceptances	1.35% to 1.58%	128 to 269 days	\$ 25,151	\$ 23,299
Provincial governments	1.66% to 3.35%	3 to 13 years	9,455	22,449
Ontario Hydro Strip Bonds	1.44% to 3.61%	2 to 11 years	16,897	1,406
Ontario Hydro Zero Coupon Bonds	2.16% to 3.27%	4 to 8 years	2,716	1,500
Business Development Bank of Canada	-	-	-	1,100
			\$ 54,219	\$ 49,754

The weighted average effective yield of this portfolio in 2014 was 1.94 % (2013 – 1.96%). 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, 2014

(all figures in thousands)

5. ACCOUNTS RECEIVABLE

	2014	2013
Trade accounts receivable	\$ 2,924	\$ 2,173
Tenant rents receivable	15,414	15,323
	18,338	17,496
Less allowance for doubtful accounts	(14,692)	(13,696)
	3,646	3,800
Receivables from CMHC	2,125	301
Receivables from related parties:		
Government of the Northwest Territories	83	383
	5,854	4,484
Net Accounts Receivable	\$ 5,854	\$ 4,484

6. MORTGAGES AND LOANS RECEIVABLE

a) Mortgages and loans receivable

	2014	2013
Corporate loan, repayable in monthly installments at interest rate of 7.80%, unsecured, with a term of 10 years.	\$ 12	\$ 38
Mortgages based on Income Assessment, repayable in monthly installments at interest rates varying between 5.79% and 10.5%, secured by registered charges against real property, with a term over a maximum of 15 years.	894	1,274
Loans based on Income Assessment, repayable in monthly installments at interest rates varying between 3.10% and 12%, unsecured, with a term over a maximum of 15 years.	4,085	6,115
Restructured mortgages, repayable in monthly installments at interest rates varying between 3% and 5.85%, secured by registered charges against real property, with a term over a maximum of 25 years.	1,732	952
Restructured loans, repayable in monthly installments at interest rates varying between 3% and 7.2%, unsecured, with a term over a maximum of 25 years.	8,363	7,130
Mortgages and loans receivable	15,086	15,509
Less allowance for impaired mortgages and loans	(11,499)	(13,912)
Net mortgages and loans receivable	\$ 3,587	\$ 1,597

The carrying value of the mortgages and loans receivable that are past due but not classified as impaired is \$796 (2013 - \$778). There were 13 write-offs in the current year (2013 - three).

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2014

(all figures in thousands)

6. 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 \$5,231 (2013 – \$7,096), which are expensed on the consolidated statement of operations and accumulated surplus.

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

	2014	2013
Recoveries on impaired mortgages and loans	\$ 522	\$ 747
Adjustment to allowance for impaired mortgages and loans	3,133	(1,063)
Recoveries from conditional grants	476	398
	\$ 4,131	\$ 82

7. BANK INDEBTEDNESS

	2014	2013
Cheques issued in excess of deposits for certain LHOs	\$ 632	\$ 494

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2014	2013
Trade payables	\$ 8,068	\$ 6,965
Contractors holdbacks	1,527	2,309
Damage deposits	1,774	1,702
Wages and employee benefits	677	489
Tender and security deposits	74	169
Accrued interest	153	224
Prepaid rent	96	94
Payables to related parties:		
Government of the Northwest Territories	986	763
	\$ 13,355	\$ 12,715

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2014

(all figures in thousands)

9. LOANS PAYABLE TO CANADA MORTGAGE AND HOUSING CORPORATION

	2014			2013
	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 2014 to 2038, at interest rates from 5.94% to 19.00% (2013 - 5.94% to 19.00%).	\$ 25,242	\$ (25,242)	\$ -	\$ -
Loans payable to CMHC (NHA Section 82 debt), repayable in annual installments until the year 2033, bearing interest of 6.97% (2013 - 6.97%). These loans are guaranteed by the Government.	18,248	(10,138)	8,110	8,609
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%, (2013 - 2.78% to 3.68%).	<u>3,369</u>	<u>-</u>	<u>3,369</u>	<u>3,588</u>
	<u>\$ 46,859</u>	<u>\$ (35,380)</u>	<u>\$ 11,479</u>	<u>\$ 12,197</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 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 \$3,901 in 2014 (2013 - \$4,080), and would have made additional principal long-term debt repayments to CMHC of \$1,346 in 2014 (2013 - \$2,653).

The above mortgages to CMHC are not secured.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2014

(all figures in thousands)

9. 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>
2015	\$ 761	\$ 684	\$ 1,445
2016	806	639	1,445
2017	844	590	1,434
2018	805	539	1,344
2019	746	491	1,237
2020 - 2024	3,903	1,811	5,714
2025 - 2038	<u>3,614</u>	<u>733</u>	<u>4,347</u>
	<u>\$ 11,479</u>	<u>\$ 5,487</u>	<u>\$ 16,966</u>

10. OBLIGATIONS UNDER CAPITAL LEASES

The Corporation is committed to annual payments for 10 (2013 - 13) lease agreements for public housing units under the Public Housing Rent Supplement Programs and 2 (2013 - three) lease agreements for market housing units. These lease agreements are based on implicit interest rates varying from 6.60% to 10.75% and expiry dates ranging from 2014 to 2019. 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 payments.

	<u>Executory costs</u>	<u>Imputed interest</u>	<u>Lease obligation</u>	<u>Future minimum lease payments</u>
2015	\$ 241	\$ 67	\$ 614	\$ 922
2016	126	30	308	464
2017	23	15	135	173
2018	23	8	89	120
2019	<u>17</u>	<u>2</u>	<u>70</u>	<u>89</u>
Total	<u>\$ 430</u>	<u>\$ 122</u>	<u>\$ 1,216</u>	<u>\$ 1,768</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, 2014 is \$7,220 and \$6,458 respectively (2013 - \$8,480 and \$7,171 respectively).

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2014

(all figures in thousands)

11. RETIREMENT AND POST-EMPLOYMENT BENEFITS

Pension benefits

The Corporation's employees participate in the Public Service Pension Plan (the "Plan") administered by the Government of Canada. 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/Québec Pension Plan benefits and they are indexed to inflation.

The Corporation and all eligible employees contribute to the Plan. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution.

During the calendar year 2012, the Corporation contributed 1.74 dollars for every dollar contributed by the employee, and 8.95 dollars for every dollar contributed by the employee for the portion of the employee's salary above \$148 thousand.

During the calendar year 2013, the Corporation contributed 1.64 dollars for every dollar contributed by the employee, and 8.00 dollars for every dollar contributed by the employee for the portion of the employee's salary above \$150.9 thousand. For new employees participating in the plan on or after January 1, 2013, the Corporation contributes 1.57 dollars for every dollar contributed by the employee, and 8.00 dollars for every dollar contributed by the employee for the portion of the employee's salary above \$150.9 thousand.

Effective January 1, 2014, the Corporation contributed 1.45 dollars for every dollar contributed by the employee, and 7.59 dollars for every dollar contributed by the employee for the portion of the employee's salary above \$155 thousand. For new employees participating in the plan on or after January 1, 2013, the Corporation contributes 1.43 dollars for every dollar contributed by the employee, and 7.59 dollars for every dollar contributed by the employee for the portion of the employee's salary above \$155 thousand.

Employees' contributions' into the plan follow the chart below as a percentage of their gross salary. Contribution rates for the plan are dependent on if the year's maximum pensionable earnings (YMPE), as defined under the Canada Pension Plan, have been reached.

	<u>April 1, 2012 to December 31, 2012</u>	<u>January 1, 2013 to December 31, 2013</u>	<u>January 1, 2014 to March 31, 2014</u>
Up to YMPE	6.20%	6.85%	7.50%
Above YMPE	8.60%	9.20%	9.80%
YMPE	\$50,100	\$51,100	\$52,500

For new employees participating in the plan after January 1, 2013 contribution rates were:

Up to YMPE	-	6.27%	6.62%
Above YMPE	-	7.63%	7.89%

Total contributions to the Plan in the fiscal year were as follows:

	<u>2014</u>	<u>2013</u>
Employer's contributions	\$ 1,494	\$ 1,492
Employees' contributions	830	778

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2014

(all figures in thousands)

11. RETIREMENT AND POST-EMPLOYMENT BENEFITS (continued)

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% (2013 – 8%). The Corporation's and employees' contribution to the NEBS Pension Plan for the year were as follows:

	2014		2013
Employer's contribution	\$ 368	\$	293
Employees' contribution	368		293

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 March 2009 which sets rules to protect Plan Members funds. Both governments have provided a commitment to introduce broader NEBS Pension Plan legislation in 2014. As of December 31, 2013 the plan had a pension plan fund balance in excess of actuarial calculations of \$8,557.

Post-employment 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:

	2014		2013
Accrued benefit obligation, beginning of year	\$ 4,910	\$	4,757
Costs for the year	1,629		1,679
Benefits paid during the year	(1,344)		(1,526)
Accrued benefit obligation, end of year	\$ 5,195	\$	4,910

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2014

(all figures in thousands)

12. FUNDING FROM CANADA MORTGAGE AND HOUSING CORPORATION

	<u>2014</u>	<u>2013</u>
Funding received from CMHC is recognized as government funding under the:		
Social Housing Agreement:		
Contributions for public housing rental subsidies	\$ 10,227	\$ 11,234
Contributions to non-profit housing sponsor groups and cooperatives	3,918	3,918
Repairs, maintenance and other costs	1,473	1,580
Agreement for Investment in Affordable Housing	1,840	1,840
Agreement for Incremental Construction Costs	33	25
Agreement for Energy Construction Monitoring	-	43
	<u>\$ 17,491</u>	<u>\$ 18,640</u>

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 NWT/CMHC agreements (Housing Renovation Program Agreement and the Affordable Housing Agreement Extension). Funding under this agreement can be utilized under four specific NWT/CMHC housing programs (CARE, PATH, HELP and Shelter Enhancement). The annual funding is cost shared with CMHC and the NWT/CMHC each contributing \$1.84 million per year for this program. Both parties to the Agreement provided a total of \$5.5 million over the three year period from 2011/2012 to 2013/2014.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2014

(all figures in thousands)

13. PUBLIC HOUSING PROGRAM

	2014	2013
Utilities, taxes and land leases	\$ 24,833	\$ 22,928
Repairs, maintenance and other costs	6,350	7,369
Salaries	12,181	12,248
Administration	1,609	1,993
Contributions for public housing	4,312	3,365
Leasing	2,597	2,948
Interest on long-term debt	856	1,094
	\$ 52,738	\$ 51,945

14. MARKET HOUSING PROGRAM

	2014	2013
Utilities, taxes and land leases	\$ 1,376	\$ 1,238
Repairs, maintenance and other costs	297	567
	\$ 1,673	\$ 1,805

15. SUPPORTED LEASE & HELP PROGRAMS

	2014	2013
Utilities, taxes and land leases	\$ 1,069	\$ 1,115
Repairs, maintenance and other costs	762	218
	\$ 1,831	\$ 1,333

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2014

(all figures in thousands)

16. ADMINISTRATION EXPENSES

	2014	2013
Salaries and benefits	\$ 14,048	\$ 13,392
Building and equipment rentals	1,899	1,760
Administration	1,090	402
Travel and relocation	1,035	544
Professional and special services	568	552
Computer services	433	400
Materials and supplies	244	201
Communications	211	222
Workshops and studies	77	49
Other expenses	-	30
	\$ 19,605	\$ 17,552

17. CONTRACTUAL OBLIGATIONS

The Corporation leases office space and rents supplemental public housing units and is committed to basic rental payments as follows. The leases contain escalation clauses for operating costs and property taxes, which may cause the payments to exceed the basic rental. Also included in the 2015 contractual obligations are construction commitments of \$5,510 (2014 - \$5,419).

		Total
2015	\$	8,817
2016		2,751
2017		2,239
2018		1,921
2019		1,298
After		5,676
Total	\$	22,702

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2014

(all figures in thousands)

18. CONTINGENCIES

The Corporation provided guarantees to banks in financing certain new or renovated residential housing construction. The Corporation has the authority to provide loan guarantees to a limit of \$30,000 as established by the Financial Management Board of the Government of the Northwest Territories. As at March 31, 2014 a total of 25 (2013 - 28) loan guarantees were in effect, and the outstanding balance of loans guaranteed was \$3,945 (2013 - \$4,609). Five (2013 - seven) of these loans guaranteed with a total outstanding balance of \$2,769 (2013 - \$3,237) are secured by registered charges against real property.

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, 2014 was \$22,476 (2013 - \$24,282).

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, 2014 is nil (2013 - nil).

19. SUBSEQUENT EVENT

On April 23, 2014, an agreement was signed between the Corporation and the Government of the Northwest Territories to transfer to the Corporation 838 lots in fee simple title. Consideration to be paid is \$1 dollar, in accordance with the Government of the Northwest Territories Land Pricing Policy 21.01. The estimated fair market value of the lots is \$18 million. The legal transfer of the lots is expected to occur over the next several fiscal years. Management is currently assessing the impact of this transfer to the financial statements.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2014

(all figures in thousands)

20. FINANCIAL RISK MANAGEMENT

The Corporation's financial instruments consist of cash and cash equivalents, portfolio investments, accounts receivable, mortgages and loans receivable, bank indebtedness, 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. 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.

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 \$60,420 (2013 - \$54,189).

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 monitors the age of accounts receivable and initiates collection action. The maximum exposure to credit risk is \$5,854 (2013 - \$4,484).

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. The Corporation developed the Mortgage Payment Plan to improve collections on mortgages in 2007. This ended in 2013 when a new program, the Revised Mortgage Approach was developed to determine new repayable loan amounts.

The maximum exposure to credit risk is \$3,587 (2013 - \$1,597).

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2014

(all figures in thousands)

20. FINANCIAL RISK MANAGEMENT (CONTINUED)

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.

The Corporation does not face interest rate risk on its loans payable to the Canada Mortgage and Housing Association because these interest rates are fixed for the full term of the loans.

Interest rate risk is minimized by actively managing the duration of the fixed income investments.

Term	Within 1 year	1 to 2 years	2 to 5 years	5 to 10 years	Over 10 years	Carrying value	
						2014	2013
Portfolio investments	25,152	1,938	14,085	9,908	3,136	54,219	49,754

A 1% change in interest rates would change net investment income by \$520 (2013 - \$483).

21. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The fair value of the Corporation's financial assets and liabilities is estimated as follows:

	2014		2013	
	Carrying amount	Fair value	Carrying amount	Fair value
Portfolio investments	\$ 54,219	\$ 54,147	\$ 49,754	\$ 50,227
Loans payable to CMHC	8,110	10,103	8,609	10,968
Mortgages payable to CMHC	3,369	3,376	3,588	3,712
Obligations under capital lease	1,216	1,314	2,063	2,288

The fair values of the portfolio investments are their market values 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.

NORTHWEST TERRITORIES HOUSING CORPORATION

Notes to Consolidated Financial Statements

March 31, 2014

(all figures in thousands)

22. RELATED PARTY TRANSACTIONS

The Corporation is related in terms of common ownership to all Government of the Northwest Territories created departments, territorial corporations and public agencies. 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.

23. COMPARATIVE FIGURES

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

24. BUDGETED FIGURES

Budgeted figures have been provided for comparison purposes and have been derived from the Main Estimates approved by the Legislative Assembly.

NORTHWEST TERRITORIES HOUSING CORPORATION

Schedule A

Consolidated Schedule of Tangible Capital Assets
March 31, 2014
(all figures in thousands)

	Opening balance	Cost			Write-downs	Closing balance	Opening balance	Accumulated amortization		Closing balance	Net book value	
		Acquisitions	Disposals / transfers	Disposals				Amortization	Disposals		2014	2013
Land and buildings:												
Land	5,895	486	-	-	6,381	-	-	-	-	-	6,381	5,895
Public housing	283,931	16,522	(3,029)	(693)	296,731	130,161	8,948	(2,445)	136,664	160,067	153,770	
Market housing	12,015	389	(223)	(5)	12,176	4,664	374	(80)	4,958	7,218	7,352	
Supported lease & HELP housing	59,790	2,499	(502)	(277)	61,510	13,406	2,404	(190)	15,620	45,890	46,384	
Construction in progress	13,942	11,877	(19,630)	(136)	6,053	-	-	-	-	6,053	13,942	
Sub-total	375,573	31,773	(23,384)	(1,111)	382,851	148,231	11,726	(2,715)	157,242	225,609	227,343	
Property and equipment:												
Warehouses and offices	9,056	226	-	-	9,282	4,417	243	-	4,660	4,622	4,639	
Office furniture and equipment	5,332	104	-	-	5,436	4,823	102	-	4,925	511	509	
Mobile equipment	1,656	210	(39)	-	1,827	1,035	134	(8)	1,161	666	620	
Software	105	9	-	-	114	-	10	-	10	104	105	
Leaseholds	728	-	-	-	728	695	33	-	728	-	34	
Sub-total	16,877	549	(39)	-	17,387	10,970	522	(8)	11,484	5,903	5,907	
Total	392,450	32,322	(23,423)	(1,111)	400,238	159,201	12,248	(2,723)	168,726	231,512	233,250	

NORTHWEST TERRITORIES HYDRO CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2014



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 balance sheet as at 31 March 2014, and the consolidated statement of operations and comprehensive income, consolidated statement of shareholder's equity 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 generally accepted accounting principles, 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 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

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 generally accepted accounting principles have been applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Northwest Territories Hydro Corporation and its wholly-owned subsidiaries and the consolidated financial statements are in agreement therewith. In addition, the transactions of the Northwest Territories Hydro Corporation and its wholly-owned subsidiaries 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, the *Public Utilities Act* and the by-laws of the Northwest Territories Hydro Corporation and its wholly-owned subsidiaries.



Terrance DeJong, CA
Assistant Auditor General
for the Auditor General of Canada

25 June 2014
Edmonton, Canada

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements were prepared by management in accordance with Canadian generally accepted accounting principles (GAAP). Where GAAP permits alternative accounting methods, management has chosen those it deems most appropriate in the circumstances. The Northwest Territories Hydro Corporation (NT Hydro) undertakes activities that are regulated by the Public Utilities Board of the Northwest Territories, which also examines and approves its accounting policies and practices with respect to recovery of assets and expenses. 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.

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 & CEO



Judith Goucher
Chief Financial Officer

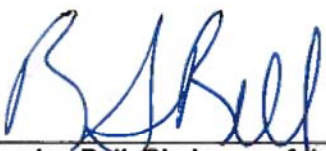
Hay River, NT
June 25, 2014

**Consolidated Balance Sheet
As at March 31
(\$000's)**

	2014	2013
Assets		
Current assets		
Cash	\$ 1,315	\$ 2,015
Accounts receivable (Note 5)	13,347	14,904
Inventories (Note 6)	6,051	5,511
Prepaid expenses	1,052	590
	21,765	23,020
Property, plant and equipment, net (Note 7)	343,976	325,363
Other non-current assets		
Regulatory assets (Note 3)	23,228	19,494
Sinking fund investments (Notes 8, 11)	6,513	5,676
Intangible assets (Note 9)	1,007	1,150
	30,748	26,320
	\$ 396,489	\$ 374,703
Liabilities and Shareholder's Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 18,113	\$ 14,962
Short-term debt (Note 10)	17,888	5,979
Current portion of long-term debt (Note 11)	2,421	2,298
	38,422	23,239
Long-term debt		
Long-term debt, net of sinking fund investments (Note 11)	177,247	180,404
Sinking fund investments presented as assets (Note 8)	6,513	5,676
Net lease obligation (Note 12)	2,653	2,306
LNG capital lease obligation (Note 13)	1,850	-
	188,263	188,386
Other non-current liabilities		
Regulatory liabilities (Note 3)	34,594	36,262
Asset retirement obligations (Note 14)	13,477	12,224
Deferred government contributions (Note 15)	2,934	2,678
Employee future benefits (Note 16)	3,009	1,357
	54,014	52,521
Shareholder's equity	115,790	110,557
	\$ 396,489	\$ 374,703
Commitments and contingencies (Note 23)		

The accompanying notes are an integral part of these consolidated financial statements.

Approved on behalf of the Board:



Brendan Bell, Chairman of the Board



David Tucker, Vice-Chairman

Consolidated Statement of Operations and Comprehensive Income
For the year ended March 31
(\$000's)

	<u>2014</u>	<u>2013</u>
Revenues		
Sale of power	\$ 91,605	\$ 86,947
GNWT power sales contributions (Note 17)	9,400	11,600
Other revenues (Note 18)	1,323	1,312
Other government contributions (Note 19)	1,569	1,312
	<u>103,897</u>	<u>101,171</u>
Expenses		
Fuels and lubricants (Note 3)	28,971	29,379
Salaries and wages	23,331	22,438
Amortization (Note 20)	19,578	18,486
Supplies and services	13,629	12,442
Travel and accommodation	2,386	1,953
	<u>87,895</u>	<u>84,698</u>
Earnings from operations	16,002	16,473
Interest income	72	233
Earnings before interest expense	16,074	16,706
Interest expense (Note 21)	10,841	10,216
Net income and comprehensive income	<u><u>\$ 5,233</u></u>	<u><u>\$ 6,490</u></u>

Consolidated Statement of Shareholder's Equity
For the year ended March 31
(\$000's)

	<u>2014</u>	<u>2013</u>
Share capital (Note 22)	\$ 43,129	\$ 43,129
Retained earnings		
Retained earnings and accumulated other comprehensive income at beginning of year	67,428	60,938
Net income and comprehensive income	5,233	6,490
Retained earnings and accumulated other comprehensive income at end of year	<u>\$ 72,661</u>	<u>\$ 67,428</u>
Shareholder's equity at end of year	<u><u>\$ 115,790</u></u>	<u><u>\$ 110,557</u></u>

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flow
For the year ended March 31
(\$000's)

	2014	2013
Operating activities:		
Cash receipts from customers	\$ 95,640	\$ 90,175
Government assistance (Notes 17, 19)	11,176	16,635
Cash paid to suppliers and employees	(75,201)	(83,017)
Interest received	72	233
Interest paid	(11,599)	(11,557)
Cash flows provided by operating activities	20,088	12,441
Investing activities:		
Property, plant and equipment constructed or purchased	(29,853)	(23,636)
Cash flows used in investing activities	(29,853)	(23,636)
Financing activities:		
Net proceeds from (repayments of) short-term debt	11,909	(10,372)
Repayment of long-term debt	(2,298)	(22,184)
Sinking fund instalments	(780)	(580)
Receipts from net lease obligation	278	216
Repayment of LNG capital lease obligation	(229)	-
Government contributions (repayments) (Note 15)	185	(116)
Proceeds from long-term debt (net of debt issue costs)	-	24,847
Proceeds from sinking fund redemption	-	20,031
Cash flows provided by financing activities	9,065	11,842
Net (decrease) increase in cash	(700)	647
Cash at beginning of year	2,015	1,368
Cash at end of year	\$ 1,315	\$ 2,015

The accompanying notes are an integral part of these consolidated financial statements.

1. Authority and operation

The Northwest Territories Hydro Corporation (NT Hydro) is 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. NT Hydro controls three wholly-owned subsidiary companies: the Northwest Territories Power Corporation (NTPC), the Northwest Territories Energy Corporation (03) Ltd. (NTEC(03)) and Sahdae Energy Ltd. (SEL).

NT Hydro, through its wholly-owned subsidiary NTPC, operates hydroelectric, diesel and gas generation facilities on a self-sustaining basis 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 12). NWTEC is also responsible for the operation, management and shared ownership (50%) in one residual heat project in Fort McPherson (Note 26). 5383 NWT Ltd. is an inactive company.

NT Hydro is also involved in other energy related projects through its subsidiaries NTEC(03) and SEL. NTEC(03) undertakes projects in support of the Shareholder's Energy Plan. In 2014 NTEC(03) signed an agreement with NTPC to provide transportation services for liquefied natural gas (LNG) to NTPC's Inuvik plant. See Note 23 for additional information. SEL's mandate is to pursue a hydro development project on the Great Bear River to provide power to the potential Mackenzie Valley gas pipeline however with no developments on the pipeline project SEL continues to be inactive.

Consolidation

The consolidated financial statements include the accounts of NT Hydro and its wholly-owned subsidiaries: NTPC, NTEC(03), SEL, as well as NTPC's wholly-owned subsidiaries: NWTEC and 5383 NWT Ltd. NT Hydro and its subsidiaries account for interests in jointly controlled entities using the proportionate consolidation method. All intercompany transactions and balances are eliminated upon consolidation.

2. Significant accounting policies and future accounting changes

(a) Significant accounting policies

These consolidated financial statements were prepared by management in accordance with Canadian generally accepted accounting principles (GAAP).

Rate regulation

NTPC is regulated by the Public Utilities Board (PUB) of the Northwest Territories pursuant to the *Public Utilities Act*. The PUB regulates matters covering rates, financing, accounting, 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. Although the PUB and NTPC are

Note 2. Significant accounting policies and future accounting changes (continued)

related parties, the GNWT only provides administrative guidance to the PUB and does not give specific direction to the PUB on a case before them.

The PUB is required by the *Public Utilities Act* 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 applications may be used between GRAs to deal with circumstances which could result in the use of interim rates or riders until the next rate application, when rates are reviewed and set as final.

On March 23, 2012 NTPC filed a GRA with the PUB for the Test Years 2012/13 and 2013/14. Within this application, NTPC requested the PUB set rates based on a proposed revenue requirement of \$102,500 in fiscal 2013 and \$107,500 in fiscal 2014. The proposed revenue requirement includes a return on equity of 8.5% for the Test Years 2012/13 and 2013/14.

In addition to the GRA, NTPC filed interim rate applications (IRA) with the PUB on March 23, 2012 and March 18, 2013 for the Test Years 2012/13 and 2013/14 respectively. Since GRAs can take many months to complete, IRAs are designed to implement rates on a temporary and refundable basis while a GRA is reviewed. If the PUB's final decision indicates final rates should be higher or lower than interim rates, a refund or surcharge is applied to customers accordingly. NTPC's IRA proposed rate increases for all customer groups in all communities by 7.0%. The PUB approved the IRAs, with interim rates for fiscal 2013 and fiscal 2014 effective for May 1, 2012 and April 1, 2013 respectively.

The allowed rate of return and all other aspects of the GRA were reviewed and tested by the PUB in fiscal 2013. On January 21, 2013, the PUB issued Decision 1-2013 which was the initial approval of NTPC's 2012/14 GRA. Decision 1-2013 approved a number of changes to the revenue requirement and normalized costs. The details of these changes to NTPC's normalized costs and treatment of capitalized interest during construction are disclosed in Note 3. The PUB uses cost of service regulation to regulate NTPC's earnings on a return on equity basis. Decision 1-2013 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.

As part of the GRA and Decision 1-2013, NTPC signed a contribution agreement with the GNWT to cover anticipated revenue shortfalls related to its GRA. Contributions will be provided by the GNWT to NTPC to mitigate the impact of rate increases on customers over a three year period. The agreement specifies maximum contributions as follows:

2013 - \$17,600 (including \$2,000 of foregone dividends)
2014 - \$11,400 (including \$2,000 of foregone dividends)
2015 - \$ 4,800 (including \$2,000 of foregone dividends)

Note 2. Significant accounting policies and future accounting changes (continued)

Decision 1-2013 also directed NTPC to file a Compliance Filing Application reflecting the findings, directions and clarification requested in Decision 1-2013. NTPC filed the Compliance Filing on March 4, 2013 and a final decision from the PUB was received on July 9, 2013. Decision 9-2013 confirmed the assumptions made by management in preparing NTPC's fiscal 2013 financial statements. Decision 9-2013 also confirmed the final rates for fiscal 2013 and fiscal 2014 which were equal to the rates approved in the IRA and no refund or surcharge rider was required.

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. These rates for fiscal 2015 were originally approved in principle in Decision 9-2013.

Revenues

All revenues for energy sales, including wholesale power, are recognized in the period earned. Revenue from the sale of power is recognized based on cyclical meter readings. Sales of power include an accrual for electricity sales not yet billed. Interest, contract, contribution and other revenues are recognized on the accrual basis.

As per Decision 9-2013 NTPC has deferred revenues collected in fiscal 2013 and fiscal 2014 to be taken into revenues in fiscal 2015. Note 3 provides additional details on these deferred revenues included in Regulatory liabilities.

Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are recorded at original cost less accumulated amortization and unamortized contributions by utility customers to aid in the construction and acquisition of property, plant and equipment. Costs include materials, direct labour, a proportionate share of directly attributable overhead costs and any applicable interest during construction (IDC). The IDC rate for fiscal 2014 was approved by the PUB at 5.676% (2013 - 6.540%).

Certain regulated property, plant and equipment additions are made with the assistance of cash contributions from customers when the estimated revenue is less than the cost of providing service. These contributions are amortized on the same basis as the assets to which they relate and offset against amortization expense. NT Hydro retains ownership of these assets.

As a result of using the average group useful life method of accounting for amortization, when an asset is retired or disposed of, the retirement of these assets is charged to accumulated amortization with no gains or losses reflected in operations. Gains or losses arising from exceptional circumstances are included in earnings.

NT Hydro evaluates its tangible and intangible assets for impairment whenever conditions indicate that estimated undiscounted future net cash flows may be less than the carrying amount of assets. In cases where the undiscounted expected future cash flows are less than the carrying amount, an impairment loss is recognized equal to the amount by which the carrying amount exceeds the fair value. Fair value is determined using expected discounted cash flows when quoted market prices are not available.

Note 2. Significant accounting policies and future accounting changes (continued)

Amortization

NT Hydro and its wholly owned subsidiaries all follow the amortization policies and rates set by NTPC. Amortization of property, plant and equipment is taken on the straight-line average group useful life basis, at rates which are approved by the PUB, a portion of which is accounted for as a reserve for future removal and site restoration costs (Note 3). Amortization is suspended when assets are removed from service for an extended period of time. Assets held for future use (critical spare parts) are not amortized until these assets are placed into service, at which time they are reallocated to the appropriate asset group and amortized according to the amortization rates for that group.

The reserve for future removal and site restoration account will be applied to mitigate the impact of asset dismantling and disposal costs and site restoration costs that are not otherwise related to an asset retirement obligation and environmental liabilities as described in Note 14.

Amortization rates are as follows:

	<u>%</u>
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
Other	20.0
Other utility assets	4.00 – 20.0
LNG equipment under capital lease	20.0

Amortization of intangible assets is taken on the straight-line average group life basis at an annual rate of 12.43%.

Amortization rates are reviewed by NTPC and by the PUB every three years as required by legislation. NTPC uses amortization studies and other information and/or testimony to substantiate amortization rate changes. The PUB can direct amortization rate changes and these changes are done on a prospective basis. Cumulative excess or deficient amortization calculated at the time of the review is recognized over a period as prescribed by the PUB. NTPC's last amortization study was filed as part of NTPC's 2012/14 GRA. Decision 1-2013 approved new amortization rates effective April 1, 2013. Decision 1-2013 also approved an annual True-Up provision of \$1,839 (2013 – nil) to be collected through customer rates to recognize the cumulative deficiency in the accumulated amortization balances associated with each asset class.

Inventories

Inventories are recorded at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. Previous write-downs to net realizable value are reversed if there is a subsequent increase in the value of the related inventories.

Note 2. Significant accounting policies and future accounting changes (continued)

Public Service Pension Plan

Employees are covered through 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 NT Hydro to cover current service cost. Pursuant to legislation currently in place, NT Hydro 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 NT Hydro.

Employee future benefits

Under the terms and conditions of employment, employees may earn non-pensionable benefits for resignation, retirement and ultimate removal costs 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. The expected cost of providing these benefits is recognized as employees render service.

The cost of the benefits reflects management's best estimates using expected compensation levels and years of service. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation.

Asset retirement obligations

On an annual basis, NT Hydro identifies legal obligations associated with the retirement of its property, plant and equipment. The fair value of the future expenditures required to settle the legal obligations are recognized to the extent that they are reasonably estimable and are calculated based on the estimated future cash flows necessary to discharge the legal obligations and discounted using NT Hydro's credit-adjusted risk-free rate.

The fair value of the estimated asset retirement obligations is recorded as a liability under other non-current liabilities with an offsetting charge recorded against the regulatory liabilities – reserve for future removal and site restoration as described in Note 3. The liability for asset retirement obligations is increased annually for the passage of time by calculating accretion (interest) on the liability using NT Hydro's credit-adjusted risk-free rate.

NT Hydro has identified some asset retirement obligations for its hydro, thermal transmission and distribution assets where NT Hydro expects to maintain and operate these assets indefinitely. Therefore, no removal date can be determined and consequently a reasonable estimate of the fair value of any related asset retirement obligations for these assets cannot be made at this time.

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 it is obligated or likely to be obligated to incur such costs and the costs of remediation can be reasonably estimated. Environmental liabilities are discounted for the time value of money and included in asset retirement obligations. NT Hydro reviews its estimates of future environmental liabilities on an on-going basis.

Note 2. Significant accounting policies and future accounting changes (continued)

Government contributions

The contributions approved for purchasing property, plant and equipment are recognized as a deferred government contributions on the balance sheet. Deferred government contributions are amortized into income on the same basis as the amortization of the related property, plant and equipment. Amortization of deferred government contributions are netted against amortization expense in the statement of operations. See Note 15 for additional details.

All other government contributions are recognized as revenue in the year the contributions are spent. See Note 19 for additional details.

Measurement uncertainty

To prepare these financial statements in accordance with GAAP, management has made a number of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses, the disclosure of contingent liabilities and the cost to complete capital projects in progress. Actual results may differ from these estimates. Significant estimates include amortization of assets, employee future benefits, fair values of financial instruments, regulatory assets and liabilities, asset retirement obligations and environmental liabilities.

Management's estimates and assumptions regarding regulatory assets and liabilities, and the timing of NTPC's ability to recover the cost of these assets through future rates, are subject to decisions of the PUB as described in Note 3.

Financial instruments

The financial instruments of NT Hydro include financial assets classified as held for trading or loans and receivables and financial liabilities classified as other financial liabilities.

Held for trading

A financial instrument that is acquired or incurred principally for the purpose of selling or repurchasing it in the near term is required to be classified as held for trading. NT Hydro classifies cash, cash and short-term investments held in the sinking fund, derivatives and embedded derivatives as held for trading. These items are recorded at their fair value with gains and losses recorded in interest income (or interest expense if related to sinking funds).

Loans and receivables

Financial assets that are not actively traded are required to be classified as loans and receivables and accounted for at amortized cost using the effective interest rate method. NT Hydro classifies its accounts receivable as loans and receivables. Due to the short-term nature of receivables, their carrying value approximates their fair value.

Other financial liabilities

NT Hydro classifies its accounts payable and accrued liabilities, short-term debt, long-term debt, the LNG capital lease obligation and net lease obligation as other financial liabilities, which are accounted for at amortized cost using the effective interest rate method. Due to the short-term nature of accounts payable and accrued liabilities and short-term debt, their carrying value approximates their fair value.

Note 2. Significant accounting policies and future accounting changes (continued)

Other policy decisions:

NT Hydro recognizes its regular-way purchases or sales (those which require actual delivery of financial assets or financial liabilities) on the trade date.

Transaction costs, other than in respect of held for trading items, are added to the initial fair value of the acquired financial asset or financial liability. Transactions costs for held for trading assets or liabilities are expensed as incurred.

Hedging relationships and derivative financial instruments

NT Hydro may enter into interest rate and commodity swaps to reduce its exposure to fluctuations in interest rates and commodity prices. NT Hydro does not enter into any derivative financial instruments for speculative purposes. As NT Hydro does not account for these contracts using hedge accounting, these instruments are measured at fair value. Depending on the type of derivative, changes in fair value are recognized in either net income or to regulatory deferral accounts. There are no derivative contracts outstanding at the end of the year (2013 – nil).

(b) Future accounting changes

International Financial Reporting Standards (IFRS)

Publicly accountable enterprises were required to transition from Canadian GAAP to IFRS for fiscal years beginning on or after January 1, 2011. In February 2013, the Canadian Accounting Standards Board (AcSB) extended the existing deferral of the mandatory adoption of IFRS for entities with qualifying rate-regulated activities by an additional year to January 1, 2015. The extension is due to the International Accounting Standards Board (IASB)'s decision to restart its project on rate-regulated activities.

The first specific guidance on accounting for the effects of rate regulation under IFRS was issued in January 2014, with the publication of an interim standard – IFRS 14 Regulatory Deferral Accounts. The AcSB has not extended the deferral of the mandatory adoption of IFRS. NT Hydro intends to adopt IFRS for its fiscal year ending March 31, 2016. NT Hydro also continues to monitor and evaluate the impact of the adoption of IFRS on its accounting policies and systems and financial statements.

Although Canadian GAAP and IFRS are based on a similar conceptual framework, there are a number of differences with respect to recognition, measurement and disclosure. The areas with the highest potential to impact NT Hydro include property, plant and equipment, regulatory assets and liabilities, employee future benefits and the transitional requirements upon the adoption of IFRS under the provisions of IFRS 1, First-Time Adoption of IFRS.

3. Financial statement effects of rate regulation

NTPC is currently the only NT Hydro subsidiary undertaking activities that are regulated by the PUB. As a result of rate regulation, the regulatory accounting policies adopted by NTPC differ from the accounting policies typically followed by unregulated entities. Specifically, policies in relation to regulatory assets and liabilities and amortization policies are different. A description and summary of the financial statement effects of rate regulation follows. The PUB has approved the accounting treatments described below.

Regulatory assets and liabilities

Regulatory assets and liabilities in these consolidated financial statements are accounted for differently than they would be in the absence of rate regulation.

Where regulatory decisions dictate, NTPC defers certain costs or revenues as assets or liabilities on the consolidated balance sheet and records them as expenses or revenues in the consolidated statement of operations in order to match these expenses and revenues against the amounts collected or refunded through future customer rates. Any adjustments to these deferred amounts are recognized in net income in the period that the PUB renders a subsequent decision.

Regulatory assets represent future revenues associated with certain costs, incurred in the current period or in prior periods, which are expected to be recovered from customers in future periods through the rate-setting process. Regulatory liabilities represent future reductions or limitations of increases in revenues associated with amounts that are expected to be refunded to customers as a result of the rate-setting process. These liabilities reduce the future rate impact of disposal and remediation costs to customers.

Regulatory assets

	<u>2014</u>	<u>2013</u>	<u>Remaining recovery period</u>
Regulated employee future benefits	\$ 6,168	\$ 4,498	Determined by PUB
Water licensing deferral account	5,447	5,320	Determined by PUB
Normalized overhaul costs	4,643	4,634	Determined by PUB
Rate stabilization funds	3,221	461	Determined by PUB
Other regulatory assets	1,440	1,513	Determined by PUB
Reserve for injuries and damages	1,239	1,898	Determined by PUB
Regulatory costs	1,070	1,170	Determined by PUB
	<u>\$ 23,228</u>	<u>\$ 19,494</u>	

Note 3. Financial statement effects of rate regulation (continued)

The total increase to net income due to rate regulation resulting from changes to the following accounts is as follows:

	<u>2014</u>	<u>2013</u>
Regulated employee future benefits	\$ 1,670	\$ 326
Water licensing deferral account	127	58
Normalized overhaul costs	(1,786)	(1,294)
Rate stabilization funds	2,760	461
Other regulatory assets	(73)	879
Reserve for injuries and damages	(659)	(525)
Regulatory costs	(100)	720
Reserve for future removal and site restoration	2,392	4,973
Contributions in aid of construction	86	(1,664)
Deferred income	(810)	(109)
Capitalized fuel	(39)	(39)
Net increase in net income due to rate regulation	<u>\$ 3,568</u>	<u>\$ 3,786</u>

Revenues approved by the PUB to recover deferred amounts are not reflected in the above analysis.

Regulated employee future benefits

Regulated employee future benefits represent benefits accrued under employment agreements since April 1, 2001. The remaining recovery period is indeterminate as the amounts deferred to the account depend on the rate at which hires, retirements, terminations and new employment agreements contribute to Employee Future Benefits (see Note 16). In the absence of rate regulation, GAAP would require that the actual cost of these employee future benefits be expensed in the year in which they were incurred. In fiscal 2014 actual costs deferred to this account totalled \$2,018 (2013 - \$674). In Decision 1-2013, the PUB initiated amortization of this fund for the first time since its inception and approved \$348 (2013 - \$348) to be included in annual expenses for this fund. The net effect of rate regulation on net income was an increase of \$1,670 (2013 – increase of \$326).

Water licensing deferral account

The water licensing deferral account was established in PUB Decision 13-2007. This account is set up to mitigate the uncertainty around the costs to acquire and maintain water licenses associated with the Taltson hydro plant, Bluefish hydro plant and the Snare Hydro system. In Decision 1-2013, the PUB approved \$825 (2013 - \$751) to be included in annual expenses for this fund. Costs allocated to this account in fiscal 2014 totalled \$952 (2013 - \$809). In the absence of rate regulation, GAAP would require that the cost of these events be expensed in the year in which they were incurred. The net effect of rate regulation on net income was an increase of \$127 (2013 – increase of \$58).

Note 3. Financial statement effects of rate regulation (continued)

Normalized overhaul costs

Normalized overhaul costs include costs over the life of the assets to overhaul hydro, diesel and gas units. In the absence of rate regulation, GAAP would require that major overhauls be capitalized in the year in which they were incurred and amortized to expense over the useful life of the asset while all other overhaul costs are expensed in the year in which they were incurred. In the absence of rate regulation, operational expenses would increase by \$575 (2013 – \$1,137) and annual amortization expense would increase by \$575 (2013 – \$505) as a result of an increase in the balance of property, plant and equipment of \$2,371 (2013 – \$947). In Decision 1-2013, the PUB approved \$2,936 (2013 – \$2,936) to be included in annual expenses for this fund. The balance in the account will depend on the frequency and the cost of overhauls and therefore the recovery period is considered to be indeterminate. In fiscal 2014 actual costs deferred to this account totalled \$2,946 (2013 – \$2,084). The net effect of rate regulation on net income was a decrease of \$1,786 (2013 – decrease of \$ 1,294).

Rate stabilization funds

The rate stabilization funds were originally established by the PUB in fiscal 1998 through Decision 1-97 and updated through subsequent decisions. The funds mitigate the impact on utility rates from changes in diesel and gas fuel prices as well as fluctuations in hydro generation caused by water levels. The impact of any increases or decreases in fuel prices or hydro generation over the PUB-approved amounts is deferred. The deferred amounts are accumulated until the consolidated balance in the funds reaches +/- \$2,500 and management's judgement deems the recovery (refund) appropriate, at which time rate-riders are applied, with PUB approval, to recover or refund the amounts necessary to bring the funds back to a balance of \$0. The remaining recovery period is indeterminate as the amounts deferred in the account depend on the market price of fuel and water levels on the Snare and Yellowknife river systems. Traditionally, once the PUB-specified trigger limits are reached, the recovery period of the balance of the rate stabilization fund receivable (payable) has been approximately 12 to 24 months.

In the absence of rate regulation, GAAP would require that actual fuel expenses be included in the operating results of the year in which they were incurred. In fiscal 2014 fuel expenses were deferred and consequently lower due to the differences in fuel prices of \$1,807 (2013 – higher by \$290) and lower due to the volume of available water generation of \$904 (2013 – lower by \$739). The net interest revenues accrued on the balance of the funds also decreased interest expense by \$49 (2013 – decreased by \$12).

The net effect of rate regulation on net income was an increase of \$2,760 (2013 – increase of \$461).

On April 29, 2014 the PUB approved a fuel rate rider of 1.17 cents/kWh effective May 1, 2014 to recover the consolidated balance in the Territory-wide Rate Stabilization Fund (RSF). See Note 27 for additional details.

Other regulatory assets

Other regulatory assets include costs incurred that create a long-term benefit to customers. These costs are subject to recovery from the customers through PUB decisions. In the absence of rate regulation, GAAP would require that the actual cost of these events be expensed as they occurred.

Note 3. Financial statement effects of rate regulation (continued)

The remaining recovery period is indeterminate as the amounts deferred to the various accounts depend on what issues arise during the year. The amortization of the various accounts to deferred charges is done on a straight-line basis over periods ranging from 5 to 10 years. Consequently, in the absence of rate regulation, operational expenses would increase by \$84 (2013 - \$1,036) and annual amortization expense would decrease by \$157 (2013 - \$157). The net effect of rate regulation on net income was an decrease of \$73 (2013 – increase of \$879).

Reserve for injuries and damages

The reserve for injuries and damages includes costs for uninsured and uninsurable losses and insurance deductibles. The remaining recovery period is indeterminate as the amounts deferred to the account depend on the types and size of emergencies during a given year. In Decision 1-2013, the PUB approved \$670 (2013 - \$670) to be included in annual expenses for this fund. In fiscal 2014 actual costs deferred to this account totalled \$11 (2013 - \$145). In the absence of rate regulation, GAAP would require that the actual cost of these events be expensed in the year they were incurred. The net effect of rate regulation on net income was a decrease of \$659 (2013 – decrease of \$525).

Regulatory costs

Regulatory costs include all third party costs and staff overtime, supplies, services and travel NTPC incurs directly related to general rate applications and related regulatory proceedings. In the absence of rate regulation, GAAP would require that the actual regulatory costs be expensed as they were incurred. The remaining recovery period is indeterminate as the amounts deferred to the account depend on the actual regulatory costs NTPC incurs and this will vary from year to year as regulatory issues arise. In Decision 1-2013, the PUB approved \$243 (2013 - \$243) to be included in annual expenses for this fund. In fiscal 2014 actual costs deferred to this account totalled \$143 (2013 - \$963). The net effect of rate regulation on net income was a decrease of \$100 (2013 – increase of \$720).

Regulatory liabilities

	<u>2014</u>	<u>2013</u>	<u>Remaining settlement period</u>
Reserve for future removal and site restoration	\$ 27,236	\$ 29,628	Determined by PUB
Contributions in aid of construction	6,439	6,525	Determined by PUB
Deferred income	919	109	1 year
	<u>\$ 34,594</u>	<u>\$ 36,262</u>	

Reserve for future removal and site restoration

The reserve for future removal and site restoration is a deferral account that records the funds collected from customers for the future removal of assets and the restoration of NTPC's operating sites that are not otherwise related to an asset retirement obligation or environmental liabilities. Historically, the balance of the reserve increases annually using PUB-approved amortization rates applied over the estimated useful lives of the related assets on a straight-line average group useful life basis. Due to the long-term nature of the assumptions made in deriving these estimates, the amortization rates applied are periodically revised and updated for current information.

Note 3. Financial statement effects of rate regulation (continued)

In deliberating Decision 1-2013, the PUB determined that the balance of \$40,831 collected as at March 31, 2011 for the retirement of assets and site restoration costs was sufficient to provide for expected future costs. In Decision 1-2013 the PUB approved that the portion of amortization expense previously provided to increase the balance of the reserve would be "paused" until consideration at the next GRA. Therefore, additions to the fund in 2014 and future years through amortization expenses will be equal to \$nil.

Actual costs incurred in a given year for asset removals and site clean-up are charged to this account.

The remaining recovery period for the reserve is indeterminate due to the amounts added to the fund and drawing down the balance of the fund each year. In 2014 no amounts were added to the fund (2013 – \$1,961 added). The amount by which the fund is drawn down each year depends on which assets are removed from service in that year, the cost of disposal, the site restoration projects undertaken in the year and the costs associated with those projects.

Up until 2014, the fund was built up each year based on the following rates and the balance in property, plant and equipment of those asset categories:

	%
Electric power plants	0.00 – 2.11
Transmission and distribution systems	0.00 – 1.88
Electric power plant under capital lease	0.00 – 0.26
Warehouse, equipment, motor vehicles and general facilities	(0.74) – 0.35

In the absence of rate regulation, GAAP would require that future removal and site restoration costs would be limited to asset retirement obligations and environmental liabilities. In the absence of rate regulation, NTPC's fiscal 2014 expenses would have been \$1,140 (2013 - \$2,098) higher by the amount of the removal and site restoration costs deferred. Amortization expenses were equal in 2014 (2013 - \$1,961 higher than) what they would be in the absence of rate regulation.

In the absence of rate regulation, GAAP would also require the net change in the balance of asset retirement obligations (Note 14) to be booked to net income rather than to the reserve for future removal and site restoration. The net change in the reserve for future removal and site restoration account balance as a result of changes in the asset retirement obligations and environmental liabilities (Note 14) account balances recorded against the reserve for future removal and site restoration was a decrease in the account balance of \$1,252 (2013 – decrease of \$4,836). The net effect of rate regulation on net income is an increase of \$2,392 (2013 – increase of \$4,973).

Contributions in aid of construction

Contributions in aid of construction are to aid in the construction and acquisition of property, plant and equipment. Contributions are amortized on the same basis as the related property, plant and equipment, and the resulting credit is offset against the corresponding provision for amortization of property, plant and equipment (Notes 7 and 20). In the absence of rate regulation, GAAP would require that the contributions received in a given year be recorded as revenues for that year and amortization expense would not be offset by the amortization of the contributions. The remaining

Note 3. Financial statement effects of rate regulation (continued)

recovery period is indeterminate as the account is increased each year by new contributions received from customers and drawn down by the straight-line amortization of the account balance. The amortization rates for contributions are the same as those found in Note 2 under Amortization. In fiscal 2014 revenues were \$312 (2013 - \$2,175) lower than they would have been and amortization on property, plant, and equipment was \$398 (2013 - \$511) lower than it would have been in the absence of rate regulation. The net effect of rate regulation on net income is a increase of \$86 (2013 – decrease of \$1,664).

Deferred income

Decision 9-2013 issued by the PUB in July 2013 approved NTPC to defer revenue surpluses from the 2012/13 and 2013/14 Test Years to cover revenue shortfalls in 2014/15. This deferred income will be taken into revenues in fiscal 2015. In the absence of rate regulation, GAAP would require that revenues be recorded in the year received. In fiscal 2014 NTPC deferred revenues totalling \$810 (2013 - \$109). The net effect of rate regulation on net income is a decrease of \$810 (2013 – decrease of \$109).

Gains and losses on disposal of property plant and equipment

As approved by the PUB, the gains or losses on disposal of property, plant and equipment are deferred. In the absence of rate regulation, GAAP would require the gain or loss on the disposal or retirement of all property, plant and equipment to be included in income in the period of disposal or retirement.

Capitalized fuel

As per PUB Decision 27-2008, NTPC capitalized fuel associated with the new intake structure capital project at NTPC's Bluefish dam. In the absence of rate regulation, GAAP would require that fuel costs be expensed in the year incurred. There was no fuel used in fiscal 2014 (or 2013) in association with this project. Therefore fuel expense in fiscal 2014 (and 2013) was the same as it would have been in absence of rate regulation notwithstanding the rate stabilization fund treatment as previously discussed. Amortization expense was \$39 (2013 - \$39) higher than it would have been in the absence of rate regulation. The net effect of rate regulation on net income is a decrease of \$39 (2013 – decrease of \$39).

4. Capital management

NT Hydro's capital structure as at March 31, 2014 and March 31, 2013 was as follows:

	<u>2014</u>	<u>2013</u>
	\$	\$ 182,702
Debt, net of sinking fund investments	179,668	
Net lease obligation	2,653	2,306
LNG capital lease obligation	2,327	-
Shareholder's equity	<u>115,790</u>	<u>110,557</u>
Total capital	<u>\$ 300,438</u>	<u>\$ 295,565</u>

NT Hydro's capital structure consists of its financing sources for capital projects: shareholder's equity, capital lease obligation, net long-term debt and short-term debt not used to finance regulatory assets. NT Hydro's opportunity to earn income is based on the amount of shareholder's equity it has invested in its rate base. The amount of debt for NTPC is limited to no more than three times shareholder's equity by the *Northwest Territories Power Corporation Act*. The amount of NT Hydro debt is also subject to the federally imposed borrowing cap on total GNWT debt of \$800,000 under which NT Hydro is required to comply. Both NT Hydro and NTPC comply with these external restrictions on their debt limits.

NT Hydro's objectives with respect to managing its capital structure are to maintain effective access to capital on a long-term basis at reasonable rates and within the limitations set by the *Northwest Territories Power Corporation Act* and the debt cap limitations of the federal government on the GNWT while striving to deliver targeted financial returns as set by the PUB. NT Hydro manages its capital through regular monitoring of cash and currency requirements by preparing short-term and long-term cash flow forecasts and reviewing quarterly financial results. NT Hydro has set a long-term debt capitalization target of 50/50. The debt capitalization ratio for fiscal 2014 is 61/39 (2013 – 63/37).

NTPC's capital structure is approved by the PUB as part of NTPC's GRA process. NTPC's long-term debt requires the approval of the GNWT and the PUB and to date has been subject to a guarantee by the GNWT. These objectives are consistent with previous years.

5. Accounts receivable

The aging of accounts receivable was:

	2014				2013
	Current (less than 28 days)	29-90 days	Over 90 days	Total	Total
Utility	\$ 10,922	\$ 973	\$ 625	\$ 12,520	\$ 12,907
Non-utility	1,107	74	439	1,620	3,203
Allowance for doubtful accounts	-	-	(793)	(793)	(1,206)
	<u>\$ 12,029</u>	<u>\$ 1,047</u>	<u>\$ 271</u>	<u>\$ 13,347</u>	<u>\$ 14,904</u>

The changes in the allowance for doubtful accounts were as follows:

	2014	2013
Balance, beginning of the year	\$ (1,206)	\$ (728)
Receivables written off	432	85
Increase to allowance	(19)	(563)
Balance, end of the year	<u>\$ (793)</u>	<u>\$ (1,206)</u>

Accounts receivable are reviewed for indicators of impairment. An allowance for doubtful accounts is included in accounts receivable. Additional disclosures on NT Hydro's exposure and management of risk associated with accounts receivable can be found in Note 25.

6. Inventories

	2014	2013
Materials, supplies and lubricants	\$ 5,763	\$ 5,206
Fuel	288	305
	<u>\$ 6,051</u>	<u>\$ 5,511</u>

Inventories are comprised of fuel and materials, supplies and lubricants used in the production of electricity in NTPC. Production fuel inventory is only held by NTPC in five of its operating plants. The liquid natural gas (LNG) fuel requirement for NTPC's Inuvik plant is managed under the LNG fuel supply agreement described in Note 23. Diesel fuel requirements for the remaining 20 plants are all managed under the fuel management services agreement described in Note 23. Production fuel held as inventory and then expensed in fiscal 2014 totalled \$1,832 (2013 - \$1,516).

The supplies and services expenses reported in fiscal 2014 includes \$1,010 (2013 - \$1,112) of materials, supplies and lubricants held as inventory throughout the year. The majority of materials, supplies and lubricants are used by NTPC to make repairs, complete overhauls or generate electricity.

Notes to the Consolidated Financial Statements
For the year ended March 31, 2014
(\$000's)

7. Property, plant and equipment

	2014		2013	
	Cost	Accumulated amortization	Net book value	Net book value
Electric power plants	\$ 285,847	\$ (74,380)	\$ 211,467	\$ 196,713
Transmission and distribution systems	79,910	(23,842)	56,068	56,418
Warehouse, equipment, motor vehicles and general facilities	42,563	(16,427)	26,136	26,377
Electric power plant under capital lease	26,469	(7,179)	19,290	19,702
Other	7,636	(5,828)	1,808	2,360
Other utility assets	7,063	(2,133)	4,930	5,286
LNG equipment under capital lease	1,312	(109)	1,203	-
Assets held for future use (critical spare parts)	3,229	-	3,229	3,274
	<u>\$ 454,029</u>	<u>\$ (129,898)</u>	<u>\$ 324,131</u>	<u>\$ 310,130</u>
Construction work in progress	18,629	-	18,629	30,470
Construction work in progress under capital lease	1,216	-	1,216	-
	<u>\$ 473,874</u>	<u>\$ (129,898)</u>	<u>\$ 343,976</u>	<u>\$ 325,363</u>

Engineering and other direct overhead expenses allocated to assets placed in service during the year amounted to \$2,500 (2013 - \$3,444).

8. Sinking fund investments

Sinking fund investments are held by the Trustee for the redemption of long-term debt. As the sinking funds exist to fund the payout of long-term debt, sinking fund income is treated as a reduction of finance charges and is reflected in interest expense (Note 21).

The sinking fund agreements require annual installments to retire debt at maturity. Fair value information for sinking funds is included in Note 25. NT Hydro's sinking fund policy allows only Canadian fixed-income and short-term investments. Cash and short-term investments include cash and fixed-income investments with a term to maturity not exceeding one year. Fixed-income securities have investment grade credit.

	2014		2013	
	Class value	Weighted average effective rate of return ⁽¹⁾	Class value	Weighted average effective rate of return ⁽¹⁾
Held for trading (fair value)				
Cash and short-term investments	<u>\$ 6,513</u>	0.95%	<u>\$ 5,676</u>	0.96%

¹ Rate of return is calculated on market yield for cash and fixed-income securities.

9. Intangible assets

Notes to the Consolidated Financial Statements
For the year ended March 31, 2014
(\$000's)

	2014		2013	
	Cost	Accumulated amortization	Net book value	Net book value
Enterprise software	\$ 3,687	\$ (2,680)	\$ 1,007	\$ 1,150

10. Short-term debt

NT Hydro has a \$20,000 unsecured line of credit with its bank and on a temporary basis the bank will increase the operating line. NT Hydro also has access on occasion to short-term funds from its shareholder, the GNWT.

	2014	2013
Bankers acceptances	\$ 12,500	\$ -
Bank overdraft	5,388	5,979
	\$ 17,888	\$ 5,979

The short-term debt outstanding at March 31, 2014 had a weighted average 30 day term and a 2.02% weighted average annual interest rate.

Notes to the Consolidated Financial Statements
For the year ended March 31, 2014
(\$000's)

11. Long-term debt, net of sinking fund investments

	<u>2014</u>	<u>2013</u>
5.16% amortizing debenture, due September 13, 2040	\$ 48,361	\$ 49,201
5.443% debenture, due August 1, 2028	25,000	25,000
5.995% debenture, due December 15, 2034	25,000	25,000
3.818% debenture, due November 25, 2052	25,000	25,000
5% debenture, due July 11, 2025	15,000	15,000
6.83% amortizing debenture, due December 18, 2032	12,667	13,333
6.33% sinking fund debentures, due October 27, 2018	10,000	10,000
8.41% sinking fund debentures, due February 27, 2026	8,700	8,700
9.11% debenture series 3, due September 1, 2026 repayable in equal monthly payments of \$73	6,503	6,774
9.75% debentures series 2, due October 1, 2025 repayable in equal monthly payments of \$69	5,676	5,932
10% debenture series 1, due May 1, 2025 repayable in equal monthly payments of \$70	5,615	5,879
	<u>\$ 187,522</u>	<u>\$ 189,819</u>
Less: Unamortized premium, discount and issuance costs	1,341	1,441
	<u>186,181</u>	<u>188,378</u>
Less: Sinking fund investments (Note 8)	6,513	5,676
Debt, net of sinking fund investments	<u>179,668</u>	<u>182,702</u>
Less: Current portion	2,421	2,298
Long-term debt, net of sinking fund investments	<u>\$ 177,247</u>	<u>\$ 180,404</u>

Principal repayments and estimated sinking fund investment requirements for the next five years are as follows:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Principal repayments	\$2,421	\$2,552	\$2,700	\$2,857	\$13,027
Sinking fund investment contributions	\$ 623	\$ 623	\$ 623	\$ 623	\$ 623

12. Net lease obligation

NWTEC loaned funds to the Dogrib Power Corporation (DPC) to finance the construction of a hydroelectric generating plant on the Snare River in the Northwest Territories from 1994 to 1996. The balance of the loan receivable is \$16,886 (2013 - \$17,570). The loan bears interest at an annual rate of 9.6%, which is the average rate of interest on NWTEC's long-term debt issued to finance the loan. It is due July 2026 and is repayable in equal monthly payments of \$195.

NTPC has an initial 65-year lease for the plant at an imputed interest rate of 9.6% from the DPC until 2061. The value of the capital lease obligation is \$19,192 (2013 - \$19,598). To reflect the effective

Note 12. Net lease obligation (continued)

acquisition and financing nature of the lease, the plant is included in electric power plants under capital lease in property, plant and equipment (Note 7).

Upon consolidation, the loan receivable held by NWTEC is offset with the capital lease obligation of NTPC resulting in a net lease obligation of \$2,306 (2013 - \$2,028). The current portion of the net lease obligation is a receipt of \$347 (2013 - \$278) and is recorded in accounts receivable. As a result, upon consolidation, in the early years there will be a net payment and in later years there will be a net receipt until such time as the loan receivable is fully repaid in 2026 when only the capital lease obligation payments continue until 2061.

In April 2013 there was a security change made in the lease/loan agreement between DPC and NWTEC. In 1996 when the lease/loan agreement was signed, DPC granted first charge to NWTEC over the lands, all buildings and all improvements pledging the assets as collateral for the loan. DPC also established a Sinking Fund Trust Agreement. Under this agreement, DPC deposited a portion of the monthly lease payments received by DPC from NTPC, into a sinking fund. This sinking fund was used as collateral and to assist with the loan payments made to NWTEC from 2014 to 2026. The fund was invested in a Government of Canada Treasury Bill. The Terms of the Sinking Fund Agreement allowed DPC to replace the sinking fund with another form of security if all the parties agreed.

After March 31, 2013 DPC, with the approval of NWTEC, withdrew the funds from the sinking fund. A \$4 million guarantee from DPC's parent company, the Tlicho Investment Corporation (TIC) was provided as replacement collateral for the loan from NWTEC to DPC. A blocked account agreement was also established as collateral for the loan. The blocked account agreement assigns certain cash flows to be deposited into a bank account each month. This account is used as additional collateral for the NWTEC loan to DPC. NWTEC has signing authority and full control over the blocked account. At the beginning of each fiscal year, the balance in the blocked account must be equal to the top up payments required for the next 12 months. The top up payment is the difference between the loan payment made by DPC to NWTEC and the lease payment received by DPC from NTPC.

The change in the security does not impact the financial results of the net lease obligation arrangement. Fair value information for the net lease obligation is included in Note 25.

Note 12. Net lease obligation (continued)

The present value of the minimum lease payments required for the net lease obligation over the next five years and thereafter are as follows:

Year	Capital lease	Loan receivable	Total
2015	\$ 2,256	\$ 2,341	\$ (85)
2016	2,212	2,341	(129)
2017	2,167	2,341	(174)
2018	2,121	2,341	(220)
2019	2,073	2,341	(268)
Thereafter	50,444	17,166	33,278
	<u>\$ 61,273</u>	<u>\$ 28,871</u>	<u>\$ 32,402</u>
Less: amounts representing imputed interest on capital lease and loan receivable			(30,096)
Total net lease obligation			<u>\$ 2,306</u>

13. LNG capital lease obligation

NTEC(03) entered into a 5 year contract to transport 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, 2014 is \$2,327 (2013 - \$nil). To reflect the effective acquisition and financing nature of the lease, the equipment is included in LNG equipment under capital lease in property, plant and equipment (Note 7). See Note 23 for additional details on the contractual obligation. Fair value information for the LNG capital lease obligation is included in Note 25.

The present value of the minimum lease payments required for the LNG capital lease obligation payments over the next five years are:

Year	
2015	\$ 549
2016	549
2017	549
2018	549
2019	320
	<u>\$ 2,516</u>
Less: amounts representing imputed interest	(189)
Total net lease obligation	<u>\$ 2,327</u>

The current portion of the LNG capital lease obligation is \$477 and is recorded in accounts payable and accrued liabilities.

14. Asset retirement obligations

	2014	2013
Balance, beginning of the year	\$ 12,224	\$ 7,388
Liabilities settled	(598)	(664)
Accretion expense	872	322
Valuation adjustment	(251)	4,840
Additions	1,230	338
Balance, end of the year	<u>\$ 13,477</u>	<u>\$ 12,224</u>

Asset retirement obligations 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 NTPC. Following is a summary of the key assumptions upon which the carrying amount of the asset retirement obligations is based:

- Total expected future cash flows - \$16,961 (2013 - \$28,306)
- Expected timing of payments of the cash flows – majority of expenditures expected to occur after fiscal 2030
- The weighted average discount rate is 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 liabilities

NT Hydro estimates that it would cost approximately \$20,727 (2013 - \$20,891) to clean up the environmentally contaminated soil at its 27 sites in the NWT. The discounted present value of these obligations is \$7,972 (2013 - \$8,632) and is included in asset retirement obligations.

Management estimates that over 75% of the contamination occurred prior to May 5, 1988 when the Government of Canada controlled Northern Canada Power Commission (NTPC predecessor company). There is no provision recorded in these financial statements for a potential recovery from the Government of Canada.

15. Deferred government contributions

Following is a summary of deferred government contributions:

	2014	2013
Balance, beginning of the year	\$ 2,678	\$ 2,852
Eligible funding	495	288
	<u>3,173</u>	<u>3,140</u>
Amortization for the year	(239)	(206)
Contributions related to asset disposals	-	(256)
Balance, end of the year	<u>\$ 2,934</u>	<u>\$ 2,678</u>

Note 15. Deferred government contributions (continued)

NTPC entered into a capital contribution agreement for \$345 with the GNWT in fiscal 2014 for capital project funding assistance for a photovoltaic preliminary design project in Colville Lake. None of this funding has been received as of March 31, 2014 and \$345 is recorded in accounts receivable.

For the same project in Colville Lake, NTPC signed a one year agreement for \$150 with the Federal Government through the *ecoENERGY for Aboriginal and Northern Communities program*. NTPC received \$135 under this program in fiscal 2014 and there is \$15 in accounts receivable as of March 31, 2014. As the project is ongoing, the \$852 spent on the project to date remains as part of the construction work in progress balance.

16. Employee future benefits

a) Public Service Pension Plan:

The employees of NT Hydro 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 NT Hydro.

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 1.45 times employees' contributions for employees who started prior to January 2013 and 1.43 times employees' contributions for all other employees (2013 – 1.64 times for all employees). Total contributions of \$2,815 (2013 - \$2,737) were recognized as 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 two percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation.

b) Liability for severance and ultimate removal benefits is as follows:

	<u>2014</u>	<u>2013</u>
Accrued benefit obligation, beginning of the year	\$ 1,942	\$ 1,938
Net increase in obligation for the year	2,018	650
Benefits paid during the year	(541)	(646)
Accrued benefit obligation	<u>3,419</u>	<u>1,942</u>
Less: current portion	<u>(410)</u>	<u>(585)</u>
Accrued benefit obligation, end of the year	<u><u>\$ 3,009</u></u>	<u><u>\$ 1,357</u></u>

17. GNWT power sales contributions

As described in Note 2 under the contribution agreement the GNWT provided \$15,600 to NTPC in fiscal 2013. \$4,000 paid down the receivable set up by NTPC as at March 31, 2012 to retire the balance in the Territory-wide Rate Stabilization Fund. The remaining \$11,600 was recorded as revenues. In fiscal 2014 under the second year of the agreement, NTPC recorded \$9,400 in revenues.

18. Other revenues

	2014	2013
Contract work	\$ 315	\$ 305
Pole rental	270	272
Connection fees	265	350
Heat revenues	254	222
Miscellaneous	219	163
	\$ 1,323	\$ 1,312

19. Other government contributions

NT Hydro and its subsidiaries have recorded \$1,569 in government revenues (2013 - \$1,312) relating to various projects.

One year contribution agreements with the GNWT totalled \$1,108 of this amount and include the recovery of costs related to furthering the NWT hydro strategy and water monitoring activities, a combined heat and power feasibility study, implementing LNG in the town of Inuvik, Whati transmission line design and planning, NWT electricity system analysis, solar PV system monitoring in Fort Simpson, and attendance at a solar training workshop. As of March 31, 2014, the net receivable from the GNWT for these one year agreements is \$135 (2013 - \$130 net receivable) and is recorded in accounts receivable. Federal funding of \$3 was received from Natural Resources Canada for the solar monitoring in Fort Simpson. This funding was received and fully spent in fiscal 2014.

There were a number of multi-year funding agreements signed with the GNWT in fiscal 2014. One was an eighteen month contribution agreement worth \$500 towards grid expansion work between north and south hydro systems. NT Hydro spent \$286 related to this agreement and the remaining balance of \$214 is recorded in accounts payable and accrued liabilities until it is spent. The remaining agreements were apprenticeship support agreements.

Notes to the Consolidated Financial Statements
For the year ended March 31, 2014
(\$000's)

20. Amortization

	<u>2014</u>	<u>2013</u>
Property, plant and equipment	\$ 14,295	\$ 13,837
Regulatory assets (Note 3)	5,179	5,104
Intangible assets	502	267
Contributions in aid of construction (Note 3)	(398)	(722)
	<u>\$ 19,578</u>	<u>\$ 18,486</u>

21. Interest expense

	<u>2014</u>	<u>2013</u>
Interest on long-term debt	\$ 13,059	\$ 13,107
Short-term debt financing costs	308	411
Income from sinking fund investments	(56)	(76)
Income on loan receivable (Note 12)	(1,657)	(1,719)
Capitalized interest during construction (Note 2)	(813)	(1,507)
	<u>\$ 10,841</u>	<u>\$ 10,216</u>

22. Share capital

	<u>Number of shares</u>	<u>2014</u>	<u>Number of shares</u>	<u>2013</u>
Preferred shares				
Authorized:				
One preferred share, non-cumulative, without par value				
Issued and outstanding:				
Issued on incorporation (one dollar)	<u>1</u>	<u>\$ -</u>	<u>1</u>	<u>\$ -</u>
Common shares				
Authorized:				
One common share without par value				
Issued and outstanding:				
Issued on incorporation	<u>1</u>	<u>\$ 43,129</u>	<u>1</u>	<u>\$ 43,129</u>

NT Hydro may only issue its shares to the Government of the Northwest Territories.

23. Commitments and contingencies

Capital projects

In March 2014, the Board of Directors approved a preliminary capital plan for 2015 of \$26,160 (2013 – for a 2014 capital plan of \$28,384) which includes the costs to complete projects already in progress at March 31, 2014.

Fuel management services agreement

NTPC has a fuel management services agreement with the Petroleum Products Division (PPD) of the GNWT. This agreement transferred the fuel inventory and maintenance of fuel tank farms of 20 communities served by NTPC to PPD, consistent with NTPC's operational requirements. 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 PPD in a given year.

Liquefied natural gas purchases

In March 2013, NTEC(03) entered into an agreement with Fortis BC to purchase liquefied natural gas (LNG) at the spot rate until December 31, 2014. 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. The fixed costs are accounted for as the LNG capital lease obligation in Note 13.

Workplace Incident

Charges were filed by the Workers' Safety and Compensation Commission on February 20, 2014 against NTPC and two of its employees under the *Northwest Territories Safety Act*, after an investigation around an event that occurred in 2013 while clearing a transmission line near Fort Smith. NTPC has made one court appearance and is currently waiting for the discovery phase of the proceedings. It is too early to determine what if any cost may be incurred by NT Hydro as a result of these charges.

Other

Refer to Notes 11, 12, 13, and 14 for other commitments and contingencies disclosed elsewhere in these consolidated financial statements.

24. Related party transactions

NT Hydro is a Territorial public agency and consequently is related to the GNWT and its agencies and corporations.

NT Hydro 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. Transactions with related parties and balances at year-end not disclosed elsewhere in these consolidated financial statements are as follows:

	2014	2013
Transactions during the year:		
Sale of power and other	\$ 23,850	\$ 21,990
Purchase of fuel from PPD	24,902	26,090
Other purchases and payments	757	1,198
Balances at year-end:		
Accounts payable to PPD	4,148	2,191
Accounts receivable	1,740	1,611
Accounts payable and accrued liabilities	28	29

25. Financial Instruments

Risks – overview

NT Hydro's financial instruments and the nature of risks which they may be subject to are set out in the following table:

Financial instrument	Classification	Risks				
		Credit	Liquidity	Currency	Interest rate	Other price
Measured at cost or amortized cost						
Accounts receivable	Loans and receivables	X				
Accounts payable	Other financial liabilities		X	X		
Long-term debt	Other financial liabilities		X		X	
Net lease obligation	Other financial liabilities	X	X		X	
Short-term debt	Other financial liabilities		X		X	
LNG capital lease obligation	Other financial liabilities		X			
Measured at fair value						
Cash	Held for trading	X				
Short-term investments	Held for trading	X			X	

Note 25. Financial instruments (continued)

a) Credit risk

Credit risk is the risk that a third party will cause a financial loss for NT Hydro by failing to discharge its obligation. The following table sets out NT Hydro's maximum exposure to credit risk under a worst case scenario and does not reflect results expected.

	<u>2014</u>	<u>2013</u>
Snare Cascades loan receivable	\$ 16,886	\$ 17,570
Accounts receivable	13,347	14,904
Sinking fund short-term investments	6,513	5,676
Cash	1,315	2,015
	<u>\$ 38,061</u>	<u>\$ 40,165</u>

Snare Cascades loan receivable

The credit risk for the loan receivable for the Snare Cascades hydro project was minimized by an assignment of lease payments and the security of the hydro facility itself. See Note 12 for additional details.

Accounts receivable

The majority of NT Hydro's accounts receivable are held by NTPC. NTPC minimizes accounts 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 (2013 - 37%) of NTPC's sales are to two other utilities. Eleven percent (2013 - 11%) of sales are to the GNWT, through the Territorial Power Support Program and Housing Support Program. Note 5 analyzes the age of customer accounts receivable.

Cash and sinking fund investments

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.

b) Liquidity risk

Debt liquidity risk is managed by the use of sinking fund 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 the shareholder and by maintaining a \$20,000 operating line with a reputable financial institution. The operating line can be temporarily increased on a short-term basis if required.

Note 25. Financial instruments (continued)

Notes to the Consolidated Financial Statements
For the year ended March 31, 2014
(\$000's)

NTEC(03) entered into a 5 year contract to transport LNG to storage tanks owned by NTPC. The contract includes variable costs as well as a fixed cost component. The fixed costs are treated as a capital lease agreement with blended payments of principal and interest being made until the contract expires in October 2018.

The following table shows the maturities of the NT Hydro's short and long-term debt (excluding bank overdraft) including the LNG capital lease agreement as at March 31, 2014:

	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	2014 Total	2013 Total
Short-term debt	\$ 12,500	\$ -	\$ -	\$ -	\$ 12,500	\$ -
Long-term debt	2,421	24,300	92,470	68,331	187,522	189,819
Snare Cascades lease obligation	405	2,026	5,674	11,087	19,192	19,598
Snare Cascades loan receivable	(752)	(5,057)	(11,077)	-	(16,886)	(17,570)
LNG capital lease obligation	477	1,850	-	-	2,327	-
	<u>\$ 15,051</u>	<u>\$ 23,119</u>	<u>\$ 87,067</u>	<u>\$ 79,418</u>	<u>\$ 204,655</u>	<u>\$191,847</u>

c) Currency risk

Accounts payable

NT Hydro is exposed to currency risk by purchasing supplies and property, plant and equipment in U.S. dollars. NT Hydro does not hedge the risk related to fluctuations in the exchange rate between the U.S. and Canadian dollar due to the short-term and relatively small dollar value of the exposure.

d) Interest rate risk

Changes in market interest rates will cause fluctuations in the fair value or future cash flows of, the net lease obligation, the LNG capital lease obligation, long-term debt, short-term debt, interest rate derivatives, and fixed-income investments.

NT Hydro's short-term debt instruments have short maturities and fixed rates, thus their fair value will fluctuate as the funds borrowed at current market interest rates.

All of NT Hydro's outstanding long-term debt is fixed rate debt and the fair value of fixed rate debt fluctuates with changes in market interest rates but absent early redemption, cash flows do not.

Note 25. Financial instruments (continued)

Similar to long-term debt, if NT Hydro holds a derivative instrument in the form of an interest rate swap, the fair value fluctuates with changes in market interest rates but absent early redemption, as the fixed rate payer, cash flows do not.

e) Sensitivity analysis for market risks

Market risk is the risk that the fair value or future cash flows of NT Hydro's financial instruments will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Net income and comprehensive income could have been different if the variables impacting the financial instruments subject to market risk had varied by reasonably possible amounts from their actual balance sheet date values.

The sensitivity analysis of NT Hydro's exposure to currency risk at the reporting date has been determined based upon the hypothetical change taking place at the current balance sheet date. Purchases of U.S. denominated goods throughout the year have not been included in this analysis due to the small dollar value of these purchases. NTPC had an engine purchase contract denominated in Euros that is priced in Canadian dollars at the time of the invoice. The invoice date and Euro amount was used to determine the currency risk exposure.

The sensitivity analysis of NT Hydro's exposure to interest rate risk at the reporting date has been determined based upon the hypothetical change taking place at the beginning of the fiscal year and being held constant through to the current balance sheet date. Short-term interest expense and revenue will vary throughout the year.

These sensitivities are hypothetical and should be used with caution. Favourable hypothetical changes in the assumptions result in an increased amount, and unfavourable hypothetical changes in the assumptions result in a decreased amount, of net income and comprehensive income. Changes in net income and comprehensive income generally cannot be extrapolated because the relationship of the change in assumption to the change in net income and comprehensive income may not be linear.

In the table, the effect of a variation in a particular assumption on the amount of net income and/or comprehensive income is calculated without change to any other assumption. In reality, changes in one factor may result in changes in another (for example, increases in market interest rates may result in more favourable foreign exchange rates as a result of the increased strength in the Canadian dollar), which might magnify or counteract the sensitivities.

	Reasonable possible changes in market variable			
	Currency risk		Interest rate risk	
	10%		25 basis points	
	2014	2013	2014	2013
Net income and comprehensive income	\$359	\$129	\$14	\$21

Note 25. Financial instruments (continued)

f) Fair value determination

The carrying value of cash, accounts receivables, accounts payable and accrued liabilities and short-term debt approximates their fair value due to the immediate or short-term maturity of these financial instruments.

The fair value of sinking fund investments were determined by using published price quotes. The fair value determination for long-term debt, the net lease obligation and the LNG capital lease obligation was estimated based on quoted market prices for Federal government bonds with the same or similar maturities adjusted for the credit spread at the point of issue.

As at March 31, 2014, the fair value and carrying value of NT Hydro's financial instruments are:

	<u>Level</u>	<u>Fair value</u>		<u>Carrying value</u>	
		<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Held for trading financial assets					
Cash	Level 1	\$ 1,315	\$ 2,015	\$ 1,315	\$ 2,015
Short-term investments	Level 1	6,513	5,676	6,513	5,676
		<u>\$ 7,828</u>	<u>\$ 7,691</u>	<u>\$ 7,828</u>	<u>\$ 7,691</u>
Other financial liabilities					
Long-term debt	Level 2	\$ 223,359	\$ 241,788	\$ 187,522	\$ 189,819
Net lease obligation	Level 2	6,600	6,547	2,306	2,028
LNG capital lease obligation	Level 2	1,040	-	1,036	-
		<u>\$ 230,999</u>	<u>\$ 248,362</u>	<u>\$ 190,864</u>	<u>\$ 191,847</u>

g) Impairment

NT Hydro assesses the decline in the value of the individual investments for impairment to determine whether the decline is other than temporary. NT Hydro makes this assessment by considering available evidence, including changes in general market conditions, specific industry and individual company data, the length of time and the extent to which the fair value has been less than cost, the financial condition and the near-term prospects of the individual investment.

As at March 31, 2014, NT Hydro provided an allowance for doubtful accounts of \$793 (2013 - \$1,206) for some of its accounts receivable accounts with amounts outstanding longer than 90 days. NT Hydro does not consider any other financial instruments to be impaired (2013 - \$nil).

26. Investments in joint ventures

Included in NT Hydro's consolidated financial statements, through a subsidiary of NTPC, NWTEC, is the shared ownership (50%) in one residual heat project in Fort McPherson. The impact of this investment is as follows:

	<u>2014</u>	<u>2013</u>
Other revenues	\$ 130	\$ 119
Operating expenses including amortization	46	51
Net income	<u>\$ 84</u>	<u>\$ 68</u>
Current assets	\$ 194	\$ 250
Non-current assets	430	455
	<u>\$ 624</u>	<u>\$ 705</u>
Current liabilities	\$ 12	\$ 27
Shareholder's equity	612	678
	<u>\$ 624</u>	<u>\$ 705</u>
Cash flows (used in) provided by operating activities	\$ (52)	\$ 163
Cash flows (used in) investing activities	-	-
Cash flows used in financing activities	-	(150)

27. Subsequent events

Following are significant events occurring after March 31, 2014:

PUB approval of fuel rate rider

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.

On March 10, 2014, NTPC filed an Application with the PUB to recover the balance of the RSF through the implementation of a RSF rider. The rider would apply to all firm power customers with the exception of Northland Utilities (NWT) Limited. On April 29, 2014 the PUB approved a RSF rider of 1.17 cents/kWh effective May 1, 2014.

28. Comparative figures

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

Summary Consolidated Financial

For the five years ended March 31, 2013

Unaudited
(\$000's)

Summary Statements of Operations

	2014	2013	2012	2011	2010
Revenues					
Sale of power	\$ 91,605	\$ 86,947	\$ 81,690	\$ 81,700	\$ 81,572
GNWT power revenue contributions	9,400	11,600	8,957	-	-
Other	2,892	2,624	3,780	3,464	3,225
	<u>103,897</u>	<u>101,171</u>	<u>94,427</u>	<u>85,164</u>	<u>84,797</u>
Expenses					
Salaries and wages	23,331	22,438	21,786	21,930	20,279
Fuel and lubricants	28,971	29,379	28,112	18,852	19,054
Supplies and services	13,629	12,442	14,101	14,987	15,291
Amortization	19,578	18,486	15,225	14,719	14,146
Travel and accommodation	2,386	1,953	2,070	2,529	2,185
	<u>87,895</u>	<u>84,698</u>	<u>81,294</u>	<u>73,017</u>	<u>70,955</u>
Earnings from operations	16,002	16,473	13,133	12,147	13,842
Interest income	72	221	233	275	289
Impairment and other expenses	-	-	440	-	-
Earnings before interest expense	16,074	16,694	12,926	12,422	14,131
Interest expense	10,841	10,204	9,174	9,250	8,858
Net earnings	<u>\$ 5,233</u>	<u>\$ 6,490</u>	<u>\$ 3,752</u>	<u>\$ 3,172</u>	<u>\$ 5,273</u>

For the five years ended March 31, 2013
Unaudited
(\$000's)

Summary Balance Statement

	2014	2013	2012	2011	2010
Assets					
Property, plant and equipment	\$ 324,131	\$ 310,130	\$ 276,574	\$ 273,289	\$ 261,857
Construction work in progress	19,845	15,233	35,447	33,778	27,612
	<u>343,976</u>	<u>325,363</u>	<u>312,021</u>	<u>307,067</u>	<u>289,469</u>
Current assets	21,765	23,020	45,025.00	39,961.00	23,174
Other long term assets	30,748	26,320	24,496	41,220	56,355
	<u>\$ 396,489</u>	<u>\$ 374,703</u>	<u>\$ 381,542</u>	<u>\$ 388,248</u>	<u>\$ 368,998</u>
Liabilities and Shareholder's Equity					
Current liabilities	\$ 38,422	\$ 23,348	\$ 60,714	\$ 40,787	\$ 60,675
Long-term debt	188,263	188,386	165,459.00	187,320	153,653
Other long term liabilities	54,014	52,412	51,302	59,305	56,605
	<u>280,699</u>	<u>264,146</u>	<u>277,475</u>	<u>287,412</u>	<u>270,933</u>
Shareholder's equity	115,790	110,557	104,067	100,836	98,065
	<u>\$ 396,489</u>	<u>\$ 374,703</u>	<u>\$ 381,542</u>	<u>\$ 388,248</u>	<u>\$ 368,998</u>
Capital expenditures	<u>\$ 29,853</u>	<u>\$ 23,636</u>	<u>\$ 29,131</u>	<u>\$ 25,232</u>	<u>\$ 24,355</u>

Schedule of Write-offs

Utility Accounts Over \$500
For the year ended March 31, 2013

Customer Name	Amount	Customer Name	Amount
CANADIAN REINDEER	500.88	FRED JR. CLEMENT	675.89
CHRIS WEGG	506.54	MAUREEN MCNEELY	677.13
DENNIS CHOCOLATE	508.73	RUTH GOOSE	678.60
DARRELL BETSAKA	522.68	CLIFFORD TAKAZO	683.25
L KLONDIKE / TONY BERREAUULT	523.89	ROSE LEPINE	692.28
STEVAN PROCHNICKI	535.46	JOHN TAYLOR	695.20
JAMES ALLARD	535.67	DELTA CARDINAL	700.27
SOPHIA ABRAHAM-MACKAY	537.33	ANTHONY DOCTOR	700.50
MIKE RILIING	539.00	LAURA EDJERICON	711.93
KIM SARASIN	541.56	JENNIFER CARDINAL	732.42
CHRIS HOPKINS	546.51	DOUG PRICE CONTRACTING	737.25
DICK WALLACE	546.77	MARK SHORT	740.08
LISA CARDINAL	548.20	PETER MENACHO	746.27
HADI MOURTADA	548.35	BETTY CHINNA	779.44
HAROLD BERTRAND	549.25	DENIS FIRTH	781.69
ROMEO BETSAKA	555.46	HEIDI ADZIN / DARYLE BLACKDUCK	794.31
GILLIAN FRANCIENE ROSS	557.06	PATRICIA VAN LOON	811.17
PRISCILLA LAFFERTY	560.51	PRISCILLA BETSAKA	820.25
CONSTRUCTION ARMY'S	560.56	ROBIN INGLANGASUK	823.86
SHANNON MENACHO	565.56	PAULINE MARY WILLIAH	830.52
AKIRA ENTERPRISES	566.13	MICHELLE MCLAUGHLIN	834.80
CHRISTOPHER BLACK / CORRINE SIMI	568.08	HOLLY NORRIS	845.20
RAMONA RYMER	570.59	NORA BENWELL-BEAVER	846.71
ARU VASHIESHT	572.59	JAMES NEUMANN	889.88
SEAN MAITLAND	581.41	GORDON VILLENEUVE	911.74
HUGHIE FERDINAND	589.62	KENNY WAQUAN	925.92
GORDON TIMBRE	599.71	WESLEY HARDISTY	930.88
MARY SR SASSIE	601.45	MARK WANIANDY	934.55
BRAD BOURQUE	608.60	DWAYNE HURST	941.32
COLTEN MENARD	610.70	LAURENT LENNIE	946.38
JOHN MAGEE	620.39	DARWIN GARDLUND/KATE JACOBSON	973.49
CRYSTAL KUNEYUNA	621.40	RON ELDRIDGE	1,003.87
CHAUNA GRUBEN	621.72	MOUNTAIN COAST HOLDINGS LTD	1,007.64
BETTY BATON	625.49	NANUK PLACE RENTALS	1,013.99
JOHN DESJARLAIS	628.50	INUVIK WORKS PROJECTS	1,020.45
MARCEL MARCELLAIS	635.31	FRED/LAURIE TRIMBLE	1,023.05
PAULINE ZOE	644.39	TARA LAROQUE	1,046.12
STEFANY YOUNGMAN	647.03	LEANNE BLESSE	1,048.98
AARON CATHOLIQUE	653.27	INUVIK HOMELESS SHELTER	1,087.19
HERB NAKIMAYAK	660.11	KYLE CLILLIE	1,091.18
ROGER TREMBLAY	660.66	MANNY KUDLAK	1,109.18

BRIAN GORDON	1,119.55	PETER J. ALEXIE	1,832.97
VINCENT FRASER	1,120.32	DIANE CATHOLIQUE	1,974.82
RIC JAGER	1,131.48	DARRYL BOURKE	2,090.43
BRENDA YENDO	1,162.14	HAROLD COOK	2,097.79
AARON COTE	1,164.90	FREDRICK RABESCA	2,174.62
TULITA DEVELOPMENT LIMITED-OLD	1,195.20	FAYE BATON	2,198.14
JACK WALKER	1,204.46	MARLENE KENNY	2,309.79
REBECCA POWDER / DUSTIN HOPE	1,209.44	MATTHEW COTCHILLY	2,364.08
ALVIN CATHOLIQUE	1,224.43	LLOYD BATON	2,434.73
L.J. CONTRACTING	1,228.88	MARK WANIANDY JR.	2,461.79
STARLITE CORPORATION	1,245.49	RITCHIE RASCHER	2,647.54
LEONARD JOSEPH LALONDE	1,257.40	CAROLINE BAIRD	2,724.79
VICKI GRUBEN	1,318.49	CINDY NITSIZA	2,979.70
LARA & DAWSON SOMERVILLE	1,320.10	PHEOBE MARCELLAIS	3,084.94
DEBBIE FRANKI/ GILBERT MANTLA	1,327.83	TERENCE LENNIE	3,828.94
JAMIE GERMO	1,337.25	PERSIS INGLANGASUK	4,043.64
EVAN MILLET	1,361.58	MELINDA JOE	4,372.90
VALERIE NORWEGIAN	1,366.32	WILLIAM TAYLOR	4,587.09
LEONARD BUCKLEY	1,385.73	NORTON MICHEL	4,619.49
ALEX WELLIN / ROSIE BROWNING	1,402.72	SOUTHWIND GENERAL CONTRACTING	4,773.03
JAMES JR ALLARD	1,409.77	MAUREEN LABOUCAN	5,093.32
MAE GREENLAND	1,426.42	MELVIN BLONDIN	5,107.38
FREDDY/MAGGIE ALANAK	1,441.90	DENNIS CHEVRIER	5,731.76
CLINT DEACON	1,448.20	ESTHER BERNARDE	6,067.04
MARLENE GREENE	1,453.20	EDWARD GON	6,401.96
LLOYD & PRISCILLA BEKALE	1,457.21	ROCKY NORWEGIAN	7,430.81
INUVIK CONDO CORPORATION #1	1,541.38	LISA LOVEMAN	8,647.74
JEANNIE SHAE	1,637.72	JOHN MAX KUDLAK	8,921.43
DOLPHUS APPLE	1,656.14	EVELYN PETER	8,972.35
THOMAS NEYELLE	1,666.40	FRANK/DOUGY YALLEE	9,293.44
GEORGE ABRAHAM	1,699.18	BOBBY CLEMENT	11,001.21
KEITH WIDOW	1,702.93	JEFF/DAWN OTTO	17,206.51
MARK VITAL	1,707.28	ROB COOK	35,451.21
974202 NWT LTD O/A TARGET SERV	1,721.03		
FRED DRYGEESE	1,756.40		
CHARMAN SMITH	1,824.05		
			<u>\$304,482.25</u>

Non-Utility Accounts Over \$500
For the year ended March 31, 2013

<u>Customer Name</u>	<u>Amount</u>
BZT CONTRACTING	599.46
NORTHERN MANAGEMENT DIVISION	633.77
SHAWN LUNDRIGAN	790.43
ALCANTARA OUTFITTING LTD	1,771.05
MANNYS CONSTRUCTION	2,703.43
CHARLIE VILLENEUE	3,880.14
LEROY ANDRE	4,725.26
ULU WELDING	9,985.43
PHH ACCIDENT MGMT SERVICES	23,354.20
	<u>\$48,443.17</u>

Total Write-Offs

Utility	304,482.25
Non-Utility Accounts	48,443.17
	<u>\$352,925.42</u>

NWT LOTTERY AUTHORITY
Yellowknife, NT

FINANCIAL STATEMENTS
For the year ended March 31, 2014

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 - 7
Schedule of Lottery Revenue, Net	8



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 16, 2014



AVERY, COOPER & Co.

