

**PUBLIC ACCOUNTS**  
**OF THE**  
**GOVERNMENT OF THE NORTHWEST TERRITORIES**  
**FOR THE YEAR ENDED MARCH 31, 2013**


**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 31, 2013



Honourable J. Michael Miltenberger  
Minister of Finance

October 30, 2013



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

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## RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of the consolidated financial statements of the Government of the Northwest Territories, and related information contained in the Public Accounts, is the responsibility of the Government through the Office of the Comptroller General.

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS). Where PSAS permits alternative accounting methods, management has chosen those that are most appropriate. Where required, management's best estimates and judgment have been applied in the preparation of these financial statements.

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

The Auditor General of Canada performs an annual audit on the consolidated financial statements in order to express an opinion as to whether the consolidated financial statements present fairly, in all material respects, the financial position of the Government, the change in its net debt, the results of its operations and its cash flows for the year. 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 consolidation.



Warren St. Germaine, CA  
Comptroller General

October 30, 2013

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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 2013, 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 2013, 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, except for the change in the methods of accounting for tax revenues and government transfers as explained in note 3 to the consolidated financial statements, on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the 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

30 October 2013  
Edmonton, Canada

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

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as at March 31, 2013

(thousands of dollars)


	2013 Actual \$	2012 Actual \$
<b>Financial assets</b>		
Cash and cash equivalents (note 4)	70,461	67,775
Portfolio investments (note 5)	72,515	54,725
Due from the Government of Canada (note 14)	21,996	28,850
Accounts receivable (note 7)	62,183	75,075
Inventories for resale (note 8)	32,112	31,490
Loans receivable (note 9)	60,264	62,689
Investment in Northwest Territories Hydro Corporation (note 10)	110,557	104,067
	<b>430,088</b>	<b>424,671</b>
<b>Liabilities</b>		
Short term loans (note 11)	104,962	134,941
Accounts payable and accrued liabilities (note 12)	224,165	257,711
Deferred revenue (note 13)	43,323	76,762
Due to the Government of Canada (note 14)	116,917	131,917
Capital lease obligations (note 15)	4,331	7,482
Long-term debt (note 16)	195,030	198,123
Pensions (note 17)	25,528	24,127
Other employee future benefits (note 18)	53,744	51,480
	<b>768,000</b>	<b>882,543</b>
<b>Net debt</b>	<b>(337,912)</b>	<b>(457,872)</b>
<b>Non-financial assets</b>		
Tangible capital assets (schedule A)	2,027,351	1,600,389
Inventories held for use (note 8)	5,196	3,040
Prepaid expenses	6,337	6,079
	<b>2,038,884</b>	<b>1,609,508</b>
<b>Accumulated surplus</b>	<b>1,700,972</b>	<b>1,151,636</b>

Contractual obligations and contingencies (notes 21 and 22)

Approved:



J. Michael Miltenberger  
Minister of Finance



Warren St. Germaine, CA  
Comptroller General

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

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## Government of the Northwest Territories

### Consolidated Statement of Change in Net Debt

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for the year ended March 31, 2013

(thousands of dollars)

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	2013	2013	2012
	Budget	Actual	Actual
	\$	\$	\$
Net debt at beginning of year	(457,872)	(457,872)	(382,422)
Items affecting net debt:			
Annual surplus	69,227	174,987	6,382
Acquisition of tangible capital assets	(120,365)	(149,745)	(185,162)
Disposal of tangible capital assets	-	8,016	3,418
Amortization of tangible capital assets	72,676	89,116	83,215
Deferred capital contributions received ( <i>note 3</i> )	-	-	33,063
Amortization of deferred capital contributions ( <i>note 3</i> )	(15,559)	-	(20,202)
Decrease (increase) in inventories held for use	-	(2,156)	(831)
Decrease (increase) in prepaid expenses	-	(258)	4,667
<b>Decrease (increase) in net debt</b>	<b>5,979</b>	<b>119,960</b>	<b>(75,450)</b>
<b>Net debt at end of year</b>	<b>(451,893)</b>	<b>(337,912)</b>	<b>(457,872)</b>

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

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## Government of the Northwest Territories

### Consolidated Statement of Operations and Accumulated Surplus

for the year ended March 31, 2013

(thousands of dollars)

	2013 Budget \$	2013 Actual \$	2012 Actual \$
<b>Revenues</b>			
Grant from the Government of Canada	1,070,023	1,070,023	996,143
Transfer payments	119,891	170,570	125,958
	<b>1,189,914</b>	<b>1,240,593</b>	<b>1,122,101</b>
Taxation and general revenues			
Corporate and personal income taxes	165,417	213,782	95,166
Other taxes	114,868	116,825	114,150
General	42,718	48,243	59,782
Income from portfolio investments	619	2,735	2,079
Sales	91,226	96,354	78,468
Recoveries and amortization of capital contributions	61,637	46,215	56,378
	<b>476,485</b>	<b>524,154</b>	<b>406,023</b>
Recoveries of prior years' expenses	3,000	27,688	8,127
	<b>1,669,399</b>	<b>1,792,435</b>	<b>1,536,251</b>
<b>Expenses (note 23)</b>			
Environment and economic development	117,942	137,631	135,879
Infrastructure	392,527	384,231	360,398
Education	319,900	324,057	320,178
Health, social services and housing	487,042	485,806	462,392
Justice	113,674	114,736	106,171
General government	156,810	158,846	128,608
Legislative Assembly and statutory offices	18,508	18,631	19,474
	<b>1,606,403</b>	<b>1,623,938</b>	<b>1,533,100</b>
<b>Annual operating surplus</b>	<b>62,996</b>	<b>168,497</b>	<b>3,151</b>
Net income from investment in Northwest Territories Hydro Corporation (note 10)	6,231	6,490	3,231
Projects on behalf of third parties			
Expenses	(58,839)	(62,892)	(67,825)
Recoveries	58,839	62,892	67,825
<b>Annual surplus</b>	<b>69,227</b>	<b>174,987</b>	<b>6,382</b>
Accumulated surplus at beginning of year	1,151,636	1,151,636	1,145,254
Adjustments to accumulated surplus (note 3)	-	374,349	-
Restated - Accumulated surplus at beginning of year	-	1,525,985	-
<b>Accumulated surplus at end of year</b>	<b>1,220,863</b>	<b>1,700,972</b>	<b>1,151,636</b>

*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, 2013

(thousands of dollars)

	2013 Actual \$	2012 Actual \$
<b>Cash provided by (used in)</b>		
<b>Operating transactions</b>		
Annual surplus	174,987	6,382
Items not affecting cash:		
Valuation allowance	3,708	2,473
Amortization	89,116	83,215
Net income from investment in NWT Hydro Corporation	(6,490)	(3,231)
	261,321	88,839
Changes in non-cash assets and liabilities:		
Due to the Government of Canada	(8,146)	(8,115)
Decrease (increase) in accounts receivable	12,572	(15,952)
Increase in inventories for sale	(622)	(3,921)
Decrease in accounts payable	(33,546)	(188)
Decrease in deferred revenue	(33,439)	(10,791)
Increase in pensions	1,401	2,432
Increase in employee future benefits	2,264	2,840
Decrease in inventories held for use	(2,156)	(831)
Decrease (increase) in prepaid expenses	(258)	4,667
<b>Cash provided by operating transactions</b>	<b>199,391</b>	<b>58,980</b>
<b>Investing transactions</b>		
Disposition of portfolio investments	71,781	96,625
Acquisition of portfolio investments	(89,444)	(76,947)
Loans receivable receipts	9,504	43,342
Loans receivable advanced	(10,593)	(9,265)
<b>Cash provided by (used for) investing transactions</b>	<b>(18,752)</b>	<b>53,755</b>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(149,745)	(185,162)
Increase in deferred capital contributions	-	33,063
Amortization of capital contributions	-	(20,202)
Proceeds of disposition of tangible capital assets	8,016	3,418
<b>Cash used for capital transactions</b>	<b>(141,729)</b>	<b>(168,883)</b>
<b>Financing transactions</b>		
Short term financing proceeds	-	134,941
Repayment of short term financing	(29,979)	-
Repayment of capital lease obligations	(3,151)	(2,003)
Long-term financing proceeds	-	5,676
Repayment of long-term financing	(3,094)	(132,224)
<b>Cash provided by (used for) financing activities</b>	<b>(36,224)</b>	<b>6,390</b>
<b>Decrease in cash and cash equivalents</b>	<b>2,686</b>	<b>(49,758)</b>
Cash and cash equivalents at beginning of year	67,775	117,533
<b>Cash and cash equivalents at end of year*</b>	<b>70,461</b>	<b>67,775</b>

\* 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.*

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# Government of the Northwest Territories

## Notes to Consolidated Financial Statements

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March 31, 2013

(All figures in thousands of dollars)

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### 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

##### *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

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# Government of the Northwest Territories

## Notes to Consolidated Financial Statements

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March 31, 2013

(All figures in thousands of dollars)

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### 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, 2013 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 20*) 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, valuation allowances for accounts receivable and loans receivable, and amortization expense. Other estimates, such as the Canada Health Transfer, Canada Social Transfer payments, Corporate and Personal Income Tax revenue 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.



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# Government of the Northwest Territories

## Notes to Consolidated Financial Statements

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March 31, 2013

(All figures in thousands of dollars)

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### 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, 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. 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:

<b>Asset category</b>	<b>Amortization period</b>
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

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2013

(All figures in thousands of dollars)

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#### 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.

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 specified rate or 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, the adjustments are amortized on a straight-line basis over the estimated average remaining service lives of the contributors.

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.

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2013

(All figures in thousands of dollars)

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (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 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.

##### (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 these taxes monthly 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.

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2013

(All figures in thousands of dollars)

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (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.

##### (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.

##### (t) 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.

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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(All figures in thousands of dollars)

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (t) Future accounting changes (continued)

The Public Sector Accounting Board issued PS 3450 Financial Instruments effective for fiscal years beginning on or after April 1, 2015. 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 current 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

#### 3. CHANGES IN ACCOUNTING POLICY

##### (a) Tax revenues

Effective April 1, 2012, the Government adopted the PSA Handbook Section PS 3510 – Tax revenues. This new section establishes recognition, measurement, presentation and disclosure standards related to tax concessions and transfers made through the tax system. Transfers made through the tax system are now recognized as expenses rather than a reduction of revenues. On a prospective basis, the Government now records the following on a gross basis: the Cost of Living Tax Credit, the Child Benefit, the Child Benefit administration fees and the Tax Collection Agreement administration fees from personal income tax. The impact of this change in accounting policy increases total revenue and expense by \$23,000 with no impact on net operating results.

##### (b) Government transfers

Effective April 1, 2012, the Government 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. This new section requires the Government to change its policy for recording transfers from the Government of Canada for capital and donated assets. Previously, these transfers and donations were recorded as Deferred Capital Contributions (DCC) and recognized as revenue on the same basis as the amortization of the related capital asset. As a result of this policy change, these transfers and donations are now recognized as revenue when the related tangible capital asset is purchased or in the case of constructed assets, when the asset is complete. A transfer may only be deferred if stipulations within the transfer agreement, taken together with the actions and communications of the Government allow for the recognition of a liability that will be discharged over a period of more than one fiscal year. This policy has been applied retroactively without restatement of comparatives. An adjustment of \$374,349 has been made to the opening balance of accumulated surplus of the current period to reflect the cumulative effect of the change on prior periods.

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## Government of the Northwest Territories

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#### 4. CASH AND CASH EQUIVALENTS

	<b>2013</b>	<b>2012</b>
	\$	\$
Cash	63,092	44,359
Short-term investments	7,369	23,416
	<b>70,461</b>	<b>67,775</b>

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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, 2013 varied from 0.0025% to 1.660% (2012 - 0.001% to 1.60%). 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 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, 2013, is 65 days (2012 - 53 days).

#### 5. PORTFOLIO INVESTMENTS

	<b>2013</b>	<b>2012</b>
	\$	\$
Marketable securities (market value \$75,576; 2012 - \$55,790)	72,437	54,606
Miscellaneous investments	78	119
	<b>72,515</b>	<b>54,725</b>

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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#### 6. DESIGNATED AND RESTRICTED ASSETS

Designated and restricted 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:

- (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 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 from 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.

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2013

(All figures in thousands of dollars)

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#### 6. DESIGNATED AND RESTRICTED ASSETS (continued)

	2013	2012
	\$	\$
<b>Designated assets</b>		
Student Loan Fund:		
Authorized limit for loans receivable *	40,000	36,000
Less: Loans receivable balance	(37,712)	(36,115)
	<hr/>	<hr/>
Funds designated for new loans	<b>2,288</b>	<b>(115)</b>
	<hr/>	<hr/>
Environment Fund:		
Beverage Container Program net assets	<b>1,743</b>	<b>1,624</b>
	<hr/>	<hr/>
Portfolio Investments for the Legislative Assembly Supplementary Retiring Allowance and Judges Supplemental Pension Plans:		
Marketable securities (market value \$26,088; 2012 - \$24,896)	23,435	23,121
Money market (market value approximates cost)	879	390
Cash and other assets (market value approximates cost)	393	744
	<hr/>	<hr/>
	<b>24,707</b>	<b>24,255</b>
	<hr/>	<hr/>
Northwest Territories Business Development and Investment Corporation:		
Venture Investment Fund	4,045	3,911
Subsidy Fund	518	460
Capital Fund	873	873
Venture Reserve Fund	485	485
Capital Reserve Fund	147	147
Loans and Bonds Fund	484	220
	<hr/>	<hr/>
	<b>6,552</b>	<b>6,096</b>
	<hr/>	<hr/>
	<b>35,290</b>	<b>31,860</b>

\* As at March 31, 2012 the authorized limit for student loans was exceeded by \$115. Subsequent to March 31 the Legislative Assembly approved an increase of \$4,000 to the authorized limit bringing the authorized limit to \$40,000 for the March 31, 2013 fiscal year and beyond.



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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2013

(All figures in thousands of dollars)

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#### 7. ACCOUNTS RECEIVABLE

	2013	2012
	\$	\$
General	59,616	67,499
Government of Nunavut	7,788	9,742
Hospital related costs due from third parties	11,564	12,820
Revolving fund sales	8,666	10,463
Accrued interest	26	27
	<b>87,660</b>	<b>100,551</b>
Less: allowance for doubtful accounts	(25,870)	(25,550)
	<b>61,790</b>	<b>75,001</b>
Receivables from related parties:		
Northwest Territories Hydro Corporation	184	54
Workers' Safety and Compensation Commission	209	20
	<b>62,183</b>	<b>75,075</b>

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#### 8. INVENTORIES

	2013	2012
	\$	\$
<b>Inventories for resale:</b>		
Bulk fuels	28,517	26,851
Liquor products	2,940	3,865
Public Stores	155	149
Other	500	625
	<b>32,112</b>	<b>31,490</b>
<b>Inventories held for use:</b>		
Housing materials and supplies	<b>5,196</b>	<b>3,040</b>
	<b>37,308</b>	<b>34,530</b>

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2013

(All figures in thousands of dollars)

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#### 9. LOANS RECEIVABLE

	2013 \$	2012 \$
Northwest Territories Business Development and Investment Corporation loans to businesses receivable over a maximum of 25 years, secured by real property, aircraft, heavy equipment and general security agreements; bearing fixed interest between 5.11% and 6.50% , before allowance for doubtful accounts of \$6,429 (2012 - \$6,432).	43,940	44,173
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 allowance for doubtful accounts of \$4,135 (2012 - \$2,900). The debtor has initiated legal proceedings for receivership.	5,635	5,885
Deton'Cho Corporation (DCC) non-interest bearing promissory note, repayable in 20 equal installments, fully repaid during the year. This note arose from the sale of shares held as security on a \$2,600 loan guarantee by the Government for DCC, that was called by the Bank of Montreal. Foregone interest revenue, recorded as a Grant in Kind, is calculated at the Government's long-term borrowing rate and amounted to \$5 in the year (2012 - \$19).	-	260
Students Loan Fund loans due in installments to 2028, bearing fixed interest between 1.25% and 11.75%, unsecured, before allowance for doubtful accounts and loan remissions of \$18,070 (2012 - \$16,977)	37,712	36,115
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%, before allowance for doubtful accounts of \$13,912 (2012 - \$12,849).	15,509	15,396
Other	14	18
	<b>102,810</b>	<b>101,847</b>
Allowance for doubtful accounts	(42,546)	(39,158)
	<b>60,264</b>	<b>62,689</b>

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Interest earned on loans receivable during the year was \$2,697 (2012 - \$3,126).

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 \$7,096 (2012 - \$7,928).

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2013

(All figures in thousands of dollars)

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#### 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, 2013.

	2013	2012
	\$	\$
Investment in Northwest Territories Hydro Corporation		
Shareholder's Equity	<b>110,557</b>	<b>104,067</b>
Shareholder's Equity is represented by:		
Assets:		
Cash	2,015	1,368
Accounts receivable	14,904	18,834
Inventories	5,511	4,162
Prepaid expenses	590	661
Other long-term assets	25,170	43,480
Property, plant and equipment	326,513	313,037
Total assets	<b>374,703</b>	<b>381,542</b>
Liabilities:		
Short-term debt	5,979	16,351
Accounts payable and accrued liabilities	15,071	21,766
Long-term debt	182,702	187,643
Other long-term liabilities	59,037	49,777
Employee future benefits	1,357	1,938
Total liabilities	<b>264,146</b>	<b>277,475</b>
	<b>110,557</b>	<b>104,067</b>

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

Revenue	101,392	84,742
Expenses	(94,902)	(81,511)
Net income	<b>6,490</b>	<b>3,231</b>
Surplus - Retained Earnings at beginning of the year	60,938	57,707
Surplus - Retained Earnings at end of the year	<b>67,428</b>	<b>60,938</b>

Included in the above are revenues from, and expenses to, entities in the Government reporting entity of \$40,126 (2012 - \$43,339) and \$27,288 (2012 - \$18,097), respectively.

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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(All figures in thousands of dollars)

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#### 10. INVESTMENT IN NORTHWEST TERRITORIES HYDRO CORPORATION (continued)

##### Contractual obligations and contingencies

The Corporation's approved capital plan, including estimated costs to complete capital projects in progress, as at March 31, 2013, was \$28,384 (2012 - \$22,860).

The Corporation has an agreement to purchase natural gas to produce electricity in Inuvik. In September 2011 the Corporation was notified by the supplier, that the gas supply in the Inuvik Gas Reservoir was limited and unlikely to last to the end of the contract period. The Corporation reduced its consumption of natural gas in a good faith attempt to extend the supply of gas to the residents of Inuvik so that alternative gas supplies could be pursued.

The Corporation agreed to forgo its legal remedies for the supplier's inability to supply its full obligations as outlined in the agreement on the basis that the supplier agreed to not enforce the minimum purchase clause within that agreement or any damages against NT Hydro for not consuming gas.

Since January 2012, gas generation has been significantly curtailed and the remainder of the generation is produced by the diesel plant. In fiscal 2013, gas represented 9% of the fuel used for power generation in Inuvik.

The Corporation 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 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

Short-term loans of \$104,962 (2012 - \$134,941) incurred interest at an average rate of 1.11% (2012 - 1.07%). Interest paid in 2013 was \$723 (2012 - nil).

#### 12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2013	2012
	\$	\$
Trade	131,327	146,037
Other liabilities	8,864	11,180
Employee and payroll-related liabilities	55,164	53,491
Environmental liabilities ( <i>note 22(a)</i> )	26,345	44,188
Accrued interest	686	736
	<b>222,386</b>	<b>255,632</b>
Payable to related parties:		
Northwest Territories Hydro Corporation	1,075	1,280
Workers' Safety and Compensation Commission	704	799
	<b>224,165</b>	<b>257,711</b>

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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(All figures in thousands of dollars)

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#### 13. DEFERRED REVENUE

	2013	2012
	\$	\$
Government of Canada		
Government of Canada		
Ministry of Finance	6,658	-
Building Canada Plan	35,196	59,249
Infrastructure Stimulus Fund	-	610
Canadian Strategic Infrastructure Fund	-	2,774
Patient Wait Times Trust 2008	-	21
Other	1,469	14,108
	<b>43,323</b>	<b>76,762</b>

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#### 14. DUE FROM AND TO THE GOVERNMENT OF CANADA

	2013	2012
	\$	\$
Receivables		
Projects on behalf of the Government of Canada	(9,436)	(10,526)
Miscellaneous receivables	(12,560)	(18,324)
	<b>(21,996)</b>	<b>(28,850)</b>
Payables		
Excess income tax advanced	80,776	97,630
Advances for projects on behalf of the Government of Canada	8,141	8,687
Miscellaneous payables	28,000	25,600
	<b>116,917</b>	<b>131,917</b>
	<b>94,921</b>	<b>103,067</b>

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

	\$
2014	36,730
2015	42,986
2016	860
2017	200
	<b>80,776</b>

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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(All figures in thousands of dollars)

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#### 15. CAPITAL LEASE OBLIGATIONS

	2013	2012
	\$	\$
Buildings	4,111	7,203
Equipment	220	279
	<b>4,331</b>	<b>7,482</b>

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Interest expense related to capital lease obligations for the year was \$540 (2012 - \$784), at an implicit average interest rate of 9.08% (2012 - 8.98%). Capital lease obligations (expiring between 2014 and 2023) are based upon contractual minimum lease obligations for the leases in effect as of March 31, 2013.