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INDEPENDENT AUDITOR'S REPORT

To the Members of
NWT Lottery Authority

We have audited the accompanying financial statements of NWT Lottery Authority, which comprise the Statement of Financial Position as at March 31, 2014, and the Statements of Changes in Net Assets, Operations, and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of NWT Lottery Authority as at March 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Avery, Cooper & Co.

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

June 16, 2014



NWT LOTTERY AUTHORITY

STATEMENT OF FINANCIAL POSITION

March 31, 2014

ASSETS

	2014	2013
CURRENT		
Cash	\$ 1,061,875	\$ 208,800
Accounts receivable	840	900
Prepaid expenses	1,163	-
Due from Western Canada Lottery Corporation	443,093	473,592
Due from NWT Sport and Recreation Council (note 4)	58,792	62,723
	1,565,763	746,015
DEFERRED CHARGES (note 3)	275,000	275,000
	\$ 1,840,763	\$ 1,021,015



LIABILITIES

CURRENT		
Accounts payable and accrued liabilities	\$ 58,764	\$ 11,048
Wages and benefits payable	6,140	8,312
Due to Government of Nunavut (note 4)	463,886	99,482
	528,790	118,842
ACCRUED TERMINATION BENEFITS	37,200	34,815
	565,990	153,657

NET ASSETS

RESERVE (note 3)	275,000	275,000
BALANCE per page 2	999,773	592,358
	1,274,773	867,358
	\$ 1,840,763	\$ 1,021,015

Approved:

 _____	Member
 _____	Member

NWT LOTTERY AUTHORITY

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2014

	<u>2014</u>	<u>2013</u>
BALANCE, as previously stated	\$ 592,358	\$ 1,536,977
Transfer to NWT Sport and Recreation Council	<u>-</u>	<u>(1,536,976)</u>
BALANCE, as restated	592,358	1
Excess of revenues over expenses per page 3	<u>407,415</u>	<u>592,357</u>
BALANCE, closing	<u><u>\$ 999,773</u></u>	<u><u>\$ 592,358</u></u>

NWT LOTTERY AUTHORITY

STATEMENT OF OPERATIONS

For the year ended March 31, 2014

	2014 Budget Unaudited	2014 Actual	2013 Actual
REVENUES			
Lottery Revenue, Net - Schedule 1	\$ 5,288,200	\$ 5,185,364	\$ 5,968,981
Nunavut Lottery revenue	(337,609)	(754,616)	(799,917)
Miscellaneous income	-	5,826	4,375
Interest income	-	4,333	5,873
Management fee revenue	-	14,124	12,787
	4,950,591	4,455,031	5,192,099
EXPENSES			
Advertising and promotion	33,100	1,443	5,704
Allocation of insurance - Nunavut	-	(264)	(470)
Audit and accounting	5,750	8,442	12,995
Communications	4,000	4,587	4,108
Contributions	4,326,043	3,558,592	4,193,405
Equipment lease	-	191	-
Grants to retailers	120,000	115,375	120,000
Insurance	4,400	2,690	4,355
Interest and bank charges	1,100	1,214	1,074
Legal	12,500	19,550	-
Less distribution from reserves	-	-	(38,128)
Miscellaneous	-	22	2,522
Nunavut portion of training and travel expenses	-	-	(110)
Office supplies	23,970	3,764	1,224
Periodicals, printing and newsletters	-	10	-
Policy development	-	-	21,660
Postage and courier	34,300	30,815	26,219
Professional development and training	-	-	363
Professional fees	84,500	6,160	-
Repairs and maintenance	-	2,775	541
Retailer training (NWT only)	-	2,005	2,167
Risk management	-	-	(1,680)
Travel	11,097	2,064	1,118
Wages and benefits	289,831	288,181	242,675
	4,950,591	4,047,616	4,599,742
EXCESS OF REVENUES OVER EXPENSES	\$ -	\$ 407,415	\$ 592,357

NWT LOTTERY AUTHORITY

STATEMENT OF CASH FLOWS

For the year ended March 31, 2014

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ 4,483,695	\$ 5,277,394
Cash receipts from other revenue	5,826	4,375
Cash paid to suppliers and employees	<u>(3,636,446)</u>	<u>(6,288,861)</u>
INCREASE (DECREASE) IN CASH	853,075	(1,007,092)
CASH, opening	<u>208,800</u>	<u>1,215,892</u>
CASH, closing	<u><u>\$ 1,061,875</u></u>	<u><u>\$ 208,800</u></u>

NWT LOTTERY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

1. NATURE OF OPERATIONS

NWT Lottery Authority was established by the NWT Sport and Recreation Council (NWTSRC) as per the Western Canada Lottery Regulations, R.R.N.W.T. 1993, c.W-1 as amended (the "Regulations"), for the purpose of assisting the NWTSRC in the performance of its duties under these regulations.

The NWTSRC has agreements with the Western Canada Lottery Corporation (Western Canada Lottery Corporation Agreement, signed April 1, 2009) and the Government of the Northwest Territories (Lottery Operations Agreement, signed September 9, 2010) for the purpose of conducting and managing the sale of Western Canada Lottery products pursuant to the Western Canada Lottery Act, R.S.N.W.T. 1988ccW-3 as amended (the "Act") and the Regulations.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian public sector accounting standards for not-for-profit organizations 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

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, 2014

3. DEFERRED CHARGES/RESERVE

This amount represents the March 31, 1996 outstanding settlement from the Western Canada Lottery Corporation ("WCLC"). The amount has been 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.

4. 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.

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.

5. CONTRIBUTIONS

The NWT Lottery Authority funds have been distributed to the following organizations during the year:

	<u>2014</u>	<u>2013</u>
Aboriginal Sport Circle of the Western Arctic	\$ -	\$ 541,845
Beaufort Delta Sahtu Recreation Association	-	325,980
Mackenzie Recreation Association	-	304,686
NWT Recreation and Parks Association	-	550,496
Sport North Federation	-	1,580,000
Lex Borealis Ltd.	290,556	293,241
NWT Sport and Recreation Council	<u>3,268,036</u>	<u>597,157</u>
	<u>\$ 3,558,592</u>	<u>\$ 4,193,405</u>

6. 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.

NWT LOTTERY AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

6. FINANCIAL INSTRUMENTS, continued

(a) Credit risk

The organization does have credit risk in accounts receivable of \$840 (2013 - \$900). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The organization reduces its exposure to credit risk by performing credit valuations on a regular basis; granting credit upon a review of the credit history of the applicant and creating an allowance for bad debts when applicable. The organization maintains strict credit policies and limits in respect to counterparties. In the opinion of management the credit risk exposure to the organization is low and is not material.

(b) Liquidity risk

The organization does have a liquidity risk in the accounts payable and accrued liabilities of \$58,764 (2013 - \$11,048). 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.

7. 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.

8. COMPARATIVE AMOUNTS

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.

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, 2014

SCHEDULE OF LOTTERY REVENUE, NET

Schedule 1

	2014 Budget Unaudited	2014 Actual	2013 Actual
SALES			
Lottery ticket sales	\$ 16,720,000	\$ 16,522,696	\$ 17,122,617
Interest and other income	<u>13,200</u>	<u>28,667</u>	<u>18,856</u>
	<u>16,733,200</u>	<u>16,551,363</u>	<u>17,141,473</u>
DIRECT EXPENSES			
Free tickets	-	730,484	713,961
Prizes	8,898,000	8,551,087	8,377,435
Retailer commissions	981,000	917,056	943,970
Ticket printing	<u>270,000</u>	<u>216,721</u>	<u>208,880</u>
	<u>10,149,000</u>	<u>10,415,348</u>	<u>10,244,246</u>
OPERATING INCOME	<u>6,584,200</u>	<u>6,136,015</u>	<u>6,897,227</u>
EXPENSES			
Amortization	153,800	79,124	81,482
Communications	184,800	137,108	122,718
Cost of premises	24,900	22,659	22,850
Draws and winning numbers publication	7,300	5,099	5,190
Employee development	14,000	4,829	5,331
Equipment	58,900	32,909	24,261
Freight and product transport	3,900	3,171	3,448
Goods and services tax	89,100	78,686	77,195
I. L. C. expense	19,800	13,902	16,772
Insurance and bank charges	2,200	1,749	1,863
Media & advertising	136,700	128,284	136,441
Overhead allocation	(300)	(248)	(255)
Payment to Government of Canada	177,800	155,329	163,153
Presentations, publications and miscellaneous	2,600	2,334	3,006
Professional fees	74,300	50,399	38,058
Promotion	73,200	15,602	7,218
Supplies	3,400	2,441	2,626
Travel	6,400	3,018	3,492
Wages and benefits	<u>263,200</u>	<u>214,256</u>	<u>213,397</u>
	<u>1,296,000</u>	<u>950,651</u>	<u>928,246</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 5,288,200</u>	<u>\$ 5,185,364</u>	<u>\$ 5,968,981</u>

NORTHWEST TERRITORIES OPPORTUNITIES FUND

Financial Statements

For the period ended

March 19, 2014

Northwest Territories Opportunities Fund

Financial Statements

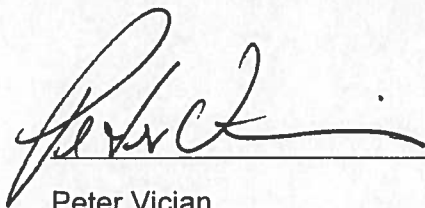
March 19, 2014	Page
Management's Responsibility for Financial Reporting	3
Independent Auditor's Report	4 - 5
Statement of Financial Position	6
Statement of Operations and Accumulated Surplus	7
Statement of Change in Net Financial Resources	8
Statement of Cash Flow	9
Notes to the Financial Statements	10 - 11

Management's Responsibility for Financial Reporting

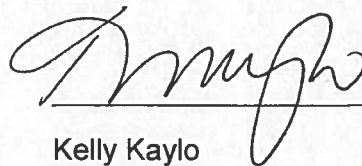
The accompanying financial statements of the Northwest Territories Opportunities Fund (the "Fund") have been prepared by management in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Management 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 Board of Directors. 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.

Avery, Cooper & Co. provides an independent, objective audit for the purpose of expressing an opinion on the financial statements of the Fund. They also consider whether the transactions that have come to their notice during the course of the audit were, in all significant respects, in accordance with the specified authorities.



Peter Vician
Chair



Kelly Kaylo
President

March 24, 2013
Yellowknife, Canada



AVERY, COOPER & CO.

Certified General Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Minister of Industry, Tourism and Investment

Report on the Financial Statements

We have audited the accompanying financial statements of the Northwest Territories Opportunities Fund, which comprise the statement of financial position as at March 19, 2014, and the statement of operations and accumulated surplus, statement of change in net financial resources and statement of cash flow for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the 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 public sector accounting standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Northwest Territories Opportunities Fund as at March 19, 2014, and the results of its operations, changes in its net financial resources, and its cash flows for the period then ended in accordance with Canadian public sector accounting standards.



INDEPENDENT AUDITOR'S REPORT, continued

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes that the Fund ceased operations on March 19, 2014 and has commenced dissolution procedures.

Report on Other Legal and Regulatory Requirements

In our opinion, proper books of account have been kept by the Northwest Territories Opportunities Fund and the financial statements are in agreement therewith. In addition, the transactions of the Northwest territories Opportunities Fund that have come to our notice during the audit of the financial statements have, in all significant respects, been in accordance with the Northwest Territories Societies Act and regulations, the Northwest Territories Opportunities Fund's by-laws, the Immigration and Refugee Protection Regulations of Canada and the Fund Agreement between the Northwest Territories Opportunities Fund and the Minister of Citizenship and Immigration of Canada, dated October 1, 2003.

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


March 24, 2014

Northwest Territories Opportunities Fund

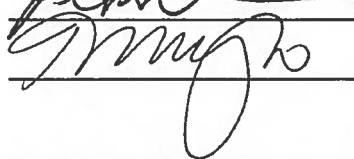
Statement of Financial Position

As at March 19, 2014	2014	2013
Financial assets		
Cash and cash equivalents (note 3)	\$ -	\$ 7,240,365
Accrued interest receivable	-	1,527
Total financial assets	-	7,241,892
Liabilities		
Accounts payable	-	9,677
Total liabilities	-	9,677
Net financial resources	-	7,232,215
Accumulated surplus	\$ -	\$ 7,232,215

Approved by the Board



Chairman of the Board



President of the Board

The accompanying notes are an integral part of these financial statements

Northwest Territories Opportunities Fund**Statement of Operations and Accumulated Surplus**

For the period ended March 19, 2014	2014	2013
Revenue		
Interest income	\$ 78,811	\$ 92,722
GNWT contribution - services provided without charge (note 4)	20,280	33,420
	99,091	126,142
Expenses		
Administration services (note 4)	20,280	33,420
Bank charges and investment fees	6,736	7,813
Professional fees	3,956	7,588
Contributions (note 1)	7,300,334	1,040,000
	7,331,306	1,088,821
Annual surplus (deficit)	(7,232,215)	(962,679)
Accumulated surplus at beginning of period	7,232,215	8,194,894
Accumulated surplus at end of period	\$ -	\$ 7,232,215

The accompanying notes are an integral part of these financial statements

Northwest Territories Opportunities Fund

Statement of Change in Net Financial Resources

For the period ended March 19, 2014	2014	2013
Net financial resources at beginning of period	\$ 7,232,215	\$ 8,194,894
Annual surplus (deficit)	(7,232,215)	(962,679)
Net financial resources at end of period	\$ -	\$ 7,232,215

The accompanying notes are an integral part of these financial statements

Northwest Territories Opportunities Fund**Statement of Cash Flow**

For the period ended March 19, 2014	2014	2013
Operating transactions		
Interest income received	\$ 80,338	\$ 93,276
Bank charges and investment fees paid	(6,735)	(7,813)
Cash paid to suppliers	(13,634)	(13,409)
Contributions paid	(7,300,334)	(1,040,000)
Total cash used for operating transactions	(7,240,365)	(967,946)
Cash and cash equivalents at beginning of period	7,240,365	8,208,311
Cash and cash equivalents at end of period	\$ -	\$ 7,240,365

The accompanying notes are an integral part of these financial statements

Northwest Territories Opportunities Fund

Notes to the Financial Statements

March 19, 2014

1. Authority and operations

The Northwest Territories Opportunities Fund (the Fund) was established by the Government of the Northwest Territories (the GNWT) under the Northwest Territories *Societies Act* to receive and invest the Northwest Territories' share of immigrant investor funds received under the federal Immigrant Investor Program (IIP). The Fund's operations are overseen by a Board of Directors appointed by the Minister of Industry, Tourism and Investment and its objectives are to promote investment, economic development and job creation in the Northwest Territories. The Fund is not subject to taxation under the *Income Tax Act* of Canada.

Financial Management Board (FMB) also directed the Fund to use the Fund's remaining net assets to support economic development initiatives in the Northwest Territories in accordance with the Fund's mandate under the IIP program.

During the period, the Fund completed its mission and repaid surplus funds to the GNWT Consolidated Revenue Fund totalling \$7,300,334. The Northwest Territories Opportunities Fund ceased operations on March 19, 2014 and has commenced dissolution procedures.

2. Significant accounting policies

(a) Basis of accounting

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

(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 on the loan receivable is recognized when earned.

(d) Services provided without charge

The Fund records the estimated cost of the accounting and administrative services it receives without charge from the Department of Industry, Tourism and Investment. These services are recorded as a government contribution - services provided without charge and included in the expenses in the statement of operations.

Northwest Territories Opportunities Fund

Notes to the Financial Statements

March 19, 2014

2. Significant accounting policies (continued)

(e) Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires the Fund to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ significantly from these estimates.

(g) Related parties

The Fund is related in terms of common ownership to all Government of the Northwest Territories departments and public agencies. The Fund enters into transactions with these entities in the normal course of business and these transactions are measured at the exchange amount except for the services provided without charge which are measured at their estimated cost.

3. Cash and cash equivalents

The Fund's cash balances are pooled with the Government's 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. The Department of Finance approved the eligible classes of securities, categories of issuers, limits and terms. All instruments, depending on their investment class, are rated R-1 Low or better by the Dominion Bond Rating Service Ltd.

4. Related party transactions

The Department of Industry, Tourism and Investment provides the Fund with accounting and administrative services without charge. The total cost of these services has been estimated to be \$20,280 (2013 - \$41,658) and are included in the statement of operations.

The Department of Finance provides the Fund with cash and investment management services. The Department charges the Fund 0.10% (2013 - 0.10%) on the average balance invested. The total cost for this service for the period ended March 19, 2014, was \$6,556 (2013 - \$7,674) and is accounted for as bank charges and investment fees.

5. Comparative figures

The comparative figures are as at March 31, 2013 and for the year then ended.

6. Financial instruments

Financial instruments consist of cash and cash equivalents, accrued interest receivable, and accounts payable. Unless otherwise noted, it is management's opinion that the Fund is not exposed to significant interest rate, market, currency, credit, cash flow or liquidity risks. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

N.W.T. SPORT AND RECREATION COUNCIL
Yellowknife, NT

FINANCIAL STATEMENTS
For the year ended March 31, 2014

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 - 10
Schedule of Administration	11
Schedule of Governance	12
Schedule of Investment and Evaluation	13
Schedule of Multi Sport Games	14
Schedule of Expenses by Object	15



NWT Sport & Recreation Council
Operator of the NWT Lottery

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 8, 2014



AVERY, COOPER & Co.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
N.W.T. Sport and Recreation Council

We have audited the accompanying financial statements of N.W.T. Sport and Recreation Council, which comprise the Statement of Financial Position as at March 31, 2014, and the Statements of Changes in Net Assets, Operations, and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of N.W.T. Sport and Recreation Council as at March 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Avery, Cooper & Co.

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

June 8, 2014



N.W.T. SPORT AND RECREATION COUNCIL

STATEMENT OF FINANCIAL POSITION

March 31, 2014

ASSETS

	2014	2013
CURRENT		
Cash	\$ 517,848	\$ 462,106
Short term investment (note 3)	29,018	28,731
Accounts receivable	432	9,526
Government remittances receivable	6,251	5,375
Due from related party (note 4)	238	1,303
Prepaid expenses	-	1,990
	553,787	509,031
RESTRICTED CASH (note 5)	1,741,727	3,078,666
TANGIBLE CAPITAL ASSETS (note 6)	7,610	11,754
	\$ 2,303,124	\$ 3,599,451

LIABILITIES

CURRENT		
Accounts payable and accrued liabilities	\$ 15,392	\$ 21,198
Wages and benefits payable	33,821	38,863
Due to related party (note 4)	58,831	62,723
	108,044	122,784

GUARANTEES (note 7)

NET ASSETS

UNRESTRICTED SURPLUS per page 2	236,014	82,594
BUILDING RESERVE per page 2	600,000	600,000
GAMES RESERVE per page 2	54,152	386,152
GENERAL RESERVE per page 2	-	857,513
PROGRAM RESERVE per page 2	1,304,914	1,550,408
	2,195,080	3,476,667
	\$ 2,303,124	\$ 3,599,451

Approved:


 _____ Member


 _____ Member

N.W.T. SPORT AND RECREATION COUNCIL

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2014

	<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>Total 2013</u>
BALANCE, opening	\$ 82,594	\$ 600,000	\$ 386,152	\$ 857,513	\$ 1,550,408	\$ 3,476,667	\$ 1,793,419
(Deficiency) excess of revenues over expenses per page 3	(1,281,587)	-	-	-	-	(1,281,587)	1,683,248
Contributions	3,150,000	-	650,000	-	2,500,000	6,300,000	2,206,620
Expenses	(1,714,993)	-	(1,282,000)	-	(3,303,007)	(6,300,000)	(2,206,620)
Transfer between Reserves	-	-	300,000	(857,513)	557,513	-	-
BALANCE, 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>	<u>\$ 3,476,667</u>

N.W.T. SPORT AND RECREATION COUNCIL

STATEMENT OF OPERATIONS

For the year ended March 31, 2014

	2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
REVENUES			
Administration - Schedule 1	\$ 737,387	\$ 743,697	\$ 620,080
Governance - Schedule 2	32,851	30,404	-
Investment and Evaluation - Schedule 3	2,517,798	2,513,253	1,556,620
Multi Sport Games - Schedule 4	<u>650,000</u>	<u>650,333</u>	<u>650,000</u>
	<u>3,938,036</u>	<u>3,937,687</u>	<u>2,826,700</u>
EXPENSES			
Governance - Schedule 2	32,851	30,404	27,129
Investment and Evaluation - Schedule 3	3,320,805	3,316,260	184,635
Multi Sport Games - Schedule 4	1,285,988	1,282,333	495,656
Administration - Schedule 1	<u>737,387</u>	<u>590,277</u>	<u>436,032</u>
	<u>5,377,031</u>	<u>5,219,274</u>	<u>1,143,452</u>
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	<u>\$ (1,438,995)</u>	<u>\$ (1,281,587)</u>	<u>\$ 1,683,248</u>

N.W.T. SPORT AND RECREATION COUNCIL

STATEMENT OF CASH FLOWS

For the year ended March 31, 2014

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ 3,945,905	\$ 2,818,009
Cash paid to suppliers and employees	<u>(5,222,981)</u>	<u>(1,133,131)</u>
	(1,277,076)	1,684,878
CASH FLOWS FROM FINANCING ACTIVITY		
Advances to related party	(2,827)	40,426
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of tangible capital assets	<u>(1,007)</u>	<u>(4,345)</u>
(DECREASE) INCREASE IN CASH	(1,280,910)	1,720,959
CASH, opening	<u>3,569,503</u>	<u>1,848,544</u>
CASH, closing	<u><u>\$ 2,288,593</u></u>	<u><u>\$ 3,569,503</u></u>
 REPRESENTED BY:		
Cash	\$ 517,848	\$ 462,106
Restricted cash	1,741,727	3,078,666
Short term investment	<u>29,018</u>	<u>28,731</u>
	<u><u>\$ 2,288,593</u></u>	<u><u>\$ 3,569,503</u></u>

N.W.T. SPORT AND RECREATION COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

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. 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 registered "Non-Profit Organization" and is exempt from federal income tax pursuant to paragraph 149(1)(l) of the Income Tax Act (Canada).

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian public sector accounting standards for not-for-profit organizations 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) 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, 2014

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

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable when the amount to be received can be reasonably estimated and collection is reasonably assured.

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. 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, 2014. The Council does not anticipate redemption of the investments within the next year.

	<u>2014</u>	<u>2013</u>
RBC Prime-Linked Cashable GIC	<u>\$ 29,018</u>	<u>\$ 28,731</u>

4. DUE FROM/TO RELATED PARTY

(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, 2014

4. DUE FROM/TO RELATED PARTY, 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.

	<u>2014</u>	<u>2013</u>
Revenue		
MACA - Games funding	\$ 650,000	\$ 650,000
NWT Lottery - Reserve funding	2,500,000	1,536,976
NWT Lottery - Program funding	<u>768,036</u>	<u>-</u>
	<u>\$ 3,918,036</u>	<u>\$ 2,186,976</u>
Expenses - NWT Lottery Authority - payroll	<u>\$ 472,968</u>	<u>\$ 538,963</u>

(c) Due from related party

	<u>2014</u>	<u>2013</u>
Nunavut Lottery	<u>\$ 238</u>	<u>\$ 1,303</u>

(d) Due to related party

	<u>2014</u>	<u>2013</u>
NWT Lottery Authority	<u>\$ 58,831</u>	<u>\$ 62,723</u>

These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

5. RESTRICTED CASH

Restricted cash for use in the establishment of the reserve funds as outlined in Note #8. At March 31, 2014 reserves exceeded restricted cash by \$217,339.

	<u>2014</u>	<u>2013</u>
RBC Dominion Securities mutual funds	<u>\$ 1,741,727</u>	<u>\$ 3,078,666</u>

N.W.T. SPORT AND RECREATION COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

6. TANGIBLE CAPITAL ASSETS

	2014		2013	
	Cost	Accumulated amortization	Net	Net
Computer equipment	\$ 21,683	\$ 18,421	\$ 3,262	\$ 4,430
Computer software	18,408	16,459	1,949	3,897
Equipment	10,926	8,527	2,399	3,427
	\$ 51,017	\$ 43,407	\$ 7,610	\$ 11,754

7. GUARANTEES

In 2010 the NWT Sport and Recreation Council guaranteed a demand line of credit of \$250,000 bearing interest at prime plus .80% per annum for Lex Borealis Ltd. The guarantee is by a general security agreement and a postponement of claim. The balance of the line of credit as at March 31, 2014 is nil.

8. RESERVES

	Opening Balance	Additions	Expenses	2014	2013
Program reserve	\$ 1,550,408	\$ 3,357,513	\$ 3,603,007	\$ 1,304,914	\$ 1,550,408
Building reserve	600,000	-	-	600,000	600,000
General reserve	857,513	-	857,513	-	857,513
Games reserve	386,152	950,000	1,282,000	54,152	386,152
	\$ 3,394,073	\$ 4,307,513	\$ 5,742,520	\$ 1,959,066	\$ 3,394,073

N.W.T. SPORT AND RECREATION COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

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 the greater of \$500,000 or 40% 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. There was no change in the general reserve in the current year.

GENERAL RESERVE FUNDING

The general reserve was eliminated in the current year. The balance of the general reserve was transferred to the program reserve at year end.

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 \$2,500,000 from Lottery revenue in the current year end expended \$3,303,007 to partners during the year. In the current year, the Board approved a transfer of \$300,000 from the program reserve to the games reserve. This amount will be transferred back to the program reserve in the subsequent year when additional games revenue is received. Also, the balance of the general reserve was transferred into the program reserve, an increase of \$857,513.

GAMES RESERVE FUNDING

The games reserve is established by the SRC to support approved multi-sport games. The games reserve was decreased in the current year as follows:

	<u>2014</u>
GNWT MACA Contribution	\$ 650,000
Transfer from program reserve	<u>300,000</u>
Total Additions	<u>950,000</u>
NAIG 2014 Games	277,000
Canada Summer Games 2013 and Arctic Winter Games 2014	<u>1,005,000</u>
Total expenses	<u>1,282,000</u>
	<u>\$ (332,000)</u>

N.W.T. SPORT AND RECREATION COUNCIL

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

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>2014</u>	<u>2013</u>
Funds transferred from NWT Lottery Authority	\$ 3,268,036	\$ 1,536,976
Overpayment from NWT Lottery Authority surplus	-	(38,128)
Recovery of prior year unspent contributions paid to partners	<u>-</u>	<u>57,772</u>
	<u>\$ 3,268,036</u>	<u>\$ 1,556,620</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, 2014

ADMINISTRATION

Schedule 1

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
REVENUE			
Lottery contribution	\$ 717,387	\$ 724,046	\$ 597,157
Interest revenue	<u>20,000</u>	<u>19,651</u>	<u>22,923</u>
	<u>737,387</u>	<u>743,697</u>	<u>620,080</u>
EXPENSES			
Advertising and promotion	1,400	4,426	693
Amortization	9,000	5,151	8,319
Audit and accounting fees	8,750	26,468	36,916
Bank charges	600	106	521
Catering	7,098	681	122
Communications	7,500	8,667	7,539
Computer	4,000	2,461	4,001
Contracts/fees	35,711	14,091	-
Course registration/Professional development	32,910	22,546	96
Insurance	2,650	4,164	1,990
Membership fees	920	850	-
Miscellaneous	2,000	224	(7)
Postage and freight	100	113	76
Professional fees	-	1,202	-
Supplies	10,360	6,556	3,299
Travel	51,104	17,520	5,358
Wages and benefits	563,284	475,051	162,556
Capacity - Human resource development	-	-	33,780
Capacity - Policy development	-	-	26,236
Capacity - Shared services/collaboration	-	-	10,205
Capacity - Strong communications	-	-	22,501
Capacity - Wages and benefits	<u>-</u>	<u>-</u>	<u>111,831</u>
	<u>737,387</u>	<u>590,277</u>	<u>436,032</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ 153,420</u>	<u>\$ 184,048</u>

N.W.T. SPORT AND RECREATION COUNCIL

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2014

GOVERNANCE

Schedule 2

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
REVENUE			
Lottery contribution	\$ 32,851	\$ 30,404	\$ -
EXPENSES			
Advertising & promotion	-	652	-
Catering	2,350	548	881
Communications	100	160	69
Contracts/fees	-	8,256	-
Insurance	-	650	650
Professional fees	-	1,477	-
Supplies	1,600	876	737
Travel	28,801	17,785	10,162
Wages	-	-	14,630
	<u>32,851</u>	<u>30,404</u>	<u>27,129</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (27,129)</u>

N.W.T. SPORT AND RECREATION COUNCIL

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2014

INVESTMENT AND EVALUATION

Schedule 3

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
REVENUE			
Transfer to/from Reserves	\$ -	\$ -	\$ 57,772
Transfer from NWT Lottery	2,500,000	2,500,000	1,498,848
Lottery contribution	<u>17,798</u>	<u>13,253</u>	<u>-</u>
	<u>2,517,798</u>	<u>2,513,253</u>	<u>1,556,620</u>
EXPENSES			
Catering	-	81	359
Communications	-	69	6
Contracts/fees	10,000	10,249	339
Professional fees	450	172	-
Membership fees	-	161	-
Office	300	43	-
Course registration/Professional development	-	54	154
Supplies	300	575	-
Travel	6,748	1,849	7,764
Wages	<u>-</u>	<u>-</u>	<u>176,013</u>
	17,798	13,253	184,635
Contribution to Partners:			
Aboriginal Sport Circle of the NWT	541,845	541,845	-
Beaufort Delta Sahtu Recreation	325,980	325,980	-
Mackenzie Recreation Association	304,686	304,686	-
NWT Recreation and Parks Association	550,496	550,496	-
Sport North Federation	<u>1,580,000</u>	<u>1,580,000</u>	<u>-</u>
	<u>3,320,805</u>	<u>3,316,260</u>	<u>184,635</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	<u>\$ (803,007)</u>	<u>\$ (803,007)</u>	<u>\$ 1,371,985</u>

N.W.T. SPORT AND RECREATION COUNCIL

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2014

MULTI SPORT GAMES

Schedule 4

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
REVENUE			
MACA Contribution	\$ 650,000	\$ 650,000	\$ 650,000
Lottery contribution	<u>-</u>	<u>333</u>	<u>-</u>
	<u>650,000</u>	<u>650,333</u>	<u>650,000</u>
EXPENSES			
Commitments	-	-	441,957
Contracts/fees	-	333	3,430
Contribution to Sport North Federation	1,005,000	1,005,000	-
Contribution to games ASCWA	277,000	277,000	-
SRC Administration costs	-	-	50,269
Travel	<u>3,988</u>	<u>-</u>	<u>-</u>
	<u>1,285,988</u>	<u>1,282,333</u>	<u>495,656</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	<u>\$ (635,988)</u>	<u>\$ (632,000)</u>	<u>\$ 154,344</u>

N.W.T. SPORT AND RECREATION COUNCIL

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2014

SCHEDULE OF EXPENSES BY OBJECT

Schedule 5

	2014	2014	2013
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Advertising & promotion	\$ 10,400	\$ 10,230	\$ 21,686
Amortization	-	-	8,319
Audit and accounting fees	9,050	26,468	36,916
Bank charges	600	106	521
Catering	9,448	1,309	1,608
Communications	7,600	8,939	7,248
Computer	4,000	2,461	4,469
Contracts/fees	45,711	32,931	28,363
Contribution to games	1,282,000	1,282,000	441,923
Contribution to partners	3,303,007	3,303,007	-
Course registration	32,910	22,599	27,989
Insurance	2,650	4,814	2,640
Membership fees	920	1,011	-
Miscellaneous	2,000	110	6,606
Postage & freight	100	113	76
Professional fees	450	2,850	-
Rental equipment	-	114	-
Supplies	12,260	8,007	5,261
Travel	90,641	37,154	34,527
Wages	563,284	475,051	515,300
	<u>\$ 5,377,031</u>	<u>\$ 5,219,274</u>	<u>\$ 1,143,452</u>

**Status of Women Council
of the Northwest Territories
Yellowknife, NT**

**Financial Statements
March 31, 2014**

INDEX

Management Letter	1
Independent Auditor's Report	2
Other Matter	3
Financial Statement	
Statement of Financial Position	4
Statement of Operations	5
Statement of Changes in Net Financial Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8-15
Schedule of Revenue and Expenditure-Programs	16-18



Status of Women Council of the N.W.T.

P.O. Box 1320, Yellowknife, NWT X1A 2L9

MANAGEMENTS'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
June 28, 2014



Independent Auditor's Report

To the Directors of the Status of Women Council of the Northwest Territories

I have audited the financial statements of The Status of Women Council of the Northwest Territories, which comprise the statement of financial position as at March 31 2014, 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.

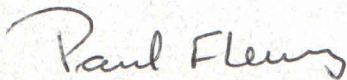
Opinion

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, 2014, 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
June 28, 2014

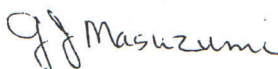
**Status of Women Council of the Northwest Territories
Statement of Financial Position
as at March 31, 2014**

	<u>2014</u>	<u>2013</u>
Financial assets		
Cash and cash equivalents (Note 4)	\$ 183,089	\$ 92,145
Accounts receivable (Note 5)	5,554	51,859
	188,643	144,004
Liabilities		
Accounts payable and accrued expenses	52,205	10,455
Vacation payable	19,776	18,661
Employee deductions payable	1,704	1,384
Benefits Fund (Note 6)	38,261	38,159
Contingency Fund (Note 7)	42,772	42,657
	154,718	111,316
Net financial assets	33,925	32,688
Non-financial assets		
Capital Assets-Council	4,040	2,213
-Projects	1,126	1,608
	5,166	3,821
Accumulated Surplus	\$ 39,091	\$ 36,509

Approved on behalf of the Board



President



Board Member

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, 2014**

	<u>2014</u>	<u>2013</u>
REVENUE		
Contributions		
Government of the NWT	\$ 437,500	\$ 419,150
Government of Canada	57,046	159,296
Other Revenue		
Administration fees & miscellaneous	34,022	2,825
Contributed Rent	70,870	70,870
	<u>599,438</u>	<u>652,141</u>
EXPENDITURES		
Wages and benefits	275,961	302,412
Professional development, staff	650	2,910
Contracted Services	37,533	44,670
Courses purchased	-	17,086
Participants support	200	1,369
Honoraria	5,525	6,850
Books, videos, subscriptions	150	1,139
Office supplies & photocopies	26,188	12,068
Supplies and workshops	7,593	17,361
Travel	31,009	38,601
Food service special events	45,725	10,250
Facility rental	16,452	10,352
Contributed rent	70,870	70,870
Bank charges	1,204	876
Audit, Legal and accounting	10,139	8,159
Advertising	29,670	8,576
Meetings and conferences	1,102	4,391
Dues & fees	3,476	3,430
Telephone, fax, internet & website	8,284	6,524
Postage & courier	4,882	6,122
Design & printing	10,066	11,682
Project management	8,700	65,221
Amortization	632	891
Administration fees	2,822	2,375
Bad debts	-	655
	<u>598,833</u>	<u>654,840</u>
EXCESS REVENUE (EXPENDITURE)	\$ 605	\$ (2,699)

The accompanying notes and supplementary schedules are an integral part of the financial statements

**Status of Women Council of the Northwest Territories
Statement of Change in Net Financial Assets
for the year ended March 31, 2014**

	<u>2014</u>	<u>2013</u>
Annual (deficit) surplus	\$ 605	\$ (2,699)
Effect of change in tangible capital assets		
Amortization of tangible Capital assets	632	891
Increase (decrease) in net financial assets	1,237	(1,808)
Net financial assets at <u>Beginning of year</u>	<u>32,688</u>	<u>34,496</u>
<u>Net financial assets at end of year</u>	<u>\$ 33,925</u>	<u>\$ 32,688</u>

The accompanying notes and supplementary schedules are an integral part of the financial statements

**Status of Women Council of the Northwest Territories
Statement of Cash Flows
for the year ended March 31, 2014**

	2014	2013
Operating Activities		
Excess revenue/ (expenditure)	\$ 605	\$(2,699)
Interest earned	218	633
Amortization	632	891
Accounts receivable	46,305	(8,652)
Payables	43,184	(47,179)
Funding refundable	-	(21,246)
	90,944	(78,252)
<u>Investing Activities-Capital Assets</u>	<u>-</u>	<u>-</u>
Change in cash position	90,944	(78,252)
<u>Cash position, beginning of year</u>	<u>92,145</u>	<u>170,397</u>
<u>Cash position, end of year</u>	<u>183,089</u>	<u>92,145</u>
Represented by		
Petty cash	\$ -	300
Cash in bank	90,276	\$ (750)
Guaranteed investment certificates	92,813	92,595
	<u>\$ 183,089</u>	<u>\$ 92,145</u>

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, 2014

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, 2014

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, 2014

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 the Financial Statements
March 31, 2014

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 the Financial Statements
March 31, 2014

4. CASH AND CASH EQUIVALENTS

Cash balances are made up as follows:

	2014	2013
Petty Cash	\$ -	\$ 300
Cash	90,276	14
Guaranteed Investment Certificate	92,813	92,581
Bank overdraft	<u>-</u>	<u>(750)</u>
Total cash and cash equivalents	<u>\$183,089</u>	<u>\$ 92,145</u>

5. ACCOUNTS RECEIVABLE

	<u>2014</u>	<u>2013</u>
Project income Government of Canada	\$ 4,985	\$ 51,859
Other	<u>569</u>	<u>-</u>
Total accounts receivables	<u>\$ 5,554</u>	<u>\$ 51,859</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>2014</u>	<u>2013</u>
Benefits Fund, beginning of year	\$ 38,159	\$ 37,860
Interest earned	<u>102</u>	<u>299</u>
Benefits Fund, end of year	<u>\$ 38,261</u>	<u>\$ 38,159</u>

Status of Women Council of the Northwest Territories
Notes to the Financial Statements
March 31, 2014

7. CONTINGENCY FUND

The Council created a contingency fund to protect against funding cutbacks.

Information about the fund is as follows:

	<u>2014</u>	<u>2013</u>
Benefits Fund, beginning of year	\$ 42,657	\$ 42,323
Interest earned	115	334
Benefits Fund, end of year	<u>\$ 42,772</u>	<u>\$ 42,657</u>

8. TANGIBLE CAPITAL ASSETS- ASSOCIATION

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	<u>\$ 4,871</u>	<u>\$ 1,125</u>	<u>\$28,721</u>	<u>\$ 34,717</u>
Accumulated amortization				
Opening balance	2,088	855	27,102	30,045
Amortization	<u>65</u>	<u>81</u>	<u>486</u>	<u>632</u>
Closing balance	<u>2,153</u>	<u>936</u>	<u>27,588</u>	<u>30,677</u>
Net book value	<u>\$ 2,718</u>	<u>\$ 189</u>	<u>\$ 1,133</u>	<u>\$ 4,040</u>

March 31, 2013	Furniture	Projector	Computer	Total
Cost				
Opening balance	\$ 2,412	\$ 1,125	\$28,721	\$ 32,258
Additions	-	-	-	-
Disposals	-	-	-	-
Closing balance	<u>\$ 2,412</u>	<u>\$ 1,125</u>	<u>\$28,721</u>	<u>\$ 32,258</u>
Accumulated amortization				
Opening balance	2,007	739	26,408	29,154
Amortization	<u>81</u>	<u>116</u>	<u>694</u>	<u>891</u>
Closing balance	<u>2,088</u>	<u>855</u>	<u>27,102</u>	<u>30,045</u>
Net book value	<u>\$ 324</u>	<u>\$ 270</u>	<u>\$ 1,619</u>	<u>\$ 2,213</u>

Status of Women Council of the Northwest Territories
Notes to the Financial Statements
March 31, 2014

9. TANGIBLE CAPITAL ASSETS-PROJECTS

March 31, 2014	Computer
Cost	
Opening balance	\$13,664
Additions	-
Disposals	-
Closing balance	<u>\$13,664</u>
 Accumulated amortization	
Opening balance	12,056
Amortization	<u>482</u>
Closing balance	<u>12,538</u>
 Net book value	 <u>\$ 1,126</u>

March 31, 2013	Computer
Cost	
Opening balance	\$13,664
Additions	-
Disposals	-
Closing balance	<u>\$13,664</u>
 Accumulated amortization	
Opening balance	11,367
Amortization	<u>689</u>
Closing balance	<u>12,056</u>
 Net book value	 <u>\$ 1,608</u>

10. ACCUMULATED SURPLUS

	2014	2013
Balance, opening April 1, 2013	\$ 36,509	\$ 39,897
Operating surplus (deficit)	605	(2,699)
Capital asset addition	2,459	-
Amortization tangible capital assets-projects	(482)	(689)
 Balance, closing	 <u>\$ 39,091</u>	 <u>\$36,509</u>

Status of Women Council of the Northwest Territories
Notes to the Financial Statements
March 31, 2014

11. GOVERNMENT OF THE NORTHWEST TERRITORIES- CONTRIBUTIONS

	2014	2013
Operating contributions	\$ 379,000	\$ 368,000
Other Project contributions	58,500	51,150
Services received without charges	<u>70,870</u>	<u>70,870</u>
	<u>\$ 508,370</u>	<u>\$ 490,020</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 \$4,643 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, 2014.

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 \$ 32,373.10.

**Status of Women Council of the NWT
Revenue And Expenditure
Period Ending March 31, 2014**

	Core Budget	Core Actual
REVENUE		
GNWT - Core Funding	379,000	379,000
Service Revenue		1,822
Contributed Rent		70,870
	379,000	451,692
EXPENSE		
*Wages & Benefits	290,604	274,291
Professional Development – Staff	3,000	650
Professional Development – Board	4,500	-
Facilitators /Contractors	1,600	2,001
Honoraria	7,500	5,525
Books	700	-
Office Supplies	8,900	11,728
Equipment Rental	-	9,710
Travel Council Directors	14,600	-
Travel Community Worker	3,000	-
Travel F/P/T	5,400	24,887
Bank Charges	800	1,204
Audit	9,000	9,300
Advertising & Promotion	7,806	10,610
Telephone & Fax	5,600	6,262
Postage , Courier , mail service	5,500	3,163
Meeting Expenses/Conference Fees	-	715
Food Service Special Events	1,490	4,048
Materials,Resources/Subscriptions	-	2,409
Workshop Expenses	-	2,807
Design & Printing	3,500	2,979
Computer Services and Internet	5,500	2,559
Amortization	-	632
Facility Rental	-	4,254
Contributed Rent	-	70,870
	379,000	450,604
NET INCOME (DEFICIENCY)	\$ 0	\$ 1,088

**Status of Women Council of the NWT
Revenue And Expenditure
Period Ending March 31, 2014**

	Donations	Family Violence	FV Educational Series
REVENUE			
GNWT- HSS	-	10,000	-
GNWT - Justice (Victims Assistance Fund)	-	13,500	15,000
GNWT - Executive	-	5,000	-
Service Revenue	-	-	1,500
Donations, Events Grants	700	-	-
Miscellaneous Revenues	-	-	30,000
	700	28,500	46,500
EXPENSE			
Office supplies - Small Equipment	-	434	-
Research / Contract Fees	-	-	15,000
Design and Printing	-	5,836	-
Project Management	-	8,700	-
Advertising and promotion	179	9,550	-
Telecommunications	-	577	-
Postage and Courier	-	180	-
Mail Service	-	1,540	-
Materials,Resources,/Subscriptions	105	-	-
Workshop Expenses	234	-	197
Food Service-Special Events	400	300	32,000
Administration Fees	-	1,500	-
	918	28,617	47,197
NET INCOME (DEFICIENCY)	-\$ 218	-\$ 117	697

Status of Women Council of the NWT
Revenue and Expenditure
Period Ending March 31, 2014

	Leadership Workshops	NWT Status of Women Committee	Victim Awareness Week
REVENUE			
Dept of Justice Canada	-	-	7,196
Canadian Heritage	-	49,850	-
GNWT - Executive	15,000		
	15,000	49,850	7,196
EXPENSE			
Office supplies - Small Equipment	1,100	12,928	-
Design and Printing	312	591	349
Advertising and promotion	2,833	5,488	1,010
Accomodation - General	-	-	541
Travel - General	5,582	-	-
Salaries and wages	-	-	1,670
Materials, Resources/Subscriptions	-	449	-
Telecommunications	-	1,028	417
Workshop Expenses	-	810	907
Computer Service	-	742	-
Meeting Expenses	-	387	-
Research and Contract Fees	-	20,871	500
Facility Rental	-	1,535	-
Equipment Rental	-	952	-
Food Service-Special Events	4,426	2,747	1,802
Awards & Gifts and Hospitality	200	-	-
Administration fees	-	1,322	-
	14,453	49,850	7,196
NET INCOME (DEFICIENCY)	\$ 547	\$ -	\$ -

SUMMARY OF CONSOLIDATION SCHEDULES

9U.26.02

Government of the Northwest Territories
 Summary Financial Statements
 For the Year Ended March 31, 2014

ORGANIZATION:	Staus of Women Council
FOR THE YEAR ENDED:	March 31, 2014

Schedule	Completed	Not Applicable
1. Schedule of Short-term Investments	YES	
2. Schedule of Loans Receivable	YES	
3. Schedule of Tangible Capital Assets and Capital Lease Obligations	YES	
4. Schedule of Long-term Debt	YES	
5. Schedule of Post Employment Benefits	YES	
6. Schedule of Deferred Revenue and Deferred Capital Contributions	YES	
7. Schedule of Financial Commitments	YES	
8. Schedule of Contingencies and Loan Guarantees		N/A
9. Schedule of Environmental Costs and Liabilities	YES	
10. Related Party Reconciliations	YES	
11. Significant events and transactions during intervening period	YES	
Audited Financial Statements	YES	
2013-14 Budget		N/A

If the schedule applies to your organization, check the completed column above once your work is done. If the schedule does not apply to your organization, check the not applicable column above. Please return all schedules whether applicable to your organization or not.

Contact Person:	
Name	Jane Lefebvre
Position	Senior Financial Reporting Advisor
Telephone number	(867) 873-7297
E-mail Address	jane.lefebvre@gov.nt.ca

SCHEDULE 1

SHORT-TERM INVESTMENTS

ORGANIZATION: Staus of Women Council

FOR THE YEAR ENDING: March 31, 2014

Prepare a listing of short-term investments as at March 31.

SHORT-TERM INVESTMENTS TO REPORT: YES YES
 NO

If yes, provide details as follows:

Short-term investments

Description	Balance at March 31.	Interest rate range (low to high)	Dollar value of interest earned to March 31	Date purchased and term of investment
Cash Deposit	92,813.11			
		0		
		0		
		0		
		0		
		0		
TOTAL - Agrees to Balance Sheet	92,813.11			

SCHEDULE 2

LOANS RECEIVABLE

ORGANIZATION: Staus of Women Council
FOR THE YEAR ENDING: March 31, 2014

Prepare a listing of loans receivable as at March 31

LOANS RECEIVABLE TO REPORT: YES _____
NO _____

If yes, provide details as follows:

NEW Loans receivable:

Description	Balance at March 31	Interest rate applied	Payments expected to be received in following fiscal year	Term of loan	Interest earned on loan
-------------	------------------------	--------------------------	---	--------------	----------------------------

SCHEDULE 3

TANGIBLE CAPITAL ASSETS BY TYPE & CAPITAL LEASES

ORGANIZATION: Status of Women Council
 FOR THE YEAR ENDING: March 31, 2014

(in thousands)

	(March 2014)					(March 2013)		
	Land	Buildings	Other*	Leasehold Improvements	Equipment	Computers	Total	Total
Cost:								
Opening Cost of Capital Assets	0		0	3,537	42,385		45,922	45,922
Additions during the year				2,459	0		2,459	
Disposals							0	0
Closing Cost of Capital Assets ^(A)	0	0	0	5,996	42,385		48,381	45,922
Accumulated Amortization:								
Opening Accumulated Amortization	0		0	2,943	39,158		42,101	40,521
Add: Annual Amortization				146	968		1,114	1,580
Less: Write-downs							0	0
Disposals							0	
Closing Accumulated Amortization ^(B)	0	0	0	3,089	40,126		43,215	42,101
Net Book Value ^(A-B)	0	0	0	2,907	2,259		5,166	3,021
Work in progress	0						0	0
Totals	0	0	0	2,907	2,259		5,166	3,821

1. Ensure that the current year opening cost of capital assets agrees to the prior year closing cost of capital assets.
 2. Agrees to Statement of Operations
 3. Ensure that the current year opening accumulated amortization agrees to the prior year closing accumulated amortization.
 4. Agrees to Balance Sheet

SCHEDULE 3, cont'd
Capital Lease Obligations

Details of Capital Leases

n/a

Description	Principal balance at March 31	Effective Interest Rate Applied	Dollar value of interest paid to March 31	Date incurred and length of term

SCHEDULE 4

LONG-TERM DEBT

ORGANIZATION: Staus of Women Council

FOR THE YEAR ENDING: March 31, 2014

Prepare a listing of long-term debt obligations as at March 31

LONG-TERM OBLIGATIONS TO REPORT: YES _____
 NO _____

If yes, provide details as follows:

Long-term Debt

Description	Principal balance at March 31	Interest rate applied	Dollar value of interest paid to March 31	Date incurred and length of term
-------------	----------------------------------	--------------------------	---	-------------------------------------

TOTAL - Agrees to Schedule 2

Principal and interest amounts due in each fiscal year for the next five years

	Principal	Interest	Total
2015			0
2016			0
2017			0
2018			0
2019			0
TOTAL	0	0	0

SCHEDULE 5

POST EMPLOYMENT BENEFITS

ORGANIZATION: Staus of Women Council

FOR THE YEAR ENDING: **March 31, 2014**

Prepare a listing of the liability recorded for post employment benefits as at March 31.

LIABILITY FOR POST EMPLOYMENT BENEFITS TO REPORT:

YES _____

NO NO

If yes, provide details as follows:

Post Employment Benefits

	Balance at March 31, 2014	Balance at March 31, 2013
--	------------------------------	------------------------------

Employee Future Benefits

Termination

Removal

Leave

Other (include description)

Sub - total	0	0
--------------------	---	---

PENSION PLANS:

Does your organization contribute to the Public Service Superannuation Plan?

YES _____

NO no

If yes, please complete the following:

	2014	2013
--	------	------

Total Employer's Contribution

Total Employee Contribution

SCHEDULE 5 cont'd
POST EMPLOYMENT BENEFITS

Does your organization have any other pension plans?
(besides the Public Service Superannuation Plan)

YES _____

NO _____ NO _____

If Yes, please provide the following:

For Defined CONTRIBUTION Plans, provide:	For Defined BENEFIT Plans, attach a separate sheet providing:
1. A general description of benefits plans, contribution formulae and funding policy	1. A general description of the plan, benefit formulae and funding policy, including a description of significant changes to retirement benefit plans during the period.
	2. The accrued benefit obligation at the end of the period, as determined by the actuarial valuation
	3. The market value of plan assets at the beginning and end of the period and, if different, the market-related value of plan assets at the beginning and end of the period.
	4. The amount of retirement benefit liability or accrued benefit asset at the end of the period, indicating separately the amount of any valuation allowance
	5. Unamortized actuarial gains and losses and the periods of amortization
	6. Current period benefit cost
	7. Cost of plan amendments incurred during the period
	8. Net actuarial gains or losses recognized in the determination of the cost of plan amendments.
	9. Other gains and losses on accrued benefit obligations arising during the period.
2. The expenditure/expense recognized for the period.	10. Other gains and losses on plan assets arising during the period.
	11. Gains and losses arising from plan settlements and curtailments incurred during the period.
	12. Amortization of actuarial gains and losses reflected in the current year expenditure/expense.
	13. The amount recognized as a result of temporary deviation from the plan
	14. The change in valuation allowance.
3. A description of significant changes to benefit plans during the period.	15. The amount of contributions by employees during the period.
	16. The components of the retirement benefits interest expenditure/expense for the period.
	17. The amount of contributions by the employer during the period.
	18. The amount of benefits paid during the period
	19. The expected return and actual return on plan assets during the period.
	20. Assumptions about long-term inflation rates, expected rate of return on plan assets, assumed health care cost trends, rate of compensation increase (for pay-related plans) and discount rate
	21. The date of the most recent actuarial valuation performed for accounting purposes.

SCHEDULE 6

DEFERRED REVENUE AND DEFERRED CAPITAL CONTRIBUTIONS

ORGANIZATION: Staus of Women Council
 FOR THE YEAR ENDING: March 31, 2014

Prepare a listing of deferred capital contributions as at March 31.

DEFERRED CAPITAL CONTRIBUTIONS TO REPORT:
 YES _____
 NO NO _____ NO _____

If yes, provide details as follows:

Description of the nature of the deferred capital contribution and the party from whom the funds were received:

	March 31, 2014	March 31, 2013
Deferred capital contribution at beginning of year	NIL	NIL
Less amounts transferred to revenue	NIL	NIL
Additional capital contribution deferred in year	NIL	NIL
TOTAL	NIL	NIL

DEFERRED REVENUE

Prepare a listing of deferred revenue as at March 31.

DEFERRED REVENUE TO REPORT: _____
 NO NIL _____ NIL _____

If yes, provide details as follows:

Description of the nature of the deferred revenue and the party from whom the funds were received:

	March 31, 2014	March 31, 2013
Deferred revenue at beginning of year		
Less amounts transferred to revenue		
Additional revenue deferred in year		
TOTAL		

SCHEDULE 9

ENVIRONMENTAL COSTS AND LIABILITIES

ORGANIZATION: Staus of Women Council

FOR THE YEAR ENDING : March 31, 2014

Prepare a brief description of your organization's environmental accounting policy, if applicable, and a listing of environmental costs and liabilities as at March 31. If you have any questions regarding environmental liabilities, please contact the Manager of Financial Reporting and Collections, FMBS (873-7598).

ENVIRONMENTAL COSTS AND LIABILITIES TO REPORT

YES _____

NO no

If yes, provide details

Accounts receivable from related entities by GNWT

Account ID	Line Description	FIS or AR Description	Balance
GNWT PWS-00006931	2013/2014 Mail Chargeback		293,51

Accounts payable () to related entities from GNWT

SCHEDULE 10

RELATED PARTY TRANSACTIONS - Due to GNWT

ORGANIZATION: Staus of Women Council

FOR THE YEAR ENDING : March 31, 2014

Provide balances and descriptions for accounts payable and accounts receivable with the Government of the NWT
All balances reported must be reconciled with the applicable GNWT department.

Payable to GNWT by Entity <small>(See "AR AP data" tab for details)</small>	AR PER GNWT	AP PER ENTITY ()	DISCREPANCY EXPLANATION
Balance as at March 31, 2014	293.51		
 Add / (Less) adjustment items			
Invoices/accruals not recorded by GNWT			
Invoices/accruals not recorded by Entity			
Amount in dispute			
Payment in transit			
Others (please specify)			
 Total Adjustments	<u>-</u>	<u>-</u>	
 Balanced receivable (payable) from / (to) GNWT as at March 31, 2014	<u><u>293.51</u></u>	<u><u>-</u></u>	

NOTE:

Balance at March 31 contains GNWT AR only. Entities must include recorded AP and accrued AP under "AP per Entity" as one total and list each accrued payable item as "accruals not recorded by GNWT" under the "GNWT" column to account for accruals not listed.

SCHEDULE 10 (cont'd)
RELATED PARTY TRANSACTIONS - Receivables from GNWT

ORGANIZATION: Status of Women Council
FOR THE YEAR ENDING : March 31, 2014

Provide balances and descriptions for accounts payable and accounts receivable with the Government of the NWT
 All balances reported must be reconciled with the applicable GNWT department.

Receivable by Entiy from GNWT (See "AR AP data" tab for details)	<u>AP PER GNWT ()</u>	<u>AR PER ENTITY</u>	<u>DISCREPANCY EXPLANATION</u>
Balance as at March 31, 2014	-		
Add / (Less) adjustment items			
Invoices/accruals not recorded by GNWT			
Invoices/accruals not recorded by Entity			
Amount in dispute			
Payment in transit			
Others (please specify)			
Total Adjustments	-	-	
Balanced receivable (payable) from / (to) GNWT as at March 31, 2014	-	-	

NOTE:

Balance at March 31 contains GNWT AP only. Entities must include recorded AR and accrued AR under "AR per Entity" as one total and list each accrued receivable item as "accruals not recorded by GNWT" under the "GNWT" column to account for accruals not listed.

SCHEDULE 11

SUBSEQUENT EVENTS AND TRANSACTIONS

FROM March 31, 2014 to July 15, 2014

ORGANIZATION:

Staus of Women Council

FOR THE YEAR ENDING:

March 31, 2014

Report a listing of subsequent events from March 31, 2014 to July 15, 2014
Note that a materiality of \$1 million has been determined for subsequent events.

SUBSEQUENT EVENTS AND TRANSACTIONS TO REPORT

YES _____

NO _____ no

If yes, provide details:

Please provide description and amount.

Northwest Territories Human Rights Commission

Financial Statements

March 31, 2014

Northwest Territories Human Rights Commission

Financial Statements

March 31, 2014

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	9-11

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, 2014, 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-Profits, 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.

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, 2014 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.

Independent Auditors' Report (continued)

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*.

**Yellowknife, Northwest Territories
June 18, 2014**

Crowe Mackay LLP

Chartered Accountants

Northwest Territories Human Rights Commission

Statement of Operations

For the year ended March 31,	2014	2013
Revenue		
Government of the Northwest Territories		
- Operating grant	\$ 250,000	\$ 250,000
- Expense reimbursement (Note 4)	(21,187)	(29,340)
Interest and other revenue	-	320
Registration revenue	-	1,250
	228,813	222,230
Expenses		
Accounting	7,245	7,556
Advertising and promotion	10,008	10,450
Bank charges	25	341
Benefits and pension	2,891	2,056
Catering	663	3,351
Contracts - administration	5,943	1,170
Donations	5,000	-
Events	8,743	7,458
Honorarium - commission chair	17,933	34,710
Honorarium - commission members	23,801	39,650
Legal expenses	88,028	68,180
Membership fees	1,750	-
Office supplies	597	520
Postal and courier	95	216
Printing	6,386	3,521
Professional development	-	1,860
Telephone	168	416
Travel - commission chair	-	7,369
Travel - commission members	-	4,422
Travel - mediators	80	-
Website	1,783	13,720
	181,139	206,966
Excess revenue	\$ 47,674	\$ 15,264

Northwest Territories Human Rights Commission

Statement of Changes in Net Assets

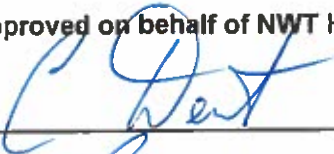
For the year ended March 31,		2014	2013
	General Fund	Total	Total
Balance, beginning of year	\$ 57,417	\$ 57,418	\$ 42,153
Excess revenue	47,674	47,674	15,264
Balance, end of year	\$ 105,091	\$ 105,092	\$ 57,417

Northwest Territories Human Rights Commission

Statement of Financial Position

As at March 31,	2014	2013
Assets		
Current		
Cash	\$ 95,687	\$ 39,641
Due from GNWT - Legislative Assembly (Note 4)	18,813	28,202
Prepaid expenses	936	745
	\$ 115,436	\$ 68,588
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 10,345	\$ 11,170
Net Assets		
General Fund	105,091	57,418
	\$ 115,436	\$ 68,588

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,	2014	2013
Cash provided by (used in)		
Operating activities		
Excess revenue	\$ 47,674	\$ 15,264
Change in non-cash operating working capital		
Due from GNWT - Legislative Assembly	9,389	(27,902)
Prepaid expenses	(192)	801
Accounts payable and accrued liabilities	(825)	(6,478)
Change in cash	56,046	(18,316)
Cash, opening	39,641	57,958
Cash, closing	\$ 95,687	\$ 39,641

Northwest Territories Human Rights Commission

Notes to Financial Statements

March 31, 2014

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 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) Financial Instruments

Initial measurement

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 related 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.

Subsequent measurement

Financial assets measured at amortized cost include cash and accounts receivable.

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

Impairment

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 net income. Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal is recognized in excess revenue.

Northwest Territories Human Rights Commission

Notes to Financial Statements

March 31, 2014

2. Accounting Policies (continued)

(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.

(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, 2014

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, \$40,000 of the \$250,000 funding was given to the GNWT for travel. The GNWT spent \$ 21,187 on behalf of the Commission and \$18,813 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

	Account 5784	Account 5785	Account 5786	Account 5893	Account 5892	TOTAL 2014	TOTAL 2013
Administration						\$	\$ 2,843
HRC in Person Meetings	-	6,773	1,601	-	-	8,374	4,774
CASHRA	4,555	6,034		575	1,150	12,314	3,424
Community Visits	500	-		-	-	500	18,299
Total	\$ 5,055	\$ 12,807	\$ 1,601	\$ 575	\$ 1,150	\$ 21,187	\$ 29,340

5. 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 disclosure provides information that assists users of financial statements in assessing the extent of risks related to financial instruments.

The financial risks of the Commission and the nature of the risks to which it may be subject to are as follows:

(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 Commission does have credit risk in Due from GNWT \$18,813 (2013 - \$28,202). The Commission is exposed to credit risk however the risk is minimized since the outstanding accounts receivable is due from the Government of Northwest Territories.

ARCTIC ENERGY ALLIANCE
Yellowknife, NT

FINANCIAL STATEMENTS
For the year ended March 31, 2014

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 - 14
Schedule I - Schedule of Deferred Revenue	15
Schedule II - Schedule of Core and Program Revenues and Expenses	16 - 20



ARCTIC ENERGY ALLIANCE

#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 accounting standards for 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.

Louie Azzolini
Executive Director

June 4, 2014



AVERY, COOPER & Co.

Certified General Accountants

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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, 2014, 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 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.

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, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Avery, Cooper & Co.

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

June 4, 2014



ARCTIC ENERGY ALLIANCE

STATEMENT OF FINANCIAL POSITION

March 31, 2014

ASSETS

	2014	2013
CURRENT		
Cash	\$ 611,897	\$ 542,401
Short term investments (note 3)	60,262	60,278
Accounts receivable (note 4)	385,341	291,364
Prepaid expenses	28,192	9,189
	1,085,692	903,232
TANGIBLE CAPITAL ASSETS (note 5)	64,291	54,360
	\$ 1,149,983	\$ 957,592

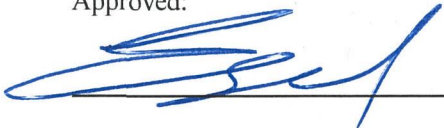
LIABILITIES

CURRENT		
Wages and benefits payable	\$ 53,843	\$ 59,127
Government remittances payable	55,278	38,738
Trade payables and accruals (note 6)	240,208	122,986
Provision for rebates (note 7)	80,000	18,000
Deferred revenue (note 8)	38,177	60,073
	467,506	298,924
DEFERRED GOVERNMENT ASSISTANCE (note 9)	13,062	13,768
	480,568	312,692

NET ASSETS

RESERVE per page 2	541,000	520,000
INVESTED IN TANGIBLE CAPITAL ASSETS per page 2	51,230	40,593
ACCUMULATED SURPLUS per page 2	77,185	84,307
	669,415	644,900
	\$ 1,149,983	\$ 957,592

Approved:

 Director

 Director

ARCTIC ENERGY ALLIANCE

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2014

	2014			
	Accumulated Surplus	Reserve	Invested in Tangible Capital Assets	Total
BALANCE, opening				
As previously reported	\$ 124,900	\$ 520,000	\$ -	\$ 644,900
Prior period adjustment (note 11)	(40,593)	-	40,593	-
As restated	84,307	520,000	40,593	644,900
Excess of revenues over expenses	24,515	-	-	24,515
Transfers (note 10)	(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
				2013
	Accumulated Surplus	Reserve	Invested in Tangible Capital Assets	Total
BALANCE, opening				
As previously reported	\$ 129,491	\$ 504,000	\$ -	\$ 633,491
Prior period adjustment (note 11)	(23,742)	-	23,742	-
As restated	105,749	504,000	23,742	633,491
Excess of revenues over expenses	11,409	-	-	11,409
Transfers	(16,000)	16,000	-	-
Purchase of tangible capital assets	(39,613)	-	39,613	-
Amortization of tangible capital assets	8,994	-	(8,994)	-
Deferred government assistance	14,121	-	(14,121)	-
Amortization of deferred government assistance	(353)	-	353	-
BALANCE, closing	\$ 84,307	\$ 520,000	\$ 40,593	\$ 644,900

ARCTIC ENERGY ALLIANCE

STATEMENT OF OPERATIONS

For the year ended March 31, 2014

	(Restated) 2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
REVENUES			
Contributions from GNWT	\$ 2,757,510	\$ 2,702,310	\$ 2,220,307
Contributions from Canada	8,950	8,950	13,381
Other Source Income	319,781	348,077	221,864
Membership Fees (note 12)	277,500	277,500	242,500
Interest Income	<u>8,000</u>	<u>10,116</u>	<u>8,488</u>
	<u>3,371,741</u>	<u>3,346,953</u>	<u>2,706,540</u>
EXPENSES			
Advertising and promotion	42,080	16,764	35,156
Amortization	9,000	8,840	8,994
Bad debts	13,000	801	12,661
Carbon offset	2,000	-	2,101
Consulting fees	178,040	357,078	182,555
Equipment rental	3,537	3,537	3,537
Facility rental and tradeshow fees	9,650	7,678	9,445
Fees and dues	2,157	5,491	3,351
Hospitality	15,475	10,818	6,723
Insurance	12,000	11,559	11,489
Interest and bank charges	2,700	2,525	2,676
Office and general	356,403	174,920	104,410
Professional development	40,100	38,784	37,705
Professional fees	16,000	21,014	14,939
Rebates (note 7)	559,250	502,362	422,601
Rent	131,600	136,164	131,914
Telephone, Internet & Website	21,500	20,411	19,825
Travel and accommodation	210,246	228,402	152,832
Wages and benefits	<u>1,642,876</u>	<u>1,775,290</u>	<u>1,532,217</u>
	<u>3,267,614</u>	<u>3,322,438</u>	<u>2,695,131</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 104,127</u>	<u>\$ 24,515</u>	<u>\$ 11,409</u>

ARCTIC ENERGY ALLIANCE

STATEMENT OF CASH FLOWS

For the year ended March 31, 2014

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from GNWT	\$ 2,535,635	\$ 2,050,000
Cash receipts from membership fees	237,500	277,500
Cash receipts from other sources	434,684	312,641
Contributions repaid	(2,965)	(149,434)
Cash paid for wages and benefits	(1,769,685)	(1,528,856)
Cash paid for materials and services	<u>(1,347,720)</u>	<u>(1,427,584)</u>
	<u>87,449</u>	<u>(465,733)</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Deferred government assistance	<u>-</u>	<u>14,121</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible capital assets	(18,771)	(39,613)
Redemption of short term investments	60,818	60,709
Purchase of short term investments	<u>(60,000)</u>	<u>(60,000)</u>
	<u>(17,953)</u>	<u>(38,904)</u>
INCREASE (DECREASE) IN CASH	69,496	(490,516)
CASH, opening	<u>542,401</u>	<u>1,032,917</u>
CASH, closing	<u><u>\$ 611,897</u></u>	<u><u>\$ 542,401</u></u>

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

1. NATURE OF OPERATIONS

Arctic Energy Alliance is a not-for profit society which was incorporated under the Statutes of the Northwest Territories to promote 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 Section 149(1) of the Income Tax Act.

The Society is economically dependent on funding received from the Government of the Northwest Territories (GNWT).

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. 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, 2014

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 capital assets, bad debt provisions, provisions for EEIP rebates, 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, 2014

3. SHORT TERM INVESTMENTS

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

4. ACCOUNTS RECEIVABLE

	<u>2014</u>	<u>2013</u>
Contributions receivable:		
Government of the Northwest Territories	\$ 183,743	\$ 166,379
Government of Canada	<u>8,950</u>	<u>13,381</u>
Total contributions receivable per Schedule I	192,693	179,760
Members	10,000	20,000
Other	196,960	105,115
Allowance for doubtful accounts	<u>(14,312)</u>	<u>(13,511)</u>
	<u>\$ 385,341</u>	<u>\$ 291,364</u>

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, 2014, the Society performed Targeted Energy Audits for which clients were invoiced a total of \$15,000 (2013 - \$nil). 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, the \$15,000 in unpaid audit fees have not been included in these financial statements until the period in which they are received or receivable.

In the opinion of the Society, it is likely that a certain percentage of these invoices for audit fees will become collectible. However, the extent of the estimated collectable fees cannot be made.

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

5. TANGIBLE CAPITAL ASSETS

	2014		2013	
	Cost	Accumulated amortization	Net	Net
Computer equipment	\$ 7,473	\$ 5,948	\$ 1,525	\$ 2,179
Computer software	11,371	2,274	9,097	11,371
Heating equipment	28,242	2,118	26,124	27,536
Leasehold improvements	27,396	27,396	-	2,306
Office equipment	42,460	14,915	27,545	10,968
	\$ 116,942	\$ 52,651	\$ 64,291	\$ 54,360

Net assets invested in tangible capital assets as at March 31, 2014 are as follows:

	2014	2013
Tangible capital assets	\$ 64,291	\$ 54,360
Deferred government assistance (note 9)	(13,061)	(13,767)
Net assets invested in tangible capital assets	\$ 51,230	\$ 40,593

6. TRADE PAYABLES AND ACCRUALS

	2014	2013
Accrued liabilities:		
EEIP rebates	\$ 23,151	\$ 16,811
Other	26,463	17,404
Total accrued liabilities	49,614	34,215
Trade payables	190,594	88,771
Trade payables and accruals	\$ 240,208	\$ 122,986

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

7. 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 one year of purchasing eligible products and have been approved by the Society. Rebates are available as long as funds allocated by the Legislative Assembly of the Northwest Territories remain available for the program year.

The Society provides for such rebates by using best estimates based on previous past purchases history. Actual rebates paid could materially differ from those estimates. The provision is reviewed periodically, and as adjustments become necessary, any rebates paid during the year previously provided for, which are in excess of the provision amount, is reported below as additional prior year rebates. Changes during the year in the provision for EEIP rebates are as follows:

Provision for the current year	\$ 80,000
Rebates paid previously provided for	(46,518)
Additional prior year rebates	<u>28,518</u>
Change in provision during the year	62,000
BALANCE, opening	<u>18,000</u>
BALANCE, closing	<u>\$ 80,000</u>

8. DEFERRED REVENUE

During the year, the Society entered into contribution agreements with the Government of the Northwest Territories (GNWT), and the Government of Canada. Contribution agreements stipulate that any unexpended funds must be repaid on demand.

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

8. DEFERRED REVENUE, continued

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.

	2014	2013
Restricted contributions balance, opening	\$ 10,073	\$ 149,434
Receipts	2,535,635	2,078,242
Funding receivable	192,693	179,760
In-kind	14,000	14,000
Repayments	(2,964)	(149,434)
Transfers to deferred government assistance	-	(14,121)
Funding expended	(2,711,260)	(2,247,808)
Restricted contributions balance, closing per Schedule I	38,177	10,073
Membership fees received in advance	-	50,000
Deferred revenue	\$ 38,177	\$ 60,073

In addition, during the year, included in revenues from other source income in Schedule II are in-kind contributions with a fair value of \$10,724 (2013 - \$nil) received from third parties. The contributed services, consisting of consulting, hospitality, travel and accommodations, are in connection with the GNWT-ENR AETP Dehcho Community Renewable Energy Forum.

9. DEFERRED GOVERNMENT ASSISTANCE

	2014		2013	
	Cost	Accumulated amortization	Net	Net
GNWT-ENR - Alternative Energy Technology: Wood pellet boiler	\$ 14,121	\$ 1,059	\$ 13,062	\$ 13,768

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

10. RESERVE

During the year, Arctic Energy Alliance transferred \$21,000 (2013 - \$16,000) from unrestricted net assets to set aside net assets in order to meet its capital management objectives as described in note 15. The reserve at March 31, 2014 of \$541,000 (2013 - \$520,000) 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. Changes in net financial assets during the year are as follows:

	<u>2014</u>	<u>2013</u>	(Schedule II) <u>Change</u>
Net assets per page 2	\$ 669,415	\$ 644,900	\$ 24,515
Less: Non-financial assets			
Prepaid expenses	28,192	9,189	19,003
Tangible capital assets (note 5)	64,291	54,360	9,931
Deferred government assistance (note 9)	<u>(13,062)</u>	<u>(13,768)</u>	<u>706</u>
	<u>79,421</u>	<u>49,781</u>	<u>29,640</u>
Net financial assets	<u>\$ 589,994</u>	<u>\$ 595,119</u>	<u>\$ (5,125)</u>

During the year, net financial assets decreased \$5,125 (2013 - \$14,630 decrease) and represents the deficiency of revenues over expenditures before transfers as detailed in Schedule II.

11. PRIOR PERIOD ADJUSTMENT

During the year, since it has become a material matter, the Society has changed how it is presenting internally restricted net assets invested in tangible capital assets. Accordingly, such net assets are being shown separately in the statement of financial position. Previously, these net assets were included in unrestricted accumulated surplus. The comparative figures have been reclassified to conform to the presentation used in the current year.

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

12. MEMBERSHIP FEES

	<u>2014</u>	<u>2013</u>
Government of the Northwest Territories	\$ 150,000	\$ 150,000
Government of Nunavut	50,000	15,000
GNWT - Crown Corporations	67,500	67,500
Other	<u>10,000</u>	<u>10,000</u>
	<u>\$ 277,500</u>	<u>\$ 242,500</u>

13. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash, accounts receivable, trade payables and accruals, and wages and benefits payable. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest rate, market, currency, credit, liquidity or cash flow risks. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

14. COMMITMENTS

The Society has entered into operating leases for office space in Yellowknife expiring March 1, 2017, and for photocopy equipment expiring June 29, 2015. Future minimum lease payments are as follows.

2015	\$ 67,304
2016	66,420
2017	<u>66,420</u>
	<u>\$ 200,144</u>

Commencing September 2010 and included in revenue, is contributed office space in Norman Wells, NWT with a fair value of \$14,000 per annum (2013 - \$14,000) from the GNWT-ENR with no specified expiry date. The office is in connection with the Regional Pathfinder program.

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

15. CAPITAL MANAGEMENT

In managing capital, the Society focuses on liquid resources available for operations. The Society's objective is to have sufficient liquid resources to continue operating despite adverse financial events and to provide it with the flexibility to take advantage of opportunities that will advance its purpose.

Arctic Energy Alliance manages funding risk by establishing internally restricting net assets. Funding risk may result from an inability to obtain government funding in a timely manner during contribution agreement negotiations. The need for sufficient liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to budget.

As at March 31, 2014, the Society has met its objectives of having sufficient liquid resources to meet its current obligations.

16. SUPPLEMENTAL CASH FLOW INFORMATION

A reconciliation of the excess of revenues over expenses during the year to cash flows from (used for) operating activities is as follows:

	<u>2014</u>	<u>2013</u>
Excess of revenues over expenses per page 3	\$ 24,515	\$ 11,409
Items not affecting cash:		
Amortization of tangible capital assets	8,840	8,994
Amortization of deferred government assistance	(706)	(353)
Change in accrued interest from GICs	16	46
Interest income received relating to short term investments	<u>(818)</u>	<u>(709)</u>
	<u>31,847</u>	<u>19,387</u>
Net change in non-cash working capital accounts:		
Increase in accounts receivable	(93,977)	(111,454)
Increase in prepaid expenses	(19,003)	(9,189)
Increase (decrease) in wages and benefits payable	(5,284)	14,739
Increase (decrease) in due to government agencies	16,540	(11,378)
Increase (decrease) in trade payables and accruals	117,222	(296,477)
Increase in provision for rebates	62,000	18,000
Decrease in deferred revenue	<u>(21,896)</u>	<u>(89,361)</u>
	<u>55,602</u>	<u>(485,120)</u>
Cash flows from (used for) operating activities per page 4	<u>\$ 87,449</u>	<u>\$ (465,733)</u>

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

17. ALLOCATED EXPENSES

During the year, the Society allocated \$243,515 (2013 - \$232,200) 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.

18. COMPARATIVE FIGURES

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

19. BUDGET AMOUNTS

The 2014 budget amounts on the Statement of Operations are presented for information purposes only, are restated, and are unaudited.

ARCTIC ENERGY ALLIANCE

Schedule I

SCHEDULE OF DEFERRED REVENUE

For the year ended March 31, 2014

Program	(note 8) Opening balance	(page 4) Cash funding received	(note 14) In-kind contributions	(note 4) Funding receivable	(note 8) Repayments	Transfers	(Schedule II) (note 8) Total funding available	(note 8) Funding expended	(note 8) Closing balance
CONTRIBUTIONS									
GOVERNMENT OF CANADA									
Department of Natural Resources (NRCan)									
NRCan ecoEnergy for Building & New Housing (EGNH)	\$ -	\$ -	\$ -	\$ 8,950	\$ -	\$ -	\$ 8,950	\$ 8,950	\$ -
GOVERNMENT OF THE NORTHWEST TERRITORIES (GNWT)									
Department of Education, Culture and Employment (ECE)									
Energy Related Terminology - Tlicho Language	-	24,040	-	-	-	-	24,040	24,040	-
Department of Environment & Natural Resources (ENR)									
Core Support	-	150,000	-	-	-	40,000	190,000	190,000	-
Alternative Energy Technologies Program (AETP)									
Dehcho Community Renewable Energy Forum (Dehcho Forum)	-	20,000	-	3,575	-	-	23,575	23,575	-
Commercial Energy Conservation & Efficiency Program (CECEP)	-	150,000	-	32,866	-	-	182,866	182,866	-
Energy Conservation Program (ECP)									
Tsiigehtchic Solid Fuel Chimney Replacement	-	11,400	-	3,427	-	-	14,827	14,827	-
Energy Conservation Program, Fort Simpson									
Wood Energy Technology Transfer (WETT)	-	25,000	-	-	-	-	25,000	25,000	-
Energy Efficiency Incentive Program (EEIP)	-	580,000	-	-	-	-	580,000	542,339	37,661
Energy Rating Services Support (ERS)	-	150,000	-	-	-	-	150,000	150,000	-
Electric Hot Water Heaters Replacement	-	300,000	-	100,000	-	-	400,000	400,000	-
Energy Information Awareness	-	-	-	14,300	-	-	14,300	14,300	-
Energy Management Program (EMP)	3,053	210,000	-	-	-	-	213,053	213,053	-
NWT Biomass Energy	-	150,000	-	25,000	-	-	175,000	175,000	-
Regional Energy Pathfinder Program (Regional Office)	2,956	713,000	14,000	-	-	(40,000)	689,956	689,956	-
Solar Demonstration Kits	-	12,000	-	4,575	-	-	16,575	16,575	-
Solar Workshops Inuvik/Behchoko	-	33,225	-	-	-	-	33,225	33,225	-
Targeted Biomass	4,064	-	-	-	(2,964)	-	1,100	584	516
Western Arctic Research Center Solar Installation	-	6,970	-	-	-	-	6,970	6,970	-
Total ENR	10,073	2,511,595	14,000	183,743	(2,964)	-	2,716,447	2,678,270	38,177
Total GNWT	10,073	2,535,635	14,000	183,743	(2,964)	-	2,740,487	2,702,310	38,177
Total contributions	\$ 10,073	\$ 2,535,635	\$ 14,000	\$ 192,693	\$ (2,964)	\$ -	\$ 2,749,437	\$ 2,711,260	\$ 38,177

See accompanying notes.

SCHEDULE OF CORE AND PROGRAM REVENUES AND EXPENSES

For the year ended March 31, 2014

	Total	Core Support	ECE- Tlicho Language	ENR- AETP Dehcho
REVENUES				
Contributions from GNWT (Schedule I)	\$ 2,702,310	\$ 190,000	\$ 24,040	\$ 23,575
Contributions from Canada (Schedule I)	8,950	-	-	-
Other source income	347,371	565,712	-	10,724
Membership fees	277,500	277,500	-	-
Interest income	10,116	10,116	-	-
	<u>3,346,247</u>	<u>1,043,328</u>	<u>24,040</u>	<u>34,299</u>
EXPENDITURES				
Administration fees	-	-	-	565
Advertising and promotion	25,769	-	-	-
Bad debts	801	801	-	-
Capital	18,771	-	-	-
Consulting fees	352,078	28,076	11,100	27,010
Equipment rental	3,537	3,537	-	-
Facility rental and tradeshow fees	11,514	1,657	1,400	500
Fees and dues	5,491	937	-	-
Hospitality	10,818	4,191	228	2,544
Insurance	11,559	11,559	-	-
Interest and bank charges	2,525	2,525	-	-
Office and general	183,706	32,310	87	1,262
Professional development	35,711	3,435	-	-
Professional fees	21,014	17,927	-	-
Rebates	502,362	-	-	-
Rent	136,164	96,564	-	-
Telephone, Internet & Website	20,495	16,978	-	15
Travel and accommodation	227,074	37,254	11,242	2,403
Wages and benefits	1,781,983	635,615	-	-
	<u>3,351,372</u>	<u>893,366</u>	<u>24,057</u>	<u>34,299</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS (note 10)				
	(5,125)	149,962	(17)	-
TRANSFERS FROM (TO):				
Amortization of tangible capital assets	(8,840)	(8,840)	-	-
Acquisition of tangible capital assets	18,771	-	-	-
Use of prepaid expenses	(35,594)	(7,422)	-	-
Acquisition of prepaid expenses	54,597	14,115	-	-
Deferred government assistance	706	706	-	-
	<u>29,640</u>	<u>(1,441)</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES per page 3 (note 10)				
	<u>\$ 24,515</u>	<u>\$ 148,521</u>	<u>\$ (17)</u>	<u>\$ -</u>

See accompanying notes.

SCHEDULE OF CORE AND PROGRAM REVENUES AND EXPENSES

For the year ended March 31, 2014

	ENR- CECEP	ENR- ECP Chimney	ENR- ECP WETT Ft. Simpson	ENR- EEIP
REVENUES				
Contributions from GNWT (Schedule I)	\$ 182,866	\$ 14,827	\$ 25,000	\$ 542,339
Contributions from Canada (Schedule I)	-	-	-	-
Other source income	-	-	-	-
Membership fees	-	-	-	-
Interest income	-	-	-	-
	182,866	14,827	25,000	542,339
EXPENDITURES				
Administration fees	15,000	-	-	15,750
Advertising and promotion	-	-	-	5,282
Bad debts	-	-	-	-
Capital	-	-	-	-
Consulting fees	4,434	4,970	17,905	584
Equipment rental	-	-	-	-
Facility rental and tradeshow fees	-	-	-	-
Fees and dues	-	-	-	-
Hospitality	-	-	-	-
Insurance	-	-	-	-
Interest and bank charges	-	-	-	-
Office and general	2,740	9,857	-	3,721
Professional development	2,221	-	-	255
Professional fees	-	-	-	-
Rebates	55,270	-	-	447,092
Rent	-	-	-	-
Telephone, Internet & Website	-	-	-	-
Travel and accommodation	14,564	-	13,428	2,182
Wages and benefits	88,637	-	-	67,473
	182,866	14,827	31,333	542,339
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS (note 10)				
	-	-	(6,333)	-
TRANSFERS FROM (TO):				
Amortization of tangible capital assets	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-
Use of prepaid expenses	-	-	-	-
Acquisition of prepaid expenses	-	-	-	-
Deferred government assistance	-	-	-	-
	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES per page 3 (note 10)				
	\$ -	\$ -	\$ (6,333)	\$ -

See accompanying notes.

SCHEDULE OF CORE AND PROGRAM REVENUES AND EXPENSES

For the year ended March 31, 2014

	ENR- ERS	ENR- Hot Water Heaters	ENR- Energy Info Awareness	ENR- EMP
REVENUES				
Contributions from GNWT (Schedule I)	\$ 150,000	\$ 400,000	\$ 14,300	\$ 213,053
Contributions from Canada (Schedule I)	-	-	-	-
Other source income	13,500	-	-	-
Membership fees	-	-	-	-
Interest income	-	-	-	-
	<u>163,500</u>	<u>400,000</u>	<u>14,300</u>	<u>213,053</u>
EXPENDITURES				
Administration fees	22,500	18,750	-	31,500
Advertising and promotion	-	1,935	9,005	921
Bad debts	-	-	-	-
Capital	-	-	-	-
Consulting fees	213	190,473	-	20,793
Equipment rental	-	-	-	-
Facility rental and tradeshow fees	-	-	-	3,580
Fees and dues	198	-	-	1,110
Hospitality	-	-	-	17
Insurance	-	-	-	-
Interest and bank charges	-	-	-	-
Office and general	990	101,158	410	1,388
Professional development	3,709	-	-	5,249
Professional fees	-	2,087	-	-
Rebates	-	-	-	-
Rent	-	-	-	-
Telephone, Internet & Website	-	-	-	333
Travel and accommodation	171	12,335	-	5,377
Wages and benefits	200,786	73,289	5,440	167,773
	<u>228,567</u>	<u>400,027</u>	<u>14,855</u>	<u>238,041</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS (note 10)				
	<u>(65,067)</u>	<u>(27)</u>	<u>(555)</u>	<u>(24,988)</u>
TRANSFERS FROM (TO):				
Amortization of tangible capital assets	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-
Use of prepaid expenses	-	-	-	(3,073)
Acquisition of prepaid expenses	-	-	9,005	2,612
Deferred government assistance	-	-	-	-
	<u>-</u>	<u>-</u>	<u>9,005</u>	<u>(461)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES per page 3 (note 10)				
	<u>\$ (65,067)</u>	<u>\$ (27)</u>	<u>\$ 8,450</u>	<u>\$ (25,449)</u>

See accompanying notes.

SCHEDULE OF CORE AND PROGRAM REVENUES AND EXPENSES

For the year ended March 31, 2014

	ENR- NWT Biomass	ENR- Targeted Biomass	ENR- Regional Office	ENR- Solar Demo Kits
REVENUES				
Contributions from GNWT (Schedule I)	\$ 175,000	\$ 584	\$ 689,956	\$ 16,575
Contributions from Canada (Schedule I)	-	-	-	-
Other source income	-	-	-	-
Membership fees	-	-	-	-
Interest income	-	-	-	-
	<u>175,000</u>	<u>584</u>	<u>689,956</u>	<u>16,575</u>
EXPENDITURES				
Administration fees	26,250	-	112,200	-
Advertising and promotion	4,703	-	3,923	-
Bad debts	-	-	-	-
Capital	-	-	-	18,771
Consulting fees	27,052	-	1,068	-
Equipment rental	-	-	-	-
Facility rental and tradeshow fees	450	-	3,927	-
Fees and dues	2,836	-	51	-
Hospitality	178	(96)	651	-
Insurance	-	-	-	-
Interest and bank charges	-	-	-	-
Office and general	947	-	4,124	8,931
Professional development	4,565	-	16,277	-
Professional fees	-	-	-	-
Rebates	-	-	-	-
Rent	-	-	39,600	-
Telephone, Internet & Website	-	-	3,169	-
Travel and accommodation	14,464	680	103,377	47
Wages and benefits	110,542	-	432,428	-
	<u>191,987</u>	<u>584</u>	<u>720,795</u>	<u>27,749</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS (note 10)				
	<u>(16,987)</u>	<u>-</u>	<u>(30,839)</u>	<u>(11,174)</u>
TRANSFERS FROM (TO):				
Amortization of tangible capital assets	-	-	-	-
Acquisition of tangible capital assets	-	-	-	18,771
Use of prepaid expenses	-	(1,328)	(5,000)	(18,771)
Acquisition of prepaid expenses	-	-	1,308	27,557
Deferred government assistance	-	-	-	-
	<u>-</u>	<u>(1,328)</u>	<u>(3,692)</u>	<u>27,557</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES per page 3 (note 10)				
	<u>\$ (16,987)</u>	<u>\$ (1,328)</u>	<u>\$ (34,531)</u>	<u>\$ 16,383</u>

See accompanying notes.

SCHEDULE OF CORE AND PROGRAM REVENUES AND EXPENSES

For the year ended March 31, 2014

	ENR- Inuvik Solar Workshops	ENR- Western ARC Solar Installation	NRCan- EGNH	(note 17) Eliminations
REVENUES				
Contributions from GNWT (Schedule I)	\$ 33,225	\$ 6,970	\$ -	\$ -
Contributions from Canada (Schedule I)	-	-	8,950	-
Other source income	-	-	950	(243,515)
Membership fees	-	-	-	-
Interest income	-	-	-	-
	<u>33,225</u>	<u>6,970</u>	<u>9,900</u>	<u>(243,515)</u>
EXPENDITURES				
Administration fees	1,000	-	-	(243,515)
Advertising and promotion	-	-	-	-
Bad debts	-	-	-	-
Capital	-	-	-	-
Consulting fees	18,400	-	-	-
Equipment rental	-	-	-	-
Facility rental and tradeshow fees	-	-	-	-
Fees and dues	-	359	-	-
Hospitality	3,105	-	-	-
Insurance	-	-	-	-
Interest and bank charges	-	-	-	-
Office and general	1,220	5,611	8,950	-
Professional development	-	-	-	-
Professional fees	-	1,000	-	-
Rebates	-	-	-	-
Rent	-	-	-	-
Telephone, Internet & Website	-	-	-	-
Travel and accommodation	9,550	-	-	-
Wages and benefits	-	-	-	-
	<u>33,275</u>	<u>6,970</u>	<u>8,950</u>	<u>(243,515)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE TRANSFERS (note 10)				
	(50)	-	950	-
TRANSFERS FROM (TO):				
Amortization of tangible capital assets	-	-	-	-
Acquisition of tangible capital assets	-	-	-	-
Use of prepaid expenses	-	-	-	-
Acquisition of prepaid expenses	-	-	-	-
Deferred government assistance	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES per page 3 (note 10)				
	\$ (50)	\$ -	\$ 950	\$ -

See accompanying notes.

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)

	2013/2014 Actuals	2013/2014 Revised Estimates	2013/2014 Main Estimates	2012/2013 Actuals
Authorized Limit	1,500	1,500	1,500	900
Opening Accounts Receivable	953	897	460	360
Advances to Trappers	988	1,000	1,000	921
Repayment of Fur Account Loans	(1,015)	(950)	(950)	(328)
Closing Accounts Receivable	927	947	510	953
Cash	(430)			33
Other Asset Accounts	1			3
Liability Accounts	(3)			(154)
Clearing Accounts	63			63
Closing Balance Fund 12	558			898
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 44, with regards to content, format, completeness, analysis and reconciliation to SAM data, and its due date of May 16, 2014.

M. Morgan DFA
May 9, 2014

NORTHWEST TERRITORIES LIQUOR COMMISSION

Financial Statements

Year ended March 31, 2014

NORTHWEST TERRITORIES LIQUOR COMMISSION

Index to Financial Statements

March 31, 2014

Management's Responsibility for Financial Reporting	3
Auditor's Report	4
Statement of Financial Position	6
Statement of Operations	7
Statement of Accumulated Surplus	8
Statement of Change in Net Financial Resources.....	9
Statement of Cash Flows.....	10
Notes to Financial Statements	11

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
June 30, 2014

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, 2014, 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, 2014 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).



June 30, 2014
Spruce Grove, Canada



NORTHWEST TERRITORIES LIQUOR COMMISSION

Statement of Financial Position

As at March 31 (\$000)	2014		2013	
Financial Assets				
Cash	\$	1,748	\$	3,905
Accounts Receivable		-		10
Inventories for resale (note 3)		2,720		2,940
		4,468		6,855
Financial Liabilities				
Accounts payable and accrued liabilities		1,572		2,667
Pension and other employee benefits (note 4)		75		73
Due to the NWT Liquor Licensing Board (note 5)		128		129
		1,775		2,869
Net Financial Resources		2,693		3,986
Non-Financial Assets				
Tangible capital assets (note 6)		661		737
Prepaid Expenses		33		36
		694		773
Accumulated Surplus	\$	3,387	\$	4,759

Contractual obligations (note 8)

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)	2014	2014	2013
	Budget	Actual	
Sales			
Beer	\$ 18,621	\$ 19,329	\$ 19,351
Spirits	20,720	18,985	19,872
Wine	6,428	6,506	6,482
Coolers and Ciders	1,780	1,707	1,608
	<u>47,549</u>	<u>46,527</u>	<u>47,313</u>
Cost of goods sold			
Beer	7,716	8,216	7,948
Spirits	5,836	5,294	5,535
Wine	2,927	2,923	2,889
Coolers and ciders	760	744	702
	<u>17,239</u>	<u>17,177</u>	<u>17,074</u>
Gross profit on sales	<u>30,310</u>	<u>29,350</u>	<u>30,239</u>
Other income			
Government contribution - services provided without charge (note 7)	-	-	1
Import fees and Income	5	7	8
	<u>5</u>	<u>7</u>	<u>9</u>
Expenses (notes 7)			
Commissions to agents	3,086	2,981	2,977
Salaries, wages and employee benefits	1,069	1,112	1,048
Administration	452	384	425
Travel	52	31	33
Rent	221	222	213
Amortization of tangible capital assets	101	104	111
	<u>4,981</u>	<u>4,834</u>	<u>4,807</u>
Annual surplus	<u>25,334</u>	<u>24,523</u>	<u>\$ 25,441</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)	2014	2014	2013
	Budget	Actual	
Accumulated surplus, beginning of the year	\$ 4,759	\$ 4,759	\$ 3,974
Annual surplus	25,334	24,523	25,441
Amounts transferred to the Consolidated Revenue Fund	(24,981)	(25,601)	(24,462)
Amounts Transferred to the NWT Liquor Licensing Board (note 5)	(353)	(294)	(194)
Increase in accumulated surplus	-	(1,372)	785
Accumulated surplus, end of year	\$ 4,759	\$ 3,387	\$ 4,759

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)	2014		2014		2013
	Budget		Actual		
Net financial resources, beginning of the year	\$	3,986	\$	3,986	\$ 3,148
Items affecting net financial resources:					
Increase (decrease) in accumulated surplus		-		(1,372)	785
Net investment in tangible capital assets:					
Acquisitions		-		(28)	(69)
Amortization expense		101		104	111
Increase in prepaid expenses		-		3	11
Net financial resources, end of year	\$	4,087	\$	2,693	\$ 3,986

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)	2014	2013
Operating activities		
Cash received from customers	\$ 46,544	\$ 47,311
Cash paid to employees and suppliers	(22,777)	(21,010)
Cash provided by operating activities	23,767	26,301
Capital activities		
Purchase of tangible capital assets	(28)	(69)
Financing activities		
Cash transferred to the Consolidated Revenue Fund	(25,601)	(24,462)
Cash Transferred to the NWT Licensing Board	(295)	(165)
Change in cash	(2,157)	1,605
Cash, beginning of year	3,905	2,300
Cash, end of Year	\$ 1,748	\$ 3,905

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

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

March 31, 2014 (\$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, 2014, the Fund's assets exceeded the liabilities by \$2,693 (2013 – \$3,986).

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, 2014 (\$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) Employee severance benefits

Employees are entitled to severance 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 the employees render the services necessary to earn them. The cost of the benefits has been determined based on management's best estimates using the expected compensation level and employee leave credits.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

March 31, 2014 (\$000)

3. Inventories for resale

	2014	2013
Spirits	\$ 1,120	\$ 1,207
Beer	929	1,023
Wine	569	593
Coolers and ciders	102	117
	\$ 2,720	\$ 2,940

4. Pension and other employee benefits

a) 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. 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, 2014, the employer contribution rates for employees hired before January 1, 2013 is 1.45 times employee's contributions. The employer's contribution rate for employees hired after January 1, 2013 is 1.43 times employee's contributions. As of March 31, 2013, the rate was 1.64 for all employees.

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 percent of pensionable service times the average of the best five consecutive years of earnings.

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:

	2014	2013
Commission's contributions (recognized as expense)	\$ 102	\$ 103
Employees' contribution	64	59

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

March 31, 2014 (\$000)

4. Pension and other employee benefits (continued)

b) Severance and removal benefits

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. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation.

Information about the plan, measured as at the statement of financial position date, is as follows:

	2014	2013
Accrued benefit obligation, beginning of year	\$ 73	\$ 71
Cost for the year	2	2
Benefits paid during the year	-	0
Accrued benefit obligation, end of year	\$ 75	\$ 73

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.

NORTHWEST TERRITORIES LIQUOR COMMISSION

Notes to Financial Statements

March 31, 2014 (\$000)

6. Tangible capital assets

	Furniture and fixtures	Computer hardware and software	Leasehold improvements	2014	2013
Cost:					
Opening balance	\$ 92	\$ 617	\$ 841	\$ 1,550	\$ 1,553
Acquisitions	11	10	7	28	69
Disposals and write-downs	(3)	(16)	-	(19)	(72)
Closing balance	100	611	848	1,559	1,550
Accumulated Amortization:					
Opening balance	(91)	(538)	(184)	(813)	(774)
Amortization	(3)	(45)	(56)	(104)	(111)
Disposals and write-downs	3	16	-	19	72
	(91)	(567)	(240)	(898)	(813)
Net book value	\$ 9	\$ 44	\$ 608	\$ 661	\$ 737

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 \$1,112 (2013 – \$1,048) 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 \$0 (2013 – \$1). 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 \$146 (2013 – \$164) for bottle deposits payable to the Department of Environment and Natural Resources, \$64 (2013 – \$105) for salaries, wages, and employee benefits to the Department of Finance, and \$4 (2013 – \$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:

2014/15	\$ 226
2015/16	\$ 226
2016/17	\$ 150
2017/18	\$ 143
2018/19	\$ 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.

NORTHWEST TERRITORIES LIQUOR LICENSING BOARD

Financial Statements

Year ended March 31, 2014

NORTHWEST TERRITORIES LIQUOR LICENSING BOARD

Index to Financial Statements

March 31, 2014

Management's Responsibility for Financial Reporting.....	3
Auditor's Report	4
Statement of Financial Position	6
Statement of Operations	7
Statement of Accumulated Surplus	8
Statement of Cash Flow.....	9
Notes to Financial Statements.....	10

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
June 30, 2014

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, 2014, 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, 2014, 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).



June 30, 2014
Spruce Grove, Canada



NORTHWEST TERRITORIES LIQUOR LICENSING BOARD

Statement of Financial Position

As at March 31 (\$000)	2014		2013	
Financial Assets				
Accounts Receivable	\$	5	\$	-
Due from NWT Liquor Commission (note 3)		128		129
		<u>133</u>		<u>129</u>
Financial Liabilities				
Accounts Payable		85		91
Pension and other employee benefits (note 4)		28		27
Deferred Revenue		20		11
		<u>133</u>		<u>129</u>
Net financial resources		-		-
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)	2014		2014		2013	
	Budget		Actual		Actual	
Other income						
License fees and permits	\$	442	\$	373	\$	396
Government contribution – services provided without charge (note 6)		-		13		12
		442		386		408
Expenses (notes 5 and 6)						
Salaries, wages and employee benefits		517		493		377
Administration		33		21		53
Travel		75		34		39
Inspector's Fees		68		53		47
Professional Fees		22		19		18
Rent		31		27		30
Honoraria		50		33		38
		796		680		602
Annual Surplus (loss)	\$	(354)	\$	(294)	\$	(194)

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)		2014		2013
Accumulated surplus, beginning of year	\$	-	\$	-
Annual Surplus (loss)		(294)		(194)
Amounts transferred from the NWT Liquor Commission		294		194
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 Cash Flow

For the year ended March 31, (\$000)	2014	2013
Operating transactions		
Cash received from customers	\$ 377	\$ 401
Cash paid to employees and suppliers	(672)	(566)
Cash provided by operating transactions	(295)	(165)
Financing transactions		
Cash transferred from the NWT Liquor Commission	295	165
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, 2014 (\$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, 2014, the Fund's assets exceeded the liabilities by \$2,693 (2013 – \$3,986).

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, 2014 (\$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) Employee severance benefits

Employees are entitled to severance 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 the employees render the services necessary to earn them. The cost of the benefits has been determined based on management's best estimates using the expected compensation level and employee leave credits.

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, 2014 (\$000)

4. Pension and other employee benefits

a) 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. 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, 2014, the employer contribution rates for employees hired before January 1, 2013 is 1.45 times employee's contributions. The employer's contribution rate for employees hired after January 1, 2013 is 1.43 times employee's contributions. As of March 31, 2013, the rate was 1.64 for all employees.

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 percent of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada/Québec Pension Plan benefits and they are indexed to inflation.

The Board's and employees' contributions to the Plan for the year were as follows:

	2014	2013
Employer's contributions (recognized as expense)	\$ 42	\$ 37
Employee's contribution	27	22

b) Severance and removal benefits

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. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation.

Information about the plan, measured as at the statement of financial position date, is as follows:

	2014	2013
Accrued benefit obligation, beginning of year	\$ 27	\$ 25
Cost for the year	1	2
Benefits paid during the year	-	-
Accrued benefit obligation, end of year	\$ 28	\$ 27

NORTHWEST TERRITORIES LIQUOR LICENSING BOARD

Notes to Financial Statements

March 31, 2014 (\$000)

5. Expenses liquor enforcement

As explained in note 1, the liquor enforcement activities are included in total expenses as follows:

For the year ended March 31, (\$000)	Enforcement	
	2014	2013
Expenses (notes 6 and 7)		
Salaries, wages and employee benefits	363	259
Travel	9	23
Professional Fees	-	-
Inspector's Fees	53	47
Honoraria	-	-
Other	32	59
	<hr/>	<hr/>
	457	388
	<hr/>	<hr/>
Annual Surplus (loss)	(457)	(388)

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 \$493 (2013 - \$377) related to salaries, wages, and employee benefits for the Board's employees and \$33 (2013 - \$38) 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 \$13 (2013 - \$12). The cost of the services noted above has been recognized on the statement of operations.

Included in accounts payable and accrued liabilities is \$35 (2013 - \$37) for salaries, wages, and employee benefits, honorariums \$6 (2013 - \$4) to the Department of Finance, and \$0 (2013 - \$1) for other government departments.

NORTHWEST TERRITORIES LIQUOR LICENSING BOARD

Notes to Financial Statements

March 31, 2014 (\$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:

2014/15	\$ 19
2015/16	\$ 19
2016/17	\$ 2
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, 2014

Petroleum Products Division

March 31, 2014

Financial Statements

	Page
Independent Auditors' Report	3
Statement of Financial Position	5
Statement of Changes in Net Financial Resources (Debt)	6
Statement of Operations	7
Statement of Accumulated Surplus	8
Notes to Financial Statements	9 - 16



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Independent Auditors' Report

To the Minister of Public Works and Services Government of the Northwest Territories

We have audited the accompanying financial statements of Petroleum Products Division, which comprise the statement of financial position as at March 31, 2014, 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.

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, 2014 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.



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Independent Auditors' Report (continued)

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.

**Yellowknife, Northwest Territories
June 26, 2014**

Crowe MacKay LLP

Chartered Accountants

Petroleum Products Division**Statement of Financial Position**

As at March 31, **2014** **2013**

Financial Assets

Accounts receivable (note 4)	8,599,433	8,634,200
Inventories for resale (note 5)	29,316,474	28,517,741
	37,915,907	37,151,941

Liabilities

Accounts payable and accrued liabilities (note 6)	4,147,382	5,726,945
Employee leave and termination benefits	241,399	211,567
Due from the Government of the Northwest Territories (GNWT) (note 7)	33,630,169	31,141,029
	38,018,950	37,079,541
Net Financial Resources (Debt)	(103,043)	72,400

Non-financial Assets

Prepaid expenses	1,198	109,581
------------------	--------------	---------

Accumulated Surplus (Deficit)	\$ (101,845)	\$ 181,981
--------------------------------------	---------------------	-------------------

Commitments (note 13)

Approved:



John Vandenberg, Director

Kathleen Broderick, Comptroller

Petroleum Products Division

Statement of Changes in Net Financial Resources (Debt)

March 31,	2014	2013
Annual deficit	\$ (283,826)	\$ (186,301)
Change in prepaid expenses	108,383	(109,581)
Decrease in net financial resources (debt)	(175,443)	(295,882)
Net financial resources, beginning of year	72,400	368,282
Net financial resources (debt), end of year	\$ (103,043)	\$ 72,400

Petroleum Products Division

Statement of Operations

For the year ended March 31,	2014	2013
Revenues		
Sales of petroleum products (note 9)	\$ 43,630,793	\$ 41,267,928
Cost of sales	37,404,335	35,002,953
Gross margin	6,226,458	6,264,975
Expenditures		
Bad debts (recovered)	(47,136)	55,831
Commissions	2,392,796	2,369,848
Contracts and purchased services	776,186	945,272
Miscellaneous	77,249	29,405
Operating and maintenance costs	371,627	466,330
Salaries, wages and employee benefits	2,085,528	2,008,192
Travel	310,661	330,393
Utilities	393,860	305,113
	6,360,771	6,510,384
Deficiency of revenues over expenditures before other items	(134,313)	(245,409)
Other expenses (revenue)		
Other expenses (revenue)	149,513	(59,108)
Grant-in-kind, Government assets provided at no cost (note 8)	(2,413,422)	(2,541,829)
Financing charges (note 8)	494,072	594,754
Tangible capital assets - rent expenses (note 8)	1,919,350	1,947,075
	149,513	(59,108)
Annual deficit	\$ (283,826)	\$ (186,301)

Petroleum Products Division

Statement of Accumulated Surplus (Deficit)

March 31,	2014	2013
Stabilization fund, beginning of year	\$ 181,981	\$ 368,282
Annual deficit	(283,826)	(186,301)
Total Accumulated Surplus (Deficit)	\$ (101,845)	\$ 181,981

Petroleum Products Division

Notes to the Financial Statements

March 31, 2014

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, 2014 is a deficit (surplus 2013) of (\$101,845) (2013 - \$181,981).

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 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, 2014

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 leave and termination 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 2.14 times that of the employees. During the year the Fund contributed \$163,525 (2013 - \$176,397) to the plan which was recognized as an expense while employees contributed \$102,965 (2013 - \$97,423). 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) 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.

Petroleum Products Division

Notes to the Financial Statements

March 31, 2014

2. Significant accounting policies (continued)

(h) Financial instruments

Initial measurement

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 related 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.

Subsequent measurement

Financial assets measured at amortized cost include accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, employee benefits payable, and amounts due to the Government of the Northwest Territories.

The Fund has no financial instruments measured at fair value.

Impairment

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 net income.

Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal is recognized in operations.

(i) 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 (h).

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, 2014

3. Future changes to significant accounting policies

Liability for Contaminated Sites, Section PS 3260

The Public Sector Accounting Board released Section PS 3260 – Liability for Contaminated Sites, in March 2010. This new section 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.

This Section is effective for fiscal periods beginning on or after April 1, 2014. The impact of the transition to these accounting standards has not yet been determined.

4. Accounts receivable

	2014	2013
Commercial and Private Customers	\$ 1,793,366	\$ 2,315,049
Territorial and Municipal Housing Authorities	2,160,773	1,541,251
Government of the Northwest Territories		
Departments and Agencies	500,999	323,703
Northwest Territories Power Corporation	4,375,232	4,447,215
Government of Canada	77,219	362,274
	8,907,589	8,989,492
Less: Allowance for doubtful accounts	308,156	355,292
	\$ 8,599,433	\$ 8,634,200

5. Inventories for resale

	2014	2013
Diesel	\$ 22,815,712	\$ 22,752,941
Gasoline	4,762,080	4,389,858
Jet A1	1,665,482	1,348,216
Naptha	73,200	26,726
	\$ 29,316,474	\$ 28,517,741

Inventory in the amount of \$37,404,335 (2013 - \$35,002,953) was expensed during the year.

Petroleum Products Division

Notes to the Financial Statements

March 31, 2014

6. **Accounts payable and accrued liabilities**

	2014	2013
Commissions	\$ 66,593	\$ 133,297
Goods and Services Tax	218,378	233,778
Petroleum products	3,129,636	4,750,533
Trade payables	732,775	609,337
	\$ 4,147,382	\$ 5,726,945

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:

	2014	2013
Balance, beginning of year	\$ 31,141,029	\$ 32,330,402
Plus: Payments made by the Government		
Purchases of petroleum products	38,202,900	36,678,792
Other cash disbursement	7,802,119	6,245,860
Less: Cash received by the Government	(43,515,879)	(44,114,025)
	\$ 33,630,169	\$ 31,141,029

Petroleum Products Division

Notes to the Financial Statements

March 31, 2014

8. Grant in kind

Financing charges

Management estimated that the Fund required up to \$40 million in working capital with an estimated financing cost of \$494,072 for the year. (For 2013 they were \$40.3 million and \$594,754 respectively). The financing cost is based upon the average monthly balance due to the Government at an average interest rate for the Government of 1.52% 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	2014	2013
Fuel storage facilities	\$ 54,432,581	\$ 22,149,044	\$ 32,283,537	\$ 33,974,476
Fuel delivery vehicles	4,647,452	3,544,366	1,103,086	1,122,617
Construction in process	7,918,140	-	7,918,140	4,996,548
	\$ 66,998,173	\$ 25,693,410	\$ 41,304,763	\$ 40,093,641

Amortization expense for 2014 is \$1,919,350 (2013 - \$1,947,075).

9. Sales of Petroleum Products

	2014	2013
Commercial / Private	\$ 9,489,103	\$ 9,447,641
Territorial Municipalities and Housing Associations	6,743,952	6,149,462
Government of the Northwest Territories		
Northwest Territories Power Corporation	24,270,511	22,743,900
Departments and Agencies	2,783,045	2,528,551
Government of Canada	344,182	398,374
	\$ 43,630,793	\$ 41,267,928

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.

Petroleum Products Division

Notes to the Financial Statements

March 31, 2014

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.

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 2014, 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. Ten contracts were renewed in the fiscal year ending March 31, 2014, one contract was awarded to a new contractor in Paulatuk. Under these contracts, fixed commission rates are paid.

The value of this commitment is estimated at \$4,008,480 as follows:

2015	\$	1,526,615
2016		1,031,372
2017		877,330
2018		573,163
		<hr/>
		\$ 4,008,480

The Fund paid \$2,392,796 (2013 - \$2,369,848) in commissions to local contractors in the 16 communities that they serve.

Petroleum Products Division

Notes to the Financial Statements

March 31, 2014

14. Financial instruments

The Fund is managed to ensure that the cost of goods sold and operating expenses are recovered through the price structure to achieve a break-even operation. In addition, it is the objective of management that the debit or credit amount in the Stabilization Fund shall not exceed \$1,000,000 at the end of any fiscal year.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Fund does have credit risk in accounts receivable of \$8,599,433 (2013 - \$8,634,200) from its customers. At March 31, 2014, 50% (\$4,374,000) of the receivables are from Northwest Territories Power Corporation. At March 31, 2013, 49% (\$4,447,000) of the receivables were from Northwest Territories Power Corporation.


**Schedule of Public Stores Revolving Fund Inventories
for the year ended March 31, 2014**

Public Stores	Balance March 31, 2013	Net Receipts	Net Issues	Board of Survey	Inventory (Write-downs) Write-ups	Balance March 31, 2014
Yellowknife	154,504 ^①			0		154,504
SAM		117,361 ^②	(128,436) ^③			(11,075)
	154,504	117,361	(128,436)	0	0	143,429 ^④

Prepared By: Sharon Cormier

Reviewed by: Bev Bourque

The information provided within this working paper addresses all requirements of YE Directive #62, with regards to content, format, completeness, analysis and reconciliation of SAM data, and its due date of May 30, 2014



 Steve Lewis, Director Corporate Services

May 6/14

 Date

Environment Fund

Financial Statements

March 31, 2014

Environment Fund

Financial Statements

March 31, 2014

	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 - 13

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 3, 2014

Independent Auditors' Report

To the Minister of ENR

We have audited the accompanying financial statements of the Environment Fund, which comprise the statement of financial position as at March 31, 2014, 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.

Wages and benefits paid to all employees of the Environment Fund are administered by the Government of the Northwest Territories. Our audit scope was limited as we did not audit the components of wages and benefits expenditures. Accordingly, we are 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 matter 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, 2014 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 3, 2014



Chartered Accountants

Environment Fund

Statement of Operations

For the year ended March 31,	2014	2013
	\$	\$
Revenues		
Beverage container program	5,086,435	5,165,214
Recoveries	3,747	-
Single-use retail bag program	615,203	494,038
	5,705,385	5,659,252
Expenditures		
Advertising and promotion	1,740	17,617
Contract service - miscellaneous	30,640	22,987
Contract service - satellite depots	69,284	54,624
Depot handling fee	662,879	756,428
E-waste fee	12,000	-
Equipment, supplies and maintenance	78,581	17,187
Freight	323,925	322,190
Grants and contributions	139,103	103,071
Insurance	8,000	8,000
Memberships	9,071	7,656
Office	10,254	9,561
Processing centre handling fee	585,720	611,919
Professional fees	37,471	26,971
Refundable deposit fee	2,929,342	3,059,676
Storage	56,724	44,374
Travel and training	32,453	22,238
Wages and benefits	518,175	483,602
	5,505,362	5,568,101
Excess of revenues over expenditures before other item	200,023	91,151
Other income		
Interest	28,420	27,837
Excess of revenues over expenditures	228,443	118,988

Environment Fund

Statement of Changes in Net Assets

For the year ended March 31, 2014

	Unrestricted	Equipment replacement reserve	Total 2014	Total 2013
Balance, beginning of year	\$ 1,361,904	\$ 380,752	\$ 1,742,656	\$ 1,623,668
Excess of revenues over expenditures	228,443	-	228,443	118,988
Transfers (Note 2b)	(53,679)	53,679	-	-
Balance, end of year	1,536,668	434,431	1,971,099	1,742,656

Environment Fund

Statement of Financial Position

March 31,	2014	2013
	\$	\$
Financial Assets		
Accounts receivable	797,449	632,101
Due from treasury (note 4)	2,539,834	2,336,833
Loans receivable (note 5)	472	5,972
	3,337,755	2,974,906
Liabilities		
Accounts payable and accrued liabilities	593,468	459,638
Unredeemed container liability (note 7)	773,188	772,612
	1,366,656	1,232,250
Net financial assets	1,971,099	1,742,656
Fund balances		
Unrestricted	1,536,668	1,361,904
Equipment replacement reserve	434,431	380,752
	1,971,099	1,742,656

Approved:



Deputy Minister



Director

Environment Fund

Notes to the Financial Statements

March 31, 2014

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, 2014

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 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) Revenue recognition

Beverage container revenue and single use retail bag program revenue is recognized when beverage containers and single use retail bags are sold by retailers. Recoveries are recognized when received.

(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 2014 transfer is \$53,679 (2013 - \$47,594). 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.

(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.

Environment Fund

Notes to the Financial Statements

March 31, 2014

2. Significant accounting policies (continued)

(g) Financial instruments

Initial measurement

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 related 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.

Subsequent measurement

Financial assets measured at amortized cost include accounts receivable, loans receivable and due from treasury.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and unredeemed container liability.

The Fund has no financial instruments measured at fair value.

Impairment

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 net income.

Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal is recognized in operations.

(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.

Environment Fund

Notes to the Financial Statements

March 31, 2014

3. Future changes to significant accounting policies

Liability for Contaminated Sites, Section PS 3260

The Public Sector Accounting Board released Section PS 3260 – Liability for Contaminated Sites, in March 2010. This new section 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.

This Section is effective for fiscal periods beginning on or after April 1, 2014. Earlier adoption is encouraged. The impact of the transition to these accounting standards has not yet been determined.

4. 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.

5. 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 current 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 2015 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, 2014.

6. Expenses by program

Of the Fund's two major programs, beverage container program and single-use retail bag, only the beverage container program has direct costs associated with it in terms of depot handling fees, processing and refundable deposits. Out of the total expenses, the costs for the beverage container program total \$4,206,972.

Environment Fund

Notes to the Financial Statements

March 31, 2014

7. Unredeemed container liability

The unredeemed container liability is an amount that is equal to 15% of the beverage container surcharges of the current year. It has been recognized to cover the future redemption of containers that are currently in circulation. It was derived per the policy that the Government of the Northwest Territories specified.

8. Comparative figures

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

9. Related party transactions

The Fund receives human resource management, legal services and risk management from the Government of the Northwest Territories without charge.

The Fund also receives management services from the Department of Environment and Natural Resources, as outlined in Note 2(d).

10. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

The financial instruments of the Fund and the nature of the risks to which it may be subject are as follows:

(a) Credit risk

The Fund does have credit risk in accounts receivable of \$797,449 (2013 - \$632,101). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. In the opinion of management the credit risk exposure to the Fund is low and is not material.

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND
Yellowknife, NT**

**FINANCIAL STATEMENTS
For the Year Ended March 31, 2014**

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.

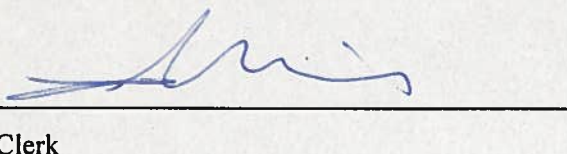
The Accounting firm of Ashton Chartered Accountants has provided an independent objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian accounting standards for pension plans. The auditor also considers whether the transactions that come to his 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



Speaker



Clerk

May 27, 2014

INDEPENDENT AUDITOR'S REPORT

To the Members of Legislative Assembly Retiring Allowance Fund

We have audited the accompanying financial statements of Legislative Assembly Retiring Allowance Fund, which comprise the statement of financial position as at March 31, 2014 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 Legislative Assembly Retiring Allowance Fund as at March 31, 2014 and the changes in its net assets available for benefits and changes its in pension obligations for the year then ended in accordance with Canadian generally accepted accounting standards for pension plans.

A handwritten signature in black ink, appearing to read "Ashton".

Hay River, Northwest Territories
May 27, 2014

Ashton Chartered Accountants

**LEGISLATIVE ASSEMBLY RETIRING
ALLOWANCE FUND**

STATEMENT OF FINANCIAL POSITION
March 31, 2014

	<u>2014</u>	<u>2013</u>
ASSETS		
CURRENT		
Accounts Receivable (Note 3)	\$ 26,324	\$ 33,177
Accrued Interest Income	<u>33,602</u>	<u>32,586</u>
	59,926	65,763
INVESTMENTS (Note 4)	<u>23,073,944</u>	<u>20,939,783</u>
	<u>\$ 23,133,870</u>	<u>\$ 21,005,546</u>
LIABILITIES		
CURRENT		
Accounts Payable	<u>\$ 47,585</u>	<u>\$ 57,329</u>
NET ASSETS AVAILABLE FOR BENEFITS per page 2	23,086,285	20,948,217
PENSION OBLIGATIONS per page 3 (Note 5)	<u>19,083,400</u>	<u>17,118,900</u>
PENSION PLAN FUND SURPLUS	<u>\$ 4,002,885</u>	<u>\$ 3,829,317</u>

APPROVED



Speaker



Clerk

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Year Ended March 31, 2014

	<u>2014</u>	<u>2013</u>
INCREASE IN ASSETS		
Contributions:		
Members	200,836	198,823
In-Kind Contributions	<u>9,625</u>	<u>8,500</u>
	<u>210,461</u>	<u>207,323</u>
Investment Income:		
Interest	304,357	268,554
Dividends	300,340	300,802
Gain on Sale of Investments	<u>625,643</u>	<u>703,930</u>
	1,230,340	1,273,285
Current Period Change in Fair Values of Investments	<u>1,619,789</u>	<u>489,376</u>
Net Investment Income	<u>2,850,129</u>	<u>1,762,661</u>
Total Increase in Assets	<u>3,060,590</u>	<u>1,969,984</u>
DECREASE IN ASSETS		
Benefits		
Pension Payments	751,149	721,061
Termination/Lump sum Payments	<u>-</u>	<u>-</u>
Total Benefits	<u>751,149</u>	<u>721,061</u>
Administrative		
Actuary Fees	53,864	59,857
Audit Fees	9,625	8,500
Investment Management Fees	63,415	56,135
Meeting Travel & Accommodation	11,928	19,843
Trustee Fees	<u>32,541</u>	<u>28,183</u>
Total Administrative	<u>171,373</u>	<u>172,519</u>
Total Decrease in Assets	<u>922,522</u>	<u>893,579</u>
INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS	\$ 2,138,068	\$ 1,076,405
NET ASSETS AVAILABLE FOR BENEFITS		
BEGINNING OF YEAR	<u>20,948,217</u>	<u>19,871,812</u>
END OF YEAR	<u>\$ 23,086,285</u>	<u>\$ 20,948,217</u>

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

**STATEMENT OF CHANGES IN PENSION OBLIGATIONS
For the Year Ended March 31, 2014**

	<u>2014</u>	<u>2013</u>
INCREASE IN PENSION OBLIGATIONS		
Interest accrued on benefits	\$ 838,000	\$ 807,000
Benefits accrued	710,000	677,100
Changes in Mortality Assumption	<u>1,163,500</u>	<u>-</u>
	<u>2,711,500</u>	<u>1,484,100</u>
DECREASE IN PENSION OBLIGATIONS		
Benefits Paid	\$ 747,000	\$ 1,009,000
Experience gains	<u>-</u>	<u>373,200</u>
	<u>747,000</u>	<u>1,382,200</u>
INCREASE IN PENSION OBLIGATIONS	1,964,500	101,900
PENSION OBLIGATIONS, BEGINNING OF YEAR	<u>17,118,900</u>	<u>17,017,000</u>
PENSION OBLIGATIONS, END OF YEAR	<u>\$ 19,083,400</u>	<u>\$ 17,118,900</u>
AS REPRESENTED BY		
Active Members	\$ 6,000,900	\$ 4,751,300
Pensioners & Terminated Members	<u>13,082,500</u>	<u>12,367,600</u>
	<u>\$ 19,083,400</u>	<u>\$ 17,118,900</u>

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2014**

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, 2014**

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, 2014**

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, 2014

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, 2014**

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, 2014**

3. ACCOUNTS RECEIVABLE

	2014	2013
Member Contributions	\$ 16,699	\$ 24,677
In-Kind Contributions- GNWT	9,625	8,500
	\$ 26,324	\$ 33,177

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	2014 Market	Cost	2013 Market
Cash & Cash Equivalents	143,677	143,677	515,528	515,528
Canadian Equity Mutual Funds	5,039,944	6,061,835	4,889,142	5,244,067
International Equity Mutual Funds	6,041,271	7,694,422	6,402,254	6,555,213
Temporary Investments	66,948	66,948	69,930	69,929
NWT LABS Series	-	-	27,571	27,571
Canadian Fixed Income Funds	5,334,264	5,180,700	4,207,307	4,236,776
Government of Canada Bonds	2,628,822	3,374,937	2,628,822	3,649,769
Province of Ontario Bonds	430,653	551,425	430,653	640,930
	\$ 19,685,579	\$ 23,073,944	\$ 19,171,207	\$ 20,939,783

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, 2014**

4. INVESTMENTS, continued

The fair value hierarchy as described in not 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:

	2014	2013
Level 1	\$ 23,073,944	\$ 20,939,783

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, 2014 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.

	2014	2013
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, 2014 has been obtained using a measurement date of January 31, 2014 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, 2014

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, 2014

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, 2014**

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, 2014, the Plan is not in violation of any externally imposed legal or regulatory requirements.

8. AUTHORIZATION

On May 27, 2014, the Board of Management authorized the issue of the financial statements for the year ended March 31, 2014.

**THE NATURAL RESOURCES
CONSERVATION TRUST FUND**
Yellowknife, NT

FINANCIAL STATEMENTS
For the year ended March 31, 2014

TABLE OF CONTENTS

	Page
Management's Responsibility for Reporting	
Independent Auditor's Report	
<hr/>	
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.



Director

May 12, 2014





AVERY, COOPER & Co.

Certified General Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Minister of Department of Environment and Natural Resources of
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, 2014, 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, 2014, 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


May 12, 2014

THE NATURAL RESOURCES CONSERVATION TRUST FUND

STATEMENT OF FINANCIAL POSITION March 31, 2014

	<u>2014</u>	<u>2013</u>
ASSETS		
CURRENT		
Cash	<u>\$ 234,559</u>	<u>\$ 233,216</u>
LIABILITY		
CURRENT		
Accounts payable and accrued liabilities	\$ 1,500	\$ 1,500
FUND BALANCES		
BALANCE per page 2	<u>233,059</u>	<u>231,716</u>
	<u>\$ 234,559</u>	<u>\$ 233,216</u>

Approved:



June 5 / 14

THE NATURAL RESOURCES CONSERVATION TRUST FUND

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2014

	<u>Capital Portion</u>	<u>Interest Portion</u>	<u>Total 2014</u>	<u>Total 2013</u>
BALANCE, opening	\$ 187,828	\$ 43,888	\$ 231,716	\$ 230,411
Excess of revenues over general and administrative expenses per page 3	<u>-</u>	<u>1,343</u>	<u>1,343</u>	<u>1,305</u>
BALANCE, closing	<u>\$ 187,828</u>	<u>\$ 45,231</u>	<u>\$ 233,059</u>	<u>\$ 231,716</u>

THE NATURAL RESOURCES CONSERVATION TRUST FUND

STATEMENT OF OPERATIONS

For the year ended March 31, 2014

	<u>2014</u>	<u>2013</u>
REVENUES		
Interest income	\$ 2,843	\$ 2,805
GENERAL AND ADMINISTRATIVE EXPENSES		
Professional fees	<u>1,500</u>	<u>1,500</u>
EXCESS OF REVENUES OVER GENERAL AND ADMINISTRATIVE EXPENSES	<u>\$ 1,343</u>	<u>\$ 1,305</u>

THE NATURAL RESOURCES CONSERVATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

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 has been 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 Canadian accounting standards for not-for-profit organizations. 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, 2014

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, 2014

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

Office of the
PUBLIC TRUSTEE
For the Northwest Territories

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

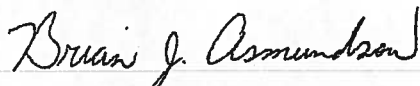
The Public Trustee for the Northwest Territories is responsible for the preparation, integrity and objectivity of the financial statements. The financial statements have been prepared in accordance with the Public Trustee Act. Where appropriate, the preparation of financial information contained in this report includes estimates and judgements based on careful consideration of information available to management.

The Public Trustee for the Northwest Territories has developed and maintained books of account, records, financial and management controls and management practices. These are designed to provide reasonable assurance as to the reliability of financial information in accordance with the Public Trustee Act.

It is the responsibility of the auditors to provide an independent, objective audit for the purpose of expressing their opinion on the financial statements.

Public Trustee for the Northwest Territories

May 12, 2014



Brian J. Asmundson



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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, 2014, 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, 2014 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, 2014



STATEMENT I

**PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES
ESTATE & TRUST FUND**

BALANCE SHEET

March 31, 2014

ASSETS

	<u>2014</u>	<u>2013</u>
Cash (Note 3)	\$6,279,711	\$6,413,990
Other assets at nominal value	<u>1</u>	<u>1</u>
	<u>\$6,279,712</u>	<u>\$6,413,991</u>

LIABILITIES

Undistributed Common Fund earnings per Statement II (Note 4)	\$ 38,053	\$ 36,185
Public Trustee Management Fund (Note 6)	18,872	14,866
Estate & Trust Fund per Statement III (Note 5)	<u>6,222,787</u>	<u>6,362,940</u>
	<u>\$6,279,712</u>	<u>\$6,413,991</u>

APPROVED:

Bruce J. Armstrong
Public Trustee for the Northwest Territories

See the accompanying notes.

STATEMENT II

**PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES
ESTATE & TRUST FUND****STATEMENT OF OPERATIONS**

For the year ended March 31, 2014

	<u>2014</u>	<u>2013</u>
Undistributed Common Fund earnings, opening	<u>\$ 36,185</u>	<u>\$ 35,589</u>
Add		
Common Fund earnings	<u>71,542</u>	<u>70,366</u>
Less		
Interest paid to estates and trusts (Statement III)	55,918	55,778
Transfers to Public Trustee Management Fund (Note 6)	<u>13,756</u>	<u>13,992</u>
	<u>69,674</u>	<u>69,770</u>
Increase in Undistributed Common Fund earnings balance	<u>1,868</u>	<u>596</u>
Undistributed Common Fund earnings, closing	<u>\$ 38,053</u>	<u>\$ 36,185</u>

See the accompanying notes.

STATEMENT III

**PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES
ESTATE & TRUST FUND**

STATEMENT OF CHANGES IN ESTATE & TRUST FUND BALANCE
For the year ended March 31, 2014

	<u>2014</u>	<u>2013</u>
Estate & trust funds provided:		
Estate and trust assets received	\$ 1,500,120	\$ 1,998,497
Common Fund interest paid to estates and trusts (Statement II)	<u>55,918</u>	<u>55,778</u>
	<u>1,556,038</u>	<u>2,054,275</u>
Estate & trust funds applied:		
Payments to beneficiaries	772,755	1,120,036
Disbursements made on behalf of estates and trusts	773,889	669,888
Administration fees (Note 2c)	139,937	122,907
GST on Administration fees	6,973	6,146
Court fees	<u>2,637</u>	<u>3,023</u>
	<u>1,696,191</u>	<u>1,922,000</u>
Increase (decrease) in Estate & Trust Fund balance	(140,153)	132,275
Estate & Trust Fund balance, opening	<u>6,362,940</u>	<u>6,230,665</u>
Estate & Trust Fund balance, closing	<u>\$ 6,222,787</u>	<u>\$ 6,362,940</u>

See the accompanying notes.

PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

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 \$139,937 (2013 - \$122,907) 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, 2014

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>2014</u>	<u>2013</u>
Common Fund	\$6,222,786	\$6,362,939
Other assets, at nominal value	<u>1</u>	<u>1</u>
	<u>\$6,222,787</u>	<u>\$6,362,940</u>

PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2014

NOTE 6 PUBLIC TRUSTEE MANAGEMENT FUND

The change during the year in the Public Trustee Management Fund is as follows:

	<u>2014</u>	<u>2013</u>
Public Trustee Management Fund balance, opening	\$14,866	\$10,625
Add		
Management fees paid to the Public Trustee out of the excess interest earned	13,756	13,992
Less		
Costs incurred in respect of the annual audit	<u>(9,750)</u>	<u>(9,750)</u>
Public Trustee Management Fund balance, closing	<u>\$18,872</u>	<u>\$14,866</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.

NOTE 8 COMPARATIVE AMOUNTS

The prior year's figures for the year ended March 31, 2013 have been restated, where applicable, to conform to the presentation used in the current year.

**Government of the Northwest Territories
Student Loan Revolving Fund
Statement of Operations**

for the year ended March 31, 2014

(thousands of dollars)


	2014		2013
Loans Receivable, opening balance	37,712		36,115
Loans granted during the year	6,408	A	6,227
	<u>44,120</u>		<u>42,342</u>
Less:			
Principal amount of loans repaid	(3,073)	B	(3,232)
Principal amount of loan forgiveness	(49)	C	-
Principal amount of loan remissions	(1,493)	D	(1,398)
	<u>39,506</u>		<u>37,712</u>
Loans Receivable, closing balance	39,506		37,712
Less:			
Allowance for remissable and doubtful loans	(19,091)	E	(18,070)
	<u>20,415</u>		<u>19,642</u>
Net Loans Receivable, closing balance	<u>20,415</u>		<u>19,642</u>

Effect of Student Loan Revolving Fund on Government Operations

Interest earned and credited to general revenues	465	F	456
Less:			
Collection agency fees	(18)	G	(21)
Estimated provision for remission and doubtful accounts	(2,563)	H	(2,490)
	<u>(2,116)</u>		<u>(2,055)</u>
Operating deficiency for the year	<u>(2,116)</u>		<u>(2,055)</u>

Approved:

for 
 R. Dana Heide
 Associate 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, 2014

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 – 12

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 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 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.

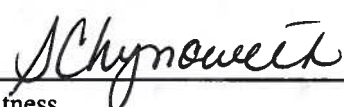
The Accounting firm of Avery, Cooper & Co., Certified General Accountants, annually provides an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards. The auditor also considers whether the transactions 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

April 1, 2014



VERY, COOPER & Co.

Certified General Accountants

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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, 2014, 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, 2014, 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


April 1, 2014

**TERRITORIAL COURT JUDGES' REGISTERED
PENSION PLAN FUND**

**STATEMENT OF FINANCIAL POSITION
January 1, 2014**

	<u>2014</u>	<u>2013</u>
ASSETS		
CURRENT		
Contributions Receivable- GNWT (Note 3)	\$ 14,606	\$ 80,662
INVESTMENTS (Note 4)	<u>5,085,352</u>	<u>4,543,128</u>
	<u>\$ 5,099,958</u>	<u>\$ 4,623,790</u>
LIABILITIES		
CURRENT		
Accounts Payable & Accrued Liabilities	<u>\$ 25,087</u>	<u>\$ 60,554</u>
NET ASSETS AVAILABLE FOR BENEFITS per page 2	5,074,870	4,563,234
PENSION OBLIGATIONS per page 3 (Note 5)	<u>5,852,500</u>	<u>4,897,700</u>
PENSION PLAN FUND DEFICIT	<u>\$ (777,630)</u>	<u>\$ (334,466)</u>

APPROVED


 Deputy Minister

**TERRITORIAL COURT JUDGES' REGISTERED
PENSION PLAN FUND**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Year Ended January 1, 2014**

	<u>2014</u>	<u>2013</u>
INCREASE IN ASSETS		
Contributions		
Current Service Cost	\$ 42,601	\$ 117,750
Special Payments	73,700	275,275
Members	61,283	59,700
In-Kind Contributions	<u>65,307</u>	<u>52,237</u>
	<u>242,891</u>	<u>504,962</u>
Investment Income		
Interest & Dividends	98,839	132,565
Gain on Sale of Investments	<u>44,698</u>	<u>26,344</u>
	143,537	158,909
Current Period Change in Fair Value of Investments	<u>504,204</u>	<u>197,049</u>
Net investment income	<u>647,741</u>	<u>355,958</u>
Total Increase in Assets	<u>890,632</u>	<u>860,920</u>
DECREASE IN ASSETS		
Benefits		
Pension Payments	276,106	271,744
Administrative		
Investment Management Fees	24,929	22,622
Audit Fees	10,054	9,713
Trustee Fees	12,654	13,224
Actuary Fees	<u>55,253</u>	<u>42,525</u>
	<u>102,890</u>	<u>88,083</u>
Total Decrease in Assets	<u>378,996</u>	<u>359,827</u>
INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS	\$ 511,636	\$ 501,093
NET ASSETS AVAILABLE FOR BENEFITS		
BEGINNING OF YEAR	<u>4,563,234</u>	<u>4,062,141</u>
END OF YEAR	<u><u>\$ 5,074,870</u></u>	<u><u>\$ 4,563,234</u></u>

**TERRITORIAL COURT JUDGES' REGISTERED
PENSION PLAN FUND**

**STATEMENT OF CHANGES IN PENSION OBLIGATIONS
For the Year Ended January 1, 2014**

	<u>2014</u>	<u>2013</u>
INCREASE IN PENSION OBLIGATIONS		
Interest accrued on benefits	\$ 269,800	\$ 291,600
Benefits accrued	198,600	156,600
Actuarial Gain on ABO	<u>762,500</u>	<u>-</u>
	1,230,900	448,200
DECREASE IN PENSION OBLIGATIONS		
Benefits paid	<u>276,100</u>	<u>274,900</u>
INCREASE IN PENSION OBLIGATIONS	954,800	173,300
PENSION OBLIGATIONS, BEGINNING OF YEAR	<u>4,897,700</u>	<u>4,724,400</u>
PENSION OBLIGATIONS, END OF YEAR	<u><u>\$ 5,852,500</u></u>	<u><u>\$ 4,897,700</u></u>

TERRITORIAL COURT JUDGES' REGISTERED PENSION PLAN FUND

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2014

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, 2014

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, 2014

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.

(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 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.

TERRITORIAL COURT JUDGES' REGISTERED PENSION PLAN FUND

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2014

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. 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.

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.

TERRITORIAL COURT JUDGES' REGISTERED PENSION PLAN FUND

NOTES TO THE FINANCIAL STATEMENTS January 1, 2014

3. CONTRIBUTIONS RECEIVABLE - GNWT

	2014	2013
In-Kind Contributions	\$ 14,606	\$ 52,238
Current Service Contributions	-	28,424
	\$ 14,606	\$ 80,662

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:

	2014	2013
Canadian Equities	\$ 1,796,396	\$ 1,581,652
Global Equities	1,300,490	1,220,132
Canadian Bonds	1,664,829	1,495,791
Canadian Money Market Funds	323,637	245,553
Total market value of the investment portfolio	\$ 5,085,352	\$ 4,543,128

The total cost of the investments for the year ended Jan 1, 2014 is \$4,119,447 (2013: \$4,081,428)

The above listed investments are held in a pooled pension Trust by PHN 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.

TERRITORIAL COURT JUDGES' REGISTERED PENSION PLAN FUND

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2014

4. INVESTMENTS, continued

The total investment portfolio by fair value hierarchy is as follows:

	2014	2013
Level 1	\$ 5,085,352	\$ 4,543,128

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.

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, 2014 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.

	2014	2013
Discount rate	4.80%	6.00%
Salary Projection Rate	2.25%	4.00%
Price Inflation	2.25%	3.00%
Real Rate of Return	3.25%	4.00%

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.

TERRITORIAL COURT JUDGES' REGISTERED PENSION PLAN FUND

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2014

6. 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 (deficit). Excluding the impact of investment income, the Fund is funded through a combination of employee and employer contributions. The surplus (deficit) 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 triennially. Surpluses or deficits, as they arise, as well as other relevant aspects of the Fund, are managed in order to comply with the externally imposed requirements of the Income Tax Act and the PBSA.

As at January 1, 2014, the Fund is not in violation of any externally imposed legal or regulatory requirements.

7. 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. 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.

TERRITORIAL COURT JUDGES' REGISTERED PENSION PLAN FUND

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2014

7. FINANCIAL INSTRUMENTS AND RISK, continued

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. 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.

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. 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.

TERRITORIAL COURT JUDGES' REGISTERED PENSION PLAN FUND

NOTES TO THE FINANCIAL STATEMENTS

January 1, 2014

7. FINANCIAL INSTRUMENTS AND RISK, continued

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.

8. 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). 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.

9. 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 contribution.

PUBLIC ACCOUNTS
OF THE
GOVERNMENT OF THE NORTHWEST TERRITORIES
FOR THE YEAR ENDED MARCH 31, 2014

SECTION IV
SUPPLEMENTARY FINANCIAL STATEMENTS
BOARDS

HONOURABLE J. MICHAEL MILTENBERGER
Minister of Finance

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**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
- Sahtu Divisional Education Council
- South Slave Divisional Education Council
- Yellowknife Catholic School
- Yellowknife District No 1 Education Authority

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
- Tlicho Community Services Agency

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BEAUFORT-DELTA EDUCATION COUNCIL

INUVIK, NT

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

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 Expenditures

District Education Authorities (DEAs) Operations

Schedule 2	Statement of Financial Position - Aklavik DEA
Schedule 3	Statement of Operations - Aklavik DEA
Schedule 4	Schedule of Expenditures - Aklavik DEA
Schedule 5	Statement of Financial Position - Tsiigehchic DEA
Schedule 6	Statement of Operations - Tsiigehchic DEA
Schedule 7	Schedule of Expenditures - Tsiigehchic DEA
Schedule 8	Statement of Financial Position - Fort McPherson DEA
Schedule 9	Statement of Operations - Fort McPherson DEA
Schedule 10	Schedule of Expenditures - Fort McPherson DEA
Schedule 11	Statement of Financial Position - Inuvik DEA
Schedule 12	Statement of Operations - Inuvik DEA
Schedule 13	Schedule of Expenditures - Inuvik DEA
Schedule 14	Statement of Financial Position - Paulatuk DEA
Schedule 15	Statement of Operations - Paulatuk DEA
Schedule 16	Schedule of Expenditures - Paulatuk DEA
Schedule 17	Statement of Financial Position - Sachs Harbour DEA
Schedule 18	Statement of Operations - Sachs Harbour DEA
Schedule 19	Schedule of Expenditures - Sachs Harbour DEA

Schedule 20 Statement of Financial Position - Tuktoyaktuk DEA

Schedule 21 Statement of Operations - Tuktoyaktuk DEA

Schedule 22 Schedule of Expenditures - Tuktoyaktuk DEA

Schedule 23 Statement of Financial position - Ulukhaktok DEA

Schedule 24 Statement of Operations - Ulukhaktok DEA

Schedule 25 Schedule of Expenditures - Ulukhaktok DEA

Non-Consolidated Council Operations

Schedule 26 Statement of Financial Position - BDEC

Schedule 27 Statement of Operations - BDEC

Schedule 28 Schedule of Expenditures - 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 Intervention

Schedule 33 Report on Activities of Specific Programs - Student Success Initiative - Angik School CTS

Schedule 34 Report on Activities of Specific Programs - Gwich'in Education Forum

Schedule 35 Report on Activities of Specific Programs Student Success Initiative - eLearning Development/Implementation

Schedule 36 Report on Activities of Specific Programs - Details of Aboriginal and Cultural-based Education Expenses

Schedule 37 Report on Activities of Specific Programs - Details of Inclusive Schooling Expenses



BEAUFORT- DELTA EDUCATION COUNCIL

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

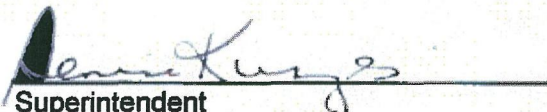
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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.


Superintendent
Beaufort-Delta Education Council
Inuvik, NT

October 16, 2013

Bag Service # 12, Inuvik, NT X0E 0T0

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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, 2013 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, 2013 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

October 16, 2013

**BEAUFORT-DELTA EDUCATION COUNCIL
STATEMENT OF FINANCIAL POSITION
CONSOLIDATED
FOR THE YEAR ENDED JUNE 30, 2013**

STATEMENT I

	2013	2012
<u>Financial Assets</u>		
Cash	3,565,617	2,756,424
Due from the GNWT	38,713	22,967
Other accounts receivable	<u>575,585</u>	<u>460,027</u>
Total Financial Assets	4,179,915	3,239,419
Trust Funds (Note 4)	<u>256,824</u>	<u>253,665</u>
	<u>4,436,739</u>	<u>3,493,084</u>
<u>Liabilities</u>		
Accounts payable	775,025	467,923
Accrued salaries	1,899,107	1,811,845
Due to the GNWT (Note 5)	28,934	9,715
Employee Deductions Payable	38,898	43,581
Leave and termination benefits (Note 6)	2,090,480	2,089,639
Deferred revenue (Note 7)	<u>235,083</u>	<u>322,087</u>
	5,067,526	4,744,789
<u>TRUST FUND</u>	<u>256,824</u>	<u>253,665</u>
Total Liabilities	<u>5,324,350</u>	<u>4,998,454</u>
<u>Net Financial Resources (Debt)</u>	(887,611)	(1,505,370)
<u>Non-financial Assets</u>		
Tangible capital assets	-	-
Prepaid expenses	<u>18,173</u>	<u>42,644</u>
ACCUMULATED DEFICIT	<u>(869,438)</u>	<u>(1,462,726)</u>

APPROVED:

Chairperson

Comptroller

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, 2013

	2013	2012
Annual surplus/(deficit)	593,288	172,803
Change in Prepaid Expenses	<u>24,471</u>	<u>(42,644)</u>
(Increase)/decrease in net debt	617,759	130,159
Opening net financial resources	<u>(1,505,370)</u>	<u>(1,635,529)</u>
Closing net financial resources	<u>(887,611)</u>	<u>(1,505,370)</u>

See attached notes and schedules

**BEAUFORT-DELTA EDUCATION COUNCIL
STATEMENT OF OPERATIONS
CONSOLIDATED
FOR THE YEAR ENDED JUNE 30, 2013**

STATEMENT III

	<u>2013 Budget</u>	<u>2013 Actual</u>	<u>2012 Actual</u>
<u>OPERATING FUND</u>			
REVENUES			
Government of the NWT			
Regular contribution	27,489,269	27,675,986	28,667,698
Other ECE contributions	395,000	901,254	345,973
Other contributions	-	821,471	619,607
Total GNWT	27,884,269	29,398,711	29,633,279
Federal Government	565,125	412,066	490,711
BOARD GENERATED FUNDS			
Investment income	20,080	26,260	24,672
Other	257,339	600,709	434,627
Total generated funds	277,419	626,970	459,299
TOTAL REVENUES	28,726,813	30,437,747	30,583,289
<u>EXPENSES</u>			
Administration	1,749,890	2,552,335	2,172,638
School Programs	18,939,681	19,622,002	19,781,613
Inclusive schooling	4,649,761	4,111,585	4,608,916
Student accommodations	170,000	207,401	175,041
Operations and maintenance	698,006	665,465	889,723
Aboriginal language/cultural programs	2,484,592	2,685,671	2,782,555
TOTAL EXPENSES	28,691,931	29,844,460	30,410,486
OPERATING SURPLUS (DEFICIT)	34,882	593,288	172,803
ACCUMULATED SURPLUS (DEFICIT) - JULY 1	(1,462,726)	(1,462,726)	(1,635,529)
ACCUMULATED SURPLUS (DEFICIT) - JUNE 30	(1,427,844)	(869,438)	(1,462,726)

See attached notes and schedules

STATEMENT IV

**BEAUFORT-DELTA EDUCATION COUNCIL
STATEMENT OF CASH FLOW
CONSOLIDATED
FOR THE YEAR ENDED JUNE 30, 2013**

	2013	2012
Operating Transactions		
Cash received from:		
Government of Northwest Territories	29,398,711	29,633,279
Recoveries and general revenue	<u>820,727</u>	<u>1,143,253</u>
	<u>30,219,438</u>	<u>30,776,532</u>
Cash paid for:		
Compensation and benefits	(25,413,810)	(26,844,480)
Operations and maintenance	<u>(3,996,437)</u>	<u>(3,540,281)</u>
	<u>(29,410,246)</u>	<u>(30,384,761)</u>
Net cash from operations	809,192	391,771
Cash applied to capital transactions	-	-
Cash provided by investing transactions	-	-
Cash provided by financing transactions	<u>-</u>	<u>-</u>
Increase in cash and cash equivalents	809,192	391,771
Opening cash and cash equivalents	<u>2,756,425</u>	<u>2,364,654</u>
Closing cash and cash equivalents	<u>3,565,617</u>	<u>2,756,425</u>

See attached notes and schedules

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2013

NOTE 1. NATURE OF ORGANIZATION

The Council was formerly known as Beaufort-Delta Divisional Board of Education. With the adoption of the new Education Act, its legal name is now changed to Beaufort-Delta Education Council.

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 and are recorded at cost and amortized in accordance with the Financial Administration Manual guidelines. 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.

BEAUFORT-DELTA EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2013

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, 2013

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>6,824</u>
		<u>256,824</u>

Fund balance:

Principal proceeds received	216,515
Interest earned to-date	249,222
Expenditures to-date	<u>(208,914)</u>
	<u>256,824</u>

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2013

NOTE 5. DUE TO GNWT

	<u>2013</u>	<u>2012</u>
General and service costs	11,806	9,715
Excess funding repayable - current	17,127	-
	28,934	9,715
	28,934	9,715

NOTE 6. 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>2013</u>	<u>2012</u>
Annual leave and lieu time	114,069	138,374
Retirement and resignation benefits	1,020,288	910,860
Ultimate removal assistance	956,124	1,040,405
	2,090,480	2,089,639
	2,090,480	2,089,639

NOTE 7. 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 funds have not yet been met. These amounts will be recognized in revenue as expenses are incurred or conditions of funding are satisfied.

For the fiscal year ended June 30, 2013, the Beaufort-Delta Education council has deferred revenue as follows:

	<u>2013</u>	<u>2012</u>
Government of the Northwest Territories -		
- Education, Culture & Employment	68,125	283,901
- Department of Justice	5,159	5,159
- Library	55,169	-
- Department of Municipal & Community Affairs	2,125	24,382
NWT Status of Women	4,550	-
Inuvialuit Education Foundation	2,000	910
Inuvik Community Corporation	21,451	-
Paulatuk Community Corp.	4,000	-
Health Canada - Community Oral Health Initiative	7,811	3,635
Ulukhaktok Community Corp	12,484	1,450
Beaufort Delta Sahtu Recreation Association	51,414	-
Food First Foundation	795	
WWF for a Living Planet	-	2,650
	235,083	322,087
	235,083	322,087

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2013

NOTE 8. 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>2013</u>	<u>2012</u>
Accounts receivable		
Department of Education, Culture and Employment	52,241	16,366
Department of Municipal and Community Affairs	3,834	9,000
Department of Industry, Tourism and Investment	-	3,415
Chief Julius School, Ft McPherson	20,747	-
	76,822	28,781
	76,822	28,781
Accounts Payable		
Department of Municipal and Community Affairs	44,504	-
Various schools	286,391	207,958
	330,895	207,958
	330,895	207,958

NOTE 9. OPERATING SURPLUS

Under the block funding agreements the Council does not receive funding for the summer salary payout accrual until the period in which the liability is paid. In addition, the retirement and termination and ultimate removal liabilities are unfunded liabilities and are excluded from funding advances to the Council. For management purposes, the Department of Education recalculates surplus as shown below.

	<u>2013</u>	<u>2012</u>
Surplus (Deficit) as reported on the consolidated balance sheet	(869,438)	(1,462,726)
Infrastructure (Surplus) Deficit	(17,127)	285,624
Accrual for Summer Salaries/ Benefits (classroom assistants)	-	82,503
Termination and ultimate removal benefits (Note 6)	1,976,412	1,951,265
	1,089,847	856,665
	1,089,847	856,665

The accumulated management surplus of \$ 1,089,847 is within the guidelines for accumulated surpluses. The guidelines for accumulated management surplus, as defined by the Department of Education, Culture and Employment, states the surplus should not exceed the greater of \$500,000 or 5% of the Council's annual budget of \$28,691,931 which is calculated as \$1,434,597.

SCHEDULE 1

BEAUFORT-DELTA EDUCATION COUNCIL
SCHEDULE OF CONSOLIDATED EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013

	School Programs	Inclusive Schooling	Student Accommodations	Operations & Maintenance	Administration	Aboriginal Languages	Fiscals & Transfers	Totals
SALARIES								
Teachers	10,579,125	1,043,009	-	-	-	1,112,271	-	12,734,405
Instruction Assistant	75,884	1,051,446	-	-	-	239,741	-	1,367,070
Non-instructional staff	1,979,128	595,018	-	-	1,427,217	290,315	-	4,291,679
Board/Trustee honoraria	602	-	-	-	93,531	4,605	-	98,738
EMPLOYEE BENEFITS								
Employee benefit/allowance	4,554,595	1,010,672	-	120,122	93,402	513,573	-	6,292,364
Leave and termination	214,599	30,563	-	-	379,558	4,834	-	629,554
SERVICES PURCHASED/ CONTRACTED								
Professional/technical services	-	25,853	-	-	42,149	-	-	68,001
Postage/communication	95,916	42,713	2,944	-	39,525	-	-	181,099
Utilities & Leases	1,014	-	-	-	3,153	-	-	4,167
Travel	224,016	79,813	8,692	-	202,842	37,332	-	552,695
Student travel	108,368	-	188,140	-	-	25,458	-	321,966
Advertising/printing/publishing	633	-	1,283	9,951	18,159	-	-	30,027
Maintenance/repair	61,039	-	-	-	25,650	8,549	-	95,238
Rentals/leases	143,393	-	-	138,665	16,012	9,605	-	307,675
Others	90,516	-	-	396,728	40,114	42,390	-	569,748
Contracted services	145,869	-	-	-	67,579	222,046	-	435,494
MATERIALS/SUPPLIES/FREIGHT								
Materials	872,076	44,327	6,340	-	84,998	141,590	-	1,149,332
Furniture and equipment	399,824	186,380	-	-	9,211	33,142	-	628,557
Freight	75,405	1,791	-	-	9,235	219	-	86,649
CONTRIBUTIONS/TRANSFERS								
Transfers - Other	-	-	-	-	-	-	-	-
Transfers to Capital	-	-	-	-	-	-	-	-
AMORTIZATION								
	-	-	-	-	-	-	-	-
DEBT SERVICES								
	-	-	-	-	-	-	-	-
TOTAL	19,622,002	4,111,585	207,401	665,465	2,552,335	2,685,671	-	29,844,459

SCHEDULE 2

AKLAVIK DISTRICT EDUCATION AUTHORITY
 STATEMENT OF FINANCIAL POSITION
 FOR THE YEAR ENED JUNE 30, 2013

	2013	2012
<u>Financial Assets</u>		
Cash	30,178	59,695
Other accounts receivable	41,331	47,633
Total Financial Assets	<u>71,509</u>	<u>107,328</u>
 <u>Liabilities</u>		
Due to related party	41,903	36,946
Accounts payable	6,242	-
Due to GNWT	-	4,939
Wages and Benefits payable	3,002	2,373
Deferred revenue	12,860	9,904
Total Liabilities	<u>64,007</u>	<u>54,162</u>
 <u>Net</u>	 7,502	 53,166
 <u>Non-financial Assets</u>		
Tangible capital assets		-
Prepaid expenses	-	-
Accumulated Surplus	<u>7,502</u>	<u>53,166</u>

SCHEDULE 3

**AKLAVIK DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2013**

	2013 <u>Budget</u>	2013 <u>Actual</u>	2012 <u>Actual</u>
<u>REVENUES</u>			
Contributions from Divisional Council	48,168	50,732	62,020
GNWT revenue	40,000	61,689	72,439
Federal Govt	277,125	204,504	217,852
Other revenue	<u>2,500</u>	<u>48,696</u>	<u>33,424</u>
TOTAL REVENUES	<u>367,793</u>	<u>365,621</u>	<u>385,735</u>
<u>EXPENSES</u>			
Administration	17,460	64,800	70,902
School programs	50,000	119,024	83,058
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	<u>300,333</u>	<u>227,461</u>	<u>232,399</u>
TOTAL EXPENSES	<u>367,793</u>	<u>411,285</u>	<u>386,359</u>
OPERATING SURPLUS (DEFICIT)	-	(45,664)	(624)
SURPLUS (DEFICIT) JULY 1	<u>53,166</u>	<u>53,166</u>	<u>53,790</u>
SURPLUS (DEFICIT) JUNE 30	<u><u>53,166</u></u>	<u><u>7,502</u></u>	<u><u>53,166</u></u>

SCHEDULE 4

AKLAVIK DISTRICT EDUCATION AUTHORITY
 SCHEDULE OF EXPENSES
 FOR THE YEAR ENDED JUNE 30, 2013

	School Programs	Inclusive Schooling	Residences	Operations & Maintenance	Administration	Aboriginal Languages	Totals
SALARIES							
Teachers	-	-	-	-	-	-	-
Instruction Assistant	-	-	-	-	-	169,893	169,893
Non-instructional staff	47,195	-	-	-	47,658	-	94,853
Board/Trustee honoraria	-	-	-	-	4,550	-	4,550
EMPLOYEE BENEFITS							
Employee benefit/allowance	3,330	-	-	-	3,330	9,990	16,650
Leave and termination	-	-	-	-	-	-	-
SERVICES PURCHASED/ CONTRACTED							
Professional/technical services	-	-	-	-	-	-	-
Postage/communication	-	-	-	-	937	-	937
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	2,361	-	2,361
Student travel	-	-	-	-	-	-	-
Advertising/printing/publishing	-	-	-	-	-	-	-
Maintenance/repair	-	-	-	-	-	-	-
Rentals/leases	-	-	-	-	-	900	900
Others	1,000	-	-	-	1,176	-	2,176
Contracted services	-	-	-	-	-	3,600	3,600
MATERIALS/SUPPLIES/FREIGHT							
Materials	66,999	-	-	-	4,788	43,078	114,865
Furniture and equipment	-	-	-	-	-	-	-
Freight	500	-	-	-	-	-	500
TRANSFERS	-	-	-	-	-	-	-
TOTAL EXPENSES	119,024	-	-	-	64,800	227,461	411,285

SCHEDULE 5

**TSIIGEHTCHIC DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2013**

	2013	2012
<u>Financial Assets</u>		
Cash	62,731	7,097
Due from related party	52,863	32,180
Accounts Receivable	<u>450</u>	<u>-</u>
Total Financial Assets	<u>116,044</u>	<u>39,277</u>
<u>Liabilities</u>		
Accounts payable and accrued liabilities	13,504	279
Wages payable	<u>296</u>	<u>-</u>
Total Liabilities	<u>13,800</u>	<u>279</u>
<u>Net</u>	102,244	38,998
<u>Non-financial Assets</u>		
Tangible capital assets	-	-
Prepaid expenses	<u>-</u>	<u>-</u>
Accumulated Surplus	<u><u>102,244</u></u>	<u><u>38,998</u></u>

SCHEDULE 6

**TSIIGEHTCHIC DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2013**

	2013 <u>Budget</u>	2013 <u>Actual</u>	2012 <u>Actual</u>
<u>REVENUES</u>			
Contributions from Divisional Council	22,000	22,900	24,380
Other - Facility Rental	-	71,809	4,720
	<u>22,000</u>	<u>94,709</u>	<u>29,100</u>
<u>EXPENSES</u>			
Administration	8,000	20,745	4,895
School programs	11,800	10,719	6,773
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	2,200	-	2,524
	<u>22,000</u>	<u>31,464</u>	<u>14,193</u>
OPERATING SURPLUS (DEFICIT)	-	63,246	14,907
SURPLUS (DEFICIT) JULY 1	<u>38,998</u>	<u>38,998</u>	<u>24,091</u>
SURPLUS (DEFICIT) JUNE 30	<u>38,998</u>	<u>102,244</u>	<u>38,998</u>

SCHEDULE 7

TSIIGEHTCHIC DISTRICT EDUCATION AUTHORITY
 SCHEDULE OF EXPENSES
 FOR THE YEAR ENDED JUNE 30, 2013

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Admin	Aboriginal Languages	Totals
SALARIES							
Teachers	-	-	-	-	-	-	-
Instruction Assistant	-	-	-	-	-	-	-
Non-instructional staff	-	-	-	-	1,287	-	1,287
Board/Trustee honoraria	-	-	-	-	2,150	-	2,150
EMPLOYEE BENEFITS							
Employee benefit/allowance	-	-	-	-	83	-	83
Leave and termination	-	-	-	-	-	-	-
SERVICES PURCHASED/ CONTRACTED							
Professional/technical services	-	-	-	-	-	-	-
Postage/communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Student travel	5,618	-	-	-	-	-	5,618
Advertising/printing/publishing	-	-	-	-	-	-	-
Maintenance/repair	-	-	-	-	3,892	-	3,892
Rentals/leases	-	-	-	-	-	-	-
Others	4,329	-	-	-	1,090	-	5,419
Contracted services	-	-	-	-	12,050	-	12,050
MATERIALS/SUPPLIES/FREIGHT							
Materials	772	-	-	-	193	-	965
Furniture and equipment	-	-	-	-	-	-	-
Freight	-	-	-	-	-	-	-
TOTAL	10,719	-	-	-	20,745	-	31,464

**FORT MCPHERSON DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2013**

	2013	2012
<u>Financial Assets</u>		
Cash	36,278	61,394
Due from related party	20,920	10,624
Other accounts receivable	<u>12,491</u>	<u>50,554</u>
Total Financial Assets	<u>69,689</u>	<u>122,572</u>
<u>Liabilities</u>		
Accounts payable and accrued liabilities	1,200	6,514
Wages payable	6,272	4,485
Deferred revenue	<u>16,700</u>	<u>25,630</u>
Total Liabilities	<u>24,172</u>	<u>36,629</u>
<u>Net</u>	45,517	85,943
<u>Non-financial Assets</u>		
Tangible capital assets	-	
Prepaid expenses	<u>1,241</u>	<u>-</u>
Accumulated Surplus	<u><u>46,758</u></u>	<u><u>85,943</u></u>

SCHEDULE 9

**FORT MCPHERSON DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2013**

	2013	2013	2012
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<u>REVENUES</u>			
Contributions from Divisional Council	47,700	62,400	63,220
GNWT revenue	50,300	65,621	48,560
Federal Government	259,000	180,622	231,450
Other	<u>30,000</u>	<u>78,777</u>	<u>51,993</u>
TOTAL REVENUES	<u>387,000</u>	<u>387,420</u>	<u>395,223</u>
<u>EXPENSES</u>			
Administration	46,240	76,534	44,121
School programs	80,040	109,099	98,589
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	<u>260,720</u>	<u>240,973</u>	<u>242,274</u>
TOTAL EXPENSES	<u>387,000</u>	<u>426,606</u>	<u>384,984</u>
OPERATING SURPLUS (DEFICIT)	-	(39,186)	10,239
SURPLUS (DEFICIT) JULY 1	<u>85,944</u>	<u>85,944</u>	<u>75,705</u>
SURPLUS (DEFICIT) JUNE 30	<u>85,944</u>	<u>46,758</u>	<u>85,944</u>

SCHEDULE 10

FORT MCPHERSON DISTRICT EDUCATION AUTHORITY
 SCHEDULE OF EXPENSES
 FOR THE YEAR ENDED JUNE 30, 2013

	School Programs	Inclusive Schooling	Residences	Operations & Maintenance	Admin	Aboriginal Languages	Totals
SALARIES							
Teachers	-	-	-	-	-	-	-
Instruction Assistant	67,900	-	-	-	-	-	67,900
Non-instructional staff	11,218	-	-	-	37,549	191,648	240,415
Board/Trustee honoraria	-	-	-	-	7,450	1,000	8,450
							-
EMPLOYEE BENEFITS							
Employee benefit/allowance	5,543	-	-	-	3,326	13,303	22,172
Leave and termination	-	-	-	-	-	-	-
							-
SERVICES PURCHASED/ CONTRACTED							
Professional/technical services	-	-	-	-	-	-	-
Postage/communication	-	-	-	-	889	-	889
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Student travel	6,396	-	-	-	-	1,068	7,464
Advertising/printing/publishing	-	-	-	-	-	-	-
Maintenance/repair	-	-	-	-	-	-	-
Rentals/leases	-	-	-	-	-	1,600	1,600
Others	3,925	-	-	-	5,165	-	9,090
Contracted services	1,000	-	-	-	-	11,546	12,546
							-
MATERIALS/SUPPLIES/FREIGHT							
Materials	12,425	-	-	-	22,156	19,443	54,024
Furniture and equipment	-	-	-	-	-	1,364	1,364
Freight	692	-	-	-	-	-	692
							-
TOTAL EXPENSES	109,099	-	-	-	76,534	240,973	426,606

SCHEDULE 11

**INUVIK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2013**

	2013	2012
<u>Financial Assets</u>		
Cash	88,029	71,953
Due from related party	12,734	16,757
Other accounts receivable	2,240	1,000
Short-term Investment	13,498	13,405
Total Financial Assets	<u>116,501</u>	<u>103,115</u>
<u>Liabilities</u>		
Accounts payable	13,543	8,527
Wages payable	596	-
Deferred revenue	26,610	6,069
Facility User Deposits	3,715	-
Total Liabilities	<u>44,464</u>	<u>14,596</u>
<u>Net</u>	72,037	88,519
<u>Non-financial Assets</u>		
Tangible capital assets	-	-
Prepaid expenses	329	280
Accumulated Surplus	<u><u>72,366</u></u>	<u><u>88,799</u></u>

**INUVIK DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2013**

	2013 Budget	2013 Actual	2012 Actual
<u>REVENUES</u>			
Contributions from Divisional Council	203,800	233,000	235,020
GNWT revenue	5,156	-	12,358
Investment income	80	92	89
Other revenue	<u>54,655</u>	<u>64,700</u>	<u>30,303</u>
TOTAL REVENUES	<u>263,691</u>	<u>297,792</u>	<u>277,770</u>
<u>EXPENSES</u>			
Administration	86,450	92,018	83,937
School programs	141,905	115,162	104,032
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	<u>97,255</u>	<u>107,044</u>	<u>98,714</u>
TOTAL EXPENSES	<u>325,610</u>	<u>314,225</u>	<u>286,684</u>
OPERATING SURPLUS (DEFICIT)	(61,919)	(16,433)	(8,914)
SURPLUS (DEFICIT) JULY 1	<u>88,799</u>	<u>88,799</u>	<u>97,713</u>
SURPLUS (DEFICIT) JUNE 30	<u><u>26,880</u></u>	<u><u>72,366</u></u>	<u><u>88,799</u></u>

SCHEDULE 13

**INUVIK DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013**

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Totals
SALARIES							
Teachers	-	-	-	-	-	-	-
Instruction Assistant	-	-	-	-	-	69,848	69,848
Non-instructional staff	33,500	-	-	-	62,954	5,250	101,704
Board/Trustee honoraria	-	-	-	-	10,375	-	10,375
EMPLOYEE BENEFITS							
Employee benefit/allowance	-	-	-	-	4,511	5,381	9,892
Leave and termination	-	-	-	-	-	-	-
SERVICES PURCHASED/ CONTRACTED							
Professional/technical services	-	-	-	-	-	-	-
Postage/communication	-	-	-	-	-	-	-
Utilities	1,014	-	-	-	3,153	-	4,167
Travel	300	-	-	-	-	900	1,200
Student travel/awards	1,307	-	-	-	-	2,990	4,297
Advertising/printing/publishing	-	-	-	-	116	-	116
Maintenance/repair	-	-	-	-	704	-	704
Rentals/leases	21,339	-	-	-	-	-	21,339
Others	1,446	-	-	-	3,402	-	4,848
Contracted services	17,306	-	-	-	1,085	5,929	24,320
MATERIALS/SUPPLIES/FREIGHT							
Materials	38,950	-	-	-	5,718	16,746	61,414
Furniture and equipment	-	-	-	-	-	-	-
Freight	-	-	-	-	-	-	-
TOTAL EXPENSES	115,162	-	-	-	92,018	107,044	314,224

**PAULATUK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2013**

	2013	2012
<u>Financial Assets</u>		
Cash	5,908	10,323
Due from related party	7,260	24,707
Total Financial Assets	<u>13,168</u>	<u>35,029</u>
<u>Liabilities</u>		
Wages Payable	775	2,231
Deferred Revenue	4,000	-
Total Liabilities	<u>4,775</u>	<u>2,231</u>
<u>Net</u>	8,393	32,798
<u>Non-financial Assets</u>		
Tangible capital assets	-	-
Prepaid expenses	-	213
Accumulated Surplus	<u><u>8,393</u></u>	<u><u>33,011</u></u>

**PAULATUK DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2013**

	2013 <u>Budget</u>	2013 <u>Actual</u>	2012 <u>Actual</u>
<u>REVENUES</u>			
Contributions from Divisional Council	38,900	39,705	43,180
Bingo revenue	6,000	3,691	14,554
Other revenue	<u>4,000</u>	<u>4,375</u>	<u>5,522</u>
TOTAL REVENUES	<u>48,900</u>	<u>47,771</u>	<u>63,256</u>
<u>EXPENSES</u>			
Administration	27,905	38,791	28,912
School programs	20,795	29,618	16,487
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	<u>200</u>	<u>3,980</u>	<u>3,494</u>
TOTAL EXPENSES	<u>48,900</u>	<u>72,389</u>	<u>48,893</u>
OPERATING SURPLUS (DEFICIT)	-	(24,618)	14,363
SURPLUS (DEFICIT) JULY 1	<u>33,011</u>	<u>33,011</u>	<u>18,648</u>
SURPLUS (DEFICIT) JUNE 30	<u><u>33,011</u></u>	<u><u>8,393</u></u>	<u><u>33,011</u></u>

SCHEDULE 16

**PAULATUK DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013**

	School Programs	Inclusive Schooling	Student Accommodatio	Operations & Maintenance	Admin	Aboriginal Languages	Totals
SALARIES							
Teachers	-	-	-	-	-	-	-
Instruction Assistant	-	-	-	-	-	-	-
Non-instructional staff	8,186	-	-	-	18,556	-	26,742
Board/Trustee honoraria	-	-	-	-	7,350	3,605	10,955
EMPLOYEE BENEFITS							
Employee benefit/allowance	1,018	-	-	-	1,018	-	2,036
Leave and termination	-	-	-	-	-	-	-
SERVICES PURCHASED/ CONTRACTED							
Professional/technical services	-	-	-	-	-	-	-
Postage/communication	-	-	-	-	1,707	-	1,707
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Student travel	2,325	-	-	-	-	-	2,325
Advertising/printing/publishing	-	-	-	-	-	-	-
Maintenance/repair	-	-	-	-	-	-	-
Rentals/leases	-	-	-	-	-	-	-
Others	-	-	-	-	933	-	933
Contracted services	8,000	-	-	-	6,684	-	14,684
	-	-	-	-	-	-	-
MATERIALS/SUPPLIES/FREIGHT							
Materials	8,362	-	-	-	2,543	375	11,280
Furniture and equipment	-	-	-	-	-	-	-
Freight	1,727	-	-	-	-	-	1,727
TOTAL	29,618	-	-	-	38,791	3,980	72,389

**SACHS HARBOUR DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2013**

	2013	2012
<u>Financial Assets</u>		
Cash	3,256	32,592
Due from related party	50,314	26,740
Accounts Receivable	<u>800</u>	<u>-</u>
Total Financial Assets	<u>54,370</u>	<u>59,332</u>
<u>Liabilities</u>		
Accounts payable	13,800	24,000
Prepaid Facility Rental	<u>450</u>	<u>456</u>
Total Liabilities	<u>14,250</u>	<u>24,456</u>
<u>Net</u>	40,120	34,876
<u>Non-financial Assets</u>		
Tangible capital assets	-	-
Prepaid expenses	<u>-</u>	<u>-</u>
Accumulated Surplus	<u><u>40,120</u></u>	<u><u>34,876</u></u>

**SACHS HARBOUR DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2013**

	2013 <u>Budget</u>	2013 <u>Actual</u>	2012 <u>Actual</u>
<u>REVENUES</u>			
Contributions from Divisional Council	24,210	27,777	25,760
Facility Rental Revenue	-	1,400	-
TOTAL REVENUES	<u>24,210</u>	<u>29,177</u>	<u>25,760</u>
<u>EXPENSES</u>			
Administration	12,961	4,859	2,295
School programs	-	17,087	17,871
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	1,350	1,987	50
TOTAL EXPENSES	<u>14,311</u>	<u>23,933</u>	<u>20,216</u>
OPERATING SURPLUS (DEFICIT)	9,899	5,244	5,544
SURPLUS (DEFICIT) JULY 1	<u>34,876</u>	<u>34,876</u>	<u>29,332</u>
SURPLUS (DEFICIT) JUNE 30	<u>44,775</u>	<u>40,120</u>	<u>34,876</u>

SCHEDULE 19

SACHS HARBOUR DISTRICT EDUCATION AUTHORITY
 SCHEDULE OF EXPENSES
 FOR THE YEAR ENDED JUNE 30, 2013

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Admin	Aboriginal Languages	Totals
SALARIES							
Teachers	-	-	-	-	-	-	-
Instruction Assistant	-	-	-	-	-	-	-
Non-instructional staff	-	-	-	-	866	-	866
Board/Trustee honoraria	-	-	-	-	1,049	-	1,049
EMPLOYEE BENEFITS							
Employee benefit/allowance	-	-	-	-	38	-	38
Leave and termination	-	-	-	-	-	-	-
SERVICES PURCHASED/ CONTRACTED							
Professional/technical services	-	-	-	-	-	-	-
Postage/communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	1,682	-	1,682
Student travel	-	-	-	-	-	-	-
Advertising/printing/publishing	-	-	-	-	-	-	-
Maintenance/repair	-	-	-	-	-	-	-
Rentals/leases	-	-	-	-	-	-	-
Others	-	-	-	-	292	-	292
Contracted services	12,300	-	-	-	-	-	12,300
MATERIALS/SUPPLIES/FREIGHT							
Materials	4,402	-	-	-	932	1,987	7,321
Furniture and equipment	-	-	-	-	-	-	-
Freight	385	-	-	-	-	-	385
TOTAL	17,087	-	-	-	4,859	1,987	23,933

SCHEDULE 20

**TUKTOYAKTUK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>2013</u>	<u>2012</u>
FINANCIAL ASSETS		
Cash	8,719	21,252
Due from related party	<u>47,358</u>	<u>15,681</u>
	<u>56,077</u>	<u>36,933</u>
 LIABILITIES		
Accounts Payable	31,860	16,694
Wages Payable	2,539	1,175
Deferred Revenue	<u>7,811</u>	<u>3,635</u>
	<u>42,210</u>	<u>21,504</u>
 NET	13,867	15,429
 NON-FINANCIAL ASSETS		
Tangible capital assets	-	-
Prepaid expenses	<u>-</u>	<u>-</u>
ACCUMULATED SURPLUS	<u><u>13,867</u></u>	<u><u>15,429</u></u>

SCHEDULE 21

**TUKTOYAKTUK DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2013**

	2013 Budget	2013 Actual	2012 Actual
REVENUE			
Contributions from Divisional Council	73,848	75,700	77,060
GNWT revenue	-	10,600	9,500
Federal Govt revenue	29,000	26,940	41,408
Other revenue	17,500	51,164	75,812
	120,348	164,404	203,780
EXPENDITURES			
Administration	33,848	44,676	69,470
School Programs	86,500	100,696	90,195
Inclusive Schooling	-	-	-
Student Accommodations	-	-	-
Operations and Maintenance	-	-	-
Aboriginal Language/Cultural Programs	-	20,594	20,149
	120,348	165,966	179,814
OPERATING SURPLUS (DEFICIT)	-	(1,562)	23,966
SURPLUS (DEFICIT) JULY 1			
SURPLUS (DEFICIT) JUNE 30	15,429	15,429	(8,537)
	15,429	13,867	15,429

SCHEDULE 22

TUKTOYAKTUK DISTRICT EDUCATION AUTHORITY
 SCHEDULE OF EXPENSES
 FOR THE YEAR ENDED JUNE 30, 2013

	School Programs	Inclusive Schooling	Residences	Operations & Maintenance	Administration	Aboriginal Languages	Totals
SALARIES							
Teachers	-	-	-	-	-	-	-
Instruction Assistant	-	-	-	-	-	-	-
Non-instructional staff	19,195	-	-	-	17,321	2,388	38,904
Board/Trustee honoraria	-	-	-	-	3,475	-	3,475
EMPLOYEE BENEFITS							
Employee benefit/allowance	7,116	-	-	-	6,261	-	13,377
Leave and termination	-	-	-	-	-	-	-
SERVICES PURCHASED/ CONTRACTED							
Professional/technical services	-	-	-	-	-	-	-
Postage/communication	-	-	-	-	136	-	136
Utilities	-	-	-	-	-	-	-
Travel	75	-	-	-	-	-	75
Student support/awards	3,661	-	-	-	-	-	3,661
Advertising/printing/publishing	108	-	-	-	-	-	108
Maintenance/repair	-	-	-	-	-	-	-
Rentals/leases	-	-	-	-	-	-	-
Others	1,366	-	-	-	11,311	-	12,677
Contracted services	32,478	-	-	-	484	9,733	42,695
MATERIALS/SUPPLIES/FREIGHT							
Materials	36,697	-	-	-	5,628	8,473	50,798
Furniture and equipment	-	-	-	-	-	-	-
Freight	-	-	-	-	60	-	60
TRANSFERS	-	-	-	-	-	-	-
TOTAL EXPENSES	100,696	-	-	-	44,676	20,594	165,966

SCHEDULE 23

ULUKHAKTOK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2013

	2013	2012
<u>Financial Assets</u>		
Cash	58,328	43,430
Due from related party	23,206	39,217
Total Financial Assets	81,534	82,647
<u>Liabilities</u>		
Accounts payable	406	250
Wages payable	632	502
Deferred revenue	38,464	40,980
Total Liabilities	39,502	41,732
<u>Net</u>	42,032	40,915
<u>Non-financial Assets</u>		
Tangible capital assets	-	-
Prepaid expenses	-	-
Accumulated Surplus	42,032	40,915

**ULUKHAKTOK DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>2013 Budget</u>	<u>2013 Actual</u>	<u>2012 Actual</u>
<u>REVENUES</u>			
Contributions from Divisional Council	42,300	48,500	48,980
GNWT	-	74,955	49,050
Other Revenue	-	16,067	8,220
	<u>42,300</u>	<u>139,522</u>	<u>106,250</u>
<u>EXPENSES</u>			
Administration	12,775	22,748	16,234
School programs	18,775	95,885	66,395
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	10,750	19,772	23,917
	<u>42,300</u>	<u>138,405</u>	<u>106,546</u>
OPERATING SURPLUS (DEFICIT)	-	1,117	(296)
SURPLUS (DEFICIT) JULY 1	<u>40,915</u>	<u>40,915</u>	<u>41,211</u>
SURPLUS (DEFICIT) JUNE 30	<u>40,915</u>	<u>42,032</u>	<u>40,915</u>

See attached notes.