	2014	\$
	2014	1,459
	2015	1,157
	2016	793
	2017	532
	2018	479
	2019 and beyond	805
Total minimum lease payments		5,225
Less: imputed interest		894
Present value of minimum lease payments		<b>4,331</b>

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#### 16. LONG-TERM DEBT

	2013	2012
	\$	\$
Loans due to Canada Mortgage and Housing Corporation, repayable in annual installments until the year 2033, bearing interest at a rate of 6.97% (2012 - 6.97%), unsecured.	8,609	9,075
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% (2012 - 2.78% and 3.68%), unsecured.	3,588	3,800
Mortgage payable to Canada Mortgage and Housing Corporation, repayable in monthly installments of \$7 (2012 - \$7) maturing June 2024, bearing interest at 3.30% (2012 - 3.30%), secured with real property.	867	930
Yellowknife Catholic Schools debentures, repayable in monthly installments of \$9, including fixed interest at 6.85%, repaid in full during the year.	-	99
Yellowknife Catholic Schools debentures, repayable in monthly installments of \$68, including fixed interest at 5.80%, final installment due in 2018, unsecured.	4,039	4,606
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.	177,927	179,613
	<b>195,030</b>	<b>198,123</b>

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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#### 16. LONG-TERM DEBT (continued)

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

	Principal \$
2014	3,791
2015	3,980
2016	4,177
2017	4,373
2018	4,498
2019 and beyond	174,211
	<hr/> <b>195,030</b> <hr/>

Interest expense on long-term debt, included in operations and maintenance expenses, was \$1,719 (2012 - \$12,032). Real return bonds for the Deh Cho Bridge includes financing costs of \$3,751 (2012 - \$10,161) that were capitalized after a reduction for interest earned of \$45 (2012 - \$259). The financing costs are comprised of interest of \$1,857 (2012 - \$5,627) and CPI adjustment of \$1,894 (2012 - \$4,793).

#### Debt Authority

The Government has the authority to borrow, pursuant to subsection 20(2) of the *Northwest Territories Act*, 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.

	2013 \$	2012 \$
Short term borrowing	104,962	134,941
Government of the Northwest Territories Long-term Debt		
Mortgage payable to Canada Mortgage and Housing Corporation	867	930
Real Return Bonds payable	177,927	179,613
Capital lease obligations	23,929	27,485
NWT Housing Corporation, mortgages and loans payable	12,197	12,875
Guarantees ( <i>note 22(b)</i> )	28,891	31,105
NWT Hydro Corporation, long-term debt (net of sinking fund)	180,404	164,253
NWT Hydro Corporation, operational debt	8,277	16,351
Yellowknife Catholic Schools - District Education Authority	4,039	4,230
	<hr/> <b>541,493</b>	<hr/> <b>571,783</b>
Authorized borrowing limit	800,000	800,000
	<hr/> <b>258,507</b>	<hr/> <b>228,217</b>

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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(All figures in thousands of dollars)

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#### 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.

<b>Plan recipient</b>	<b>Name of plan</b>	<b>Funded status</b>
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 made a voluntary restriction on 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 55. 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 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 163 plan members is 45 years. Plan assets consist primarily of Canadian and U.S. equities, bonds and mortgages.

The remaining government employees participate in Canada's Public Service Superannuation Plan (PSSP). Pension benefits within this plan accrue up to a maximum period of 35 years at a rate of two percent per year of pensionable service multiplied by the average of the best five consecutive years of earnings. PSSP benefits are coordinated with Canada/Quebec Pension Plan benefits and are indexed to inflation.



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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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#### 17. PENSIONS (continued)

##### b) Pension liability

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

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	<b>2012</b>	<b>2012</b>	<b>2012</b>
	<b>Regular</b>	<b>Supplemental</b>	<b>Total</b>
	<b>Funded</b>	<b>Unfunded</b>	
	\$	\$	\$
Accrued benefit obligation	53,128	26,461	79,589
Pension fund assets - market-related value	(48,929)	-	(48,929)
Unamortized actuarial net gains (losses)	(7,077)	544	(6,533)
<b>Pension liability (asset)</b>	<b>(2,878)</b>	<b>27,005</b>	<b>24,127</b>

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Included in the pension asset of \$2,319 (2012 - \$2,878) is a deficit for accounting purposes of the Hay River Health and Social Services Authority pension plan in the amount of \$896 (2012 - \$950). The Superintendent of Financial Institutions requires that all plans with a solvency ratio less than 100% file an actuarial valuation annually. The solvency shortfall for this plan is \$1,865 (2012 - \$6,215) and is required to be eliminated within 5 years under the *Pension Benefits Standards Act, 1985*. 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, 2013.

# Government of the Northwest Territories

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(All figures in thousands of dollars)

### 17. PENSIONS (continued)

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

	2013 Regular Funded \$	2013 Supplemental Unfunded \$	2013 Total \$
<b>Opening balance</b>	<b>(2,878)</b>	<b>27,005</b>	<b>24,127</b>
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
<b>Change in pension liability (asset) from cash items</b>	<b>(4,157)</b>	<b>(1,190)</b>	<b>(5,347)</b>
Change to pension liability (asset) from accrual items:			
Current period benefit cost	3,448	969	4,417
Amortization of actuarial net (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
Return on plan assets	(2,439)	-	(2,439)
<b>Change in pension liability (asset) from accrual items</b>	<b>4,716</b>	<b>2,032</b>	<b>6,748</b>
<b>Ending balance</b>	<b>(2,319)</b>	<b>27,847</b>	<b>25,528</b>
	<b>2012 Regular Funded \$</b>	<b>2012 Supplemental Unfunded \$</b>	<b>2012 Total \$</b>
<b>Opening balance</b>	<b>(4,243)</b>	<b>25,938</b>	<b>21,695</b>
Change to pension liability (asset) from cash items:			
Contributions from plan members	(934)	-	(934)
Contributions from Government	(2,365)	-	(2,365)
Benefit payment to plan members	(2,728)	(1,112)	(3,840)
Drawdown from plan assets	2,728	-	2,728
<b>Change to pension liability (asset) from cash items</b>	<b>(3,299)</b>	<b>(1,112)</b>	<b>(4,411)</b>
Change to pension liability (asset) from accrual items:			
Current period benefit cost	3,104	963	4,067
Amortization of actuarial net (gains) losses	1,078	(314)	764
Prior period cost of plan amendment	393	-	393
Interest on average accrued benefit obligation	2,598	1,530	4,128
Return on plan assets	(2,509)	-	(2,509)
<b>Change in pension liability (asset) from accrual items</b>	<b>4,664</b>	<b>2,179</b>	<b>6,843</b>
<b>Ending balance</b>	<b>(2,878)</b>	<b>27,005</b>	<b>24,127</b>

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2013

(All figures in thousands of dollars)

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#### 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 return on plan assets and contributions from plan members. The total expense is \$5,825 (2012 - \$5,909). 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 loss of \$947 (2012 - \$105).

In addition to the above, the Government contributed \$52,972 (2012 - \$54,767) to the Public Service Superannuation Plan. The employees' contributions to this plan were \$28,841 (2012 - \$28,122).

##### e) Changes to pension plans in the year

###### *Hay River Health and Social Services Authority*

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

a) To increase required employee contributions - Effective April 1, 2013, the member required contributions will be increased to 6.85% (previously 5.5%) of earnings up to the yearly maximum pensionable earnings (YMPE) plus 9.2% (previously 7.5%) of earnings above the YMPE. The member required contribution rates will also increase effective April 1, 2014 and April 1, 2015.

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 will be 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, 2010, respectively. As the actuarial valuations were not valued as at the year-end, the Legislative Assembly plans were extrapolated to January 31, 2013 and the Judges' plans were extrapolated to March 31, 2013. The effective date of the next actuarial valuation for the Legislative Assembly and Judges' plans are April 1, 2016 and April 1, 2013, respectively. The actuarial valuation for the Retirement Plan for Employees of the Hay River Health and Social Services Authority was completed as at January 1, 2013, and the results were extrapolated to March 31, 2013.

###### *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.

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2013

(All figures in thousands of dollars)

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#### 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 \$20,617 (2012 - \$20,010). The asset valuation method for the Judges' plans is market value. The market value of the regular Judges' plan is \$4,543 (2012 - \$4,082). 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 \$28,227 (2012 - \$24,427).

###### *Actuarial gains and losses*

Actuarial gains and losses occur when actual experience varies from estimates. 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 6.0 years (2012 - 3.0 years) for the MLA's plans, 4.9 years (2012 - 5.9 years) for the Judges' plans, and 7.7 years (2012 - 8.0 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	4.8%	4.8%	4.0%
Rate of compensation increase	2.5%	2.3%	4.0%
Annual inflation rate	2.0%	2.3%	3.0%
Discount rate	5.1%	4.8%	6.0%

###### *Retirement assumptions*

- Members of Legislative Assembly at the later of age 50, 4 years of service, and end of current session.
- 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 of the Northwest Territories 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.

	2013 \$	2012 \$
Resignation and retirement	36,279	35,235
Removal	17,465	16,245
	<b>53,744</b>	<b>51,480</b>

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2013

(All figures in thousands of dollars)

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#### 19. DEFERRED CAPITAL CONTRIBUTIONS

As indicated in note 3 - Changes in Accounting Policy, the Government has adopted PS 3410 for the current year. The impact of this change results in the elimination of deferred capital contributions (DCC). Prior to March 31, 2013, DCC related to the portion of a tangible capital asset that was gifted from or cost-shared. The capital contributions were deferred and recognized into revenue at the completion of the purchase or the construction. DCC were reported as a reduction in arriving at net tangible capital assets (*Schedule A*). PS 3410 was adopted retroactively without restatement and as a result, the 2012 comparatives are being shown as originally reported in the prior year.

	2013	2012
	\$	\$
Deferred capital contributions at beginning of year	-	361,488
Add: Assets gifted or cost-shared during the year	-	33,063
Less: Amortization of capital contributions	-	(20,202)
<b>Deferred capital contributions at end of year</b>	<b>-</b>	<b>374,349</b>

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#### 20. 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.

	2013	2012
	\$	\$
Correctional institutions and other	389	406
Natural Resources - capital	244	304
Public Trustee	6,414	6,277
Territorial and Supreme Courts	1,138	656
Government of New Brunswick	6,944	6,793
Scholarship bequest - Beaufort Delta Divisional Education Council	253	252
Bequest - South Slave Divisional Education Council	79	79
Sahtu Divisional Education Council	430	252
Stanton Territorial Health Authority	10	-
Fort Smith Health and Social Services Authority	18	-
Beaufort Delta Health and Social Services Authority	211	301
	<b>16,130</b>	<b>15,320</b>

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2013

(All figures in thousands of dollars)

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#### 21. CONTRACTUAL OBLIGATIONS

The Government has entered into agreements for, or is contractually committed to, the following payments subsequent to March 31, 2013:

	Expiry Date	2014 \$	2015- 2022 \$	Total \$
Operational commitments	2048	85,151	102,078	187,229
RCMP Policing Agreement	2032	40,380	726,840	767,220
Commercial and residential leases	2022	23,967	56,505	80,472
Equipment leases	2019	1,568	2,357	3,925
Tangible capital asset projects in progress at year-end	2015	134,761	42,295	177,056
		<b>285,827</b>	<b>930,075</b>	<b>1,215,902</b>

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#### 22. 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 122 (2012 - 139) sites as potentially requiring environmental remediation at March 31, 2013. 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 122 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, 2013 is \$3,162 (2012 - \$20,207), after transferring \$17,000 to the Highway 4 Realignment Project to bypass Giant Mine, per the amendment to Section 17.3 of the Cooperation Agreement. Canada will now assume responsibility for the remediation activities that were associated with the funds.

There are 23 active or decommissioned landfill sites that are outside incorporated communities, and therefore are the responsibility of the Government. As at March 31, 2013, a liability in the amount of \$895 (2012 - \$1,102) has been recorded for these sites.

Of the remaining 98 sites, the majority of which have been investigated but are still awaiting full environmental assessments, 14 are airports or airport strips or reserves, 18 are sewage lagoons, 14 are fuel tanks and 8 are highways. Remediation costs for the sites that are known to be contaminated and the Government is obligated to remediate are currently estimated at \$22,288 (2012 - \$22,879).

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.

##### (b) Guarantees

The Government has guaranteed residential housing loans to banks totaling \$4,609 (2012 - \$5,199) and indemnified Canada Mortgage and Housing for third party loans totaling \$24,282 (2012 - \$25,906). 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.

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2013

(All figures in thousands of dollars)

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#### 22. CONTINGENCIES (continued)

##### (b) Guarantees (continued)

The Northwest Territories Business Development and Investment Corporation (BDIC) has six outstanding loans to three Northern Community Futures organizations totaling \$1,000 (2012 - \$913). 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 2013 no accounts were assigned to the BDIC (2012 - nil).

The BDIC has five outstanding irrevocable standby letters of credit. The amounts of these letters of credit totaled \$2,450 and expire in 2013. 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 (2012 - nil).

##### (c) Claims and litigation

There are a number of claims and pending and threatened litigation cases outstanding against the Government. In certain of these cases, pursuant to agreements negotiated prior to the division of the territories, the Governments of the Northwest Territories and Nunavut will jointly defend the suits. The cost of defending these actions and any damages that may eventually be awarded will be shared by the two Governments 55.66% and 44.34%, respectively. The Government has recorded 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 \$49 (2012 - \$2,520). 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.

#### 23. EXPENSES

	2013	2012
	\$	\$
Expenses by Object:		
Grants and contributions	201,274	186,297
Operations and maintenance	630,323	557,712
Compensation and benefits	695,830	702,549
Valuation allowances	7,395	3,327
Amortization of tangible capital assets ( <i>schedule A</i> )	89,116	83,215
	<b>1,623,938</b>	<b>1,533,100</b>

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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2013

(All figures in thousands of dollars)

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#### 23. EXPENSES (continued)

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
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
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.



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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2013

(All figures in thousands of dollars)

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#### 25. FAIR VALUE

The fair value of short-term financial instruments, including cash, short-term investments, accounts receivable, short term loans, and accounts payable and accrued liabilities approximate the carrying amounts due to their short terms to maturity.

The carrying value, at the lower of cost or net recoverable value, is estimated to be the fair value of loans receivable where there is an allowance associated with a loan. The carrying value of the loans receivable should not be seen as the realizable value on immediate settlement of these loans due to the uncertainty associated with such a settlement.

The fair value, and the methods of calculation and assumptions used, for the Government's other long-term financial instruments are as detailed below:

	2013		2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$	\$	\$	\$
Portfolio investments	72,515	75,654	54,725	57,044
Loans receivable	60,264	60,264	62,689	62,689
Due to the Government of Canada	116,917	114,094	131,917	126,700
Capital lease obligations	4,331	4,557	7,482	7,562
Long-term debt	195,030	197,490	198,123	200,794

The fair value of publicly traded investments is based on quoted market prices. The estimated fair value for due to the Government of Canada, capital lease obligations and long-term debt is calculated by discounting the expected future cash flows at year-end using market interest rates for equivalent terms to maturity.

#### 26. OVEREXPENDITURE

During the year, 1 department (2012 - 2) exceeded their vote for a total of \$3,794 (2012 - \$592). Overexpenditure of a vote contravenes subsection 32 of the *Financial Administration Act* which states that "No person shall incur an expenditure that causes the amount of the item set out in the Estimates on which the appropriation is based to be exceeded".

The voted item that was over expended in the current year is as follows:

Department of Health and Social Services	\$3,794
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## Government of the Northwest Territories

### Notes to Consolidated Financial Statements

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March 31, 2013

(All figures in thousands of dollars)

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#### 27. 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.

##### Community Government Funding

Subsequent to year-end, the Government entered into annual Water and Sewer Funding and Community Government Funding contribution agreements totaling \$63,109 with community governments to assist them with provision of water and sewer services and municipal services.

#### 28. 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 <sup>1</sup>	Other <sup>2</sup>	Leasehold Improvements	Equipment <sup>1,3</sup>	Computers	2013	2012
	\$	\$	\$	\$	\$	\$	\$	\$
Cost of tangible capital assets, opening	9,018	1,286,468	1,043,942	37,680	183,602	84,914	2,645,624	2,519,449
Acquisitions	2,143	155,338	275,461	219	16,381	19,212	468,754	131,685
Disposals	-	(20,026)	(2,079)	(76)	(427)	-	(22,608)	(5,510)
Cost of tangible capital assets, closing	11,161	1,421,780	1,317,324	37,823	199,556	104,126	3,091,770	2,645,624
Accumulated amortization, opening	-	(504,177)	(412,948)	(25,439)	(96,098)	(51,353)	(1,090,015)	(1,008,892)
Amortization expense	-	(39,412)	(31,829)	(1,997)	(10,020)	(5,858)	(89,116)	(83,215)
Disposals	-	12,267	1,835	74	416	-	14,592	2,092
Accumulated amortization, closing	-	(531,322)	(442,942)	(27,362)	(105,702)	(57,211)	(1,164,539)	(1,090,015)
<b>Net book value</b>	<b>11,161</b>	<b>890,458</b>	<b>874,382</b>	<b>10,461</b>	<b>93,854</b>	<b>46,915</b>	<b>1,927,231</b>	<b>1,555,609</b>
Work in Progress							100,120	419,129
Deferred capital contributions ( <i>note 3 and note 19</i> )							-	(374,349)
							<b>2,027,351</b>	<b>1,600,389</b>

<sup>1</sup> Included in buildings and equipment are assets under capital lease cost, \$12,764 (2012 - \$40,156); accumulated amortization, \$8,520 (2012 - \$20,070); net book value, \$4,244 (2012 - \$20,086).

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

<sup>3</sup> 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	Government Business Enterprises <sup>1</sup>	Other Public Agencies	Total for All Segments	Adjustments <sup>2</sup>	2013	2012
	\$	\$	\$	\$	\$	\$	\$
<b>Revenues</b>							
Grant from the Government of Canada	1,070,023	-	-	1,070,023	-	1,070,023	996,143
Transfer payments	145,723	-	23,785	169,508	1,062	170,570	125,958
	<b>1,215,746</b>	<b>-</b>	<b>23,785</b>	<b>1,239,531</b>	<b>1,062</b>	<b>1,240,593</b>	<b>1,122,101</b>
Taxation and general revenues							
Corporate and personal income taxes	213,782	-	-	213,782	-	213,782	95,166
Other taxes	107,633	-	9,191	116,824	1	116,825	114,150
General	22,819	221	579,486	602,526	(554,283)	48,243	59,782
Income from portfolio investments	1,633	-	841	2,474	261	2,735	2,079
Sales <sup>3</sup>	25,069	101,171	11,585	137,825	(41,471)	96,354	78,468
Recoveries and amortization of capital contributions	30,788	-	14,649	45,437	778	46,215	56,378
	<b>401,724</b>	<b>101,392</b>	<b>615,752</b>	<b>1,118,868</b>	<b>(594,714)</b>	<b>524,154</b>	<b>406,023</b>
Recoveries of prior years' expenses	27,688	-	-	27,688	-	27,688	8,127
	<b>1,645,158</b>	<b>101,392</b>	<b>639,537</b>	<b>2,386,087</b>	<b>(593,652)</b>	<b>1,792,435</b>	<b>1,536,251</b>
<b>Expenses</b>							
Grants and contributions	714,035	-	3,596	717,631	(516,357)	201,274	186,297
Operations and maintenance	388,221	53,978	222,482	664,681	(34,358)	630,323	557,712
Compensation and benefits	302,337	22,438	391,704	716,479	(20,649)	695,830	702,549
Valuation allowances	4,457	-	2,938	7,395	-	7,395	3,327
Amortization of tangible capital assets	73,139	18,486	15,889	107,514	(18,398)	89,116	83,215
	<b>1,482,189</b>	<b>94,902</b>	<b>636,609</b>	<b>2,213,700</b>	<b>(589,762)</b>	<b>1,623,938</b>	<b>1,533,100</b>
<b>Annual operating surplus (deficit)</b>	<b>162,969</b>	<b>6,490</b>	<b>2,928</b>	<b>172,387</b>	<b>(3,890)</b>	<b>168,497</b>	<b>3,151</b>
Net income from investment in Government Business Enterprise - Northwest Territories Hydro Corporation					6,490	6,490	3,231
Projects on behalf of third parties							
Expenses	(64,787)	-	-	(64,787)	1,895	(62,892)	(67,825)
Recoveries	64,787	-	-	64,787	(1,895)	62,892	67,825
<b>Annual surplus (deficit)</b>	<b>162,969</b>	<b>6,490</b>	<b>2,928</b>	<b>172,387</b>	<b>2,600</b>	<b>174,987</b>	<b>6,382</b>

<sup>1</sup> The Northwest Territories Hydro Corporation is the only Government Business Enterprise for financial reporting purposes.

<sup>2</sup> 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 generally accepted accounting principles 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.

<sup>3</sup> 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, 2013**  
**(Unaudited)**

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

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## INTRODUCTION

The Public Accounts report the financial position and results of operations of the Government for a fiscal year. The Statement of Financial Position discloses the assets, liabilities, accumulated surplus or deficit, as well as the net debt or net financial resource position of the Government. The Statement of Changes 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 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.

A research study conducted by the Canadian Institute of Chartered Accountants states:

*The financial health of a Government is its financial health as measured by sustainability, vulnerability and flexibility, 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 \$3,520 million for 2012, which represents a 1.9% increase relative to the 2011 estimate of \$3,454 million. This rise is a result of an increase in both the oil and gas sector and capital investment (construction) in the 2012 calendar year.

Gross Domestic Product at Market Prices, calendar years 2011 and 2012  
 Canada, Provinces and Territories  
 Chained (2007) Dollars (\$ in millions)

	2012	2011	Percent Change
Canada	1,552,161	1,525,279	1.8
Newfoundland and Labrador	25,973	27,271	-4.8
Prince Edward Island	4,523	4,468	1.2
Nova Scotia	32,505	32,456	0.2
New Brunswick	26,659	26,826	-0.6
Quebec	303,322	300,275	1.0
Ontario	574,469	566,741	1.4
Manitoba	50,857	49,542	2.7
Saskatchewan	55,509	54,320	2.2
Alberta	276,908	266,389	3.9
British Columbia	191,749	188,475	1.7
Yukon	2,404	2,324	3.4
Northwest Territories	3,520	3,454	1.9
Nunavut	1,738	1,666	4.3

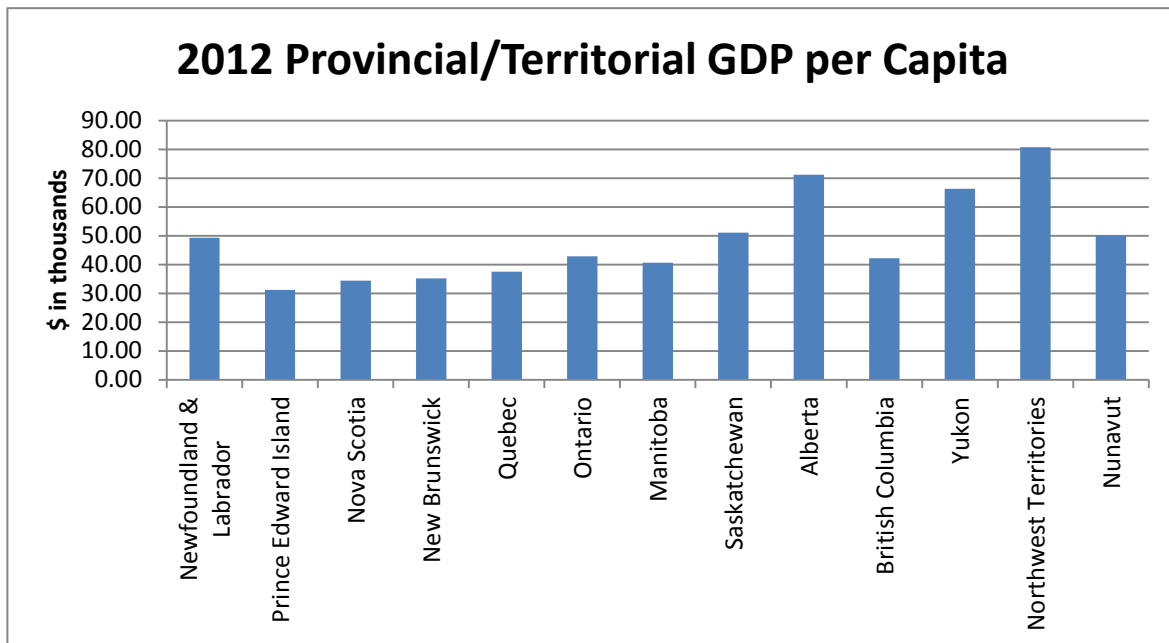
Source: Statistics Canada

Prepared by NWT Bureau of Statistics

Note:

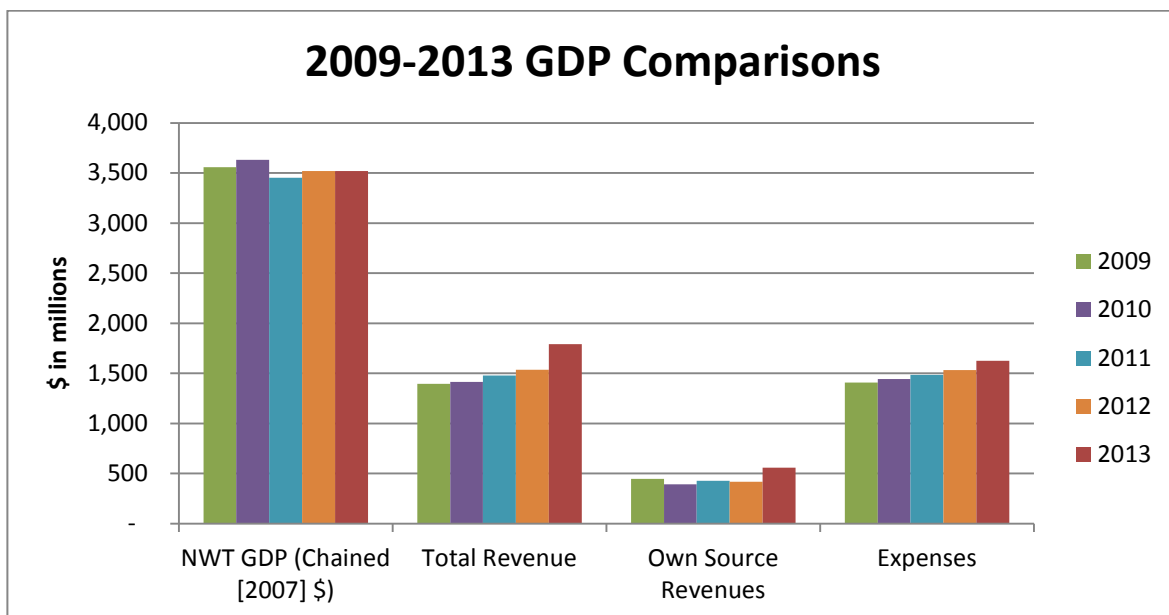
1. Data will not sum to totals since chained dollars are not additive.

**GROSS DOMESTIC PRODUCT (continued)**



Based on July 1, 2012 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 2012 figure for NWT GDP has been used for 2013 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.

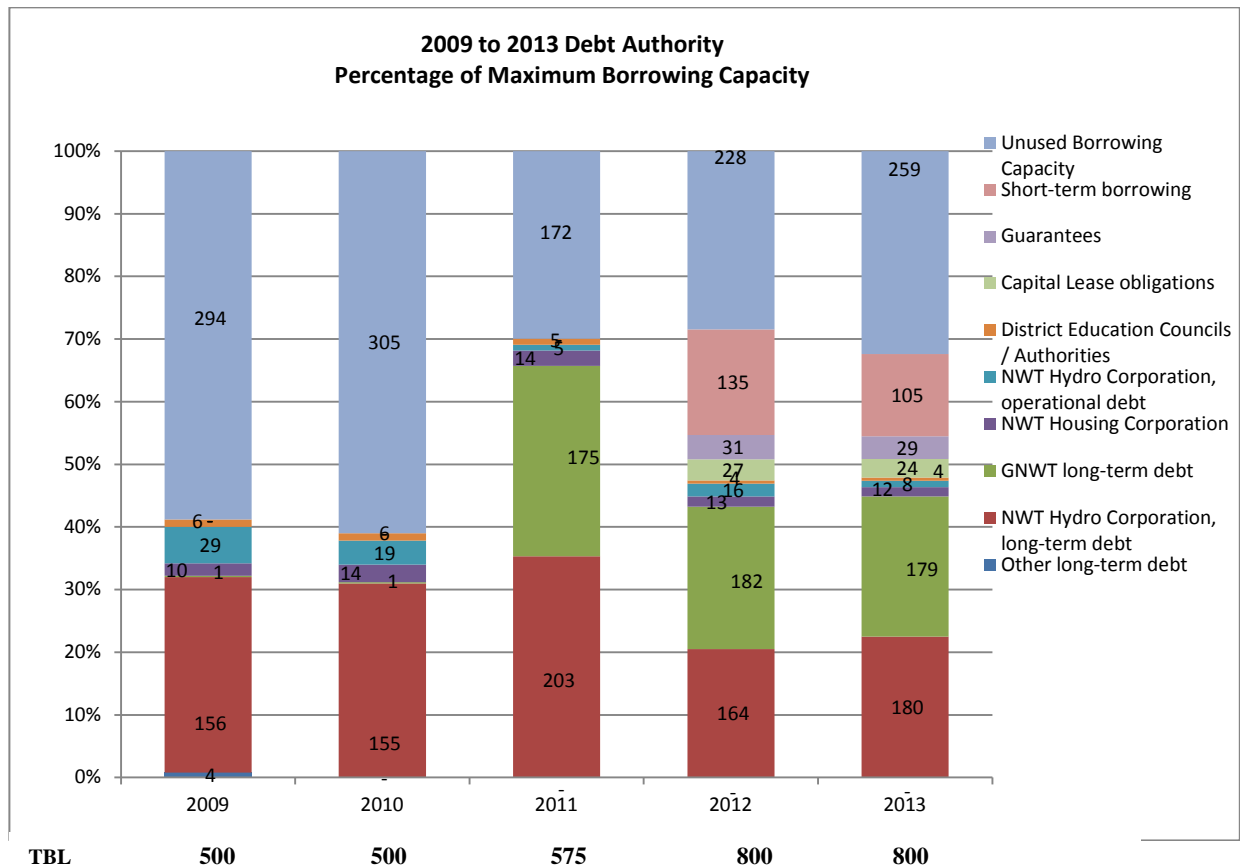
## LONG-TERM DEBT BORROWING LIMITS

In April 2010 the Government of Canada, pursuant to subsection 20(2) of the *Northwest Territories Act*, 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 increased the TBL to \$800 million. A portion of the \$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 accelerated the Government’s negotiation of an increase to the TBL. The revised amount referenced in the paragraph above was required to support long term planning for the Northwest Territories.

Consolidated debt, for purposes of the TBL, includes the debts of all Government entities that are consolidated in the 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. Currently there are no plans to increase the debt level as the current Capital Plan only includes projects that will be fully funded by the Government's revenues; however 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 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 non-consolidated revenue, in relation to provinces shall be in the lowest 4.

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.

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 non-consolidated revenue, compared to other provinces and territories shall be in the lowest 4.

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 non-consolidated revenue shall not exceed 5 percent 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.

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**

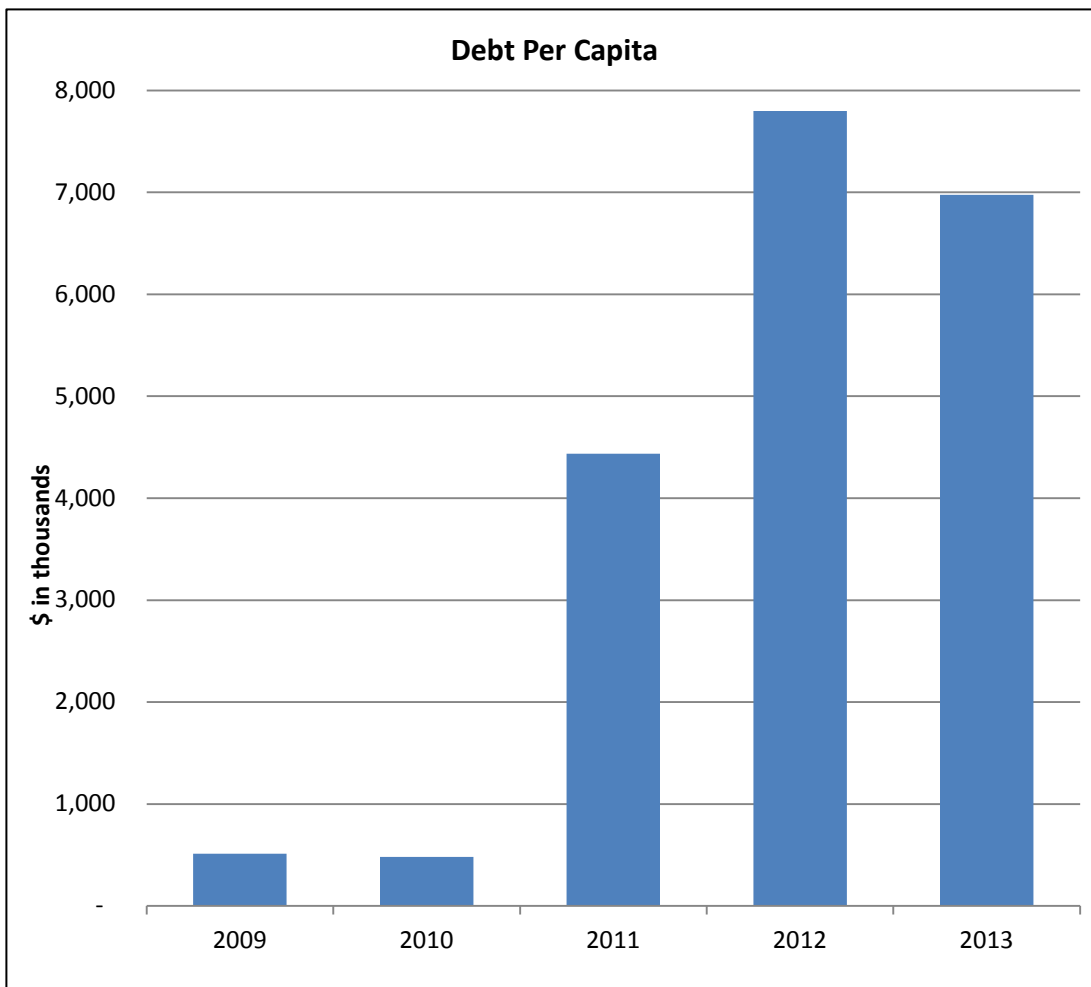
- vi) From year to year, non-consolidated net debt per capita, compared to provinces shall be in the lowest 5.

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

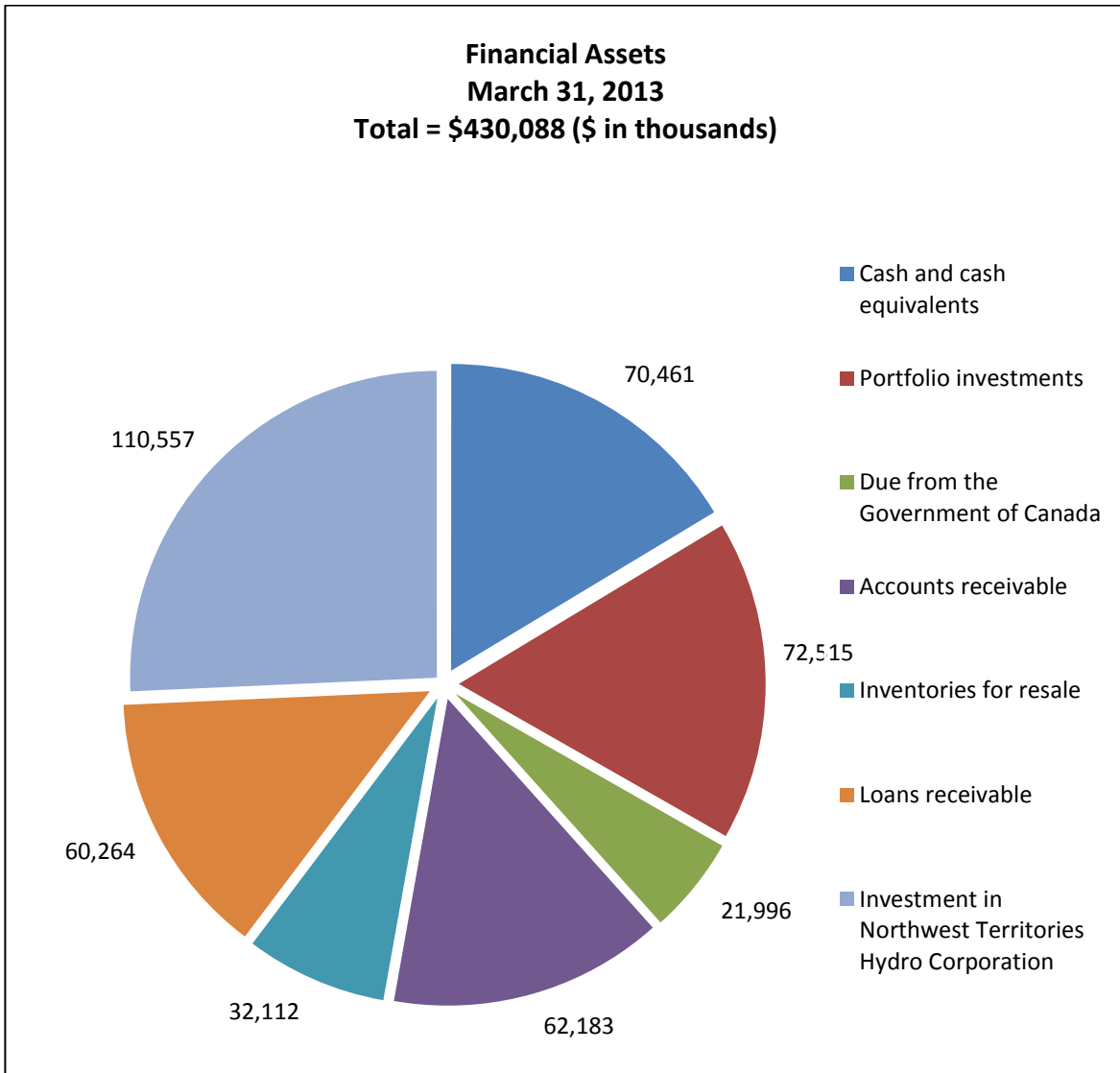
The following chart depicts the debt per capita with respect to the entire debt load that the GNWT is directly responsible for. This debt is comprised of short and long-term borrowing, but excludes the borrowings of the NWT Opportunity Fund and the NWT Hydro Corporation as they are not funded through general revenues. At March 31, 2013, long-term debt was \$195 million (2012 - \$198.1 million), with short-term borrowings of \$105 million (2012 - \$134 million).



2013 and 2012 amounts are based on 2012 population estimates of Statistics Canada as at July 1, 2013

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 2012 and 2013 of \$134 and \$105 million dollars respectively; its existence at year end causes a significant spike in debt per capita.

## FINANCIAL POSITION

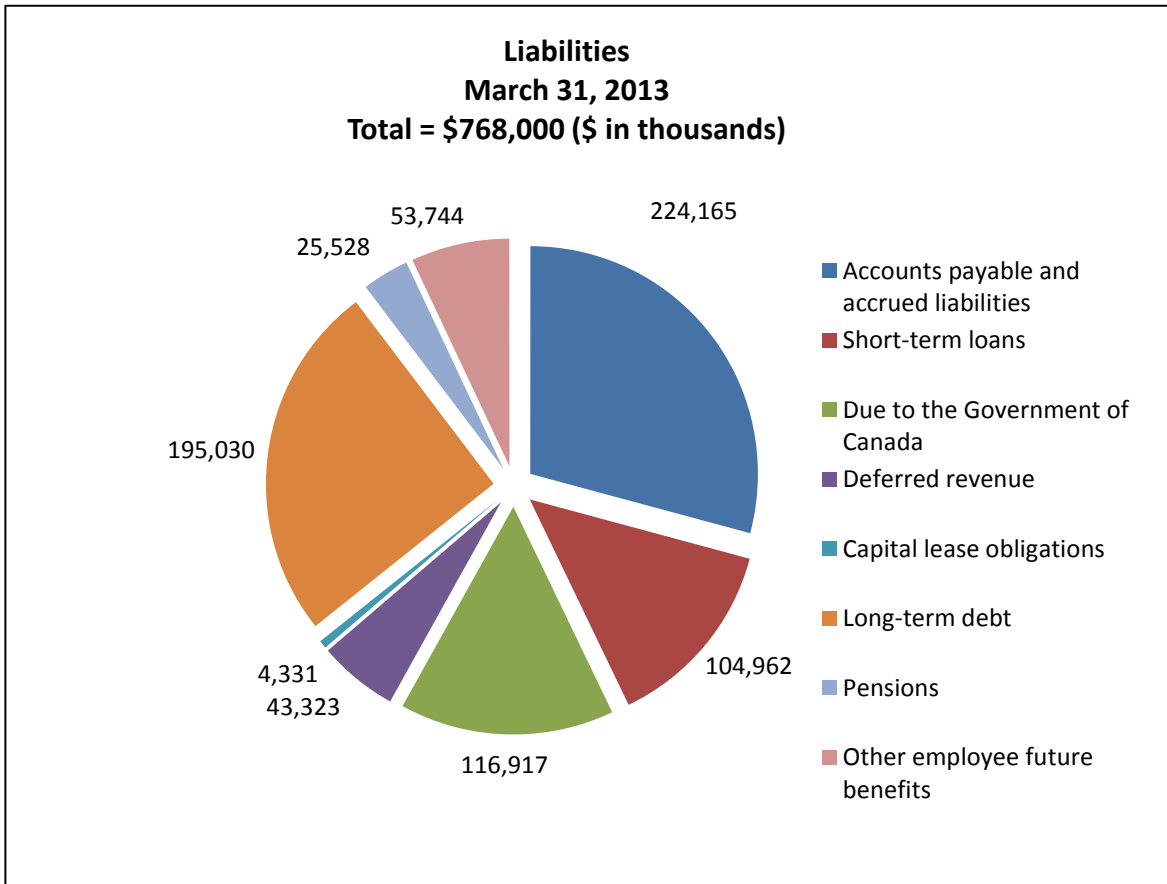


The above graph illustrates the composition of the Government's financial assets.

Approximately 16% of the GNWT's financial assets are cash. The balance is convertible to cash over time, varying from relatively short-term investments and inventory for resale to longer 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.