**ULUKHAKTOK DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013**

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Admin	Aboriginal Languages	Totals
SALARIES							
Teachers	10,982	-	-	-	-	-	10,982
Instruction Assistant	-	-	-	-	-	-	-
Non-instructional staff	30,290	-	-	-	3,441	10,763	44,494
Board/Trustee honoraria	602	-	-	-	13,354	-	13,956
EMPLOYEE BENEFITS							
Employee benefit/allowance	-	-	-	-	3,335	-	3,335
Leave and termination	-	-	-	-	-	-	-
SERVICES PURCHASED/ CONTRACTED							
Professional/technical services	-	-	-	-	-	-	-
Postage/communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Student support/awards	8,605	-	-	-	-	-	8,605
Advertising/printing/publishing	-	-	-	-	-	-	-
Maintenance/repair	-	-	-	-	-	-	-
Rentals/leases	-	-	-	-	-	-	-
Others	3,093	-	-	-	2,558	-	5,651
Contracted services	-	-	-	-	-	-	-
MATERIALS/SUPPLIES/FREIGHT							
Materials	16,088	-	-	-	60	9,009	25,157
Furniture and equipment	26,224	-	-	-	-	-	26,224
Freight	-	-	-	-	-	-	-
TOTAL	95,885	-	-	-	22,748	19,772	138,405

**BEAUFORT-DELTA EDUCATION COUNCIL
STATEMENT OF FINANCIAL POSITION
NON-CONSOLIDATED
FOR THE YEAR ENDED JUNE 30, 2013**

	2013	2012
<u>Financial Assets</u>		
Cash	3,258,687	2,452,884
Due from the GNWT	38,713	22,967
Other accounts receivable	518,273	360,840
	<u>3,815,673</u>	<u>2,836,691</u>
TRUST FUND	<u>256,824</u>	<u>253,665</u>
Total Financial Assets	<u>4,072,497</u>	<u>3,090,356</u>
<u>Liabilities</u>		
Accounts payable and accrued liabilities	690,305	410,413
Due to related party	172,752	128,960
Accrued salaries	1,884,995	1,811,849
Due to the GNWT	28,934	4,776
Employee deductions payable	38,898	37,800
Deferred revenue	128,638	235,869
Leave and termination benefits	2,090,480	2,089,639
	<u>5,035,001</u>	<u>4,719,306</u>
TRUST FUND	<u>256,824</u>	<u>253,665</u>
Total Liabilities	<u>5,291,825</u>	<u>4,972,971</u>
<u>Net</u>	(1,219,328)	(1,882,615)
<u>Non-financial Assets</u>		
Tangible capital assets		
Prepaid expenses	16,603	28,746
Accumulated Surplus.(Deficit)	<u>(1,202,725)</u>	<u>(1,853,868)</u>

**BEAUFORT-DELTA EDUCATION COUNCIL
STATEMENT OF OPERATIONS
NON-CONSOLIDATED
FOR THE YEAR ENDED JUNE 30, 2013**

	2013 <u>Budget</u>	2013 <u>Actual</u>	2012 <u>Actual</u>
<u>OPERATING FUND</u>			
REVENUES			
Government of the NWT			
Regular contribution	27,410,969	27,675,986	28,667,698
Other ECE Contributions	375,000	901,254	314,394
Other contributions	-	608,606	459,279
	<u>27,785,969</u>	<u>29,185,846</u>	<u>29,441,371</u>
Federal Government	-	-	-
Board generated funds			
Investment income	20,000	26,168	24,583
Other	135,000	260,030	210,082
Total generated funds	<u>155,000</u>	<u>286,199</u>	<u>234,665</u>
TOTAL REVENUES	<u>27,940,969</u>	<u>29,472,045</u>	<u>29,676,035</u>
<u>EXPENSES</u>			
Administration	1,730,281	2,425,363	2,092,170
School programs	18,676,436	19,232,727	19,450,813
Inclusive schooling	4,649,761	4,111,585	4,608,916
Student accommodations	170,000	207,401	175,041
Operations and maintenance	698,006	665,465	889,723
Aboriginal language/cultural programs	1,929,582	2,178,361	2,345,753
TOTAL EXPENSES	<u>27,854,067</u>	<u>28,820,902</u>	<u>29,562,416</u>
OPERATING SURPLUS (DEFICIT)	86,902	651,143	113,619
SURPLUS (DEFICIT) JULY 1	<u>(1,853,868)</u>	<u>(1,853,868)</u>	<u>(1,967,487)</u>
SURPLUS (DEFICIT) JUNE 30	<u>(1,766,966)</u>	<u>(1,202,725)</u>	<u>(1,853,868)</u>

**BEAUFORT-DELTA EDUCATION COUNCIL
SCHEDULE OF EXPENDITURE
NON-CONSOLIDATED
FOR THE YEAR ENDED JUNE 30, 2013**

	School Programs	Inclusive Schooling	Student Accommodations	Operations & Maintenance	Administration	Aboriginal Languages	Totals
SALARIES							
Teachers	10,568,143	1,043,009	-	-	-	1,112,271	12,723,423
Instruction Assistant	7,984	1,051,446	-	-	-	-	1,059,429
Non-instructional staff	1,829,544	595,018	-	-	1,237,585	80,266	3,742,414
Board/Trustee honoraria	-	-	-	-	43,778	-	43,778
EMPLOYEE BENEFITS							
Employee benefit/allowance	4,537,588	1,010,672	-	120,122	71,500	484,899	6,224,781
Leave and termination	214,599	30,563	-	-	379,558	4,834	629,554
SERVICES PURCHASED/ CONTRACTED							
Professional/technical services	-	25,853	-	-	42,149	-	68,001
Postage/communication	95,916	42,713	2,944	-	35,856	-	177,430
Utilities	-	-	-	-	-	-	-
Travel	223,641	79,813	8,692	-	198,799	36,432	547,377
Student travel	80,456	-	188,140	-	-	21,400	289,996
Advertising/printing/publishing	525	-	1,283	9,951	18,043	-	29,803
Maintenance/repair	61,039	-	-	-	21,054	8,549	90,642
Rentals/leases	122,054	-	-	138,665	16,012	7,105	283,836
Others	75,357	-	-	396,728	14,187	42,390	528,662
Contracted services	74,785	-	-	-	47,276	191,238	313,299
MATERIALS/SUPPLIES/FREIGHT							
Materials	687,381	44,327	6,340	-	42,980	42,479	823,508
Furniture and equipment	373,600	186,380	-	-	9,211	31,778	600,969
Freight	72,101	1,791	-	-	9,175	219	83,285
CONTRIBUTIONS/TRANSFERS							
Transfers - Other	208,014	-	-	-	238,200	114,500	560,714
Transfers to Capital	-	-	-	-	-	-	-
AMORTIZATION							
	-	-	-	-	-	-	-
DEBT SERVICES							
	-	-	-	-	-	-	-
	19,232,727	4,111,585	207,401	665,465	2,425,363	2,178,361	28,820,902

SCHEDULE 29

**BEAUFORT-DELTA EDUCATION COUNCIL
REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
INFRASTRUCTURE
FOR THE YEAR ENDED JUNE 30, 2013**

	2013	2012
Personnel Infrastructure		
Contributions	<u>493,842</u>	<u>460,708</u>
Expenses		
Applicant Travel	-	4,321
Staff Advertising	-	-
Removal In/Transfer	294,252	356,590
Ultimate Removal	125,231	261,403
WCB Premiums	<u>120,122</u>	<u>112,984</u>
Total Expenses	<u>539,604</u>	<u>735,298</u>
Net Surplus (Deficit)	<u>(45,762)</u>	<u>(274,590)</u>
Leases Infrastructure		
Contributions	<u>201,554</u>	<u>143,391</u>
Expenses		
Leases	138,665	154,425
Other (specify)	-	-
Total Expenses	<u>138,665</u>	<u>154,425</u>
Net Surplus (Deficit)	<u>62,889</u>	<u>(11,034)</u>
REPAYABLE TO EDUCATION, CULTURE AND EMPLOYMENT	<u>17,127</u>	

**BEAUFORT-DELTA EDUCATION COUNCIL
REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
FRENCH LANGUAGE PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2013**

	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	26,222	3,778
Core French 1:12 salary	25,000	537,400	(512,400)
French Immersion-Pioneer Class	70,000	138,117	(68,117)
French Immersion-Pioneer Class (Resourc	5,000	4,201	799
French Resources	4,000	3,235	765
Cultural Activities	3,000	1,190	1,810
Professional Development	5,000	5,663	(663)
French Monitor	13,701	15,240	(1,539)
TOTAL	<u>155,701</u>	<u>731,268</u>	<u>(575,568)</u>
Regular GNWT Funding			
Immersion program	130,701		
Core French instruction	25,000		
Total	<u>155,701</u>		

SCHEDULE 31

**BEAUFORT-DELTA EDUCATION COUNCIL
REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
ABORIGINAL LANGUAGES
FOR THE YEAR ENDED JUNE 30, 2013**

Contribution Agreement Aboriginal Languages	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	<u>78,000</u>	<u>-</u>	<u>78,000</u>
Expenses			
Salaries	100,000	-	100,000
Other O & M	89,498	-	89,498
Deficit of Funding - June 30 Prev.Yr.	202,000	1,280	203,280
Total Expenses	<u>391,498</u>	<u>1,280</u>	<u>392,778</u>
Surplus March 31			
Surplus June 30			
Deficit March 31	(313,498)	-	(313,498)
Deficit June 30	-	(1,280)	(1,280)
Net Surplus/(Deficit)	<u>(313,498)</u>	<u>(1,280)</u>	<u>(314,778)</u>

SCHEDULE 32

**BEAUFORT-DELTA EDUCATION COUNCIL
REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
STUDENT SUCCESS INITIATIVE
FOR THE YEAR ENDED JUNE 30, 2013**

NWT Student Success Initiative

Professional Development Initiative

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

	<u>2013</u>
Revenue	<u>162,050</u>
Expenses	
Salaries/Wages	
Facilitator fees (include per diem)	12,709
Substitute teacher wages	
Travel	
Facilitator travel	7,526
Air charter	20,537
Staff travel	38,504
Accommodation	33,362
Daily per diems	39,828
Other expenses	4,119
Workshop Expenses	
Room rental	2,625
Refreshments	1,748
Resources	570
Miscellaneous (stationery)	<u>522</u>
Total Expenses	<u>162,050</u>
Net Surplus/Deficit	<u><u>-</u></u>

SCHEDULE 33

**BEAUFORT-DELTA EDUCATION COUNCIL
REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
STUDENT SUCCESS INITIATIVE
FOR THE YEAR ENDED JUNE 30, 2013**

NWT Student Success Initiative

Title of Project: Angik School CTS - YEAR 2 OF 2

	2013
APPROVED REVENUE	
NWT SSI	40,000
DEFERRED - 2012	<u>9,606</u>
	<u>49,606</u>
EXPENDITURES	
REPAIR/MTNCE- BLDG.	37,350
OTHER SUPPLIES	1,359
TEXTBOOKS	-
FURNITURE & EQUIPMEN	-
FREIGHT - GENERAL	<u>-</u>
TOTAL EXPENDITURES	<u>38,709</u>
SURPLUS	<u>10,897</u>
DEFERRED - 2012 - 2013	<u>10,897</u>

SCHEDULE 34

**BEAUFORT-DELTA EDUCATION COUNCIL
REPORT ON ACTIVITIES OF SPECIFIC ACTIVITIES -
STUDENT SUCCESS INITIATIVE
FOR THE YEAR ENDED JUNE 30, 2013**

NWT Student Success Initiative
Title of Project: Gwich'in Education Forum

APPROVED REVENUE	
NWT SSI	<u>25,000</u>
EXPENSES	
GWICH'IN TRIBAL COUNCIL	<u>25,000</u>
TOTAL EXPENSES	<u>25,000</u>
SURPLUS	<u><u>-</u></u>

**BEAUFORT-DELTA EDUCATION COUNCIL
REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
STUDENT SUCCESS INITIATIVE
FOR THE YEAR ENDED JUNE 30, 2013**

NWT Student Success Initiative**Title of Project: eLEARNING DEVELOPMENT/IMPLEMENTATION - YEAR 2 OF 3****APPROVED REVENUE**

NWT SSI	35,000
DEFERRED - 2012	74,165
	<u>109,165</u>

EXPENSES

INTERNET	42,713
CLASSROOM MATERIALS	3,557
EDUCATION ASSISTANTS	64,721
COMPUTER SOFTWARE	31,464
COMPUTER HARDWARE	16,151
DUTY TRAVEL	1,981
STUDENT TRAVEL	3,310
	<u>163,897</u>

TOTAL EXPENSES163,897**SURPLUS (DEFICIT)**(54,732)

BEAUFORT-DELTA EDUCATION COUNCIL
REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
DETAILS OF ABORIGINAL AND CULTURAL-BASED EDUCATION EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013

FUNCTION	<u>Aboriginal Language and Culture-Based Education</u>				Total
	Student Instruction	Teaching/ Learning Resources	Professional Development	School Activities and Integrated Community Programs	
<u>SALARIES</u>					
ALCBE Teachers	1,121,879	-	-	-	1,121,879
Language Consultants	70,658	-	-	-	70,658
Instruction Assistants	69,848	-	-	-	69,848
Non Instructional Staff	-	-	-	379,942	379,942
Honoraria	-	-	-	28,005	28,005
Elders in Schools	-	-	-	13,875	13,875
<u>EMPLOYEE BENEFITS</u>					
Employee Benefits/Allowances	489,733	-	-	28,674	518,407
<u>SERVICES PURCHASED/CONTRACTED</u>					
Professional/Technical Services	-	-	-	-	-
Travel	4,292	-	32,256	900	37,447
Student Transportation (Bussing)	-	-	-	25,458	25,458
Advertising/Printing/Publishing	33,732	5,000	-	-	38,732
Maintenance/Repair	-	-	-	8,549	8,549
Rentals/Leases	-	-	-	9,605	9,605
Other Contracted Services	-	189,498	-	30,808	220,306
<u>MATERIALS/SUPPLIES/FREIGHT</u>					
Materials	-	13,127	14,500	115,114	142,741
Freight	219	-	-	-	219
TOTAL	1,790,360	207,625	46,756	640,931	2,685,671

**BEAUFORT-DELTA EDUCATION COUNCIL
REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
DETAILS OF INCLUSIVE SCHOOLING EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013**

FUNCTION	Staff Development	Assistive Technology	Student Resources	General Inclusive Schooling	Total
<u>SALARIES</u>					
Program Support Teachers	-	-	-	1,043,009	1,043,009
Consultants	-	-	-	280,395	280,395
Support Assistants	-	-	-	1,029,594	1,029,594
Non Instructional Staff	-	-	-	336,474	336,474
Honoraria	-	-	-	-	-
<u>EMPLOYEE BENEFITS</u>					
Employee Benefits/Allowances	-	-	-	1,041,235	1,041,235
<u>SERVICES PURCHASED/CONTRACTED</u>					
Professional/Technical Services	-	-	-	-	-
Travel	25,573	-	-	54,240	79,813
Student Transportation (Bussing)	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-
Rentals/Leases	-	-	-	-	-
Other Contracted Services	-	42,713	-	25,853	68,566
<u>MATERIALS/SUPPLIES/FREIGHT</u>					
Materials	10,017	54,612	21,823	144,255	230,707
Freight	-	312	-	1,479	1,791
TOTAL	35,589	97,637	21,823	3,956,535	4,111,585

Commission scolaire francophone Territoires du Nord-Ouest

Financial Statements

June 30, 2013

Commission scolaire francophone Territoires du Nord-Ouest

Financial Statements

June 30, 2013	Page
Independent Auditors' Report	3 - 4
Statement of Financial Position	5
Statement of Operations	6
Statement of Changes in Net 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

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, 2013 and the statements of operations, change in net 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.

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, accrued salaries, employee leave and termination benefits and accumulated deficit.

Independent Auditors' Report (continued)

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, 2013 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 16, 2013**

MacKay LLP

Chartered Accountants

Commission scolaire francophone Territoires du Nord-Ouest

Statement of Financial Position

As at June 30, 2013 2012

Financial Assets

Current

Cash	\$ 520,180	\$ 405,855
Restricted cash (Note 3)	35,000	6,250
Temporary investment	-	11,473
Due from the Government of the Northwest Territories (Note 4)	166,535	83,133
Other accounts receivable	49,153	45,541
	770,868	552,252

Liabilities

Current

Accounts payable and accrued liabilities	444,016	216,754
Employee deductions payable	1,767	2,780
Vacation payable	32,945	34,635
Contributions repayable (Note 5)	11,143	6,329
Employee leave and termination benefits (Note 6)	148,234	120,584
Deferred revenue (Note 7)	35,000	5,382
Salaries and wages payable (Note 4)	518,978	306,806
	1,192,083	693,270

Net debt **(421,215)** **(141,018)**

Non-financial assets

Prepaid expenses and deposits 11,552 12,536

Accumulated deficit **\$ (409,663)** **\$ (128,482)**

Commitments (Note 8)

Contingencies (Note 9)

Approved on behalf of the Board

Marie LeBlanc-Harick Trustee *pour Suzette Montreuil*

Wendy D. Dwyer Trustee

Commission scolaire francophone Territoires du Nord-Ouest

Statement of Operations

For the year ended June 30,	2013 Budget	2013 Actual	2012 Actual
Revenue			
Government of the Northwest Territories			
Regular contributions	\$ 4,029,703	\$ 4,024,079	\$ 4,256,518
French minority language	1,152,850	1,152,850	1,152,850
Other contributions (note 4)	-	120,779	64,536
	5,182,553	5,297,708	5,473,904
Government of Canada			
Other contributions	44,400	40,731	37,985
Board Generated Funds			
Northwest Territories Teachers' Association			
Contributions	-	51,394	88,148
Interest	-	31	-
School fees	11,000	16,481	6,266
Other revenue	-	9,055	28,781
	11,000	76,961	123,195
	5,237,953	5,415,400	5,635,084
Expenses (Schedule 1)			
School programs	3,425,613	3,656,794	3,837,683
Inclusive schooling	790,397	804,733	838,153
Operations and maintenance	75,795	136,611	144,260
Administration	764,202	983,768	814,055
Aboriginal languages	91,349	114,675	81,417
	5,147,356	5,696,581	5,715,568
Operating surplus (deficit)	90,597	(281,181)	(80,484)
Accumulated deficit, beginning of year	-	(128,482)	(47,998)
Accumulated deficit, end of year	\$ -	\$ (409,663)	\$ (128,482)

Commission scolaire francophone Territoires du Nord-Ouest

Statement of Change in Net Debt

For the year ended June 30,	2013	2012
Operating deficit	\$ (281,181)	\$ (80,484)
Change in prepaid expenses and deposits	984	14,216
Decrease in net debt	\$ (280,197)	\$ (66,268)
Net debt, beginning of year	\$ (141,018)	\$ (74,750)
Net debt, end of year	\$ (421,215)	\$ (141,018)

Commission scolaire francophone Territoires du Nord-Ouest**Statement of Cash Flows**

For the year ended June 30,	2013	2012
Operating transactions		
Cash received from:		
Government of Canada	\$ 16,868	\$ 53,912
Government of the Northwest Territories	5,335,448	5,936,025
Recoveries and general revenue	10,501	115,862
	5,362,817	6,105,799
Cash paid for:		
Compensation and benefits	(4,168,630)	(4,593,471)
Operations and maintenance	(1,062,585)	(1,187,008)
	(5,231,215)	(5,780,479)
Cash provided by operating transactions	131,602	325,320
Investing transaction		
Temporary investments	11,473	-
Cash from investing transactions	11,473	-
Change in cash position	143,075	325,320
Cash and cash equivalents, beginning of year	412,105	86,785
Cash and cash equivalents, end of year	\$ 555,180	\$ 412,105
Cash and cash equivalents consist of:		
Cash	\$ 520,180	\$ 405,855
Restricted cash (note 3)	35,000	6,250
	\$ 555,180	\$ 412,105

Notes to Financial Statements

June 30, 2013

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

(i) Measurement of financial instruments

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

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

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

1. Significant Accounting Policies (continued)

(b) Financial instruments (continued)

(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 Commission 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.

(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.

Notes to Financial Statements

June 30, 2013

1. Significant Accounting Policies (continued)

(d) 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.

(e) Revenue recognition

GNWT - regular contributions

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

GNWT - French minority language

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

Other contributions

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

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.

Notes to Financial Statements

June 30, 2013

1. Significant Accounting Policies (continued)

(f) Inventory

Inventories of books, supplies and other expendables purchased by the Commission are treated as expenditures during the year of acquisition and are not recorded on the balance sheet.

(g) 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.

(h) 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.

(i) 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.

(j) 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.

(k) Use of estimates

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.

Notes to Financial Statements

June 30, 2013

2. Changes in Accounting Policies

The Commission adopted the following new accounting policies:

Government Transfers - Section PS 3410

On July 1, 2012, the Commission adopted the PSA Handbook Section 3410 "Government Transfers". The standard includes the requirement for recognition, measurement, presentation, and disclosure of transfers received from government and is effective for years beginning on or after April 1, 2012. This accounting change had no significant impact on the Commission's financial statements

Financial Instruments - Section PS 3450

On July 1, 2012, the Commission adopted the PSA handbook section 3450 "Financial Instruments". This standards includes the requirement for recognition, measurement, presentation, and disclosure of financial instruments and is effective for years beginning on or after April 1, 2012. This accounting change had no significant impact on the Commission's financial statements.

3. 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 9).

4. 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

	2013	2012
GNWT - Department of Education, Culture and Employment	\$ 166,535	\$ 83,133

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

June 30, 2013

4. Related Party Transactions (continued)**Salaries and wages payable**

	2013	2012
GNWT - Department of Finance (salary accrual)	\$ 518,978	\$ 306,806
GNWT - Department of Finance (payroll tax payable)	1,168	484
	520,146	307,290

Other contributions - GNWT

	2013	2012
Department of Education, Culture and Employment	\$ 111,725	\$ 60,242
Department of Health and Social Services	9,054	4,294
	\$ 120,779	\$ 64,536

5. Contributions Repayable

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

	2013	2012
Government of the Northwest Territories		
Department of Education, Culture and Employment - Infrastructure funding	\$ 11,143	\$ 6,329

6. Employee Leave and Termination Benefits

	2013	2012
Severance liability benefit	\$ 63,728	\$ 50,108
Removal out liability	84,506	70,476
	\$ 148,234	\$ 120,584

7. 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.

	2013	2012
PADL funding	\$ 35,000	\$ 5,382

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

June 30, 2013

8. Commitments

The Commission is committed to three photocopier lease agreements. One lease agreement is with IOS Financial Services and expires in 2014. The other two lease agreements are with Xerox and 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	2014	2015-2017	Total
Equipment leases				
Xerox WC5755 Printer	2016 \$	3,285 \$	6,571 \$	9,856
Aficio MP C4000	2014	10,140	-	10,140
Xerox WC7125	2016	3,524	3,524	7,048
		16,949	10,095	27,044
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	60,000	90,000
		\$ 52,012 \$	\$ 75,158 \$	\$ 127,170

9. Contingencies

In early June 2012, a judgement was decreed in the legal action brought by the Commission scolaire 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.

The GNWT has submitted an appeal, which has not yet been heard by the court. The Commission does not expect any loss or gain from these legal actions against the GNWT.

10. Accumulated Deficit for Management Purposes

Under block funding agreements the Commission does not receive funding for the leave and termination liability and is excluded from any funding advances to the Commission. For management purposes, the department recalculates the surplus as shown below.

	2013	2012
Accumulated deficit	\$ (409,664) \$	(128,482)
Accrual for leave and termination benefits	148,234	120,584
	\$ (261,430) \$	(7,898)

Notes to Financial Statements

June 30, 2013

11. Comparative Figures

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

12. Financial Instruments

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. The Commission is exposed to credit risk from government funding departments and agencies. This risk is minimized due to the credit worthiness of the territorial and federal government.

b) Liquidity risk

The Commission has liquidity risk in the accounts payable, accrued liabilities and salaries and wages payable. 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.

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 1 - Details of Expenses

For the year ended June 30, 2013

	School Programs	Inclusive Schooling	Operation & Maintenance	Administration	Aboriginal Languages	Total
Salaries						
Teachers salaries	\$ 2,615,393	\$ 381,913	\$ -	\$ -	\$ 34,976	\$ 3,032,282
Instruction assistants	159,102	189,685	-	-	-	348,787
Non-instructional staff	376,170	119,997	-	391,655	-	887,822
Board/trustee honorarium	-	-	-	31,903	-	31,903
	3,150,665	691,595	-	423,558	34,976	4,300,794
Employee benefits						
Employee benefits	-	-	27,728	-	-	27,728
Leave and termination benefits	-	-	62,954	-	-	62,954
	-	-	90,682	-	-	90,682
Services purchased						
Advertising/printing	-	-	15,557	15,548	-	31,105
Communications	13,727	-	-	13,727	-	27,454
Contracted services	70,100	37,053	-	450,264	-	557,417
Maintenance/repair	12,282	-	30,372	-	-	42,654
Other	24,067	33,532	-	16,988	21,142	95,729
Rental/leases	104,319	-	-	15,165	-	119,484
Student travel	54,515	-	-	-	-	54,515
Travel	5,737	23,603	-	29,515	9,788	68,643
	284,747	94,188	45,929	541,207	30,930	997,001
Supplies and materials						
Freight	516	2,970	-	589	-	4,075
Materials	220,866	15,980	-	18,414	48,769	304,029
	221,382	18,950	-	19,003	48,769	308,104
	\$ 3,656,794	\$ 804,733	\$ 136,611	\$ 983,768	\$ 114,675	\$ 5,696,581

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 2 - Details of Inclusive Schooling Expenses

For the year ended June 30, 2013

	Staff Development	Student Resources	General Inclusive Schooling	Total
Function Salaries				
Consultants	\$ -	\$ -	\$ 119,997	\$ 119,997
Honoraria	33,603	-	-	33,603
Program support teachers	33,532	-	381,913	415,445
Supportive assistants	-	-	189,685	189,685
	67,135	-	691,595	758,730
Services Purchased/Contracted				
Other contracted	3,450	-	-	3,450
Travel	-	-	23,603	23,603
Materials/Supplies/Freight				
Freight	-	-	2,970	2,970
Materials	-	15,980	-	15,980
	-	15,980	2,970	18,950
	\$ 70,585	\$ 15,980	\$ 718,168	\$ 804,733

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 3 - Details of Aboriginal Language and Culture Expenses

For the year ended June 30, 2013

	Student Instructions	School Activities & Integrated Community Programs	Total
Function Salaries			
ALCBE teachers	\$ 34,976	\$ -	\$ 34,976
Honoraria	-	21,142	21,142
	34,976	21,142	56,118
Services Purchased/Contracted			
Travel	-	9,788	9,788
Materials/Supplies/Freight			
Materials	-	48,769	48,769
	\$ 34,976	\$ 79,699	\$ 114,675

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 4 - French Language Funding

For the year ended June 30, 2013

	Contributions from GNWT	Commitments from Commission	Expenditures	(Under) Over Funding
STUDENT PARTICIPATION				
School administration (salary)	\$ 231,500	\$ -	\$ 269,378	\$ (37,878)
Retention bursaries	3,500	-	12,000	(8,500)
SCHOOL PROGRAMS				
2 grade level per class (salary)	250,350	1,537,859	2,531,328	(2,280,978)
French resource purchase	10,000	25,000	35,291	(25,291)
Cyber pedagogy (salary)	115,000	-	128,630	(13,630)
Technology resources	40,000	30,000	41,939	(1,939)
PROGRAM ENRICHMENT				
2 secretaries / librarian (salary)	117,500	39,155	172,473	(54,973)
Partnership early childhood	30,000	-	35,345	(5,345)
Teacher assistants for francisation (salary)	120,000	60,000	151,641	(31,641)
Music projects (EASC)	30,000	-	62,901	(32,901)
Cultural activities	40,000	-	44,593	(4,593)
EDUCATIONAL SUPPORT FOR PERSONNEL				
Assistant-superintendent pedagogy (salary)	115,000	15,000	133,345	(18,345)
Assistant-superintendent pedagogy (O&M)	40,000	-	43,299	(3,299)
Professional development	10,000	48,000	41,286	(31,286)
Total	\$ 1,152,850	\$ 1,755,014	\$ 3,703,449	\$ (2,550,599)

Regular GNWT Funding

Total \$ 4,024,079

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 5 - Student Success Initiative

For the year ended June 30, 2013

	Total
Revenue	\$ 26,821
Expenditures	
Salaries/Wages	
Facilitator fees	3,450
Substitute teacher	1,950
	5,400
Travel	
Facilitator travel	7,700
Staff travel	1,614
	9,314
Workshop expense	
Material	2,369
Total Expenditures	17,083
Surplus	\$ 9,738

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 6 - Infrastructure Revenues and Expenses

For the year ended June 30, 2013

	Total
Personnel Infrastructure Contributions	\$ 71,464
Expenditures	
Staffing:	
Applicant Travel	1,768
Advertising	14,567
Employee benefits	
Removal in/transfer	61,186
WCB premiums	27,728
	105,249
Personnel infrastructure net	(33,785)
Utilities and Leases Infrastructure Contributions	68,894
Expenditures	
Electricity	-
Fuel	-
Leases	-
Other	14,630
Water/sewer	-
Maintenance	9,337
	23,967
Utilities and leases infrastructure net	44,927
Surplus	\$ 11,142

Consolidated Financial Statements of

**DEHCHO DIVISIONAL
EDUCATION COUNCIL**

June 30, 2013

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Financial Statements

June 30, 2013

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
Schedule B-1 - Specific Program Activities (Aboriginal Languages Vote 4)	14
Schedule B-2 - Specific Program Activities (NWT Student Success Initiative)	15
Schedule B-3 - Details of Inclusive Schooling Expenditures	16
Schedule B-4 - Details of Aboriginal Language and Cultural Education Expenditures	17
Schedule B-5 - Details of French Language Program	18
Schedule C - Details of Council Expenditures (Consolidated)	19
Schedule C - Graph	20
Schedule D-1 - District Education Authority Operations (Summary)	21
Schedule D-2 - Details of DEA Expenditures (Summary)	22
Individual DEA Schedules	23-38

AUDITOR'S 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, 2013, and the consolidated statement 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 required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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 Auditoto 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, 2013 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 28, 2013

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Statement of Operations and Surplus

For the year ended June 30, 2013

	Budget 2012-2013	Actual 2012-2013	Actual 2011-2012
Revenue			
Government of the NWT, Note 7			
Regular contribution	\$ 13,645,884	\$ 13,685,085	\$ 14,602,997
Other ECE contributions, Note 10	73,000	153,000	123,000
Other GNWT contributions, Note 9	-	321,493	264,893
Government of Canada contributions	-	7,560	73,040
	<u>13,718,884</u>	<u>14,167,138</u>	<u>15,063,930</u>
Self-Generated Funds			
Rentals	36,000	27,545	28,600
Investment income	15,000	15,402	17,979
Contract and other	102,001	139,411	151,482
	<u>153,001</u>	<u>182,358</u>	<u>198,061</u>
Education authority generated funds	-	260,288	441,835
GNWT contributions to Education authorities		124,554	-
		<u>384,842</u>	<u>441,835</u>
	<u>13,871,885</u>	<u>14,734,338</u>	<u>15,703,826</u>
Expenditure (Schedule C)			
Council administration	959,179	1,087,422	1,146,201
School programs	8,650,804	9,047,464	9,530,804
Inclusive schooling	2,802,230	2,711,130	2,589,230
Student accommodation	-	264,283	299,350
Operations and maintenance	761,353	886,137	720,548
Amortization	-	-	19,380
Aboriginal language/cultural programs	1,185,189	1,036,569	1,337,151
	<u>14,358,755</u>	<u>15,033,005</u>	<u>15,642,664</u>
Operating Surplus (Deficit)	\$ (486,870)	\$ (298,667)	\$ 61,162
Accumulated surplus (Deficit), beginning of year			
Divisional Education Council		\$ (248,413)	\$ (300,154)
District Education Authorities		293,753	284,332
		<u>45,340</u>	<u>(15,822)</u>
Accumulated surplus (deficit), end of year, Note 6		\$ (253,327)	\$ 45,340
Comprised of:			
Divisional Education Council		\$ (597,160)	\$ (248,413)
District Education Authorities		343,833	293,753
		<u>\$ (253,327)</u>	<u>\$ 45,340</u>

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Statement of Financial Position

June 30, 2013

	2013	2012
FINANCIAL ASSETS		
Cash and short term investments	\$ 2,056,302	\$ 2,040,909
Due from Government of the Northwest Territories, Note 13	42,638	32,450
Other accounts receivable	11,950	24,045
	<u>\$ 2,110,890</u>	<u>\$ 2,097,404</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 129,537	\$ 79,856
Employee deductions payable	-	522
Due to Government of Northwest Territories, Note 13	32,032	-
Deferred revenue, Note 11	168,905	63,724
Scholarship fund	11,442	11,317
Employees' summer salary, Note 4	995,424	981,318
Accrued Employee Leave and Termination Benefits, Note 5	1,046,877	962,090
	<u>2,384,217</u>	<u>2,098,827</u>
Net Financial Assets (Deficit)	<u>\$ (273,327)</u>	<u>\$ (1,423)</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	\$ 20,000	\$ 46,763
ACCUMULATED SURPLUS (DEFICIT)	<u>\$ (253,327)</u>	<u>\$ 45,340</u>

Approved:

Lisa Moses Chair

Albertine Nadeau Vice-chair

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Statement of Net Financial Resources

For the year ended June 30, 2013

	2012-2013	2011-2012
Net financial resources, beginning of the year		
Divisional Education Council	\$ (295,184)	\$ (339,534)
District Education Authorities	293,753	284,332
	(1,431)	(55,202)
Amortization of tangible assets	-	19,380
Net change in prepaids	26,763	(26,771)
Annual surplus (deficit)	(298,667)	61,162
Net financial resources, end of year	\$ (273,335)	\$ (1,431)
Comprised of:		
Divisional Education Council	\$ (617,168)	\$ (295,184)
District Education Authorities	343,833	293,753
	\$ (273,335)	\$ (1,431)

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Statement of Cash Flow

For the year ended June 30, 2013

	2012-2013	2011-2012
Operating Transactions		
Cash received from:		
Government of the Northwest Territories	\$ 14,411,157	\$ 14,950,180
Government of Canada	7,560	73,040
Recoveries and general revenue	454,866	618,588
	<u>14,873,583</u>	<u>15,641,808</u>
Cash paid for:		
Compensation and benefits	12,503,740	12,671,363
Operations and maintenance	2,354,450	2,977,354
	<u>14,858,190</u>	<u>15,648,717</u>
Cash provided by (used for) operating transactions	<u>15,393</u>	<u>(6,909)</u>
Change in cash and cash equivalents during the year	15,393	(6,909)
Cash and cash equivalents, beginning of year	2,040,909	2,047,818
Cash and cash equivalents, end of year	<u>\$ 2,056,302</u>	<u>\$ 2,040,909</u>

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2013

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 and by the Department of Education, Culture and Employment of the Government of the Northwest Territories. 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, 2013

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 2013	Carrying Value 2012
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:

	2012-2013	2011-2012
Non-teacher salaries and benefits	\$ 444,053	\$ 487,191
Teachers' salaries and benefits	551,371	494,127
	\$ 995,424	\$ 981,318

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:

	2012-2013	2011-2012
Employee leave	\$ 28,888	\$ 64,034
Employee termination	1,017,989	898,056
	\$ 1,046,877	\$ 962,090

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2013

Note 6. Accumulated Surplus - Council Management Purposes

Certain amounts shown in these financial statements are affected by the accounting policy for accrued liabilities (see Note 2) chosen by the Department of Education. The Department recognizes that, in particular, the accumulated surplus shown in these financial statements differs from the accumulated surplus to be used for Council management purposes.

The accumulated surplus for Council management purposes is calculated as follows:

	2012-2013	2011-2012
Accumulated surplus (deficit) as reported in these financial statements	\$ (253,327)	\$ 45,340
Add:		
Employee termination benefits	1,017,989	898,056
Accrual for summer salaries (classroom assistants)	113,475	131,127
Infrastructure deficit (surplus)	(32,032)	20,007
Accumulated surplus for Council management purposes	\$ 846,105	\$ 1,094,530

Note 7. 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 8. Commitments

At June 30, 2013, the Council had outstanding purchase order commitments for goods and services ordered, but not yet received, totaling \$66,216 (June 30, 2012 - \$35,264).

The Council has a contractual obligation for the lease of office equipment. This commitment requires payments totalling \$34,378 for the year ending June 30, 2014.

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2013

Note 9. Other Revenue

Other GNWT contribution revenue consists of:

	2012-2013	2011-2012
MACA		
Sports and youth Programs	\$ 36,000	\$ 155,034
Sport strategy	143,099	-
Student Success	-	87,824
ITI		
Drop the pop	12,489	8,006
Food First	-	1,344
Active after school	111,510	-
Take a kid trapping	7,000	-
Breakfast for learning	-	12,685
ECE		
Northern grad employment	20,833	-
Deferred revenue, added	80,359	-
Deferred revenue, closing	(89,797)	-
	\$ 321,493	\$ 264,893

Note 10. Other ECE Revenue

Other ECE contribution revenue consists of:

	2012-2013	2011-2012
Aboriginal languages Vote 4	\$ 73,000	\$ 73,000
French language	50,000	50,000
Bompas playground equipment	30,000	-
	\$ 153,000	\$ 123,000

Note 11. Deferred Revenue

	2012-2013	2011-2012
Fort Simpson Playground	\$ -	\$ 5,000
MACA - Wrigley	4,000	4,000
Ft Providence - Lunch program	2,000	-
CTS-SSI Contribution	-	51,375
Breakfast for learning	-	1,126
Active after school	64,146	2,223
Ft. Liard soccer - MACA	8,000	-
ITI - Bompas training	7,000	-
Ft Providence - MACA	72,869	-
Ft Liard - Computers	10,890	-
	\$ 168,905	\$ 63,724

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2013

Note 12. 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, 2013.

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, 2013

Note 13. 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.

Accounts payable			
ECE - Contributions repayable - Infrastructure funding	\$	32,032	\$ -
<hr/>			
Accounts receivable			
Aurora College	\$	2,119	\$ -
ECE - Various contributions/reimbursements		40,519	32,450
	\$	42,638	\$ 32,450
<hr/>			

Note 14. Comparative Figures

Certain figures have been reclassified to conform with the presentation used in the current year.

Note 15. 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, 2013

Personnel

Revenue

Funding received, July 1, 2012 - June 30, 2013 \$ 238,421

Expenditure

Staffing:

Applicant Travel 24,597

Advertising 6,331

Employee Benefits:

Removal in 55,009

Ultimate Removal 59,810

Workers' Compensation 63,650

209,397

Surplus June 30, 2013 \$ 29,024

Revenue

Funding received, July 1, 2012 - June 30, 2013 \$ 63,200

Expenditure

Housing:

Utilities 46,992

Leases 13,200

60,192

Surplus June 30, 2013 \$ 3,008

Total Surplus(Deficit) June 30, 2013 \$ 32,032

DEHCHO DIVISIONAL EDUCATION COUNCIL

Schedule B-1 - Specific Program Activities

For the year ended June 30, 2013

	July 1, 2012 to March 31, 2013	April 1, 2013 to June 30, 2013	Total Fiscal Year 2012/2013
Aboriginal Languages Vote 4			
Revenue			
Funding received	\$ 73,000	\$ -	\$ 73,000
Funding received	-	-	-
	<u>73,000</u>	<u>-</u>	<u>73,000</u>
Expenditure			
Salaries	5,169	-	5,169
Resources	56,111	324	56,435
Workshops	22,536	5,057	27,593
Other O & M	12,945	-	12,945
Deficit Funding - June 30 Prev yr	42,171	-	-
	<u>138,932</u>	<u>5,381</u>	<u>102,142</u>
Deficit, March 31, 2013	\$ <u>(65,932)</u>		
Deficit, June 30, 2013		\$ <u>(5,381)</u>	\$ <u>(29,142)</u>

DEHCHO DIVISIONAL EDUCATION COUNCIL

Schedule B-2 - Specific Program Activities

For the year ended June 30, 2013

NWT Student Success Initiative

	NWT SSI Funding	NWTTA SSI PD Funding	Total
Literacy Initiative - Experimental learning			
Revenue	\$ 55,000	\$ 61,656	\$ 116,656
Expenditure			
Salaries and wages			
Facilitator fees	45,000	12,050	57,050
Substitute fees	-	226	226
Student resources	11,151	31,947	43,098
Travel	-	5,995	5,995
	56,151	50,218	106,369
Surplus (Deficit)	\$ (1,151)	\$ 11,438	\$ 10,287

DEHCHO DIVISIONAL EDUCATION COUNCIL

Schedule B-3 - Details of Inclusive Schooling Expenditures

For the year ended June 30, 2013

Function	Staff Development	Intervention Strategies	Assistive Technology	Student Resources	Southern Placements	Magnet Facilities	General Inclusive Schooling	Total
Salaries								
Program support teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 971,064	\$ 971,064
Consultants	-	-	-	-	-	-	-	-
Instruction assistants	-	-	-	-	-	-	1,343,959	1,343,959
Non-instructional staff	-	-	-	-	-	-	163,848	163,848
Honoraria	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	2,478,871	2,478,871
Employee Benefits								
Employee benefits and allowances	-	-	-	-	-	-	99,665	99,665
Services Purchased/Contracted								
Professional and technical services	-	-	-	-	-	-	-	-
Travel	5,391	-	-	-	4,449	-	3,385	13,225
Student transportation	-	-	-	-	-	-	-	-
Advertising, printing and publishing	-	-	-	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-	-	-	-
Rentals and leases	-	-	-	-	-	-	-	-
Other contracted services	-	41,168	-	-	76,422	-	-	117,590
	5,391	41,168	-	-	80,871	-	3,385	130,815
Materials, Supplies and Freight								
Materials	-	-	-	-	-	-	1,760	1,760
Freight	-	-	-	-	-	-	19	19
	-	-	-	-	-	-	1,779	1,779
Total	\$ 5,391	\$ 41,168	\$ -	\$ -	\$ 80,871	\$ -	\$ 2,583,700	\$ 2,711,130

DEHCHO DIVISIONAL EDUCATION COUNCIL

Schedule B-4 - Details of Aboriginal Language and Culture-Based Education Expenditures

For the year ended June 30, 2013

	Student Instruction	Teaching/ Learning Resources	Professional Development	School Activities and Integrated Community Programs	Total
Salaries					
ALCBE teachers	\$ -	\$ -	\$ -	\$ -	-
Language consultants	-	-	-	-	-
Instruction assistants	767,187	-	-	-	767,187
Non-instructional staff	-	148,459	-	-	148,459
Honoraria	-	-	-	-	-
	<u>767,187</u>	<u>148,459</u>	<u>-</u>	<u>-</u>	<u>915,646</u>
Employee Benefits					
Employee benefits and allowances	26,456	-	-	-	26,456
Services Purchased/Contracted					
Professional services	-	-	-	-	-
Postage and communication	-	-	-	-	-
Travel	-	8,860	-	-	8,860
Student transportation	-	-	-	-	-
Advertising, printing and publishing	-	50,364	-	-	50,364
Maintenance and repairs	-	-	-	-	-
Rentals and leases	-	5,365	-	-	5,365
Other contracted services	-	2,200	-	-	2,200
	<u>-</u>	<u>66,789</u>	<u>-</u>	<u>-</u>	<u>66,789</u>
Materials, Supplies and Freight					
Materials	-	26,922	-	-	26,922
Freight	-	756	-	-	756
	<u>-</u>	<u>27,678</u>	<u>-</u>	<u>-</u>	<u>27,678</u>
Total	<u>\$ 793,643</u>	<u>\$ 242,926</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,036,569</u>

DEHCHO DIVISIONAL EDUCATION COUNCIL

Schedule B-5 - Specific Program Activities

For the year ended June 30, 2013

	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
French Second Language				
Special projects:				
Core French 1-12 (salary)	\$ 50,000	\$ 50,000	\$ 117,845	\$ (17,845)

DEHCHO DIVISIONAL EDUCATION COUNCIL

Schedule C - Details of Council Expenditure (Consolidated)

For the year ended June 30, 2013

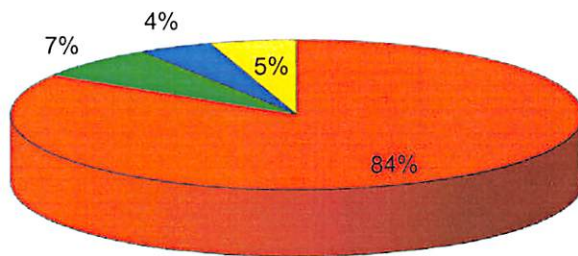
Function	School Programs	Inclusive Schooling	Student Accommodation	Operations and Maintenance	Council Administration	Aboriginal Languages	Fiscal & Transfers	Total
Salaries								
Teachers' salaries	\$ 6,557,449	\$ 971,064	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,528,513
Consultants	-	-	-	-	-	-	-	-
Instruction assistants	-	1,343,959	-	-	-	767,187	-	2,111,146
Non-instructional staff	978,571	163,848	-	680,894	695,157	148,459	-	2,666,929
Council/Trustee honorarium	-	-	-	-	19,325	-	-	19,325
	<u>7,536,020</u>	<u>2,478,871</u>	<u>-</u>	<u>680,894</u>	<u>714,482</u>	<u>915,646</u>	<u>-</u>	<u>12,325,913</u>
Employee Benefits								
Employee benefits and allowances	126,674	43,384	-	11,420	11,983	26,456	-	219,917
Leave and termination	-	56,281	-	-	-	-	-	56,281
	<u>126,674</u>	<u>99,665</u>	<u>-</u>	<u>11,420</u>	<u>11,983</u>	<u>26,456</u>	<u>-</u>	<u>276,198</u>
Services Purchased/Contracted								
Professional services	-	-	-	-	20,565	-	-	20,565
Postage and communication	48,927	-	1,163	-	26,717	-	-	76,807
Utilities	-	-	-	46,992	-	-	-	46,992
Travel	202,873	13,225	24,806	-	69,924	8,860	-	319,688
Student travel (busing)	-	-	-	-	-	-	-	-
Advertising, printing and publishing	18,200	-	-	-	2,604	50,364	-	71,168
Maintenance and repair	-	-	-	13,564	36,125	-	-	49,689
Rentals and leases	32,810	-	-	13,200	7,965	5,365	-	59,340
Contracted services	13,824	117,590	202,930	31,513	-	2,200	-	368,057
Other	-	-	-	-	14,003	-	-	14,003
Refundable infrastructure costs	-	-	-	32,032	-	-	-	32,032
	<u>316,634</u>	<u>130,815</u>	<u>228,899</u>	<u>137,301</u>	<u>177,903</u>	<u>66,789</u>	<u>-</u>	<u>1,058,341</u>
Materials, Supplies and Freight								
Materials	501,919	1,760	34,618	-	47,699	26,922	-	612,918
Freight	24,184	19	766	-	-	756	-	25,725
	<u>526,103</u>	<u>1,779</u>	<u>35,384</u>	<u>-</u>	<u>47,699</u>	<u>27,678</u>	<u>-</u>	<u>638,643</u>
Amortization								
	-	-	-	-	-	-	-	-
Local programs, supplies and office								
	542,033	-	-	56,522	135,355	-	-	733,910
Total	\$ 9,047,464	\$ 2,711,130	\$ 264,283	\$ 886,137	\$ 1,087,422	\$ 1,036,569	\$ -	\$ 15,033,005

DEHCHO DIVISIONAL EDUCATION COUNCIL

Graphical Representation of Expenditure

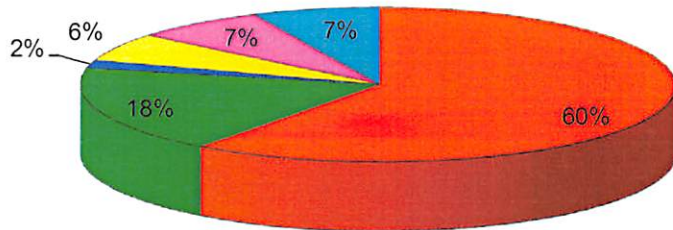
For the year ended June 30, 2013

Detail of Expenditure



- Salaries & Employee Benefits
- Services Purchased/Contracted
- Materials, Supplies & Freight
- Local Programs

Expenditure by Category



- School Programs
- Inclusive Schooling
- Student Accommodation
- O & M
- Board Administration
- Aboriginal Languages

DEHCHO DIVISIONAL EDUCATION COUNCIL

Schedule D-1 - District Education Authority Operations (Summary)

For the year ended June 30, 2013

	Fort Simpson	Fort Providence	Fort Liard	Jean Marie River	Wrigley	Nahanni Butte	Trout Lake	Kakisa Lake	Total
Revenue									
Operating Contributions from Divisional Council	\$ 50,002	\$ 48,227	\$ 27,719	\$ 16,165	\$ 18,865	\$ 17,032	\$ 16,731	\$ 15,619	\$ 210,360
Other contributions from Divisional Council	47,248	76,087	27,668	6,169	-	2,800	24,149	4,667	188,788
Contributions from GNWT	36,480	88,074	-	-	-	-	-	-	124,554
Other	202,960	30,017	1,559	608	-	1,610	8,257	15,277	260,288
	336,690	242,405	56,946	22,942	18,865	21,442	49,137	35,563	783,990
Expenditure									
School programs	209,194	204,022	66,156	11,952	6,908	16,267	5,936	21,598	542,033
Operations & maintenance	42,846	-	-	-	-	-	7,997	5,679	56,522
Council administration	51,271	13,204	14,664	7,639	7,998	6,091	27,394	7,094	135,355
	303,311	217,226	80,820	19,591	14,906	22,358	41,327	34,371	733,910
Excess (Deficiency) of Revenue over Expenditure	33,379	25,179	(23,874)	3,351	3,959	(916)	7,810	1,192	50,080
Accumulated surplus, beginning of year	136,123	64,439	43,389	27,358	1,445	8,289	3,322	9,388	293,753
Accumulated surplus, end of year	\$ 169,502	\$ 89,618	\$ 19,515	\$ 30,709	\$ 5,404	\$ 7,373	\$ 11,132	\$ 10,580	\$ 343,833
Composition of Ending Accumulated Surplus									
Cash in bank	\$ 169,502	\$ 89,618	\$ 19,515	\$ 30,709	\$ 5,404	\$ 7,373	\$ (32)	\$ 10,580	\$ 332,669
Accounts Receivable	-	-	-	-	-	-	11,164	-	11,164
	\$ 169,502	\$ 89,618	\$ 19,515	\$ 30,709	\$ 5,404	\$ 7,373	\$ 11,132	\$ 10,580	\$ 343,833

DEHCHO DIVISIONAL EDUCATION COUNCIL

Schedule D-2 - Details of DEA Expenditures (Summary)

For the year ended June 30, 2013

Function	School Programs	Operations and Maintenance	Council Administration	Total
Salaries				
Teachers' salaries	\$ -	\$ -	\$ -	-
Instruction assistant	-	-	-	-
Non-instructional staff	47,136	13,676	34,268	95,080
Council/Trustee honorarium	-	-	36,544	36,544
	<u>47,136</u>	<u>13,676</u>	<u>70,812</u>	<u>131,624</u>
Employee Benefits				
Employee benefits and allowances	-	-	7,559	7,559
Leave and termination	-	-	-	-
	<u>-</u>	<u>-</u>	<u>7,559</u>	<u>7,559</u>
Services Purchased/Contracted				
Professional services	-	-	769	769
Postage and communication	-	-	792	792
Utilities	-	7,165	-	7,165
Travel	333	-	-	333
Student travel	28,203	-	-	28,203
Advertising, printing and publishing	-	-	-	-
Maintenance and repair	150	-	-	150
Rentals and leases	-	-	-	-
Other	17,756	-	29,344	47,100
Contracted services	2,752	31,599	2,538	36,889
	<u>49,194</u>	<u>38,764</u>	<u>33,443</u>	<u>121,401</u>
Materials, Supplies and Freight				
Materials	21,539	4,082	15,833	41,454
Freight	-	-	-	-
	<u>21,539</u>	<u>4,082</u>	<u>15,833</u>	<u>41,454</u>
Local programs, supplies and office	424,164	-	7,708	431,872
Total	\$ 542,033	\$ 56,522	\$ 135,355	\$ 733,910

FORT SIMPSON

District Education Authority
Statement of Revenues and Expenses

For the year ended June 30, 2013

	Current Year Budget	Current Year Actual	Prior Year Actual
Revenue			
Operating Contributions from Divisional Council	\$ 50,002	\$ 50,002	\$ 50,882
Other contributions from Divisional Council	-	47,248	-
Contributions from GNWT	20,618	36,480	-
Other	114,623	202,960	210,003
	<u>185,243</u>	<u>336,690</u>	<u>260,885</u>
Expenditure			
School programs	185,317	209,194	286,940
Operations and maintenance	-	42,846	3,312
Council administration	13,500	51,271	8,881
	<u>198,817</u>	<u>303,311</u>	<u>299,133</u>
Excess (Deficiency) of Revenue over Expenditure	(13,574)	33,379	(38,248)
Accumulated surplus, beginning of year	-	136,123	174,371
Accumulated surplus (Deficit), end of year	\$ (13,574)	\$ 169,502	\$ 136,123
Composition of Ending Accumulated Surplus (Deficit)			
Cash in bank		\$ 169,502	\$ 136,123

FORT SIMPSON DISTRICT EDUCATION AUTHORITY

Details of DEA Expenditure

For the year ended June 30, 2013

Function	School Programs	Operations and Maintenance	Council Administration	Total
Salaries				
Teachers' salaries	\$ -	\$ -	\$ -	-
Instruction assistant	-	-	-	-
Non-instructional staff	38,382	-	7,194	45,576
Council/Trustee honorarium	-	-	4,111	4,111
	<u>38,382</u>	<u>-</u>	<u>11,305</u>	<u>49,687</u>
Employee Benefits				
Employee benefits and allowances	-	-	3,786	3,786
Leave and termination	-	-	-	-
	<u>-</u>	<u>-</u>	<u>3,786</u>	<u>3,786</u>
Services Purchased/Contracted				
Professional services	-	-	-	-
Postage and communication	-	-	792	792
Utilities	-	7,165	-	7,165
Travel	333	-	-	333
Student travel	28,203	-	-	28,203
Advertising, printing and publishing	-	-	-	-
Maintenance and repair	-	-	-	-
Rentals and leases	-	-	-	-
Other	11,948	-	26,362	38,310
Contracted services	-	31,599	2,538	34,137
	<u>40,484</u>	<u>38,764</u>	<u>29,692</u>	<u>108,940</u>
Materials, Supplies and Freight				
Materials	19,101	4,082	1,574	24,757
Freight	-	-	-	-
	<u>19,101</u>	<u>4,082</u>	<u>1,574</u>	<u>24,757</u>
Local programs, supplies and office	111,227	-	4,914	116,141
Total	\$ 209,194	\$ 42,846	\$ 51,271	\$ 303,311

FORT PROVIDENCE

District Education Authority
Statement of Revenues and Expenses

For the year ended June 30, 2013

	Current Year Budget	Current Year Actual	Prior Year Actual
Revenue			
Operating contributions from Divisional Council	\$ 48,227	\$ 48,227	\$ 49,327
Other contributions from Divisional Council	-	76,087	-
Contributions from GNWT	-	88,074	-
Other	-	30,017	377,748
	<u>48,227</u>	<u>242,405</u>	<u>427,075</u>
Expenditure			
School programs	24,952	204,022	285,719
Operations and maintenance	-	-	-
Council administration	23,275	13,204	88,964
	<u>48,227</u>	<u>217,226</u>	<u>374,683</u>
Excess of Revenue over Expenditure	-	25,179	52,392
Accumulated surplus, beginning of year	-	64,439	12,047
Accumulated surplus, end of year	\$ -	\$ 89,618	\$ 64,439
Composition of Ending Accumulated Surplus			
Cash in bank		\$ 89,618	\$ 64,439
Accounts receivable		-	-
		<u>\$ 89,618</u>	<u>\$ 64,439</u>

FORT PROVIDENCE DISTRICT EDUCATION AUTHORITY

Details of DEA Expenditure

For the year ended June 30, 2013

Function	School Programs	Operations and Maintenance	Council Administration	Total
Salaries				
Teachers' salaries	\$ -	\$ -	\$ -	-
Instruction assistant	-	-	-	-
Non-instructional staff	-	-	-	-
Council/Trustee honorarium	-	-	13,204	13,204
	-	-	13,204	13,204
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	-	-	-	-
Contracted services	-	-	-	-
	-	-	-	-
Materials, Supplies and Freight				
Materials	-	-	-	-
Freight	-	-	-	-
	-	-	-	-
Local programs, supplies and office	204,022	-	-	204,022
Total	\$ 204,022	\$ -	\$ 13,204	\$ 217,226

FORT LIARD

District Education Authority
Statement of Revenues and Expenses

For the year ended June 30, 2013

	Current Year Budget	Current Year Actual	Prior Year Actual
Revenue			
Operating contributions from Divisional Council	\$ 27,719	\$ 27,719	\$ 28,148
Other contributions from Divisional Council	-	27,668	-
Contributions from GNWT	-	-	-
Other	-	1,559	36,425
	<u>27,719</u>	<u>56,946</u>	<u>64,573</u>
Expenditure			
School programs	16,469	66,156	36,291
Operations and maintenance	-	-	7,986
Council administration	11,250	14,664	4,290
	<u>27,719</u>	<u>80,820</u>	<u>48,567</u>
Excess (Deficiency) of Revenue over Expenditure	-	(23,874)	16,006
Accumulated surplus, beginning of year	-	43,389	27,383
Accumulated surplus, end of year	\$ -	\$ 19,515	\$ 43,389
Composition of Ending Accumulated Surplus (Deficit)			
Cash in bank	\$	19,515	\$ 42,451
Accounts receivable		-	1,138
	\$	<u>19,515</u>	\$ <u>43,589</u>

FORT LIARD DISTRICT EDUCATION AUTHORITY

Details of DEA Expenditure

For the year ended June 30, 2013

Function	School Programs	Operations and Maintenance	Council Administration	Total
Salaries				
Teachers' salaries	\$ -	\$ -	\$ -	-
Instruction assistant	-	-	-	-
Non-instructional staff	-	-	-	-
Council/Trustee honorarium	-	-	4,457	4,457
	-	-	4,457	4,457
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	-	-	101	101
Contracted services	-	-	-	-
	-	-	101	101
Materials, Supplies and Freight				
Materials	-	-	10,106	10,106
Freight	-	-	-	-
	-	-	10,106	10,106
Local programs, supplies and office	66,156	-	-	66,156
Total	\$ 66,156	\$ -	\$ 14,664	\$ 80,820

JEAN MARIE RIVER

District Education Authority
Statement of Revenues and Expenses

For the year ended June 30, 2013

	Current Year Budget	Current Year Actual	Prior Year Actual
Revenue			
Operating contributions from Divisional Council	\$ 16,165	\$ 16,165	\$ 16,055
Other contributions from Divisional Council	-	6,169	-
Contributions from GNWT	-	-	-
Other	-	608	7,638
	<u>16,165</u>	<u>22,942</u>	<u>23,693</u>
Expenditure			
School programs	5,215	11,952	21,825
Operations and maintenance	-	-	-
Council administration	10,950	7,639	6,960
	<u>16,165</u>	<u>19,591</u>	<u>28,785</u>
Excess (Deficiency) of Revenue over Expenditure	-	3,351	(5,092)
Accumulated surplus, beginning of year	-	27,358	32,450
Accumulated surplus, end of year	\$ -	\$ 30,709	\$ 27,358
Composition of Ending Accumulated Surplus			
Cash in bank		\$ 30,709	\$ 27,358

JEAN MARIE RIVER DISTRICT EDUCATION AUTHORITY

Details of DEA Expenditure

For the year ended June 30, 2013

Function	School Programs	Operations and Maintenance	Council Administration	Total
Salaries				
Teachers' salaries	\$ -	\$ -	\$ -	-
Instruction assistant	-	-	-	-
Non-instructional staff	-	-	3,920	3,920
Council/Trustee honorarium	-	-	2,870	2,870
	-	-	6,790	6,790
Employee Benefits				
Employee benefits and allowances	-	-	-	-
Leave and termination	-	-	-	-
	-	-	-	-
Services Purchased/Contracted				
Professional services	-	-	769	769
Postage and communication	-	-	-	-
Utilities	-	-	-	-
Travel	-	-	-	-
Student travel	-	-	-	-
Advertising, printing and publishing	-	-	-	-
Maintenance and repair	-	-	-	-
Rentals and leases	-	-	-	-
Other	-	-	80	80
Contracted services	-	-	-	-
	-	-	849	849
Materials, Supplies and Freight				
Materials	-	-	-	-
Freight	-	-	-	-
	-	-	-	-
Local programs, supplies and office	11,952	-	-	11,952
Total	\$ 11,952	\$ -	\$ 7,639	\$ 19,591

WRIGLEY

District Education Authority Statement of Revenues and Expenses

For the year ended June 30, 2013

	Current Year Budget	Current Year Actual	Prior Year Actual
Revenue			
Operating contributions from Divisional Council	\$ 18,865	\$ 18,865	\$ 18,865
Other contributions from Divisional Council	-	-	-
Contributions from GNWT	-	-	-
Other	-	-	691
	<u>18,865</u>	<u>18,865</u>	<u>19,556</u>
Expenditure			
School programs	9,715	6,908	18,331
Operations and maintenance	9,150	-	1,430
Council administration	-	7,998	6,579
	<u>18,865</u>	<u>14,906</u>	<u>26,340</u>
Excess (Deficiency) of Revenue over Expenditure	-	3,959	(6,784)
Accumulated surplus, beginning of year	-	1,445	8,229
Accumulated surplus, end of year	\$ -	\$ 5,404	\$ 1,445
Composition of Ending Accumulated Surplus			
Cash in bank		\$ 5,404	\$ 1,445

WRIGLEY DISTRICT EDUCATION AUTHORITY

Details of DEA Expenditure

For the year ended June 30, 2013

Function	School Programs	Operations and Maintenance	Council Administration	Total
Salaries				
Teachers' salaries	\$ -	\$ -	\$ -	-
Instruction assistant	-	-	-	-
Non-instructional staff	-	-	-	-
Council/Trustee honorarium	-	-	3,725	3,725
	-	-	3,725	3,725
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	-	-	120	120
Contracted services	2,752	-	-	2,752
	2,752	-	120	2,872
Materials, Supplies and Freight				
Materials	-	-	4,153	4,153
Freight	-	-	-	-
	-	-	4,153	4,153
Local programs, supplies and office	4,156	-	-	4,156
Total	\$ 6,908	\$ -	\$ 7,998	\$ 14,906

NAHANNI BUTTE

District Education Authority Statement of Revenues and Expenses

For the year ended June 30, 2013

	Current Year Budget	Current Year Actual	Prior Year Actual
Revenue			
Operating contributions from Divisional Council	\$ 17,032	\$ 17,032	\$ 17,582
Other contributions from Divisional Council	-	2,800	-
Contributions from GNWT	-	-	-
Other	-	1,610	7,000
	<u>17,032</u>	<u>21,442</u>	<u>24,582</u>
Expenditure			
School programs	6,082	16,267	21,340
Operations and maintenance	-	-	-
Council administration	10,950	6,091	3,485
	<u>17,032</u>	<u>22,358</u>	<u>24,825</u>
Excess (Deficiency) of Revenue over Expenditure	-	(916)	(243)
Accumulated surplus, beginning of year		8,289	8,532
Accumulated surplus, end of year	\$ -	\$ 7,373	\$ 8,289
Composition of Ending Accumulated Surplus			
Cash in bank		\$ 7,373	\$ 8,289

NAHANNI BUTTE DISTRICT EDUCATION AUTHORITY

Details of DEA Expenditure

For the year ended June 30, 2013

Function	School Programs	Operations and Maintenance	Council Administration	Total
Salaries				
Teachers' salaries	\$ -	\$ -	\$ -	-
Instruction assistant	-	-	-	-
Non-instructional staff	8,754	-	-	8,754
Council/Trustee honorarium	-	-	3,410	3,410
	<u>8,754</u>	<u>-</u>	<u>3,410</u>	<u>12,164</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	150	-	-	150
Rentals and leases	-	-	-	-
Other	147	-	2,681	2,828
Contracted services	-	-	-	-
	<u>297</u>	<u>-</u>	<u>2,681</u>	<u>2,978</u>
Materials, Supplies and Freight				
Materials	2,438	-	-	2,438
Freight	-	-	-	-
	<u>2,438</u>	<u>-</u>	<u>-</u>	<u>2,438</u>
Local programs, supplies and office	4,778	-	-	4,778
Total	\$ 16,267	\$ -	\$ 6,091	\$ 22,358

TROUT LAKE

District Education Authority
Statement of Revenues and Expenses

For the year ended June 30, 2013

	Current Year Budget	Current Year Actual	Prior Year Actual
Revenue			
Operating contributions from Divisional Council	\$ 16,731	\$ 16,731	\$ 16,731
Other contributions from Divisional Council	-	24,149	-
Contributions from GNWT	-	-	-
Other	-	8,257	6,742
	<u>16,731</u>	<u>49,137</u>	<u>23,473</u>
Expenditure			
School programs	2,401	5,936	11,201
Operations and maintenance	-	7,997	-
Council administration	14,330	27,394	23,391
	<u>16,731</u>	<u>41,327</u>	<u>34,592</u>
Excess (Deficiency) of Revenue over Expenditure	-	7,810	(11,119)
Accumulated surplus, beginning of year	-	3,322	14,441
Accumulated surplus, end of year	\$ -	\$ 11,132	\$ 3,322
Composition of Ending Accumulated Surplus			
Cash in bank (Bank overdraft)		(32)	3,322
Accounts receivable		11,164	-
	\$	<u>11,132</u>	\$ <u>3,322</u>

TROUT LAKE DISTRICT EDUCATION AUTHORITY

Details of DEA Expenditure

For the year ended June 30, 2013

Function	School Programs	Operations and Maintenance	Council Administration	Total
Salaries				
Teachers' salaries	\$ -	\$ -	\$ -	-
Instruction assistant	-	-	-	-
Non-instructional staff	-	7,997	19,954	27,951
Council/Trustee honorarium	-	-	3,667	3,667
	-	7,997	23,621	31,618
Employee Benefits				
Employee benefits and allowances	-	-	3,773	3,773
Leave and termination	-	-	-	-
	-	-	3,773	3,773
Services Purchased/Contracted				
Professional services	-	-	-	-
Postage and communication	-	-	-	-
Utilities	-	-	-	-
Travel	-	-	-	-
Student travel	-	-	-	-
Advertising, printing and publishing	-	-	-	-
Maintenance and repair	-	-	-	-
Rentals and leases	-	-	-	-
Other	5,661	-	-	5,661
Contracted services	-	-	-	-
	5,661	-	-	5,661
Materials, Supplies and Freight				
Materials	-	-	-	-
Freight	-	-	-	-
	-	-	-	-
Local programs, supplies and office	275	-	-	275
Total	\$ 5,936	\$ 7,997	\$ 27,394	\$ 41,327

KAKISA LAKE

District Education Authority Statement of Revenues and Expenses

For the year ended June 30, 2013

	Current Year Budget	Current Year Actual	Prior Year Actual
Revenue			
Operating contributions from Divisional Council	\$ 15,619	\$ 15,619	\$ 15,839
Other contributions from Divisional Council	-	4,667	-
Contributions from GNWT	-	-	-
Other	-	15,277	5,350
	<u>15,619</u>	<u>35,563</u>	<u>21,189</u>
Expenditure			
School programs	4,669	21,598	6,834
Operations and maintenance	-	5,679	4,465
Council administration	10,950	7,094	7,381
	<u>\$ 15,619</u>	<u>34,371</u>	<u>18,680</u>
Excess of Revenue over Expenditure	-	1,192	2,509
Accumulated surplus, beginning of year		9,388	6,879
Accumulated surplus, end of year	\$ -	\$ 10,580	\$ 9,388
Composition of Ending Accumulated Surplus			
Cash		\$ 10,580	\$ 9,388

KAKISA LAKE DISTRICT EDUCATION AUTHORITY

Details of DEA Expenditure

For the year ended June 30, 2013

Function	School Programs	Operations and Maintenance	Council Administration	Total
Salaries				
Teachers' salaries	\$ -	\$ -	\$ -	-
Instruction assistant	-	-	-	-
Non-instructional staff	-	5,679	3,200	8,879
Council/Trustee honorarium	-	-	1,100	1,100
	-	5,679	4,300	9,979
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	-	-	-	-
Contracted services	-	-	-	-
	-	-	-	-
Materials, Supplies and Freight				
Materials	-	-	-	-
Freight	-	-	-	-
	-	-	-	-
Local programs, supplies and office	21,598	-	2,794	24,392
Total	\$ 21,598	\$ 5,679	\$ 7,094	\$ 34,371

Detah District Education Authority

Financial Statements

June 30, 2013

Dettah District Education Authority

Financial Statements

June 30, 2013

Page

Independent Auditors' Report	3-4
Statement of Financial Position	5
Statement of Operations	6
Statement of Changes in Net Financial Resources	7
Statement of Cash Flows	8
Notes to Financial Statements	9 - 14
Schedule 1 - Revenues	15
Schedule 2 - Statement of Expenditures	16
Schedule 3 - Aboriginal Language and Culture Program Expenditures	17
Schedule 4 - Details of Inclusive Schooling Expenses	18

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, 2013, 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, the accuracy of which is not susceptible to complete audit verification. 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 assets.

**CHARTERED
ACCOUNTANTS**

MackKay LLP

MackKay Building
5103 - 51st Street
P.O. Box 727
Yellowknife, NT X1A 2N5
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mackay.ca

Independent Auditors' Report (continued)

Qualified Opinion

In our opinion, except for the effects of adjustments, if any, which might have been determined to be necessary had we been able to audit salaries and wages of indeterminate and term employees as 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, 2013, 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 13, 2013 except as to the inclusion of
Schedules 3 and 4, which are as of November 22, 2013**

MackKay LLP
Chartered Accountants

Dettah District Education Authority

Statement of Financial Position

As at June 30, 2013 2012

Financial Assets

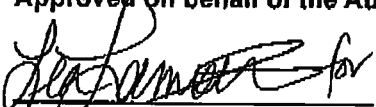
Cash	\$ 722,837	\$ 615,460
Short-term investment (note 4)	28,395	28,324
Accounts receivable	-	4,000
	<hr/>	<hr/>
	\$ 751,232	\$ 647,784

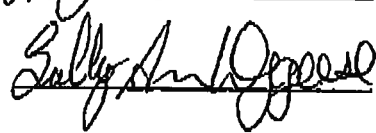
Liabilities

Accounts payable and accrued liabilities (note 5)	\$ 64,755	\$ 60,615
Accounts payable - Yellowknife Education District #1	74,986	118,619
	<hr/>	<hr/>
	139,741	179,234

**Net Financial Assets and
Accumulated Surplus (Note 6)** **\$ 611,492 \$ 468,550**

Approved on behalf of the Authority

 for *Natasha Landry, Chair (traveling)*
Chairperson

 Secretary/Treasurer

Dettah District Education Authority**Statement of Operations**

For the year ended June 30,	2013	2013	2012
	Budget (unaudited)	Actual	Actual
Revenues - Schedule 1			
Government of the Northwest Territories - Department of Education Culture and Employment	\$ 1,610,046	\$ 1,632,514	\$ 1,358,205
Other revenue	-	11,172	129,888
	1,610,046	\$ 1,643,686	\$ 1,488,093
Expenditures - Schedule 2			
Core administration	71,600	122,541	104,057
School programs	529,562	640,366	616,102
Inclusive schooling	253,570	197,361	158,628
Operations and maintenance	305,303	54,423	67,476
Aboriginal languages	79,832	88,435	72,703
Other	353,400	397,618	523,295
	\$ 1,593,267	\$ 1,500,744	\$ 1,542,261
Surplus (deficit)	16,779	142,942	(54,168)
Accumulated surplus, beginning of year	468,550	468,550	522,718
Accumulated surplus, end of year	\$ 485,329	\$ 611,492	\$ 468,550

Dettah District Education Authority

Statement of Changes in Net Financial Resources

June 30,	2013	2012
Surplus (deficit)	\$ 142,942	\$ (54,168)
Net financial resources, beginning of year	468,550	522,718
Net financial resources, end of year	\$ 611,492	\$ 468,550

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

For the year ended June 30,	2013	2012
Operating Activities		
Cash received from:		
Government of the Northwest Territories	\$ 1,636,514	\$ 1,354,206
Other revenue	11,172	129,887
	1,647,686	1,484,093
Cash paid for:		
Compensation and benefits	(780,784)	(604,737)
Operations and maintenance	(759,454)	(906,152)
	(1,540,238)	(1,510,889)
Change in cash position	107,448	(26,796)
Cash position, beginning of year	643,784	670,580
Cash, position, end of year	\$ 751,232	\$ 643,784
Represented by		
Cash	\$ 722,837	\$ 615,460
Short-term investment	28,395	28,324
	\$ 751,232	\$ 643,784

Dettah District Education Authority

Notes to Financial Statements

June 30, 2013

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.

Deftah District Education Authority

Notes to Financial Statements

June 30, 2013

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

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

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, 2013

2. Significant Accounting Policies (continued)

(d) 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.

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

Financial assets measured at fair value include temporary 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.

(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, 2013

3. Change in Accounting Policies

The Authority has adopted the following new accounting standards:

Government Transfers - Section PS 3410

Effective April 1, 2012, the Authority adopted the PSA Handbook Section PS 3410 - Government Transfers. This new section establishes recognition, measurement, presentation and disclosure standards related to Government transfers reported in financial statements and is effective for years beginning on or after April 1, 2012. This accounting change had no significant impact on the Authority's financial statements.

Financial Instruments, Section PS 3450 and related amendments to Financial Statement Presentation, Section PS 1200

Effective April 1, 2012, the Authority adopted the PSA Handbook Section PS 3450, Financial Instruments, and related to Section PS 1201, Financial Statement Presentation. This new section establishes recognition, measurement, presentation and disclosure standards related to Financial Instruments reported in financial statements and is effective for years beginning on or after April 1, 2012. This accounting change had no significant impact on the Authority's financial statements.

Tax revenue – Section PS 3510

Effective April 1, 2012, the Authority adopted the PSA Handbook Section PS 3510 – Tax Revenue. This new section establishes recognition, measurement, presentation and disclosure standards related to Tax Revenue reported in financial statements and is effective for years beginning on or after April 1, 2012. This accounting change had no significant impact on the Authority's financial statements.

4. Short-term Investment

The Authority's guaranteed investment certificate 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, 2013.

5. Accounts Payable

	November-20-13	2012
Accounts payable	\$ 55,835	\$ 58,693
Government remittances payable	8,920	1,922
	<hr/>	<hr/>
	\$ 64,755	\$ 60,615

Dettah District Education Authority

Notes to Financial Statements

June 30, 2013

6. Surplus for Management Purposes

For management purposes, the Department of Education recalculates surplus as shown below.

	2013	2012
Surplus as reported on balance sheet	\$ 611,491	\$ 468,550

As defined by the Department of Education, Culture and Employment guidelines, the accumulated surplus for management purposes should not exceed the greater of \$500,000 or 5% of the annual budget of the Education Authority. The surplus of \$611,491 exceeds the prescribed amount.

7. 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.

8. Related Party Transactions

Entity	Relationship	Type of transaction	November-20-13	2012
Yellowknife Education District #1	Associated School Board	Accounts payable- payroll	\$ 74,986	\$ 118,619

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.

9. Pensions

Defined Contribution Plan

Authority indeterminate staff have had the option to participate in a voluntary Defined Contribution (DC) pension plan- 6.5% up to the CPP basic exemption, 4.8% above the CPP basic exemption to the maximum pensionable earnings amounts, and 6.5% above the maximum pensionable earnings amount. During fiscal 2012/2013 the Authority's contribution to the DC provision of the Plan was \$23,985. 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 the Authority is to match employee contributions. The Authority fully funds its DC obligation under the Plan each month. The Authority did not have any liability under the DC provision of the Plan as of June 30, 2013.

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

Detah District Education Authority**Notes to Financial Statements**

June 30, 2013

10. 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, 2013, the line of credit had not been used by the Authority.

11. Comparative Figures

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

12. Financial Instruments

Financial instruments consist of recorded amounts of cash and short term investments which will result in future cash receipts, as well as accounts payable and accrued liabilities 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.

Dettah District Education Authority**Schedule 1 - Revenues**

For the year ended June 30,	2013	2012
Government of the Northwest Territories Education Culture and Employment		
Core funding	\$1,604,214	\$1,340,766
Small communities and screen smart	28,300	17,439
	1,632,514	1,358,205
Other Revenue		
Breakfast Clubs of Canada	2,400	-
Breakfast for learning	3,308	-
Drop the pop	1,838	5,838
Interest	3,626	2,796
Miscellaneous	-	67,754
Preschool	-	28,500
Renovation funding	-	25,000
	11,172	129,888
Total Revenues	\$1,643,686	\$1,488,093

Deftah District Education Authority

Schedule 2 - Statement of Expenditures

For the year ended June 30,

	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013
	School Programs	Operations & Maintenance	Administrative	Aboriginal Languages	Inclusive Schooling	Other	Total	Total	Total	Total	Total	Total
Salaries												
ALCBE Teachers	\$ 289,362	\$ -	\$ -	\$ 37,479	\$ 112,910	\$ -	\$ 439,751	\$ 434,933				
Instructional assistant	37,729	-	-	-	47,598	-	85,427	53,635				
YK1 Superintendent	-	-	27,500	-	-	-	27,500	25,000				
Non-instructional staff	-	33,305	-	42,947	-	-	76,252	39,848				
Board/Trustee honoraria	-	-	20,760	-	-	-	20,760	24,100				
School Secretary	20,563	-	14,319	7,475	7,475	-	49,832	50,681				
Total Salaries	347,654	33,305	62,579	87,901	168,083	-	699,522	628,197				
Employee Benefits												
Employee benefits and allowances	8,242	-	-	534	534	6,229	15,539	8,161				
Services Purchased or Contracted												
Office supplies and admin	-	-	29,341	-	-	-	29,341	10,490				
Postage and communications	-	-	1,848	-	-	-	1,848	5,321				
Contracted services	-	-	-	-	28,744	-	28,744	-				
Student travel and busing	64,643	-	-	-	-	-	64,643	65,689				
Maintenance and repairs	-	8,683	-	-	-	-	8,683	11,583				
Renovation of computer lab	-	11,605	-	-	-	-	11,605	40,199				
Library and guided program	15,047	-	-	-	-	-	15,047	41,754				
Lunch / snack program	21,198	-	-	-	-	-	21,198	15,087				
Art and physical education	16,282	-	-	-	-	-	16,282	14,290				
Staff development	38,239	-	-	-	-	-	38,239	30,510				
School fees	-	-	-	-	-	391,389	391,389	518,719				
Robotics and technology	9,620	-	-	-	-	-	9,620	11,709				
School wide promotions	28,223	-	3,844	-	-	-	32,067	51,304				
Accounting and legal	-	-	24,929	-	-	-	24,929	31,122				
Total Services Purchased or Contracted	193,252	20,288	59,962	-	28,744	391,389	693,635	847,777				
Materials, Supplies and Freight												
Materials	86,088	830	-	-	-	-	86,918	47,930				
Furniture and equipment	3,763	-	-	-	-	-	3,763	6,013				
Freight	1,367	-	-	-	-	-	1,367	4,183				
Total Materials, Supplies, and Freight	91,218	830	-	-	-	-	92,048	58,126				
Total Expenditures	\$ 640,366	\$ 54,423	\$ 122,541	\$ 88,435	\$ 197,361	\$ 397,618	\$ 1,500,744	\$ 1,542,261				

Dettah District Education Authority**Schedule 3
Aboriginal Language and Culture Program Expenditures**

For the year ended June 30,**2013**

Function	Student Instruction	Teaching/ Learning Resources	Prof. Development	School Activities and Integrated Community Programs	Total
Salaries					
ALCBE Teachers	\$ 37,479	\$ -	\$ -	\$ -	\$ 37,479
Language Consultants	-	-	-	-	-
Instruction Assistants	-	-	-	-	-
Non Instructional Staff	42,947	-	-	-	42,947
Honoraria	7,475	-	-	-	7,475
Elders in Schools	-	-	-	-	-
	87,901	-	-	-	87,901
Employee Benefits					
Employee Benefits/Allowances	534	-	-	-	534
Services Purchased/Contracted					
Professional/Technical Services	-	-	-	-	-
Travel	-	-	-	-	-
Student Transportation (Bussing)	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-
Rentals/Leases	-	-	-	-	-
Other Contracted Services	-	-	-	-	-
Materials/Supplies/Freight					
Materials	-	-	-	-	-
Freight	-	-	-	-	-
Total	\$ 88,435	\$ -	\$ -	\$ -	\$ 88,435

Dettah District Education Authority

**Schedule 4
Details of Inclusive Schooling Expenses**

For the year ended June 30, 2013

Function	Staff Development	Intervention Strategies	Assistive Technology	Student Resources	Southern Placements	Magnet Facilities	General Inclusive Schooling	Total
Salaries								
Program Support Teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 112,910	\$ 112,910
Consultants	-	-	-	-	-	-	-	-
Support Assistants	-	-	-	-	-	-	47,698	47,698
Non Instructional Staff	-	-	-	-	-	-	7,475	7,475
Honoraria	-	-	-	-	-	-	-	-
Employee Benefits								
Employee Benefits/Allowances	-	-	-	-	-	-	168,083	168,083
Services Purchased/Contracted								
Professional/Technical Services	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-
Student Transportation (Bussing)	-	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-	-
Other Contracted Services	-	-	-	-	-	-	28,744	28,744
Materials/Supplies/Freight								
Materials	-	-	-	-	-	-	-	-
Freight	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 197,361	\$ 197,361

Sahtu Divisional Education Council

Consolidated Financial Statements

June 30, 2013

Sahtu Divisional Education Council

Consolidated Financial Statements

June 30, 2013

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 - 19
Schedule 1 Schedule of Consolidated Expenses by Location	20
Schedule 2 Schedule of Consolidated Detail of Expenses	21
Schedule 3 Schedule of Specific Program - Detail of Inclusive Schooling Expenses	22
Schedule 4 Schedule of Specific Program - Aboriginal Languages	23
Schedule 5 Schedule of Specific Program - Infrastructure	24
Schedule 6 Schedule of Aboriginal Language and Culture-Based Education Expenses	25
Schedule 7 Schedule of French Language Programs	26
Schedule 8 Schedule of Student Success Initiative Projects	27
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.	28-39

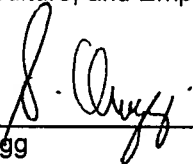
Management Responsibility for Financial Reporting

**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, 2013, 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 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, accounts payable and accrued liabilities, accrued salaries, employee leave and termination benefits and accumulated surplus.

Independent Auditors' Report (Continued)

Basis of Qualified Opinion (continued)

The council administers accountable funds as described in note 3(i). At June 30, 2013 the balance of the accountable advance was \$276,819 (2012: \$429,903). 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, 2013, 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, Northwest Territories
September 20, 2013**

MacKay LLP
Chartered Accountants

Sahtu Divisional Education Council**Consolidated Statement of Financial Position**

As at June 30, **2013** **2012**

Financial Assets

Cash	\$ 3,646,917	\$ 3,486,977
Accountable funds	276,820	429,904
Due from the GNWT (Note 5)	163,658	179,200
Other accounts receivable (Note 6)	137,130	118,380
	4,224,525	4,214,461

Liabilities

Accounts payable and accrued liabilities (Note 7)	165,304	85,505
Accrued salaries (Note 8)	1,473,691	1,826,492
Employee leave and termination benefits (Note 9)	1,394,091	1,224,195
Accountable funds (Note 10)	276,819	429,903
Deferred salary liability	-	226,165
	3,309,905	3,792,260

Net Financial Assets **914,620** **422,201**

Non-Financial Assets

Prepaid expenses	8,207	-
Accumulated Surplus	\$ 922,827	\$ 422,201

Commitments (Note 11)**Approved on behalf of the Board:**
Janet Bayha
Chairperson
Lynda Reminek
Acting Controller

Sahtu Divisional Education Council

Consolidated Statement of Operations

For the year ended June 30,	2013	2013	2012
	(Unaudited) Budget	Actual	Actual
Revenues			
Government of the Northwest Territories			
Regular contribution	\$ 13,733,282	\$ 13,940,615	\$ 13,825,002
Other - HCI / French contribution	108,000	195,105	145,190
Capital contribution	-	-	136,500
	13,841,282	14,135,720	14,106,692
Council generated funds			
Donations	-	1,500	-
Investment income	-	43,092	33,072
Other (Note 12)	-	38,146	108,697
Total Generated Funds	-	82,738	141,769
Total revenues	13,841,282	14,218,458	14,248,461
Expenditures (Schedule 2)			
Administration	1,059,254	1,370,217	1,210,103
School programs	9,006,791	8,794,576	8,475,110
Inclusive schooling	2,147,507	1,756,082	2,328,057
Operations and maintenance	310,680	383,680	423,865
Aboriginal languages	1,317,050	1,413,277	1,364,607
	13,841,282	13,717,832	13,801,742
Annual operating surplus	-	500,626	446,719
Accumulated surplus (deficit), beginning of year	-	422,201	(24,518)
Accumulated surplus, end of year	\$ -	\$ 922,827	\$ 422,201

Sahtu Divisional Education Council

Consolidated Statement of Changes in Net Financial Resources

For the year ended, June 30		2013	2012
	(Unaudited) Budget	Actual	Actual
Annual operating surplus	\$ -	\$ 500,626	\$ 446,719
Change in prepaid expenses	-	(8,207)	4,635
Increase in net financial assets	-	492,419	451,354
Net financial asset, beginning of year	422,201	422,201	(29,153)
Net financial asset, end of year	\$ 422,201	\$ 914,620	\$ 422,201

Sahtu Divisional Education Council

Consolidated Statement of Cash Flows

For the year ended June 30, 2013 2012

Operating transactions

Cash received from:

Government of the Northwest Territories	\$ 14,151,261	\$ 13,936,378
Recoveries and general revenue	63,987	152,898
Accountable funds	-	178,360

14,215,248 14,267,636

Cash paid for:

Compensation and benefits	(12,594,153)	(10,966,263)
Operations and maintenance	(1,404,887)	(1,825,262)
Leave and termination benefits	(56,269)	(22,143)
Accountable funds	(153,083)	-

(14,208,392) (12,813,668)

Change in cash position **6,856** 1,453,968

Cash, beginning of year **3,916,881** 2,462,913

Cash, end of year **\$ 3,923,737** \$ 3,916,881

Represented by

Cash	\$ 3,646,917	\$ 3,486,977
Accountable funds	276,820	429,904

\$ 3,923,737 \$ 3,916,881

Sahtu Divisional Education Council

Notes to Consolidated Financial Statements

June 30, 2013

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. Accounting Policies

These consolidated financial statements of the Council have been prepared in accordance with Canadian public sector accounting standards for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. 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, 2013

3. Accounting Policies (continued)

(b) Financial Instruments

(i) Measurement of financial instruments

The Council 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 Council subsequently measures its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash, accounts receivable and due from GNWT. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

(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 Council 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.

(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, 2013

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) 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 recognised 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, 2013

3. Accounting Policies (continued)

(h) Revenue Recognition

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.

(i) 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.

(j) 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.

(k) 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, 2013

3. Accounting Policies (continued)

(l) 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.

(m) 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.

4. Changes in Accounting Policies

The Authority adopted the following new accounting policies:

Government Transfers

Effective April 1, 2012, the Authority adopted the PSA Handbook Section 3410 "Government Transfers". The standard includes the requirement for recognition, measurement, presentation, and disclosure of transfers received from government and is effective for years beginning on or after April 1, 2012. This accounting change had no significant impact on the Authority's financial statements

Financial Instruments

Effective April 1, 2012, the Authority adopted the PSA handbook section 3450 "Financial Instruments". This standards includes the requirement for recognition, measurement, presentation, and disclosure of financial instruments and is effective for years beginning on or after April 1, 2012. This accounting change had no significant impact on the Authority's financial statements.

Sahtu Divisional Education Council

Notes to Consolidated Financial Statements

June 30, 2013

5. Due from GNWT

	2013	2012
Education, Culture, and Employment	\$ 95,381	\$ 136,668
Health and Social Services	16,335	41,034
Municipal and Community Affairs	49,444	-
Yellowknife School District #1	2,498	1,498
	\$ 163,658	\$ 179,200 ✓

*↳ reported as
all ECE in
11/12 AFS*

6. Other Accounts Receivable

	2013	2012
Trade receivables	\$ 157,421	\$ 138,671
Allowance for doubtful accounts	(20,291)	(20,291)
	\$ 137,130	\$ 118,380

7. Accounts payable and accrued liabilities

	2013	2012
GNWT - Petroleum Products	\$ 396	\$ 539
GNWT - Industry, Tourism and Investment	-	5,860
GNWT - Municipal and Community affairs	-	6,000
Trade payables	164,908	73,106
	\$ 165,304	\$ 85,505

Sahtu Divisional Education Council

Notes to Consolidated Financial Statements

June 30, 2013

8. Accrued Salaries

	2013	2012
Summer salary payout accruals	\$ 1,473,691	\$ 1,826,492 x 875,797

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 by the GNWT, the amount above represents amounts due to the GNWT.

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.

	2013	2012
Annual leave and lieu time	\$ 326,662	\$ 176,423 ✓
Retirement and resignation benefits	709,997	614,180 x 840,345
Removal assistance	357,432	433,592 ✓
	\$ 1,394,091	\$ 1,224,195 x 1,454,360

10. Accountable funds

	2013	2012
Colville Lake	\$ 26,356	\$ 33,927 ✓
Deline	49,154	43,790 ✓
Fort Good Hope	55,932	106,340 ✓
Norman Wells	58,174	71,794 ✓
Tulita	87,203	174,052 ✓
	\$ 276,819	\$ 429,903

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, 2013

11. Commitments

	Expires in Fiscal Year	2014	2015 and thereafter	Total
Commercial and residential leases	2023	\$ 106,752	\$ 960,768	\$ 1,067,520

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

	2013 Budget	2013 Actual	2012 Actual
GNWT PEP Funding	\$ -	\$ 5,000	\$ 4,897
College Literacy Surplus	-	9,621	-
Rental income - Colville Lake	-	6,000	-
Prior year salary recovery	-	7,358	-
Health and social services	-	585	-
NWTPC - Utility overpayment	-	1,119	177
Miscellaneous	-	1,963	20,930
Coleville Lake recycling revenue	-	3,000	-
Chief T'Selehye School recycling revenue	-	3,500	-
NWTTA Chargebacks	-	-	75,053
GNWT reimbursement for summer students	-	-	7,640
	\$ -	\$ 38,146	\$ 108,697

new note

Sahtu Divisional Education Council

Notes to Consolidated Financial Statements

June 30, 2013

13. Accumulated Surplus For Management Purposes

Under block funding agreements, the Council does not receive funding for summer salary payout until the period in which the liability is paid. In addition, the termination and ultimate removal liability is an unfunded liability and is excluded from any funding advances to the Council. For management purposes, the Department of Education, Culture, and Employment of the GNWT recalculates surplus as follows:

	2013	2012
Surplus (deficit) per Balance Sheet	\$ 922,827 ✓	\$ 422,201 ✓
Retirement, termination, and ultimate removal benefits	1,067,429 ✓	601,607
Infrastructure deficit (surplus)	6,206 X 72,998	66,913 ✓
Deferred salary liability	-	226,165
	<u>2,003,254</u>	<u>827,772</u>
	\$ 1,996,462 X	\$ 1,316,886 ✓

As defined by the Department of Education, Culture and Employment guidelines, the accumulated Surplus for Management Purposes should not exceed the greater of \$500,000 or 5% of the annual budget of the Council (whichever is greater). The Surplus of \$1,996,462 exceeds \$692,064 (5% of the approved annual budget of \$13,841,282) by \$1,304,398.

14. Comparative Figures

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

15. 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 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.

Sahtu Divisional Education Council

Notes to Consolidated Financial Statements

June 30, 2013

16. Financial Instruments

Financial instruments consist of 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, 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 funding agencies. The Council has a concentration of credit risk as it has funds due primarily from the GNWT - Department of Education, Culture, and Employment.

Sahtu Divisional Education Council

Consolidated Expenses by Location

For the Year ended June 30,	2013		2012
	Budget (Unaudited)	Actual	Actual
School Programs			
Colville Lake	\$ 1,038,752	\$ 974,182	\$ 778,439
Deline	2,278,145	2,341,183	2,252,816
Division expenditures	166,100	312,195	452,558
Fort Good Hope	2,456,425	2,358,472	2,301,310
New school Fort Good Hope	-	-	37,500
Norman Wells	2,425,423	2,271,691	2,214,436
Sick, Maternity, Long term disability	100,000	44,942	64,184
Tulita	2,404,835	2,314,733	2,262,097
	10,869,680	10,617,398	10,363,340
School Support Programs			
Inclusive schooling	241,500	91,857	333,884
Literacy	196,372	196,474	150,224
Supervisor of school program	261,169	319,429	409,495
Teaching and learning centres (aboriginal languages)	437,461	363,619	434,836
Technology consultant	430,776	460,951	504,236
	1,567,278	1,432,330	1,832,675
Administration			
Central office	856,144	1,003,741	958,201
Council board	90,500	148,015	35,216
Transfer to DEAs	147,000	132,671	188,447
	1,093,644	1,284,427	1,181,864
Infrastructure			
Personnel	185,993	213,350	214,392
Utilities	124,687	170,327	209,471
	310,680	383,677	423,863
Total expenditures	13,841,282	13,717,832	13,801,742

Sahtu Divisional Education Council

Consolidated Detail of Expenses

For the year ended June 30, 2013

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Transfers & Other	Total
Salary								
Teachers salaries	\$ 6,688,649	\$ 795,358	\$ -	\$ -	\$ -	\$ 1,199,480	\$ -	\$ 8,683,487
Instruction assistants	-	688,812	-	-	-	155,021	-	843,833
Non-instructional staff	1,229,907	181,269	-	-	871,936	-	-	2,283,112
Board/trustee honoraria	-	-	-	-	38,290	-	-	38,290
	7,918,556	1,665,439	-	-	910,226	1,354,501	-	11,848,722
Employee Benefits								
Employee benefits/allowances	44,723	(480)	-	213,350	41,299	-	-	298,892
Leave and termination benefits	-	-	-	-	93,737	-	-	93,737
	44,723	(480)	-	213,350	135,036	-	-	392,629
Services Purchased/Contracted								
Advertising/printing/publishing	916	-	-	-	-	12,525	-	13,441
Other contracted services	148,773	-	-	-	4,600	24,410	-	177,783
Postage/communication	39,428	-	-	-	30,529	-	-	69,957
Professional/technical services	16,681	22,385	-	-	74,268	12,566	-	125,900
Rental/leases	115	-	-	162,230	-	-	-	162,345
Travel	280,239	26,203	-	-	137,268	3,023	-	446,733
Utilities Electricity	-	-	-	-	-	-	-	-
Heating	-	-	-	-	-	-	-	-
Water/sewage	-	-	-	8,100	-	-	-	8,100
	486,152	48,588	-	170,330	246,665	52,524	-	1,004,259
Materials/Supplies/Freight								
Materials	314,316	42,447	-	-	61,768	5,170	-	423,701
Freight	30,829	88	-	-	8,918	1,082	-	40,917
	345,145	42,535	-	-	70,686	6,252	-	464,618
Contributions/Transfers								
Transfers - other	-	-	-	-	-	-	-	-
Debt Services								
Other	-	-	-	-	7,604	-	-	7,604
	-	-	-	-	7,604	-	-	7,604
Total	\$ 8,794,576 ✓	\$ 1,756,082 ✓	\$ -	\$ 383,680 ✓	\$ 1,370,217 ✓	\$ 1,413,277 ✓	\$ -	\$ 13,717,832 ✓

Sch 6 - ALCBE 1224961
 Sch 4 - TLC 79413
 304374
 1413277
 108,903

Sahtu Divisional Education Council

Detail of Inclusive Schooling Expenses

For the year ended June 30, 2013

	Staff Development	Intervention Strategies	Assistive Technology	Student Resources	Southern Placements	Magnet Facilities	General Inclusive Schooling	Total
Salary								
Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 795,358	\$ 795,358
Instruction assistants	-	688,812	-	-	-	-	-	688,812
Non-instructional staff	-	-	161,329	↓ 536K	-	-	19,940	181,269
	-	688,812	161,329	-	-	-	815,298	1,665,439
Employee Benefits								
Employee benefits/allowances	(480)	-	-	-	-	-	-	(480)
Services Purchased/Contracted								
Professional/technical services	-	-	22,385	-	-	-	-	22,385
Travel	26,203	↓ \$ 82K	-	-	-	-	-	26,203
	26,203	-	22,385	-	-	-	-	48,588
Materials /Supplies/Freight								
Materials	809	-	28,051	13,587	-	-	-	42,447
Freight	-	-	88	-	-	-	-	88
	809	-	28,139	13,587	-	-	-	42,535
Total	\$ 26,532	\$ 688,812	\$ 211,853	\$ 13,587	\$ -	\$ -	\$ 815,298	\$ 1,756,082 ✓

Sahtu Divisional Education Council

Aboriginal Languages

For the year ended June 30, 2013

	July 1, 2012 to March 31, 2013	April 1, 2013 to June 30, 2013	Total
Revenue			
Secretary State Funding	\$ 58,000 ✓	\$ -	\$ 58,000
	58,000	-	58,000
Expenses			
Salaries	74,686	-	74,686
Other O&M	4,727	-	4,727
	79,413	-	79,413
Deficit	\$ (21,413)	\$ -	\$ (21,413)

Sahtu Divisional Education Council

Infrastructure

For the year ended June 30,

	2013	2012
Personnel Infrastructure		
Revenue		
GNWT - ECE contributions	185,995 \$	252,786 X \$ 176,952 ✓
	185,995	252,786 176,952
Expenses		
Staffing	-	-
Storage	1,750	221
Employee benefits		
Removal in/transfer	151,211	163,466
WCB premiums	60,389	50,705
	213,350	214,392
Surplus (deficit)	(27,355) \$	39,436 \$ (37,440)

12/13 = 185,995
 11/12 = 66,792 - should not be included.
 deficit 252,786

Lease Infrastructure

Revenue		
GNWT - ECE contributions	\$ 124,688 ✓	\$ 180,000 ✓
	124,688	180,000
Expenses		
Utilities		
Electricity	-	-
Water/sewage	8,100	12,725
Leases	162,230	196,748
	170,330	209,473
Surplus (deficit)	\$ (45,642)	\$ (29,473)

Total deficit = (27,355)
 (45,642)
(72,997)

Sahtu Divisional Education Council

Aboriginal Language and Culture-based Education Expenses

For the year ended June 30, 2013

	Student Instruction	Teaching/ Learning Resources	Professional Development	School activities and integrated Community Programs	Total
Salaries					
ALCBE teachers	\$ 251,569	\$ -	\$ -	\$ -	\$ 251,569
Language consultants	573,241	-	-	191,080	764,321
Non-instructional staff	155,021	-	-	-	155,021
	979,831	-	-	191,080	1,170,911
Employee Benefits					
Employee benefits/allowances	-	-	-	-	-
Services Purchased					
Advertising/printing/publishing	12,525	-	-	-	12,525
Professional/technical services	19,435	-	9,425	-	28,860
Elders in schools	4,975	-	-	-	4,975
Travel	-	-	3,023	-	3,023
	36,935	-	12,448	-	49,383
Supplies and Materials					
Materials	506	3,079	-	-	3,585
Freight	-	1,082	-	-	1,082
	506	4,161	-	-	4,667
Total	\$ 1,017,272	\$ 4,161	\$ 12,448	\$ 191,080	\$ 1,224,961 X

doesn't tie to
Sch. 2.

Sahtu Divisional Education Council**French Language Programs****For the year ended June 30, 2013**

	Contribution	Expenditure	Variance
Bilateral Agreement Funding			
Special Projects			
Consultant - Immersion/Core French	\$ 50,000 ✓	\$ 130,317	\$ (80,317)
Total	\$ 50,000	\$ 130,317	\$ (80,317)
Regular GNWT Funding			
Core French		\$ -	
Immersion Program		-	
Total		\$ -	

Sahtu Divisional Education Council

Student Success Initiative ProjectsFor the year ended June 30, 2013

	Literacy Place	Integrated Technology	Math Makes Sense	Total
Revenue	\$ 142,105	\$ -	\$ -	\$ 142,105
	<i>↳ \$55K in cash flow likely included NWTTA #</i>			
Expenses				
Facilitator fees (instructor salary)	-	-	-	-
Training	-	-	-	-
Substitute teacher wages	-	-	-	-
Other	-	-	-	-
Travel				
Teacher travel (air charter and regular schedule travel / accommodations / per diem / hotel)	77,222	-	-	77,222
Workshop Expenses				
Program material	1,520	-	-	1,520
Total Expenses	78,742	-	-	78,742
Net Surplus	\$ 63,363	\$ -	\$ -	\$ 63,363

Sahtu Divisional Education Council - Central Office

Statement of Revenue and Expenditures and Financial Position

For the year ended June 30,	2013 Budget	2013 Actual	2012 Actual
Revenues			
Government of the Northwest Territories			
Operating grant	\$ 13,733,282	\$ 13,940,615	\$ 13,825,002
Other - HCI / French contribution	108,000	195,105	141,262
Capital contribution	-	-	136,500
	13,841,282	14,135,720	14,102,764
Council generated funds			
Investment income	-	43,092	33,072
Other	-	38,146	108,697
Total Generated Funds	-	81,238	141,769
Total revenues	13,841,282	14,216,958	14,244,533
Expenses			
Administration	983,744	1,305,825	1,062,871
School programs	8,935,301	8,726,297	8,433,895
Inclusive schooling	2,147,507	1,756,082	2,328,057
Student accommodations	-	-	-
Operations and maintenance	310,680	383,680	423,865
Aboriginal language/culture programs	1,317,050	1,413,277	1,364,607
	13,694,282	13,585,161	13,613,295
Excess revenue (expenditures) from operations	147,000	631,797	631,238
Transfer to DEAs	(147,000)	(132,671)	(188,447)
Surplus	\$ -	\$ 499,126	\$ 442,791

Sahtu Divisional Education Council - Central Office

Detail of Expenditures

For the year ended June 30, 2013

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Transfers & Other	Total
Salary								
Teachers salaries	\$ 6,688,649	\$ 795,358	-	\$ -	\$ -	\$ 1,199,480	-	\$ 8,683,487
Instruction assistants	-	688,812	-	-	-	155,021	-	843,833
Non-instructional staff	1,229,907	181,269	-	-	832,204	-	-	2,243,380
Board/trustee honoraria	-	-	-	-	19,880	-	-	19,880
	7,918,556	1,665,439	-	-	852,084	1,354,501	-	11,790,580
Employee Benefits								
Employee benefits/allowances	44,723	(480)	-	213,350	41,299	-	-	298,892
Leave and termination benefits	-	-	-	-	93,737	-	-	93,737
	44,723	(480)	-	213,350	135,036	-	-	392,629
Services Purchased/Contracted								
Advertising/printing/publishing	916	-	-	-	-	12,525	-	13,441
Other contracted services	148,773	-	-	-	4,600	24,410	-	177,783
Postage/communication	39,428	-	-	-	30,529	-	-	69,957
Professional/technical services	16,681	22,385	-	-	68,018	12,566	-	119,650
Rental/leases	115	-	-	162,230	-	-	-	162,345
Travel	280,239	26,203	-	-	137,268	3,023	-	446,733
Utilities water/sewage	-	-	-	8,100	-	-	-	8,100
	486,152	48,588	-	170,330	240,415	52,524	-	998,009
Materials/Supplies/Freight								
Materials	246,037	42,447	-	-	61,768	5,170	-	355,422
Freight	30,829	88	-	-	8,918	1,082	-	40,917
	276,866	42,535	-	-	70,686	6,252	-	396,339
Contributions/Transfers								
Transfers - other	-	-	-	-	-	-	-	-
Debt Services								
Other	-	-	-	-	7,604	-	-	7,604
	-	-	-	-	7,604	-	-	7,604
Total	\$ 8,726,297	\$ 1,756,082	-	\$ 383,680	\$ 1,305,825	\$ 1,413,277	-	\$ 13,585,161

Colville Lake District Education Authority

Statement of Revenue and Expenditures and Financial Position

For the year ended June 30,	2013 Budget	2013 Actual	2012 Actual
Revenues			
Government of the Northwest Territories			
Operating grant	\$ 21,000	\$ 21,000	\$ 21,000
Council generated funds			
Total Generated Funds	-	-	-
Total revenues	21,000	21,000	21,000
Expenses			
Administration	8,250	6,784	37,170
School programs	12,750	17,570	889
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/culture programs	-	-	-
Other	-	-	-
	21,000	24,354	38,059
Deficit	-	(3,354)	(17,059)
Opening equity	-	(242)	16,817
Closing equity	\$ -	\$ (3,596)	\$ (242)
Composition of Closing Equity			
Payable to SDEC		\$ (3,596)	\$ (242)
Deficit		\$ (3,596)	\$ (242)

Colville Lake District Education Authority

Detail of Expenditures

For the year ended June 30, 2013

	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	-	-	-	-	5,534	-	-	5,534
	-	-	-	-	5,534	-	-	5,534
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	17,570	-	-	-	-	-	-	17,570
Freight	-	-	-	-	-	-	-	-
	17,570	-	-	-	-	-	-	17,570
Contributions/Transfers								
Transfers - other	-	-	-	-	-	-	-	-
Transfers to capital	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Debt Services								
	-	-	-	-	-	-	-	-
Total	\$ 17,570	\$ -	\$ -	\$ -	\$ 6,784	\$ -	\$ -	\$ 24,354

Deline District Education Authority

Statement of Revenue and Expenditures and Financial Position

For the year ended June 30,	2013 Budget	2013 Actual	2012 Actual
Revenues			
Government of the Northwest Territories			
Operating grant	\$ 32,000	\$ 32,000	\$ 32,000
Council generated funds			
Total Generated Funds	-	-	-
Total revenues	32,000	32,000	32,000
Expenditures			
Administration	18,250	14,905	23,104
School programs	13,750	13,841	11,044
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/culture programs	-	-	-
	32,000	28,746	34,148
Deficit	-	3,254	(2,148)
Opening equity	-	(3,044)	(896)
Closing equity	\$ -	\$ 210	\$ (3,044)
Composition of Closing Equity			
Receivable from (payable to) SDEC		\$ 210	\$ (3,044)
Surplus (deficit)		\$ 210	\$ (3,044)

Deline District Education Authority

Detail of Expenditures

For the year ended June 30, 2013

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Transfers & Other	Total
Salary								
Teachers salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instruction assistants	-	-	-	-	-	-	-	-
Non-instructional staff	-	-	-	-	9,745	-	-	9,745
Board/trustee honoraria	-	-	-	-	3,910	-	-	3,910
	-	-	-	-	13,655	-	-	13,655
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	13,841	-	-	-	-	-	-	13,841
Freight	-	-	-	-	-	-	-	-
	13,841	-	-	-	-	-	-	13,841
Debt Services								
	-	-	-	-	-	-	-	-
Total	\$ 13,841	\$ -	\$ -	\$ -	\$ 14,905	\$ -	\$ -	\$ 28,746

K'asho Gotine District Education Authority

Statement of Revenue and Expenditures and Financial Position

For the year ended June 30,	2013 Budget	2013 Actual	2012 Actual
Revenues			
Government of the Northwest Territories			
Operating grant	\$ 31,000	\$ 31,000	\$ 35,500
Council generated funds			
Total Generated Funds	-	-	-
Total revenues	31,000	31,000	35,500
Expenditures			
Administration	19,510	18,562	26,504
School programs	11,490	22,477	1,394
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/culture programs	-	-	-
	31,000	41,039	27,898
Surplus	-	(10,039)	7,602
Opening equity	-	8,963	1,361
Closing equity	\$ -	\$ (1,076)	\$ 8,963
Composition of Closing Equity			
Receivable from (payable to) SDEC		\$ (1,076)	\$ 8,963
Surplus		\$ (1,076)	\$ 8,963

K'asho Gotine District Education Authority

Detail of Expenditures

For the year ended June 30, 2013

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Transfers & Other	Total
Salary								
Teachers salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instruction assistants	-	-	-	-	-	-	-	-
Non-instructional staff	-	-	-	-	10,327	-	-	10,327
Board/trustee honoraria	-	-	-	-	6,985	-	-	6,985
	-	-	-	-	17,312	-	-	17,312
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	22,477	-	-	-	-	-	-	22,477
Freight	-	-	-	-	-	-	-	-
	22,477	-	-	-	-	-	-	22,477
Debt Services								
	-	-	-	-	-	-	-	-
Total	\$ 22,477	\$ -	\$ -	\$ -	\$ 18,562	\$ -	\$ -	\$ 41,039

Norman Wells District Education Authority

Statement of Revenue and Expenditures and Financial Position

For the year ended June 30,

	2013 Budget	2013 Actual	2012 Actual
Revenues			
Government of the Northwest Territories			
Operating grant	\$ 30,000	\$ 30,000	\$ 30,000
Council generated funds			
Total Generated Funds	-	-	-
Total revenues	30,000	30,000	30,000
Expenditures			
Administration	13,250	10,475	34,968
School programs	16,750	2,422	212
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/culture programs	-	-	-
	30,000	12,897	35,180
Deficit	-	17,103	(5,180)
Opening equity	-	(846)	4,334
Closing equity	\$ -	\$ 16,257	\$ (846)
Composition of Closing Equity			
Receivable from (payable to) SDEC		\$ 16,257	\$ (846)
Surplus (deficit)		\$ 16,257	\$ (846)

Norman Wells District Education Authority

Detail of Expenditures

For the year ended June 30, 2013

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Transfers & Other	Total
Salary								
Teachers salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instruction assistants	-	-	-	-	-	-	-	-
Non-instructional staff	-	-	-	-	9,225	-	-	9,225
Board/trustee honoraria	-	-	-	-	-	-	-	-
	-	-	-	-	9,225	-	-	9,225
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	2,422	-	-	-	-	-	-	2,422
Freight	-	-	-	-	-	-	-	-
	2,422	-	-	-	-	-	-	2,422
Debt Services								
	-	-	-	-	-	-	-	-
Total	\$ 2,422	\$ -	\$ -	\$ -	\$ 10,475	\$ -	\$ -	\$ 12,897

Tulita District Education Authority

Statement of Revenue and Expenditures and Financial Position

For the year ended June 30,	2013 Budget	2013 Actual	2012 Actual
Revenues			
Government of the Northwest Territories			
Operating grant	\$ 33,000	\$ 33,000	\$ 33,000
Other - HCI / French contribution	-	-	3,928
Total GNWT	33,000	33,000	36,928
Council generated funds			
Donations	-	1,500	-
Total Generated Funds	-	1,500	-
Total revenues	33,000	34,500	36,928
Expenditures			
Administration	16,250	13,666	25,486
School programs	16,750	11,970	27,677
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/culture programs	-	-	-
	33,000	25,636	53,163
Deficit	-	8,864	(16,235)
Opening equity	-	(9,770)	6,465
Closing equity	\$ -	\$ (906)	\$ (9,770)
Composition of Closing Equity			
Payable to SDEC		\$ (906)	\$ (9,770)
Deficit		\$ (906)	\$ (9,770)

Tulita District Education Authority

Detail of Expenditures

For the year ended June 30, 2013

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Transfers & Other	Total
Salary								
Teachers salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instruction assistants	-	-	-	-	-	-	-	-
Non-instructional staff	-	-	-	-	10,435	-	-	10,435
Board/trustee honoraria	-	-	-	-	1,981	-	-	1,981
	-	-	-	-	12,416	-	-	12,416
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	11,970	-	-	-	-	-	-	11,970
Freight	-	-	-	-	-	-	-	-
	11,970	-	-	-	-	-	-	11,970
Debt Services								
	-	-	-	-	-	-	-	-
Total	\$ 11,970	\$ -	\$ -	\$ -	\$ 13,666	\$ -	\$ -	\$ 25,636

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

FORT SMITH, NT.

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

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

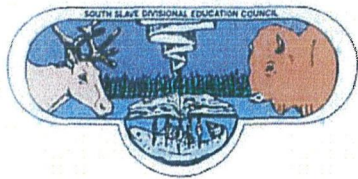
Schedule 11 - Statement of Financial Position - Fort Resolution DEA

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** – 2012/13 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.
October 5, 2013.



VERY, COOPER & CO.
Certified General Accountants

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INDEPENDENT AUDITORS' REPORT

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

Report on the 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, 2013 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, 2013 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.

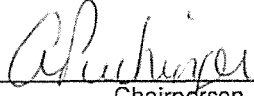
AVERY, COOPER & CO
Certified General Accountants
Yellowknife, NT

October 5, 2013

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at June 30, 2013**

	<u>2013</u>	<u>2012</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$4,806,726	\$4,147,818
Cash Held in Trust	\$78,881	\$77,958
Due from the GNWT (note 12)	112,553	305,397
Prepaid Expenses	0	0
Other Accounts Receivable	399,691	316,178
	<u>399,691</u>	<u>316,178</u>
Total Financial Assets	<u>\$5,397,851</u>	<u>\$4,847,351</u>
<u>Liabilities</u>		
Bank Indebtedness	\$10,663	\$0
Accounts Payable and Accrued Liabilities	117,539	183,231
Trust Liability	79,914	78,991
Due to the GNWT (notes 5 and 12)	902,712	105,493
Accrued Payroll & Employee Deductions	629,540	1,336,006
Deferred Revenue (note 11)	30,193	161,693
Leave & Termination Benefits (note 6)	2,161,244	2,162,310
	<u>2,161,244</u>	<u>2,162,310</u>
Total Liabilities	<u>\$3,931,805</u>	<u>\$4,027,724</u>
Net Financial Resources	<u>\$1,466,045</u>	<u>\$819,627</u>
Fund Balance	<u>\$1,466,045</u>	<u>\$819,627</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, 2013

	<u>2013</u>	<u>2012</u>
Annual Surplus/(Deficit)	\$646,418	(\$234,937)
Prior Year Adjustments	<u>0</u>	<u>0</u>
Increase/(Decrease) in Net Financial Resources (Statement III)	\$646,418	(\$234,937)
Opening Net Financial Resources	<u>819,627</u>	<u>1,054,564</u>
Closing Net Financial Resources	<u><u>\$1,466,045</u></u>	<u><u>\$819,627</u></u>

See attached notes and schedules.

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended June 30, 2013**

	(unaudited) <u>2013 Budget</u>	<u>2013 Actual</u>	<u>2012 Actual</u>
<u>REVENUES</u>			
Government of the NWT			
Regular Contributions	\$24,057,137	\$24,384,376	\$25,560,273
Other Contributions	568,979	1,291,776	991,829
Total Government of the NWT	<u>\$24,626,116</u>	<u>\$25,676,152</u>	<u>\$26,552,102</u>
Federal Government	\$361,034	\$403,177	\$401,705
Generated Funds			
Investment Income	\$500	\$31,976	\$30,960
Non-GNWT Contributions	70,437	245,590	185,654
Donations	-	5,540	52,149
Other	67,000	302,074	234,343
Total Generated Funds	<u>\$137,937</u>	<u>\$585,180</u>	<u>\$503,106</u>
Total Revenues	<u>\$25,125,087</u>	<u>\$26,664,509</u>	<u>\$27,456,913</u>
<u>EXPENSES (Schedule 1)</u>			
Administration	\$1,576,298	\$1,493,635	\$1,521,286
School Programs	15,629,415	17,068,890	17,984,954
Inclusive Schooling	4,950,851	4,842,354	5,674,874
Distance Learning/Technology	290,000	291,051	317,035
Operations and Maintenance	383,994	257,200	279,946
Aboriginal Language/Cultural Programs	1,690,505	2,064,960	1,913,756
Total Expenses	<u>\$24,521,063</u>	<u>\$26,018,091</u>	<u>\$27,691,850</u>
OPERATING SURPLUS/(DEFICIT)	<u>\$604,024</u>	646,418	(\$234,937)
Fund Balance at beginning of year		<u>\$819,627</u>	<u>\$1,054,564</u>
Fund Balance at end of year		<u>\$1,466,045</u>	<u>\$819,627</u>
Composition of Closing Equity			
Cash		\$4,885,606	\$4,225,776
Accounts Receivable		512,244	621,575
Accounts Payable		(3,931,805)	(4,027,724)
		<u>\$1,466,045</u>	<u>\$819,627</u>

See attached notes and schedules.

Statement IV

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
CONSOLIDATED STATEMENT OF CASH FLOW
For the Year Ended June 30, 2013**

	<u>2013</u>	<u>2012</u>
Operating Transactions		
Cash received from:		
Government of the Northwest Territories	\$25,773,892	\$26,230,157
Government of Canada	403,177	401,704
Interest Revenue	31,976	30,960
Recoveries and General Revenue	433,295	642,846
	<u>\$26,642,340</u>	<u>\$27,305,667</u>
Cash Paid For:		
Compensation and Benefits	(\$23,464,274)	(\$23,989,611)
Grants and Contributions	0	0
Operations and Maintenance	(2,528,897)	(3,201,309)
	<u>(\$25,993,171)</u>	<u>(\$27,190,920)</u>
Cash Provided by (Used for) Operating Transactions	<u>\$649,168</u>	<u>\$114,747</u>
Increase/(Decrease) in Cash and Cash Equivalents	<u>\$649,168</u>	<u>\$114,747</u>
Cash and Cash Equivalents at Beginning of Year	\$4,225,776	\$4,111,029
Cash and Cash Equivalents at End of Year	<u>\$4,874,944</u>	<u>\$4,225,776</u>
Represented by:		
Cash and Short Term Investments	\$4,806,726	\$4,147,818
Bank Indebtedness	(10,663)	-
Cash Held in Trust	78,881	77,958
	<u>\$4,874,944</u>	<u>\$4,225,776</u>

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2013

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 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 consolidated financial 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'atlodeeche First Nation, Fort Resolution and Lutsel K'e. Transactions and balances between these organizations have been eliminated for consolidation purposes.

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2013

b) 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 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 the education programs within the division.

c) Inventory

Inventories of books, supplies and other expenses are treated as expenses during the year of acquisition and are not recorded on the balance sheet.

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 Benefits

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.

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2013

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 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.

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 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 financial statements and the amounts of revenue and expenses during the period. Actual results could differ from these estimates.

Note 3. Conversion to Public Sector Accounting Standards

Commencing with the 2011/12 fiscal year, the School Board has adopted 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 (CICA).

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2013

Note 4. 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 in support of future study at college, university or other institution of higher learning. The balance of the net annual income will be used to enhance the fund.

Note 5. Due to the GNWT

	<u>2013</u>	<u>2012</u>
Excess funding repayable	\$ 0	\$ 105,493
Other payables	<u>902,712</u>	<u>0</u>
	<u>\$ 902,712</u>	<u>\$ 105,493</u>

Note 6. 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.

	<u>2013</u>	<u>2012</u>
Annual leave and lieu time	\$ 102,224	\$ 104,096
Retirement and resignation benefits	1,459,006	1,424,452
Removal assistance	<u>600,014</u>	<u>633,762</u>
	<u>\$2,161,244</u>	<u>\$2,162,310</u>

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2013

Note 7. Accumulated Management Surplus

The leave and termination liability is an unfunded liability and is excluded from any funding advances to the Council. For management purposes, the Department of Education, Culture and Employment recalculates the fund balance as shown below.

	<u>2013</u>	<u>2012</u>
Operating fund balance as reported on the consolidated balance sheet	\$ 1,466,045	\$ 819,627
Retirement, termination and ultimate removal benefits	2,059,020	2,058,214
Infrastructure Deficit (net)	<u>31,361</u>	<u>0</u>
	<u>\$ 3,556,426</u>	<u>\$ 2,877,841</u>

The accumulated management surplus of \$3,556,426 exceeds by \$2,330,373 the guideline for such accumulated surpluses as defined by the Department of Education, Culture & Employment. The guideline states the surplus should not exceed the greater of \$500,000 or 5% of the annual budget of the SSDEC of \$24,521,063 which is calculated as \$1,226,053. See also Note 8 which details Council's approved commitments against surplus.

Note 8. Commitments Against Surplus

The Council currently has approved commitments against its surplus of \$1,131,722 consisting of school staffing surpluses.

Additional estimated, but not yet approved, commitments are detailed in Schedule 29 to the Financial Statements.

Note 9. Financial Instruments

The Council conforms with 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 financial statements together with available information for a reasonable assessment of future cash flows, interest rate risk and credit risk.

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2013

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, currency or credit risks arising from these financial instruments.

Note10. Contractual Obligations

The Council has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to June 30, 2012.

	<u>Expired in 2013</u>	<u>2014</u>	<u>2015 onward</u>	<u>Total</u>
Commercial Leases	\$ 64,388	\$ 0	\$ 0	\$ 64,388
Equipment Leases	11,653	11,653	11,697	35,003
Operation Leases	<u>10,928</u>	<u>10,928</u>	<u>8,197</u>	<u>30,053</u>
Totals	<u>\$ 86,969</u>	<u>\$ 22,581</u>	<u>\$ 19,894</u>	<u>\$129,444</u>

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2013

Note 11. 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, 2013 the South Slave Divisional Education Council has deferred revenue in the amount of \$30,193 broken down as follows:

	<u>2013</u>	<u>2012</u>
Lutsel K'e CTS/SSI	\$ 9,743	\$ 13,450
Diamond Jenness FF&E		
Attendance Research Project		
Autism Speaks Funding		
Cree Language Books		
System PD Training		17,288
Math 2,5,8 Resouorces		
Math 3,6,9 Resources	5,450	7,369
2011 Not Us Campaign		
Fort Smith Not Us		4,395
Hay River Substance Abuse		24,501
Fort Resolution Not Us	5,000	5,000
Hay River Not Us	5,000	5,000
Fort Smith Not Us	5,000	5,000
Federal Aboriginal Language		62,000
Trades Awareness		10,190
Together for Healthy Learning		<u>7,500</u>
	<u>\$ 30,193</u>	<u>\$ 161,693</u>

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

June 30, 2013

Note 12. 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 business. Further, the SSDEC is provided various administrative services by the GNWT, the value of which is not reflected in these 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 financial statements are disclosed in this note.

	<u>2013</u>	<u>2012</u>
<u>Accounts Payable</u>		
Dept. of Finance	\$902,712	\$105,493
<u>Accounts Receivable</u>		
Dept. of Health & Social Services	\$ 20,398	8,715
Dept. of Education, Culture & Employment	85,227	268,577
GNWT – Human Resources		4,122
Diamond Jeness Secondary School		15,817
Aurora College	6,928	
South Slave DEC		<u>8,166</u>
	<u>\$ 112,553</u>	<u>\$305,937</u>

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended June 30, 2013**

	School Programs	Inclusive Schooling	Distance Learning/Tech	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
Salaries								
Teachers	\$13,039,808	\$2,195,524	\$0	\$0	\$0	\$483,686	\$0	\$15,719,018
Instruction Assistants	\$190,534	\$1,755,297	\$0	\$0	\$1,374	\$1,048,387	\$0	\$2,995,592
Non-Instructional Staff	\$1,753,184	\$465,674	\$236,349	\$0	\$1,146,452	\$0	\$0	\$3,601,659
Board/Trustee Honoraria	\$0	\$450	\$0	\$0	\$37,561	\$32,925	\$0	\$70,936
Employee Benefits								
Employee Benefits/Allowances	\$104,599	\$37,425	\$1,919	\$0	\$5,758	\$12,475	\$0	\$162,176
Leave & Termination Benefits	\$133,742	\$47,853	\$2,454	\$0	\$7,362	\$15,951	\$0	\$207,362
Services Purchased/Contracted								
Professional/Technical Services	\$61,161	\$40,690	\$0	\$100	\$47,919	\$0	\$0	\$149,869
Postage/Communication	\$56,706	\$0	\$0	\$0	\$49,308	\$0	\$0	\$106,014
Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Travel	\$140,854	\$130,821	\$21,230	\$0	\$70,532	\$57,828	\$0	\$421,264
Student Travel	\$107,974	\$8,382	\$0	\$0	\$0	\$71,214	\$0	\$187,570
Advertising/Printing/Publishing	\$19,123	\$5,503	\$0	\$16,515	\$13,350	\$63,125	\$0	\$117,616
Maintenance/Repair	\$4,424	\$0	\$0	\$0	\$6,428	\$396	\$0	\$11,248
Rentals/Leases	\$97,926	\$7,295	\$0	\$162,976	\$32,508	\$4,145	\$0	\$304,851
Contracted Services	\$278,051	\$938	\$0	\$1,793	\$950	\$84,426	\$0	\$366,157
Materials/Supplies/Freight								
Materials	\$1,072,094	\$143,397	\$29,099	\$61,601	\$72,043	\$188,934	\$0	\$1,567,168
Freight	\$8,711	\$3,105	\$0	\$14,216	\$2,093	\$1,466	\$0	\$29,590
Total	\$17,068,890	\$4,842,354	\$291,051	\$257,200	\$1,493,635	\$2,064,960	\$0	\$26,018,091

**FORT SMITH DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at June 30, 2013**

	<u>2013</u>	<u>2012</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$121,109	\$97,592
Cash Held in Trust	78,881	77,958
Other Accounts Receivable (net)	1,033	1,112
Total Financial Assets	<u>\$201,023</u>	<u>\$176,662</u>
<u>Liabilities</u>		
Accounts Payable & Accrued Liabilities	(\$3)	\$0
Trust Liability	79,914	78,991
Total Liabilities	<u>\$79,911</u>	<u>\$78,991</u>
Net Financial Resources	<u>\$121,112</u>	<u>\$97,671</u>
Fund Balance	<u>\$121,112</u>	<u>\$97,671</u>

**FORT SMITH DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
For the Year Ended June 30, 2013**

	<u>2013 Budget</u> <u>(unaudited)</u>	<u>2013 Actual</u>	<u>2012 Actual</u>
<u>REVENUES</u>			
Government of the NWT			
Regular Contributions	\$478,800	\$477,000	\$451,626
Other Contributions	0	73,448	274,212
Total Government of the NWT	<u>\$478,800</u>	<u>\$550,448</u>	<u>\$725,838</u>
Generated Funds			
Investment Income	\$500	\$995	\$1,835
Other	38,000	45,722	49,629
Total Generated Funds	<u>\$38,500</u>	<u>\$46,717</u>	<u>\$51,464</u>
Total Revenues	<u>\$517,300</u>	<u>\$597,165</u>	<u>\$777,301</u>
<u>EXPENSES (Schedule 4)</u>			
Administration	\$123,341	\$62,152	\$61,973
School Programs	269,437	393,982	591,669
Inclusive Schooling	64,800	14,267	27,797
Student Accommodations	0	0	0
Operations and Maintenance	0	16,649	19,646
Aboriginal Language/Cultural Programs	76,000	86,674	80,445
Total Expenses	<u>\$533,578</u>	<u>\$573,724</u>	<u>\$781,530</u>
Operating Surplu/(Deficit)	<u>(\$16,278)</u>	<u>\$23,441</u>	<u>(\$4,229)</u>
Fund Balance at beginning of year		<u>97,671</u>	<u>101,900</u>
Fund Balance at end of year		<u>\$121,112</u>	<u>97,671</u>
Composition of Closing Fund Balance			
Cash		\$199,990	\$175,550
Accounts Receivable		1,033	1,112
Accounts Payable		(79,911)	(78,991)
		<u>\$121,112</u>	<u>\$97,671</u>

FORT SMITH DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2013

	School Programs	Inclusive Schooling	Student Accom.	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
Salaries								
Teachers	\$1,967							\$1,967
Instruction Assistants								\$0
Non-Instructional Staff					\$54,696			\$54,696
Board/Trustee Honoraria								\$0
Employee Benefits								
Employee Benefits/Allowances								\$0
Leave & Termination Benefits								\$0
Services Purchased/Contracted								
Professional/Technical Services								\$0
Postage/Communication	\$28,438				\$3,160			\$31,598
Utilities								\$0
Travel								\$0
Student Travel								\$0
Advertising/Printing/Publishing	\$892							\$892
Maintenance/Repair	\$3,659							\$3,659
Rentals/Leases	\$14,117				\$1,569			\$15,686
Contracted Services	\$67,543							\$67,543
Materials/Supplies/Freight								
Materials	\$277,366	\$14,267		\$16,649	\$2,727	\$86,674		\$397,684
Freight								\$0
Total	\$393,982	\$14,267	\$0	\$16,649	\$62,152	\$86,674	\$0	\$573,724

HAY RIVER DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at June 30, 2013

	<u>2013</u>	<u>2012</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$296,074	\$237,683
Due from the GNWT	6,928	54,032
Other Accounts Receivable (net)	<u>0</u>	<u>0</u>
Total Financial Assets	<u>\$303,002</u>	<u>\$291,715</u>
<u>Liabilities</u>		
Accounts Payable & Accrued Liabilities	<u>\$414</u>	<u>\$7,727</u>
Total Liabilities	<u>\$414</u>	<u>\$7,727</u>
Net Financial Resources	<u>\$302,588</u>	<u>\$283,988</u>
Fund Balance	<u><u>\$302,588</u></u>	<u><u>\$283,988</u></u>

**HAY RIVER DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
For the Year Ended June 30, 2013**

	<u>2013 Budget (unaudited)</u>	<u>2013 Actual</u>	<u>2012 Actual</u>
<u>REVENUES</u>			
Government of the NWT			
Regular Contributions	\$603,954	\$603,954	\$426,818
Other Contributions	0	460,245	554,304
Total Government of the NWT	<u>\$603,954</u>	<u>\$1,064,199</u>	<u>\$981,122</u>
Generated Funds			
Investment Income	\$0	\$678	\$863
Other	29,000	158,293	76,000
Total Generated Funds	<u>\$29,000</u>	<u>\$158,971</u>	<u>\$76,863</u>
Total Revenues	<u>\$632,954</u>	<u>\$1,223,170</u>	<u>\$1,057,985</u>
<u>EXPENSES (Schedule 7)</u>			
Administration	\$109,595	\$113,209	\$119,140
School Programs	466,619	1,037,585	739,931
Inclusive Schooling	13,200	595	733
Student Accommodations	0	0	0
Operations and Maintenance	0	38,552	38,955
Aboriginal Language/Cultural Programs	50,740	14,629	34,390
Total Expenses	<u>\$640,154</u>	<u>\$1,204,570</u>	<u>\$933,149</u>
Operating Surplus/(Deficit)	<u>(\$7,200)</u>	<u>\$18,600</u>	<u>\$124,836</u>
Fund Balance at beginning of year		<u>283,988</u>	<u>159,152</u>
Fund Balance at end of year		<u>\$302,588</u>	<u>\$283,988</u>
Composition of Closing Fund Balance			
Cash		\$296,074	\$237,683
Accounts Receivable		6,928	54,032
Accounts Payable		(414)	(\$7,727)
		<u>\$302,588</u>	<u>\$283,988</u>

HAY RIVER DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2013

	School Programs	Inclusive Schooling	Student Accom.	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
Salaries								
Teachers								\$0
Instruction Assistants	\$190,534							\$190,534
Non-Instructional Staff					\$98,077			\$98,077
Board/Trustee Honoraria					\$7,901			\$7,901
Employee Benefits								
Employee Benefits/Allowances								\$0
Leave & Termination Benefits								\$0
Services Purchased/Contracted								
Professional/Technical Services	\$42,128							\$42,128
Postage/Communication	\$25,718				\$3,257			\$28,975
Utilities								\$0
Travel								\$0
Student Travel	\$1,150							\$1,150
Advertising/Printing/Publishing								\$0
Maintenance/Repair								\$0
Rentals/Leases	\$72,167							\$72,167
Contracted Services	\$160,171							\$160,171
Materials/Supplies/Freight								
Materials	\$545,717	\$595		\$25,205	\$3,974	\$14,629		\$590,120
Freight				\$13,347				\$13,347
Total	\$1,037,585	\$595	\$0	\$38,552	\$113,209	\$14,629	\$0	\$1,204,570

K'ATLODEECHE FIRST NATIONS DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at June 30, 2013

	<u>2013</u>	<u>2012</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	(\$10,663)	\$40,531
Other Accounts Receivable (net)	<u>0</u>	<u>0</u>
Total Financial Assets	<u>(\$10,663)</u>	<u>\$40,531</u>
<u>Liabilities</u>		
Accounts Payable & Accrued Liabilities	<u>\$27,601</u>	<u>\$927</u>
Total Liabilities	<u>\$27,601</u>	<u>\$927</u>
Net Financial Resources	<u>(\$38,265)</u>	<u>\$39,604</u>
Fund Balance	<u>(\$38,265)</u>	<u>\$39,604</u>

K'ATLODEECHE FIRST NATIONS DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
For the Year Ended June 30, 2013

	<u>2013 Budget</u> <u>(unaudited)</u>	<u>2013 Actual</u>	<u>2012 Actual</u>
<u>REVENUES</u>			
Government of the NWT			
Regular Contributions	\$74,254	\$74,254	\$49,519
Other Contributions	0	59,830	30,736
Total Government of the NWT	<u>\$74,254</u>	<u>\$134,084</u>	<u>\$80,255</u>
Generated Funds			
Investment Income	\$0	\$15	\$15
Other	0	30,553	29,315
Total Generated Funds	<u>\$0</u>	<u>\$30,568</u>	<u>\$29,330</u>
Total Revenues	<u>\$74,254</u>	<u>\$164,652</u>	<u>\$109,584</u>
<u>EXPENSES (Schedule 10)</u>			
Administration	\$34,997	\$86,678	\$6,742
School Programs	28,757	120,570	75,610
Inclusive Schooling	0	6,752	2,217
Student Accommodations	0	0	0
Operations and Maintenance	6,500	7,034	3,452
Aboriginal Language/Cultural Programs	4,000	21,486	14,043
Total Expenses	<u>\$74,254</u>	<u>\$242,520</u>	<u>\$102,064</u>
Operating Surplus/(Deficit)	<u>\$0</u>	<u>(\$77,869)</u>	<u>\$7,520</u>
Fund Balance at beginning of year		<u>39,604</u>	<u>32,084</u>
Fund Balance at end of year		<u>(\$38,265)</u>	<u>\$39,604</u>
Composition of Closing Fund Balance			
Cash		(\$10,663)	\$40,531
Accounts Payable		(\$27,601)	(927)
		<u>(\$38,265)</u>	<u>\$39,604</u>

K'ATLODEECHE FIRST NATIONS DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2013

School Programs	Inclusive Schooling	Student Accom.	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
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Salaries

Teachers	\$154						\$154
Instruction Assistants							\$0
Non-Instructional Staff				\$67,261			\$67,261
Board/Trustee Honoraria				\$9,400			\$9,400

Employee Benefits

Employee Benefits/Allowances							\$0
Leave & Termination Benefits							\$0

Services Purchased/Contracted

Professional/Technical Services	\$9,573			\$5,000			\$14,573
Postage/Communication				\$4,550			\$4,550
Utilities							\$0
Travel							\$0
Student Travel	\$14,220						\$14,220
Advertising/Printing/Publishing							\$0
Maintenance/Repair	\$72						\$72
Rentals/Leases	\$5,377						\$5,377
Contracted Services							\$0

Materials/Supplies/Freight

Materials	\$91,136	\$6,752		\$7,034	\$467	\$21,486	\$126,875
Freight	\$39						\$39

Total	\$120,570	\$6,752	\$0	\$7,034	\$86,678	\$21,486	\$0	\$242,520
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FORT RESOLUTION DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at June 30, 2013

	<u>2013</u>	<u>2012</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$155,812	\$160,238
Due from GNWT	0	2,108
Other Accounts Receivable (net)	<u>0</u>	<u>0</u>
Total Financial Assets	<u>\$155,812</u>	<u>\$162,346</u>
<u>Liabilities</u>		
Accounts Payable & Accrued Liabilities	<u>\$333</u>	<u>\$0</u>
Total Liabilities	<u>\$333</u>	<u>\$0</u>
Net Financial Resources	<u>\$155,479</u>	<u>\$162,346</u>
Fund Balance	<u><u>\$155,479</u></u>	<u><u>\$162,346</u></u>

**FORT RESOLUTION DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
For the Year Ended June 30, 2013**

	<u>2013 Budget (unaudited)</u>	<u>2013 Actual</u>	<u>2012 Actual</u>
<u>REVENUES</u>			
Government of the NWT			
Regular Contributions	\$89,449	\$89,449	\$82,994
Other Contributions	0	141,626	111,274
Total Government of the NWT	<u>\$89,449</u>	<u>\$231,075</u>	<u>\$194,268</u>
Generated Funds			
Investment Income	\$0	\$96	\$92
Other	0	18,175	34,300
Total Generated Funds	<u>\$0</u>	<u>\$18,271</u>	<u>\$34,392</u>
Total Revenues	<u>\$89,449</u>	<u>\$249,346</u>	<u>\$228,660</u>
<u>EXPENSES (Schedule 13)</u>			
Administration	\$24,598	\$54,099	\$13,172
School Programs	36,851	90,282	147,014
Inclusive Schooling	0	28,683	0
Student Accommodations	0	0	0
Operations and Maintenance	0	7,211	39,168
Aboriginal Language/Cultural Programs	28,000	75,938	25,501
Total Expenses	<u>\$89,449</u>	<u>\$256,213</u>	<u>\$224,855</u>
Operating Surplus/(Deficit)	<u>\$0</u>	<u>(\$6,867)</u>	<u>\$3,805</u>
Fund Balance at beginning of year		<u>162,346</u>	<u>158,541</u>
Fund Balance at end of year		<u>\$155,479</u>	<u>\$162,346</u>
Composition of Closing Fund Balance			
Cash		\$155,812	\$160,238
Accounts Receivable		0	2,108
Accounts Payable		(333)	-
		<u>\$155,479</u>	<u>\$162,346</u>

FORT RESOLUTION DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2013

School Programs	Inclusive Schooling	Student Accom.	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
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Salaries

Teachers							\$0
Instruction Assistants	\$152			\$1,374			\$1,526
Non-Instructional Staff	\$7,706	\$19,252		\$29,523			\$56,481
Board/Trustee Honoraria				\$8,053			\$8,053

Employee Benefits

Employee Benefits/Allowances							\$0
Leave & Termination Benefits							\$0

Services Purchased/Contracted

Professional/Technical Services				\$277			\$277
Postage/Communication	\$1,302			\$2,892			\$4,194
Utilities							\$0
Travel		\$146		\$921	\$400		\$1,467
Student Travel	\$3,580				\$52,232		\$55,812
Advertising/Printing/Publishing	\$1,684			\$2,212	\$3,615		\$7,511
Maintenance/Repair	\$693			\$385			\$1,078
Rentals/Leases	\$272	\$272		\$1,839	\$272		\$2,655
Contracted Services	\$4,396	\$550		\$300	\$4,000		\$9,246

Materials/Supplies/Freight

Materials	\$69,650	\$8,219		\$7,158	\$6,164	\$15,359	\$106,550
Freight	\$999	\$93		\$53	\$160	\$61	\$1,365

Total

\$90,282	\$28,633	\$0	\$7,211	\$54,099	\$75,938	\$0	\$256,213
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LUTSEL K'E DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at June 30, 2013

	<u>2013</u>	<u>2012</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$5,475	\$69,223
Other Accounts Receivable (net)	<u>0</u>	<u>0</u>
Total Financial Assets	<u>\$5,475</u>	<u>\$69,223</u>
<u>Liabilities</u>		
Bank Indebtedness	\$0	\$0
Accounts Payable & Accrued Liabilities	<u>8,300</u>	<u>120</u>
Total Liabilities	<u>\$8,300</u>	<u>\$120</u>
Net Financial Resources	<u>(\$2,825)</u>	<u>\$69,103</u>
Fund Balance	<u>(\$2,825)</u>	<u>\$69,103</u>

LUTSEL K'E DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
For the Year Ended June 30, 2013

	<u>2013 Budget</u> <u>(unaudited)</u>	<u>2013 Actual</u>	<u>2012 Actual</u>
<u>REVENUES</u>			
Government of the NWT			
Regular Contributions	\$34,027	\$34,027	\$83,431
Other Contributions	0	32,500	9,824
Total Government of the NWT	<u>\$34,027</u>	<u>\$66,527</u>	<u>\$93,255</u>
Generated Funds			
Investment Income	\$0	\$0	\$0
Donations	\$0	\$340	\$52,149
Other	0	25,768	20,418
Total Generated Funds	<u>\$0</u>	<u>\$26,108</u>	<u>\$72,567</u>
Total Revenues	<u>\$34,027</u>	<u>\$92,635</u>	<u>\$165,823</u>
<u>EXPENSES (Schedule 16)</u>			
Administration	\$22,267	\$20,612	\$19,005
School Programs	42,765	43,534	34,306
Inclusive Schooling	0	4,188	2,794
Student Accommodations	0	0	0
Operations and Maintenance	0	8,164	7,415
Aboriginal Language/Cultural Programs	18,995	88,064	7,275
Total Expenses	<u>\$84,027</u>	<u>\$164,563</u>	<u>\$70,794</u>
Operating Surplus/(Deficit)	<u>(\$50,000)</u>	<u>(\$71,928)</u>	<u>\$95,029</u>
Fund Balance at beginning of year		<u>\$69,103</u>	<u>(\$25,926)</u>
Fund Balance at end of year		<u>(\$2,825)</u>	<u>\$69,103</u>
Composition of Closing Fund Balance			
Cash		\$5,475	\$69,223
Accounts Payable		(8,300)	(120)
		<u>(\$2,825)</u>	<u>\$69,103</u>

LUTSEL K'E DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2013

	School Programs	Inclusive Schooling	Student Accom.	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
Salaries								
Teachers	\$2,108							\$2,108
Instruction Assistants						\$1,481		\$1,481
Non-Instructional Staff					\$108			\$108
Board/Trustee Honoraria					\$9,507	\$10,050		\$19,557
Employee Benefits								
Employee Benefits/Allowances								\$0
Leave & Termination Benefits								\$0
Services Purchased/Contracted								
Professional/Technical Services								\$0
Postage/Communication	\$1,248				\$2,281			\$3,529
Utilities								\$0
Travel	\$851							\$851
Student Travel	\$10,023					\$18,982		\$29,006
Advertising/Printing/Publishing								\$0
Maintenance/Repair						\$396		\$396
Rentals/Leases	\$3,293	\$2,574			\$2,410	\$3,874		\$12,151
Contracted Services	\$8,425	\$388		\$1,793	\$650	\$42,758		\$54,013
Materials/Supplies/Freight								
Materials	\$13,428	\$1,125		\$5,556	\$5,145	\$10,361		\$35,615
Freight	\$4,158	\$102		\$816	\$511	\$161		\$5,749
Total	\$43,534	\$4,188	\$0	\$8,164	\$20,612	\$88,064	\$0	\$164,563

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at June 30, 2013**

	<u>2013</u>	<u>2012</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$4,228,255	\$3,526,277
Due from the GNWT	105,625	251,365
Prepaid Expenses	0	0
Other Accounts Receivable	399,962	332,137
Total Financial Assets	<u>\$4,733,843</u>	<u>\$4,109,779</u>
<u>Liabilities</u>		
Current		
Accounts Payable and Accrued Liabilities	\$82,198	\$177,362
Due to the GNWT	902,712	105,493
Accrued Payroll & Employee Deductions	629,540	1,336,007
Deferred Revenue	30,193	161,693
Leave & Termination Benefits	2,161,244	2,162,310
Total Liabilities	<u>\$3,805,886</u>	<u>\$3,942,865</u>
Net Financial Resources	<u>\$927,956</u>	<u>\$166,914</u>
Accumulated Surplus/(Deficit)	<u>\$927,956</u>	<u>\$166,914</u>

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NON-CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL RESOURCES
For the Year Ended June 30, 2013

	<u>2013</u>	<u>2012</u>
Annual Surplus/(Deficit) (Schedule 19)	\$761,042	(\$461,900)
Prior Year Adjustments	<u>0</u>	<u>0</u>
Increase/(Decrease) in Net Financial Resources	\$761,042	(\$461,900)
Opening net Financial Resources	<u>166,914</u>	<u>628,814</u>
Closing Net Financial Resources	<u><u>\$927,956</u></u>	<u><u>\$166,914</u></u>

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NON-CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended June 30, 2013**

	<u>2013 Budget (unaudited)</u>	<u>2013 Actual</u>	<u>2012 Actual</u>
<u>REVENUES</u>			
Government of the NWT			
Regular Contributions	\$24,055,337	\$24,384,376	\$25,560,273
Other Contributions	568,979	638,050	565,938
Total Government of the NWT	<u>\$24,624,316</u>	<u>\$25,022,426</u>	<u>\$26,126,212</u>
Federal Government	\$361,034	\$403,177	\$401,705
Generated Funds			
Investment Income	\$0	\$30,192	\$28,156
Non-GNWT Contributions	70,437	245,590	185,654
Donations	0	5,200	0
Other	0	23,563	24,681
Total Generated Funds	<u>\$70,437</u>	<u>\$304,545</u>	<u>\$238,491</u>
Total Revenues	<u>\$25,055,787</u>	<u>\$25,730,148</u>	<u>\$26,766,407</u>
<u>EXPENSES</u>			
Administration	\$1,261,500	\$1,156,885	\$1,301,254
School Programs	14,784,986	15,458,359	16,534,570
Inclusive Schooling	4,872,851	4,787,867	5,641,333
Distance Learning/Technology	290,000	291,051	317,035
Operations and Maintenance	377,494	179,591	171,309
Aboriginal Language/Cultural Programs	1,512,770	1,778,168	1,752,103
Transfers to DEAs	1,278,684	1,317,184	1,510,704
Total Expenses	<u>\$24,378,285</u>	<u>\$24,969,105</u>	<u>\$27,228,307</u>
Operating Surplus/(Deficit)	<u>\$677,502</u>	\$761,042	(\$461,900)
Fund Balance at beginning of year		<u>166,914</u>	<u>628,814</u>
Fund Balance at end of year		<u>\$927,956</u>	<u>\$166,914</u>
Composition of Closing Fund Balance			
Cash		\$4,228,255	\$3,526,277
Accounts Receivable		505,587	583,502
Accounts Payable		(3,805,886)	(3,942,865)
		<u>\$927,956</u>	<u>\$166,914</u>

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF EXPENDITURES
(Non-Consolidated)
For the Year Ended June 30, 2013

	School Programs	Inclusive Schooling	Distance Learning/Tech	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
Salaries								
Teachers	\$13,035,580	\$2,195,524				\$483,686		\$15,714,790
Instruction Assistants		\$1,755,145				\$1,046,906		\$2,802,051
Non-Instructional Staff	\$1,745,478	\$446,422	\$236,349		\$896,786			\$3,325,035
Board/Trustee Honoraria		\$450			\$2,700	\$22,875		\$26,025
Employee Benefits								
Employee Benefits/Allowances	\$104,599	\$37,425	\$1,919		\$5,758	\$12,475		\$162,176
Leave & Termination Benefits	\$133,742	\$47,853	\$2,454		\$7,362	\$15,951		\$207,362
Services Purchased/Contracted								
Professional/Technical Services	\$9,460	\$40,690		\$100	\$42,642			\$92,893
Postage/Communication					\$33,168			\$33,168
Utilities								\$0
Travel	\$140,003	\$130,675	\$21,230		\$69,611	\$57,428		\$418,946
Student Travel	\$79,000	\$8,382						\$87,382
Advertising/Printing/Publishing	\$16,547	\$5,503		\$16,515	\$11,138	\$59,510		\$109,213
Maintenance/Repair					\$6,043			\$6,043
Rentals/Leases	\$2,700	\$4,450		\$162,976	\$26,690			\$196,816
Contracted Services	\$37,516					\$37,668		\$75,184
Materials/Supplies/Freight								
Materials	\$150,219	\$112,439	\$29,099		\$53,565	\$40,423		\$385,745
Freight	\$3,516	\$2,910			\$1,421	\$1,244		\$9,091
Transfers to DEA's							\$1,317,184	\$1,317,184
Total	\$15,458,359	\$4,787,867	\$291,051	\$179,591	\$1,156,885	\$1,778,168	\$1,317,184	\$24,969,105

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENDITURES
ABORIGINAL LANGUAGES**

For the Year Ended June 30, 2013

	July 1, 2012 to March 31, 2013	April 1, 2013 to June 30, 2013	Total 2012/13
Revenues			
Funding Received	\$62,000		\$62,000
Total Funding	\$62,000	\$0	\$62,000
Expenditures			
Materials & Supplies	\$62,003	\$0	\$62,003
Wages & Benefit	\$0	\$0	\$0
Total Expenditures	\$62,003	\$0	\$62,003
Surplus/(Deficit)	(\$3)	\$0	(\$3)

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENDITURES
FRENCH LANGUAGE**

For the Year Ended June 30, 2013

	Contributions July 1, 2012 to June 30, 2013	Total Expenses July 1, 2012 to June 30, 2013	Variance
Bilateral Agreement Funding			
Staff (classroom assistants)			
French Monitor	28,956	\$82,119	(\$53,163)
French Resources	6,000	\$1,245	\$4,755
Professional Development		\$2,710	(\$2,710)
French Cultural Activities			\$0
Special Projects:			
Core French Staff	180,000	\$352,559	(\$172,559)
French Immersion	80,000	\$310,477	(\$230,477)
Totals	\$294,956	\$749,109	(\$454,153)

Regular GNWT Funding

Immersion Program
Core French Instruction

Total

Schedule 23

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
 SCHEDULE OF SPECIFIC PROGRAM EXPENDITURES
 PERSONNEL INFRASTRUCTURE**

For the Year Ended June 30, 2013

Funding Received	\$223,300
Expenditures	
Staffing:	
Applicant Travel	\$0
Advertising	\$16,515
Legal Fees	\$100
Employee Benefits:	
Removal In/Transfer	\$35,980
Ultimate Removal	\$85,190
Worker's Compensation	\$108,431
Medical Travel Assistance	\$0
Total Expenditures	\$246,216
Net Surplus/(Deficit)	(\$22,916)

Schedule 24

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENDITURES
UTILITIES & LEASES INFRASTRUCTURE**

For the Year Ended June 30, 2013

Funding Received	\$154,531
Expenditures	
Leases	\$162,976
Total Expenditures	\$162,976
Net Surplus/(Deficit)	(\$8,445)

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENDITURES
NWT STUDENT SUCCESS INITIATIVE - PROFESSIONAL DEVELOPMENT**

For the Period July 1, 2012 to June 30, 2013

Funding Received		
<u>Expenditures</u>		
<u>Salaries/Wages</u>		
Facilitator's Fees		\$306,831
Substitute Teachers Wages		\$10,158
<u>Travel</u>		
Facilitator Travel		\$21,541
Staff Travel		\$12,519
Accommodation		\$13,660
Per Diems		\$11,830
<u>Workshop Expenses</u>		
Room Rental		
Tuition		\$1,447
Refreshments		\$1,254
Resources		\$7,126
Miscellaneous		
Total Expenses		\$386,366
Net Surplus/(Deficit)		-\$386,366

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENDITURES
NWT STUDENT SUCCESS INITIATIVE**

For the Period July 1, 2012 to June 30, 2013

Funding Received	\$55,000
<u>Expenditures</u>	
<u>Salaries/Wages</u>	
Salaries	\$397,722
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	\$52,613
Miscellaneous	
Total Expenses	\$450,335
Net Surplus/(Deficit)	-\$395,335

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENSES
INCLUSIVE SCHOOLING**

For the Year Ended June 30, 2013

	Staff Development	Intervention Strategies	Assistive Technology	Student Resources	Southern Placements	Magnet Facilities	General	Total
Salaries								
Program Support Teachers						\$149,814	\$2,187,946	\$2,337,759
Consultants		\$304,186						\$304,186
Instruction Assistants							\$1,755,297	\$1,755,297
Non-Instructional Staff							\$19,252	\$19,252
Honoraria							\$450	\$450
Employee Benefits								
Employee Benefits/Allowances							\$85,278	\$85,278
Services Purchased/Contracted								
Professional/Technical Services		\$40,690						\$40,690
Travel	\$130,675						\$146	\$130,821
Student Travel (Bussing)							\$8,382	\$8,382
Advertising/Printing/Publishing							\$5,503	\$5,503
Maintenance/Repair								\$0
Rentals/Leases	\$4,450						\$2,846	\$7,296
Contracted Services							\$938	\$938
Materials/Supplies/Freight								
Materials	\$3,368		\$6,855				\$133,174	\$143,397
Freight			\$2,910				\$195	\$3,105
Total	\$138,492	\$344,877	\$9,764	\$0	\$0	\$149,814	\$4,199,407	\$4,842,354

* 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, 2013

	Student Instruction	Teaching Resources	Professional Development	School ** Activities	Total
Salaries					
ALCBE Teachers	\$440,967				\$440,967
Language Consultants					\$0
Instruction Assistants	\$1,089,626			\$1,481	\$1,091,107
Non-Instructional Staff					\$0
Honoraria		\$22,875		\$10,050	\$32,925
Employee Benefits					
Employee Benefits/Allowances	\$28,426				\$28,426
Services Purchased/Contracted					
Professional/Technical Services					\$0
Travel			\$55,377	\$400	\$55,777
Student Transportation (Bussing)				\$71,214	\$71,214
Advertising/Printing/Publishing		\$59,510		\$3,615	\$63,125
Maintenance/Repair				\$396	\$396
Rentals/Leases				\$4,146	\$4,146
Contracted Services		\$37,668		\$46,758	\$84,426
Materials/Supplies/Freight					
Materials		\$38,084	\$4,389	\$148,508	\$190,981
Freight		\$1,244		\$222	\$1,466
Total	\$1,559,020	\$159,382	\$59,766	\$286,790	\$2,064,958

* from Schedule 20

** from respective DEA schedules

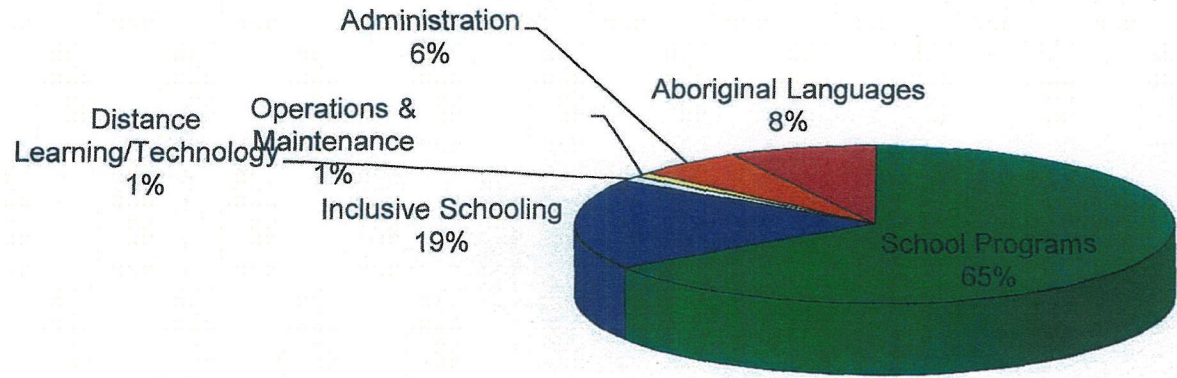
Schedule 29

South Slave Divisional Education Council
2012/13 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	\$927,956	\$121,112	\$302,588	(\$38,265)	\$155,479	(\$2,825)
less: Staffing Surpluses						
- Lutsel K'e Dene School	\$92,124					
- Paul William Kaeser	\$173,072					
- Harry Camsell	\$74,202					
- Joseph Burr Tyrrell	\$143,170					
- Chief Sunrise	\$178,474					
- Princess Alexandra	\$132,154					
- Diamond Jenness Secondary School	\$163,881					
- Deninu School	\$174,645					
		(\$1,131,722)				
Commitments against surpluses						
- Fort Resolution DEA plan					(\$147,309)	
- Fort Smith DEA plan		(\$71,544)				
- Hay River DEA plan			(\$240,271)			
Uncommitted Fund Balance	(\$203,766)	\$49,568	\$62,317	(\$38,265)	\$8,170	(\$2,825)
2013/14 contributions from SSDEC		\$508,122	\$623,172	\$60,263	\$81,696	\$66,251
Fund Balance percentage *		9.76%	10.00%	-63.50%	10.00%	-4.26%

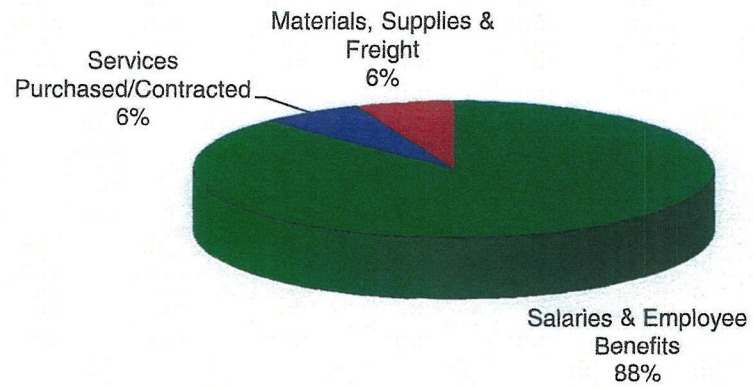
* Calculated as per SSDEC policy DFAA - Financial Surplus

**South Slave Divisional Education Council
Expenditures by Function
For the Year Ended June 30, 2013**



■ School Programs	■ Inclusive Schooling	□ Distance Learning/Technology
■ Operations & Maintenance	■ Administration	■ Aboriginal Languages

**South Slave Divisional Education Council
Details of Expenditures
For the Year Ended June 30, 2013**



■ Salaries & Employee Benefits ■ Services Purchased/Contracted ■ Materials, Supplies & Freight

**Yellowknife Catholic Schools
(Yellowknife Public Denominational
District Education Authority)**

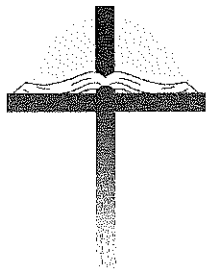
Financial Statements

June 30, 2013

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Financial Statements

	Page
Management Responsibility for Financial Reporting	3
Independent Auditors' Report	4 - 5
Statement of Financial Position	6
Statement of Changes in Net Debt	7
Statement of Operations	8
Statement of Cash Flows	9
Statement of Accumulated Surplus	10
Notes to Financial Statements	11 - 28
Schedule 1 - Operating Fund - Detail of Expenditures	29 - 30
Schedule 2 - Detail of Inclusive Schooling Expenditures	31
Schedule 3 - Aboriginal Language and Culture Program Expenditures	32
Schedule 4 - Aboriginal Language Materials	33
Schedule 5 - Four Plus	34
Schedule 6 - Yellowknife Family Centre	35
Schedule 7 - French Language Programs	36
Schedule 8 - Student Success Initiative Projects	37
Schedule 9 - Weledeh Catholic School Playground Equipment	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 9, 2013

Michael Huvenaars
Assistant Superintendent – Business
Yellowknife Catholic Schools
September 9, 2013

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, 2013, 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.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Yellowknife Catholic Schools as at June 30, 2013 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.

**CHARTERED
ACCOUNTANTS**

MacKay LLP

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5103 - 51st Street
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Yellowknife, NT X1A 2N5
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Independent Auditors' Report (continued)

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.

**Yellowknife, Northwest Territories
September 9, 2013**

MacKay LLP

Chartered Accountants


Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

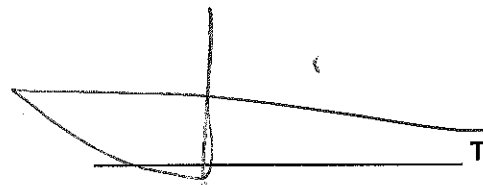
Statement of Financial Position

As at June 30,	2013	2012
Financial Assets		
Cash	\$ 5,820,767	\$ 2,372,900
Due from the Government of the Northwest Territories (GNWT) (Note 3)	88,359	111,868
Other accounts receivable (Note 4)	1,109,304	1,257,160
	7,018,430	3,741,928
Liabilities		
Accounts payable and accrued liabilities	806,955	709,695
Employee deductions payable	454,826	223,500
Accrued salary payable (Note 5)	2,425,705	558,145
Deferred revenue (Note 6)	990,435	7,739
Employee leave and termination benefits (Note 7)	644,375	614,015
Debentures (Note 8)	4,710,149	5,414,515
Pension plan (Note 9)	700	-
	10,032,445	7,527,609
Net debt	(3,014,015)	(3,785,681)
Non-financial Assets		
Tangible capital assets (Note 10)	48,820,489	50,530,149
Prepaid expenses and deposits (Note 11)	56,198	78,209
	48,876,687	50,608,358
Accumulated Surplus	\$ 45,862,672	\$ 46,822,677

Commitments (Note 12)

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,	2013	2012
Annual deficit	\$ (960,005)	\$ (626,054)
Change in prepaid expenses and deposits	22,010	13,428
Change in tangible capital assets	1,709,661	292,247
Decrease (increase) in net debt	771,666	(320,379)
Net debt, beginning of year	(3,785,681)	(3,465,302)
Net debt, end of year	\$ (3,014,015)	\$ (3,785,681)

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Statement of Operations

For the year ended June 30,	2013 Budget	2013 Actual	2012 Actual
Revenue			
GNWT			
Operating grant	\$ 18,069,234	\$ 18,072,024	\$ 17,830,300
Other contributions (Note 13)	794,173	780,098	901,794
	18,863,407	18,852,122	18,732,094
Government of Canada - grants and contributions	1,682,000	1,655,187	1,641,487
City of Yellowknife - property tax requisitioned	3,713,000	3,702,658	3,605,660
Other Education Authorities			
Extra-jurisdictional tuition	307,000	313,720	359,835
Joint venture funding	22,000	22,302	41,565
	329,000	336,022	401,400
Education authority generated funds (Note 14)	843,293	796,546	621,178
	25,430,700	25,342,535	25,001,819
Expenditures			
School programs (Schedule 1)	13,948,523	13,520,583	12,985,906
Inclusive schooling (Schedule 2)	6,857,120	6,585,282	6,401,381
Operations and maintenance (Schedule 1)	2,264,431	2,200,600	2,285,756
Board administration (Schedule 1)	1,333,386	1,299,630	1,306,781
Aboriginal language and culture (Schedule 3)	743,050	754,957	685,126
Debt service (Schedule 1)	231,827	231,827	260,677
	25,378,337	24,592,879	23,925,627
Excess revenue from operations	52,363	749,656	1,076,192
Amortization (Schedule 1)	(748,173)	(1,709,661)	(1,702,246)
Annual deficit	\$ (695,810)	\$ (960,005)	\$ (626,054)

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Statement of Cash Flows

For the year ended June 30,	2013	2012
Operating activities		
Cash received from:		
Government of Canada	\$ 1,848,402	\$ 2,583,835
Government of the Northwest Territories	18,917,412	18,723,099
City of Yellowknife - property tax requisitioned	4,643,572	2,676,816
Recoveries and general revenue	751,187	775,817
Recovery from other educational authorities	336,022	401,400
	26,496,595	25,160,967
Cash paid for:		
Compensation and benefits	(18,208,584)	(19,384,428)
Operations and maintenance	(3,903,951)	(4,176,280)
Debenture interest	(231,827)	(260,677)
	(22,344,362)	(23,821,385)
Cash provided by operating transactions	4,152,233	1,339,582
Cash applied to capital transaction	-	(1,410,000)
Cash provided by financing transactions		
Issued debenture	-	1,410,000
Repayment of debentures	(704,366)	(700,798)
Change in cash position	3,447,867	638,784
Cash, beginning of year	2,372,900	1,734,116
Cash, end of year	\$ 5,820,767	\$ 2,372,900

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Statement of Accumulated Surplus

For the year ended June 30,	2013	2012
Operating Fund Surplus		
Operating fund surplus, beginning of year	\$ 1,304,718	\$ 892,471
Excess revenue from operations	749,656	1,076,192
Excess expenditures from capital items	(1,709,661)	(1,702,246)
Transfer from investment in capital assets	1,005,295	1,001,448
Transfer from (to) decentralized budget accumulated surplus	(34,872)	36,853
Operating fund surplus, end of year	\$ 1,315,136	\$ 1,304,718
Transfer from Investment in Tangible Capital Assets consists of:		
Amortization	\$ 1,709,661	\$ 1,702,246
Debenture principal repayment	(704,366)	(700,798)
	\$ 1,005,295	\$ 1,001,448
Investment in Tangible Capital Assets		
Investment in capital assets, beginning of year	\$ 45,115,637	\$ 46,117,085
Amortization	(1,709,661)	(1,702,246)
Debenture principal	704,366	700,798
Investment in capital assets, end of year	\$ 44,110,342	\$ 45,115,637
Decentralized Budget Accumulated Surplus		
Decentralized budget accumulated surplus, beginning of year	\$ 402,322	\$ 439,175
Transferred from (to) operating fund surplus	34,872	(36,853)
Decentralized budget accumulated surplus, end of year	\$ 437,194	\$ 402,322
Total accumulated surplus	\$ 45,862,672	\$ 46,822,677

Yellowknife Catholic Schools

(Yellowknife Public Denominational District Education Authority)

Notes to Financial Statements

June 30, 2013

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 generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

(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(h).

(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, 2013

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

(i) Measurement of financial instruments

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

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

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

The YCS has not measured any financial assets at fair value.

Yellowknife Catholic Schools

(Yellowknife Public Denominational District Education Authority)

Notes to Financial Statements

June 30, 2013

1. Accounting Policies (continued)

(c) Financial Instruments (continued)

(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 YCS 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.

(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 useful life is 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.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Financial Statements

June 30, 2013

1. Accounting Policies (continued)

(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) 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.

(h) 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. 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.

Yellowknife Catholic Schools

(Yellowknife Public Denominational District Education Authority)

Notes to Financial Statements

June 30, 2013

1. Accounting Policies (continued)

(h) Revenue Recognition (continued)

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 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.

(i) 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.

Yellowknife Catholic Schools

(Yellowknife Public Denominational District Education Authority)

Notes to Financial Statements

June 30, 2013

1. Accounting Policies (continued)

(j) 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 are 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.

(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 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 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.

Yellowknife Catholic Schools

(Yellowknife Public Denominational District Education Authority)

Notes to Financial Statements

June 30, 2013

1. Accounting Policies (continued)

(I) Use of Estimates

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.

2. Change in Accounting Policies

The Yellowknife Catholic Schools ("YCS") has adopted the following new accounting standards:

Government transfers – Section PS 3410

Effective July 1, 2012, YCS adopted the PSA Handbook Section PS 3410 – Government Transfers. This new section establishes recognition, measurement, presentation and disclosure standards related to Government Transfers reported in financial statements and is effective for years beginning on or after April 1, 2012. This accounting change had no significant impact on YCS's financial statements.

Financial instruments, Section PS 3450 and related amendments to Financial Statement Presentation, Section PS 1200

Effective July 1, 2012, YCS adopted the PSA Handbook Section PS 3450, Financial Instruments, and related to Section PS 1201, Financial Statement Presentation. These new sections establish recognition, measurement, presentation and disclosure standards related to Financial Instruments reported in financial statements and is effective for years beginning on or after April 1, 2012. These accounting changes have no significant impact on YCS's financial statements.

Foreign currency translation – Section PS 2601

Effective July 1, 2012, YCS adopted the PSA Handbook Section PS 2601 – Foreign Currency Translation. This new section establishes recognition, measurement, presentation and disclosure standards related to Foreign Currency Translation reported in financial statements and is effective for years beginning on or after April 1, 2012. This accounting change had no significant impact on YCS's financial statements.

Portfolio investments – Section PS 3041

Effective July 1, 2012, YCS adopted the PSA Handbook Section PS 3041 – Portfolio Investments. This new section establishes recognition, measurement, presentation and disclosure standards related to Portfolio Investments reported in financial statements and is effective for years beginning on or after April 1, 2012. This accounting change had no significant impact on YCS's financial statements.

Tax revenue – Section PS 3510

Effective July 1, 2012, YCS adopted the PSA Handbook Section PS 3510 – Tax Revenue. This new section establishes recognition, measurement, presentation and disclosure standards related to Tax Revenue reported in financial statements and is effective for years beginning on or after April 1, 2012. This accounting change had no significant impact on YCS's financial statements.

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Notes to Financial Statements

June 30, 2013

3. Due from GNWT

	2013	2012
Government of the Northwest Territories		
Department of Health and Social Services	\$ 2,363	\$ 10,366
Department of Finance	1,535	-
Department of Education, Culture and Employment	84,461	80,670
Department of Human Resources	-	20,832
	\$ 88,359	\$ 111,868

4. Other Accounts Receivable

	2013	2012
Employee loan and advances	\$ 8,015	\$ 23,799
Government of Canada	478,021	671,236
GST receivable	150,888	71,056
Insurance proceeds	449,210	449,210
Other	23,170	41,859
	\$ 1,109,304	\$ 1,257,160

YCS has made non-interest bearing loans to employees to finance the purchase of computers for the employees' use.