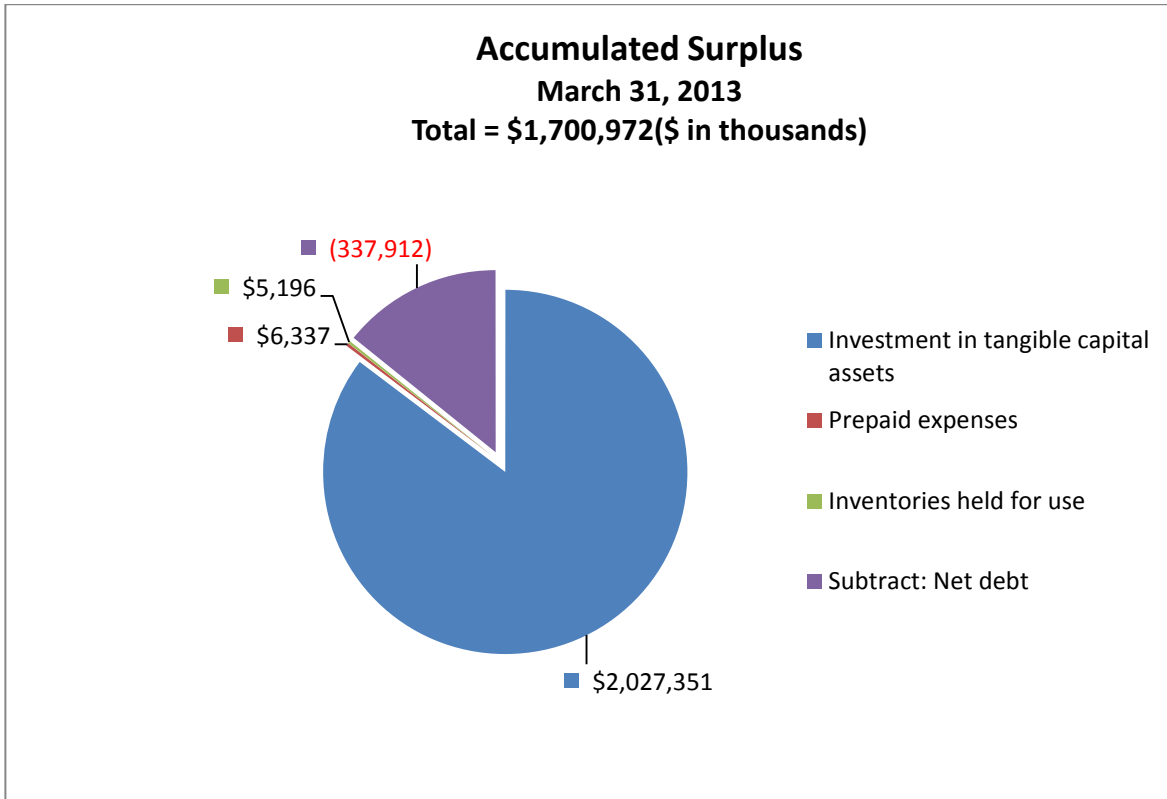
**FINANCIAL POSITION (Continued)**



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

The GNWT presently has approximately \$430 million in financial assets available to discharge its liabilities of approximately \$768 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)**



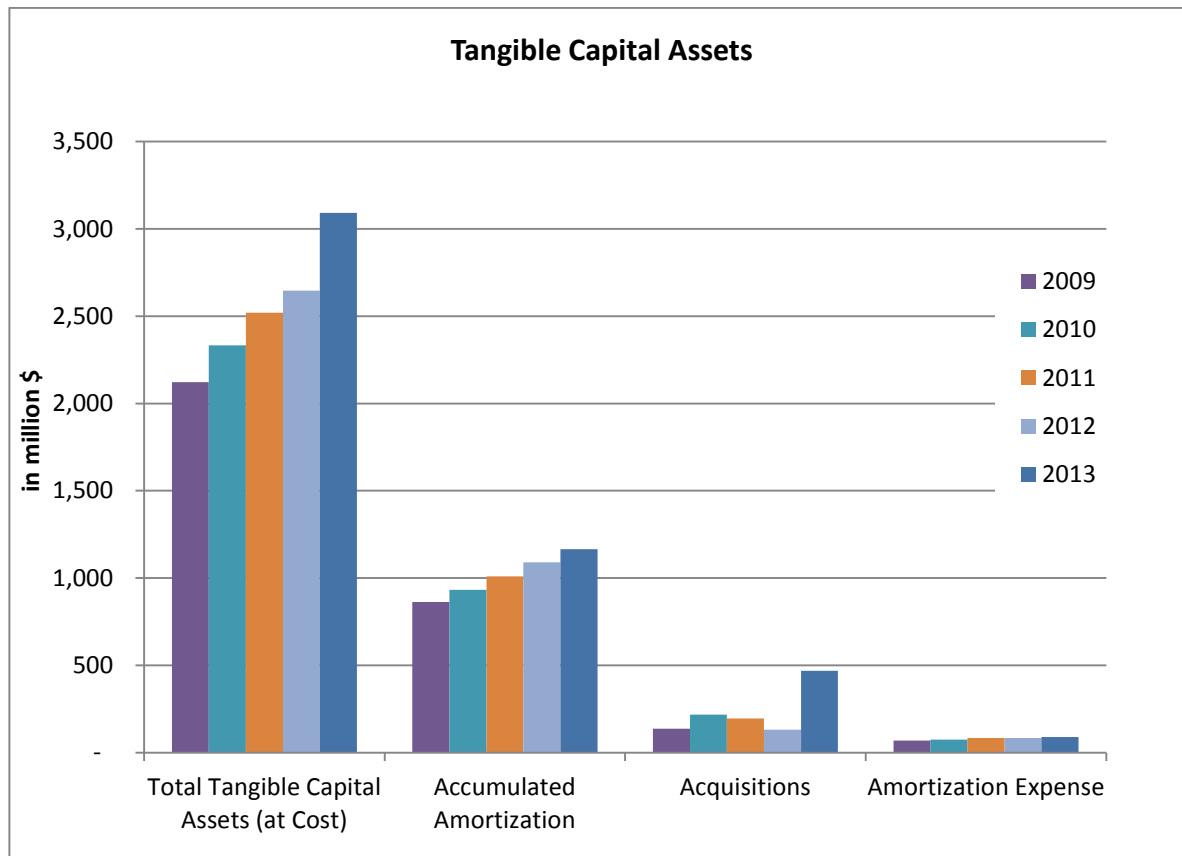
The Government is in a net debt position (depicted above as a negative). This negative amount is subtracted from the Government’s accumulated investment in Non-financial Assets (tangible capital assets/prepaid expenses/inventories held for use) to produce the accumulated surplus balance at the end of 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.

A net debt, or net financial resource, position is not a direct reflection of cash available, but rather an indication of sources where cash will or will not become available to meet current and future obligations.

## 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.

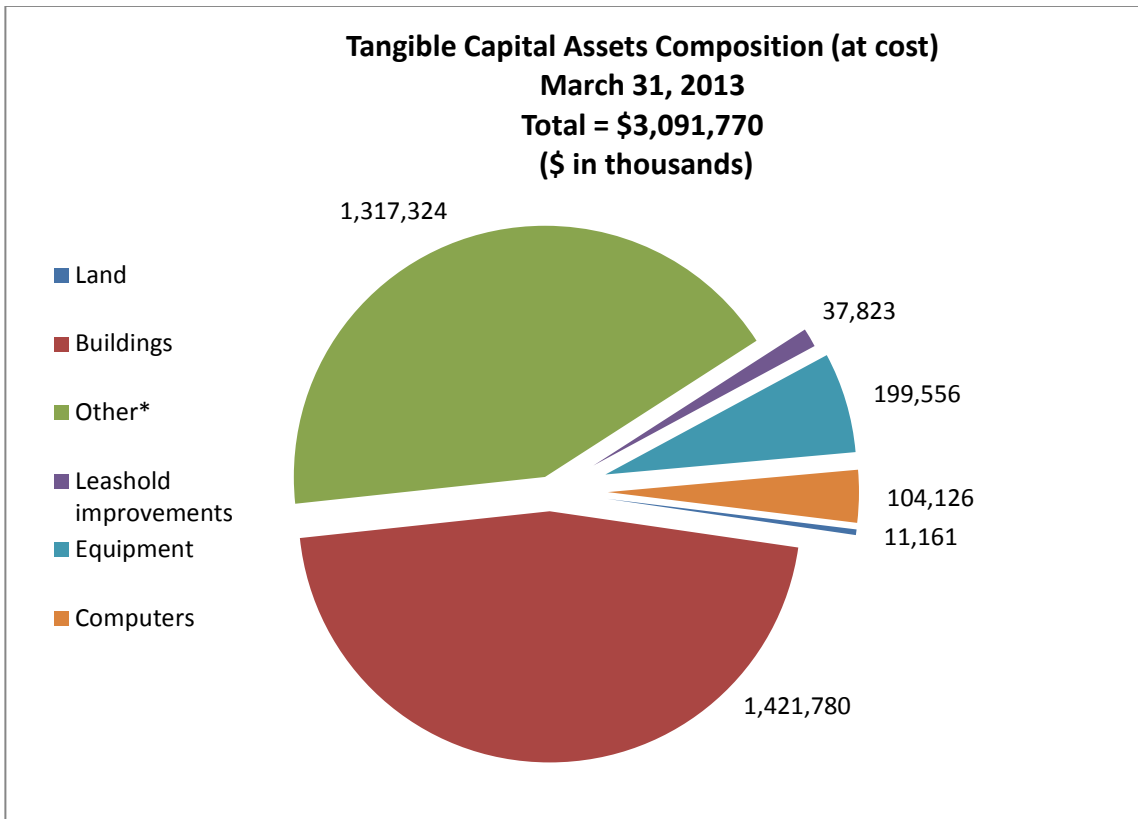
The GNWT records tangible capital assets as non-financial assets on its Statement of Financial Position within the Consolidated Public Accounts. Under this policy, assets valued at \$50,000 or more are capitalized and then expensed as amortization in the Statement of Operations based on their average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

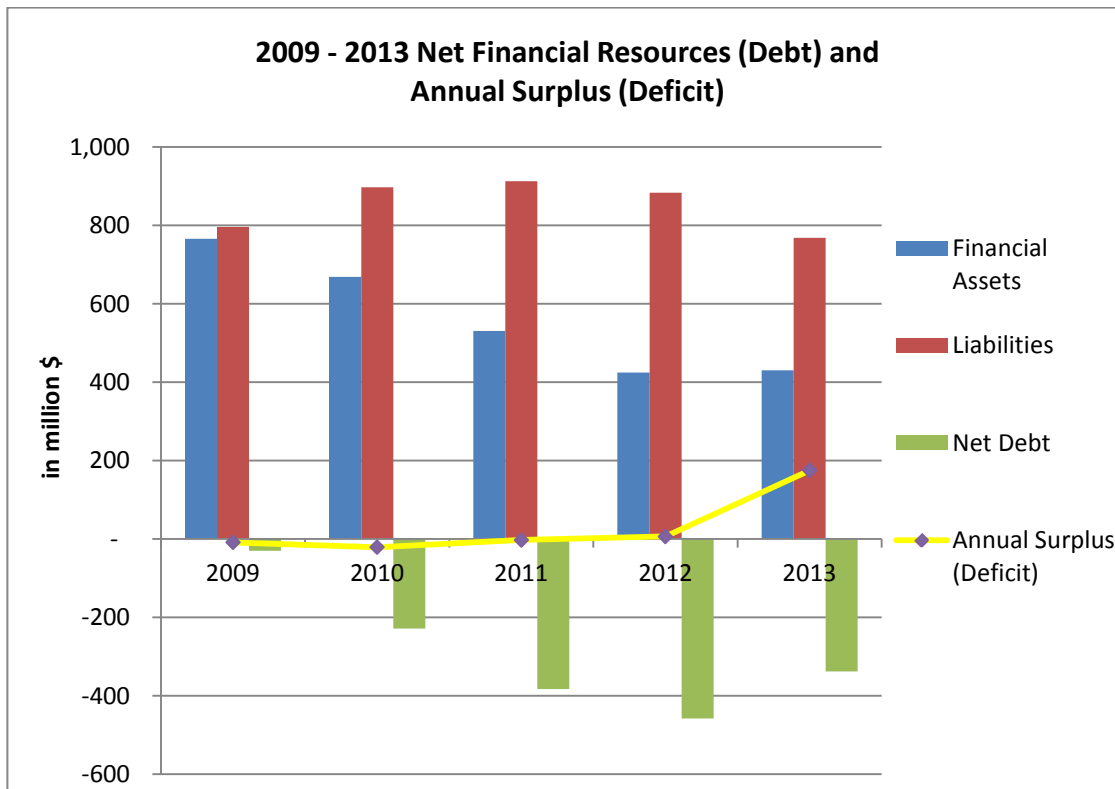
The GNWT is currently investing in tangible capital assets at a level that represents between 50% and 60% of the estimated investment needed for replacement and growth. In the 2013 fiscal year, the Government placed new assets valued at \$469 million into service (2012 - \$132 million).

## 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 Statement of Changes in Net Debt within Section 1 of the Public Accounts.

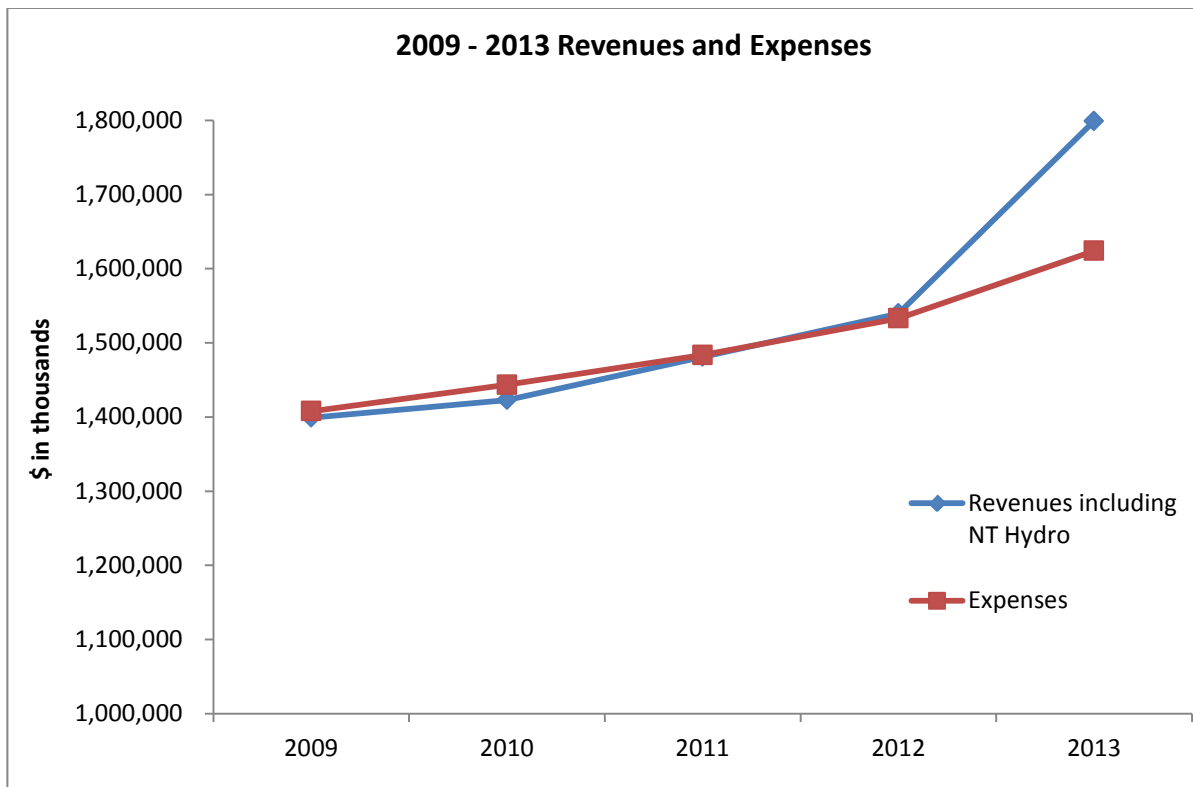
Net debt decreased during the 2013 fiscal year. A significant contributor to this decrease was the recognition of government transfers– a new accounting standard that took effect in the current year. This new standard required recognition of transfers from the Government of Canada that were previously being recorded as deferred capital contributions.

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 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



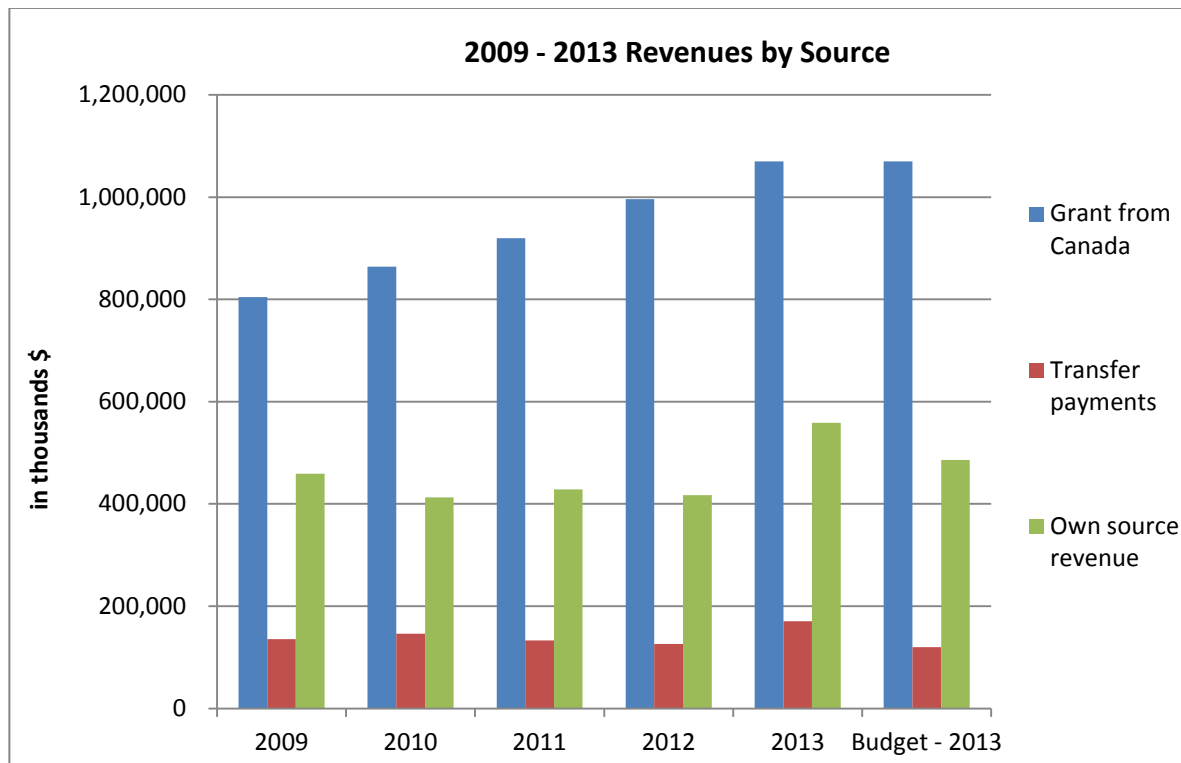
\* Revenues depicted above include recoveries of prior year expenditures and net income of the NWT Hydro Corporation.

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.