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 outcome of the dispute and as a result are unable to determine the total amount of insurance proceeds receivable at this time. The amount recorded is based on the insurance company's most recent offer to settle less payments received.

5. Accrued Salary Payable

	2013	2012
Teacher	\$ 1,860,695	\$ 11,709
Non-Teacher	565,010	546,436
	\$ 2,425,705	\$ 558,145

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Notes to Financial Statements

June 30, 2013

6. Deferred Revenue

	2013	2012
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	-
Other	-	7,739
	\$ 990,435	\$ 7,739

7. 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.

	2013	2012
Severance	\$ 143,254	\$ 146,651
Removal	501,121	467,364
	\$ 644,375	\$ 614,015

8. Debentures

	2013	2012
Pacific and Western debenture, repayable in monthly installments of \$68,016, including interest at 5.73%, final installment due in 2018.	\$ 3,438,582	\$ 4,038,911
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.	1,271,567	1,375,604
	\$ 4,710,149	\$ 5,414,515

The debenture is repayable annually as follows:

2014	\$ 740,969
2015	779,641
2016	820,699
2017	863,917
2018	773,127
2019 and thereafter	731,796
	\$ 4,710,149

The debentures are registered.

Yellowknife Catholic Schools

(Yellowknife Public Denominational District Education Authority)

Notes to Financial Statements

June 30, 2013

9. 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 (Plan). During the 2012/2013 fiscal year, under the terms of this 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, 2013.

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 joined the DB provision of the Plan.

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 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.

Yellowknife Catholic Schools

(Yellowknife Public Denominational District Education Authority)

Notes to Financial Statements

June 30, 2013

9. Pensions (continued)

(b) Defined Benefit Plan (continued)

The employer must contribute to the Defined Benefit 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 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 at 75% of the increase in Northwest Territories Consumer Price Index.

Benefits are vested immediately.

During May and June 2013 Yellowknife Catholic Schools contributed \$213,100 in respect of DB accruals.

An actuarial valuation was completed on 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 at June 30, 2013.

(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, 2013

9. Pensions (continued)

(d) Plan assets

	Pension Plan	Supplementary Plan	2013
Fair value, beginning of year	\$ -	\$ -	\$ -
Actual return on plan assets	1,400	-	1,400
Employer contributions	168,500	-	168,500
Employee contributions	212,400	-	212,400
Fair value, end of year	\$ 382,300	\$ -	\$ 382,300

(e) 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
Balance, end of year	\$ 381,000	\$ 2,000	\$ 383,000

(f) Funded status

	Pension Plan	Supplementary Plan	2013
Plan surplus (deficit)	\$ 1,300	\$ (2,000)	\$ (700)
Accrued benefit asset (liability)	\$ 1,300	\$ (2,000)	\$ (700)

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Notes to Financial Statements

June 30, 2013

9. Pensions (continued)

(g) 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

(h) Actuarial assumptions

	2013
Discount rate - pension plan	4.50%
Discount rate - supplementary plan	4.50%
Expected return on plan assets - pension plan	4.50%
Expected return on plan assets - supplementary plan	4.50%
Salary increase - pension plan	2.00%
Salary increase - supplementary plan	2.00%
Expected average remaining services lifetime (EARSL) - pension plan	14.70
Expected average remaining services lifetime (EARSL) - supplementary plan	8.50

(i) Plan assets consist of:

	2013
Fixed income securities	40%
Equity securities	60%

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Notes to Financial Statements

June 30, 2013

10. Tangible Capital Assets

	Cost	Additions	Disposals	Amortization	Accumulated Amortization	Net Book Value, June 30, 2013	Net Book Value June 30, 2012
Land and Improvements	\$ 1,838,825	\$ -	\$ -	\$ -	\$ -	\$ 1,838,825	\$ 1,838,825
Equipment	77,451	-	-	7,745	46,470	30,981	38,726
Buildings and Portables							
Career and Technical Centre	2,878,913	-	-	73,888	662,274	2,216,639	2,290,527
Central Services offices	953,899	-	-	34,426	439,263	514,636	549,063
Ecole St. Joseph School	37,333,024	-	-	958,888	8,620,189	28,712,835	29,671,722
Ecole St. Patrick High School	11,723,901	-	-	293,431	5,269,752	6,454,149	6,747,580
Tallah Building	444,875	-	-	11,122	14,829	430,046	441,168
Weledeh Catholic School	12,557,840	-	-	330,161	3,935,462	8,622,378	8,952,538
	65,892,452	-	-	1,701,916	18,941,769	46,950,683	48,652,598
	\$ 67,808,728	\$ -	\$ -	\$ 1,709,661	\$ 18,988,239	\$ 48,820,489	\$ 50,530,149

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Financial Statements

June 30, 2013

11. Prepaid Expenses and Deposits

	2013	2012
Deposits	\$ 6,087	\$ 6,287
Other prepaids	50,111	71,922
	\$ 56,198	\$ 78,209

12. Commitments

YCS is committed to two rental agreements. The first rental agreement is with Side Door Ministries and expires June 30, 2014. The second rental agreement is with Shelter Canadian Properties and expires November 30, 2013.

YCS is committed to five janitorial contracts for various schools and buildings. All the contracts expire in June 2014.

YCS has a contract with Cardinal Coach Lines 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. The 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, 2013

12. Commitments (continued)

	Expires in fiscal year	2014	2015 - 2021	Total
Commercial and residential leases	2013 - 2014	\$ 78,822	\$ -	\$ 78,822
303 - 100 Beck Court	2013	9,425	-	9,425
4903 - 50th Street	2014	69,397	-	69,397
		78,822	-	78,822
Equipment leases	2013 - 2021	23,423	35,371	58,794
Photocopier leases	2015	11,475	11,475	22,950
Photocopier leases	2016	7,021	14,041	21,062
Photocopier leases	2017	4,927	9,855	14,782
		23,423	35,371	58,794
Operation contracts	2013 - 2015	875,478	454,597	1,330,075
Employee assistance program	2013	8,168	-	8,168
Mail services	2013	6,248	6,248	12,496
Janitorial services	2014	562,549	-	562,549
Bussing services	2015	273,519	281,725	555,244
Elevator maintenance	2021	24,994	166,624	191,618
		875,478	454,597	1,330,075
		\$ 977,723	\$ 489,968	\$ 1,467,691

A condition of the renovations of ESJS is that the insurance proceeds related to the 2006 fire be paid to the GNWT once received. To date \$838,700 has been recognized for insurance proceeds. The amount is being disputed and legal action has commenced. 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 on behalf of the Yellowknife Separate School Region and the Public Service Alliance of Canada as represented by its agent: The Union of Northern Workers.

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Notes to Financial Statements

June 30, 2013

13. Other Contributions - GNWT

	2013	2012
Government of the Northwest Territories		
Department of Health and Social Services	\$ 9,725	\$ 32,564
Department of Human Resources	20,833	20,832
Department of Education, Culture and Employment	683,329	762,263
Department of Industry, Tourism and Investment	8,000	8,000
Department of Municipal and Community Affairs	58,211	73,135
Department of Environment and Natural Resources	-	5,000
	\$ 780,098	\$ 901,794

14. Education Authority Generated Funds

	2013 Budget	2013 Actual	2012 Actual
Donations	\$ 31,374	\$ 57,358	\$ 31,159
Fees and sales	474,302	344,463	255,155
Investments	50,000	56,303	43,191
Other	117,617	166,036	204,111
Rentals	170,000	172,386	87,562
	\$ 843,293	\$ 796,546	\$ 621,178

15. Surplus For Management Purposes

The management surplus, as prescribed by the Department of Education, Culture and Employment is:

	2013	2012
Operating fund surplus	\$ 1,315,136	\$ 1,304,718
Decentralized budget accumulated surplus	437,194	402,322
	1,752,330	1,707,040
Employee leave and termination benefits (note 7)	644,375	614,015
	\$ 2,396,705	\$ 2,321,055

As defined by the Department of Education, Culture and Employment guidelines, the accumulated Surplus for Management Purposes should not exceed 5% of the annual budget of the YCS. The surplus of \$2,396,705 exceeds \$1,271,535 (5% of the approved annual budget of \$25,430,700) by \$1,125,170.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Financial Statements

June 30, 2013

16. Comparative Figures

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

17. Financial Instruments

Financial instruments consist of 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 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 - GNWT, the Government of Canada and the City of Yellowknife. YCS reduces this risk by regularly assessing the credit risk and closely monitoring overdue balances.

b) Interest rate risk

YCS manages its exposure to interest rate risk through fixed rate borrowings. The fixed rate debts are subject to interest rate price risk, as the value will fluctuate as a result of changes in market rates.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 1
Operating Fund - Detail of Expenditures

For the year ended June 30, 2013

	School Programs	Inclusive Schooling	Operations & Maintenance	Administration	Aboriginal Languages	Transfers & Others	Total
Salaries							
Teachers	\$ 8,143,548	\$ 2,794,214	\$ -	\$ -	\$ 397,847	\$ -	\$ 11,335,609
Instruction assistants	20,400	1,492,307	-	-	-	-	1,512,707
Non-instructional	1,284,714	426,390	323,259	701,925	-	-	2,736,288
Board honoraria	-	-	-	61,417	-	-	61,417
	9,448,662	4,712,911	323,259	763,342	397,847	-	15,646,021
Employee Benefits							
Employee benefits	2,847,175	1,375,650	90,292	172,259	128,872	-	4,614,248
Leave and termination benefits	54,875	-	-	22,686	-	-	77,561
	2,902,050	1,375,650	90,292	194,945	128,872	-	4,691,809
Services Purchased/Contracted							
Advertising/publishing	26,253	-	-	79,146	71,692	-	177,091
Communication	50,375	5,748	8,061	23,423	1,677	-	89,284
Contracted services	447,367	12,710	623,070	2,310	27,247	-	1,112,704
Maintenance & repairs	11,902	7,515	338,338	-	7,795	-	365,550
Other	25,491	-	13,194	34,913	-	-	73,598
Professional/technical	47,446	151,301	-	89,122	31,200	-	319,069
Rental/leases	40,656	82,637	-	11,178	4,267	-	138,738
Student transportation	7,256	105,683	-	-	-	-	112,939
Travel	20,925	-	-	26,196	3,806	-	50,927
Utilities;Electricity	-	-	389,996	-	-	-	389,996
Heating	-	-	323,220	-	-	-	323,220
Water/sewage	-	-	91,170	-	-	-	91,170
	677,671	365,594	1,787,049	266,288	147,684	-	3,244,286
Materials/Freight							
Materials	479,891	131,127	-	75,055	80,554	-	766,627
Freight	12,309	-	-	-	-	-	12,309
	492,200	131,127	-	75,055	80,554	-	778,936

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, 2013

	School Programs	Inclusive Schooling	Operations & Maintenance	Administration	Aboriginal Languages	Transfers & Others	Total
Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,709,661	\$ 1,709,661
Debenture interest	-	-	-	-	-	231,827	231,827
	-	-	-	-	-	1,941,488	1,941,488
Total	\$ 13,520,583	\$ 6,585,282	\$ 2,200,600	\$ 1,299,630	\$ 754,957	\$ 1,941,488	\$ 26,302,540

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 2
Detail of Inclusive Schooling Expenditures

For the year ended June 30, 2013

	Staff Development	Intervention Strategies	Assistive Technology	Early Childhood	Magnet Facilities	Do Edaeze	General Inclusive Schooling	Total
Salaries								
Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,705	\$ 110,705
Non-instructional	-	191,648	-	234,742	-	-	-	426,390
Support assistants	-	1,438,810	-	-	53,497	-	-	1,492,307
Teachers	30,252	1,572,229	-	-	101,502	979,526	-	2,683,509
	30,252	3,202,687	-	234,742	154,999	979,526	110,705	4,712,911
Employee Benefits	51,349	941,931	-	84,517	43,475	228,056	26,322	1,375,650
Services Purchased/Contracted								
Contracted services	-	-	-	12,710	-	-	-	12,710
Communication	-	-	-	4,187	-	1,561	-	5,748
Maintenance & repairs	-	-	-	7,515	-	-	-	7,515
Professional/technical	10,893	57,421	-	-	-	82,987	-	151,301
Rental/leases	-	1,559	-	81,077	-	-	-	82,636
Student transportation	-	6,863	-	316	-	98,505	-	105,684
	10,893	65,843	-	105,805	-	183,053	-	365,594
Materials/Freight	7,347	43,213	21,349	19,761	2,325	37,132	-	131,127
Total	\$ 99,841	\$ 4,253,674	\$ 21,349	\$ 444,825	\$ 200,799	\$ 1,427,767	\$ 137,027	\$ 6,585,282

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Schedule 3
Aboriginal Language and Culture Program Expenditures

For the year ended June 30, 2013

	Student Instruction	Teaching/ Learning Resources	Total
Salaries			
Honorarium	\$ 44,125	\$ -	\$ 44,125
Teachers	353,722	-	353,722
	397,847	-	397,847
Employee Benefits	128,872	-	128,872
Services Purchased/Contracted			
Contracted services	27,247	-	27,247
Communications	1,677	-	1,677
Maintenance & repairs	7,795	-	7,795
Printing & publishing	-	71,692	71,692
Professional/technical	29,200	2,000	31,200
Rentals	4,267	-	4,267
Travel	3,716	90	3,806
	73,902	73,782	147,684
Materials/Freight	80,552	2	80,554
Total	\$ 681,173	\$ 73,784	\$ 754,957

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 4
Aboriginal Language Materials

For the year ended June 30, 2013

	July 1, 2012 to March 31, 2013	April 1, 2013 to June 30, 2013	Total
Revenue			
Secretary of State Funding Aboriginal Languages	\$ 59,000	\$ -	\$ 59,000
Expenditures			
Supplies and materials	67,192	6,592	73,784
Surplus (deficit)	\$ (8,192)	\$ (6,592)	\$ (14,784)

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 5
Four Plus

For the year ended June 30, 2013

	July 1, 2012 to March 31, 2013	April 1, 2013 to June 30, 2013	Total
Revenue			
Contract	\$ 108,250	\$ 25,000	\$ 133,250
Usage	40,865	8,790	49,655
	149,115	33,790	182,905
Expenditures			
Operations and maintenance	12,041	4,340	16,381
Salary and benefits	94,676	71,506	166,182
	106,717	75,846	182,563
Surplus (deficit)	\$ 42,398	\$ (42,056)	\$ 342

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 6
Yellowknife Family Centre

For the year ended June 30, 2013

	July 1, 2012 to March 31, 2013	April 1, 2013 to June 30, 2013	Total
Revenue			
Health Canada	\$ 128,050	\$ 53,950	\$ 182,000
Government of the Northwest Territories	63,750	15,500	79,250
Other	15,575	1,375	16,950
	207,375	70,825	278,200
Expenditures			
Operations and maintenance	83,398	26,167	109,565
Salary and benefits	86,658	66,039	152,697
	170,056	92,206	262,262
Surplus (deficit)	\$ 37,319	\$ (21,381)	\$ 15,938

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Schedule 7
French Language Programs

For the year ended June 30, 2013

	Contribution from GNWT	Commitment from YCS	Actual Expenditures	Over Expenditures
Bilateral Agreement Funding				
Special Projects				
Consultant - Immersion/Core French	\$ 60,000	\$ 66,000	\$ 141,420	\$ (15,420)
Core French (salary and benefits)	100,000	213,000	316,928	(3,928)
Early Immersion/Literacy (salary and benefits)	56,000	50,000	150,661	(44,661)
French cultural activities	4,000	5,000	12,427	(3,427)
French monitor	-	6,000	15,287	(9,287)
French resources	11,000	14,000	34,184	(9,184)
Professional development	4,000	8,000	23,820	(11,820)
Teacher assistant (salary and benefits)	45,500	45,500	104,533	(13,533)
Total	\$ 280,500	\$ 407,500	\$ 799,260	\$ (111,260)

Regular GNWT Funding

Core French	\$ 218,898
Immersion Program	2,138,263
Total	\$ 2,357,161

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 8
Student Success Initiative Projects

For the year ended June 30, 2013

	Learning Through The Arts	Differentiated Professional Development	Total
Revenue	\$ 55,000	\$ 48,000	\$ 103,000
Expenditures			
Facilitator fees	13,142	25,474	38,616
Resources	6,278	2,911	9,189
Staff salary and benefits	94,449	-	94,449
Substitute teacher wages	2,963	22,623	25,586
Travel			
Staff travel and accommodation	-	17,209	17,209
	116,832	68,217	185,049
Deficit	\$ (61,832)	\$ (20,217)	\$ (82,049)

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 9
Weledeh Catholic School Playground Equipment

For the year ended June 30, 2013

April 1, 2012 to
March 31, 2013

Revenue

Contribution agreement \$ 20,000

Expenditures

Furniture, fixtures and equipment 37,843

Deficit

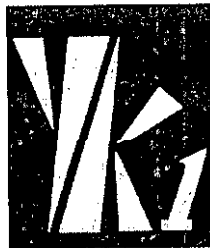
\$ (17,843)

Yellowknife District No. 1 Education Authority

(Yellowknife Education District No. 1)

Financial Statements

June 30, 2013





Yellowknife District No. 1 Education Authority

(the Authority)

Table of Contents

June 30, 2013	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.....	12-24
Schedule 1 - Schedule of Tangible Capital Assets.....	25
Schedule 2 - Schedule of Expenditures - Operating Fund.....	26
Schedule 3 - Details of Inclusive Schooling Expenditures.....	27
Schedule 4 - Details of Aboriginal Language and Culture-Based Education Expenditures.....	28
Schedule 5 - Report on Activities of Specific Programs - Aboriginal Languages.....	29
Schedule 6 - Report on Activities of Specific Programs - French Language Program.....	30
Schedule 7 - Report on Activities of Specific Programs - Student Success Initiative Projects.....	31
Schedule 8 - Report on Activities of Specific Programs - Mildred Hall Preschool	32



Yellowknife District No. 1 Education Authority

(the Authority)

Management Responsibility for Financial Reporting

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

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

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

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

Metro Huculak
Superintendent
Yellowknife District No. 1 Education Authority

Independent Auditors' Report

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

We have audited the accompanying financial statements of the Yellowknife District No. 1 Education Authority (the Authority), which comprise of the statement of financial position as at June 30, 2013, 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, 2013, 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 transactions that have come under our notice, have, in all significant respects, been within the statutory powers of Yellowknife District No. 1 Education Authority.



Chartered Accountants

**Yellowknife, Northwest Territories
September 20, 2013**



Yellowknife District No. 1 Education Authority

(the Authority)

Statement of Financial Position

Statement 1

As at June 30	2013 \$	2012 \$
FINANCIAL ASSETS		
Cash	2,086,504	1,575,351
Portfolio investments (Note 4)	6,871,974	5,989,387
Due from GNWT (Note 5)	139,460	104,118
Other accounts receivable (Note 6)	726,736	833,072
	9,824,674	8,501,928
LIABILITIES		
Accounts payable and accrued liabilities	608,268	666,489
Wages and employee deductions payable (Note 7)	3,734,424	2,902,770
Leave and termination benefits (Note 8)	1,874,485	1,854,999
Deferred revenue (Note 9)	1,494,136	3,750
	2,113,361	3,073,920
NET FINANCIAL RESOURCES		
 NON-FINANCIAL ASSETS		
Prepaid Expenses	103,409	114,455
Tangible Capital Assets (Schedule 1)	17,646,499	18,623,663
	17,749,908	18,738,118
ACCUMULATED SURPLUS		
Represented by:		
Operating Fund (Note 11)	1,004,429	2,018,191
Investment in tangible capital assets	17,646,499	18,623,663
Decentralized Surplus	298,116	255,959
Capital Fund Reserve	904,165	904,165
Playground/Recreational Equipment Fund Reserve	10,060	10,060
	19,863,269	21,812,038

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,	2013 \$	2012 \$
Annual surplus / (deficit)	(1,948,769)	(349,624)
Change in prepaid expenses	11,046	(72,308)
Acquisition of tangible capital assets (budget \$110,000)	(161,976)	(256,767)
Amortization of tangible capital assets	1,139,140	1,193,951
Increase (decrease) in net financial resources	(960,559)	515,252
Net financial resources, beginning of year	3,073,920	2,558,668
Net financial resources, end of year	2,113,361	3,073,920



Yellowknife District No. 1 Education Authority

(the Authority)

Statement of Funds

Statement 3

For the year ended June 30,	2013	2012
	\$	\$
OPERATING FUND		
Balance, beginning of year	2,018,191	1,379,747
Excess (deficiency) of revenue over expenditures (Statement 5)	(1,948,769)	(349,624)
Transfer (to) from Capital Fund (budget \$110,000)	(161,977)	(256,767)
Transfer (to) from Investment in Tangible Capital Assets	1,139,141	(1,193,949)
Transfer (to) from Decentralized Surplus (Deficit)	(42,157)	50,886
Balance, end of year	1,004,429	2,018,191
INVESTMENT IN TANGIBLE CAPITAL ASSETS		
Balance, beginning of year	18,623,663	19,560,845
Acquisition of tangible capital assets	161,977	256,767
Amortization	(1,139,141)	(1,193,949)
Balance, end of year	17,646,499	18,623,663



Yellowknife District No. 1 Education Authority

(the Authority)

Statement of Surplus and Reserves

Statement 4

For the period July 1 through June 30,

2013
\$

2012
\$

DECENTRALIZED SURPLUS

Balance, beginning of year	255,959	192,514
Surpluses expended by schools in current year	-	114,331
Transfer (to) from Operating Fund	42,157	(50,886)
Balance, end of year	298,116	255,959

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	124,391
Transfer (to) from schools	-	(114,331)
Balance, end of year	10,060	10,060



Yellowknife District No. 1 Education Authority

(the Authority)

Statement of Operations

Statement 5

For the period July 1 through June 30,

	2013 Budget \$	2013 Actual \$	2012 Actual \$
REVENUE			
Government of the Northwest Territories			
Regular contributions (Note 3a)	24,373,154	24,372,505	24,086,569
Other contributions	179,300	201,669	389,706
Aboriginal languages	60,000	78,714	73,799
French revenue	410,000	417,150	818,745
	25,022,454	25,070,038	25,368,819
Property tax requisitioned (Note 3c)	5,656,000	5,621,618	5,585,423
Education authority generated funds			
Rental income	370,000	232,392	320,232
Portfolio investment income			
- portfolio investment income	200,000	(56,553)	232,049
- gains (losses) on portfolio investments	-	(1,011)	-
- unrealized gains (losses) on portfolio investments	-	97,094	-
Other (Note 10)	606,315	523,780	709,040
	1,176,315	795,702	1,261,321
Total revenue	31,854,769	31,487,358	32,215,563
EXPENDITURES (Schedule 2)			
School programs	21,266,736	20,955,886	20,494,999
Inclusive schooling	5,778,695	5,733,387	5,534,200
Accommodation	158,500	187,442	183,479
Operations and maintenance	2,884,675	3,051,604	3,025,125
Administration	1,633,053	1,638,910	1,454,087
Aboriginal language/cultural programs	804,110	729,757	679,348
Total operating expenditures	32,525,769	32,296,986	31,371,238
Excess (deficiency) before amortization	(671,000)	(809,628)	844,325
Amortization	-	1,139,141	1,193,949
Excess (deficiency) of revenue over expenditures	(671,000)	(1,948,769)	(349,624)
Opening accumulated surplus		21,812,037	22,161,661
Closing accumulated surplus		19,863,268	21,812,037



Yellowknife District No. 1 Education Authority

(the Authority)

Statement of Cash Flows

Statement 6

For the year ended June 30,	2013 \$	2012 \$
OPERATING TRANSACTIONS		
Cash received from:		
Government of the Northwest Territories	25,098,995	25,691,505
City of Yellowknife - property tax requisitioned	7,047,705	4,217,649
Recoveries and general revenue	862,508	609,203
	<u>33,009,208</u>	<u>30,518,357</u>
Cash paid for:		
Compensation and benefits	(26,032,362)	(27,950,200)
Operations and maintenance	(5,421,131)	(3,522,637)
	<u>(31,453,493)</u>	<u>(31,472,837)</u>
CASH PROVIDED BY (USED FOR) OPERATING TRANSACTIONS	1,555,715	(954,480)
CAPITAL TRANSACTIONS		
Acquisitions of tangible capital assets	(161,975)	(256,767)
CASH USED FOR CAPITAL TRANSACTIONS	(161,975)	(256,767)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,393,740	(1,211,247)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	7,564,738	8,775,985
CASH AND CASH EQUIVALENTS AT END OF YEAR	8,958,478	7,564,738
REPRESENTED BY:		
Cash	2,086,504	1,575,351
Portfolio investment (Note 4)	6,871,974	5,989,387
	<u>8,958,478</u>	<u>7,564,738</u>



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Financial Statements

June 30, 2013

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.

Consequently, the Authority is dependent on funding from the Department of Education, Culture, and Employment (ECE) of the GNWT.

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.

2. Change in Accounting Policies

The Authority has adopted the following new accounting standards:

Government Transfers – Section PS 3410

Effective April 1, 2012, the Authority adopted the PSA Handbook Section PS 3410 – Government Transfers. This new section establishes recognition, measurement, presentation and disclosure standards related to Government Transfers reported in financial statements and is effective for years beginning on or after April 1, 2012. This accounting change had no significant impact on the Authority's financial statements.

Financial Instruments, Section PS 3450 and related amendments to Financial Statement Presentation, Section PS 1200

Effective April 1, 2012, the Authority adopted the PSA Handbook Section PS 3450, Financial Instruments, and related to Section PS 1201, Financial Statement Presentation. This new section establishes recognition, measurement, presentation and disclosure standards related to Financial Instruments reported in financial statements and is effective for years beginning on or after April 1, 2012. This accounting change had no significant impact on the Authority's financial statements.



June 30, 2013

2. Change in Accounting Policies (continued)

Foreign currency translation – Section PS 2601

Effective April 1, 2012, the Authority adopted the PSA Handbook Section PS 2601 – Foreign Currency Translation. This new section establishes recognition, measurement, presentation and disclosure standards related to Foreign Currency Translation reported in financial statements and is effective for years beginning on or after April 1, 2012. This accounting change had no significant impact on the Authority's financial statements.

Portfolio investments – Section PS 3041

Effective April 1, 2012, the Authority adopted the PSA Handbook Section PS 3041 – Portfolio Investments. This new section establishes recognition, measurement, presentation and disclosure standards related to Portfolio Investments reported in financial statements and is effective for years beginning on or after April 1, 2012.

Tax revenue – Section PS 3510

Effective April 1, 2012, the Authority adopted the PSA Handbook Section PS 3510 – Tax Revenue. This new section establishes recognition, measurement, presentation and disclosure standards related to Tax Revenue reported in financial statements and is effective for years beginning on or after April 1, 2012. This accounting change had no significant impact on the Authority's financial statements.



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Financial Statements

June 30, 2013

3. 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 Canadian Institute of Chartered Accountants.

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.

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

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.



June 30, 2013

3. 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.



June 30, 2013

3. 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 June 12, 2012 and have not been audited.



June 30, 2013

3. 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 and due from GNWT.

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

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, 2013

3. Accounting Policies (continued)

j) Use of Estimates

The preparation of these financial statements in conformity with the financial guidelines of ECE 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 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.

4. Portfolio Investments

	2013 \$	2012 \$
Altimira High Interest Cash Performer Mutual Fund	1,025,817	2,017,624
RBC Premium Money Market Fund	2,114,814	1,182,089
Investments in bonds (see table below)	3,731,343	2,789,674
	6,871,974	5,989,387

The Authority authorized the investment of cash in the GNWT investment pool 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, 2013.



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Financial Statements

June 30, 2013

4. Portfolio Investments (continued)

The table below presents the fair value of the Authority's investments in bonds as at June 30, 2013 together with the change in fair value from their cost base. The fair value of the Authority's investments were determined by reference to published price quotations in an active market.

	2013 Market Value \$	2013 Book Value \$
Bonds		
1.0% Government of Canada, due November 1, 2014	588,548	589,947
1.5% Government of Canada, due November 1, 2013	247,355	248,025
1.5% Government of Canada, due December 1, 2044	72,704	83,147
2.95% Canada Housing Trust No.1, due March 15, 2014	193,197	194,495
2.45% Canada Housing Trust No.1, due December 15, 2015	35,811	36,104
2.05% Canada Housing Trust No. 1, due June 15, 2017	153,931	156,883
8.00% Government of Canada, due June 1, 2023	108,872	115,675
4% Government of Canada, due June 1, 2041	8,473	9,027
3.5% Financement Quebec, due December 1, 2016	118,926	120,656
4.5% Province of New Brunswick, due June 2, 2020	29,724	30,372
4.4% Province of Ontario, due June 2, 2019	181,041	185,844
4.70% Province of Ontario, due June 2, 2037	55,964	58,682
4.75 Province of Saskatchewan, due June 1, 2040	72,306	79,150
6.5% Province of Ontario, due March 8, 2029	62,326	65,079
4.25% Province of Quebec, due December 1, 2036	83,568	88,320
3.25% Province of British Columbia, due December 18, 2021	76,449	78,527
5.05% Bank of Montreal, due September 3, 2013	133,812	138,091
4.97% Royal Bank of Canada, due June 5, 2014	143,491	147,591
3.34% Bank of Nova Scotia, due March 25, 2015	163,073	165,101
2.99% Royal Bank of Canada, due December 6, 2019	137,510	140,903
4.39% Hydro One Inc., due September 26, 2041	156,114	167,772
4.54% CU Inc., due October 24, 2041	158,416	171,484
4.55% Transcanada Pipelines Ltd., due November 15, 2041	76,417	83,245
3.35% Telus Corporation, due March 15, 2017	38,751	40,775
5.73% GE Capital Canada, due October 22, 2037	39,776	43,085
3.05% Canadian Natural Res Led, due June 19, 2019	37,816	38,505
5.65% Shaw Communications Inc., due October 1, 2019	48,665	48,396
3.20% Hydro One Inc., due January 13, 2022	87,191	91,317
3.94% Standard Life Co Canada, due September 21, 2022	88,414	90,381
6.93% Hydro One Inc., due June 1, 2032	38,914	40,513
4.19% 407 International Inc., due April 25, 2042	26,231	28,231
6.98% Greater Toronto Airport Authority, due October 15, 2032	29,480	30,334
5.21% Enbridge Gas Distribution Inc., due February 25, 2036	25,847	26,887
4.95% Sun Life Financial Inc., due June 1, 2036	92,233	92,668
5.69% Great-West Lifeco., due June 21, 2067	25,246	24,518
	3,636,592	3,749,730
Cash and cash equivalents	94,751	94,751
	3,731,343	3,844,481



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Financial Statements

June 30, 2013

4. Portfolio Investments (continued)

Investment funds are carried at fair market value together with the accrued interest earned and cash balance of the fund.

The following table represents the remaining terms to maturity at fair value, along with the average effective yields for each maturity for securities investments exposed to interest rate risk as at June 30, 2013.

	Within 1 yr	1-5 yrs	5-10 yrs	Over 10 yrs	Total 2013
Securities	\$ 524,658	\$ 1,253,486	\$ 834,434	\$ 1,024,014	\$ 3,636,592
Effective yields	3.840 %	2.548 %	4.232 %	4.929 %	3.887 %

5. Due from GNWT

	2013	2012
	\$	\$
Department of Education, Culture and Employment	67,156	12,372
Department of Health and Social Services	72,304	91,746
	139,460	104,118

6. Other Accounts Receivable

	2013	2012
	\$	\$
Computer purchase plan - employees	4,277	11,741
GST recoverable	98,464	102,707
Trade receivables	623,995	718,624
	726,736	833,072



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Financial Statements

June 30, 2013

7. 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:

	2013 \$	2012 \$
Payable at end of July	1,873,353	1,447,469
Payable at end of August	1,861,071	1,455,301
	3,734,424	2,902,770

8. 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.

	2013 \$	2012 \$
Leave and termination benefits - current	369,954	308,167
Leave and termination benefits - non-current	1,504,531	1,546,832
	1,874,485	1,854,999
Comprised of:		
Removal	754,396	761,850
Annual and compensatory sick leave	354,362	389,165
Severance and sick leave (excluded)	558,417	513,141
Severance (USWA)	84,910	80,393
Non-moving accrual (NWTTA)	122,400	110,450
	1,874,485	1,854,999



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Financial Statements

June 30, 2013

9. Deferred Revenue

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

	2013	2012
	\$	\$
City of Yellowknife - tax requisition received in advance	1,426,087	-
GNWT - Active After School Program	64,299	-
Other	3,750	3,750
	1,494,136	3,750

10. Other Revenue

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

	2013	2012
	\$	\$
Pancake Donation	1,250	2,500
Superintendent Services	50,000	50,000
Range Lake North preschool	102,124	170,669
Mildred Hall preschool	91,523	108,773
J.H.Sissons preschool	220,681	95,483
Health projects	-	146,264
School travel planning	-	21,703
Drop the Pop program	-	32,761
Nutrition program	-	25,270
Other funding & donations	58,202	55,617
	523,780	709,040



Yellowknife District No. 1 Education Authority

(the Authority)

Notes to Financial Statements

June 30, 2013

11. Surplus for Management Purposes

Under block funding agreements, the Authority does not receive funding for the salary to be paid out in July and August until the period in which the liability is paid. In addition, the leave and termination liability is an unfunded liability and is excluded from any funding advances from the Department to the Authority. For management purposes, the Department recalculates surplus as shown below:

	2013	2012
	\$	\$
Accumulated surplus (Operating Fund)	1,004,429	2,018,191
Accrual for retirement, resignation and removal	1,874,485	1,465,834
Capital fund reserve	904,165	904,165
Decentralized surplus	298,116	255,959
Accrual for summer salaries and benefits	3,734,424	2,902,770
	7,815,619	7,546,919

As defined by the Department of Education, Culture and Employment guidelines, the Accumulated Surplus for Management Purposes should not exceed \$500,000 or 5% of the annual budget, whichever is greater. The surplus of \$7,815,619 exceeds 5% of the annual budget of \$31,854,769, 5% of which is \$1,592,738, by \$6,222,881.



June 30, 2013

12. 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.

13. Financial Instruments

Financial instruments consist of recorded amounts of accounts receivable and portfolio investments which will result in future cash receipts, as well as accounts payable and accrued liabilities, and accrued salaries and benefits which will result in future cash outlays.

The Authority is exposed to the following risks in respect of certain of the financial instruments held:

a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Authority is exposed to credit risk from funding agencies and preschool clients. The Authority has a concentrated risk of credit from two other school districts whose funding also comes from the Department.

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 financial instruments. Fixed interest instruments subject the enterprise to a fair value risk while the floating rate instruments subject it to cash flow risk.



Yellowknife District No. 1 Education Authority

(the Authority)

Schedule of Tangible Capital Assets

Schedule 1

For the year ended June 30,

2013 2012

	Cost	Additions	Amortization	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$	\$	\$
Land and improvements	1,299,476	-	-	-	1,299,476	1,299,476
School buildings						
Ecole Sir John Franklin	2,149,661	-	(59,762)	(759,168)	1,330,731	1,390,493
William McDonald	7,078,328	-	(176,958)	(5,308,746)	1,592,624	1,769,582
Mildred Hall	11,009,651	-	(275,241)	(4,650,467)	6,083,943	6,359,184
Range Lake North	8,215,859	-	(205,396)	(3,902,533)	4,107,930	4,313,326
N. J. Macpherson	5,329,162	-	(136,459)	(3,270,540)	1,922,163	2,058,621
Ecole J. H. Sissons	2,436,769	-	-	(2,436,769)	-	-
	36,219,430	-	(853,816)	(20,328,223)	15,037,391	15,891,206
Other buildings						
Administration office	1,070,827	-	(26,771)	(508,643)	535,413	562,184
Nordic Arms residence	595,205	-	(14,880)	(565,111)	15,214	30,094
	39,184,938	-	(895,467)	(21,401,977)	16,887,494	17,782,960
Total land and buildings						
	39,184,938	-	(895,467)	(21,401,977)	16,887,494	17,782,960
Equipment and furnishings						
Schools	4,316,534	110,514	(243,673)	(3,475,831)	707,544	840,703
Playgrounds	149,972	-	-	(149,972)	-	-
Residences	64,045	-	-	(64,045)	-	-
Administration office	322,132	-	-	(322,132)	-	-
Vehicles	195,071	51,461	-	(195,071)	51,461	-
	5,047,754	161,975	(243,673)	(4,207,051)	759,005	840,703
	44,232,692	161,975	(1,139,140)	(25,609,028)	17,646,499	18,623,663



Yellowknife District No. 1 Education Authority
(the Authority)

Schedule of Expenditures - Operating Fund

Schedule 2

For the year ended June 30,	School Programs	Inclusive Schooling	Accommodation	Operations and Maintenance	Board Administration	Aboriginal Languages	Total 2013	Total 2012
	\$	\$	\$	\$	\$	\$	\$	\$
SALARIES								
Honoraria	-	-	-	-	66,259	-	66,259	64,235
Instructional assistants	681,338	2,339,847	-	-	-	53,429	3,074,614	2,749,156
Non-instructional staff	2,018,845	-	13,434	457,710	1,052,327	250,754	3,793,070	3,761,197
Teachers	12,637,139	2,104,185	-	-	-	137,716	14,879,040	14,430,405
	15,337,322	4,444,032	13,434	457,710	1,118,586	441,899	21,812,983	21,604,993
	3,489,502	1,139,036	815	85,677	215,240	74,384	5,004,654	4,625,646
EMPLOYEE BENEFITS								
SERVICES PURCHASED								
Advertising and printing	-	-	-	-	23,471	-	23,471	31,813
Communicator	64,926	-	-	8,215	30,275	-	103,416	97,059
Contracted services	312,159	75,453	-	112,624	10,764	63,658	574,658	504,391
Maintenance and repairs	80,095	19,655	67,573	526,125	7,051	26,064	726,563	885,124
Other	136,968	-	-	-	87,545	-	224,513	202,779
Professional and technical	152,874	-	-	-	-	44,413	197,287	232,406
Rentals and leases	99,148	-	-	-	2,453	-	101,601	74,243
Student transportation	350,315	9,598	-	-	-	-	359,913	357,444
Travel	94,385	29,695	-	6,358	77,847	12,306	220,791	129,179
Utilities	-	-	104,712	1,789,207	-	-	1,893,919	1,815,710
	1,291,070	134,401	172,285	2,442,529	239,406	146,441	4,426,132	4,330,148
MATERIALS								
Awards and student events	14,736	-	-	-	40,236	-	54,972	27,156
Freight	12,654	-	-	149	699	-	13,502	12,519
Materials and supplies	810,502	15,918	908	65,539	24,743	67,033	984,743	1,370,779
	837,992	15,918	908	65,688	65,678	67,033	1,053,217	1,410,454
Total operating expenditures	20,955,886	5,733,387	187,442	3,051,604	1,638,910	729,757	32,296,986	31,371,241



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 2013 \$
SALARIES				
Program support teachers	-	-	2,104,185	2,104,185
Support assistants	-	13,434	2,326,413	2,339,847
	-	13,434	4,430,598	4,444,032
EMPLOYEE BENEFITS				
	-	-	1,139,036	1,139,036
SERVICES PURCHASED				
Travel	29,695	-	-	29,695
Student transportation	-	9,598	-	9,598
Maintenance and repairs	-	19,655	-	19,655
Contracted services	-	75,453	-	75,453
	29,695	104,706	-	134,401
MATERIALS				
Materials and supplies	-	15,918	-	15,918
Total operating expenditures	29,695	134,058	5,569,634	5,733,387



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 2013 \$
SALARIES				
ALCBE Teachers	137,716	-	-	137,716
Support Assistants	53,429	-	-	53,429
Non Instructional Staff	-	-	250,754	250,754
	191,145	-	250,754	441,899
EMPLOYEE BENEFITS	74,384	-	-	74,384
SERVICES PURCHASED				
Professional and technical	-	44,413	-	44,413
Travel	-	12,306	-	12,306
Maintenance and repairs	-	-	26,064	26,064
Contracted services	-	-	63,658	63,658
	-	56,719	89,722	146,441
MATERIALS				
Materials and supplies	-	-	67,033	67,033
Total operating expenditures	265,529	56,719	407,509	729,757



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
2013
\$**

Secretary of State (Heritage Canada)

REVENUE

Contribution from federal government

60,000

EXPENDITURES

Salaries and benefits

55,475

Other operating and maintenance

15,611

71,086

Surplus (deficit)

(11,086)



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, 2013

	Contribution from the Department \$	Commitment from the Authority \$	Expenses \$	Over(under) funding \$
Literacy Coach (Salary)	60,000	30,000	115,722	(25,722)
Librarian (Salary)	35,000	35,000	81,578	(11,578)
Teacher Assistants (Salary)	60,000	10,000	136,386	(66,386)
Intensive & Enhance French (Salary)	105,000	675,000	945,980	(165,980)
French Camps	8,000	2,000	10,949	(949)
French Monitor	-	6,000	14,820	(8,820)
French Resources	46,000	20,000	63,608	2,392
Assessment, Intensive French	3,000	13,000	15,816	184
Cultural Activities	12,000	2,000	12,142	1,858
Professional Development	21,000	21,000	39,752	2,248
Consultant	60,000	115,000	178,330	(3,330)
Total	410,000	929,000	1,615,083	(276,083)



Student Success Initiative Projects

For the year ended June 30,

2013

\$

Revenue

Government of the Northwest Territories	123,000
Surplus from Prior Years	55,917
Deficit Rollover 2012/13	22,161

Total revenue

201,078

Expenses

Salaries/Wages

Facilitator fees (including per diems)	42,273
Substitute teacher wages	80,696

Travel

Facilitator travel	1,026
Staff Travel	23,920
Accommodation	27,819
Other expenses	866

Workshop expenses

Refreshments	5,687
Resources	11,028
Miscellaneous (Stationery)	7,763

Total expenses

201,078

Surplus

-



Yellowknife District No. 1 Education Authority

(the Authority)

Report on Activities of Specific Programs

Schedule 8

Mildred Hall Preschool

For the year ended	2013
	\$
REVENUES	
GNWT Contribution	60,000
GNWT Attendance	15,036
Fee cost	24,000
Total Revenue:	99,036
EXPENSES	
Employee salary	99,468
Employee benefits	-
Workers' Safety & Compensation	-
Audit	-
Insurance	-
Janitorial staff	-
Janitorial supplies	-
Materials & supplies	11,959
Office supplies / admin	-
Photocopy / xerox	-
Repair & maintenance	-
Subsidized kids	-
Telephone	-
Utilities	-
Total Expenditures:	111,427
Deficit	(12,391)

**Financial Statements of
Tlicho Community Services Agency
Behchoko, NT**

For the year ended March 31, 2014

Tlichó 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
	5
	6
	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 D Schedule of Expenses by Function	18
Schedule E Schedule of Non-Insured Recoveries and Expenses	19
Schedule F Other Health Contributions	20
Schedule F-1 Children's Oral Health	21
Schedule F-2 Ambulance Training Program	22
Schedule F-3 THSSI	23
Schedule F-4 Home and Community Care Enhancement	24
Schedule F-5 Tlichó Tobacco Education	25
Schedule F-6 CHNDP Program-NP	26
Schedule F-7 CHNDP Program-CHN	27
Schedule K Health Reserves	28
Schedule L Schedule of Expenses - Education	29
Schedule L.1 Other Education Contribution	30 & 31
Schedule L-1 Schedule of Specific Program - Aboriginal Languages	32
Schedule L-2 Schedule of Specific Program - Infrastructure	33
Schedule L-3 Schedule of Specific Program - Take a Kid Trapping - CJBS	34
Schedule L-4 Schedule of Specific Program - Take a Kid Trapping - EMES	35
Schedule L-5 Schedule of Specific Program - Take a Kid Trapping - JWGS	36
Schedule L-6 Schedule of Specific Program - Take a Kid Trapping - MEZI	37
Schedule L-7 Schedule of Specific Program-Food First Foundation - JWGS	38
Schedule L-8 Schedule of Specific Program - Snack Program - EMES	39

Tlicho Community Services Agency

TABLE OF CONTENTS - cont'd

Schedule L-9	Schedule of Specific Program - Snack Program - EMES	40
Schedule L-10	Schedule of Specific Program - Snack Program - JWGS	41
Schedule L-11	Schedule of Specific Program - Snack Program - AAS	42
Schedule L-12	Schedule of Specific Program - Snack Program - CJBS Elementary	43
Schedule L-13	Schedule of Specific Program - Snack Program - CJBS High School	44
Schedule L- 14	Schedule of Specific Program - Active After School CJBS	45
Schedule L- 15	Schedule of Specific Program - Active After School MEZI	46
Schedule L- 16	Schedule of Specific Program - Mentorship Program - MEZI	47
Schedule L- 17	Schedule of Specific Program - Miscellaneous	48
Schedule L- 18	Schedule of Specific Program - Public Library-CJBS	49
Schedule L- 19	Schedule of Specific Program - Public Library - MEZI	50
Schedule L- 20	Schedule of Specific Program - Public Library - JWGS	51
Schedule L- 21	Schedule of Specific Program - Food First Program - EMES	52
Schedule L- 22	Schedule of Specific Program - Youth Contribution - JWGS	53
Schedule L- 23	Schedule of Specific Program - Drop the Pop	54
Schedule L- 24	Schedule of Specific Program - Active After School - JWGS	55
Schedule L- 25	Schedule of Specific Program - Active after school - EMES	56
Schedule L- 26	Schedule of Specific Program - Youth Conference - CJBS	57
Schedule L- 27	Schedule of Specific Program - ALCIP	58
Schedule L- 28	Schedule of Specific Program - Take a Kid Harvesting - CJBS	59
Schedule L- 29	Schedule of Specific Program - Milk For a Month	60
Schedule L- 30	Schedule of Specific Program - Take a Kid Harvesting - EMES	61
Schedule M	Other Contributions	62
Schedule M-1	Tlicho Yati Ohchi Project	63
Schedule M-2	Personal Support Worker Program - GNWT	64
Schedule M-3	Personal Support Worker Program - Tlicho Government	65
Schedule M-4	Building Collaborative Teams	66

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 27, 2014



AVERY, COOPER & CO.

Certified General Accountants

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INDEPENDENT AUDITORS' REPORT

To the Ministers of Health and Social Services and Education, Culture and Employment Government of the Northwest Territories

Report on the Financial Statements

We have audited the accompanying financial statements of the Tlicho Community Services Agency, which comprise the Statement of Financial Position as at March 31, 2014, 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 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, 2014 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

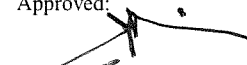
June 27, 2014

**Tlicho Community Services Agency
Statement of Financial Position**

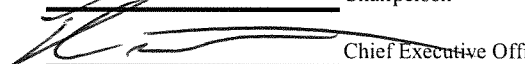
As at March 31, 2014

	March 31, 2014	March 31, 2013
Financial Assets		
Cash	3,780,324	2,557,578
Accounts Receivable	267,682	537,195
Allowance for doubtful accounts	(11,225)	(11,386)
Accounts Receivable - GNWT (Note 3)	677,573	480,795
Receivable from Wekweti School	18,591	14,790
Receivable from Whati School	64,901	19,764
	4,797,845	3,598,736
Liabilities		
Accounts Payable - General	854,939	226,064
Accounts Payable - GNWT	131,538	105,053
Wages and Benefits Payable - GNWT	577,767	511,038
Employee Remittance - Payable	-	(41)
Employee Leave and Termination Benefits (Note 4)	1,501,711	1,590,176
Deferred Revenue (Note 5)	278,592	167,977
Payable to Gameti School	75,235	63,976
Payable to Behchoko Schools	42,233	99,160
	3,462,014	2,763,403
Net Financial Assets (Debt)	1,335,832	835,333
Non Financial Assets		
Prepaid Expenses	-	17,743
Tangible Capital Assets (Note 6)	266,464	148,558
	266,464	166,301
Accumulated Surplus (Deficit)	\$ 1,602,295	\$ 1,001,634

Approved:



Chairperson



Chief Executive Officer

**Tlicho Community Services Agency
Statement of Operations
For the year ended March 31, 2014**

	Budget (Unaudited)	Actual 2014	Actual 2013
Revenue			
Health & Social Services - per page 5	\$ 12,757,625	\$ 13,328,393	\$ 13,421,835
Education - per page 6	15,563,664	16,486,065	16,108,190
Other Operations - per page 7	350,000	347,562	819,832
	28,671,289	30,162,020	30,349,856
Expenditure			
Health & Social Services - Compensation	9,370,450	10,188,078	10,188,223
Health & Social Services - Other	3,387,175	3,127,925	3,195,801
Total Health and Social Services - per page 5	12,757,625	13,316,003	13,384,024
Education - Compensation	13,699,113	13,373,016	12,981,453
Education - Other	2,419,799	2,512,142	2,649,979
Total Education - per page 6	16,118,912	15,885,158	15,631,432
Other Operations - Compensation	-	-	215,000
Other Operations - Other	350,000	360,200	575,206
Total Other Operations - per page 7	350,000	360,200	790,206
	29,226,537	29,561,361	29,805,662
Operating Surplus / (Deficit)	\$ (555,248)	\$ 600,659	\$ 544,194
Unfunded Items			
Change in employee leave and termination benefits	-	29,497	(23,599)
Surplus / (Deficit) Before the Following		630,156	520,595
Tangible Capital Assets - Rent Expense (Note 11)		144,188	144,188
Grant-In-Kind - GNWT Assets Provided at no cost		(144,188)	(144,188)
Surplus / (Deficit) After Unfunded Items		\$ 630,156	\$ 520,595

**Tlicho Community Services Agency
Health and Social Services
Statement of Operations
For the year ended March 31, 2014**

	Budget (Unaudited)	Actual 2014	Actual 2013
Revenue			
Territorial Operating Advance (Schedule A)	\$ 11,820,000	\$ 11,988,191	\$ 12,193,030
Other Recoveries (Schedule B)	60,000	72,324	72,447
Other Revenues (Schedule C)	85,000	176,485	92,113
Non-Insured Recoveries (Schedule E)	160,000	247,350	235,975
Contribution Agreements (Schedule F)	632,625	807,346	798,976
Investment Revenue	-	36,696	29,294
	12,757,625	13,328,393	13,421,835
Expenses			
Schedule of Expenses by Function (Schedule D)	11,959,754	12,261,305	12,347,208
Non-Insured Services (Schedule E)	160,000	247,350	235,975
Contribution Agreements (Schedule F)	637,871	807,347	800,842
	12,757,625	13,316,003	13,384,024
Operating Surplus / (Deficit)	-	12,390	37,810
Unfunded Items			
Change in employee leave and termination benefits		29,497	- 23,599
Surplus / (Deficit) Before the Following		41,888	14,210
Tangible Capital Assists - Rent Expense (Note 11)		144,188	144,188
Grant-In-Kind - GNWT Assets Provided at no cost		- 144,188	- 144,188
Surplus / (Deficit) After Unfunded Items		\$ 41,888	\$ 14,210

**Tlcho Community Services Agency
Education
Statement of Operations
For the year ended March 31, 2014**

	Budget (Unaudited)	Actual 2014	Actual 2013
OPERATING FUND - REVENUE			
Government of the Northwest Territories			
Regular Contribution	\$ 15,563,664	\$ 15,735,786	\$ 15,223,632
Aboriginal Languages	-	-	-
	<u>15,563,664</u>	<u>15,735,786</u>	<u>15,223,632</u>
BOARD GENERATED FUNDS			
Other contributions and miscellaneous		198,013	84,100
Investment income		36,696	29,294
Projects Revenue (Schedule L.1)		515,570	771,164
	-	<u>750,279</u>	<u>884,558</u>
TOTAL OPERATING REVENUE	<u>15,563,664</u>	<u>16,486,065</u>	<u>16,108,190</u>
OPERATING FUND EXPENSES - per schedule L			
School Programs	10,462,174	10,092,847	9,512,713
Inclusive Schooling	2,834,821	2,794,777	2,617,647
Operations and Maintenance	60,620	276,873	206,909
Administration	1,316,595	1,036,476	1,162,010
Aboriginal Language/Cultural Programs	1,444,702	1,166,895	1,357,167
Projects Expenditures (Schedule L.1)	-	517,290	774,986
TOTAL EXPENSE	<u>16,118,912</u>	<u>15,885,158</u>	<u>15,631,432</u>
EXCESS REVENUE	<u>\$ (555,248)</u>	<u>\$ 600,907</u>	<u>\$ 476,758</u>

**Tlich Community Services Agency
Other Operations
Statement of Operations
For the year ended March 31, 2014**

Revenue	Budget (Unaudited)	Actual 2014	Actual 2013
Other Revenue	\$ -	\$ 2,791	\$ 19,486
Recoveries Housing	300,000	314,794	365,239
Contribution Agreements (Schedule M)	50,000	29,976	435,107
	350,000	347,562	819,832
Expenses			
General Administrative Expenditures			
Leased Property - Housing	300,000	330,031	355,099
Contribution Agreements (Schedule M)	50,000	30,168	435,107
	350,000	360,200	790,206
Operating Surplus / (Deficit)	\$ -	\$ (12,638)	\$ 29,625

**Tlicho Community Services Agency
Statement of Changes in Net Financial Resources
For the year ended March 31, 2014**

	2014	2013
Annual Surplus Deficit	\$ 600,659	\$ 544,194
Use (Acquisition) of Prepays	17,743	(17,743)
Acquisition of Tangible Capital Assets	(166,443)	(173,318)
Amortization	48,540	24,760
Increase (Decrease) in Net Financial Resources	<u>500,499</u>	<u>377,893</u>
Opening Net Financial Resources	835,333	457,440
Closing Net Financial Resources	<u>1,335,832</u>	<u>835,333</u>
 Accumulated Surplus		
<u>Health and Social Services</u>		
Opening Surplus - Health and Social Services	(557,523)	(595,333)
Current years' surplus (deficit) per page 3	<u>12,390</u>	<u>37,810</u>
Closing Surplus	<u>(545,133)</u>	<u>(557,523)</u>
 <u>Education</u>		
Opening Surplus - Education	1,561,580	1,084,822
Current years' surplus per page 4	<u>600,907</u>	<u>476,758</u>
Closing Surplus	<u>2,162,487</u>	<u>1,561,580</u>
 <u>General</u>		
Opening Surplus - Other	(2,424)	(32,049)
Current years' surplus (deficit) per page 5	<u>(12,638)</u>	<u>29,625</u>
Closing surplus(deficit)	<u>(15,062)</u>	<u>(2,424)</u>
Total Closing Accumulated Surplus	<u>\$ 1,602,292</u>	<u>\$ 1,001,633</u>

**Tlcho Community Services Agency
Statement of Cash Flow
For the year ended March 31, 2014**

	<u>2014</u>	<u>2013</u>
Operating Surplus	\$ 600,659	\$ 544,194
(Increase) Decrease in Accounts Receivable	23,636	1,613,109
Increase (Decrease) in Accounts Payable	720,308	(262,214)
Increase (Decrease) in Wages and Benefits Payable	(21,695)	115,607
Prepaid Expenses	17,743	(17,743)
Non Cash Items included in Operating Surplus		
Amortization of Tangible Capital Assets	48,538	24,760
Net Cash from Operations	<u>1,389,189</u>	<u>2,017,712</u>
FINANCING		
Cash Provided by Financing Transactions	-	-
INVESTING		
Acquisition of Prepaids		
Aquisition of Capital Assets	(166,443)	(173,318)
Cash Provided by(used for) Investing Transactions	-	-
Increase (decrease) in cash and cash equivalent s	1,222,746	2,017,712
Cash and Short Term Investments, beginning of year	<u>2,557,578</u>	<u>713,181</u>
Cash and Short Term Investments, end of year	<u>\$ 3,780,324</u>	<u>\$ 2,557,578</u>

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2014

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) 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) 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, 2014 the Authority had an accumulated Deficit of \$545,133.

d) Budget

The presented budget figures are those approved by the Department's of Health & Social Services and Education. These figures represent the Authority's original fiscal plan for the year and reflect subsequent changes arising from amendments by the Department.

Tlcho Community Services Agency
Notes to the Financial Statements
March 31, 2014

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e) Pension Contributions

The Agency and its employees make contributions to the Public Service Superannuation Plan. Their contributions represent the total liability to the Agency.

NOTE 3. ACCOUNTS RECEIVABLE GNWT

Invoice/JV Number	Amount	Description
Dept. Invoices		
6612	748	Principals Conference
6616	10,212	Dental Services - NIHB
6695	5,450	Elders in Motion
6696	21,325	March Ambulance Services
6693,6719	2,260	CHR Training
6684	13,900	February Ambulance Services
6680	793	Youth Treatment Project
6688	254	NWT Wise People Program
6687	199	Elders in School
6689	199	Distance Education
6690	964	Powerschool Board Meeting
6668	267	Outpatient Services
6707	1,674	School Intervention
6593	597	Train the Trainer
6723	107	Kindergarten Training
Contribution Agreements		
HSS01-0000002448	4,700	Drop thePop
HSS01-0000002214	200,436	2013/14 Enhanced Home Care
HSS01-0000002346	44,553	2013/14 CHN in Whati
HSS01-0000002238	17,581	2013/14 CHN in Behchoko
HSS01-0000001966	28,072	2013/14 Behchoko Public Library
HSS01-0000001863	4,781	2013/14 Breakfast for Learning
HSS01-0000001975	185,000	2013/14 HSS Final Cashflow
HSS01-0000001882	64,500	2013/14 THSSI Behchoko
HSS01-0000001882	54,000	2013/14 THSSI Gameti
MAC01-0000001976	15,000	2013/14 Youth Sports Events
Total	<u><u>677,573</u></u>	

Tlcho Community Services Agency
Notes to the Financial Statements
March 31, 2014

NOTE 4. EMPLOYEE LEAVE AND TERMINATION

Under the conditions of employment, employees qualify for annual leave of varying lengths depending on length of service. Employees also earn retirement and severance remuneration based on the number of years of service. Certain employees will also receive assistance with removal costs to return to their point of recruitment. Annual leave is payable within one fiscal year. The payments of the other amounts is dependent on employees leaving the Organization.

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

	Education	HSS	<u>2014</u>	<u>2013</u>
Removal	\$ 255,106	\$ 230,390	485,496	504,974
Termination	555,803	120,739	676,541	768,223
Leave	117,082	222,592	339,673	316,979
	<u>\$ 927,991</u>	<u>\$ 573,720</u>	<u>\$ 1,501,711</u>	<u>\$ 1,590,176</u>

NOTE 5. DEFERRED REVENUE

	<u>2014</u>	<u>2013</u>
Tlcho Government PCW Program	-	39,293
CJBS Breakfast for Learning	493	-
CJBS Miscellaneous	1,014	-
EMES BHP Culture	26,838	37,612
AAS Miscellaneous	1,559	-
CJBS - BHP Culture	42,461	-
AAS Healthy Snack	1,530	6,591
AAS Healthy Snack Program	-	2,014
AAS BHP Culture	85,000	-
MEZI Health Snack Program	-	2,951
MEZI Youth Sports	15,000	-
MEZI Mentorship	-	23,466
MEZI Active After School	14,336	-
JWGS - Food First	3,949	-
JWGS Health Snack Program	-	3,428
JWGS BHP Culture	9,511	-
JWGS Fundraising	2,218	-
EMES Health Snack Program	5,199	9,577
MEZI Mentorship	15,370	-
EMES Misc Account	8,235	4,854
MEZI BHP Culture	45,879	38,191
	<u>278,592</u>	<u>167,977</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.

Tlcho Community Services Agency
Notes to the Financial Statements
March 31, 2014

Note 6. 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 2014 (unaudited)	Net book Value 2013 (unaudited)
2013 Ford F450 Ambulance	166,443	23,778	142,665	-
School Buses	173,318	49,519	123,798	148,558
Total	\$ 339,761	\$ 73,297	\$ 266,464	\$ 148,558

NOTE 7. COMMITMENTS

The Agency is committed to the following rental/lease payments for the next five years:

	Residential Housing	Equipment	Total
2015	242,800	71,839	314,639
2016	236,400	57,643	294,043
2017	236,400	32,813	269,213
2018	236,400	3,358	239,758
2019	236,400	-	236,400
	<u>1,188,400</u>	<u>-</u>	<u>\$ 1,354,053</u>

NOTE 8. OPERATING SURPLUS - EDUCATION

For management purposes, the Department of Education recalculates surplus as shown below.

	2014	2013
Surplus - Education as reported on statement of Net Financial Resources Page 8	\$ 2,162,487	\$ 1,561,580
Infrastructure (Deficit) L-2	(116,486)	99,374
Termination and ultimate removal benefits (Note 4)	810,909	965,273
	<u>\$ 2,856,910</u>	<u>\$ 2,626,227</u>

NOTE 9. 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.

Tlcho Community Services Agency
Notes to the Financial Statements
March 31, 2014

NOTE 11. 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 2014 (unaudited)	Net book Value 2013 (unaudited)
Buildings	\$ 4,289,695	\$ 3,032,453	\$ 1,257,242	\$ 1,499,018
Leasehold	252,800	151,283	101,517	126,635
Mobile Equipment	161,169	70,766	90,403	111,885
Total	\$ 4,703,664	\$ 3,254,501	\$ 1,449,162	\$ 1,737,538

The TCA information was provided by the Government of the Northwest Territories.

Amortization expense 2013 - 2014 \$144,188 (2012 - 2013 \$144,188)

12. 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.

13. EXPENSE BY OBJECT

	<u>2014</u>	<u>2013</u>
Compensation	\$ 23,561,094	\$ 23,384,676
Other	6,000,267	6,420,986
	<u>29,561,360</u>	<u>\$ 29,805,662</u>

**Tlcho Community Services Agency
Health and Social Services
Schedule A
Schedule of Territorial Operating Advances
For the year ended March 31, 2014**

	<u>Budget 2014</u>	<u>Actual 2014</u>	<u>Actual 2013</u>
H&SS - Authority Administration	\$ 902,000	\$ 902,000	\$ 1,002,000
Authority - Capital (under \$50,000)	13,000	13,000	13,000
Health Centers	4,713,000	4,865,000	5,133,000
Authority Social Service Delivery	2,114,000	2,116,000	2,090,000
Ambulance - Additional	428,000	429,000	421,000
Protective Services	11,000	11,000	11,000
Physician Services	748,000	751,191	733,030
Foster Care	754,000	754,000	754,000
Residential Care - Elderly & Persons with Disabilities	1,345,000	1,346,000	1,300,000
Family Violence	31,000	31,000	24,000
Community Wellness Programs	34,000	34,000	34,000
Homecare	661,000	662,000	652,000
Health Promotion	66,000	66,000	26,000
Epidemiology	-	8,000	-
Total Funding	\$ 11,820,000	\$ 11,988,191	\$ 12,193,030

Tlcho Community Services Agency
Health and Social Services
Schedule B
Schedule of Other Recoveries
For the year ended March 31, 2014

	2014 Budget <u>(unaudited)</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
Housing - JESH	\$ 60,000	\$ 72,324	\$ 72,447
	<u>\$ 60,000</u>	<u>\$ 72,324</u>	<u>\$ 72,447</u>

Tlcho Community Services Agency
Health and Social Services
Schedule C
Schedule of Other Revenues
For the year ended March 31, 2014

	2014		2014		2013
	<u>Budget</u>		<u>Actual</u>		<u>Actual</u>
Misc. Revenue	\$ 85,000	\$	143,152	\$	92,113
Capital Contribution - MACA	-		33,333		-
	\$ 85,000	\$	176,485	\$	92,113

**Tlicho Community Services Agency
Health and Social Services
Schedule D
Schedule of Administration Expenses
For the year ended March 31, 2014**

	Grants and Contributions		Compensation and Benefits		Operations and Maintenance		Total Expense
	2014	2014	2014	2014	2014	2014	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
711 - Administration and Support Services	\$ 1,599,000	\$ 1,815,531	\$ 1,083,792	\$ 1,133,922	\$ 554,358	\$ 405,709	\$ 1,539,631
713 - Ambulatory Care Services	748,000	751,191	725,000	723,300	23,000	27,891	751,191
715 - Community Health Services	6,072,625	6,400,346	4,620,033	4,327,209	1,439,102	1,178,662	5,505,872
716 - Community Social Services	4,338,000	4,361,324	2,941,725	3,019,990	1,370,615	1,444,622	4,464,612
	<u>\$ 12,757,625</u>	<u>\$ 13,328,392</u>	<u>\$ 9,370,550</u>	<u>\$ 9,204,421</u>	<u>\$ 3,387,075</u>	<u>\$ 3,056,884</u>	<u>\$ 12,261,305</u>

**Tlichon Community Services Agency
 Health and Social Services
 Schedule E
 Schedule of Non-Insured Recoveries and Expenses
 For the year ended March 31, 2014**

	<u>2014 Budget</u>	<u>2014 Actual</u>	<u>2013 Actual</u>
Recoveries	\$ 160,000	\$ 247,350	\$ 235,975
Expenses			
Transportation	160,000	247,350	235,975
Net Expense	\$ -	\$ -	\$ -

**Tlicho Community Services Agency
Health and Social Services - Contribution Agreements
Schedule F
Other Health Contributions
For the year ended March 31, 2014**

		<u>2014</u>		<u>2013</u>
		<u>Actual</u>		<u>Actual</u>
Contribution Agreement Revenue				
Children's Oral Health	Schedule F-1	\$ 12,174	\$	26,318
Ambulance Training Program	Schedule F-2	-		52,400
THSSI	Schedule F-3	237,000		237,000
Enhanced Home Care / Adult Day Respite - (HSS01-0000002214)	Schedule F-4	400,871		395,625
Tlicho Tobacco Education	Schedule F-5	-		1,860
CHNDP - Program - NP	Schedule F-6	64,049		10,577
CHNDP - Program - CHN	Schedule F-7	93,253		75,196
		\$ 807,346	\$	798,976
Contribution Agreement Expenses				
Children's Oral Health	Schedule F-1	12,174		26,326
Ambulance Training Program	Schedule F-2	-		54,367
THSSI	Schedule F-3	237,000		237,000
Enhanced Home Care / Adult Day Respite - (HSS01-0000002214)	Schedule F-4	400,871		395,625
PDI Funding	Schedule F-5	-		1,771
CHNDP - Program - NP	Schedule F-6	64,049		10,557
CHNDP - Program - CHN	Schedule F-7	93,254		75,196
		807,347		800,842
Excess Funding over Expense		\$ (1)	\$	(1,866)

Tlicho Community Services Agency
Schedule F-1
Schedule of Detailed Contribution Funding and Expenses
Children's Oral Health - (NS1300006 A-01)
Government of Canada
For the year ended March 31, 2014

	2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
Funding			
Government of Canada		12,174	26,318
Government of Canada - A/R	-	-	-
	-	12,174	26,318
Expenses			
Salaries and Benefits	-	12,174	22,030
Travel	-	-	1,904
Admin Fee	-	-	2,393
	-	12,174	26,326
Excess Funding over Expense	-	-	8

Tlich Community Services Agency
Schedule F-2
Schedule of Detailed Contribution Funding and Expenses
Ambulance Training Program
For the year ended March 31, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Funding			
Tlich Government Funding	\$ -	\$ -	\$ 51,000
Tlich Government Funding Receivable	-	-	1,400
	<hr/>	<hr/>	<hr/>
	-	-	52,400
Expenses			
Compensation	-	-	-
Materials and Supplies	-	-	-
Training & Development	-	-	54,367
Contract Services	-	-	-
	<hr/>	<hr/>	<hr/>
	-	-	54,367
Excess Funding over Expense	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ -	\$ -	\$ (1,967)

Tlicho Community Services Agency
Schedule F-3
Schedule of Detailed Contribution Funding and Expenses
THSSI
For the year ended March 31, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Accreditation and Quality Improvement			
Funding			
GNWT	237,000	118,500	118,500
Contributions Repayable		-	-
A/R Receivable	-	118,500	118,500
	<u>237,000</u>	<u>237,000</u>	<u>237,000</u>
Expenses			
Salaries	<u>237,000</u>	<u>237,000</u>	<u>237,000</u>
Excess Funding over Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Tlicho Community Services Agency
Schedule F-4
Schedule of Detailed Contribution Funding and Expense
Home and Community Care Enhancement - (HSS01-000002214)
Health & Social Services - GNWT
For the year ended March 31, 2014

Enhanced Home Care	2014	2014	2013
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Funding			
GNWT - Department of Health & Social Services	\$ 400,871	\$ 400,871	\$ 395,625
Contributions Repayable	-	-	-
A/R GNWT	-	-	-
	<u>400,871</u>	<u>400,871</u>	<u>395,625</u>
Regional Home Care			
Salaries	360,871	350,586	355,625
Materials and Supplies	4,000	5,831	6,597
Gasoline	3,000	3,633	3,545
Food	8,000	5,649	5,448
Vehicle Maintenance	3,500	3,178	1,545
Medical and Surgical Supplies	4,000	2,350	3,882
Delivery and Courier	2,500	1,517	1,508
Telephone	-	858	
Training and Development	-	-	
Travel	6,000	17,264	11,502
License Fees	-	-	
Equipment Maintenance	1,000	600	682
Minor Equipment	3,000	5,007	2,852
Contract Services	5,000	4,398	2,440
Total Regional Home Care	<u>400,871</u>	<u>400,871</u>	<u>395,625</u>
Excess Funding over Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Tlicho Community Services Agency
Schedule F-5
Schedule of Detailed Contribution Funding and Expenses
Tlicho Tobacco Education
For the year ended March 31, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Funding			
GNWT	\$ -	\$ -	\$ 1,860
Expenses			
Materials and Supplies	-	-	1,771
Excess Funding over Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89</u>

Tlcho Community Services Agency
Schedule F-6
Schedule of Detailed Contribution Funding and Expenses
CHNDP Program - NP
For the year ended March 31, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Funding			
GNWT	\$ 92,936	\$ 46,468	\$ -
GNWT - A/R	-	17,581	10,577
GNWT - A/P			
	<hr/> -	<hr/> 64,049	<hr/> 10,577
Expenses			
Salaries & Benefits	63,791	63,599	-
License Fee	780		-
Training and Development	28,365	450	10,557
Travel	-	0	-
	<hr/> 92,936	<hr/> 64,049	<hr/> 10,557
Excess Funding over Expense	<hr/> \$ -	<hr/> \$ -	<hr/> \$ -

Tlicho Community Services Agency
Schedule F-7
Schedule of Detailed Contribution Funding and Expenses
CHNDP Program - CHN
For the year ended March 31, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Funding			
GNWT	\$ 97,401	\$ 48,700	\$ 46,184
GNWT (A/R)	-	44,553	29,012
GNWT Contribution (Repayable)	-	-	-
	<u>-</u>	<u>93,253</u>	<u>75,196</u>
Expenses			
Salaries & Benefits	68,256	71,983	47,113
Materials & Supplies	28,365	21,271	27,270
Travel	-	-	-
Dues & Fees	780	-	812
	<u>97,401</u>	<u>93,254</u>	<u>75,196</u>
Excess Funding over Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Tlcho Community Services Agency
Health and Social Services
Schedule K
Health Schedule of Reserves
For the year ended March 31, 2014**

	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, 2014

	School Programs	Inclusive Schooling	Infrastructure	Administration	Aboriginal Languages	Other Projects	Totals
Salaries							
Teachers	\$ 7,208,717	\$ 393,148			\$ 600,783		8,202,648
Inst Asst.		1,153,039			236,084		1,389,124
Non-Inst Staff	1,721,984	904,564		811,286	126,872	38,016	3,602,722
Brd Honoraria				20,667			20,667
Employee Benefits							
Benefits/Allow Leave & Term.	(139,456)	4,213	276,873	6,022	10,203		157,855
							-
Services Purchased / Contracted							
Prof & Tech Serv							-
Office Supp & Admin							-
Postage/Communication	72,513			33,837	1,009		107,359
Utilities							-
Travel/Training	51,789	122,163		61,169	56,909	4,405	296,435
Student Travel						30,196	30,196
Advert/Prntg/Pubshng	6,839			-	2,637		9,476
Main/Repair	2,563			1,896	100		4,559
Rentals/Leases	78,370			4,697	2,832		85,899
Vehicle Expense	147,807	299		333	1,655		150,094
Equipment Maintenance				-			-
Other	25,844			42,508	-		68,352
Contributed Services	122,230	-		-		-	122,230
Contracted Services	168,017	113,385		38,501	80,169	79,854	479,925
Renovations							-
Home Boarding Allowance	70,056						70,056
Materials / Supplies / Freight							
Materials	513,653	102,839		14,098	45,042	310,646	986,277
Furniture and Equipment	14,147	-		283	1,576	54,174	70,180
Freight	27,775	1,126		1,180	1,024		31,105
Total Expense	\$ 10,092,847	\$ 2,794,777	\$ 276,873	\$ 1,036,476	\$ 1,166,895	\$ 517,290	\$ 15,885,158

**Tlicho Community Services Agency
Education - Contribution Agreements
Schedule L.1
Other Education Contributions
For the year ended March 31, 2014**

		2014	2013
		<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	4,681	3,049
Snack Program EMES	Schedule L-8	13,378	6,023
Snack Program MEZI	Schedule L-9	3,696	3,100
Snack Program JWGS	Schedule L-10	4,399	4,357
Snack Program AAS	Schedule L-11	2,384	1,695
Snack Program CJBS (Elem)	Schedule L-12	607	2,930
Snack Program CJBHS	Schedule L-13	6,684	16,400
Active After School CJBS	Schedule L-14	9,000	5,000
Active After School MEZI	Schedule L-15	-	12,300
Mentorship Program MEZI	Schedule L-16	13,096	65,783
Miscellaneous	Schedule L-17	198,666	354,325
Public Library Services CJBS	Schedule L-18	66,072	38,000
Public Library Services MEZI	Schedule L-19	38,000	38,000
Public Library Services JWGS	Schedule L-20	22,000	38,000
Food First Foundation EMES	Schedule L-21	3,334	-
Youth Contribution JWGS	Schedule L-22	4,000	-
Drop the Pop	Schedule L-23	8,900	10,000
Active After School JWGS	Schedule L-24	14,336	12,300
Active After School EMES	Schedule L-25	14,336	12,300
Youth Contribution CJBS	Schedule L-26	4,000	4,000
ALCIP	Schedule L-27	-	31,500
Take a Kid Harvesting CJBS	Schedule L-28	8,000	8,000
Take a Kid Harvesting EMES	Schedule L-29	8,000	8,000
Milk for a Month	Schedule L-30	-	4,102
		<u>\$ 515,570</u>	<u>\$ 771,164</u>

Contribution Agreement Expenditures

Aboriginal Language	Schedule L-1	\$ 68,315	\$ 60,000
Take a Kid Trapping CJBS	Schedule L-3	-	8,000
Take a Kid Trapping EMES	Schedule L-4	-	7,999
Take a Kid Trapping JWGS	Schedule L-5	8,000	8,075
Take a Kid Trapping MEZI	Schedule L-6	-	8,000
Food First Foundation JWGS	Schedule L-7	4,681	3,049
Snack Program EMES	Schedule L-8	13,378	6,023
Snack Program MEZI	Schedule L-9	3,696	3,162
Snack Program JWGS	Schedule L-10	4,455	4,357
Snack Program AAS	Schedule L-11	2,384	1,695
Snack Program CJBS (Elem)	Schedule L-12	607	2,965
Snack Program CJBHS	Schedule L-13	6,684	16,357
Active After School CJBS	Schedule L-14	9,270	5,000
Active After School MEZI	Schedule L-15	-	13,135
Mentorship Program MEZI	Schedule L-16	13,096	65,783
Miscellaneous	Schedule L-17	191,633	361,582
Public Library Services CJBS	Schedule L-18	66,088	37,898
Public Library Services MEZI	Schedule L-19	38,007	38,970
Public Library Services JWGS	Schedule L-20	22,000	38,017
Food First Foundation EMES	Schedule L-21	3,382	-
Youth Contribution JWGS	Schedule L-22	4,000	-
Drop the Pop	Schedule L-23	8,942	10,118
Active After School JWGS	Schedule L-24	14,336	12,205
Active After School EMES	Schedule L-25	14,333	12,261
Youth Contribution CJBS	Schedule L-26	4,000	4,000
ALCIP	Schedule L-27	-	26,276
Take a Kid Harvesting CJBS	Schedule L-28	8,000	8,013
Take a Kid Harvesting EMES	Schedule L-29	8,001	8,000
Milk for a Month	Schedule L-30	-	4,048

\$ 517,290 \$ 774,986

Excess Funding over Expenditures

\$ (1,720) \$ (3,822)

**Tlicho Community Services Agency
Schedule L-1
Schedule of Specific Program - Aboriginal Languages
For the year ended March 31, 2014**

	<u>2014 Budget</u>	<u>2014 Actual</u>	<u>2013 Actual</u>
Funding			
GNWT Contributions	-	60,000	60,000
Expenses			
Materials & Supplies	-	59,747	51,180
Training & Development	-	-	2,090
Travel	-	798	330
Contract Services	-	7,770	6,400
	-	68,315	60,000
Excess Funding over Expense	-	(8,315)	-

Tlicho Community Services Agency
L-2
Schedule of Specific Program - Education Infrastructure
For the year ended March 31, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Personnel Infrastructure			
Funding			
GNWT Regular Contribution	60,620	160,387	85,941
Funding Adjustment			
	<u>60,620</u>	<u>160,387</u>	<u>85,941</u>
Expenses			
Staffing:			
Advertising	8,269	-	-
Hiring Expenses	-	-	-
Employee Benefits:	-	-	-
Removal In/Transfer	11,175	196,632	136,549
Ultimate Removal	11,176	-	-
Medical Travel Assistance	-	-	-
Dental Premiums	-	-	-
Family Assistance Program	-	-	-
WCB	30,000	80,241	48,766
Total Expenses	<u>60,620</u>	<u>276,873</u>	<u>185,316</u>
Surplus (Deficit)	-	(116,486)	(99,374)
Utilities and Leases			
Funding			
GNWT Regular Contribution	-	-	-
Total Funding	<u>-</u>	<u>-</u>	<u>-</u>
Expenses			
Utilities:			
Fuel	-	-	-
Electricity	-	-	-
Water/Sewer	-	-	-
Boiler Maintenance	-	-	-
Total Expenses	<u>0</u>	<u>-</u>	<u>-</u>
Surplus (Deficit)	<u>0</u>	<u>-</u>	<u>-</u>
Excess Funding over Expense	<u>-</u>	<u>(116,486)</u>	<u>(99,374)</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, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Funding			
GNWT	-	-	8,000
		-	8,000
Expenses			
Food	-	-	-
Gasoline	-	-	-
Contract Services	-	-	8,000
	-	-	8,000
Excess Funding over Expenses	-	-	-

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, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Funding			
GNWT	-	-	8,000
GNWT (Deferred)		-	-
	-	-	<u>8,000</u>
 Expenses			
Materials & Supplies	-	-	7,999
Gasoline		-	
Contract Services	-	-	-
	-	-	<u>7,999</u>
 Excess Funding over Expense	-	-	<u><u>1</u></u>

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, 2014

	2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
Funding			
GNWT	-	8,000	8,000
GNWT (Deferred)	-	-	-
	-	8,000	8,000
Expenses			
Materials & Supplies	-	866	2,825
Gasoline	-	3,134	-
Contract Services	-	4,000	5,250
	-	8,000	8,075
Excess Funding over Expense	-	-	(75)

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, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Funding			
GNWT	-	-	8,000
GNWT (Deferred)	-	-	-
	<hr/>	<hr/>	<hr/>
	-	-	8,000
 Expenses			
Materials & Supplies	-	-	-
Contract Services	-	-	8,000
	<hr/>	<hr/>	<hr/>
	-	-	8,000
 Excess Funding over Expense			
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	-	-	-

Tlich Community Services Agency
Schedule L-7
Schedule of Detailed Contribution Funding and Expense
Food First Foundation - JWGS
For the year ended March 31, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Funding			
Food First Foundation (12/13)	-	2,034	4,066
Food First Foundation (13/14)		4,067	-
Food First Foundation (Deferred)	-	(3,949)	1,512
Food First Foundation (Deferred)		2,529	(2,529)
	-	4,681	3,049
Expenses			
Materials & Supplies	-	4,681	3,049
Minor Equipment	-	-	-
	-	4,681	3,049
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, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Funding			
Breakfast for Learning	-	9,000	15,600
Breakfast for Learning-13/14 (Deferred)		(5,199)	-
Breakfast for Learning (Deferred)	-	9,577	(9,577)
	-	<u>13,378</u>	<u>6,023</u>
Expenses			
Materials & Supplies	-	13,378	6,023
Contract Services	-	-	-
	-	<u>13,378</u>	<u>6,023</u>
Excess Funding over Expense	-	-	-

Tlichon Community Services Agency
Schedule L-9
Schedule of Detailed Contribution Funding and Expenses
Snack Program - MEZI
For the year ended March 31, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Funding			
Breakfast for Learning	-	2,400	3,100
Breakfast for Learning A/R	-	1,296	-
	-	<u>3,696</u>	<u>3,100</u>
Expense			
Materials & Supplies	-	3,696	3,162
Contract Services	-	-	-
	-	<u>3,696</u>	<u>3,162</u>
Excess Funding over Expense	-	-	<u>(62)</u>

**Tlicho Community Services Agency
Schedule L10
Schedule of Detailed Contribution Funding and Expenses
Snack Program - JWGS
For the year ended March 31, 2014**

	<u>2014 Budget</u>	<u>2014 Actual</u>	<u>2013 Actual</u>
Funding			
Breakfast for Learning (1st pmt)	-	2,100	3,280
Breakfast for Learning (2nd pmt) A/R		1,400	-
Breakfast for Learning (Deferred)	-	-	710
Breakfast for Learning (Deferred)	-	-	1,266
Breakfast for Learning (Deferred)		899	(899)
	-	<u>4,399</u>	<u>4,357</u>
Expenses			
Materials & Supplies	-	4,455	4,357
Minor Equipment	-	-	-
	-	<u>4,455</u>	<u>4,357</u>
Excess Funding over Expense	-	<u>(57)</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, 2014

	2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
Funding			
Breakfast for Learning	-	1,900	3,400
Breakfast for Learning (Deferred)	-	(1,530)	309
Breakfast for Learning (Deferred)	-	2,014	(2,014)
	-	2,384	1,695
Expenses			
Materials & Supplies	-	2,384	1,695
Minor Equipment	-	-	-
	-	2,384	1,695
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, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Funding			
Breakfast for Learning	-	1,100	2,000
Breakfast for Learning (Deferred)	-	(493)	930
	-	<u>607</u>	<u>2,930</u>
Expense			
Materials & Supplies	-	607	2,965
	-	<u>607</u>	<u>2,965</u>
Excess Funding over Expense	-	-	<u><u>(35)</u></u>

Tlcho Community Services Agency
Schedule L-13
Schedule of Detailed Contribution Funding and Expenses
Snack Program - Chief Jimmy Bruneau High School
For the year ended March 31, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Funding			
First Food Foundation	-	-	-
Breakfast for Learning	-	6,684	16,400
Breakfast for Learning (Deferred)	-	-	-
	-	<u>6,684</u>	<u>16,400</u>
Expenses			
Materials & Supplies	-	6,684	16,357
Minor Equipment	-	-	-
	-	<u>6,684</u>	<u>16,357</u>
Excess Funding over Expense	-	-	<u>43</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, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Funding			
GNWT North Slave Region MACA	-	9,000	5,000
	-	9,000	5,000
Expenses			
Materials & Supplies	-	9,270	-
Minor Equipment	-	-	5,000
	-	9,270	5,000
Excess Funding over Expense	-	(270)	-

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, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Funding			
NWT Sport & Recreation Council	-	14,336	12,300
NWT Sport & Recreation Council (Deferred)		(14,336)	
	-	-	12,300
Expenses			
Materials & Supplies	-	-	13,135
Minor Equipment	-	-	-
	-	-	13,135
Excess Funding over Expenses	-	-	(835)

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, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Funding			
GNWT	-	5,000	50,000
GNWT (Deferred)	-	(15,370)	39,249
GNWT (Deferred)		23,466	(23,466)
	-	13,096	65,783
Expenses			
Materials & Supplies		3,880	24,898
Travel	-	9,216	31,222
Contract Services			9,663
	-	13,096	65,783
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, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Funding			
CJBS Miscellaneous	-	7,767	15,434
CJBS Miscellaneous (Deferred)	-	-	-
CJBS Misc-Soccer (Deferred)	-	-	10,109
CJBS Cultural Program (BHP & Ekati)	-	85,000	-
CJBS Cultural Program (BHP& Ekati) Deferred	-	(42,461)	47,489
MEZI Miscellaneous	-	2,070	2,405
MEZI Fundraising	-	8,528	3,750
MEZI Cultural Program (BHP & Ekati)	-	35,000	50,000
MEZI Cultural Program (BHP Billiton) Deferred	-	(45,879)	26,812
MEZI Cultural Program (BHP Billiton) Deferred	-	38,191	(38,191)
MEZI ADI Snack (TCSA Transfer) Deferred	-	-	11,377
MEZI ADI Snack (Tlicho Gov't)	-	-	5,000
MEZI ADI Snack (Tlicho Gov't) Deferred	-	2,951	(2,951)
JWGS Miscellaneous	-	14,375	-
JWGS Fundraising	-	18,752	6,591
JWGS Fundraising (Deferred)	-	(2,218)	(6,591)
JWGS Misc-Ottawa trip (Deferred)	-	-	7,000
JWGS Cultural Program (BHP & Ekati)	-	35,000	77,127
JWGS Cultural Program (BHP & Ekati) (Deferred)	-	(9,511)	-
JWGS Cultural Program (De Beers)	-	-	5,000
EMES Miscellaneous	-	12,370	5,353
EMES Miscellaneous (Deferred)	-	(8,235)	(4,854)
EMES Cultural Program (BHP & Ekati)	-	72,612	100,000
EMES Cultural Program (BHP & Ekati) Deferred	-	(26,838)	(37,612)
EMES BFI Snack (TCSA Transfer)	-	-	-
EMES BFI Snack (TCSA Transfer) Deferred	-	-	2,731
EMES BFI Snack (Tlicho Government)	-	-	7,500
EMES ADI Snack (TCSA Transfer) Deferred	-	-	14,561
AAS Miscellaneous	-	2,750	4,375
AAS Miscellaneous (Deferred)	-	(1,559)	-
AAS Cultural Program (BHP & Ekati)	-	85,000	-
AAS Cultural Program (BHP & Ekati) Deferred	-	(85,000)	41,535
AAS Active After School (NWT Rec & Park)	-	-	375
	-	198,666	354,325
Expenses			
CJBS Miscellaneous		7,767	24,105
CJBS Cultural Program (BHP & Ekati)		42,539	50,000
MEZI Miscellaneous		3,086	406
MEZI Fundraising		-	12,491
MEZI Cultural Program (BHP & Ekati)		27,312	38,621
MEZI ADI Snack (TCSA Transfer)		2,959	13,426
JWGS Miscellaneous		14,846	8,750
JWGS Fundraising		16,535	-
JWGS Cultural Program (BHP Billiton)		-	82,166
JWGS Cultural Program (Ekati)		25,489	-
EMES Miscellaneous		4,135	498
EMES Cultural Program (BHP & Ekati)		45,774	62,388
EMES BFI Snack (TCSA Transfer)		-	9,019
EMES ADI Snack (TCSA Transfer)		-	13,607
AAS Miscellaneous		1,191	4,043
AAS Cultural Program (BHP Billiton)		-	41,599
AAS Active After School (NWT Rec & Park)		-	464
		191,633	361,582
Excess Funding over Expense	-	7,033	(7,257)

**Tlicho Community Services Agency
Schedule L-18**

**Public Library Services - Chief Jimmy Bruneau School
For the year ended March 31, 2014**

	<u>2014 Budget</u>	<u>2014 Actual</u>	<u>2013 Actual</u>
Funding			
GNWT ECE	-	38,000	38,000
A/R GNWT ECE (Furniture)	-	28,072	-
	-	66,072	38,000
Expenses			
Salaries & Benefits	-	38,016	37,898
Materials & Supplies	-	28,072	-
Contract Services	-	-	-
	-	66,088	37,898
Excess Funding over Expense	-	(16)	102

Tlcho Community Services Agency
Schedule L-19
Schedule of Detailed Contribution Funding and Expenses
Public Library Services - MEZI Community School
For the year ended March 31, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Funding			
GNWT ECE	-	38,000	38,000
	-	38,000	38,000
Expenses			
Salaries & Benefits	-	-	6,464
Materials & Supplies	-	16,379	22,015
Contract Services	-	21,629	10,491
	-	38,007	38,970
Excess Funding over Expense	-	(7)	(970)

Tlcho 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, 2014

	2014 <u>Budget</u>	2014 <u>Actual</u>	2013 <u>Actual</u>
Funding			
GNWT ECE	-	22,000	38,000
	-	22,000	38,000
Expenses			
Materials & Supplies	-	3,479	30,425
Contract Services	-	18,521	7,592
	-	22,000	38,017
Excess Funding over Expense	-	-	(17)

Tlcho Community Services Agency
Schedule L-21
Schedule of Detailed Contribution Funding and Expense
Food First Foundation - Elizabeth Mackenzie Elementary School
For the year ended March 31, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Funding			
Food First Foundation	-	3,334	-
	-	3,334	-
Expenses			
Materials & Supplies	-	3,382	-
Minor Equipment	-	-	-
	-	3,382	-
Excess Funding over Expense	-	(48)	-

Tlich 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, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Funding			
GNWT, MACA	-	4,000	-
	-	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, 2014

	2014	2014	2013
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Funding			
GNWT HSS - CJBS		2,600	2,500
GNWT HSS - MEZI		2,100	2,000
GNWT HSS - JWGS		1,600	1,500
GNWT HSS - EMES		2,600	2,500
GNWT HSS - Wekweeti		800	1,500
GNWT HSS - Wekweeti A/P		(800)	-
	-	8,900	10,000
Expenses			
Materials & Supplies - CJBS	-	2,622	2,415
Materials & Supplies - MEZI	-	2,115	2,013
Materials & Supplies - JWGS	-	1,605	1,510
Materials & Supplies - EMES	-	2,600	2,513
Materials & Supplies - Wekweeti	-	-	1,667
	-	8,942	10,118
Excess Funding over Expense	-	(42)	(118)

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, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Funding			
GNWT North Slave Region MACA	-	14,336	12,300
	-	14,336	12,300
Expenses			
Materials & Supplies	-	14,336	12,205
Minor Equipment	-	-	-
	-	14,336	12,205
Excess Funding over Expense	-	-	95

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, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Funding			
GNWT North Slave Region MACA	-	14,336	12,300
	-	14,336	12,300
Expenses			
Materials & Supplies	-	880	-
Minor Equipment	-	5,207	12,261
Contract Services	-	8,246	-
	-	14,333	12,261
Excess Funding over Expense	-	3	39

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, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Funding			
GNWT, MACA	-	4,000	4,000
	-	4,000	4,000
Expenses			
Travel	-	4,000	4,000
Minor Equipment	-	-	-
	-	4,000	4,000
Excess Funding over Expense	-	-	-

Tlicho Community Services Agency
Schedule L-27
Schedule of Detailed Contribution Funding and Expenses
ALCIP - Aurora College
For the year ended March 31, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Funding			
Aurora College	-	-	31,500
	-	-	<u>31,500</u>
Expenses			
Travel	-	-	-
Training & Development	-	-	26,276
	-	-	<u>26,276</u>
Excess Funding over Expense	-	-	<u><u>5,224</u></u>

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, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Funding			
GNWT ITI	-	8,000	8,000
	-	8,000	8,000
Expenses			
Materials & Supplies		-	8,013
Gasoline	-	2,208	-
Food	-	1,792	-
Contract Services	-	4,000	-
	-	8,000	8,013
Excess Funding over Expense	-	-	(13)

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, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Funding			
GNWT ITI	-	8,000	8,000
	-	8,000	8,000
Expenses			
Materials & Supplies	-	3,808	8,000
Gasoline	-	192	-
Contract Services	-	4,000	-
	-	8,001	8,000
Excess Funding over Expense	-	(1)	-

Tlicho Community Services Agency
Schedule L-30
Schedule of Detailed Contribution Funding and Expenses
Milk for a Month
For the year ended March 31, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Funding			
GNWT HSS/Food First Foundation - MEZI		-	3,416
GNWT HSS/Food First Foundation - JWGS		-	-
GNWT HSS/Food First Foundation - Wekweeti		-	686
	-	-	<u>4,102</u>
Expenses			
Materials & Supplies - MEZI	-	-	3,366
Materials & Supplies - JWGS	-	-	-
Materials & Supplies - Wekweeti	-	-	682
	-	-	<u>4,048</u>
Excess Funding over Expense	-	-	<u><u>54</u></u>

Tlicho Community Services Agency
Schedule M
Other Contributions
For the year ended March 31, 2014

		2014	2013
		<u>Actual</u>	<u>Actual</u>
Contribution Agreement Revenue			
Tlicho Yati Ohchi Project	Schedule M-1	-	15,000
Personal Support Worker Program - GNWT	Schedule M-2	-	105,400
Personal Support Worker Program - Tlicho Government	Schedule M-3	29,976	289,707
Building Collaborative Team - CIHR	Schedule M-4	-	25,000
		<u>29,976</u>	<u>435,107</u>
Contribution Agreement Expenses			
Tlicho Yati Ohchi Project	Schedule M-1	-	15,000
Personal Support Worker Program - GNWT	Schedule M-2	-	105,400
Personal Support Worker Program - Tlicho Government	Schedule M-3	30,168	289,707
Building Collaborative Team - CIHR	Schedule M-4	-	25,000
		<u>30,168</u>	<u>435,107</u>
Excess Funding over Expense		<u>(192)</u>	<u>(0)</u>

Tlicho Community Services Agency
Schedule M-1
Schedule of Detailed Contribution Funding and Expenses
Tlicho Yati Ohchi Project
For the year ended March 31, 2014

	<u>2014 Budget</u>	<u>2014 Actual</u>	<u>2013 Actual</u>
Funding			
Tlicho Government		-	15,000
		-	-
		-	<u>15,000</u>
Expenses			
Materials and Supplies		-	6,600
Telephone			
Supplies			
Rent and Utilities			
Travel			
Food/Snacks			
Contract Services			
Equipment Maintenance			
Contract Services		-	8,400
Training & Development			
		-	<u>15,000</u>
Excess Funding over Expense	<u>-</u>	<u>-</u>	<u>-</u>

Tlicho Community Services Agency
Schedule M-2
Schedule of Detailed Contribution Funding and Expenses
Personal Support Worker Program - GNWT
For the year ended March 31, 2014

	<u>2014</u> <u>Budget</u>	<u>2014</u> <u>Actual</u>	<u>2013</u> <u>Actual</u>
Funding			
GNWT	-	-	105,400
	<hr/>		
Expenses			
Salaries & Benefits	-	-	20,000
Materials & Supplies	-	-	5,000
Library Services	-	-	5,000
Student Travel		-	30,400
Removal costs		-	15,000
Administration		-	30,000
Total		-	105,400
	<hr/>		
Excess Funding over Expense	-	-	-
	<hr/> <hr/>		

Tlicho Community Services Agency
Schedule M-3
Schedule of Detailed Contribution Funding and Expenses
Personal Support Program - Tlicho Government
For the year ended March 31, 2014

Funding	2014 <u>Budget</u> (unaudited)	2014 <u>Actual</u>	2013 <u>Actual</u>
Tlicho Government	-	39,293	329,000
Transfer to deferred	-	-	-39,293
Funding adjustment	-	9,317	
	-	29,976	289,707
Expenses			
Salary and Benefits		-	195,000
Materials and Supplies		324	54,029
Telephone/ fax / internet	-	365	538
Student Travel		-	257
Removal Costs		-	9,521
Student Support Services		29,480	29,623
Office Equipment and Furniture		-	739
Total	-	30,168	289,707
Excess Funding over Expense	-	-	192 - 0

Tlichon Community Services Agency
Schedule M-4
Schedule of Detailed Contribution Funding and Expenses
Building Collaborative Team - CIHR
For the year ended March 31, 2014

	2014 <u>Budget</u> (unaudited)	2014 <u>Actual</u>	2013 <u>Actual</u>
Funding			
Revenue	-	-	25,000
	-	-	
	-	-	25,000
Expenses			
Travel / Training	-	-	25,000
Total Expenditures	-	-	25,000
Excess Funding over Expenses	-	-	-

Beaufort-Delta Health and Social Services Authority

Financial Statements

March 31, 2014

Beaufort-Delta Health and Social Services Authority

Financial Statements

March 31, 2014

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 Debt	11
Statement IV	Statement of Cash flow	12
Statement V	Statement of Expense by Object	13
	Notes to Financial Statements	14 - 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	Non-insured Recoveries and Expenses	27
Schedule F	Schedule of Contribution Agreements	28 - 42
Schedule G	Schedule of Reserves	43

Management's Responsibility for Financial Reporting

June 06, 2014

**To Minister of Health and Social Services and
To the Public Administrator of Beaufort-Delta 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.