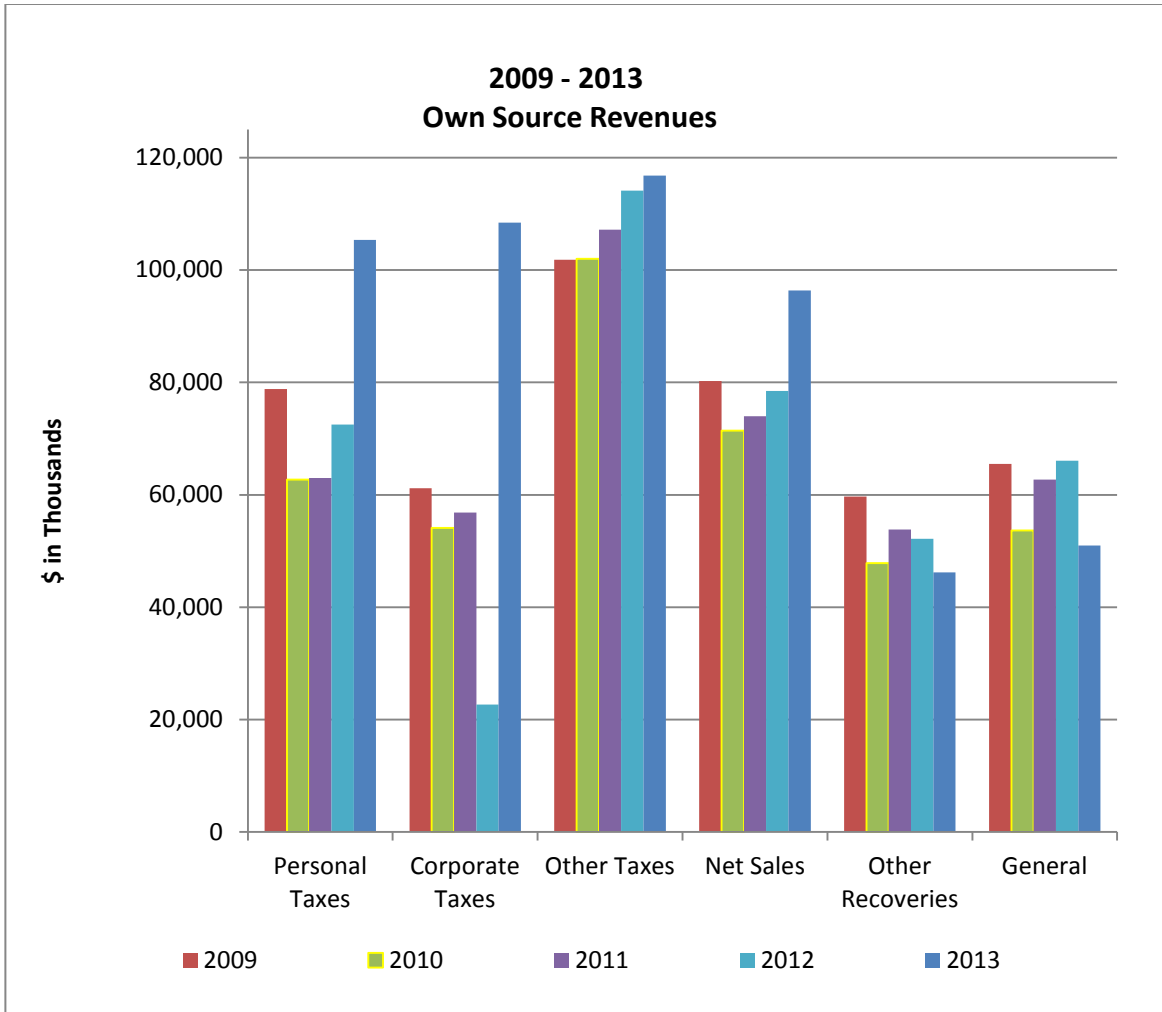
Since 2007 when the current funding structure was implemented the GNWT’s revenues from the Formula Financing Grant from Canada increased slightly from 59% to 62% of total revenues. The Grant from Canada is an annual formula-based calculation whereby the NWT’s Grant equals the difference between its Gross Expenditure Base (proxy for expenditure requirements) and a measure of revenue capacity known as Eligible Revenues.

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. Other transfer payments revenues are approximately 9% of total revenues. Although the NWT has a vast reserve of non-renewable resources, it does not currently share in the revenue produced by those resources (royalties, etc).

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 will participate. 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 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. The effects of these changes to the Government’s operations will not be captured until the March 31, 2015 Public Accounts.

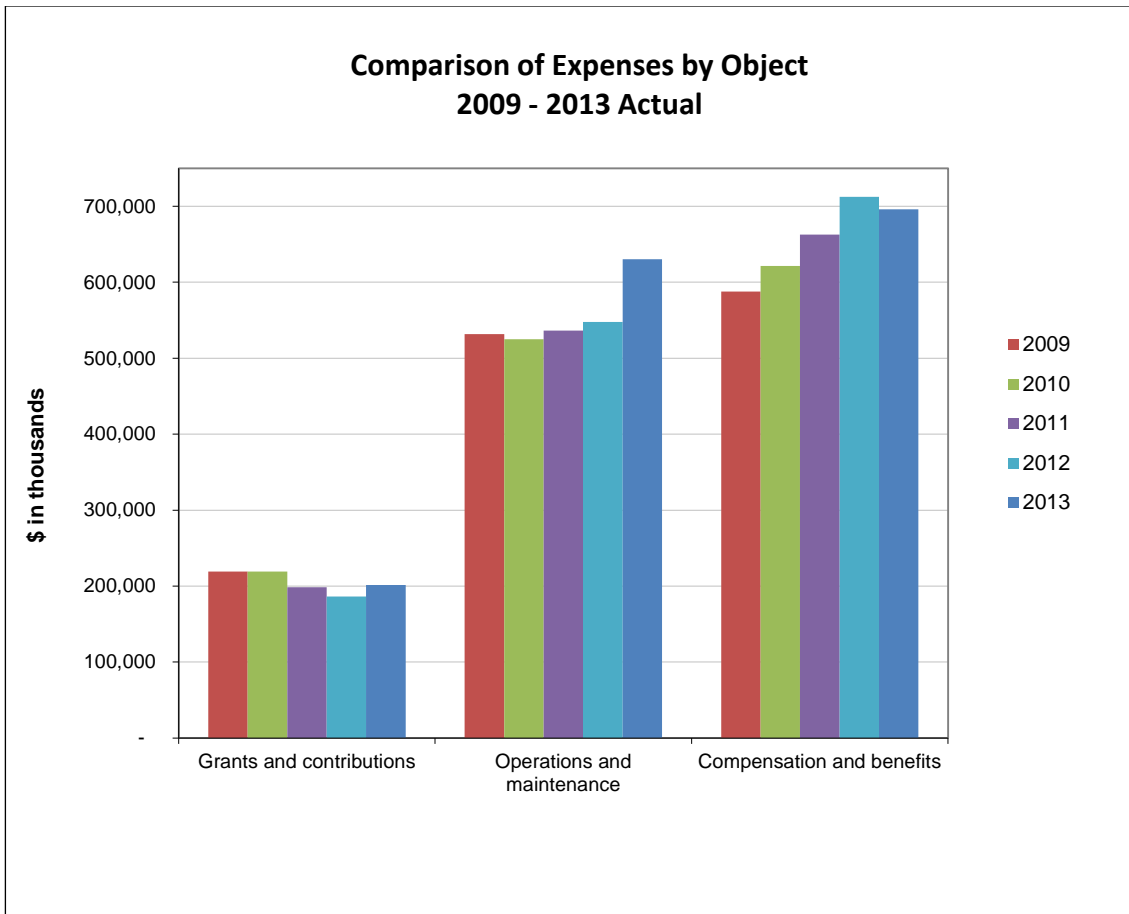
**REVENUES BY SOURCE (continued)**

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; 2012 estimates were based on 2010 actual collections.





**EXPENSES BY OBJECT**

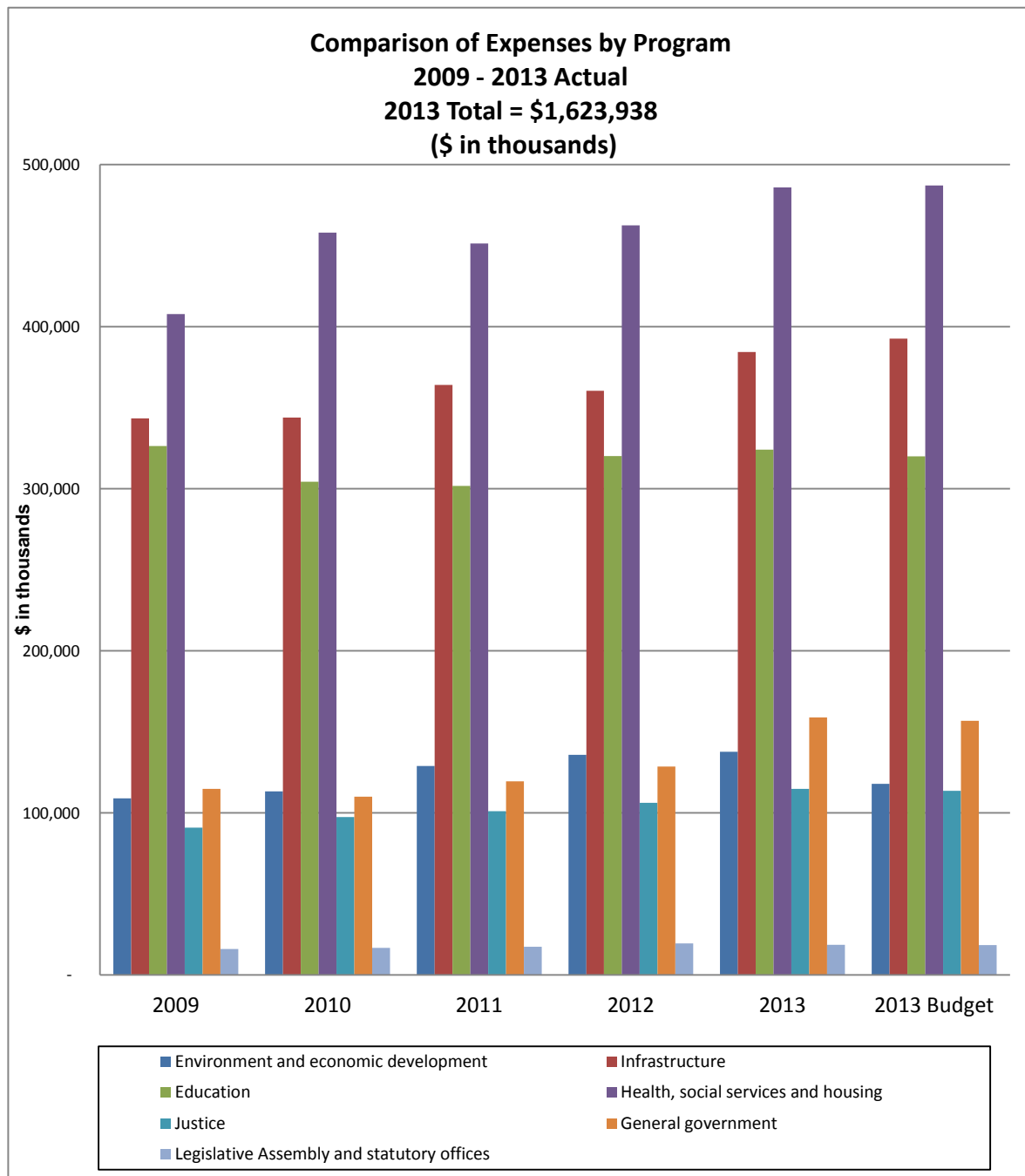


The above graph provides information on the consolidated government operations. Grants and contributions from the GNWT to boards and agencies consolidated in Section I of the Public Accounts are reported under the operations and maintenance and compensation and benefits categories to better reflect the 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 Section II of the Public Accounts, one can see that approximately 48% of the Government’s total expenses flow as Grants and Contributions to third parties, including boards and agencies.

In addition, lease and other commitments, which are disclosed in the notes to the consolidated financial statements (Public Accounts – Section I), 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 as it is 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, whether they are consolidated within the Public Accounts or not.

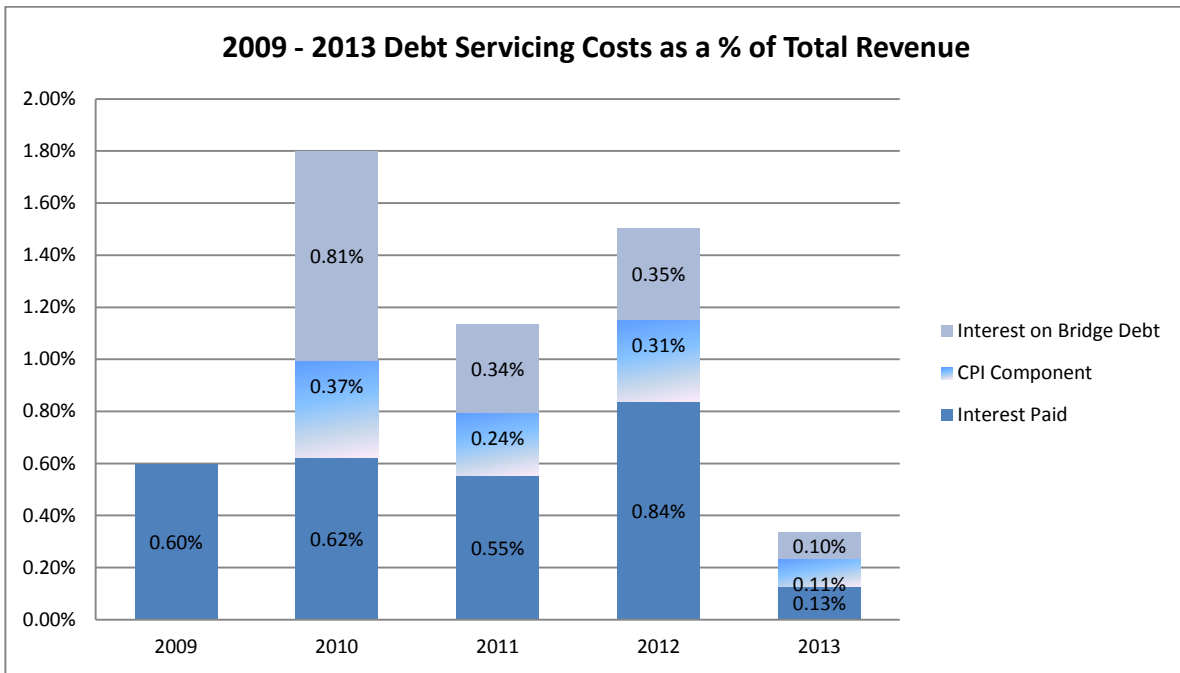
## EXPENSES BY PROGRAM



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 2% of its total revenues to service its debt load, including financing costs paid to service the Deh Cho Bridge debt. The financing costs are comprised of interest expense and an adjustment for inflation based on the consumer price index (CPI). The various components related to the Deh Cho Bridge are disclosed within the graph.



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, the Canadian Institute of Chartered Accountants has suggested that 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 2012-2013 fiscal year the GNWT had a net debt of \$338 million compared to net debt of \$458 million at the end of the prior year. This improvement in our financial position is encouraging; however, it must be remembered that it is in part the result of recognizing revenue previously deferred, not from an event that generated new revenues nor is it repeatable. As stated previously in this document a full analysis is required before conclusions are drawn. The net debt represents 18.8%, or approximately 10 weeks of revenue. At March 31, 2013, the GNWT's long-term debt was \$195 million (excluding the debt of the NWT Hydro Corporation) or 10.8% of the GNWT's revenues for the year and less than 6% of GDP.

**Flexibility** – pertains to the GNWT's ability to increase its financial resources. The GNWT's own-source revenues increased from 27.1% of total revenue in 2012 to 30.7% in 2013; 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 currently does not have access to resource royalty revenues as the Government of Canada continues to control all NWT subsurface resources. 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 49.3% of 2012-2013 expenses, or 26 weeks of operations. 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, 2014. The *Federal-Provincial Fiscal Arrangements Act* was amended through a federal budget bill in April 2013 to extend the authority to make Territorial Formula Financing payments to territories to 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, 2013**

**SECTION II  
NON-CONSOLIDATED FINANCIAL STATEMENTS  
(unaudited)**

**HONOURABLE J. MICHAEL MILTENBERGER**

**Minister of Finance**

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**Government of the Northwest Territories****Non-Consolidated Statement of Financial Position (unaudited)**

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as at March 31, 2013

(thousands of dollars)

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	2013 Actual \$	2012 Actual \$
<b>Financial assets</b>		
Portfolio investments (note 4)	24,706	24,255
Accounts receivable (note 5)	91,433	85,317
Due from the Government of Canada (note 9)	21,996	28,850
Inventories (note 6)	31,612	30,865
Loans receivable (note 7)	52,823	56,006
Investment in Northwest Territories Hydro Corporation, at nominal value	-	-
	<b>222,570</b>	<b>225,293</b>
<b>Liabilities</b>		
Bank overdraft (note 4)	16,655	29,394
Short-term loans (note 8)	104,962	134,941
Due to the Government of Canada (note 9)	116,917	131,918
Deferred revenue (note 10)	43,970	73,930
Accounts payable and accrued liabilities (note 11)	195,680	217,469
Capital lease obligations (note 12)	2,268	2,815
Long-term debt (note 13)	178,794	180,543
Pensions (note 14)	24,632	23,177
Other employee future benefits (note 15)	30,065	29,405
	<b>713,943</b>	<b>823,592</b>
<b>Net Debt</b>	<b>(491,373)</b>	<b>(598,299)</b>
<b>Non-financial assets</b>		
Tangible capital assets (schedule C)	1,719,401	1,663,221
less: deferred capital contributions (note 3(b)) (note 16)	-	(291,174)
Prepaid expenses	4,399	4,534
	<b>1,723,800</b>	<b>1,376,581</b>
<b>Accumulated surplus</b>	<b>1,232,427</b>	<b>778,282</b>

Contractual obligations and contingencies (notes 19 and 20)

Approved:

J. Michael Miltenberger  
Minister of FinanceWarren St. Germaine, CA  
Comptroller General

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

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## Government of the Northwest Territories

### Non-Consolidated Statement of Change in Net Debt (unaudited)

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for the year ended March 31, 2013

(thousands of dollars)

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	<b>2013 Main Estimates (note 1c) \$</b>	<b>2013 Actual \$</b>	<b>2012 Actual \$</b>
<b>Net debt at beginning of year</b>	<b>(598,299)</b>	<b>(598,299)</b>	<b>(503,582)</b>
Items affecting net financial resources:			
Annual surplus for the year	84,025	162,971	1,318
Increase in tangible capital assets, net book value (schedule C)	(47,689)	(56,179)	(98,284)
Increase (decrease) in deferred capital contributions (note 3(b))(note 16)	(15,559)	-	2,347
Decrease (increase) in prepaid expenses	-	134	(98)
<b>Net debt at end of year</b>	<b>(577,522)</b>	<b>(491,373)</b>	<b>(598,299)</b>

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

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## Government of the Northwest Territories

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

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for the year ended March 31, 2013

(thousands of dollars)

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	<b>2013 Main Estimates (note 1c) \$</b>	<b>2013 Actual \$</b>	<b>2012 Actual \$</b>
<b>Revenues</b>			
Revenues by source ( <i>schedule A</i> )	1,521,114	1,617,661	1,393,533
Recoveries of prior years expenses ( <i>schedule 3</i> )	3,000	27,688	7,483
	<b>1,524,114</b>	<b>1,645,349</b>	<b>1,401,016</b>
<b>Expenses (<i>schedule B</i>)</b>			
Environment and economic development	115,253	131,084	122,450
Infrastructure	337,632	346,951	330,952
Education	289,957	292,674	289,121
Health, social services and housing	415,384	455,654	423,463
Justice	113,674	114,810	106,335
General government	149,625	122,923	108,177
Legislative Assembly and statutory offices	18,508	18,096	18,919
	<b>1,440,033</b>	<b>1,482,192</b>	<b>1,399,417</b>
<b>Annual operating surplus (deficit)</b>	<b>84,081</b>	<b>163,157</b>	<b>1,599</b>
Petroleum Products Stabilization Fund Net profit (loss) for the year ( <i>note 17</i> )	(56)	(186)	(281)
Projects on behalf of the Government of Canada, Nunavut and Others ( <i>schedule 13</i> )			
Expenses	(58,839)	(62,892)	(67,825)
Recoveries	58,839	62,892	67,825
<b>Annual surplus (deficit)</b>	<b>84,025</b>	<b>162,971</b>	<b>1,318</b>
Accumulated surplus at beginning of year	778,282	778,282	776,964
Change in accounting policy ( <i>note 3(b)</i> )	-	291,174	-
<b>Accumulated surplus, at beginning of year, as restated</b>	<b>-</b>	<b>1,069,456</b>	<b>776,964</b>
<b>Accumulated surplus at end of year</b>	<b>862,307</b>	<b>1,232,427</b>	<b>778,282</b>

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

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## Government of the Northwest Territories

### Non-Consolidated Statement of Cash Flow (unaudited)

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for the year ended March 31, (thousands of dollars)	2013 \$	2012 \$
<b>Cash provided by (used in)</b>		
<b>Operating transactions</b>		
Net revenue (expense) for the year	162,971	1,318
Items not affecting cash:		
Provision for bad debts and forgivable loans	3,729	5,273
Amortization of tangible capital assets	73,139	66,977
Capital contributions amortized as revenue	-	(14,968)
	239,839	58,600
Changes in non-cash assets and liabilities:		
Due from (to) Canada	(8,147)	(7,986)
Other financial assets	(6,863)	(6,968)
Other financial liabilities	(49,634)	6,986
Prepaid Expenses	135	(99)
<b>Cash provided by operating transactions</b>	<b>175,330</b>	<b>50,533</b>
<b>Investing transactions</b>		
Acquisition of tangible capital assets	(129,722)	(165,584)
Disposal of tangible capital assets (net)	403	323
Capital contributions received and deferred ( <i>note 3(b)</i> ) ( <i>note 16</i> )	-	17,316
Designated cash and investments purchased	(451)	(231)
Loans receivable receipts	6,182	6,023
Loans receivable advanced	(6,728)	(6,298)
<b>Cash used for investing transactions</b>	<b>(130,316)</b>	<b>(148,451)</b>
<b>Financing transactions</b>		
Short-term financing proceeds (repayment)	(29,979)	134,941
Repayment of capital lease obligations	(547)	(1,131)
Receipt (repayment) of long-term financing	(1,749)	1,194
<b>Cash used for financing activities</b>	<b>(32,275)</b>	<b>135,004</b>
<b>Increase in cash and cash equivalents</b>	<b>12,739</b>	<b>37,086</b>
Cash and cash equivalents at beginning of year	(29,394)	(66,480)
<b>Cash and cash equivalents at end of year*</b>	<b>(16,655)</b>	<b>(29,394)</b>

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

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

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# Government of the Northwest Territories

## Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2013

(All figures in thousands of dollars)

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### 1. AUTHORITY, OPERATIONS AND REPORTING ENTITY

#### (a) Authority and operations

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.

#### (b) Reporting entity

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:

- Aurora College
- Divisional Educational Councils and District Education Authorities
- Hospitals and Regional Health Boards
- Northwest Territories Business Development and Investment Corporation
- Northwest Territories Housing Corporation
- Northwest Territories Human Rights Commission
- Northwest Territories Hydro Corporation
- Northwest Territories Opportunities Fund
- Status of Women Council of the Northwest Territories
- Tlicho Communities Services Agency

#### (c) 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.

The estimated supplementary requirements and the estimated appropriation authority lapse are included in the Main Estimates on the statement of operations and accumulated surplus. They are included for the purpose of comparing the actual operating surplus (deficit) to the estimated operating surplus (deficit).

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2013

(All figures in thousands of dollars)

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#### 2. SIGNIFICANT ACCOUNTING POLICIES

##### (a) Measurement Uncertainty

The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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, valuation allowances for accounts receivable and loans receivable, and amortization expense. Other estimates, such as the Canada Health Transfer and Canada Social Transfer payments and Corporate and Personal Income Tax revenue are based on estimates made by 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) Prepaid expenses

Prepaid expenses are advance payments made prior to year end to meet April 1 deadlines or a portion of a payment, such as insurance or licensing fees, related to future years.

##### (f) Loans receivable

Loans receivable and advances are stated at the lower of cost and net recoverable value. Valuation allowances, which are recorded to reduce loans receivable, are based on past events, current conditions and all circumstances known at the date of the preparation of the financial statements. Valuation allowances are determined on an individual basis. 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.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2013

(All figures in thousands of dollars)

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#### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (g) Investment in the Northwest Territories Hydro Corporation

The Northwest Territories Hydro Corporation and its subsidiaries 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.

##### (h) 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.

##### (i) 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, or where actual cost was not available, estimated current replacement cost converted back to the date of purchase by discounting current year dollars for inflation. Tangible capital 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
Airstrips and aprons	40 years
Buildings	40 years
Ferries	25 years
Water/sewer works	15 - 25 years
Mainframe and software systems	5 - 10 years
Mobile and heavy equipment	7 - 15 years
Major equipment	5 - 15 years
Medical equipment	5 - 15 years
Leasehold improvements	Lesser of useful life or lease term plus renewal option

Estimates of the useful lives 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.

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 specified rate or the government's borrowing rate at the time the obligation is incurred. Operating leases are charged to expenses. Works of art, historical treasures and crown lands are not recorded.



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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2013

(All figures in thousands of dollars)

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#### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (j) 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, the adjustments needed are amortized on a straight line basis over the estimated average remaining service lives of the contributors.

Under the terms and conditions of employment, government employees may earn non-pension benefits for resignation, severance 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.

##### (k) 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.

##### (l) Foreign currency translation

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

##### (m) 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.

##### (n) Grant from the Government of Canada

The grant from the Government of Canada is calculated using a three-year moving average of personal and corporate income taxes (with a two year delay), fuel taxes, tobacco tax and alcoholic beverage revenues. In addition, changes in national average tax rates, population and growth in provincial, territorial and local government spending are considered in the funding calculation. The grant is estimated once for each fiscal year and is not revised.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2013

(All figures in thousands of dollars)

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#### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (o) Transfer payments

Government transfers for non-specified purposes 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 and a reasonable estimate of the amount can be made. Transfers received before these criteria are fully met are recorded as deferred revenue. The Canada Health Transfer is determined by a formula that includes population and personal and corporate income taxes. Revisions to these variables result in prior year adjustments being included in current year revenues.

##### (p) 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 these taxes monthly 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.

##### (q) 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.

##### (r) 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.

##### (s) Recoveries of prior years' expenses

Recoveries of prior years' expenses and reversals of prior years' expense accruals 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.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2013

(All figures in thousands of dollars)

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (t) 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, 2015. 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. The Government is currently analyzing any possible future impact of these standards on its financial statements

#### 3. CHANGES IN ACCOUNTING POLICY

##### (a) Tax revenues

Effective April 1, 2012, the Government adopted the PSA Handbook Section PS 3510 –Tax revenues. This new section establishes recognition, measurement, presentation and disclosure standards related to tax concessions and transfers made through the tax system. Transfers made through the tax system are now recognized as expenses rather than a reduction of revenues. On a prospective basis, the Government now records the following on a gross basis: the Cost of Living Tax Credit, the Child Benefit, the Child Benefit administration fees and the Tax Collection Agreement administration fees from personal income tax. The impact of this change in accounting policy increases total revenue and expense by \$23,000 million with no impact on net operating results.

##### (b) Government transfers

Effective April 1, 2012, the Government 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. This new section requires the Government to change its policy for recording transfers from the Government of Canada for capital and donated assets. Previously, these transfers and donations were recorded as Deferred Capital Contributions (DCC) and recognized as revenue on the same basis as the amortization of the related capital asset. As a result of this policy change, these transfers and donations are now recognized as revenue when the related tangible capital asset is purchased or in the case of constructed assets, when the asset is complete. A transfer may only be deferred if stipulations within the transfer agreement, taken together with the actions and communications of the Government allow for the recognition of a liability that will be discharged over a period of more than one fiscal year. This policy has been applied retroactively without restatement of comparatives. An adjustment of \$291,174 has been made to the opening balance of accumulated surplus of the current period to reflect the cumulative effect of the change on prior periods.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2013

(All figures in thousands of dollars)

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#### 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. The overdraft interest rate is based on prime and fluctuates during the year. Interest paid in 2013 by the investment pool was \$ nil (2012 - nil). The average borrowing rate during the year would have been 3.000% (2012 - 3.250%). As at March 31, 2013 the investment pool had no net overdraft balance (2012 - nil).

As of March 31, 2013, on a cash basis, the Government's share in the investment pool was a deficit of \$4,409 (2012 - \$22,008). When taking into account \$7,237 classified as in-trust and \$5,009 of outstanding items, the bank overdraft, on an accounting basis, becomes \$16,655. The Government's cash deficit related to the investment pool carried interest at a rate of 1.10% and \$328 was paid to it.

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.

Excluding designated investments, at March 31, 2013 the investment pool had total investments of nil (2012 - \$115). The eligible classes of securities, categories of issuers, limits and terms are approved under the Government's investment guidelines, *Financial Administration Act* and Investment Regulations. All short-term instruments, depending on the investment class, are rated R-1 Low or better from the Dominion Bond Rating Service Ltd. Investments are diversified, limiting them to a maximum of 10% to 50% of the total portfolio depending on the type of investment. There is no significant concentration in any one investment.

At March 31, 2013 the average term to maturity was 0 days (2012 - 0 days). The portfolio yield for the year remained steady at 1.20% (2012 - 1.20%). In 2013, the Government earned interest on short-term investments of \$5 (2012 - \$172).

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2013

(All figures in thousands of dollars)

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#### 4. CASH AND CASH EQUIVALENTS (continued)

##### (b) Designated Assets

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

	2013	2012
	\$	\$
Student Loan Fund:		
Authorized limit for loans receivable*	40,000	36,000
Less: Loans receivable balance	(37,712)	(36,115)
	<hr/>	<hr/>
Funds designated for new loans	2,288	(115)
	<hr/>	<hr/>
Environment Fund:		
Beverage Container Program net assets	1,743	1,624
	<hr/>	<hr/>
Portfolio Investments for the Legislative Assembly Supplementary Retiring Allowance and Judges Supplemental Pension Plans:		
Marketable securities (market value \$26,088; 2012 - \$24,896)	23,434	23,121
Money Market (market value approximates cost)	879	390
Cash and other assets (market value approximates cost)	393	744
	<hr/>	<hr/>
	24,706	24,255
	<hr/>	<hr/>
	28,737	25,764
	<hr/>	<hr/>

\* As at March 31, 2012 the authorized limit for student loans was exceeded by \$115. Subsequent to March 31 the Legislative Assembly approved an increase of \$4,000 to the authorized limit bringing the authorized limit to \$40,000 for the March 31, 2013 fiscal year and beyond.

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.

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.

The investment portfolio, while forming part of the Consolidated Revenue Fund, is designated for the purpose of meeting the obligations of the Legislative Assembly Supplementary Retiring Allowance and Judges Supplemental Pension Plans (*note 13*). Supplementary Retiring Allowance Regulations restrict the investments to those permitted under the *Pension Benefits Standards Act*.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2013

(All figures in thousands of dollars)

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#### 4. CASH AND CASH EQUIVALENTS (continued)

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

	2013 %	2012 %
Canadian stocks	20.50	21.20
Cash and other assets	5.15	4.68
Fixed income mutual funds	23.85	21.63
Federal bonds	16.82	15.50
Foreign stocks	33.66	36.91
Provincial bonds	<u>0.02</u>	<u>0.08</u>
	<u>100.00</u>	<u>100.00</u>

#### 5. ACCOUNTS RECEIVABLE

	2013 \$	2012 \$
General	35,912	33,861
Government of Nunavut	5,008	7,069
Revolving funds sales	8,666	10,463
Accrued interest	25	25
	49,611	51,418
Less: allowance for doubtful accounts	<u>8,233</u>	<u>8,166</u>
	<b>41,378</b>	<b>43,252</b>

Receivables from related parties:

Aurora College	892	204
Divisional Education Councils and District Education Authorities	4,559	3,673
Health and Social Services Authorities	42,412	36,025
Northwest Territories Business Development and Investment Corporation	241	-
Northwest Territories Housing Corporation	1,001	1,571
Northwest Territories Hydro Corporation	184	54
Tlicho Community Services Agency	557	518
Workers' Safety and Compensation Commission (Northwest Territories and Nunavut)	209	20
	<u>50,055</u>	<u>42,065</u>
	<b>91,433</b>	<b>85,317</b>

During the year, no accounts receivable (2012 - \$ nil) were written off and no accounts receivable (2012 - \$ nil) were forgiven.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2013

(All figures in thousands of dollars)

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#### 6. INVENTORIES

	2013 \$	2012 \$
Bulk fuels	28,517	26,851
Liquor products	2,940	3,865
Public stores	155	149
	<b>31,612</b>	<b>30,865</b>

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Bulk fuel inventory write-down for 2013 was nil (2012 - nil).

#### 7. LOANS RECEIVABLE

	2013 \$	2012 \$
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.	30,369	32,203
Arslanian Cutting Works Inc. promissory note receivable. The debtor has initiated legal proceedings for receivership.	5,635	5,885
Deton' Cho Corporation (DCC) non-interest bearing promissory note, repayable in 20 equal installments, fully repaid during the year. This note arose from the sale of shares held as security on a \$2,600 loan guarantee by the Government for DCC, that was called by the Bank of Montreal. Foregone interest revenue, recorded as a Grant in Kind, is calculated at the Government's long term borrowing rate and amounted to \$5 in the year (2012 - \$19)	-	260
Student Loan Fund loans due in installments to 2028, bearing fixed interest between 1.25% and 11.75%, unsecured.	37,712	36,115
Yellowknife Catholic School Board Advance, unsecured, repayable in monthly installments of \$10. Interest is calculated monthly based upon the Government's current borrowing rate.	1,298	1,401
Other	14	19
	<b>75,028</b>	<b>75,883</b>
Valuation allowance - Student Loan Fund	(18,070)	(16,977)
Valuation allowance - Arslanian Cutting Works	(4,135)	(2,900)
	<b>52,823</b>	<b>56,006</b>

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During the year, \$1,400 in student loans (2012 - \$1,841) was remised with proper authority.

Interest earned on loans receivable during the year was \$846 (2012 - \$949).

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2013

(All figures in thousands of dollars)

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#### 8. SHORT-TERM LOANS

Short-term loans of \$104,962 (2012 - \$134,941) incur interest at an average rate of 1.11% (2012 -1.07%). Short-term loans were repaid by May 1, 2013. Interest paid in 2013 was \$723 (2012 - nil). The borrowing limit under the *Borrowing Authorization Act* is \$275,000.

#### 9. DUE TO (FROM) THE GOVERNMENT OF CANADA

	2013	2012
	\$	\$
Other receivables:		
Projects on behalf of the Government of Canada	(9,436)	(10,526)
Miscellaneous receivables	(12,560)	(18,324)
	<b>(21,996)</b>	<b>(28,850)</b>
Other payables:		
Advances for projects on behalf of the Government of Canada	8,141	8,687
Excess income tax advanced	80,776	97,630
Miscellaneous payables	28,000	25,601
	<b>116,917</b>	<b>131,918</b>
	<b>94,921</b>	<b>103,068</b>

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

	\$
2014	36,730
2015	42,986
2016	860
2017	200
	<b>80,776</b>

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2013

(All figures in thousands of dollars)

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#### 10. DEFERRED REVENUE

	2013	2012
	\$	\$
Government of Canada		
Government of Canada		
Ministry of Finance	6,658	-
Building Canada Plan	35,195	59,249
Infrastructure Stimulus Fund	-	610
Canadian Strategic Infrastructure Fund	-	2,774
Patient Wait Times Trust 2008	-	21
Federal Infrastructure Stimulus Funding	1,327	-
Other	790	11,276
	<b>43,970</b>	<b>73,930</b>

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#### 11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2013	2012
	\$	\$
Trade	117,874	127,028
Other liabilities	4,493	5,338
Employee and payroll-related liabilities	33,325	30,925
Environmental liabilities	26,345	44,188
	<b>182,037</b>	<b>207,479</b>
<b>Payables to related parties:</b>		
Aurora College	1,888	560
Divisional Education Councils and District Education Authorities	337	192
Health and Social Services Authorities	9,040	6,744
Northwest Territories Business Development and Investment Corporation	15	8
Northwest Territories Housing Corporation	360	153
Northwest Territories Hydro Corporation	1,075	1,280
Tlicho Community Services Agency	224	254
Workers' Safety and Compensation Commission (Northwest Territories and Nunavut)	704	799
	<b>13,643</b>	<b>9,990</b>
	<b>195,680</b>	<b>217,469</b>

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2013

(All figures in thousands of dollars)

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#### 12. CAPITAL LEASE OBLIGATIONS

	2013	2012
	\$	\$
Buildings	2,048	2,536
Equipment	220	279
	<b>2,268</b>	<b>2,815</b>

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Interest expense related to capital lease obligations for the year was \$186 (2012 - \$305). Capital lease obligations are based upon the present value of the contractual minimum lease obligations for the leases in effect as of March 31, 2013.

		\$
	2014	474
	2015	476
	2016	455
	2017	382
	2018	382
	Beyond 2018	733
Total minimum lease payments		2,902
Less: imputed interest 7.8%		634
Present value of minimum lease payments		<b>2,268</b>

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#### 13. LONG-TERM DEBT

	2013	2012
	\$	\$
Mortgage payable to Canada Mortgage and Housing Corporation, repayable in monthly installments of \$7 (2012 - \$7) maturing June 2024, bearing interest at 3.30% (2012 - 3.30%), secured with real property.	867	930
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.	177,927	179,613
	<b>178,794</b>	<b>180,543</b>

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Annual principal repayments are due as follows:

		\$
	2014	2,368
	2015	2,478
	2016	2,592
	2017	2,709
	2018	2,830
	Beyond 2018	165,817
		<b>178,794</b>

---

Interest expense on long term debt for the year was \$4,479 (2012 - \$10,452). In the year, \$3,751 (2012 - \$10,161) of financing charges (net of interest earned \$45 (2012 - 259)) was capitalized, consisting of interest of \$1,857 (2012 - \$5,627) and CPI adjustment of \$1,894 (2012 - \$4,793).

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2013

(All figures in thousands of dollars)

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#### 14. PENSIONS

##### (a) Plans description

The Government administers the following pension plans for Members of the Legislative Assembly (MLAs) and Territorial Court Judges.

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 made a voluntary restriction on assets for the purposes of meeting the obligations of the Supplemental plans.

The Government is liable for all benefits. Benefits provided under all four plans are based on years of service and pensionable earnings.

##### (b) Pension liability

	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
<b>Pension liability (asset)</b>	<b>(3,215)</b>	<b>27,847</b>	<b>24,632</b>

	Regular Funded \$	2012 Supplemental Unfunded \$	Total \$
Accrued benefit obligation	21,741	26,461	48,202
Pension fund assets - market related value	(23,936)	-	(23,936)
Unamortized actuarial gains (losses)	(1,633)	544	(1,089)
<b>Pension liability (asset)</b>	<b>(3,828)</b>	<b>27,005</b>	<b>23,177</b>

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

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**March 31, 2013****(All figures in thousands of dollars)**

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

	<b>Regular Funded \$</b>	<b>2013 Supplemental Unfunded \$</b>	<b>Total \$</b>
<b>Opening balance</b>	<b>(3,828)</b>	<b>27,005</b>	<b>23,177</b>
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
<b>Net change to pension liability from cash items</b>	<b>(467)</b>	<b>(1,190)</b>	<b>(1,657)</b>
Change to pension liability from accrual items:			
Current period benefit cost	833	969	1,802
Amortization of actuarial (gains) losses	342	(253)	89
Prior period cost of plan amendment	-	-	-
Interest on average accrued benefit obligation	1,099	1,316	2,415
Return on plan assets	(1,194)	-	(1,194)
<b>Net change to pension liability from accrual items</b>	<b>1,080</b>	<b>2,032</b>	<b>3,112</b>
<b>Ending balance</b>	<b>(3,215)</b>	<b>27,847</b>	<b>24,632</b>

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2013

(All figures in thousands of dollars)

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#### 14. PENSIONS (continued)

	Regular Funded \$	2012 Supplemental Unfunded \$	Total \$
<b>Opening balance</b>	<b>(5,000)</b>	<b>25,938</b>	<b>20,938</b>
Change to pension liability from cash items:			
Contributions from plan members	(246)	-	(246)
Contributions from Government	(203)	-	(203)
Benefit payment to plan members	(1,929)	(1,112)	(3,041)
Drawdown from plan assets	1,929	-	1,929
<b>Net change to pension liability from cash items</b>	<b>(449)</b>	<b>(1,112)</b>	<b>(1,561)</b>
Change to pension liability from accrual items:			
Current period benefit cost	831	963	1,794
Amortization of actuarial (gains) losses	540	(314)	226
	393		393
Interest on average accrued benefit obligation	1,292	1,530	2,822
Return on plan assets	(1,435)	-	(1,435)
<b>Net change to pension liability from accrual items</b>	<b>1,621</b>	<b>2,179</b>	<b>3,800</b>
<b>Ending balance</b>	<b>(3,828)</b>	<b>27,005</b>	<b>23,177</b>

#### (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 return on plan assets and contributions from plan members. The total pension expense is \$2,856 (2012 - \$3,554). 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 \$846 (2012 - \$155). In addition to the above, the Government contributed \$29,789 (2012 - \$30,599) to the Public Service Superannuation Plan. The employees' contributions to this plan were \$15,985 (2012 - \$15,345).

#### (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 2013 (legislative amendment in 2012).

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2013

(All figures in thousands of dollars)

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#### (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, 2010, 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, 2013 and the Judges' plans were extrapolated to March 31, 2013.

##### *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 \$20,617 (2012 - \$20,010). The asset valuation method for the Judges' plans is market value. The market value of the Judges' regular plan is \$4,543 (2012 - \$4,082).

##### *Actuarial gains and losses*

Actuarial gains and losses occur when actual experience varies from estimates. 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 6 years for the MLA's plans and 4.9 years for the Judges' plans.

##### *Actuarial assumptions*

	<b>Legislative Assembly plans</b>	<b>Judges' plans</b>
Expected rate of return on plan assets	4.8%	4.0%
Rate of compensation increase	2.3%	4.0%
Annual inflation rate	2.3%	3.0%
Annual interest rate	4.8%	6.0%

##### *Retirement assumptions*

- Members of Legislative Assembly at later of age 50, 4 years of service, and end of current session.
- Judges at the earlier of age 60 or when age plus service equals 80.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2013

(All figures in thousands of dollars)

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#### 15. OTHER EMPLOYEE FUTURE BENEFITS

In addition to pension benefits, the Government provides termination and removal benefits to its employees. This benefit plan is not pre-funded and thus has no assets, resulting in a plan deficit equal to the accrued benefit obligation. The expected payments during the next fiscal year are \$3,277 (2012 - \$3,411).

	2013	2012
	\$	\$
Resignation and retirement	22,314	21,866
Removal	7,751	7,539
	<b>30,065</b>	<b>29,405</b>

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#### 16. DEFERRED CAPITAL CONTRIBUTIONS

As indicated in note 3 - Changes in Accounting Policy, the Government has adopted PS 3410 for the current year. The impact of this change results in the elimination of deferred capital contributions (DCC). Prior to March 31, 2013, DCC related to the portion of a tangible capital asset that was gifted from or cost-shared. The capital contributions were deferred and recognized into revenue at the completion of the purchase or the construction. PS 3410 was adopted retroactively without restatement and as a result, the 2012 comparatives are being shown as originally reported in the prior year.

	2013	2012
	\$	\$
Deferred capital contributions at beginning of year	-	288,826
Add: Assets gifted or cost shared during the year	-	17,316
Less: Amortization of capital contributions	-	(14,968)
<b>Deferred capital contributions at end of year</b>	<b>-</b>	<b>291,174</b>

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#### 17. 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.

	2013	2012
	\$	\$
Surplus at beginning of the year	368	649
Add: Petroleum Products Stabilization Fund		
Net loss for the year	(186)	(281)
<b>Surplus at end of the year</b>	<b>182</b>	<b>368</b>

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2013

(All figures in thousands of dollars)

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#### 18. 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.