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.



Owen Partridge
Chief Executive Officer
Beaufort-Delta Health and Social Services Authority

Management Discussion Analysis

March 31, 2014

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 225 employees and the administration of approximately 75 contracted services providers.

As at March 31, 2014 the BDHSSA incurred an operating deficit of \$2,583,199 thereby increasing the accumulated operating deficit to \$8,449,813.

The Beaufort-Delta Health and Social Services Authorities accumulated deficit can be contributed to a number of factors:

1. This year the Authority incurred relocation expenses for staff hiring of both permanent and locum staff of \$1,385,000 which is very close to last year's costs. This operating cost is not part of the Authorities base budget. As a result the Authority has to fund staff relocation in/out from its existing budget sources. The Authority has made steps to

reduce this relocation in/out cost by handling its own travel booking. The Authority has also taken on the recruitment of nurses to eliminate the extra costs of using an agency.

2. The 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 \$609,000. Some of the major items were the UPS systems required to provide back-up power to the computer servers, installation of the air conditioning for the computer room to prevent overheating, autoclave used to sterilize instruments, and medical equipment.
3. Hospital, Administration and Support Services is \$468,000 over budget. This is attributable to the recruitment of a new CEO and turnover in Senior Management positions.
4. The cost of medical supplies was \$550,000 over budget caused by increased costs, increased standards and increased and changes to treatment plans required to improve patient care and safety.
5. 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.
6. The authority was \$1,191,000 over budget in overtime, callback and stand by pay across the organization.
7. The operations of the health centres were over budget by \$575,000; this is 10% over budget. This is a decrease from the previous year were the health centers were 21% over budget. The cost overrun was caused by call back pay, overtime pay and the hiring of relief works to cover leave for the permanent staff of the health centres.

There are a number of improvements that have reduced the historical operating deficit for the Authority.

The Authority managed to reduce the spending in the Physician Services by \$300,000 and the referred out lab services by \$150,000.

The Authority received an increase to the base budget allocation of \$850,000 to cover the contract short fall for the provision of adult assisted living care.

The Authority carried the cost of call back, standby, overtime and relief costs which contributed approximately \$2 million annually to the Authorities operating deficit. In 2011/12 the Department of Health was able to increase the Authorities base budget by \$834,000 contributing towards covering the cost of hiring the relief workers. In 2012/13 the Department provided an increase of \$838,000 contributing towards covering the cost of standby, callback and overtime.

This year the Authority has continued to have substantial billing for patients services to third parties of \$965,000. In addition the Authority has been able to recover \$939,000 in other services such as dietary, dental surgery, occupational services and staff rent. 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 over 8,531 patients visit the general clinics, and 3,429 visit the walk in clinic. The emergency department had 7,496 patients. The Authority's laboratory provided services to 4,815 patients. BDHSSA's operating room provided 10 surgeries and 468 day surgeries during this fiscal year. There were also 2,706 specialist appointments during the year. The total number of patient visits to the Inuvik regional Hospital for this fiscal period was 27,455 visits.

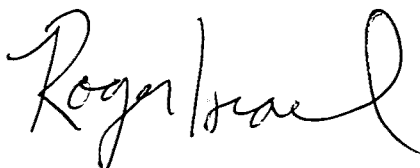
All of the Community Health Centre's combined together had 21,861 patient visits during 2014. In addition our Physicians saw 2,150 patients in the Community Health Centre. The Community Health Centre's also had 2,847 after hour's calls. The community Home Support Workers made 913 home care visits in the communities excluding Inuvik.

During April 1, 2013 to March 31, 2014 there have been 514 intake reports for 968 identified children of concern in the Beaufort Delta Health and Social Services Region. There was 334 of these calls during the day and 180 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 will continue to reduce costs and find alternative methods of delivering programs and services in our collaborative effort with the DHSS to find win-win 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, 2014, 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 in 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 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 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 expenditures and related balances. Accordingly, we were not able to determine whether any adjustments might be necessary to salaries and benefits expenditures, accounts payable and accrued liabilities, employee leave and termination benefits, and net financial debt.

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, 2014, 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, these financial statements present fairly, in all material respects, the revenues and expenditures of all programs funded through contributions with the the Department of Health and Social Services which total \$250,000 or more as per schedule F for the year ended March 31, 2014, in accordance with the financial guidelines of the Department of Health and Social Services.

Report on Other Legal and Regulatory Requirements

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

Yellowknife, Northwest Territories
June 23, 2014

Crowe MacKay LLP
Chartered Accountants

Beaufort-Delta Health and Social Services Authority


Statement of Financial Position

As at March 31,	2014	2013
Financial Assets		
Cash	\$ 474,272	\$ 3,097,162
Restricted cash - reserves (Note 4)	119,915	119,915
Restricted cash - foundation (Note 5)	40,272	60,272
Patient trust funds	164,271	211,410
Accounts receivable (Note 6)	2,843,917	2,810,901
	3,642,647	6,299,660
Liabilities		
Accounts payable and accrued liabilities (Note 7)	9,473,015	9,412,750
Employee and payroll-related liabilities	759,282	843,284
Employee leave and termination benefits (Note 8)	2,302,606	2,295,428
Patient trust liabilities	164,271	211,410
Foundation donations	40,272	60,272
Contributions repayable (Note 9)	15,768	12,471
Total Liabilities	12,755,214	12,835,615
Net Financial Debt	(9,112,567)	(6,535,955)
Non-Financial Assets		
Inventories (Note 10)	537,706	554,965
Prepaid expenses	125,048	114,376
	662,754	669,341
Accumulated deficit (Note 11)	\$ (8,449,813)	\$ (5,866,614)


Contingencies (Note 12)

Contractual Obligations (Note 13)

Approved on behalf of the Authority



Owen Partridge
Chief Executive Officer



Peter Clarkson
Public Administrator

Beaufort-Delta Health and Social Services Authority

Statement of Operations

For the year ended March 31,	2014	2014	2013
	(unaudited) Budget	Actual	Actual
REVENUE			
Operating Advance from GNWT (Schedule A)	\$ 43,563,000	\$ 43,563,000	\$ 42,154,135
Other Recoveries (Schedule B)	605,220	960,428	859,980
Other Revenues (Schedule C)	2,729,489	2,725,164	2,665,209
Patient services	877,954	954,915	969,856
Non-Insured Recoveries (Schedule E)	-	851,680	881,505
Transient centre	626,000	531,600	781,893
Investment revenue	5,000	24,710	21,504
	48,406,663	49,611,497	48,334,082
EXPENDITURES			
Administration and Support Services (Schedule D)	7,956,910	10,267,946	9,869,533
Nursing Inpatient / Resident Services (Schedule D)	8,865,212	9,574,954	8,242,318
Ambulatory Care Services (Schedule D)	6,818,133	7,024,848	6,816,408
Diagnostic and Therapeutic Services (Schedule D)	3,631,174	4,006,253	4,159,192
Regional Health Services (Schedule D)	10,062,237	10,431,894	9,655,118
Regional Social Services (Schedule D)	11,062,997	10,011,074	9,396,699
Education (Schedule D)	-	25,862	34,427
Undistributed and Service Contracts (Schedule D)	10,000	185	16,800
Non-Insured Services (Schedule E)	-	851,680	881,505
	48,406,663	52,194,696	49,072,000
OPERATING SURPLUS (DEFICIT)	-	(2,583,199)	(737,918)
UNFUNDED ITEM			
Change in employee leave and termination benefits	-	7,177	59,630
SURPLUS (DEFICIT) BEFORE THE FOLLOWING	-	(2,576,022)	(678,288)
Rent expense - GNWT assets provided at no cost (Note 14)	-	(1,984,721)	(1,993,896)
Grant-In-Kind - GNWT assets provided at no cost (Note 14)	-	1,984,721	1,993,896
DEFICIT	\$ -	\$ (2,576,022)	\$ (678,288)
OPENING ACCUMULATED DEFICIT	\$ -	\$ (5,866,614)	\$ (5,128,696)
CLOSING ACCUMULATED DEFICIT (NOTE 11)	\$ -	\$ (8,449,813)	\$ (5,866,614)

Beaufort-Delta Health and Social Services Authority
Statement of Changes in Net Financial Debt

For the year ended March 31,	2014	2013
Annual operating surplus (deficit)	\$(2,583,199)	\$ (737,918)
Change in prepaid expenses	(10,672)	(114,376)
Change in inventory	17,259	(28,491)
INCREASE IN NET FINANCIAL ASSET (DEBT)	(2,576,612)	(880,785)
NET FINANCIAL DEBT, BEGINNING OF YEAR	(6,535,955)	(5,655,170)
NET FINANCIAL DEBT, END OF YEAR (Note 11)	\$(9,112,567)	\$(6,535,955)

Beaufort-Delta Health and Social Services Authority

Statement of Cash Flows

For the year ended March 31,	2014	2013
Net inflow (outflow) of cash related to the following activities:		
Operating activities		
Annual operating deficit	\$ (2,583,199)	\$ (737,918)
Non-cash charges to operations:		
Accounts receivable	(33,016)	(879,509)
Prepaid expenses	(10,672)	(114,376)
Inventories	17,259	(28,491)
Accounts payable and accrued liabilities	60,265	2,472,168
Employee and payroll related liabilities	(84,002)	381,332
Employee leave and termination benefits	7,178	59,630
Patient trust liabilities	(47,139)	(89,462)
Contributions repayable	3,297	(27,571)
Foundation donations	(20,000)	-
Net cash inflow (outflow) from operating activities	(2,690,029)	1,035,803
Increase (decrease) in cash during the year	(2,690,029)	1,035,803
Cash, beginning of year	3,488,759	2,452,956
Cash, end of year	\$ 798,730	\$ 3,488,759
Represented by		
Cash	\$ 474,272	\$ 3,097,162
Patient trust funds	164,271	211,410
Restricted cash - reserves	119,915	119,915
Restricted cash - foundation	40,272	60,272
	\$ 798,730	\$ 3,488,759

Beaufort-Delta Health and Social Services Authority

Statement of Expenses by Object

For the year ended March 31,	2014 Budget	2014 Actual	2013 Actual
Expenditures			
Grants and contribution			
Purchased services	\$ 346,626	\$ 741,056	\$ 741,756
Travel	3,000	4,523	7,587
	349,626	745,579	749,343
Compensation			
Adjustment	-	7,177	59,630
EI / CPP	-	1,092,345	993,883
Employee benefits	108,012	700,389	614,287
Leave	-	1,230,777	1,181,801
Locums	1,012,773	2,183,366	3,098,752
Merit/retention bonus	160,000	115,217	516,657
Northern allowance	3,888,633	3,723,380	3,456,304
Other	163,600	379,881	359,240
Overtime/callback/shift/responsibility	1,663,835	4,098,917	3,235,197
Purchased services	6,190,856	5,624,273	5,471,955
Removal	173,435	1,384,554	1,288,258
Salaries and wages	23,336,428	18,995,720	16,947,876
Severance/superannuation	4,794,368	2,466,012	2,126,435
	41,491,940	42,002,008	39,350,275
Operations and Maintenance			
Advertising and promotion	49,654	59,863	176,782
Contracted and general services	458,827	649,083	803,387
Equipment rental	105,000	142,650	27,076
Foster care	1,205,000	866,611	766,729
Insurance	-	738	31,449
Interest and bank charges	15,000	18,514	16,913
License and membership fees	229,587	289,497	197,927
Maintenance	407,704	390,448	499,298
Minor equipment	276,496	609,065	374,734
Other	32,906	24,256	44,421
Supplies - education and general	123,016	147,411	112,566
Supplies - food	440,961	436,045	474,566
Supplies - housekeeping and laundry	173,475	198,131	188,724
Supplies - medical	1,252,434	1,827,410	1,723,304
Supplies - office	152,461	189,435	173,701
Postage and freight	313,000	455,975	297,267
Professional services	85,000	146,923	124,832
Rent	15,500	28,266	186,814
Training	106,000	141,055	86,933
Telephone	245,700	336,060	290,644
Travel	805,539	1,427,893	1,348,297
Vehicle operations and maintenance	52,000	74,041	86,725
	6,545,260	8,459,370	8,033,089
Valuation Allowance			
Bad debts expense	19,837	136,059	57,788
Non-insured expenses			
	-	851,680	881,505
Total expenditures	\$ 48,406,663	\$ 52,194,696	\$ 49,072,000

Beaufort-Delta Health and Social Services Authority

Notes to Financial Statements

March 31, 2014

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. Summary of Significant Accounting Policies

Basis of accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Canadian Public Sector Accounting Board. Significant aspects of the accounting policies adopted by the Authority 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) Reserves

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.

(c) 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.

(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.

Beaufort-Delta Health and Social Services Authority

Notes to Financial Statements

March 31, 2014

2. Summary of Significant Accounting Policies (continued)

(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 futures periods. These assets do not normally provides 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 service or good and are charged to expense of the periods when the service or good is consumed.

(g) 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 recorded at cost and expensed at the time of purchase.

(h) 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.

(i) 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.

Beaufort-Delta Health and Social Services Authority

Notes to Financial Statements

March 31, 2014

2. Summary of Significant Accounting Policies (continued)

(i) Revenue recognition (continued)

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.

(j) 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.

(k) 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, and accounts receivable.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, employee and payroll-related liabilities, foundation donations and contributions repayable.

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.

Beaufort-Delta Health and Social Services Authority

Notes to Financial Statements

March 31, 2014

(I) 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 Changes to Accounting Policies

Liability for Contaminated Sites - Section PS 3260

PSAB released Section PS 3260 - Liability for contaminated sites. This Section establishes recognition, measurement, and disclosure standards for liabilities relating to contaminated sites of those organizations applying the CICA Public Section Accounting handbook. The Section is effective for fiscal years beginning on or after April 1, 2014.

The impact of the transition to these accounting standards has not yet been determined.

4. Restricted Cash - Reserves

	2014	2013
Special projects reserve (Schedule G)	\$ 50,540	\$ 50,540
Termination benefit reserve (Schedule G)	69,375	69,375
	\$ 119,915	\$ 119,915

5. Restricted Cash - Foundation

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.

6. Accounts Receivable

	Amount	Allowance	Net 2014	Net 2013
Government of the Northwest Territories	\$ 2,870,836	\$ 411,256	\$ 2,459,580	\$ 2,585,125
Government of Canada	743	743	-	-
Workers' Safety & Compensation Commission	250	-	250	250
Other	546,307	162,220	384,087	225,526
	\$ 3,418,136	\$ 574,219	\$ 2,843,917	\$ 2,810,901

Beaufort-Delta Health and Social Services Authority

Notes to Financial Statements

March 31, 2014

7. Accounts payable and accrued liabilities

	2014	2013
Government of the Northwest Territories	\$ 8,821,091	\$ 7,400,578
Government of Canada	-	1,853
Other	651,924	2,010,319
	\$ 9,473,015	\$ 9,412,750

8. Employee leave and termination 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.

	2014	2013
Resignation and retirement		
<i>Obligations for benefits, opening</i>	\$ 424,832	\$ 597,905
<i>Net change during the year</i>	(126,612)	(173,073)
<i>Obligations for benefits, closing</i>	298,220	424,832
<i>Less: portion included in current liabilities</i>	(74,555)	(106,208)
Long term portion	\$ 223,665	\$ 318,624
Removal		
<i>Obligations for benefits, opening</i>	\$ 914,100	\$ 946,409
<i>Net change during the year</i>	80,352	(32,309)
<i>Obligations for benefits, closing</i>	994,452	914,100
<i>Less: portion included in current liabilities</i>	(248,613)	(228,525)
Long term portion	\$ 745,839	\$ 685,575
Leave*		
<i>Obligations for benefits, opening</i>	\$ 956,496	\$ 691,484
<i>Net change during the year</i>	53,438	265,012
<i>Obligations for benefits, closing</i>	1,009,934	956,496
<i>Less: portion included in current liabilities</i>	(1,009,934)	(956,496)
Long term portion	\$ -	\$ -
Total obligations for benefits		
Long term portion	969,504	1,004,199
Current portion	1,333,102	1,291,229
	\$ 2,302,606	\$ 2,295,428

Beaufort-Delta Health and Social Services Authority

Notes to Financial Statements

March 31, 2014

9. Contributions Repayable

	2014	2013
Government of Northwest Territories - DHSS		
Canada Prenatal Nutrition	\$ 15,768	\$ 12,471

10. Inventories

	2014	2013
Pharmacy - weighted average cost	\$ 239,068	\$ 248,262
Stores - weighted average cost	298,638	306,703
	\$ 537,706	\$ 554,965

11. Accumulated Deficit

	2014	2013
Funded leave and termination reserve	\$ 69,375	\$ 69,375
Operating deficit	(6,197,747)	(3,621,726)
Special projects reserve	50,540	50,540
Unfunded leave and termination benefits	(2,371,981)	(2,364,803)
	\$(8,449,813)	\$(5,866,614)

12. Contingencies

In common with many health authorities, claims are made against the Authority and its staff. As of March 31, 2014, 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.

Beaufort-Delta Health and Social Services Authority

Notes to Financial Statements

March 31, 2014

13. 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	2015	2016 and thereafter	Total
Commercial and residential leases	2015	\$ 2,620,455	\$ -	\$ 2,620,455
Equipment leases	2016	54,964	8,645	63,609
Operational leases/contracts	2017	1,341,032	187,670	1,528,702
Total		\$ 4,016,451	\$ 196,315	\$ 4,212,766

14. GNWT Assets Provided at No Cost

			2014	2013
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings	\$ 66,761,805	\$ (24,042,233)	\$ 42,719,572	\$ 44,557,785
General equipment	249,028	(244,939)	4,089	12,268
Medical equipment	3,663,909	(2,633,470)	1,030,439	689,414
Software systems	290,790	(266,916)	23,874	23,874
	\$ 70,965,532	\$ (27,187,558)	\$ 43,777,974	\$ 45,283,341

Rent expense for 2014 is \$1,984,721 (2013: \$1,993,896) with an offsetting grant-in-kind.

15. 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.

16. Comparative Figures

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

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 operations would be significantly affected.

Beaufort-Delta Health and Social Services Authority

Notes to Financial Statements

March 31, 2014

18. 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.

	2014	2013
Due from related parties:		
Accounts receivable:		
Government of the Northwest Territories	\$ 2,870,836	\$ 2,585,125
Stanton Territorial Health Authority	12,141	6,619
Sahtu Health and Social Services Authority	47,410	45,008
Yellowknife Health and Social Services Authority	7,768	-
	\$ 2,946,495	\$ 2,644,732

	2014	2013
Due to related parties:		
Accounts payable		
Government of the Northwest Territories	\$ 8,821,091	\$ 7,400,578
NWT Power Corporation	104	1,484
Stanton Territorial Health Authority	42,862	40,938
Yellowknife Health and Social Services Authority	-	7,980
Employee and payroll-related liabilities		
Government of the Northwest Territories	759,282	843,284
Contributions repayable		
Government of the Northwest Territories	15,768	12,471
	\$ 9,639,107	\$ 8,306,735

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, 2014

19. Financial Instruments

Financial instruments consist of recorded amounts of cash, restricted cash, and accounts receivable which will result in future cash receipts, as well as accounts payable and accrued liabilities, employee and payroll related liabilities, and contributions repayable which will result in future cash outlays.

The Authority is exposed to the following risks in respect to certain financial instruments held:

(a) Credit risk

Credit risk arises from the potential that a customer will fail to perform its obligations. The Authority is exposed to credit risk from its customers. The Authority does have credit risk in accounts receivable of \$2,843,917 (2013 - \$2,810,901). However, the Authority's customers are the Government of the Northwest Territories as well as other Health Authorities in the Territory, therefore credit risk is mitigated. The Authority also has a significant number of individual customers which minimizes the concentration of credit risk. This risk has not changed from the prior year.

(b) Liquidity risk

Liquidity risk is the risk that the Authority will encounter difficulty in meeting obligations associated with financial liabilities. The Authority does have liquidity risk in accounts payable and accrued liabilities, employee and payroll-related liabilities, and employee leave and termination benefits of \$12,534,903 (2013 - \$12,551,462). The Authority reduces its exposure to liquidity risk by monitoring budgets and cash flows. This risk has not changed from the prior year.

Beaufort-Delta Health and Social Services Authority

Schedule of Operating Advances from the GNWT

For the year ended March 31,	2014	2014	2013
	(unaudited) Budget	Actual	Actual
Application systems telehealth	\$ -	\$ -	\$ 100,000
Authority administration	3,446,000	3,446,000	3,320,090
Community wellness programs	157,000	157,000	157,000
Elderly and persons with disabilities	1,946,000	1,946,000	2,003,000
Epidemiology	21,000	21,000	-
Equipment <\$50,000	118,000	118,000	48,000
Family violence	856,000	856,000	926,000
Foster care	1,605,000	1,605,000	1,605,000
Health centre	8,425,000	8,425,000	7,893,000
Health promotion	198,000	198,000	182,000
Homecare	1,241,000	1,241,000	1,202,000
Hospital services	14,752,000	14,752,000	14,330,000
Intervention services	142,000	142,000	142,000
Physician services to NWT residents	5,120,000	5,120,000	5,034,045
Residential care - children	402,000	402,000	256,000
Social service delivery	5,134,000	5,134,000	4,956,000
	\$ 43,563,000	\$ 43,563,000	\$ 42,154,135

Beaufort-Delta Health and Social Services Authority
Schedule of Other Recoveries for Direct Charges for Services

For the year ended March 31,	2014	2014	2013
	(unaudited) Budget	Actual	Actual
Other Recoveries from the GNWT	\$ -	\$ 102,681	\$ 90,638
Other Recoveries directly from Third Parties			
Dietary	176,500	192,615	187,637
Occupational therapy	50,000	83,638	52,151
Operating room	-	-	43,818
Other recoveries	203,720	310,550	347,088
Staff rent	175,000	270,944	138,648
	605,220	857,747	769,342
	\$ 605,220	\$ 960,428	\$ 859,980

Beaufort-Delta Health and Social Services Authority

Schedule of Other Revenues

For the year ended March 31,	2014	2014	2013
	(unaudited) Budget	Actual	Actual
Canadian prenatal nutrition program	\$ 264,317	\$ 236,100	\$ 286,230
Community Health Nurse in Sachs Harbour	114,000	114,000	114,000
Dental health and healthy eating	7,122	7,122	-
Diabetic specialty clinics	184,946	184,946	163,033
Elders day program	398,923	398,923	-
Enhanced Homecare	680,053	680,053	1,083,520
Enhanced Homecare (adjustment)	-	-	(1,390)
French Language services	9,000	16,023	8,900
Healthy families	250,000	252,038	250,000
Healthy families program	25,074	25,074	17,680
Healthy eating and weight management	-	-	50,000
Inuvik warming shelter	75,000	75,000	-
Mental health and first aid: northern adaption workshops	7,961	7,961	-
Mental health first aid and applied suicide prevention skills workshop	21,842	21,842	25,577
New resident nurse practitioners	267,000	267,000	267,000
Nutrition North Canada - We Cook	136,251	136,251	65,948
Nutrition North Canada - We Cook (adjustment)	-	-	(3,124)
Physician residents support	53,000	53,000	32,729
Physician staffing model	235,000	235,000	235,000
Professional development initiative	-	3,281	53,306
Summer students	-	11,550	16,800
	\$ 2,729,489	\$ 2,725,164	\$ 2,665,209

Beaufort-Delta Health and Social Services Authority

Schedule of Expenses by Functional Centre

For the year ended March 31,

2014

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	\$ -	\$ -	\$ 1,772,544	\$ 2,699,073	\$ 6,164,529	\$ 7,432,814	\$ 19,837	\$ 136,059	\$ 7,956,910	\$ 10,267,946
712 Nursing Inpatient / Resident Services	-	-	811,180	1,155,052	8,054,032	8,419,902	-	-	8,865,212	9,574,954
713 Ambulatory Care Services	-	-	524,611	638,333	6,293,522	6,386,515	-	-	6,818,133	7,024,848
714 Diagnostic and Therapeutic Services	-	-	903,958	1,231,708	2,727,216	2,774,545	-	-	3,631,174	4,006,253
715 Regional Health Services	-	-	966,240	1,374,229	9,095,997	9,057,665	-	-	10,062,237	10,431,894
716 Regional Social Services	349,626	745,579	1,556,727	1,337,928	9,156,644	7,927,567	-	-	11,062,997	10,011,074
718 Education	-	-	-	22,862	-	3,000	-	-	-	25,862
719 Undistributed and Service Contracts	-	-	10,000	185	-	-	-	-	10,000	185
Total	\$ 349,626	\$ 745,579	\$ 6,545,260	\$ 8,459,370	\$ 41,491,940	\$ 42,002,008	\$ 19,837	\$ 136,059	\$ 48,406,663	\$ 51,343,016

Beaufort-Delta Health and Social Services Authority

Schedule of Non-Insured Recoveries and Expenses

For the year ended March 31,	2014	2013
	Actual	Actual
Recoveries	\$ 851,680	\$ 881,505
Expenditures		
Dental	359,015	365,166
Eyeglass	221,181	194,916
Ophthalmology services travel	1,379	1,398
Orthodontics	16,068	28,196
Patient and escort transportation	254,037	291,829
	851,680	881,505
Excess revenue (expenditures)	\$ -	\$ -

Beaufort-Delta Health and Social Services Authority

**Schedule of Contribution Agreements
Physician Residents Support**

For the year ended March 31,	2014	2014
	(Unaudited) Budget	Actual
Revenue		
Department of Health and Social Services	\$ 53,000	\$ 53,000
Expenditures		
Travel	53,000	53,000
Excess revenue	\$ -	\$ -

Beaufort-Delta Health and Social Services Authority

**Schedule of Contribution Agreements (continued)
Physician Staffing Model**

For the year ended March 31,	2014	2014
	(unaudited) Budget	Actual
Revenue		
Department of Health and Social Services	\$ 235,000	\$ 235,000
Expenditures		
Compensation	235,000	235,000
Excess revenue	\$ -	\$ -

See 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,	2014	2014
	(unaudited) Budget	Actual
Revenue		
Department of Health and Social Services	\$ 1,078,976	\$ 1,078,976
Expenditures		
Compensation	1,013,500	1,105,322
Equipment expense	65,476	10,918
Supplies	-	-
Sundry	-	1,287
	1,078,976	1,117,527
Excess revenue	\$ -	\$ (38,551)

See scope limitation in the Independent Auditors' Report.

Beaufort-Delta Health and Social Services Authority

**Schedule of Contribution Agreements (continued)
Community Health Nurse in Sachs Harbour**

For the year ended March 31,	2014	2014
	(unaudited) Budget	Actual
Revenue		
Department of Health and Social Services	\$ 114,000	\$ 114,000
Expenditures		
Compensation	105,566	105,566
Supplies	8,434	8,434
	114,000	114,000
Excess revenue	\$ -	\$ -

See scope limitation in the Independent Auditors' Report.

Beaufort-Delta Health and Social Services Authority

**Schedule of Contribution Agreements (continued)
New Resident Nurse Practitioners**

For the year ended March 31,	2014	2014
	(unaudited) Budget	Actual
Revenue		
Department of Health and Social Services	\$ 267,000	\$ 267,000
Expenditures		
Compensation	216,938	264,705
Travel	40,000	2,295
Supplies	10,062	-
	267,000	267,000
Excess revenue	\$ -	\$ -

See scope limitation in the Independent Auditors' Report.

Beaufort-Delta Health and Social Services Authority
Schedule of Contribution Agreements (continued)
Canadian Prenatal Nutrition Program

For the year ended March 31,	2014	2014
	(unaudited) Budget	Actual
Revenue		
Department of Health and Social Services	\$ 264,317	\$ 236,100
Expenditures		
Compensation	127,430	134,970
Sundry	104,387	76,270
Supplies	32,500	24,860
	264,317	236,100
Excess revenue	\$ -	\$ -

See scope limitation in the Independent Auditors' Report.

Beaufort-Delta Health and Social Services Authority

**Schedule of Contribution Agreements (continued)
Diabetic Specialty Clinics**

For the year ended March 31,	2014	2014
	(unaudited) Budget	Actual
Revenue		
Department of Health and Social Services	\$ 184,946	\$ 184,946
Expenditures		
Compensation	162,049	169,051
Sundry	17,097	8,734
Supplies	5,800	9,163
	184,946	186,948
Excess expenditures	\$ -	\$ (2,002)

See scope limitation in the Independent Auditors' Report.

Beaufort-Delta Health and Social Services Authority
Schedule of Contribution Agreements (continued)
Nutrition North Canada - We Cook, You Cook

For the year ended March 31,	2014	2014
	(unaudited) Budget	Actual
Revenue		
Department of Health and Social Services	\$ 136,251	\$ 136,251
Expenditures		
Compensation	57,763	68,455
Sundry	6,488	39,583
Supplies	19,000	19,036
Travel	53,000	15,995
	136,251	143,069
Excess expenditures	\$ -	\$ (6,818)

See scope limitation in the Independent Auditors' Report.

Beaufort-Delta Health and Social Services Authority

**Schedule of Contribution Agreements (continued)
Dental Health and Healthy Eating**

For the year ended March 31,	2014	2014
	(unaudited) Budget	Actual
Revenue		
Department of Health and Social Services	\$ 7,122	\$ 7,122
Expenditures		
Sundry	339	339
Supplies	6,783	6,783
	7,122	7,122
Excess revenue	\$ -	\$ -

Beaufort-Delta Health and Social Services Authority
Schedule of Contribution Agreements (continued)
Healthy Families

For the year ended March 31,	2014	2014
	(unaudited) Budget	Actual
Revenue		
Department of Health and Social Services	\$ 250,000	\$ 252,038
Expenditures		
Compensation	240,980	240,980
Equipment	7,000	6,295
Sundry	2,020	1,839
Supplies	-	886
	250,000	250,000
Excess revenue	\$ -	\$ 2,038

See 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,	2014	2014
	(unaudited) Budget	Actual
Revenue		
Department of Health and Social Services	\$ 75,000	\$ 75,000
Expenditures		
Compensation	75,000	75,000
	75,000	75,000
Excess revenue	\$ -	\$ -

See scope limitation in the Independent Auditors' Report.

Beaufort-Delta Health and Social Services Authority
**Schedule of Contribution Agreements (continued)
 French Language Services**

For the year ended March 31,	2014	2014
	(unaudited) Budget	Actual
Revenue		
Department of Health and Social Services	\$ 9,000	\$ 16,023
Expenditures		
Compensation	2,400	-
Sundry	6,600	6,835
Supplies	-	9,188
	9,000	16,023
Excess revenue	\$ -	\$ -

See scope limitation in the Independent Auditors' Report.

Beaufort-Delta Health and Social Services Authority
**Schedule of Contribution Agreements (continued)
 Healthy Families Program**

For the year ended March 31,	2014	2014
	(unaudited) Budget	Actual
Revenue		
Department of Health and Social Services	\$ 25,074	\$ 25,074
Expenditures		
Supplies	16,650	17,525
Sundry	4,449	4,449
Travel	3,975	3,100
	25,074	25,074
Excess revenue	\$ -	\$ -

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,	2014	2014
	(unaudited) Budget	Actual
Revenue		
Department of Health and Social Services	\$ 21,842	\$ 21,842
Expenditures		
Compensation	3,303	3,303
Supplies	5,451	5,612
Travel	13,088	13,088
	21,842	22,003
Excess expenditures	\$ -	\$ (161)

See 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,	2014	2014
	(unaudited) Budget	Actual
Revenue		
Department of Health and Social Services	\$ 7,961	\$ 7,961
Expenditures		
Compensation	510	510
Supplies	4,960	4,960
Travel	2,491	2,491
Excess revenue	\$ -	\$ -

See scope limitation in the Independent Auditors' Report.

Beaufort-Delta Health and Social Services Authority

Schedule of Reserves

	Surplus / Deficit Reserve		Funded Leave and Termination Benefits Reserve		Special Projects Reserve		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
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, 2014

**Dehcho Health and Social Services Authority
Financial Statements**

Year End March 31, 2014

	Page	
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 Flow	4
	Notes to the Financial Statements	5 - 10
Schedule A	Schedule of Operating Advances from the GNWT	11
Schedule B	Schedule of Other Recoveries for Direct Charges for Services	12
Schedule C	Schedule of Other Revenues	13
Schedule D	Schedule of Expenses by Functional Centre	14
Schedule E	Schedule of Non-Insured Recovery and Expense	15
Schedule F	Schedule of Detailed Contribution Funding and Expenditures	16
Schedule G	Schedule of Surplus (Deficit) and Reserves	17
Schedule G-1	Schedule of Reserves in Departmental Format	18



MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Minister of Health and Social Services
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 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 Northwest Territories.



Chief Executive Officer
Dehcho Health and Social Services Authority

June 24, 2014



INDEPENDENT AUDITOR'S REPORT

To the Minister of Health & Social Services Dehcho Health and Social Services Authority,

I have audited the accompanying financial statements of Dehcho Health and Social Services Authority, which comprise the statement of financial position as at March 31, 2014, the statement of operations, statement of changes in net financial debt, statement of cash flow 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. I 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 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 Canadian accounting standards for 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian 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.

Basis for qualified opinion

Except as explained in the following paragraph, I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit 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. My audit scope was limited as I was instructed not to audit the components of salaries and benefits expenditures. Accordingly, I was 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 my 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, 2014 and its financial performance and its cash flows for the years 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 \$250,000 or more in Schedule C and F for the year ended March 31, 2014 in accordance with the provisions established by the individual Contribution Agreements.

Report on other legal and regulatory requirements

I further report in accordance with the Financial Administration Act of the Northwest Territories, in my 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 my notice have, in all significant respects, have been within the statutory powers of the Authority.



Biswanath Chakrabarty, CGA

Biswanath Chakrabarty & Co

Certified General Accountant

Yellowknife, Northwest Territories

June 24, 2014

Dehcho Health and Social Services Authority
Statement of Financial Position
As at March 31,2014

Statement I

	2014 Actual	2013 Actual Restated (Note 11)
Financial Assets		
Cash and Cash Equivalents	\$ 508,654	\$ -
Accounts receivable (Note 5)	633,874	1,082,474
Trust Assets (Note 2(k))	4,848	-
Total Financial Assets	1,147,376	1,082,474
Liabilities		
Bank Indebtedness (Note 4)	-	1,186,945
Accounts Payable and Accrued Liabilities (Note 6)	3,119,241	662,241
Payroll Liabilities	344,693	299,373
Employee Leave and Termination Benefits (Note 10)	1,102,640	996,844
Contribution repayable (Note 7)	108,223	62,575
Trust Liabilities (Note 2(k))	4,848	-
Total Liabilities	4,679,645	3,207,978
Net Financial Debts	(3,532,269)	(2,125,504)
Non-Financial Assets		
Tangible capital assets (Note 9)	1	1
Total Non-Financial Assets	1	1
Accumulated Deficit	\$ (3,532,268)	\$ (2,125,503)

Contractual Obligations (Note 12)

Contingent Liabilities (Note 13)

Approved on behalf of the Dehcho Health and Social Services Authority:



Chief Financial Officer



Chief Executive Officer

The accompanying notes and schedules form an integral part of the financial statements.

Decho Health and Social Services Authority
Statement of Operations
For the year ended March 31, 2014

Statement II

	2014		2013	
	Budget (Unaudited)	Actual	Actual Restated (Note 11)	
Revenue				
Operating Advance from GNWT (Schedule A)	\$ 15,420,641	\$ 15,313,466	\$	16,761,360
Other Recoveries (Schedule B)	486,850	542,245		511,242
Other Revenues (Schedule C)	818,781	823,516		1,298,447
Non-insured recoveries (Schedule E)	-	123,522		122,781
Investment revenue	20,000	15,980		16,075
Total Revenue	16,746,272	16,818,729		18,709,905
Expenses				
Administrative and Support Services (Schedule D)	3,150,432	4,153,294		3,806,618
Ambulatory Care Services (Schedule D)	1,383,000	1,275,825		1,076,360
Community Health Services (Schedule D)	6,568,479	6,836,999		6,443,033
Social Services (Schedule D)	5,644,361	5,835,854		7,357,230
Non- Insured Expenses (Schedule E)	-	123,522		122,781
Total Expenses	16,746,272	18,225,494		18,806,022
Operating Deficit for the year	-	(1,406,765)		(96,117)
Supplemental funding for increased employee benefits	-	-		(389,000)
Operating Deficit before Prior Year Funding Unfunded Items	-	(1,406,765)		(485,117)
Change in Employee Leave and Termination Benefits	-	105,796		80,359
Deficit Before the Following	-	(1,300,969)		(404,758)
GNWT Assets provided at no cost (Note 9)	-	441,880		428,625
GNWT Assets provided at no cost (Note 9)	-	(441,880)		(428,625)
Annual Deficit	-	(1,300,969)		(404,758)
Opening Accumulated Deficit	-	(2,125,503)		(2,029,386)
Operating deficit for the year	-	(1,406,765)		(96,117)
Closing, Accumulated Deficit	\$ -	(3,532,268)	\$	(2,125,503)

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 31,2014

Statement III

	2014	2013 Restated (Note 11)
Annual deficit for the year	\$ (1,406,765)	\$ (96,117)
Adjustments:		
- Consumption of Inventories used	-	-
- Acquisition of Inventories Used	-	-
- Use of Prepaid Expenses	-	-
- Acquisition of Prepaid Expense	-	-
(Increase) / decrease in net debt	(1,406,765)	(96,117)
Opening net financial debt	(2,125,504)	(2,029,387)
Closing net financial debt	\$ (3,532,269)	\$ (2,125,504)

The accompanying notes and schedules form an integral part of the financial statements.

Dehcho Health and Social Services Authority
Statement of Cash Flow
For the year ended March 31,2014

Statement IV

	2014	2013 Restated (Note 11)
Cash provided by (used in)		
Operating activities		
Operating annual deficit for the year	\$ (1,406,765)	\$ (96,117)
Item not affecting cash:		
Increase in employee leave and termination benefits	105,796	80,359
Adjusted annual deficit	(1,300,969)	(15,758)
Changes in non-cash working capital balances:		
Decrease (increase) in accounts receivable	448,600	(41,313)
Increase in payroll liabilities	45,320	118,026
Increase (decrease) in accounts payable and accrued liabilities	2,457,000	(806,001)
Increase (decrease) in deferred revenue	45,648	(507,051)
Net change in non-cash working capital balances	2,996,568	(1,236,339)
Net cash provided by (used in) operating activities	1,695,599	(1,252,097)
Net increase (Decrease) in cash position	1,695,599	(1,252,097)
Cash, beginning of year	(1,186,945)	65,152
Cash, end of year	508,654	(1,186,945)
Cash consists of :		
Cash	-	200
Bank Indebtedness	508,654	(1,187,145)
	\$ 508,654	\$ (1,186,945)

The accompanying notes and schedules form an integral part of the financial statements.

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

2(a) Basis of accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Canadian Public Sector Accounting Board.

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 upon receipt of payment.

Other revenue is recognized when the service is performed or the goods are provided.

2(c) Cash and Cash equivalents

Cash and cash equivalents include (cash on hand, demand deposits and short-term highly liquid investments) that 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.

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, 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

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 from these instruments. Unless otherwise noted, the fair value of these financial instruments approximate their carrying value.

Dehcho Health and Social Services Authority
Notes to the financial statements
For the year ended March 31,2014

2(j) 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 authorized and any eligibility criteria are met, except for the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the 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 recognized 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) Budget

The presented budget figures 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 amounts are unaudited.

2(m) 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.

3. Future Accounting Changes

PSAB approved Section PS 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 new standard is effective for fiscal years beginning on or after April 1, 2014. Earlier adoption is encouraged. Management is currently assessing the impact of the standard.

Dehcho Health and Social Services Authority
Notes to the financial statements
For the year ended March 31,2014

4. Bank Indebtedness

Cash consists of amounts on deposit with financial institutions less outstanding cheques issued. Bank Indebtedness comprised of cheques issued in excess of funds on deposit (bank overdraft). Bank Indebtedness balance as at **March 31, 2014** is NIL (**2013 \$1,186,945**).

5. Accounts Receivable

	Accounts Receivable 2014	Allowance for Doubtful Debt	Net 2014	Net 2013
Due from GNWT	\$ 593,862	\$ -	\$ 593,862	\$ 1,082,474
Due from Third Parties	100,109	60,097	40,012	-
	\$ 693,971	\$ 60,097	\$ 633,874	\$ 1,082,474

6. Accounts Payable and Accrued Liabilities

	Net 2014	Net 2013
Due to GNWT	\$ 2,864,802	\$ 660,368
Due to Third Parties	254,439	1,873
	\$ 3,119,241	\$ 662,241

7. Contribution repayable

Government of The Northwest Territories	Net 2014	Net 2013
Healthy Family Choices	\$ 67,803	\$ 62,575
Homecare Enhancement 2013 refund of surplus funds	1,133	-
Homecare Enhancement 2014 refund of surplus funds	39,287	-
	\$ 108,223	\$ 62,575

8. Pension Benefits

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 2014 (no changes in 2013).

Dehcho Health and Social Services Authority
Notes to the financial statements
For the year ended March 31,2014

9. Tangible Capital Assets and Expenses Set Off With Grant-In-Kind

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 \$441,880 (2013 \$428,625) 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	Net Book Value 2014	Net Book Value 2013
Buildings - 40 years	\$ 11,105,723	\$ 4,606,362	\$ 6,499,361	\$ 6,782,888
Buildings - 33 years	1,815,173	1,412,520	402,653	35,975
Renovations - 28 years	960,241	68,411	891,830	926,804
Renovations - 20 years	191,402	28,751	162,651	172,508
Vehicle	51,588	8,311	43,277	46,716
Renovations	147,071	71,084	75,987	90,694
Renovations	231,372	231,372	-	38,530
	\$ 14,502,570	\$ 6,426,811	\$ 8,075,759	\$ 8,094,115

10. 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 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.

	2014	2013
Leave	\$ 442,790	\$ 494,060
Termination	390,689	384,310
Removal	269,161	118,474
Total Employee Leave and Termination Benefits	1,102,640	996,844
Less, Current portion	607,752	619,756
Long Term Portion	\$ 494,888	\$ 377,088

Dehcho Health and Social Services Authority
Notes to the financial statements
For the year ended March 31,2014

11. Prior Period Adjustment

The Authority has determined that \$123,000 received for Healthy Family Choices in 2014 should have been recorded as revenue in 2013. As a result, accounts receivable and revenue were understated by \$123,000 in 2013, affecting opening equity and deficit in 2014. This error has been corrected by restating the prior year financial statements.

12. Contractual Obligations

The Authority has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to **March 31, 2014**.

	Expires in Fiscal	2015	2016-2018	Total
Residential leases	2019	\$ 157,350	\$ 56,400	\$ 213,750
Equipment leases	2016	23,861	22,292	46,153
Operational leases	2016	55,248	26,090	81,338
Total	-	\$ 236,459	\$ 104,782	\$ 341,241

13. Contingent Liability

In common with many health authorities, claims are made against the Authority and its staff. As of March 31, 2014, 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. 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 payable	2014	2013
Stanton Territorial Health	\$ 19,694	\$ 5,554
Yellowknife Health and Social Authority	-	2,658
NWT Power	1,252	-
Departments of Public Works	197	-
Total	\$ 21,143	\$ 8,212

15. Comparative Figures

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

Dehcho Health and Social Services Authority
 Schedule of Operating Advances from the GNWT
 For the year ended March 31,2014

Schedule A

	2014		2013
	Annual Budget	Actual	Actual
Health Centres	\$ 6,377,000	\$ 6,377,000	\$ 6,010,000
Social Services Delivery	2,871,000	2,871,000	3,067,000
Residential Care Alcohol & Drug			2,096,000
Physicians Services to NWT Residents	1,383,000	1,383,000	1,340,000
Independent Living	1,611,000	1,611,000	1,297,000
Authority Administration	1,585,641	1,585,641	1,248,000
Children in Care	631,000	631,000	631,000
Homecare	667,000	667,000	660,000
Protective Services/Early Intervention	167,000	167,000	165,000
Community Wellness Programs	47,000	47,000	47,000
Family Violence	46,000	46,000	46,000
Capital Funding < \$50,000	26,000	26,000	20,000
Health Promotion	9,000	9,000	9,000
Supplemental funding for increased employee	-	-	389,000
Total Advances	15,420,641	15,420,641	17,025,000
Unspent portion of the funding for Physician Services to NWT Residents	-	(107,175)	(263,640)
Adjusted Total	\$ 15,420,641	15,313,466	\$ 16,761,360

Dehcho Health and Social Services Authority
Schedule of Other Recoveries for Direct Charges for Services
For the year ended March 31,2014

Schedule B

	2014		2013 Actual
	Annual Budget	Actual	
Other Revenue directly from GNWT			
Training recoveries	\$ 28,605	43,645	\$ 60,851
Total	28,605	43,645	60,851
Other Revenue directly from Third Parties:			
Staff Rent	80,000	67,520	74,581
Physician's Services	30,000	-	32,644
Extended Care Services	155,000	156,520	131,256
Workers compensation	22,300	56,867	28,490
Meals on wheels	1,200	-	925
Vaccines	3,000	2,295	2,416
Other	66,745	107,422	66,079
Access to information and Protection of Privacy (ATIPP)	-	6,725	27,234
Non Residents of territories	100,000	101,251	86,766
Total	458,245	498,600	450,391
Grand Total	\$ 486,850	\$ 542,245	\$ 511,242

Decho Health and Social Services Authority
Schedule of Other Revenues
For the year ended March 31, 2014

Schedule C

	2014		2013	
	Annual Budget	Actual	Actual	Actual
Other Recoveries from the GNWT:				
Homecare Enhancement Program	\$ 533,271	\$ 533,271	\$	410,692
DHR CHN Development (AS)	-	-		93,515
DHR CHN Development (SG)				112,679
Healthy Family Choices	246,000	252,690		188,654
Healthy Family Baby Feeding Basics Project	27,689	28,066		6,875
Associate CEO	-	-		90,143
Injury Prevention				3,476
Safety for Victims of Family Violence	2,825	2,593		48,734
Community Wellness Planning				105,000
Youth Tobacco	5,463	3,363		-
Community Wellness Planning	3,533	3,533		-
Other Revenue directly from Third Parties:				
Youth A&D Treatment	-	-		238,679
Total Recoveries	818,781	823,516	823,516	1,298,447
Transferred from (to) deferred revenue	-	-	-	-
Adjusted Total	\$ 818,781	\$ 823,516	\$	1,298,447

**Dehcho Health and Social Services Authority
 Schedule of Expenses by Functional Centre
 For the year ended March 31,2014**

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	\$ 3,533	\$ 3,533	\$ 1,142,703	\$ 1,279,977	\$ 2,004,196	\$ 2,869,784	\$ -	\$ -	\$ 3,150,432	\$ 4,153,294
712 Nursing Inpatient/Resident Services	-	-	-	-	-	-	-	-	-	-
713 Ambulatory Care Services	-	-	195,049	207,724	1,187,951	1,068,101	-	-	1,383,000	1,275,825
714 Diagnostic & Therapeutic Services	-	-	-	-	-	-	-	-	-	-
715 Community Health Services	538,734	598,380	720,500	866,766	5,309,245	5,371,853	-	-	6,568,479	6,836,999
716 Social Services	276,513	283,391	1,077,318	1,148,816	4,290,530	4,403,647	-	-	5,644,361	5,835,854
717 Research	-	-	-	-	-	-	-	-	-	-
Total	\$ 818,780	\$ 885,304	\$ 3,135,570	\$ 3,503,283	\$ 12,791,922	\$ 13,713,385	\$ -	\$ -	\$ 16,746,272	\$ 18,101,972

Decho Health and Social Services Authority
 Schedule of Non-Insured Recovery and Expense
 For the year ended March 31, 2014

	2014		2013
	Budget	Actual	Actual
Recovery	\$ 105,530	\$ 123,522	\$ 122,781
Expense:			
Dental services travel	105,530	123,522	122,781
Excess of Recovery Over Expense	\$ -	\$ -	\$ -

Dehcho Health and Social Services Authority
 Schedule of Detailed Contribution Funding and Expenditures
 For the year ended March 31,2014

Schedule F

	HomeCare Enhancement SC# HSS01-0000001175	
	Budget	Actual
Revenue:		
Department of Health and Social Services	\$ 533,271	\$ 533,271
Less: transfer to deferred revenue	-	-
Total Revenue	533,271	533,271
Expenses:	-	-
Compensation	417,671	477,792
Training and development	71,600	60,000
Travel	-	11,601
Referred out expenses	44,000	45,754
Total Expenses	533,271	595,147
Excess of Revenue Over Expenses	\$ -	\$ (61,876)

**Decho Health and Social Services Authority
Schedule of Surplus (Deficit) and Reserves
For the year ended March 31, 2014**

Schedule G

	General Operations		Surplus (Deficit) Reserve		Unfunded Leave and Termination Benefits Reserve		Special Project Reserve		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Balance, Opening	\$ (3,172,111)	\$ (3,200,583)	\$ -	\$ -	\$ 996,844	\$ 916,485	\$ -	\$ -	\$ (2,125,503)	\$ (2,029,386)
Repayment of Surplus	-	-	-	-	-	-	-	-	-	-
Operating Surplus (Deficit)	(1,406,765)	(96,117)	-	-	-	-	-	-	(1,406,765)	(96,117)
Interfund transfers	(4,578,876)	(3,296,700)	-	-	996,844	916,485	-	-	(3,532,268)	(2,125,503)
Balance, Closing	\$ (4,578,876)	\$ (3,172,111)	\$ -	\$ -	\$ 1,102,640	\$ 996,844	\$ -	\$ -	\$ (3,532,268)	\$ (2,125,503)

**Decho Health and Social Services Authority
Schedule of Reserves in Departmental Format
For the year ended March 31,2014**

Schedule G-1

	Surplus/Deficit Reserve		Unfunded Leave and Termination Benefits Reserve		Special Project Reserve		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Balance, Opening	\$ -	\$ -	\$ 996,844	\$ 916,485	\$ -	\$ -	\$ 996,844	\$ 916,485
Repayment of Surplus	-	-	-	-	-	-	-	-
Operating Surplus	-	-	-	-	-	-	-	-
Interfund transfers	-	-	996,844	916,485	-	-	996,844	916,485
Balance, Closing	-	-	1,102,640	80,359	-	-	1,102,640	80,359
			1,102,640	996,844	-	-	1,102,640	996,844

**Fort Smith Health and Social
Services Authority**

Financial Statements

March 31, 2014

Fort Smith Health and Social Services Authority

Financial Statements

March 31, 2014

Page

	Independent Auditors' Report	3-4
Statement I	Statement of Financial Position	5
Statement II	Statement of Operations	6
Statement III	Statement of Change in Net Financial Debt	7
Statement IV	Statement of Cash Flow	8
Statement V	Statement of Expenditures by Object	9
	Notes to Financial Statements	10 - 19
Schedule A	Schedule of Operating Advances from the GNWT	20
Schedule B	Schedule of Other Recoveries for Direct Charges for Services	21
Schedule C	Schedule of Other Revenues	22
Schedule D	Schedule of Expenditures by Functional Centre	23
Schedule E	Schedule of Non-insured Recoveries and Expenditures	24
Schedule F	Other Contributions	25
Schedule G	Schedule of Reserves	26

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, 2014, which comprise the statement of financial position and the statements of operations, change in net financial debt, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

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.

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 expenditures and related balances. Accordingly, we were not able to determine whether any adjustments might be necessary to salaries and benefits expenditures, accounts payable and accrued liabilities, employee leave and termination benefits, and net financial debt.



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Independent Auditors' Report (continued)

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, 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, 2014, and its financial operations, changes in its net financial debt, and cash flows for the year then ended in accordance with Canadian public sector accounting standards consistently applied.

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 20, 2014

Crowe MacKay LLP
Chartered Accountants

STATEMENT I

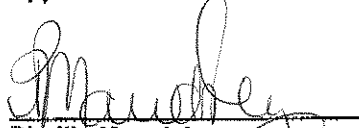
Fort Smith Health and Social Services Authority

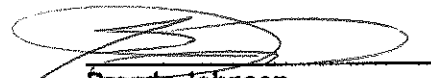
Statement of Financial Position

As at March 31,	2014	2013
Financial Assets		
Cash	\$ 224,611	\$ 148,274
Cash held in trust (Note 4)	30,546	17,801
Accounts receivable (Note 5)	697,287	1,322,374
	\$ 952,444	\$ 1,488,449
Liabilities		
Accounts payable and accrued liabilities (Note 6)	\$ 817,761	\$ 915,802
Employee and payroll related liabilities	3,202,975	2,408,550
Deferred revenue	-	3,510
Employee leave and termination benefits (Note 7)	973,449	903,544
Trust liabilities (Note 4)	30,546	17,801
Total liabilities	5,024,731	4,249,207
Net Financial Debt	\$ (4,072,287)	\$ (2,760,758)
Non-Financial Assets		
Inventory (Note 8)	266,335	293,721
Prepaid expenses (Note 9)	87,472	44,225
	353,807	337,946
Accumulated Deficit (Note 10)	\$ (3,718,480)	\$ (2,422,812)

Contingent Liabilities (Note 11)
Contractual Obligations (Note 12)

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,		2014	2013
	(unaudited) Budget	Actual	Actual
REVENUE			
Operating advances from the GNWT (Schedule A)	\$ 16,717,000	\$ 16,717,000	\$ 16,028,391
Other recoveries (Schedule B)	170,000	248,999	258,550
Other revenues (Schedule C)	868,000	1,025,403	1,190,708
Interest revenue	6,000	8,125	6,767
	17,761,000	17,999,527	17,484,416
EXPENDITURES			
Administration and support services (Schedule D)	2,785,012	3,168,257	2,061,255
Nursing Inpatients / Residents (Schedule D)	2,380,008	3,128,148	2,908,343
Ambulatory care services (Schedule D)	2,646,020	2,902,909	2,535,393
Diagnostic and Therapeutic Services (Schedule D)	1,323,984	1,330,486	1,486,383
Community health services (Schedule D)	1,435,980	1,572,365	1,380,954
Social services (Schedule D)	7,180,000	7,189,089	7,457,172
Undistributed (Schedule D)	9,996	3,941	3,937
	17,761,000	19,295,195	17,833,437
OPERATING DEFICIT	-	(1,295,668)	(349,021)
PRIOR YEAR FUNDING	-	-	(445,000)
OPERATING DEFICIT BEFORE PRIOR YEAR FUNDING	-	(1,295,668)	(794,021)
UNFUNDED ITEM			
Change in employee leave and termination benefits (Note 7)	-	69,905	(14,203)
ANNUAL DEFICIT BEFORE THE FOLLOWING	-	(1,225,763)	\$ (808,224)
Rent expense - GNWT assets provided at no cost (Note 13)	-	836,301	833,174
Grant-in-kind - GNWT assets provided at no cost (Note 13)	-	(836,301)	(833,174)
ANNUAL DEFICIT	\$ -	\$ (1,225,763)	\$ (808,224)
OPENING ACCUMULATED DEFICIT	\$ -	\$ (2,422,812)	\$ (2,073,791)
CLOSING ACCUMULATED DEFICIT	\$ -	\$ (3,718,480)	\$ (2,422,812)

STATEMENT III**Fort Smith Health and Social Services Authority****Statement of Change in Net Financial Debt**

For the year ended March 31,	2014	2013
Annual operating deficit	\$ (1,295,668)	\$ (349,021)
Adjustments:		
Change in prepaid expenses	(43,247)	22,554
Change in inventory	27,386	91,093
INCREASE IN NET FINANCIAL DEBT	(1,311,529)	(235,374)
NET FINANCIAL DEBT, BEGINNING OF YEAR	(2,760,758)	(2,525,384)
NET FINANCIAL DEBT, END OF YEAR	\$ (4,072,287)	\$ (2,760,758)

STATEMENT IV

Fort Smith Health and Social Services Authority

Statement of Cash Flow

For the year ended March 31,	2014	2013
Net inflow (outflow) of cash related to the following activities:		
Operating transactions		
Annual operating deficit	\$ (1,295,668)	\$ (349,021)
Non-cash charges to operations:		
Accounts receivable	625,087	(731,684)
Accounts payable and accrued liabilities	(98,041)	(1,224,667)
Employee and payroll related liabilities	794,425	2,112,431
Deferred revenue	(3,510)	3,510
Employee leave and termination benefits	69,905	(14,203)
Funds liabilities	12,745	17,801
Inventory	27,386	91,093
Prepaid expenses	(43,247)	22,554
Net cash from operating transactions	89,082	(72,186)
Cash, beginning of year	166,075	238,261
Cash, end of year	\$ 255,157	\$ 166,075
Represented by		
Cash	\$ 224,611	\$ 148,274
Cash held in trust	30,546	17,801
	\$ 255,157	\$ 166,075

Fort Smith Health and Social Services Authority

STATEMENT V

Statement of Expenditures by Object

For the year ended March 31,	2014	2014	2013
	(unaudited) Budget	Actual	Actual
Expenditures			
Advertising and promotion	\$ 31,500	\$ 30,595	\$ 62,657
Contracted and general services	2,238,732	1,693,871	1,769,453
Equipment rental	39,108	39,449	41,860
Equipment and software maintenance	110,700	85,884	87,916
Foster care	236,604	251,226	214,023
Groceries	140,988	161,548	161,711
Insurance	-	-	2,606
Interest and bank charges	1,404	3,679	5,350
Medical supplies	419,184	441,977	468,449
Minor capital	212,244	86,112	85,591
Office and administration services	129,228	187,953	174,616
Postage and freight	56,808	84,137	69,422
Professional services	44,100	100,963	38,914
Rent	14,496	18,109	62,554
Salaries and wages	13,491,052	15,183,308	13,800,065
Telephone and communications	82,080	121,620	118,268
Training and development	218,268	86,240	149,768
Travel and relocation	255,492	676,751	490,130
Utilities	11,004	6,847	4,700
Vehicle operations and maintenance	28,008	34,926	25,384
Total expenditures	\$ 17,761,000	\$ 19,295,195	\$ 17,833,437

Fort Smith Health and Social Services Authority

Notes to Financial Statements

March 31, 2014

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. Summary of significant accounting policies

Basis of accounting

These financial statements are prepared in accordance with Canadian public sector accounting standards established by the Canadian Public Sector Accounting Board. The significant policies are detailed 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) Territorial operating advance

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.

(c) Inventory of supplies

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 replace 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.

Fort Smith Health and Social Services Authority

Notes to Financial Statements

March 31, 2014

2. Summary of significant accounting policies (continued)

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand and restricted cash.

(e) 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 and accounts receivable.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities and employee and payroll-related liabilities.

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.

(f) Employee leave and termination benefits

In accordance with GNWT accounting policies specified for public agencies, the Authority annually accrues estimated employee leave and termination benefits payable.

Fort Smith Health and Social Services Authority

Notes to Financial Statements

March 31, 2014

2. Summary of significant accounting policies (continued)

(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
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 with an offsetting corresponding amount as a Grant-In-Kind revenue.

(h) 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.

(i) 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.

(j) 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.

Fort Smith Health and Social Services Authority

Notes to Financial Statements

March 31, 2014

2. Summary of significant accounting policies (continued)

(k) 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.

(l) Use of estimates

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in operations in the period in which they become known.

3. Future accounting changes

Liability for contaminated sites, section PS 3260

The Public Sector Accounting Board approved Section PS 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 new standard is effective for fiscal years beginning on or after April 1, 2014. Earlier adoption is encouraged. Management is currently assessing the impact of the standard.

Fort Smith Health and Social Services Authority**Notes to Financial Statements**

March 31, 2014

4. Cash held in trust

Cash held in trust represents funds held in trust for seniors living at the Northern Lights Special Care Home.

5. Accounts receivable

	Amount 2014	Allowance 2014	Net 2014	Net 2013
Government of Northwest Territories	\$ 575,741	\$ -	\$ 575,741	\$ 1,115,440
Government of Nunavut	4,232	-	4,232	350
Goods and Services Tax	53,165	-	53,165	50,595
Other	114,863	71,294	43,569	130,274
Workers' Safety & Compensation Commission	20,580	-	20,580	25,715
	\$ 768,581	\$ 71,294	\$ 697,287	\$ 1,322,374

6. Accounts payable and accrued liabilities

	2014	2013
Trade payables	\$ 664,272	\$ 474,555
Government of the Northwest Territories	153,489	441,247
	\$ 817,761	\$ 915,802

Fort Smith Health and Social Services Authority

Notes to Financial Statements

March 31, 2014

7. Employee leave and termination 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.

	2014	2013
Resignation and retirement		
<i>Obligations for benefits, opening</i>	\$ 218,730	\$ 211,528
Benefits accrued during the year	19,165	23,949
Benefits paid to employees during the year	(19,586)	(16,747)
<i>Obligations for benefits, closing</i>	218,309	218,730
Less: portion included in current liabilities	(10,915)	(10,937)
Long term portion	\$ 207,394	\$ 207,793
Removal		
<i>Obligations for benefits, opening</i>	\$ 227,187	\$ 234,071
Benefits accrued during the year	34,422	27,538
Benefits paid to employees during the year	(5,737)	(34,422)
<i>Obligations for benefits, closing</i>	255,872	227,187
Less: portion included in current liabilities	(12,794)	(11,359)
Long term portion	\$ 243,078	\$ 215,828
Leave*		
<i>Obligations for benefits, opening</i>	\$ 457,627	\$ 472,148
Benefits accrued during the year	153,612	117,193
Benefits paid to employees during the year	(111,971)	(131,714)
<i>Obligations for benefits, closing</i>	499,268	457,627
Less: portion included in current liabilities	(24,963)	(22,881)
Long term portion	\$ 474,305	\$ 434,746
Total obligations for benefits		
Long term portion	924,777	858,367
Current portion	48,672	45,177
	\$ 973,449	\$ 903,544

The change in employee leave and termination benefits is \$69,905 (2013 - \$(14,203)).

*Leave

- includes annual, lieu, statutory holidays, and mandatory leave.
- includes leave banks as well as leave accruals and leave payouts due.

Fort Smith Health and Social Services Authority**Notes to Financial Statements**

March 31, 2014

8. Inventory

	2014	2013
Drugs	\$ 41,218	\$ 54,302
Laboratory and x-ray	25,029	13,245
Laundry	1,436	-
Housekeeping	6,871	3,711
Medical and surgical	158,475	199,321
Office	23,463	23,142
Vaccines	9,843	-
	\$ 266,335	\$ 293,721

Inventory is held for consumption in the process of providing services and are distributed at no charge or for a nominal charge.

9. Prepaid expenses

	2014	2013
Agreements, contracts and leases	\$ 87,472	\$ 40,660
Travel expenses	-	3,565
	\$ 87,472	\$ 44,225

10. Accumulated deficit

	2014	2013
Operating accumulated deficit	\$ (2,745,031)	\$ (1,519,268)
Unfunded leave and termination benefits	(973,449)	(903,544)
	\$ (3,718,480)	\$ (2,422,812)

Fort Smith Health and Social Services Authority**Notes to Financial Statements**

March 31, 2014

11. 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, 2014, there are no claims pending against the Authority.

12. 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	2015	2016 - 2019	Total
Commercial and residential leases	2015	\$ 14,400	\$ 3,600	\$ 18,000
Equipment lease and maintenance	2019	282,454	220,139	502,593
Operational contracts	2018	1,303,248	5,440	1,308,688
Total		\$ 1,600,102	\$ 229,179	\$ 1,829,281

13. GNWT assets provided at no cost

			2014	2013
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings	\$ 20,395,677	\$ (11,153,404)	\$ 9,242,273	\$ 9,902,224
Mainframe and software systems	55,407	(55,407)	-	-
Medical equipment	3,315,091	(1,826,442)	1,488,649	1,569,448
	\$ 23,766,175	\$ (13,035,253)	\$10,730,922	\$11,471,672

Rent expense for 2014 is \$836,301 (2013 - \$833,174) with an offsetting grant-in-kind.

Fort Smith Health and Social Services Authority

Notes to Financial Statements

March 31, 2014

14. 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.

15. Budget

Budget figures were those approved by the Authority's board of management and DHSS. The budget figures are unaudited and not covered by the audit report of Crowe MacKay LLP.

16. Comparative figures

The comparative figures have been reclassified, where applicable, to conform with the presentation adopted in the current year.

17. 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.

	2014	2013
Accounts payable		
Government of the Northwest Territories	\$ 153,489	\$ 441,247
Government of the Northwest Territories - payroll	3,202,975	2,408,550
Hay River Health and Social Services Authority	6,377	2,100
Stanton Territorial Health Authority	16,865	31,033
	<hr/> \$ 3,379,706	<hr/> \$ 2,882,930
Accounts receivable		
Government of the Northwest Territories	\$ 575,741	\$ 1,115,440
Hay River Health and Social Services Authority	9,120	588
	<hr/> \$ 584,861	<hr/> \$ 1,116,028

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, 2014

18. 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.

Credit risk

Credit risk is the risk that one party to a transaction 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 \$697,287 (2013 - \$1,322,374). The Authority reduces this risk by regularly assessing the credit risk and closely monitoring overdue balances. This risk has not changed from the prior year.

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 business in the event of a default by one of these customers. The Authority does have concentration risk. At March 31, 2014, receivables from one customer comprised 78% of the total outstanding receivables (2013 - 84%). The Authority reduces this risk by regularly assessing the credit risk associated with this account and closely monitoring overdue balances. This risk has not changed from the prior year.

Liquidity risk

Liquidity risk is the risk that the Authority cannot repay its obligations when they become due to its creditors. The Authority does have a liquidity risk in accounts payable and accrued liabilities, employee and payroll-related liabilities, and employee leave and termination benefits \$4,994,185 (2013 - \$4,227,896). The Authority reduces its exposure to this risk by consistently monitoring budgets and cash flows. This risk has not changed from the prior year.

SCHEDULE A

Fort Smith Health and Social Services Authority

Territorial Operating Advances

For the year ended March 31,	2014	2014	2013
	(unaudited) Budget	Actual	Actual
Authority administration	\$ 1,393,000	\$ 1,393,000	\$ 1,352,000
Authority social service delivery	1,598,000	1,598,000	1,579,000
Community wellness programs	99,000	99,000	114,000
Family violence	519,000	519,000	519,000
Foster care	284,000	284,000	284,000
Homecare	363,000	363,000	351,000
Hospital services	5,658,000	5,658,000	5,034,000
Medical equipment	18,000	18,000	18,000
Physician programs	1,682,000	1,682,000	1,513,391
Prior year payroll deficit funding	-	-	445,000
Prevention and promotion services	9,000	9,000	9,000
Protective services	21,000	21,000	21,000
Residential care - children	1,633,000	1,633,000	1,633,000
Residential care - elderly and persons with disabilities	3,229,000	3,229,000	2,945,000
Residential care - group home	211,000	211,000	211,000
	\$ 16,717,000	\$ 16,717,000	\$ 16,028,391

Fort Smith Health and Social Services Authority

Schedule of Other Recoveries for Direct Charges for Services

For the year ended March 31,	2014	2014	2013
	(unaudited) Budget	Actual	Actual
Other Recoveries from the GNWT	\$ -	\$ -	\$ -
Other Recoveries directly from Third Parties			
Non-Residents of the Territory -			
Territorial Health Insurance Plan	99,996	136,799	143,004
Other clinic recoveries	20,004	47,677	41,041
Workers' Safety Compensation Commission	50,000	64,523	74,505
	\$ 170,000	\$ 248,999	\$ 258,550

Fort Smith Health and Social Services Authority

Schedule of Other Revenues

For the year ended March 31,	2014	2014	2013
	(unaudited) Budget	Actual	Actual
Other Revenues from the GNWT			
GNWT - DHSS	\$ 648,010	\$ 798,528	\$ 994,383
	648,010	798,528	994,383
Other Revenues directly from Third Parties			
Room and Board	219,990	226,875	196,325
	219,990	226,875	196,325
	\$ 868,000	\$ 1,025,403	\$ 1,190,708

Fort Smith Health and Social Services Authority

Schedule of Expenditures by Functional Centre

For the year ended March 31,

2014

Functional Centre	Grants and Contributions		Operations and Maintenance		Compensation and Benefits		Total	
	(unaudited) Budget	Actual	(unaudited) Budget	Actual	(unaudited) Budget	Actual	(unaudited) Budget	Actual
711 Administrative and support services	\$ -	\$ -	\$ 525,996	\$ 459,073	\$ 2,259,016	\$ 2,709,184	\$ 2,785,012	\$ 3,168,257
712 Nursing Inpatients/ Residents	-	-	249,996	438,945	2,130,012	2,689,203	2,380,008	3,128,148
713 Ambulatory care services	-	-	360,012	489,207	2,286,008	2,413,702	2,646,020	2,902,909
714 Diagnostic and Therapeutic Services	-	-	364,956	406,636	959,028	923,850	1,323,984	1,330,486
715 Community health services	-	-	88,992	188,231	1,346,988	1,384,134	1,435,980	1,572,365
716 Social services	-	-	2,670,000	2,125,854	4,510,000	5,063,235	7,180,000	7,189,089
719 Undistributed Nursing Rent	-	-	9,996	3,941	-	-	9,996	3,941
Total	\$ -	\$ -	\$4,269,948	\$4,111,887	\$13,491,052	\$15,183,308	\$17,761,000	\$19,295,195

Fort Smith Health and Social Services Authority

Schedule of Non-insured Recoveries and Expenditures

For the year ended March 31,	2014	2014	2013
	(unaudited) Budget	Actual	Actual
Recoveries	\$ -	\$ -	\$ -
Expenditures	-	-	-
Net Expenditure	\$ -	\$ -	\$ -

This schedule is not applicable to the Authority.

SCHEDULE F

Fort Smith Health and Social Services Authority

Other Contributions

For the year ended March 31,	2014	2014
	(unaudited) Budget	Actual
Funding		
Government of the Northwest Territories	\$ -	\$ -
Expenditures	-	-
Surplus	\$ -	\$ -

This schedule is not applicable to the Authority because none of the contribution agreements exceed \$250,000.

Fort Smith Health and Social Services Authority

Reserves

	Surplus/Deficit		Leave and Termination		Special Projects		TOTAL	
	2014	2013	2014	2013	2014	2013	2014	2013
March 31,								
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, 2014

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Financial Statements

Year ended March 31, 2014

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 - 15
Schedule of Operating Advances from GNWT	Schedule A	16
Schedule of Other Recoveries for Direct Charges for Services	Schedule B	17
Schedule of Other Revenues	Schedule C	18
Schedule of Expenses by Functional Centre	Schedule D	19 - 20
Schedule of Non-Insured Recoveries and Expenses	Schedule E	21
Other Contributions	Schedule F	22 - 24
Schedule of Reserves	Schedule G	25
Capital Assets	Schedule H	26



Hay River Health & Social Services Authority

3 Goetz Drive, Hay River, NT X0E 0R8 · Phone (867) 874-7100 · Fax (867) 874-7109


MANAGEMENT REPORT

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.

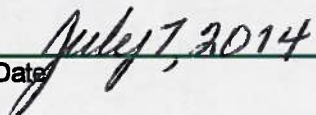
Administration maintains a system of internal accounting controls to ensure that transactions are accurately recorded on a timely basis, are properly approved and result in reliable financial statements. There are limits inherent in all systems based on the recognition that the cost of such systems should 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.

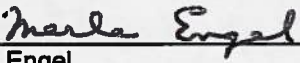
The financial statements have been reported on by Ashton Chartered Accountants. The auditors' report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.



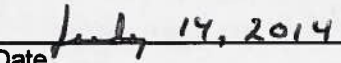
Al Woods
Chief Executive Officer
Hay River Health & Social Services Authority



Date



Merle Engel
Director of Finance
Hay River Health & Social Services Authority



Date

AUDITOR'S 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, 2014 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, 2014 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, 2014, 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 25, 2014

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Operating Fund Statement of Financial Position

March 31, 2014

	2014	*2013
Financial Assets		
Bank	\$ 1,444,509	\$ 249,886
Accounts receivable, Note 4	718,531	2,202,641
Post-employment benefits - accrued benefit asset, Note 12	1,002,000	-
Total Financial Assets	\$ 3,165,040	\$ 2,452,527
Liabilities		
Accounts payable and accrued liabilities, Note 4	2,410,632	1,886,024
Employee and payroll-related liabilities	1,157,096	1,053,547
Patient trust liability, Note 9	53,106	41,236
Accountable capital advance, GNWT, Note 5	5,829	5,829
Deferred revenue, Note 8	56,633	55,825
Accrued employee leave, Note 6	810,591	801,820
Accrued employee termination benefits, Note 6	1,768,949	1,645,430
Post-employment benefits - pension liability, Note 12	-	896,000
Total Liabilities	6,262,836	6,385,711
Net Financial Assets (Debt)	\$ (3,097,796)	\$ (3,933,184)
Non-Financial Assets		
Inventory, Note 10	\$ 183,101	\$ 225,237
Prepaid expenses and deposits	105,660	134,624
Total Non-Financial Assets	\$ 288,761	\$ 359,861
Accumulated Surplus (Deficit)	\$ (2,809,035)	\$ (3,573,323)



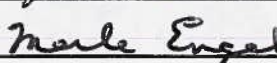
* Reclassified for comparative purposes

Contractual obligations, Note 13

Represented by:

Operating Fund Accumulated Surplus (Deficit)	(1,540,086)	(2,427,893)
Employee Termination Liability Fund, Notes 6 and 7	(1,768,949)	(1,645,430)
Cash Reserve, Note 2 and Schedule G	500,000	500,000
	\$ (2,809,035)	\$ (3,573,323)

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, 2014

	2014 Budget	2014 Actual	2013 Actual
Revenue			
Territorial Operating Advances, Schedule A	\$ 24,902,000	\$ 25,911,000	\$ 24,731,327
Other Recoveries, Schedule B	1,313,480	1,374,906	1,134,274
Other Revenues, Schedule C	1,248,282	979,202	1,094,687
Non-insured Services, Schedule E	-	-	-
Interest	50,000	38,276	46,804
	27,513,762	28,303,384	27,007,092
Expenses			
Administrative and Support Services, Schedule D	8,297,221	9,296,618	8,584,759
Nursing Inpatients/Resident Services, Schedule D	3,781,011	4,074,107	4,028,107
Ambulatory Care Services, Schedule D	3,760,866	4,263,376	3,912,171
Diagnostic and Therapeutic Services, Schedule D	2,578,468	2,650,496	2,613,897
Community Health Services, Schedule D	1,771,081	1,762,945	1,667,172
Social Services, Schedule D	7,094,723	7,253,353	6,945,768
Research, Schedule D	-	-	-
Education, Schedule D	230,389	136,201	23,598
Non-insured Services, Schedule E	-	-	-
	27,513,759	29,437,096	27,775,472
Operating surplus (deficit)	3	(1,133,712)	(768,380)
Prior year funding Received, Note 19	-	-	(650,000)
Operating Surplus/(deficit) after prior year funding	3	(1,133,712)	(1,418,380)
Unfunded items			
Change in employee termination benefits, Note 6	-	123,519	87,457
Adjusted operating surplus (deficit) before the undemoted	3	(1,010,193)	(1,330,923)
Increase (Decrease) in post-employment benefits	-	1,898,000	54,000
Tangible Capital Assets - Rent Expense, Note 14	-	(631,340)	(622,833)
Grant-in-Kind - GNWT assets provided at no cost, Note 14	-	631,340	622,833
Adjusted operating surplus (deficit) for the year	\$ 3	\$ 887,807	\$ (1,276,923)
Opening Operating Fund Accumulated Surplus (Deficit)		(2,427,893)	(1,800,970)
Prior year funding received		-	650,000
Closing Operating Fund Accumulated Surplus (Deficit)		\$ (1,540,086)	\$ (2,427,893)

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Statement of Changes in Net Financial Resources

For the year ended March 31, 2014

	2014	2013
Annual surplus (deficit)	\$ 887,807	\$ (1,276,923)
Adjustments		
Change in employee termination benefit	(123,519)	(87,457)
Prior year funding received	-	650,000
Consumption of inventories used	993,034	903,898
Acquisition of inventories used	(950,898)	(932,506)
Use of prepaid expenses	187,199	144,317
Acquisition of prepaid expenses	(158,235)	(221,273)
Increase (Decrease) in net financial assets	835,388	(819,944)
Net financial resources, beginning of year	(3,933,184)	(3,113,240)
Net financial resources, end of year	\$ (3,097,796)	\$ (3,933,184)

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Statement of Cash Flow

For the year ended March 31, 2014

	2014	2013
Operating Activities		
Cash received from:		
GNWT	\$ 28,633,130	\$ 24,497,973
Other revenues and recoveries	1,088,952	1,021,127
Interest	38,276	46,804
Cash paid for:		
Compensation and benefits	(25,161,749)	(23,314,514)
Operations and maintenance	(3,403,986)	(4,007,884)
Cash from operations	1,194,623	(1,756,494)
Financing Activities		
	-	-
Investing Activities		
	-	-
Change in cash during the year	1,194,623	(1,756,494)
Cash, beginning of year	249,886	2,006,380
Cash, end of year	\$ 1,444,509	\$ 249,886
Total Interest paid	\$ 4,735	\$ 6,122

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Statement of Accumulated Surplus (Deficit) from Operations

For the year ended March 31, 2014

	2014	2013
Opening Operating Fund Accumulated Surplus (Deficit)	\$ (2,427,893)	\$ (1,800,970)
Adjusted operating surplus (deficit) for the year	887,807	(1,276,923)
Prior year funding received, Note 19	-	650,000
Transfer to Cash Reserve, Schedule G	-	-
Closing Operating Fund Accumulated Surplus (Deficit)	\$ (1,540,086)	\$ (2,427,893)

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Statement of Change in Employee Termination Liability Fund

For the year ended March 31, 2014

	2014	2013
Opening Employee Termination Liability Fund	\$ (1,645,430)	\$ (1,557,973)
(Increase) Decrease in employee termination benefits, Note 6	(123,519)	(87,457)
Closing Employee Termination Liability Fund	\$ (1,768,949)	\$ (1,645,430)

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Statement of Change in Cash Reserve

For the year ended March 31, 2014

	2014	2013
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, 2014

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

General

The financial statements of the Authority are the representations of the administration. They are prepared in accordance with policies prescribed by the Financial Administrations Act of the Northwest Territories and by the Department of Health and Social Services of the Government of the Northwest Territories ("GNWT").