	2013	2012
	\$	\$
Correctional Institutions	312	274
Public Trustee	6,414	6,277
Natural Resources	244	304
Supreme and Territorial Courts	1,138	656
Others	77	132
Government of New Brunswick - Deh Cho Bridge	6,944	6,793
	<b>15,129</b>	<b>14,436</b>

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#### 19. 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, 2013:

	Expiry Date	2014 \$	2015- 2048 \$	Total \$
Operational commitments	2048	53,592	88,118	141,710
RCMP policing agreement	2032	40,380	726,840	767,220
Commercial leases	2022	11,239	27,702	38,941
Equipment leases	2019	700	862	1,562
Tangible capital asset projects in progress at year end	2015	129,342	42,295	171,637
		<b>235,253</b>	<b>885,817</b>	<b>1,121,070</b>

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#### Chargeback of Services

The Government has 1 (2012 - 3) cost recovery service agreement with the Government of Nunavut for the provision of various corporate and program delivery services. The expenses on and costs recovered from these projects on behalf of the Government of Nunavut are estimated at \$3,353 for the fiscal year ended 2013 (2012 - \$3,313).



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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2013

(All figures in thousands of dollars)

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#### 20. CONTINGENCIES

##### (a) Contractual obligations

The Government is contingently liable for the following guarantees:

	<b>2013</b>
	<b>\$</b>
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
<b>Total Guarantees</b>	<b>178,190</b>

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\* 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% (2012 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.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2013

(All figures in thousands of dollars)

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#### 20. 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 122 (2012 - 139) sites as potentially requiring environmental remediation at March 31, 2013. 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 122 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, 2013 is \$3,162 (2012 - \$20,207), after transferring \$17,000 to the Highway 4 Realignment Project to bypass Giant Mine, per the amendment to Section 17.3 of the Cooperation Agreement. Canada will now assume responsibility for the remediation activities that were associated with the funds.

There are 23 active or decommissioned landfill sites that are outside incorporated communities, and therefore are the responsibility of the Government. As at March 31, 2013, a liability in the amount of \$895 (2012 - \$1,102) has been recorded for these sites using the method required by the Public Sector Accounting Standards.

Of the remaining 98 sites, the majority of which have been investigated but are still awaiting full environmental assessments, 14 are airports or airport strips or reserves, 18 are sewage lagoons, 14 are fuel tanks and 8 are highways. Remediation costs for the sites that are known to be contaminated and the Government is obligated to remediate are currently estimated at \$22,288 (2012 - \$22,879).

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.

##### (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. The Government's maximum exposure for those claims and litigation for which the outcome is not determinable has been estimated at \$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.

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2013

(All figures in thousands of dollars)

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#### 21. 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.

	2013	2012
	\$	\$
Aurora College	33,119	33,024
Divisional Education Councils and District Education Authorities	161,300	162,326
Health and Social Services Authorities	230,168	240,734
Northwest Territories Hydro Corporation	-	1,895
Northwest Territories Power Corporation	20,054	14,247
Northwest Territories Energy Corporation	1,330	250
Northwest Territories Business Development and Investment Corporation	3,742	3,704
Northwest Territories Housing Corporation	66,961	63,307
Northwest Territories Human Rights Commission	250	237
Status of Women Council of the Northwest Territories	396	526
	<b>517,320</b>	<b>520,250</b>

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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 (2012 - \$ nil).

#### 22. OVEREXPENDITURE

During the year 1 department (2012 - 2) exceeded their vote by \$3,794 (2012 - \$592).

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

The voted item that was over expended in the current year is as follows:

Department of Health and Social Services                      \$3,794

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## Government of the Northwest Territories

### Notes to Non-Consolidated Financial Statements (unaudited)

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March 31, 2013

(All figures in thousands of dollars)

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#### 23. 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.

##### Community Government Funding

Subsequent to year-end, the Government entered into annual Water and Sewer Funding and Community Government Funding contribution agreements totaling \$63,109 with community governments to assist them with provision of water and sewer services and municipal services.

#### 24. 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, 2013

(thousands of dollars)

	2013 Main Estimates (note 1c) \$	2013 Actual \$	2012 Actual \$
<b>Revenue from the Government of Canada</b>			
Grant	1,070,023	1,070,023	996,143
Transfer payments (note 3(b))	100,897	145,723	102,943
	<b>1,170,920</b>	<b>1,215,746</b>	<b>1,099,086</b>

### Taxation

Corporate Income Tax	74,976	108,422	22,660
Personal Income Tax	90,441	105,360	72,505
Fuel	16,586	18,608	18,851
Tobacco	17,326	15,587	17,108
Payroll	41,488	41,619	39,662
Property and school levies	25,440	27,058	24,883
Insurance	4,400	4,763	4,505
	<b>270,657</b>	<b>321,417</b>	<b>200,174</b>

### Recoveries

Program	15,737	21,709	19,776
Service	640	486	592
Lease, accommodations and transportation	3,714	5,394	4,750
Commodity, asset sales and other	357	468	1,419
Insurance proceeds	60	2,731	58
Amortization of capital contributions (note 3(b)) (note 16)	15,581	-	14,968
	<b>36,089</b>	<b>30,788</b>	<b>41,563</b>

### General

Revolving Funds net revenue	24,628	25,255	24,626
Regulatory revenues	15,930	18,316	16,387
Other general revenues	115	1,578	8,552
Investment income	2,140	3,926	2,384
	<b>42,813</b>	<b>49,075</b>	<b>51,949</b>

<b>Grants in Kind</b>	<b>635</b>	<b>635</b>	<b>762</b>
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<b>Total Revenues</b>	<b>1,521,114</b>	<b>1,617,661</b>	<b>1,393,534</b>
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## Government of the Northwest Territories

### Non-Consolidated Schedule of Expenses (unaudited)

### Schedule B

for the year ended March 31, 2013

(thousands of dollars)

	Main Estimates (note 1c) \$	Compensation and Benefits \$	Grants and Contributions \$	Valuation Allowances \$	Other \$	Amortization \$	2013 Total Expenses \$	2012 Total Expenses \$
Legislative Assembly	18,508	10,963	250	-	6,018	865	18,096	18,920
Executive	22,862	11,455	2,089	-	3,134	7	16,685	14,786
Aboriginal Affairs and Intergovernmental Relations	7,304	4,481	659	-	1,274	14	6,428	7,395
Human Resources	42,796	34,977	115	-	7,662	471	43,225	42,123
Finance	142,121	13,853	111,266	1,622	10,467	2,044	139,252	107,118
Municipal and Community Affairs	123,535	14,108	105,141	-	6,348	160	125,757	125,500
Public Works and Services	93,682	23,823	-	-	69,200	5,142	98,165	93,531
Health and Social Services	349,926	18,963	259,472	-	85,301	9,251	372,987	360,216
Justice	113,674	53,721	2,178	-	56,657	2,254	114,810	106,334
Education, Culture and Employment	289,957	28,403	207,029	2,646	41,276	13,320	292,674	289,121
Transportation	120,415	35,278	792	13	50,318	36,628	123,029	111,922
Environment and Natural Resources	65,693	33,012	5,472	20	41,411	2,118	82,033	72,042
Industry Tourism and Investment	49,560	19,302	19,572	155	9,156	866	49,051	50,408
	<b>1,440,033</b>	<b>302,339</b>	<b>714,035</b>	<b>4,456</b>	<b>388,222</b>	<b>73,140</b>	<b>1,482,192</b>	
<b>Prior Year Totals</b>	<b>1,368,078</b>	<b>295,301</b>	<b>674,479</b>	<b>3,327</b>	<b>359,333</b>	<b>66,977</b>		<b>1,399,417</b>

## Government of the Northwest Territories

### Non-Consolidated Schedule of Tangible Capital Assets (unaudited)

Schedule C

As at March 31, 2013

(thousands of dollars)

	Land \$	Buildings* \$	Other** \$	Leasehold Improvements \$	Equipment* \$	Computers \$	2013 \$	2012 \$
Cost, beginning of year	2,046	816,869	1,043,941	34,250	163,211	84,886	2,145,203	2,036,190
Acquisitions	-	143,191	275,461	87	11,269	19,212	449,220	110,567
Write-downs/adjust.	-	-	-	-	-	-	-	(248)
Disposals	-	(11,989)	(2,079)	(75)	(375)	-	(14,518)	(1,306)
Cost, end of year	2,046	948,071	1,317,323	34,262	174,105	104,098	2,579,905	2,145,203
Accumulated amortization, beginning of year	-	(319,305)	(412,948)	(22,881)	(81,200)	(51,324)	(887,658)	(821,912)
Amortization expense	-	(25,077)	(31,829)	(1,749)	(8,626)	(5,858)	(73,139)	(66,976)
Disposals	-	11,885	1,835	75	321	-	14,115	1,230
Accumulated amortization, end of year	-	(332,497)	(442,942)	(24,555)	(89,505)	(57,182)	(946,682)	(887,658)
<b>Net book value</b>	<b>2,046</b>	<b>615,574</b>	<b>874,381</b>	<b>9,707</b>	<b>84,600</b>	<b>46,916</b>	<b>1,633,223</b>	<b>1,257,545</b>
<b>Work in progress</b>							<b>86,178</b>	<b>405,676</b>
							<b>1,719,401</b>	<b>1,663,221</b>

\* Included in buildings and equipment are assets under capital lease cost, \$4,284 (2012 - \$29,152); accumulated amortization, \$1,349 (2012 - \$12,743); carrying value, \$2,935 (2012 - \$16,409). During the current year, the capital lease held for the Legislative Assembly building was paid off in full.

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

Change in net book value of tangible capital assets	2013 \$	2012 \$
Acquisitions	449,220	110,567
Disposals/write-downs/adjustments	(403)	(324)
Amortization	(73,139)	(66,976)
Increase in work in progress	(319,498)	55,017
<b>Increase</b>	<b>56,180</b>	<b>98,284</b>

# Government of the Northwest Territories

## Non-Consolidated Schedule of Revenues by Department (unaudited)

## Schedule 1

March 31, 2013

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Main Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
<b>Legislative Assembly</b>					
Recoveries					
Commodity, asset sales and other	21	-	21	10	(11)
General revenue					
Regulatory revenue	3	-	3	16	13
Investment income	-	-	-	1,641	1,641
	3	-	3	1,657	1,654
	<b>24</b>	<b>-</b>	<b>24</b>	<b>1,667</b>	<b>1,643</b>
<b>Executive</b>					
Other Grants					
Grants in kind	192	-	192	192	-
Transfer Payments					
Federal cost shared	2,000	-	2,000	2,000	-
	<b>2,192</b>	<b>-</b>	<b>2,192</b>	<b>2,192</b>	<b>-</b>
<b>Industry, Tourism and Investment</b>					
General Revenue					
Investment income	1,040	-	1,040	1,040	-
Regulatory revenues	60	-	60	54	(6)
	1,100	-	1,100	1,094	(6)
Recoveries					
Commodity, asset sales and other	15	-	15	7	(8)
Amortization of capital contributions	22	-	22	-	(22)
	37	-	37	7	(30)
	<b>1,137</b>	<b>-</b>	<b>1,137</b>	<b>1,101</b>	<b>(36)</b>
<b>Environment and Natural Resources</b>					
Transfer payments					
Capital transfers (note 3(b))	-	-	-	59	59
Recoveries					
Lease, accommodations and transportation	-	-	-	15	15
Amortization of capital contributions	1,015	-	1,015	-	(1,015)
	1,015	-	1,015	15	(1,000)
General Revenue					
Regulatory revenues	555	-	555	646	91
Beverage Container Program, Others, Net	-	-	-	119	119
	555	-	555	765	210
	<b>1,570</b>	<b>-</b>	<b>1,570</b>	<b>839</b>	<b>(731)</b>



# Government of the Northwest Territories

## Non-Consolidated Schedule of Revenues by Department (unaudited)

## Schedule 1 (continued)

March 31, 2013

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Main Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
<b>Finance</b>					
Revenue from the Government of Canada					
Grant	1,070,023	-	1,070,023	1,070,023	-
Transfer Payments					
Canada Health Transfer and Reform Fund	29,552	-	29,552	27,103	(2,449)
Canada Social Transfer	15,003	-	15,003	14,907	(96)
	1,114,578	-	1,114,578	1,112,033	(2,545)
Taxation					
Corporate	74,976	-	74,976	108,422	33,446
Personal	90,441	-	90,441	105,360	14,919
Fuel	16,586	-	16,586	18,608	2,022
Tobacco	17,326	-	17,326	15,587	(1,739)
Payroll	41,488	-	41,488	41,619	131
Property and school levies	25,440	-	25,440	27,058	1,618
Insurance	4,400	-	4,400	4,763	363
	270,657	-	270,657	321,417	50,760
Recoveries					
Service	80	-	80	77	(3)
Insurance proceeds	60	-	60	2,731	2,671
Program	13	-	13	76	63
	153	-	153	2,884	2,731
General revenue					
Revolving funds net revenue	24,628	-	24,628	25,136	508
Investment income	620	-	620	736	116
Regulatory revenue	424	-	424	408	(16)
Other general revenues	-	-	-	934	934
	25,672	-	25,672	27,214	1,542
	<b>1,411,060</b>	<b>-</b>	<b>1,411,060</b>	<b>1,463,548</b>	<b>52,488</b>
<b>Municipal and Community Affairs</b>					
Transfer Payments					
Federal cost shared - Building Canada Plan	-	-	-	2,119	2,119
	-	-	-	2,119	2,119
Recoveries					
Lease, accommodations and transportation	700	-	700	991	291
Program	-	-	-	1,787	1,787
	700	-	700	2,778	2,078
General revenue					
Regulatory revenue	260	-	260	255	(5)
Other general revenues	90	-	90	1	(89)
	350	-	350	256	(94)
	<b>1,050</b>	<b>-</b>	<b>1,050</b>	<b>5,153</b>	<b>4,103</b>

# Government of the Northwest Territories

## Non-Consolidated Schedule of Revenues by Department (unaudited)

## Schedule 1 (continued)

March 31, 2013

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Main Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
<b>Justice</b>					
Transfer payments					
Federal cost shared	9,364	(3,726)	5,638	5,637	(1)
Recoveries					
Amortization of capital contributions	10	-	10	-	(10)
Lease, accommodations and transportation	102	-	102	182	80
Commodity, asset sales and other	17	-	17	18	1
Program	60	4,108	4,168	3,818	(350)
	189	4,108	4,297	4,018	(279)
General revenue					
Regulatory revenue	4,979	25	5,004	5,426	422
Other general revenues	25	-	25	-	(25)
	<b>14,557</b>	<b>407</b>	<b>14,964</b>	<b>15,081</b>	<b>117</b>
<b>Public Works and Services</b>					
Transfer payments					
Federal programs	42	-	42	-	(42)
Recoveries					
Service	430	-	430	265	(165)
Lease, accommodations and transportation	247	-	247	249	2
Commodity, asset sales and other	100	-	100	71	(29)
	777	-	777	585	(192)
General revenue					
Regulatory revenue	985	-	985	1,002	17
	<b>1,804</b>	<b>-</b>	<b>1,804</b>	<b>1,587</b>	<b>(217)</b>

# Government of the Northwest Territories

## Non-Consolidated Schedule of Revenues by Department (unaudited)

## Schedule 1 (continued)

March 31, 2013

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Main Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
<b>Health and Social Services</b>					
Transfer payments					
Federal cost shared	35,806	-	35,806	35,811	5
Canadian Health and Social Transfer	315	-	315	332	17
Capital transfers ( <i>note 3(b)</i> )	-	-	-	9,067	9,067
	36,121	-	36,121	45,210	9,089
Recoveries					
Program	14,500	-	14,500	13,043	(1,457)
Amortization of capital contributions	1,200	-	1,200	-	(1,200)
	15,700	-	15,700	13,043	(2,657)
General revenue					
Regulatory revenue	260	-	260	338	78
Other Grants					
Grants in Kind	443	-	443	443	-
	<b>52,524</b>	<b>-</b>	<b>52,524</b>	<b>59,034</b>	<b>6,510</b>
<b>Education, Culture and Employment</b>					
Transfer payments					
Federal cost shared	6,388	-	6,388	6,336	(52)
Federal programs	2,021	-	2,021	1,881	(140)
Capital transfers ( <i>note 3(b)</i> )	-	-	-	756	756
	8,409	-	8,409	8,973	564
Recoveries					
Commodity, asset sales and other	-	-	-	17	17
Lease, accommodations and transportation	-	-	-	9	9
Amortization of capital contributions	634	27	661	-	(661)
Program	50	1,000	1,050	1,000	(50)
	684	1,027	1,711	1,026	(685)
General revenue					
Investment income	480	(20)	460	457	(3)
Regulatory revenue	25	-	25	16	(9)
Other general revenues	-	-	-	643	643
	505	(20)	485	1,116	631
	<b>9,598</b>	<b>1,007</b>	<b>10,605</b>	<b>11,115</b>	<b>510</b>
<b>Human Resources</b>					
Recoveries					
Program	250	-	250	-	(250)
Lease, accommodations and transportation	-	-	-	1,023	1,023
	<b>250</b>	<b>-</b>	<b>250</b>	<b>1,023</b>	<b>773</b>

# Government of the Northwest Territories

## Non-Consolidated Schedule of Revenues by Department (unaudited)

## Schedule 1 (continued)

March 31, 2013

(thousands of dollars)

	Main Estimates \$	Increases (Decreases) \$	Revised Main Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
<b>Transportation</b>					
Transfer payments					
Federal cost shared - Building Canada Plan	406	50	456	2,736	2,280
Capital transfers ( <i>note 3(b)</i> )	-	-	-	36,979	36,979
	406	50	456	39,715	39,259
Recoveries					
Lease, accommodations and transportation	2,665	-	2,665	2,925	260
Program	864	1,200	2,064	1,985	(79)
Commodity, asset sales and other	204	-	204	345	141
Service	130	-	130	144	14
Amortization of capital contributions	12,700	-	12,700	-	(12,700)
	16,563	1,200	17,763	5,399	(12,364)
General revenue					
Regulatory revenue	8,379	1,300	9,679	10,155	476
Investment income	-	-	-	52	52
	8,379	1,300	9,679	10,207	528
	<b>25,348</b>	<b>2,550</b>	<b>27,898</b>	<b>55,321</b>	<b>27,423</b>
	<b>1,521,114</b>	<b>3,964</b>	<b>1,525,078</b>	<b>1,617,661</b>	<b>91,560</b>

# Government of the Northwest Territories

## Non-Consolidated Schedule of Expenses by Department (unaudited)

Schedule 2

March 31, 2013

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
<b>Legislative Assembly</b>						
Office of the Clerk	7,902	32	-	7,934	7,815	119
Expenditures on Behalf of Members	7,808	-	-	7,808	7,402	406
Office of the Chief Electoral Officer	838	3	-	841	838	3
Statutory Offices	1,635	5	-	1,640	1,635	5
Office of the Speaker	325	1	-	326	406	(80)
	<b>18,508</b>	<b>41</b>	<b>-</b>	<b>18,549</b>	<b>18,096</b>	<b>453</b>
<b>Executive</b>						
Directorate	9,980	21	-	10,001	4,547	5,454
Ministers' Offices	2,970	22	(2)	2,990	3,204	(214)
Executive Operations	6,756	37	2	6,795	6,041	754
Cabinet Support	3,156	19	-	3,175	2,893	282
	<b>22,862</b>	<b>99</b>	<b>-</b>	<b>22,961</b>	<b>16,685</b>	<b>6,276</b>
<b>Human Resources</b>						
Directorate	607	7	-	614	1,016	(402)
Human Resource Strategy and Policy	7,134	35	1,671	8,840	7,915	925
Management and Recruitment Services	3,970	32	-	4,002	4,491	(489)
Corporate Human Resources	12,371	42	(1,589)	10,824	8,877	1,947
Employee Services	14,080	962	-	15,042	16,187	(1,145)
Region Operations	4,634	41	(82)	4,593	4,739	(146)
	<b>42,796</b>	<b>1,119</b>	<b>-</b>	<b>43,915</b>	<b>43,225</b>	<b>690</b>
<b>Aboriginal Affairs and Intergovernmental Relations</b>						
Directorate	2,456	15	-	2,471	2,233	238
Implementation	696	5	-	701	507	194
Negotiations	2,442	24	-	2,466	2,088	378
Intergovernmental Relations	1,710	8	-	1,718	1,600	118
	<b>7,304</b>	<b>52</b>	<b>-</b>	<b>7,356</b>	<b>6,428</b>	<b>928</b>
<b>Industry, Tourism and Investment</b>						
Economic Diversification & Business Support	22,222	72	-	22,294	22,045	249
Directorate	7,745	1	-	7,746	8,081	(335)
Tourism and parks	11,172	26	246	11,444	11,160	284
Energy	1,619	439	-	2,058	1,923	135
Minerals and Petroleum Resources	6,802	36	-	6,838	5,842	996
	<b>49,560</b>	<b>574</b>	<b>246 *</b>	<b>50,380</b>	<b>49,051</b>	<b>1,329</b>

\* Infrastructure investments that were not classified as capital have been transferred to operations.