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.

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.

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.

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, 2014

Note 2. Accounting Policies (continued)

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.

Inventory

Inventory is recorded at the lower of cost and replacement value. Cost is determined on a first-in, first-out basis using average cost.

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.

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 7. 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.

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.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2014

Note 2. Accounting Policies (continued)

Use of estimates

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.

Prior year balance

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

Note 3. 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.

An allowance for doubtful accounts included in accounts receivable represents management's best estimate of the credit risk exposure at year end.

Note 4. Accounts Receivable

	Receivables 2014	AFDA 2014	Net 2014	Net 2013
Due from GNWT	\$ 564,543	-	\$ 564,543	\$ 2,009,649
Due from Government of Canada	682	-	682	4,197
GST rebate receivable	26,722	-	26,722	13,114
Due from WSCC	10,639	-	10,639	17,243
Other accounts receivable	150,302	(34,357)	115,945	158,438
	\$ 752,888	(34,357)	\$ 718,531	2,202,641

Accounts Payable

	2014	2013
Accounts payable and accrued liabilities	\$ 1,089,628	\$ 537,076
Unspent donations	23,298	21,906
Due to GNWT	26,077	108,828
Repayable contributions, GNWT	1,271,629	1,218,214
	\$ 2,410,632	\$ 1,886,024

Note 5. 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.

	2014	2013
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, 2014

Note 6. 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:

	2014	2013
Current		
Employee annual leave*	\$ 810,591	\$ 801,820
Non-current		
Employee severance	1,057,407	983,132
Employee removal	711,542	662,298
	1,768,949	1,645,430
<i>Comprised of:</i>		
HRHSSA portion - earned beyond August 31, 1996	\$ 1,602,561	\$ 1,493,020
GNWT portion - Earned to August 31, 1996	166,388	152,410
	\$ 1,768,949	\$ 1,645,430

* 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 2014 fiscal year the Authority has insufficient cash to show an amount of restricted cash equal to the balance in the employee liability termination fund.

Note 7. Contingent Revenue

Revenue of \$166,388 representing accrued leave benefits for employees on August 31, 1996 and which, in management's view, pursuant to the terms of the transfer agreement on that date between the GNWT and the Town of Hay River, is owed to the Authority by GNWT, has not been recorded in these financial statements. Recognition of this amount is contingent upon GNWT agreeing to payment terms.

Note 8. Deferred Revenue

Deferred revenue represents funds that have been received for specific programs but remain unspent at March 31, 2014 as follows:

	2014	2013
Professional Development Initiative, GNWT	\$ 56,633	\$ 55,330
Other	-	495
	\$ 56,633	\$ 55,825

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2014

Note 9. Patient Trust Liability

The amount held in patient trust liabilities are funds held on behalf of the patients in residential care. The funds are included in the bank balance of the Authority, but do not belong to the Authority as they are restricted for those patients.

Note 10. Inventories

	2014	2013
General	\$ 15,440	\$ 16,218
Medical and surgical	135,316	178,079
Laboratory	8,033	8,500
Pharmaceutical	24,312	22,440
	\$ 183,101	225,237

Inventories are held for consumption in the process of providing services and are distributed at no charge or for a nominal fee.

Note 11. Accounting error

During the year the Authority identified an error in the prior year value of contributions repayable to the GNWT. There was a calculation error in the return of the Restricted Physician Services Funding from the core Territorial Operating Advance. The financial statement amounts that are presented for comparative purposes have been restated to correct this error as follows:

Decrease in contributions repayable to the GNWT	\$ 431,290
Increase in Net Income from the increase in Territorial operating advance on Schedule 'A'	\$ 431,290

Note 12. 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 actuarial.

Employees are required to contribute 6.85% of their pensionable earnings up to the yearly maximum pensionable earnings (YMPE) plus 9.2% 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.

	2014	2013
Accrued benefit obligation	\$ 30,404,000	\$ 30,351,000
Market value of pension fund assets	31,728,000	28,292,000
	(1,324,000)	2,059,000
Unamortized actuarial gains / (losses)	322,000	(1,163,000)
Pension liability (accrued benefit asset)	\$ (1,002,000)	\$ 896,000

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2014

Note 12. Post-employment benefits (continued)

The post-employment benefits liability (asset) includes the following components:

	2014	2013
Pension liability - beginning of year	\$ 896,000	\$ 950,000
Cash items:		
Member contributions	(813,000)	(667,000)
Employer contributions	(3,694,000)	(3,023,000)
Benefit payments	(2,511,000)	(1,802,000)
Drawdown from plan assets	2,511,000	1,802,000
Net change to pension liability from cash items	(4,507,000)	(3,690,000)
Accrual items:		
Current period benefit cost	2,385,000	2,615,000
Amortization of actuarial gains/losses	173,000	2,217,000
Past service amendment	-	(1,477,000)
Interest on average accrued benefit obligation	1,545,000	1,526,000
Expected earnings on average pension fund assets	(1,494,000)	(1,245,000)
	2,609,000	3,636,000
Pension liability (accrued benefit asset) - end of year	\$ (1,002,000)	\$ 896,000

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:

	2014	2013
Date of actuarial valuation	1-Jan-14	1-Jan-13
Date of audited financial statements	31-Mar-14	31-Mar-13
Discount rate	5.70%	5.10%
Interest rate on pension fund assets	5.10%	4.80%
Interest rate on accrued benefit obligation	5.10%	4.80%
Future Inflation	2.00%	2.00%
Future compensation increases	2.50%	2.50%
Expected average remaining service life (years)	7.7	7.7

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2014

Note 12. 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, 2014, the member required contributions will be increased to 7.5% (previously 6.85%) of earnings up to the YMPE plus 9.8% (previously 9.2%) of earnings above the YMPE. The member required contribution rates will also increase effective April 1, 2015 to 8.15% (2015) of earnings up to the YMPE plus 10.4% (2015) for 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.

Note 13. 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
2015	\$ 23,884	\$ 34,157	\$ 126,300	\$ 184,341
2016	17,080	-	126,300	143,380
2017	11,804	-	-	11,804
	\$ 52,768	\$ 34,157	\$ 252,600	\$ 339,525

Note 14. 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.

	Cost	Accumulated Amortization	2014 Net Book Value	2013 Net Book Value
Land	\$ 30,325	\$ -	\$ 30,325	\$ 30,325
Buildings	11,873,890	4,956,352	6,917,538	7,217,646
Buildings Service Equipment	1,748,034	1,269,601	478,433	599,727
Equipment	3,606,632	2,564,215	1,042,417	818,535
	\$ 17,258,881	\$ 8,790,168	\$ 8,468,713	\$ 8,666,233

Amortization expense for 2014 is \$631,340 (2013 = \$622,833)

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2014

Note 15. 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 risk 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, a \$50,000 accrued liability has been established. Should any further loss result from the resolution of these claims, such loss will be charged to operations in the year of resolution.

Note 16. 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 17. Related Party Transactions

The Authority is related in term 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 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 as follows:

Accounts Receivable:

GNWT, Note 4	\$	564,543
Beaufort Delta Health and Social Services Authority	\$	3,165
Fort Resolution Health Centre	\$	1,798
NWT Housing Corporations	\$	120
Stanton Territorial Health Authority	\$	46

Accountable capital advance, GNWT, Note 5 \$ 5,829

Accounts Payable:

GNWT, Note 4	\$	1,297,706
Fort Smith Health and Social Services Authority	\$	9,120
Stanton Territorial Health Authority	\$	28,217

Accrued employee termination benefits, Note 6 \$ 166,388

Deferred revenue, GNWT, Note 8 \$ 56,633

Note 18. Budget

The budget figures are those provided by Management and are unaudited.

Note 19. Prior Year Funding Received

Funding for payroll benefits in the amount of \$650,000 was received during the prior year and is restricted to offset the 2011/2012 operating deficit. As such, these contributions have not been shown to impact the operating deficit for the year ended March 31, 2013.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY
 Schedule of Operating Advances from the GNWT

Schedule A

For the year ended March 31, 2014

	2014 Budget	2014 Actual	2013* Actual
Hospital Services	\$ 12,562,000	\$ 13,571,000	\$ 11,782,000
Board Administration	2,575,000	2,575,000	2,932,000
Physician Services to NWT Residents	2,169,000	2,169,000	2,826,000
Medical Equipment under \$50,000	24,000	24,000	24,000
Intervention Services	32,000	32,000	32,000
Social Service Delivery	1,716,000	1,716,000	1,790,000
Residential Care - Elderly & Persons with Disabilities	4,159,000	4,159,000	4,209,000
Homecare	577,000	577,000	586,000
Family Violence	513,000	513,000	513,000
Foster Care	452,000	452,000	452,000
Primary Community & Acute Care Services	41,000	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	7,000	-
	24,902,000	25,911,000	25,221,000
Physician Services	-	-	42,662
Less: Physician Services Repayable	-	-	(532,335)
	\$ 24,902,000	\$ 25,911,000	\$ 24,731,327

* Restated - see Note 11

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY
Schedule of Other Recoveries for Direct Charges for Services

Schedule B

For the year ended March 31, 2014

	2014 Budget	2014 Actual	*2013 Actual
Other Recoveries from the GNWT			
Patient Revenues	\$ 290,000	\$ 158,300	\$ 131,910
Services	98,000	116,998	35,038
Wages	-	9,486	-
Travel and Training	-	15,896	34,192
Other	-	82,604	21,336
	388,000	383,284	222,476
Other Recoveries directly from Third Parties			
Government of Canada			
Patient Revenues	3,000	1,795	5,619
Services	-	1,452	5,452
Other	-	1,115	520
	3,000	4,362	11,591
Workers' Safety and Compensation Commission			
Patient Revenues	60,000	32,812	26,547
Services	-	87,910	39,274
Wages	20,000	30,230	965
Other	-	160	26,240
	80,000	151,112	93,026
Hay River Dental Clinic			
Other	180,000	143,100	116,400
Other GNWT Health Authorities			
Patient Revenues	-	7,926	-
Wages	-	8,211	9,485
Travel and Training	-	1,769	5,754
Other	-	10,813	11,904
	-	28,719	27,143
Other Third Parties Insurance Companies			
Patient Revenues	-	1,448	2,464
Services	-	3,444	1,086
Other	-	1,774	-
	-	6,666	3,550
Other Third Parties			
Patient Revenues	474,480	403,830	422,607
Cafeteria	141,500	149,708	143,789
Services	20,000	48,981	36,120
Wages	-	2,353	5,733
Travel and Training	-	3,502	2,096
Other	26,500	49,289	49,743
	662,480	657,663	660,088
	\$ 1,313,480	\$ 1,374,906	\$ 1,134,274

* Restated for comparative purposes

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Schedule of Other Revenues

Schedule C

For the year ended March 31, 2014

	2014 Budget	2014 Actual	*2013 Actual
Other Revenues from the GNWT			
Home and Community Care Enhancement	\$ 363,097	\$ 303,851	\$ 287,946
Healthy Family Program	256,000	235,820	209,668
Grad Placement Program	230,387	134,860	10,053
Living with Type 2 Diabetes	103,763	103,763	74,109
Nurse Educator/Mentor Program	121,569	57,972	71,871
French Language Services	95,000	55,000	49,565
Collective Kitchen	13,640	13,640	-
Children Who Witness Violence	12,500	12,500	6,250
Other	10,326	4,862	6,502
Integrated Service Delivery Model	-	-	32,070
Professional Development Initiative - Group Deferred Revenue	-	-	5,871
Laboratory Information Services	-	-	83,025
Behavioral Management Training	-	-	7,214
Relevant Experience Program	-	-	8,400
Baby Feeding Basics	-	-	9,494
Chronic Long-term Care Nursing	-	-	11,760
	1,206,282	922,268	873,798
Other Revenue directly from Third Parties			
Fort Smith Health & Social Services Authority	-	-	77,100
Hay River Hospital Foundation - Restricted Donations	-	15,149	105,917
Internal Transfers	42,000	41,785	37,872
	42,000	56,934	220,889
	\$ 1,248,282	\$ 979,202	\$ 1,094,687

* Restated for comparative purposes

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Schedule of Expenses by Functional Centre

Schedule D

For the year ended March 31, 2014

	Compensation		Other		Total 2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Administrative and Support Services								
General Administration/ Mailroom/ Board	\$ 24,000	\$ 18,398	\$ 138,400	\$ 80,796	\$ 162,400	\$ 98,194	\$ 107,507	
Executive Offices	1,011,943	593,859	50,800	36,420	1,062,743	630,279	980,046	
Quality Improvement/Risk Management	261,863	228,740	43,550	20,789	305,213	249,529	263,995	
Finance	533,592	482,945	145,950	152,798	679,442	635,743	578,383	
Employee Services	310,592	344,374	21,900	12,933	332,492	357,307	309,253	
Corporate Human Resources	1,351,598	2,727,234	303,000	377,735	1,654,598	3,104,969	2,350,147	
Information Services/telehealth	243,417	273,232	116,000	113,698	359,417	386,930	354,194	
Materials Management	193,041	159,990	20,350	9,655	213,391	169,645	161,799	
Supply, Process and Distribution	139,432	154,530	36,850	41,134	176,282	195,664	199,236	
Housekeeping and Laundry	745,149	848,167	57,200	55,930	802,349	904,097	786,888	
Engineering Services	549,217	545,635	288,150	229,942	817,367	775,577	736,236	
Registration	84,557	106,039	-	17,209	84,557	123,248	142,724	
Medical Records	209,467	232,779	26,750	11,926	236,217	244,705	250,038	
Electronic Medical Records	210,491	118,842	21,700	17,915	232,191	136,757	-	
Dietary	740,113	879,701	303,450	319,528	1,043,563	1,199,229	1,165,111	
Contribution Agreements	102,303	60,355	32,696	23,390	134,999	83,745	199,202	
Total Administrative and Support Services	6,710,575	7,774,820	1,588,646	1,521,798	8,297,221	9,298,618	8,584,759	
Nursing Inpatients/Resident Services								
Acute Care	2,338,943	2,449,173	258,800	329,931	2,597,743	2,779,104	2,886,455	
Chronic Long-Term Care	1,005,289	1,163,846	15,400	12,394	1,020,689	1,176,240	1,080,992	
Midwifery	-	-	41,000	32,541	41,000	32,541	-	
Contribution Agreements	115,369	85,812	6,200	410	121,569	86,222	60,660	
Total Nursing Inpatients/Resident Services	3,459,611	3,698,831	321,400	375,276	3,781,011	4,074,107	4,028,107	
Ambulatory Care Services								
Endoscopic Procedures	-	18,630	16,050	8,171	16,050	26,801	35,346	
Dialysis	321,468	364,996	121,360	100,623	442,818	455,619	473,666	
Dental Surgery	60,000	86,985	27,325	30,572	87,325	117,557	89,456	
Physicians	1,311,936	2,020,459	466,000	404,360	1,777,936	2,424,819	1,862,134	
Nurse practitioner services	402,020	287,106	70,000	20,786	472,020	307,892	529,886	
Medical Clinic Administration	891,417	881,478	73,300	49,210	964,717	930,688	921,584	
Total Ambulatory Care Services	2,986,841	3,649,654	774,025	613,722	3,760,866	4,263,376	3,912,171	

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Schedule of Expenses by Functional Centre

Schedule D (continued)

For the year ended March 31, 2014

	Compensation		Other		Total 2014		2013	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Diagnostic and Therapeutic Services								
Laboratory	416,094	421,810	453,800	410,086	869,894	831,896	869,867	869,867
Mammography	91,016	135,626	59,400	57,697	150,416	193,323	179,161	179,161
Diagnostic Imaging	400,238	521,372	104,050	95,784	504,288	617,156	531,638	531,638
Pharmacy	146,229	129,697	66,300	65,083	212,529	194,780	197,048	197,048
Physiotherapy	317,182	249,025	11,000	17,431	328,182	266,456	283,323	283,323
Occupational Therapy	224,636	247,084	10,400	15,624	235,036	262,708	230,130	230,130
Audiology and Speech Language Therapy	148,785	96,676	5,575	56,272	152,360	152,948	128,427	128,427
Recreation Therapy	121,363	128,856	4,600	2,373	125,963	131,229	116,800	116,800
Contribution Agreements	-	-	-	-	-	-	77,503	77,503
Total Diagnostic and Therapeutic Services	1,863,543	1,930,146	714,926	720,350	2,578,468	2,650,496	2,613,897	2,613,897
Community Health Services								
Public Health	461,725	478,841	82,850	91,019	544,575	569,860	547,697	547,697
Home Care	718,070	740,909	35,250	36,884	753,320	777,793	754,387	754,387
Environmental Health	-	-	-	53	-	53	16,470	16,470
Contribution Agreements (HCE/ADIT/CDT)	392,030	358,284	81,156	56,955	473,186	415,239	348,618	348,618
Total Community Health Services	1,571,825	1,578,034	199,256	184,911	1,771,081	1,762,945	1,667,172	1,667,172
Social Services								
Social Services	766,796	762,635	32,350	42,683	799,146	805,318	787,567	787,567
Foster Care	-	-	506,000	456,549	506,000	456,549	443,571	443,571
Family Violence (Contribution Agreement)	525,500	526,500	-	-	525,500	525,500	500,900	500,900
Community Counselling Services	708,902	738,478	30,150	23,084	739,052	761,562	534,275	534,275
Woodland Manor	1,668,611	1,773,578	32,250	28,837	1,700,861	1,802,415	1,769,072	1,769,072
Supported Independent Living	2,003,815	2,070,010	97,100	87,275	2,100,915	2,157,285	2,219,566	2,219,566
Supported Independent Living - Day	430,808	471,201	22,800	16,481	453,608	487,682	470,260	470,260
Contribution Agreements (VA/HF/KHS/S/DPD)	173,601	184,951	96,040	72,091	269,641	257,042	220,567	220,567
Total Social Services	6,278,033	6,526,353	816,690	727,000	7,094,723	7,253,353	6,945,768	6,945,768
Research	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Contribution Agreements (PD/INP/GP/BMT)	230,389	136,201	-	-	230,389	136,201	23,598	23,598
Total Expenses	\$ 23,100,817	\$ 25,294,039	\$ 4,412,942	\$ 4,143,057	\$ 27,513,769	\$ 28,437,096	\$ 27,775,472	\$ 27,775,472

* 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, 2014

		Total 2014		2013
	Budget	Actual	Actual	
Recoveries	\$ -	\$ -	\$ -	-
Expenditures	-	-	-	-
Surplus (Deficit)	\$ -	\$ -	\$ -	-

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Other Contributions

Schedule F

For the year ended March 31, 2014

	SC#	Budget	Actual
Home and Community Care Enhancement (F-1)	HSS01-0000002218am1	\$ 363,097	\$ 303,851
Healthy Family Program (F-2)	HSS01-0000002455	\$ 256,000	\$ 235,820
		\$ 619,097	\$ 539,671

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Home and Community Care Enhancement

Schedule F-1

For the year ended March 31, 2014

Revenue

GNWT - Home and Community Care Enhancement \$ 303,851

Expenditures

Salaries and benefits 267,864

Supplies 10,309

Sundry 10,622

Referred out services 2,167

Vehicle expense 8,000

Minor equipment 4,091

Telephone and fax 1,095

304,148

Surplus (Deficit) \$ (297)

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Healthy Family Program

Schedule F-2

For the year ended March 31, 2014

Revenue	
GNWT - Healthy Family Program	\$ 235,820
Other recoveries	6,805
	<hr/>
	242,625
<hr/>	
Expenditures	
Salaries and benefits	184,951
Supplies	22,077
Sundry	9,043
Building and grounds	-
Telephone and fax	2,399
Vehicle expense	8,000
Minor equipment	16,932
	<hr/>
	243,402
	<hr/>
Surplus (Deficit)	\$ (777)

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Schedule of Reserves

Schedule G

For the year ended March 31, 2014

	Surplus / Deficit		Cash Reserve	
	2014	2013	2014	2013
Balance, beginning of the year	\$ -	\$ -	\$ 500,000	\$ 500,000
Transfers between reserves	-	-	-	-
Balance end of year	\$ -	\$ -	\$ 500,000	\$ 500,000

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Capital Assets

Schedule H

March 31, 2014

	Cost
Capital Assets owned and Financed by GNWT:	
Land	\$ 30,325
Buildings	11,668,528
Buildings Service Equipment	1,748,034
Equipment	3,222,900
Total Assets Financed by GNWT	\$ 16,669,787
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	\$ 17,258,881

Assets purchased or disposed of during the year:

Purchased Capital Asset owned and financed by the GNWT:

NA	\$ -
	\$ -

**Sahtu Health & Social Services Authority
Financial Statements
Norman Wells, NT
Year End March 31, 2014**

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 Changes in Financial Position

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 - Schedule of Other Contribution

Schedule K - Schedule of Reserves



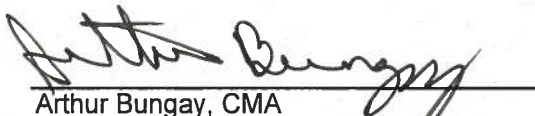
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Sahtu Health Social Services Authority MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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 26, 2014



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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, 2014, 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, 2014 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 26, 2014

Sahtu Health & Social Services Authority

Statement of Financial Position

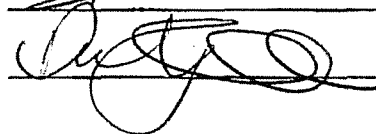
As of March 31, 2014

FINANCIAL ASSETS	2014	2013
<i>Cash</i>	134,213	312,764
<i>Accounts Receivable (Note 5)</i>	804,974	916,424
	<u>939,187</u>	<u>1,229,188</u>
LIABILITIES		
<i>Accounts Payable (Note 6)</i>	1,173,082	945,576
<i>Wages & Benefits Payable - GNWT</i>	281,275	624,486
<i>Employee Leave and payroll related Liabilities (Note 3)</i>	655,893	589,668
	<u>2,110,250</u>	<u>2,159,730</u>
Net Financial Assets/(Debt)	<u>(1,171,063)</u>	<u>(930,541)</u>
Non-Financial Assets		
<i>Inventory (Note 9)</i>	174,450	82,403
<i>Prepaid Expenses</i>	2,290	10,865
	<u>176,740</u>	<u>93,268</u>
<i>Accumulated Surplus/(Deficit)</i>	<u>(994,322)</u>	<u>(837,273)</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, 2014

	2014 Budget (unaudited)	2014 Actual	2013 Actual
REVENUE			
Territorial Operating Advance (Schedule A)	\$ 12,025,000	\$ 11,945,618	\$ 11,593,631
Other Recoveries (Schedule B)	103,200	169,377	107,831
Other Revenues (Schedule C)	1,533,056	1,022,382	1,084,609
Non-insured Health Benefits (Schedule E)	240,000	114,445	245,663
Investment Revenue	15,000	17,891	16,460
	13,916,256	13,269,713	13,048,194
EXPENSES			
Administration (Schedule D)	1,828,041	1,858,083	1,473,701
Ambulatory Care Services (Schedule D)	945,000	865,618	785,631
Community Health Services (Schedule D)	7,920,566	7,812,764	7,955,664
Social Services (Schedule D)	2,433,188	2,367,117	2,492,326
Education (Schedule D)	549,461	408,736	178,486
Non-Insured Expenses (Schedule E)	240,000	114,445	245,663
	13,916,256	13,426,762	13,131,471
OPERATING SURPLUS (DEFICIT)	-	(157,049)	(83,277)
Unfunded Items			
Change in employee leave and termination benefits (Note 3)		66,225	136,820
ANNUAL SURPLUS (DEFICIT) Before the Following		(90,824)	53,544
Amortization of Building & Equipment	257,577	216,129	257,577
Grant-in-Kind - GNWT Assets provided at no cost	(257,577)	(216,129)	(257,577)
ANNUAL SURPLUS (DEFICIT)	-	(90,824)	53,544
Opening Accumulated Surplus	-	(837,273)	(753,997)
Closing Accumulated Surplus	-	(994,322)	(837,273)

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, 2014

	<u>2014</u>	<u>2013</u>
Annual Surplus/(Deficit)	(157,049)	(83,277)
Adjustments:		
Consumption of Inventories Used	196,302	307,154
Acquisition of Inventories Used	(288,350)	(389,557)
Use of Prepaid Expenses	10,865	42,270
Acquisition of Prepaid Expenses	(2,290)	(10,865)
(Increase)/Decrease in net debt	<u>(240,522)</u>	<u>(134,275)</u>
Opening net financial resources	<u>(930,541)</u>	<u>(796,266)</u>
Closing net financial resources	<u><u>(1,171,063)</u></u>	<u><u>(930,541)</u></u>

See the accompanying notes and schedules.

Sahtu Health & Social Services Authority

STATEMENT OF CHANGES IN FINANCIAL POSITION

For the year ended March 31, 2014

	2014	2013
Operating Surplus / (Deficit)	(157,049)	(83,277)
(Increase) Decrease in Accounts Receivable	111,450	(376,067)
Increase (Decrease) in Accounts Payable	227,506	(98,257)
Increase (Decrease) in Wages and Benefits Payable	(276,986)	565,226
Net (Acquisition) Consumption of Prepaid	8,575	31,405
Net (Acquisition) Consumption of Inventory	(92,048)	(82,403)
	<hr/>	<hr/>
Net Cash from Operations	(178,552)	(43,373)
Cash Provided by Investing Transactions	-	-
Cash Provided by Financing Transactions	-	-
	<hr/>	<hr/>
Increase/(Decrease) in Cash and Cash Equivalents	(178,552)	(43,373)
Opening Cash and Cash Equivalents	312,764	356,137
	<hr/>	<hr/>
Closing Cash and Cash Equivalents	134,212	312,764

See accompanying notes and schedules.

Sahtu Health & Social Services Authority

Notes to the Financial Statements

For the year ended March 31, 2014

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) 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.

c) Inventory

The Authority has established the policy of accounting for inventory at the lower of cost or replacement value.

d) 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, 2014 the Authority had an accumulated Deficit of \$837,273.

e) 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.

f) 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.

Sahtu Health & Social Services Authority

Notes to the Financial Statements

For the year ended March 31, 2014

g) Pension Contributions

The Authority and its employees make contributions to the Public Service Superannuation Plan. These contributions represent the total liability to the Authority.

h) Use of Estimates

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.

3. 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:

	2014	2013
<i>Leave</i>	324,087	290,555
<i>Termination, Severance, Resignation, Retirement</i>	121,374	111,913
<i>Removal</i>	210,432	187,200
	<u>655,893</u>	<u>589,668</u>

Sahtu Health & Social Services Authority

Notes to the Financial Statements

For the year ended March 31, 2014

4. CONTRACTUAL OBLIGATIONS

The Authority has entered into agreements for, or is contractually committed to, the following expenses subsequent to March 31, 2014.

	Expires in Fiscal Year	2014	Remaining Obligation	Total
Commercial & Residential Leases				
Seamus Quigg	2015	21,300	5,400	26,700
Steven Rose	2015	21,600	5,400	27,000
Norman Wells Claimant Corporation I	2018	54,980	232,500	287,480
Northwest Territories Housing Corp	2015	12,650	16,920	29,570
Two Rivers Development Group Ltd.	2015	23,267	1,267	24,534
Northwest Territories Housing Corp	2015	34,455	21,520	55,975
Equipment Leases				
Xerox Canada Limited	2017	14,767	44,901	59,668
Total		183,019	327,908	510,927

5. ACCOUNTS RECEIVABLE

	Accounts Receivable 2014	AFDA 2014	Net 2014	Net	2013
Due from GNWT	771,747	2,751	768,996		873,390
Due from Third Parties	102,483	66,505	35,978		43,034
	874,230	69,256	804,974		916,424

6. ACCOUNTS PAYABLE

	2014	2013
Due to GNWT	543,521	342,416
Due to Stanton Territorial Hospital	212,525	149,298
Due to BDHSSA	29,457	47,616
Due to Third Parties	387,579	406,246
	1,173,082	945,576

Sahtu Health & Social Services Authority

Notes to the Financial Statements

For the year ended March 31, 2014

7. CONTRIBUTION PAYABLE

Included in accounts payable Note 6 are the following contributions payable.

Government of the Northwest Territories

Healthy Families Program	69,171
Enhanced Home Care	99,972
	<u>169,143</u>

8. 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%

			<u>2014</u>	<u>2013</u>
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Buildings	7,877,795	(5,068,850)	2,808,945	2,891,752
Furniture, Fixtures & Equipment	66,955	(64,756)	2,199	6,597
Computer & Software	46,728	(46,728)	-	-
	<u>7,991,478</u>	<u>(5,180,334)</u>	<u>2,811,144</u>	<u>2,898,349</u>

The above information was provided by the Government of the Northwest Territories.

Amortization expense for 2013-14 is \$216,129 (\$257,577 2012-13).

Sahtu Health & Social Services Authority

Notes to the Financial Statements

For the year ended March 31, 2014

9. 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 taken out inventory.

	<u>2014</u>	<u>2013</u>
Medical Supplies	162,007	69,604
Pharmacy	12,443	12,799
	<u>174,450</u>	<u>82,403</u>

10. 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.

11. EXPENSES BY OBJECT

	<u>2014</u>	<u>2013</u>
Compensation	9,875,214	9,421,379
Other	3,767,677	3,967,669
	<u>13,642,891</u>	<u>13,389,048</u>

12. 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.

13. RELATED PARTY TRANSACTIONS

Expenditures	<u>2014</u>
Stanton Territorial Hospital Authority	278,110
Beaufort-Delta Health & Social Services Authority	152,771
	<u>430,881</u>

All other related party transactions are disclosed elsewhere in the statements.

Sahtu Health & Social Services Authority
SCHEDULE A
Schedule of Territorial Operating Advances
For the year ended March 31, 2014

	2014 Budget (unaudited)	2014 Actual	2013 Actual
<i>Authority Administration</i>	1,357,000	1,357,000	1,124,000
<i>Equipment (under \$50,000)</i>	13,000	13,000	13,000
<i>Health Centres</i>	5,703,000	5,703,000	5,533,000
<i>Physician Services to NWT Residents</i>	945,000	865,618	785,631
<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	276,000
<i>Authority Social Services Delivery</i>	2,094,000	2,094,000	2,090,000
<i>Family Violence</i>	122,000	122,000	122,000
<i>Community Wellness Programs</i>	86,000	86,000	106,000
<i>Home Care</i>	598,000	598,000	724,000
	<u>12,025,000</u>	<u>11,945,618</u>	<u>11,593,631</u>

Sahtu Health & Social Services Authority
SCHEDULE B
Schedule of Other Recoveries directly from Third Parties
For the year ended March 31, 2014

	2014 Budget		
	(unaudited)	2014 Actual	2013 Actual
Other Recoveries directly from Third Parties			
<i>RCMP</i>	-	-	6,000
<i>WSCC</i>	18,600	56,529	21,330
<i>Other Provincial Plans</i>	74,400	94,832	68,864
<i>Co-payment Users</i>	10,200	7,057	11,093
<i>Other Payment Sources</i>	-	10,959	544
	<u>103,200</u>	<u>169,377</u>	<u>107,831</u>

Sahtu Health & Social Services Authority
SCHEDULE C
Schedule of Other Revenues
For the year ended March 31, 2014

	2014 Budget			
	(unaudited)	2014	Actual	2013 Actual
Other Revenue from the GNWT				
<i>Enhanced Home Care</i>	556,560		456,588	597,879
<i>Nutrition North</i>	15,120		15,120	30,875
<i>Community Wellness Program</i>	-		-	42,089
<i>Healthy Family Program</i>	250,000		55,829	108,049
<i>Diabetes Awareness</i>	67,776		67,776	67,776
<i>Mental Health First Aid</i>	11,544		10,400	6,897
<i>Family Violence Protocol</i>	70,000		38,094	-
<i>Community Health Nurse Development</i>	516,184		295,982	178,486
<i>Other</i>	4,032		3,284	-
	<u>1,491,216</u>		<u>943,073</u>	<u>1,032,050</u>

Sahtu Health & Social Services Authority
SCHEDULE C
Schedule of Other Revenues
For the year ended March 31, 2014

	2014 Budget			
	(unaudited)	2014	Actual	2013 Actual
<i>Grants</i>	800		10,976	750
<i>NIHB Administration Fee</i>	-		1,549	1,488
<i>Donations - Unrestricted</i>	-		-	1,650
<i>Transient Accommodation</i>	41,040		66,785	48,670
	<u>41,840</u>		<u>79,310</u>	<u>52,558</u>
	<u>1,533,056</u>		<u>1,022,382</u>	<u>1,084,609</u>

Sahtu Health & Social Services Authority

SCHEDULE D

Schedule of Expenses by Functional Services

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>948,162</u>	<u>3,084,628</u>	<u>3,159,867</u>	<u>9,100,412</u>	<u>9,145,514</u>	<u>-</u>	<u>58,775</u>	<u>13,676,256</u>	<u>13,312,317</u>

For the year ended March 31, 2013

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	-	-	334,419	373,521	1,216,486	1,074,413	-	25,767	1,550,905	1,473,701
Ambulatory Care Services	-	-	144,305	237,947	786,695	547,684	-	-	931,000	785,631
Community Health Services	1,093,381	846,667	1,505,458	1,653,784	5,356,067	5,455,213	-	-	7,954,906	7,955,664
Social Services	22,930	6,897	726,864	793,177	1,835,646	1,692,251	-	-	2,585,440	2,492,326
Education	270,335	178,486	-	-	-	-	-	-	270,335	178,486
	<u>1,386,646</u>	<u>1,032,050</u>	<u>2,711,046</u>	<u>3,058,429</u>	<u>9,194,894</u>	<u>8,769,561</u>	<u>-</u>	<u>25,767</u>	<u>13,292,586</u>	<u>12,885,808</u>

Sahtu Health & Social Services Authority
SCHEDULE E
Schedule of Non-Insured Recoveries and Expenses
For the year ended March 31, 2014

	2014 Budget (unaudited)	2014 Actual	2013 Actual
<i>Recoveries</i>	240,000	114,445	245,663
<hr/>			
<u>Expenses</u>			
<i>Transportation</i>	-	-	-
<i>Vision</i>	-	-	-
<i>Drugs</i>	24,000	20,249	21,398
<i>Medical Supplies</i>	-	-	-
<i>Dental</i>	216,000	94,196	224,265
<i>Medical Equipment</i>	-	-	-
	<hr/> 240,000	<hr/> 114,445	<hr/> 245,663
 Net Expense	 -	 -	 -
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Sahtu Health & Social Services Authority

SCHEDULE F

Schedule of Other Contribution

Home Care Enhancement Program

HSS01-2219am1

For the year ended March 31, 2014

	2014 Budget (unaudited)	2014 Actual	2013 Actual
Funding			
GNWT			
Department of Health & Social Services	556,560	456,588	597,879
Expenses			
Compensation and Benefits			
Norman Wells	43,937	32,080	36,762
Tulita	32,526	20,050	32,795
Fort Good Hope	145,104	168,368	154,540
Deline	192,039	181,912	235,321
Colville Lake	5,000	5,015	8,475
Compensation and Benefits Total	418,606	407,425	467,893
Operations & Maintenance			
Regional	57,954	-	10,923
Norman Wells	-	7,057	-
Tulita	20,000	4,027	45,213
Fort Good Hope	60,000	36,479	29,292
Deline	-	1,600	40,443
Colville Lake	-	-	4,114
Operations & Maintenance Total	137,954	49,163	129,986
Expense Total	556,560	456,588	597,879
Excess Funding Over Expense	-	-	-

Stanton Territorial Health Authority

Financial Statements

March 31, 2014

Stanton Territorial Health Authority

Financial Statements

March 31, 2014

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
Statement V	Statement of Expense by Object	9
Statement VI	Endowment and Special Purposes Fund - Statement of Financial Position	10
Statement VII	Endowment and Special Purposes Fund - Statement of Revenue, Expenditures and Surplus	11
	Notes to Financial Statements	12-21
Schedule A	Schedule of Operating Advances from the GNWT	22
Schedule B	Schedule of Other Recoveries for Direct Charges for Services	23
Schedule C	Schedule of Other Revenues	24
Schedule D	Schedule of Expenses by Functional Centre	25
Schedule E	Schedule of Non-Insured Recoveries and Expenses	26
Schedule F	Other Contributions	27-29
Schedule G	Schedule of Reserves	30



30 June 2014

Hon. Glen Abernethy
Minister of Health and Social Services
Government of the Northwest Territories

Mr. Joe Handley
Public Administrator
Stanton Territorial Health Authority

Management's Responsibility for Financial Reporting

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

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, 2014, 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 in 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 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 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 salaries and benefits expenditures, employee and payroll related liabilities, employee leave and termination benefits, and net financial debt.

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, 2014, 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, these financial statements present fairly, in all material respects, the revenues and expenditures of all programs funded through contributions with the the Department of Health and Social Services which total \$250,000 or more as per schedule F for the year ended March 31, 2014, 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, 2014**

Crowe MacKay LLP
Chartered Accountants

Stanton Territorial Health Authority**Statement of Financial Position****STATEMENT I****As at March 31,****2014****2013****Financial Assets**

Cash	\$ 2,647,247	\$ 794,111
Restricted cash (capital advance) (Note 4)	216,663	286,644
Restricted cash (trust account)	11,606	9,618
Accounts receivable (Note 5)	19,106,720	20,215,459
	21,982,236	21,305,832

Liabilities

Accounts payable and accrued liabilities (Note 6)	\$ 6,919,387	\$ 5,936,778
Employee and payroll-related liabilities	26,652,993	26,377,959
Capital advances (Note 7)	216,663	286,644
Employee leave and termination benefits (Note 8)	5,938,203	5,572,926
Deferred revenue (Note 9)	2,975	-
Trust liabilities	11,606	9,618

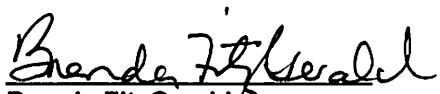
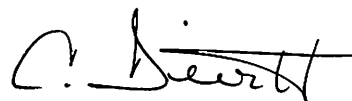
Total Liabilities	39,741,827	38,183,925
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Net Financial Debt	(17,759,591)	(16,878,094)
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Non Financial Assets

Prepaid expenses	281,839	359,408
Inventories (Note 10)	1,716,493	1,375,437
	1,998,332	1,734,845

Accumulated Deficit (Note 11)	\$ (15,761,259)	\$ (15,143,247)
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Contingent Liabilities (Note 12)**Contractual Obligations (Note 13)****Approved on behalf of the Authority****Brenda Fitzgerald**
Chief Executive Officer**Corinne Devitt, CGA**
Chief Financial Officer

Stanton Territorial Health Authority

Statement of Operations

For the year ended, March 31	2014		2013
	(unaudited) Budget	Actual	Actual
Revenue			
Operating advances from the GNWT (Schedule A)	\$ 81,624,000	\$ 83,957,155	\$ 79,618,599
Other recoveries (Schedule B)	22,183,142	24,172,885	21,996,970
Other revenues (Schedule C)	4,873,000	5,029,999	4,956,973
Non-insured recoveries and expenditures (Schedule E)	9,481,000	8,784,685	9,337,706
Investment revenue	70,000	77,038	71,618
	118,231,142	122,021,762	115,981,866
Expenditures			
Administration and support services (Schedule D)	42,912,838	45,311,519	40,584,936
Nursing inpatients services (Schedule D)	20,979,173	21,970,394	21,678,993
Ambulatory care services (Schedule D)	26,426,059	26,781,039	25,013,022
Diagnostic and therapeutic services (Schedule D)	18,469,832	17,897,485	17,832,457
Community health services (Schedule D)	850,902	775,286	846,703
Education (Schedule D)	951,304	775,140	670,303
Undistributed (Schedule D)	277,500	344,227	250,329
Non-insured recoveries and expenditures (Schedule E)	9,481,000	8,784,685	9,337,706
	120,348,607	122,639,774	116,214,448
Annual Operating Deficit	(2,117,465)	(618,012)	(232,582)
Prior Year Funding Received	-	(1,379,155)	(1,206,599)
Operating Deficit Before Prior Year Funding	(2,117,465)	(1,997,167)	(1,439,181)
Unfunded Item:			
Change in employee leave and termination benefits	-	365,277	544,808
Annual Deficit Before the Following:	(2,117,465)	(1,631,890)	(894,373)
Rent expense - GNWT assets provided at no cost (note 14)	-	(2,381,450)	(3,660,738)
Grant-in-kind - GNWT assets provided at no cost (note 14)	-	2,381,450	3,660,738
Annual Operating Deficit	\$ (2,117,465)	\$ (1,631,890)	\$ (894,373)
Opening Accumulated Deficit	-	(15,143,247)	(14,910,665)
Closing Accumulated Deficit	\$ (2,117,465)	\$ (15,761,259)	\$ (15,143,247)

Stanton Territorial Health Authority

Statement of Changes in Net Financial Debt

For the year ended, March 31	2014		2013
	(unaudited) Budget	Actual	Actual
Annual operating deficit	\$ (2,117,465)	\$ (618,012)	\$ (232,582)
Adjustments			
Consumption of inventories	-	2,328,467	2,796,342
Acquisition of inventories	-	(2,669,522)	(2,823,408)
Use of prepaid expenses	-	4,109,559	3,964,585
Acquisition of prepaid expenses	-	(4,031,989)	(3,943,965)
Decrease (Increase) in Net Financial Debt	(2,117,465)	(881,497)	(239,028)
Net Financial Debt, Beginning of Year	-	(16,878,094)	(16,639,066)
Net Financial Debt, End of Year	\$ (2,117,465)	\$ (17,759,591)	\$ (16,878,094)

Stanton Territorial Health Authority

Statement of Cash Flows

For the year ended, March 31	2014	2013
Net inflow (outflow) of cash related to the following activities:		
Operating transactions		
Operating surplus (deficit)	\$ (618,012)	\$ (232,582)
Non-cash operating items		
Accounts receivable	1,108,739	(1,801,150)
Prepaid expenses	77,571	20,621
Inventory	(341,056)	(27,067)
Accounts payable and accrued liabilities	982,609	416,652
Employee and payroll-related liabilities	275,034	1,736,422
Deferred revenue	2,975	(30,000)
Capital advances	(69,981)	(10,559)
Employee leave and termination benefits	365,279	544,807
Trust fund	1,988	3,613
Cash provided by operating transactions	1,785,143	620,757
Increase in cash and restricted cash during the year	1,785,143	620,757
Cash and restricted cash, beginning of year	1,090,373	469,615
Cash and restricted cash, end of year	\$ 2,875,516	\$ 1,090,373
Represented by		
Cash	\$ 2,647,247	\$ 794,111
Restricted cash - capital advance	216,663	286,644
Restricted cash - trust account	11,606	9,618
	\$ 2,875,516	\$ 1,090,373

Stanton Territorial Health Authority

Statement of Expenses by Object

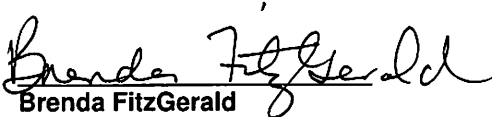
For the year ended, March 31	2014		2013
	(unaudited) Budget	Actual	Actual
Expenditures			
Advertising and promotion	\$ 90,524	\$ 122,990	\$ 70,936
Communications	292,145	243,750	309,976
Compensation	62,931,984	63,126,004	59,366,554
Contracted and general services	4,460,822	4,336,007	3,270,502
Diagnostic and therapeutic supplies	986,800	1,097,541	930,220
Doubtful accounts	-	2,375,567	15,512
Drugs and vaccines	2,374,420	1,876,198	2,304,086
Education	944,832	681,417	384,748
Equipment maintenance	1,227,432	1,032,330	1,111,461
General supplies	680,763	647,745	702,322
Insurance	145,320	152,629	153,104
Interest and bank charges	16,500	30,104	18,423
Leases	432,644	409,439	1,111,729
Maintenance and biomedical	326,000	293,479	257,146
Medical and surgical supplies	3,361,910	3,107,825	3,268,679
Medical gases	94,300	91,224	84,272
Medical travel	30,326,900	30,523,651	30,672,217
Minor capital	323,500	520,832	318,935
Non-capital renovations	105,000	306,282	144,414
Office and general administration expenditures	474,984	416,184	388,488
Postage and freight	148,100	150,457	137,309
Professional services	135,250	145,209	113,386
Purchased services	8,762,113	9,185,422	9,283,276
Travel	1,694,364	1,756,093	1,777,487
Utilities	12,000	11,394	19,269
Total Expenditures	\$ 120,348,608	\$ 122,639,774	\$ 116,214,448

Stanton Territorial Health Authority

Endowment and Special Purpose Fund
Statement of Financial Position

As at March 31,	2014	2013
Financial Assets		
Cash	\$ 139,069	\$ 88,958
Accounts receivable	264	3,547
	139,333	92,505
Liabilities		
Accounts payable	\$ 6,668	\$ -
Due to Operating Fund	-	2,661
	6,668	2,661
Net Financial Assets	\$ 132,665	\$ 89,844

Approved on behalf of the Authority


Brenda FitzGerald
Chief Executive Officer


Corinne Devitt, CGA
Chief Financial Officer

Stanton Territorial Health Authority

**Endowment and Special Purpose Fund
Statement of Revenue, Expenditures and Surplus**

For the year ended March 31,					2014	2013
	Unrestricted	Equipment	Elks	Special Purpose	Total	Total
Surplus, beginning of year	\$ 21,743	\$ 31,611	\$ 22,061	\$ 14,429	\$ 89,844	\$ 75,989
Revenue						
Donations and grants	-	-	7,500	45,830	53,330	20,456
Interest	448	-	-	-	448	392
	448	-	7,500	45,830	53,778	20,848
Expenditures						
Equipment	-	-	10,957	-	10,957	5,417
Other	-	-	-	-	-	1,576
	-	-	10,957	-	10,957	6,993
Net change in funds	448	-	(3,457)	45,830	42,821	13,855
Surplus, end of year	\$ 22,191	\$ 31,611	\$ 18,604	\$ 60,259	\$ 132,665	\$ 89,844

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2014

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. Summary of 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 Ladies 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, 2014

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) 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, 2014

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

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, restricted cash (capital advance), restricted cash (trust account) and accounts receivable.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, employee and payroll-related liabilities and employee leave and termination benefits.

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.

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2014

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 Changes in Accounting Policies

Liability for Contaminated Sites - Section PS 3260

PSAB released Section PS 3260 - Liability for contaminated sites. This Section establishes recognition, measurement, and disclosure standards for liabilities relating to contaminated sites of those organizations applying the CICA Public Section Accounting handbook. The Section is effective for fiscal years beginning or or after April 1, 2014.

The impact of the transition to these accounting standards has not yet been determined.

4. Restricted Cash (Capital Advance)

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 funds.

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2014

5. Accounts Receivable

	Accounts Receivable	Allowance for Doubtful Accounts	Net 2014	Net 2013
Government of NWT Health Services	\$ 6,501,127	\$ 294,453	\$ 6,206,674	\$ 6,943,974
Administration - THIS Health Services	5,198,508	1,180,299	4,018,209	4,095,504
Administration - NIHB Health Services	3,039,698	182,970	2,856,728	2,084,370
Administration - EHB	18,969	-	18,969	26,169
Total Government of the Northwest Territories	14,758,302	1,657,722	13,100,580	13,150,017
Government of Nunavut	923,967	188,239	735,728	900,073
Government of Canada Workers' Safety & Compensation Commission	538,888	103,820	435,068	356,576
Northwest Territories	492,308	25,652	466,656	469,250
Other Provinces/Territories	44,139	26,261	17,878	434
Alberta Blue Cross	610,392	156,508	453,884	607,870
Other	6,276,140	2,379,216	3,896,924	4,731,239
	\$ 23,644,137	\$ 4,537,417	\$ 19,106,720	\$ 20,215,459

6. Accounts payable and accrued liabilities

	2014	2013
Government of the Northwest Territories	\$ 929,527	\$ 57,120
Government of Canada	14,632	9,146
Other	5,975,228	5,870,512
	\$ 6,919,387	\$ 5,936,778

7. Capital Advances

	2014	2013
Opening balance	\$ 286,644	\$ 297,203
Disbursements	(69,981)	(10,559)
Closing balance	\$ 216,663	\$ 286,644

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2014

8. Employee Leave and Termination 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.

	2014	2013
Removal	\$ 1,429,063	\$ 1,328,178
Termination	2,132,870	2,085,685
Leave	2,376,270	2,159,063
	\$ 5,938,203	\$ 5,572,926

9. 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.

	2014	2013
Fees collected for courses	\$ 2,975	\$ -

10. Inventories

	2014	2013
General	\$ 59,186	\$ 71,742
General plant	212,504	199,398
Laboratory	165,480	140,679
Medical/Surgical	739,896	710,300
Pharmacy	539,427	253,318
	\$ 1,716,493	\$ 1,375,437

Inventories are held for consumption in the process of providing services and are distributed at no charge or for a nominal charge.

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2014

11. Accumulated Deficit

	2014	2013
Unfunded leave and termination benefits	\$ (5,938,203)	\$ (5,572,926)
Operating (deficit) surplus	(9,823,056)	(9,570,321)
	\$ (15,761,259)	\$ (15,143,247)

12. 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.

13. 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	2015	2016 and thereafter	Total
Commercial and residential leases	2016	\$ 189,952	18,773	\$ 208,725
Services contracts	2026	12,921,810	2,706,646	15,628,456
Total		\$ 13,111,762	\$ 2,725,419	\$ 15,837,181

14. GNWT Assets Provided

	Cost	Accumulated Amortization	2014 Net Book Value	2013 Net Book Value
Buildings	\$ 48,947,390	\$ 28,458,376	\$ 20,489,014	\$ 21,904,060
Mainframe and software systems	910,561	910,561	-	-
Medical equipment	15,614,702	9,241,756	6,372,946	6,012,489
Furniture and fixtures	218,604	218,604	-	-
	\$ 65,691,257	\$ 38,829,297	\$ 26,861,960	\$ 27,916,549

Rent expense for 2014 is \$2,381,450 (2013: \$3,660,738) with an offsetting grant-in-kind.

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2014

15. Budget

Budget figures were those approved by the Authority's Public Administrator and DHSS. The budget figures are not audited and are intended for information purposes only.

16. 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.

Stanton Territorial Health Authority

Notes to Financial Statements

March 31, 2014

17. 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.

	2014	2013
Due to related parties:		
Accounts payable		
Beaufort-Delta Health and Social Services Authority	\$ 495	\$ 1,337
Government of the Northwest Territories	929,527	57,120
Yellowknife Health and Social Services Authority	49,506	5,343
Employee and payroll-related liabilities		
Government of the Northwest Territories	25,852,993	26,377,959
	\$ 26,832,521	\$ 26,441,759

	2014	2013
Due from related parties:		
Accounts receivable		
Government of the Northwest Territories		
Government of the Northwest Territories	\$ 6,206,674	\$ 6,943,974
Health Services Administration - THIS	4,018,209	4,095,504
Health Services Administration - NIHB	2,856,728	2,084,370
Health Services Administration - EHB	18,969	26,169
Health and Social Services Authorities		
Beaufort-Delta Health and Social Services Authority	79,147	81,805
Dehcho Health and Social Services Authority	30,697	18,544
Fort Smith Health and Social Services Authority	27,758	33,524
Hay River Health and Social Services Authority	60,226	47,062
Sahtu Health and Social Services Authority	188,761	160,549
Tlicho Community Services Agency	59,899	15,471
Yellowknife Health and Social Services Authority	171,257	160,850
Stanton Territorial Hospital Foundation		
Stanton Territorial Hospital Foundation	112,497	38,858
	\$ 13,830,822	\$ 13,706,680

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, 2014

17. 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,	2014	2013
Total assets	\$ 1,729,394	\$ 1,318,840
Total liabilities (1)	887,593	636,138
Net assets (2)	\$ 841,801	\$ 547,718

Results of Operations for the year ended March 31,	2014	2013
Total revenues (3)	\$ 518,906	\$ 569,890
Total expenditures	239,116	295,666
Excess of revenue	\$ 279,790	\$ 119,353

Cash Flows as at March 31,	2014	2013
Cash from operations	\$ 228,349	\$ 139,830
Cash generated by (used in) financing and investing activities	703	1,369
Change in cash position	\$ 229,052	\$ 37,491

(1) At March 31, 2014 the Foundation owed \$112,497 (2013 - \$28,763) 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 \$137,809 (2013 - \$194,505) and a surplus of \$275,730 (2013 - \$95,797) is restricted for Run for Our Lives Fund and Capital Acquisition Fund respectively as designated by the donors.

(3) The Authority provided \$50,000 (2013 - \$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, 2014

18. 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.

(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 \$19,106,720 (2013 - \$20,215,459). 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 concentration risk. At March 31, 2014, receivables from one customer comprised 82% of the total outstanding accounts receivables (2013 - 64%). The Authority reduces this risk by monitoring overdue balances. The Authority also has concentration risk as the cash is held in one Canadian chartered bank. 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 \$33,800,649 (2013 - \$32,610,998). The Authority reduces its exposure to liquidity risk by monitoring budgets and cash flows. This risk has not changed from the prior year.

Stanton Territorial Health Authority

Schedule of Operating Advances from the GNWT

For the year ended, March 31

2014

2013

	(unaudited) Budget	Actual	Actual
Authority administration	\$ 3,961,000	\$ 3,961,000	\$ 2,708,000
Hospital services	50,210,000	50,210,000	48,707,500
Medical equipment	144,000	144,000	144,000
Medical travel	15,187,000	15,187,000	14,965,500
Physician services to NWT residents	12,031,000	12,985,000	11,796,000
Reallocation of surpluses - prior year	-	1,379,155	1,206,599
Social service delivery	91,000	91,000	91,000
	\$ 81,624,000	\$ 83,957,155	\$ 79,618,599

Stanton Territorial Health Authority

Schedule of Other Recoveries for Direct Charges for Services

For the year ended, March 31	2014		2013
	(unaudited) Budget	Actual	Actual
Other Recoveries from the GNWT	\$ 15,172,220	\$ 17,048,269	\$ 15,283,154
Other Direct Recoveries			
Federal Government	475,000	277,004	599,611
Nunavut	2,180,696	2,038,056	1,957,852
Other	3,246,840	3,896,678	2,919,493
Union of Northern Workers	157,886	197,866	236,491
Workers' Safety and Compensation	950,500	715,013	1,000,368
	7,010,922	7,124,617	6,713,815
	\$ 22,183,142	\$ 24,172,885	\$ 21,996,970

Stanton Territorial Health Authority

Schedule of Other Revenues

For the year ended, March 31	2014		2013
	(unaudited) Budget	Actual	Actual
Other Revenues from the GNWT			
GNWT - DHSS			
Allocation from Capital Advance for Cystoscopes	\$ -	\$ 69,981	\$ -
Chief Clinical Advisor	-	87,419	-
Community Wellness Initiative (HSS01 - 2313)	177,167	147,895	124,647
French Language Services (HSS01 - 2170am1)	75,000	85,187	86,850
Deputy Chief Public Health Officer (HSS01 - 2435)	369,509	363,593	408,656
Laboratory Information System (HSS01 - 997am2)	-	-	91,591
NME Graduate Nurse Placement (HSS01-2228am1 & 2229am1)	104,002	104,002	100,000
Implementation Specialist for the Electronic Medical Record (HSS01 - 2497)	8,505	8,505	-
Foot Care Training Program for NWT Health Care Practitioners (HSS01 - 2454)	33,150	14,248	-
THSSI - Medical Travel (HSS01 - 2239)	3,200,000	3,200,000	3,200,000
THSSI - Physician Staffing Model, Dialysis Program, Physician Resident Program (HSS01 - 1883)	764,000	764,000	764,000
GNWT - Human Resources			
Relevant Experience Program	-	50,925	75,705
Progressive Experience Program	-	5,000	-
Yellowknife Health & Social Services			
DI Clerk - Yellowknife Primary Care Clinic	41,803	26,705	30,196
French Language	53,570	56,244	52,703
Northern Options for Women	46,294	46,294	22,625
	\$ 4,873,000	\$ 5,029,999	\$ 4,956,973

Stanton Territorial Health Authority

Schedule of Expenses by Functional Centre

For the year ended, March 31

2014

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	\$ 3,328,570	\$ 3,416,412	\$ 23,792,396	\$ 27,056,856	\$ 15,791,872	\$ 14,838,251	-	-	\$ 42,912,838	\$ 45,311,519
712 Nursing inpatient / resident services	-	26,985	2,310,235	2,105,396	18,668,938	19,838,013	-	-	20,979,173	21,970,394
713 Ambulatory care services	706,399	809,358	2,130,408	2,079,649	23,589,252	23,892,032	-	-	26,426,059	26,781,039
714 Diagnostic and therapeutic services	100,203	93,505	7,279,960	6,705,872	11,089,669	11,098,108	-	-	18,469,832	17,897,485
715 Community health services	546,676	511,489	171,671	139,876	132,555	123,921	-	-	850,902	775,286
718 Education	191,152	172,250	488,002	334,142	272,150	268,748	-	-	951,304	775,140
719 Undistributed	-	-	277,500	344,227	-	-	-	-	277,500	344,227
Total	\$ 4,873,000	\$ 5,029,999	\$ 36,450,172	\$ 38,766,017	\$ 69,544,436	\$ 70,059,074	\$ -	\$ -	\$110,867,608	\$113,855,090

Stanton Territorial Health Authority

Schedule of Non-Insured Recoveries and Expenses

For the year ended, March 31	2014		2013
	(unaudited) Budget	Actual	Actual
Recoveries	\$ 9,481,000	\$ 8,784,685	\$ 9,337,706
Expenditures			
Eye team	935,000	897,374	888,058
Eyeglasses	280,000	253,098	283,785
Medical travel	8,050,000	7,396,332	7,946,314
Patient aides	216,000	237,881	219,549
	9,481,000	8,784,685	9,337,706
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,**2014**

	(Unaudited) Budget	Actual
Funding		
Government of Northwest Territories - Department of Health and Social Services	\$ 369,509	\$ 363,593
Expenditures		
Compensation	362,588	362,855
Sundry	6,921	6,655
	369,509	369,510
Surplus	\$ -	\$ (5,917)

See scope limitation in the Independent Auditors' Report.

Stanton Territorial Health Authority**SCHEDULE F-2****Schedule of Contributions (continued)
THSSI - Medical Travel (HSS01-000000-2239)**

For the year ended March 31,**2014**

	(Unaudited) Budget	Actual
Funding		
Government of Northwest Territories - Department of Health and Social Services	\$ 3,200,000	\$ 3,200,000
Expenditures		
Travel	3,200,000	3,200,000
Surplus	\$ -	\$ -

Schedule of Contributions (continued)

THSSI - Physician Staffing Model, Dialysis Program, Physician Resident Program (HSS01-000000-1883)

For the year ended March 31,

2014

	(Unaudited) Budget	Actual
Funding		
Government of Northwest Territories - Department of Health and Social Services		
Project 1: Physician Staffing Model	\$ 612,000	\$ 612,000
Project 2: Dialysis Program	98,000	98,000
Project 3: Physician Resident Program	54,000	54,000
	764,000	764,000
Expenditures		
Project 1: Physician Staffing Model	612,000	612,000
Project 2: Dialysis Program	98,000	98,000
Project 3: Physician Resident Program	54,000	54,000
Surplus	\$ -	\$ -

See 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	
	2014	2013	2014	2013	2014	2013	2014	2013
Balance, beginning of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer from (to) operating fund	-	-	-	-	-	-	-	-
Balance, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

This schedule is not used by the Authority

Yellowknife Health and Social Services Authority
Financial Statements
March 31, 2014

Yellowknife Health and Social Services Authority

Financial Statements

March 31, 2014

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 Debt	11
Statement IV	Statement of Cash Flows	12
Statement V	Statement of Expenses by Object	13
	Notes to Financial Statements	14-23
Schedule A	Schedule of Operating Advances from the GNWT	24
Schedule B	Schedule of Other Recoveries for Direct Charges for Services	25
Schedule C	Schedule of Other Revenues	26
Schedule D	Schedule of Expenses by Functional Centre	27
Schedule E	Schedule of Non-insured Recoveries and Expenses	28
Schedule F	Other Contributions	29-35
Schedule G	Schedule of Reserves	36

Management's Responsibility for Financial Reporting

June 24, 2014

**To the Minister of Health and Social Services
Government of the Northwest Territories
and
To the Public Administrator
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



Management Discussion and Analysis

Mar 31, 2014

The Yellowknife Health and Social Services Authority (YHSSA) works with people to optimize wellbeing through the provision of collaborative and culturally appropriate health and social services. The Authority accomplishes their mission by delivering public-funded health and social services under the Hospital Insurance and Health and Social Services Administration Act through community-based health and social services programs delivered to 20,000+ residents of Dettah, Fort Resolution, Lutsel K'e, Ndilo and Yellowknife.

YHSSA operates in a transparent, accountable and ethical manner through effective leadership and governance, managing its structures, people and other resources in a financially prudent and accountable manner to:

- Support people to achieve optimal independence and wellness;
- Develop, implement and sustain an integrated range of high quality health and social program;
- Build, nurture and improve partnerships to deliver effective and efficient programs;
- Recruit, develop and retain skilled staff and provide a safe and healthy workplace.

To accomplish the YHSSA's vision of "Healthy people, healthy family and healthy communities", the Executive of YHSSA works under the direction of our Board of Directors to establish and implement a strategic plan for the authority. The Board of Directors is comprised of public representatives appointed by the Minister of Health and Social Services. There are five representatives from Yellowknife, one representative from Dettah and Ndilo, one representative from Fort Resolution and one representative from Lutsel K'e. Board members are appointed for a three year term and extensions can be granted by the Minister of Health and Social Services to a maximum of three terms. The Board Chair is selected by the Minister of Health and Social Services.

YHSSA provides a broad range of health and social services to the residents of the region. Some of our key programs include Home and Community Care, Public Health, Primary Care Clinics, Health Centers, Child and Family Services, and Community Mental Health and Adult Services. YHSSA contracts with several non-government organizations to ensure the effective delivery of a variety of health and social programs in the community.

The Authority has a dedicated work force of approximately 185 employees along with 31 physicians which deliver our programs and services. Our Authority relies on community based partners which deliver programs and services to support our clients through a number of partnership agreements.

As of March 31, 2014, YHSSA incurred an operating deficit of (\$565,564) prior to adjustment for the change in unfunded liabilities. The net result from operations after accounting for these adjustments is an operating deficit of (\$465,736).

The net deficit will increase the YHSSA net accumulated operating deficit to (\$707,098) at March 31, 2014.

YHSSA had been successful in balancing or coming closer to balancing its budget in recent years even during a period of fiscal challenges and restraint in the health and social services system. However, this past year as we continued to make the provision of timely client care a priority, we were unable to do so.

Some of our current fiscal challenges include the following:

1. The Authority continues to be under funded for the actual costs of contract physicians and locum coverage required to support the demands for General Practitioners to provide 24/7 services required for specific programs operated at the Stanton Regional Hospital in Yellowknife. The current funding model does not include adequate funding for coverage of leave and a number of benefits included in the approved contract negotiated with the NWT Medical Association.
2. Recoveries for independent living and shelter services provided to Nunavut residents declined due to the opening of shelters in Nunavut regions and repatriation of Independent living clients. This trend is likely to continue as the Nunavut government is currently requesting a transfer of client responsibility to the GNWT.
3. In the Child and Family Services area, demand for and reduced costs in foster care services experienced over the past three fiscal years are not projected to continue based on current and projected caseloads as well as the resources anticipated in order for the Authority to appropriately respond to the Auditor General's review/report on Child Protection services in the NWT.

4. Realignment of contracting arrangements for independent and group supported living services provided for clients with intellectual disabilities, brain injury and/or mental illness, resulting in increased costs but more effective service delivery moving forward.
5. Limited availability for staff housing options in communities is creating challenges in the recruitment and retention of allied Health and Social Services staff for the Authority.

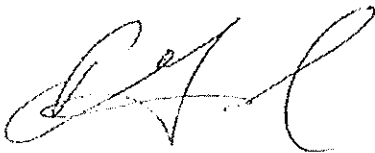
YHSSA has seen significant growth, expansion and the integration of services over the past number of years and it is expected that this trend will continue in the coming years.

The Department of Health and Social Services has delegated YHSSA the authority to be the Lead Agency for the implementation of the Territorial Electronic Medical Record (EMR) and we successfully completed the first phase of EMR integration with the Hay River Health and Social Services Authority.

YHSSA's major success has been the continued effective and reliable provision of health and social services programs for our regional communities. In the provision of these services we have maintained significant partnerships with the Stanton Territorial Hospital Authority, the Department of Health and Social Services, other GNWT departments, boards, agencies, non-government organizations and various stakeholders.

The Authority will remain committed to our mission of assisting and encouraging wellbeing through the provision of collaborative and culturally appropriate health and social services, while monitoring results and outcomes, to ensure that people achieve optimal independence and wellness.

Sincerely,



Paul Gard, CGA
Director, Finance and Administration

Independent Auditors' Report

**To the Minister of Health and Social Services
Government of the Northwest Territories
and
To the Public Administrator
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, 2014, which comprise the statement of financial position and the statements of operations, change 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 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 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 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 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 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, 2014, 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, these financial 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 as per Schedule F for the year ended March 31, 2014, 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 24, 2014


Crowe MacKay LLP
Chartered Accountants

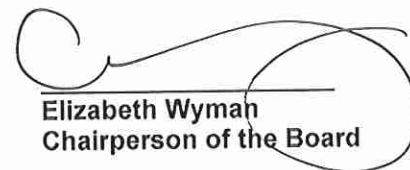
Yellowknife Health and Social Services Authority

Statement of Financial Position

As at March 31,	2014	2013
Financial Assets		
Cash	\$ 1,108,886	\$ 1,774,305
Restricted cash (Note 3)	125,442	122,768
Accounts receivable (Note 4)	2,318,534	2,054,033
	3,552,862	3,951,106
Liabilities		
Accounts payable and accrued liabilities (Note 5)	\$ 3,934,229	\$ 4,029,628
Employee and payroll-related liabilities	583,681	489,249
Deferred revenue (Note 6)	33,140	43,329
Contributions repayable (Note 7)	56,893	10,468
Employee leave and termination benefits (Note 8)	2,437,257	2,337,429
	7,045,200	6,910,103
Net Financial Debt	\$ (3,492,338)	\$ (2,958,997)
Non-Financial Assets		
Prepaid expenses (Note 9)	471,670	503,893
Accumulated Deficit (Note 10)	\$ (3,020,668)	\$ (2,455,104)
Contingent Liabilities (Note 11)		
Contractual Obligations (Note 12)		

Approved on behalf of the Authority


 Les Harrison, BSW, MSW, MBA
 Chief Executive Officer


 Elizabeth Wyman
 Chairperson of the Board

Yellowknife Health and Social Services Authority

Statement of Operations

For the year ended March 31,	2014		2013
	(unaudited) Budget	Actual	Actual
REVENUE			
Operating advances from the GNWT (Schedule A)	\$ 44,723,000	\$ 44,723,000	\$ 44,840,000
Out of territory revenue	1,215,000	1,169,659	1,228,579
Patient services	1,590,000	1,110,308	1,467,216
Other recoveries (Schedule B)	145,800	456,400	246,410
Other revenues (Schedule C)	3,952,258	4,189,302	3,813,344
Non-insured recoveries and expenses (Schedule E)	-	36,075	27,815
Investment revenue	60,000	76,456	73,212
	51,686,058	51,761,200	51,696,576
EXPENDITURES			
Administrative and support services (Schedule D)	3,723,128	4,383,875	5,270,446
Ambulatory care services (Schedule D)	15,587,872	16,637,876	16,700,600
Community health services (Schedule D)	9,113,693	8,692,783	8,509,556
Social services (Schedule D)	23,261,365	22,576,155	21,269,620
Non-insured recoveries and expenses (Schedule E)	-	36,075	27,815
	51,686,058	52,326,764	51,778,037
OPERATING DEFICIT	-	(565,564)	(81,461)
UNFUNDED ITEM			
Change in employee leave and termination benefits	-	99,828	138,591
SURPLUS (DEFICIT) BEFORE THE FOLLOWING	-	(465,736)	57,130
Prior year deficit funded in 2013	-	-	(19,000)
Rent expense - GNWT assets provided at no cost (note 13)	-	481,591	535,192
Grant-in-kind - GNWT assets provided at no cost (note 13)	-	(481,591)	(535,192)
SURPLUS (DEFICIT)	\$ -	\$ (465,736)	\$ 38,130
OPENING ACCUMULATED SURPLUS (DEFICIT)	\$ -	\$ (2,455,104)	\$ (2,373,643)
CLOSING ACCUMULATED SURPLUS (DEFICIT)	\$ -	\$ (3,020,668)	\$ (2,455,104)

Yellowknife Health and Social Services Authority

Statement of Change in Net Financial Debt

For the year ended March 31,	2014		2013
	(unaudited) Budget	Actual	Actual
Annual operating deficit	\$ -	\$ (565,564)	\$ (81,461)
Adjustments:			
Use of prepaid expenses	-	506,154	387,070
Acquisition of prepaid expenses	-	(473,931)	(503,593)
INCREASE IN NET FINANCIAL DEBT	-	(533,341)	(197,984)
NET FINANCIAL DEBT, BEGINNING OF YEAR	-	(2,958,997)	(2,761,013)
NET FINANCIAL DEBT, END OF YEAR	\$ -	\$ (3,492,338)	\$ (2,958,997)

Yellowknife Health and Social Services Authority

Statement of Cash Flows

For the year ended March 31,	2014	2013
Net inflow (outflow) of cash related to the following activities:		
Operating transactions		
Operating deficit	\$ (565,564)	\$ (81,461)
Non-cash charges to operations		
Accounts receivable	(264,501)	(409,356)
Prepaid expenses	32,223	(116,523)
Accounts payable and accrued liabilities	(95,399)	662,306
Employee and payroll-related liabilities	94,432	(6,241)
Deferred revenue	(10,189)	-
Contributions repayable	46,425	10,468
Employee leave and termination benefits	99,828	138,590
Cash provided by operating transactions	(662,745)	197,783
Increase (decrease) in cash and restricted cash during the year	(662,745)	197,783
Cash and restricted cash, beginning of year	1,897,073	1,699,290
Cash and restricted cash, end of year	\$ 1,234,328	\$ 1,897,073
Represented by		
Cash	\$ 1,108,886	\$ 1,774,305
Restricted cash	125,442	122,768
	\$ 1,234,328	\$ 1,897,073

Yellowknife Health and Social Services Authority

Statement of Expenses by Object

For the year ended March 31,	2014	2014	2013
	(Unaudited) Budget	Actual	Actual
Expenditures			
Grants and contributions			
Adult services	\$ 490,000	\$ 490,000	\$ 490,000
Community social services	370,000	345,026	345,026
Community wellness	200,000	200,000	200,000
Dementia care	3,633,000	3,633,000	3,565,000
Early intervention	250,000	250,000	247,368
Family violence shelter	669,000	668,923	668,923
Long-term care	3,642,223	3,642,223	2,979,223
Other	534,859	586,590	519,679
Withdrawal management	441,000	453,430	433,559
	10,230,082	10,269,192	9,448,778
Compensation			
Purchased services - fee for service	1,000,000	784,773	1,106,910
Purchased services - locum	1,620,985	1,944,889	2,321,234
Purchased services - management & operations	68,000	35,518	52,283
Purchased services - unit producing	286,294	163,581	132,251
Salaries/wages - management & operations	1,887,534	2,069,437	2,070,707
Salaries/wages - physicians	8,467,110	9,109,253	7,633,034
Salaries/wages - unit producing	17,158,640	17,096,305	16,557,534
	30,488,563	31,203,756	29,873,953
Operations and maintenance			
Advertising and promotion	75,962	79,152	75,168
Drugs and vaccines	340,800	407,043	364,995
Foster care	2,671,932	2,016,717	2,257,638
Groceries	71,700	126,532	103,956
Insurance	82,200	134,157	41,636
Maintenance	17,900	19,745	13,211
Medical supplies	225,320	206,898	169,070
Minor capital	360,500	394,919	413,721
Office and administration supplies	603,894	554,975	560,854
Professional services	206,350	216,896	200,324
Referred out and contracted services	5,013,939	5,048,785	4,643,987
Rent - equipment	170,500	224,815	213,188
Rent - land and buildings	240,000	350,573	2,578,788
Training and development	368,355	352,706	248,466
Travel	443,461	503,504	462,487
Utilities	-	23,150	21,080
Vehicle operations and maintenance	73,600	101,839	82,913
	10,966,413	10,762,406	12,451,482
Valuation allowance			
Bad debts (recovery)	-	55,335	(23,991)
Non-insured expenses			
	1,000	36,075	27,815
Total Expenditures	\$ 51,686,058	\$ 52,326,764	\$ 51,778,037

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2014

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. Summary of Significant Accounting Policies

Basis of accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Canadian Public Sector Accounting Board. 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) Reserves

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.

(c) 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.

(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.

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2014

2. Summary of Significant Accounting Policies (continued)

(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, 2014

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

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, and accounts receivable.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities and employee and payroll-related liabilities, and contributions repayable.

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 Health and Social Services Authority

Notes to Financial Statements

March 31, 2014

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. Restricted Cash - Reserves

	2014	2013
Donation Reserve	\$ 63,599	\$ 60,925
Termination Benefit Reserve	61,843	61,843
	\$ 125,442	\$ 122,768

4. Accounts Receivables

			2014	2013
	Gross	AFDA	Net	Net
Government of the Northwest Territories	\$ 1,503,167	\$ -	\$ 1,503,167	\$ 1,670,576
Government of Nunavut	209,797	-	209,797	192,839
Other	680,483	(74,913)	605,570	190,618
	\$ 2,393,447	(74,913)	\$ 2,318,534	\$ 2,054,033

5. Accounts Payable and Accrued Liabilities

	2014	2013
Government of the Northwest Territories	\$ 2,362,308	\$ 2,114,777
Subtotal	2,362,308	2,114,777
Other	1,571,921	1,914,851
	\$ 3,934,229	\$ 4,029,628

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2014

6. 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.

	2014	2013
Government of Northwest Territories		
Professional Development Initiative	\$ 33,140	\$ 43,329

7. Contributions Repayable

	2014	2013
Government of the Northwest Territories	\$ 52,238	\$ 10,468
City of Yellowknife	4,655	-
	\$ 56,893	\$ 10,468

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2014

8. Employee Leave and Termination 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.

	2014	2013
<u>Resignation and retirement</u>		
<i>Obligations for benefits, opening</i>	\$ 538,643	\$ 497,936
<i>Net change during the year</i>	(17,403)	40,707
<i>Obligations for benefits, closing</i>	521,240	538,643
<i>Less: portion included in current liabilities</i>	(50,288)	(47,131)
Long term portion	\$ 470,952	\$ 491,512
<u>Removal</u>		
<i>Obligations for benefits, opening</i>	\$ 760,905	\$ 648,678
<i>Net change during the year</i>	2,719	112,227
<i>Obligations for benefits, closing</i>	763,624	760,905
<i>Less: portion included in current liabilities</i>	(137,658)	(58,973)
Long term portion	\$ 625,966	\$ 701,932
<u>Leave</u>		
<i>Obligations for benefits, opening</i>	\$ 1,037,881	\$ 1,052,225
<i>Net change during the year</i>	114,512	(14,344)
<i>Obligations for benefits, closing</i>	1,152,393	1,037,881
<i>Less: portion included in current liabilities</i>	(1,152,393)	(1,037,881)
Long term portion	\$ -	\$ -
<u>Total obligations for benefits</u>		
<i>Long term portion</i>	1,096,918	1,193,444
<i>Current portion</i>	1,340,339	1,143,985
	\$ 2,437,257	\$ 2,337,429

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2014

9. Prepaid Expenses

	2014	2013
Leases	\$ 3,540	\$ 4,400
Other	100,411	90,000
Physician signing bonus	367,719	409,493
	\$ 471,670	\$ 503,893

10. Accumulated Deficit

	2014	2013
Donations Reserve	\$ 63,599	\$ 60,925
Leave and Termination Fund	(2,375,413)	(2,275,585)
Operating Fund	(770,697)	(302,287)
Severance Reserve	61,843	61,843
	\$ (3,020,668)	\$ (2,455,104)

11. Contingent Liabilities

In common with many health authorities, claims are made against the Authority and its staff. As of March 31, 2014, 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.

12. 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	2015	2016 and thereafter	Total
Commercial and Residential Leases	2019	\$ 221,213	\$ 162,798	\$ 384,011
Equipment leases	2016	101,572	73,730	175,302
Total		\$ 322,785	\$ 236,528	\$ 559,313

Yellowknife Health and Social Services Authority

Notes to Financial Statements

March 31, 2014

13. GNWT Assets Provided at No Cost

			2014	2013
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings	\$ 5,715,699	\$(4,713,335)	\$ 1,002,364	\$ 1,220,632
Leasehold improvements	5,266,452	(987,460)	4,278,992	4,542,315
Medical equipment	-	-	-	525,710
	\$10,982,151	\$(5,700,795)	\$ 5,281,356	\$ 6,288,657

Rent expense for 2014 is \$481,591 (2013: \$535,192) with an offsetting grant-in-kind.

14. 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.

15. Comparative Figures

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

16. 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, 2014

17. 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.

	2014	2013
Due from related parties:		
Accounts receivable:		
Beaufort-Delta Health and Social Services Authority	\$ 8,340	\$ 7,980
Dehcho Health and Social Services Authority	-	2,658
Government of the Northwest Territories	1,503,167	1,670,576
NWT Power Corporation	75	-
NWT Housing Corporation	289	-
Stanton Territorial Health Authority	52,926	9,073
Tli Cho Community Services Agency	10,953	-
WSCC	13,429	-
	\$ 1,589,179	\$ 1,690,287

	2014	2013
Due to related parties:		
Accounts payable		
Aurora College	\$ 1,800	\$ 1,725
Beaufort-Delta Health and Social Services Authority	7,768	-
Government of the Northwest Territories	2,362,308	2,114,777
Hay River Health and Social Services	1,258	110
NWT Power Corporation	352	-
Stanton Territorial Health Authority	188,799	169,661
WSCC	-	33,337
Employee and payroll-related liabilities		
Government of the Northwest Territories	583,681	489,249
Deferred revenue		
Government of the Northwest Territories	33,140	43,329
Contributions repayable		
Government of the Northwest Territories	52,238	10,468
	\$ 3,231,344	\$ 2,862,656

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, 2014

18. 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.

(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 \$2,318,534 (2013 - \$2,054,033). 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 concentration risk. At March 31, 2014, receivables from one customer comprised 63% of the total outstanding accounts receivables (2013 - 81%). The Authority reduces this risk by monitoring overdue balances. This risk has not changed from the prior year.

(b) 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 \$6,412,789 (2013 - \$6,856,306). The Authority reduces its exposure to this risk by monitoring its budget and cash flows. This risk has not changed from the prior year.

Yellowknife Health and Social Services Authority

Schedule of Operating Advances from the GNWT

For the year ended March 31,	2014		2013
	(unaudited) Budget	Actual	Actual
Administration services	\$ 2,182,000	\$ 2,182,000	\$ 2,597,692
Authority social service delivery	4,706,000	4,706,000	4,547,494
Capital under \$50,000	45,000	45,000	45,000
Community wellness programs	1,319,000	1,319,000	1,278,203
Epistemology and disease registry	44,000	44,000	-
Family violence programs	665,000	665,000	665,000
Foster care	3,195,000	3,195,000	3,195,000
Health centres	4,342,000	4,342,000	4,332,326
Homecare	2,025,000	2,025,000	1,974,852
Intervention services	534,000	534,000	534,000
Physicians services	12,854,000	12,854,000	13,580,433
Prevention and promotion	35,000	35,000	35,000
Prior year deficit funding	-	-	19,000
Residential care - alcohol and drug programs	850,000	850,000	816,000
Residential care - children	1,452,000	1,452,000	1,484,000
Residential care - elderly and handicapped	10,475,000	10,475,000	9,736,000
	\$ 44,723,000	\$ 44,723,000	\$ 44,840,000

Yellowknife Health and Social Services Authority

Schedule of Other Recoveries for Direct Charges for Services

For the year ended March 31,	2014		2013
	(unaudited) Budget	Actual	Actual
Other recoveries from Third Parties			
12050 - Drugs and Vaccines	\$ 90,000	\$ 109,835	\$ 98,040
12070 - Housing Rentals	12,200	14,265	13,600
12080 - Other Miscellaneous	15,000	243,268	42,520
12220 - Other Revenue	-	6,628	4,694
12060 - Parking Rentals	28,600	31,925	30,775
12010 - Physician chargeback	-	40,821	51,496
12031 - Meals on Wheels	-	5,025	5,285
12322 - WSCC	-	4,633	-
	\$ 145,800	\$ 456,400	\$ 246,410

Yellowknife Health and Social Services Authority

Schedule of Other Revenues

For the year ended March 31,		2014	2013
	(unaudited) Budget	Actual	Actual
Other Revenues from the GNWT			
11019 - Department of Health and Social Services	3,120,958	\$ 3,085,501	\$ 2,940,880
11020 - GNWT Other Departments	-	83,260	(25,486)
11021 - Admin fees - GNWT - Department of Health and Social Services	-	41,084	32,080
	3,120,958	3,209,845	2,947,474
Other Revenues from the third parties			
11018 - Health and Social Services - Revenue from Other Boards	681,300	741,163	679,289
11030 - Federal Government Revenue	-	-	4,254
11035 - Revenue from Non Government Entities	150,000	221,972	166,327
14020 - Donations/Bequests	-	6,134	-
17060 - DI Surplus Revenue	-	10,188	-
11090 - Other payment source	-	-	16,000
	831,300	979,457	865,870
	\$ 3,952,258	\$ 4,189,302	\$ 3,813,344

Yellowknife Health and Social Services Authority

Schedule of Expenses by Functional Centre

2014

For the year ended March 31,

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	\$ -	-	\$ 713,094	\$ 717,841	\$ 3,010,034	\$ 3,611,926	\$ -	\$ 54,108	\$ 3,723,128	\$ 4,383,875
713 Ambulatory care services	-	-	1,183,415	1,340,644	14,404,457	15,296,004	-	1,228	15,587,872	16,637,876
715 Community health services	58,500	14,625	1,132,937	1,170,751	7,922,256	7,507,407	-	-	9,113,693	8,692,783
716 Social services	10,171,582	10,254,566	7,937,967	7,533,170	5,151,816	4,788,419	-	-	23,261,365	22,576,155
Total	\$ 10,230,082	\$ 10,269,191	\$ 10,967,413	\$ 10,762,406	\$ 30,488,563	\$ 31,203,756	\$ -	\$ 55,335	\$ 51,686,058	\$ 52,290,689

Yellowknife Health and Social Services Authority

Schedule of Non-Insured Recoveries and Expenses

For the year ended March 31,	2014		2013
	(unaudited) Budget	Actual	Actual
Recoveries			
Dental travel recoveries	\$ -	\$ 36,075	\$ 27,815
Expenses			
Dental travel	-	36,075	27,815
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,

2014

	(unaudited) Budget	Actual
Revenue		
Tli'cho Community Services Agency	\$ 681,300	\$ 681,300
Expenditures		
Compensation	661,300	661,300
Travel - Physicians	20,000	20,000
	681,300	681,300
Excess of Revenue	\$ -	\$ -

See scope limitation in the Independent Auditors' Report.

Yellowknife Health and Social Services Authority

Other Contributions (continued)

Department of Health and Social Services - THSSI (HSS01-1879)

For the year ended March 31,

2014

	(unaudited) Budget	Actual
Revenue		
Department of Health & Social Services:		
Nurse practitioners	\$ 112,220	\$ 112,219
Physicians	553,000	553,000
Resident support	53,000	53,000
	718,220	718,219
Expenditures		
Compensation	112,220	137,096
Rent	45,000	44,366
Purchased services	553,000	553,000
Services Contracts	8,000	8,000
	718,220	742,462
Excess of Revenue (expenditures)	\$ -	\$ (24,242)

See scope limitation in the Independent Auditors' Report.

Yellowknife Health and Social Services Authority

Other Contributions (continued)
Healthy Family Program (HSS01-2211)

For the year ended March 31,	2014	
	(unaudited) Budget	Actual
Revenue		
Department of Health & Social Services - program	\$ 462,000	\$ 462,000
Other	-	150
	462,000	462,150
Expenditures		
Compensation	376,756	377,499
Equipment	35,500	26,300
Referred out services	7,800	7,566
Sundry	7,742	12,973
Supplies	12,258	14,712
	440,056	439,050
Operating surplus	21,944	23,100
Administrative expense allocation	21,944	23,100
Excess of Revenue	\$ -	\$ -

See scope limitation in the Independent Auditors' Report.

Yellowknife Health and Social Services Authority

Other Contributions (continued) Homecare Enhancement Yellowknife (HSS01-2217)

For the year ended March 31,

2014

	(unaudited) Budget	Actual
Revenue		
Department of Health & Social Services	\$ 750,507	\$ 750,507
Expenditures		
Compensation	705,187	726,000
Equipment	15,000	-
Groceries and miscellaneous	5,000	1,545
Sundry	25,320	22,962
	750,507	750,507
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 (HSS01-2213)

For the year ended March 31,

2014

	(unaudited) Budget	Actual
Revenue		
Department of Health & Social Services	\$ 250,000	\$ 250,000
Unspent funding recoveries- Miscellaneous	-	(52,238)
	250,000	197,762
Expenditures		
Compensation	250,000	250,000
Recoveries- Miscellaneous	-	(52,238)
	250,000	197,762
Excess of Revenue	\$ -	\$ -

See scope limitation in the Independent Auditors' Report.

Yellowknife Health and Social Services Authority

Other Contributions (continued)
Community Wellness Initiatives (HSS01-2317)

For the year ended March 31, 2014

	(unaudited) Budget	Actual
Revenue		
Department of Health & Social Services	\$ 327,841	\$ 327,841
Expenditures		
Compensation	228,543	246,022
Supplies	33,000	27,819
Staff Training and Development	27,619	27,089
Travel	19,868	3,370
Sundry	3,200	7,928
	312,230	312,228
Excess revenue from operations	15,611	15,613
Administrative expense allocation	15,611	15,613
Excess of Revenue	\$ -	\$ -

Yellowknife Health and Social Services Authority

Other Contributions (continued)
 Yellowknife Day Shelter (HSS01-2453 and HSS01-2427)

For the year ended March 31,	2014	
	(unaudited) Budget	Actual
Revenue		
Department of Health & Social Services	\$ 250,000	\$ 218,750
City of Yellowknife	50,000	45,345
	300,000	264,095
Expenditures		
Contracted out - John Howard Society	300,000	262,500
Service contracts	-	1,595
	300,000	264,095
Excess of Revenue	\$ -	\$ -

Yellowknife Health and Social Services Authority

Schedule of Reserves

	Surplus / Deficit Reserve		Leave and Termination Benefits Reserve		Donations Reserve		Total
	2014	2013	2014	2013	2014	2013	
Balance, beginning of year	\$ -	\$ -	\$ 61,843	\$ 88,198	\$ 60,925	\$ 64,937	\$ 153,135
Transfer from (to) operating fund	-	-	-	(26,355)	2,673	(4,012)	(30,367)
Balance, end of year	\$ -	\$ -	\$ 61,843	\$ 61,843	\$ 63,598	\$ 60,925	\$ 122,768