# Government of the Northwest Territories

## Non-Consolidated Schedule of Expenses by Department (unaudited)

## Schedule 2 (continued)

March 31, 2013

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
<b>Environment and Natural Resources</b>						
Wildlife Management	15,125	4,623	(28)	19,720	18,886	834
Forest Management	28,634	13,840	25	42,499	39,914	2,585
Directorate	11,171	304	3	11,478	11,467	11
Land and Water	4,827	21	113	4,961	5,501	(540)
Environmental Protection	5,936	909	(113)	6,732	6,265	467
	<b>65,693</b>	<b>19,697</b>	<b>-</b>	<b>85,390</b>	<b>82,033</b>	<b>3,357</b>
<b>Finance</b>						
Directorate	85,991	2,337	-	88,328	87,742	586
Budget, Treasury and Debt Management	11,567	34	(74)	11,527	10,118	1,409
Office of the Comptroller General	18,633	43	-	18,676	15,912	2,764
Office of the Chief Information Officer	2,436	10	74	2,520	1,316	1,204
Fiscal Policy	23,494	711	-	24,205	24,094	111
	142,121	3,135	-	145,256	139,182	6,074
Amortization of tangible capital assets of the NWT Liquor Commission	-	-	-	-	70	(70)
	<b>142,121</b>	<b>3,135</b>	<b>-</b>	<b>145,256</b>	<b>139,252</b>	<b>6,004</b>
<b>Municipal and Community Affairs</b>						
Regional Operations	103,669	7	-	103,676	106,959	(3,283)
Community Operations	2,437	9,885	-	12,322	2,039	10,283
Directorate	4,358	22	-	4,380	4,081	299
School of Community Government	3,051	10	-	3,061	2,935	126
Lands Administration	3,433	20	-	3,453	2,959	494
Sport, Recreation and Youth	5,180	8	-	5,188	5,018	170
Public Safety	1,407	557	-	1,964	1,766	198
	<b>123,535</b>	<b>10,509</b>	<b>-</b>	<b>134,044</b>	<b>125,757</b>	<b>8,287</b>
<b>Justice</b>						
Community Justice and Corrections	40,616	920	(6)	41,530	40,142	1,388
Law Enforcement	39,469	-	-	39,469	41,441	(1,972)
Court Services	11,446	50	409	11,905	11,627	278
Services to Government	10,866	91	8	10,965	10,785	180
Legal Aid Services	5,905	81	(2)	5,984	5,312	672
Services to the Public	5,372	34	-	5,406	5,503	(97)
	<b>113,674</b>	<b>1,176</b>	<b>409 *</b>	<b>115,259</b>	<b>114,810</b>	<b>449</b>

\* Infrastructure investments that were not classified as capital have been transferred to operations.

# Government of the Northwest Territories

## Non-Consolidated Schedule of Expenses by Department (unaudited)

## Schedule 2 (continued)

March 31, 2013

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
<b>Health and Social Services</b>						
Directorate	7,924	63	(121)	7,866	7,990	(124)
Health Services Programs	192,989	6,773	332	200,094	202,717	(2,623)
Community Health Programs	87,998	8,552	(3,529)	93,021	93,514	(493)
Program Delivery Support	34,772	1,571	3,318	39,661	40,053	(392)
Supplementary Health Programs	26,243	2,308	-	28,551	28,713	(162)
	<b>349,926</b>	<b>19,267</b>	<b>-</b>	<b>369,193</b>	<b>372,987</b>	<b>(3,794)</b>
<b>Education, Culture and Employment</b>						
Directorate	10,296	52	637	10,985	12,492	(1,507)
Primary and Secondary School Education	193,025	2,421	(637)	194,809	187,884	6,925
Advanced Education and Careers	46,968	6	-	46,974	51,481	(4,507)
Income Security	39,668	1,003	-	40,671	40,817	(146)
	<b>289,957</b>	<b>3,482</b>	<b>-</b>	<b>293,439</b>	<b>292,674</b>	<b>765</b>
<b>Transportation</b>						
Directorate	10,228	(52)	88	10,264	9,818	446
Airports	28,677	146	(5)	28,818	28,013	805
Highways	67,844	(3,730)	8,241	72,355	72,216	139
Marine	8,042	(397)	175	7,820	7,399	421
Road Licensing and Safety	4,616	25	-	4,641	4,880	(239)
Community Local Access Roads	1,008	-	53	1,061	703	358
	<b>120,415</b>	<b>(4,008)</b>	<b>8,552 *</b>	<b>124,959</b>	<b>123,029</b>	<b>1,930</b>
<b>Public Works and Services</b>						
Asset Management	82,229	4,820	1,082	88,131	87,364	767
Directorate	7,958	(3)	-	7,955	7,544	411
Technology Services Centre	1,361	-	-	1,361	1,138	223
Petroleum Products	2,134	-	-	2,134	2,119	15
	<b>93,682</b>	<b>4,817</b>	<b>1,082 *</b>	<b>99,581</b>	<b>98,165</b>	<b>1,416</b>
	<b>1,440,033</b>	<b>59,960</b>	<b>10,289</b>	<b>1,510,282</b>	<b>1,482,192</b>	<b>28,090</b>

\* Infrastructure investments that were not classified as capital have been transferred to operations.

# Government of the Northwest Territories

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

## Schedule 3

March 31, 2013

(thousands of dollars)

DEPARTMENT	Over-Accruals \$	Other Recoveries \$	Total \$
Legislative Assembly	9	2	11
Executive	-	2	2
Aboriginal Affairs and Intergovernmental Relations	-	1	1
Human Resources	909	9	918
Finance	17	19,692 *	19,709
Municipal and Community Affairs	250	497	747
Public Works and Services	318	521	839
Health and Social Services	1,462	798	2,260
Justice	6	38	44
Education, Culture and Employment	530	1,405	1,935
Transportation	168	9	177
Environment and Natural Resources	47	175	222
Industry, Tourism and Investment	632	192	824
	<b>4,348</b>	<b>23,341</b>	<b>27,689</b>

\*This recovery is related to the Giant Mine Bypass Road which required that operational funds be redirected to capital.

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

## Schedule 4

March 31, 2013

(thousands of dollars)

DEPARTMENT	Main Estimates \$	Supplementary Estimates \$	Total Appropriation \$	Actual Expenditure \$
Legislative Assembly	640	88	728	725
Human Resources	300	-	300	183
Finance	1,008	666	1,674	1,073
Public Works and Services	6,663	6,929	13,592	9,878
Health and Social Services	36,943	12,124	49,067	30,000
Justice	379	1,352	1,731	880
Education, Culture and Employment	15,126	7,920	23,046	18,388
Transportation	29,681	85,431	115,112	75,102
Environment and Natural Resources	1,596	1,301	2,897	2,140
Industry, Tourism and Investment	1,292	64	1,356	610
	<b>93,628</b>	<b>115,875</b>	<b>209,503 *</b>	<b>138,979</b>

\$10,289 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.



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**Government of the Northwest Territories****Non-Consolidated Schedule of Grants (unaudited)****Schedule 5****for the year ended March 31, 2013**

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
<b>Executive</b>						
Native Women's Association (in kind)	42	-	-	42	42	-
Band Council Subsidized Leases (in kind)	150	-	-	150	150	-
Women's Initiatives	50	-	-	50	50	-
Institute for Circumpolar Health Research	-	-	-	-	40	(40)
Indspire 2013 Awards	35	-	-	35	35	-
United Way of Yellowknife	-	-	-	-	12	(12)
Native Women's Association Relocation Assistance	-	-	-	-	69	(69)
Non-Government Organization Stabilization Fund	350	-	-	350	350	-
Devolution Negotiations, Aboriginal Government Participation and Engagement	1,266	-	-	1,266	588	678
	<b>1,893</b>	<b>-</b>	<b>-</b>	<b>1,893</b>	<b>1,336</b>	<b>557</b>
<b>Aboriginal Affairs and Intergovernmental Relations</b>						
Core Funding to Metis Locals	225	-	-	225	225	-
Special Events - Aboriginal Organizations	75	-	-	75	84	(9)
Aboriginal Intergovernmental Meetings Fund	350	-	-	350	350	-
	<b>650</b>	<b>-</b>	<b>-</b>	<b>650</b>	<b>659</b>	<b>(9)</b>
<b>Finance</b>						
Deton'Cho Diamonds Inc-Foregone Interest	6	-	-	6	5	1
Cost of Living Tax Credit	21,000	700	-	21,700	21,550	150
NWT Child Benefit	1,200	-	-	1,200	1,156	44
	<b>22,206</b>	<b>700</b>	<b>-</b>	<b>22,906</b>	<b>22,711</b>	<b>195</b>
<b>Municipal and Community Affairs</b>						
Community Government Funding	168	-	-	168	-	168
New Deal Taxation Revenue Program	475	-	-	475	457	18
High Performance Athlete Grant Program	100	-	-	100	106	(6)
Community Government Funding	45,660	-	-	45,660	45,659	1
Grant in Lieu of Taxes	6,148	-	-	6,148	6,194	(46)
Senior Citizens and Disabled Persons Tax Relief	366	-	-	366	525	(159)
Community Government Funding - Mobile Equipment and Utilities	1,440	-	-	1,440	1,410	30
	<b>54,357</b>	<b>-</b>	<b>-</b>	<b>54,357</b>	<b>54,351</b>	<b>6</b>

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**Government of the Northwest Territories****Non-Consolidated Schedule of Grants (unaudited)****Schedule 5 (continued)****for the year ended March 31, 2013**

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
<b>Environment and Natural Resources</b>						
Disaster Compensation	100	-	-	100	36	64
<b>Health and Social Services</b>						
Medical Professional Development	40	-	-	40	40	-
Lease Extension - Rockhill Apartments	443	-	-	443	443	-
	483	-	-	483	483	-
<b>Justice</b>						
National Justice Issues	9	-	-	9	11	(2)
Aboriginal Court Challenges	40	-	-	40	5	35
	49	-	-	49	16	33
<b>Education, Culture and Employment</b>						
Student Grants	9,240	956	-	10,196	10,131	65
Community Broadcasting Grants	52	-	-	52	42	10
	9,292	956	-	10,248	10,173	75
<b>Industry, Tourism and Investment</b>						
Fur Price Program	610	-	-	610	516	94
Disaster Compensation Program	15	-	-	15	3	12
	625	-	-	625	519	106
<b>Total</b>	<b>89,655</b>	<b>1,656</b>	<b>-</b>	<b>91,311</b>	<b>90,284</b>	<b>1,027</b>

**Government of the Northwest Territories**

**Non-Consolidated Schedule of Contributions (unaudited)**

**Schedule 6**

**for the year ended March 31, 2013**

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
<b>Legislative Assembly</b>						
Human Rights Commission	250	-	-	250	250	-
<b>Executive</b>						
Status of Women Council	368	-	-	368	368	-
Native Women's Association	363	-	-	363	363	-
Devolution Negotiations	-	-	-	-	10	(10)
Devolution Implementation	-	-	-	-	12	(12)
	<b>731</b>	<b>-</b>	<b>-</b>	<b>731</b>	<b>753</b>	<b>(22)</b>
<b>Human Resources</b>						
Hay River H&SS Authority - Mentor/Educator Nurse Program	115	-	-	115	115	-
<b>Finance</b>						
Northwest Territories Power Corporation Contribution - General Rate Application Support	15,600	-	-	15,600	15,457	143
Territorial Power Subsidy Program	11,085	-	-	11,085	5,812	5,273
Northwest Territories Heritage Fund	-	250	-	250	250	-
Northwest Territories Housing Corporation - Operations	65,458	1,503	-	66,961	66,961	-
Falcon Communications	100	-	-	100	75	25
	<b>92,243</b>	<b>1,753</b>	<b>-</b>	<b>93,996</b>	<b>88,555</b>	<b>5,441</b>

**Government of the Northwest Territories**

**Non-Consolidated Schedule of Contributions (unaudited)**

**Schedule 6 (continued)**

**for the year ended March 31, 2013**

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
<b>Municipal and Community Affairs</b>						
Assistance to Community Governments	470	-	-	470	470	-
Management of Drinking Water in NWT	50	-	-	50	25	25
Ground Ambulance and Highway Rescue	-	200	-	200	120	80
Recreation Contributions	1,275	-	-	1,275	1,297	(22)
Volunteer Contributions	70	-	-	70	55	15
Training Services Community Governments	-	-	-	-	5	(5)
Youth Centers	500	-	-	500	500	-
Pan Territorial Sports Program	272	-	-	272	277	(5)
Youth Corps	1,175	-	-	1,175	1,077	98
Water and Sewer Services Funding	13,013	-	-	13,013	13,095	(82)
Youth Contributions	250	-	-	250	247	3
A Brilliant North	680	-	-	680	434	246
Multi Sport Games	650	-	-	650	650	-
Healthy Choices	615	-	-	615	611	4
Capital Formula Funding Community Governments	28,002	-	-	28,002	28,002	-
Financial Services - Various	135	-	-	135	48	87
Get Active	100	-	-	100	100	-
Regional Youth Sports Events	400	-	-	400	364	36
Building Canada Plan/ Municipal Rural Infrastructure Fund	-	9,867	-	9,867	3,413	6,454
	<b>47,657</b>	<b>10,067</b>	<b>-</b>	<b>57,724</b>	<b>50,790</b>	<b>6,934</b>
<b>Transportation</b>						
Airport Career Development Program	30	-	-	30	18	12
Community Access Program	980	-	-	980	686	294
Deh'Cho Bridge Involvement Grants	96	-	-	96	88	8
	<b>1,106</b>	<b>-</b>	<b>-</b>	<b>1,106</b>	<b>792</b>	<b>314</b>
<b>Health and Social Services</b>						
Health & Social Services Authorities	245,580	6,863	581	253,024	257,079	(4,055)
Health & Social Services Recruitment and Retention Program	2,901	-	-	2,901	687	2,214
Primary Care (Health Systems Planning)	473	-	266	739	832	(93)
Health Awareness, Activities and Education	1,344	300	600	2,244	160	2,084
Preventions and Promotion	2,588	535	(1,960)	1,163	-	1,163
Population Health	-	62	170	232	195	37
Tlicho Cultural Coordinator	35	-	-	35	36	(1)
	<b>252,921</b>	<b>7,760</b>	<b>(343)</b>	<b>260,338</b>	<b>258,989</b>	<b>1,349</b>

**Government of the Northwest Territories**

**Non-Consolidated Schedule of Contributions (unaudited)**

**Schedule 6 (continued)**

**for the year ended March 31, 2013**

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
<b>Environment and Natural Resources</b>						
Mackenzie River Basin Board	40	-	-	40	50	(10)
Public Education	-	-	-	-	14	(14)
Energy Management	1,998	-	-	1,998	1,404	594
Climate Change Adaptation Plan	51	-	-	51	34	17
Traditional Knowledge Contributions	65	-	-	65	6	59
Interim Resource Management Agreement	-	305	-	305	305	-
Energy Conservation Contributions	200	-	-	200	208	(8)
Energy Information and Awareness	-	-	-	-	10	(10)
Alternative Energy Program Contributions	200	880	-	1,080	626	454
Biomass Supply/Energy	100	-	-	100	139	(39)
Stewardship Program	500	-	-	500	644	(144)
Wildlife Contribution	-	-	-	-	23	(23)
Caribou Management	-	-	-	-	78	(78)
Wildfire Risk Management Plans	-	-	-	-	59	(59)
Wildlife Research Support	25	-	-	25	-	25
Barren Ground Caribou Monitoring	178	-	-	178	145	33
Community Transfer Fort Good Hope	120	-	(120)	-	-	-
Environmental Stewardship Program	-	-	-	-	90	(90)
Aquatic Ecosystems Research Partnership Program	-	-	-	-	200	(200)
Environment Protection Contributions	-	-	-	-	7	(7)
Northwest Territories Water Strategy	-	-	-	-	531	(531)
Protected Areas Contribution - Various	-	-	-	-	124	(124)
Energy Management Contribution - Various	-	-	-	-	526	(526)
Caribou Strategy	275	-	-	275	197	78
Disease Contaminants	20	-	-	20	16	4
	<b>3,772</b>	<b>1,185</b>	<b>(120)</b>	<b>4,837</b>	<b>5,436</b>	<b>(599)</b>

**Government of the Northwest Territories**

**Non-Consolidated Schedule of Contributions (unaudited)**

**Schedule 6 (continued)**

**for the year ended March 31, 2013**

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
<b>Industry, Tourism and Investment</b>						
Business Development and Investment Corporation	3,704	20	-	3,724	3,724	-
Community Futures	1,272	-	-	1,272	1,024	248
Community Transfers	1,582	-	-	1,582	1,391	191
Entrepreneur and Economic Development	3,866	-	125	3,991	4,162	(171)
Investment and Economic Analysis	-	-	-	-	220	(220)
Mackenzie Valley Contributions	715	-	-	715	700	15
Promote Commercial Harvesting Meat and Fish	550	-	-	550	331	219
Energy Contributions	1,000	435	-	1,435	638	797
Hydro Strategy	-	-	-	-	700	(700)
Agriculture Development Infrastructure	300	-	-	300	326	(26)
Directorate Contribution Various-Protected Area Strategy	-	-	-	-	18	(18)
Tourism Diversification Program	900	-	-	900	874	26
Tourism Industry Contributions	2,647	-	100	2,747	2,782	(35)
Sport Hunt Outfitter Marketing Support	300	-	-	300	185	115
Community Harvester Assistance	1,074	-	-	1,074	1,042	32
Fisheries	225	-	-	225	227	(2)
Western Harvester Assistance Program	63	-	-	63	-	63
Local Wildlife Committees	257	-	-	257	229	28
SocioEconomic Agreement	180	-	-	180	180	-
Trade and Investment	25	-	-	25	25	-
Minerals Oil and Gas Contributions	30	-	-	30	30	-
Growing Forward	125	-	-	125	245	(120)
	<b>18,815</b>	<b>455</b>	<b>225</b>	<b>19,495</b>	<b>19,053</b>	<b>442</b>
<b>Justice</b>						
YWCA of Yellowknife	105	-	-	105	105	-
Victims Assistance	525	-	-	525	525	-
Community Justice	1,371	365	(49)	1,687	1,532	155
Wilderness Camp Contributions	149	-	-	149	-	149
Elder Program	30	-	-	30	-	30
	<b>2,180</b>	<b>365</b>	<b>(49)</b>	<b>2,496</b>	<b>2,162</b>	<b>334</b>

**Government of the Northwest Territories**

**Non-Consolidated Schedule of Contributions (unaudited)**

**Schedule 6 (continued)**

**for the year ended March 31, 2013**

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over) Under Appropriation \$
<b>Education, Culture and Employment</b>						
Education Authority Contributions	150,333	782	(1,863)	149,252	146,238	3,014
Aurora College Contributions	31,148	192	-	31,340	30,741	599
Community Skills for Work	650	-	-	650	95	555
Literacy	1,996	-	-	1,996	1,882	114
NWTTA Professional Improvement Fund	1,620	-	-	1,620	1,700	(80)
Healthy Children Initiative	2,110	-	-	2,110	1,775	335
Early Childhood Program	4,040	-	5	4,045	4,642	(597)
Minority Language Education and Second- Language Instruction	2,401	-	-	2,401	2,545	(144)
Official Languages:						
Aboriginal Languages Broadcasting	170	-	-	170	170	-
French	350	-	100	450	271	179
Aboriginal	2,996	-	-	2,996	2,997	(1)
Community Library Services	763	-	-	763	763	-
Cultural Organizations	554	-	-	554	544	10
Cultural Projects	176	-	-	176	194	(18)
Heritage Centres	491	-	-	491	491	-
NWT Arts Council	500	-	-	500	480	20
Support to Northern Performers	181	-	-	181	179	2
Tlicho Coordinator	-	-	-	-	36	(36)
Skills Canada	-	-	70	70	35	35
Small Community Employment	339	-	-	339	246	93
New Northern Arts Program	250	-	-	250	254	(4)
Cultural Component of Sports Events	50	-	-	50	-	50
Infrastructure Contributions:						
High School Career & Technology	200	62	-	262	42	220
School Playground Equipment	50	-	-	50	50	-
Community Libraries	100	-	-	100	100	-
Community Museum	100	85	-	185	94	91
Minor Capital	400	-	-	400	292	108
	<b>201,968</b>	<b>1,121</b>	<b>(1,688)</b>	<b>201,401</b>	<b>196,856</b>	<b>4,545</b>
<b>Total</b>	<b>621,758</b>	<b>22,706</b>	<b>(1,975)</b>	<b>642,489</b>	<b>623,751</b>	<b>18,738</b>

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**Government of the Northwest Territories****Non-Consolidated Schedule of Special Warrants (unaudited)****Schedule 7****for the year ended March 31, 2013**

(thousands of dollars)

	<b>Date of FMB Approval</b>	<b>Amount Authorized \$</b>
<b>OPERATIONS AND MAINTENANCE</b>		
<b>Environment and Natural Resources</b>		
A special warrant was approved on August 17, 2012 to fund the projected costs of identifying and disposing of diseased bison in the Mackenzie Bison Sanctuary.	17-Aug-2012	4,451
A special warrant was approved on July 31, 2012 to fund the projected shortfall in the forest fire suppression budget due to a severe forest fire season in 2012.	31-Jul-2012	6,591
A special warrant was approved on August 17, 2012 to fund the projected shortfall in the forest fire suppression budget due to a severe forest fire season in 2012.	17-Aug-12	7,200
<b>Transportation</b>		
A special warrant was approved on December 14, 2012 to fund incremental work for the Mackenzie Valley winter roads.	14-Dec-12	<u>1,200</u>
<b>Total operations and maintenance special warrants</b>		<u><b>19,442</b></u>
<b>Transportation</b>		
A special warrant was approved on December 14, 2012 to fund the construction of the Nahanni Butte access road damaged during a flood in June 2012. The costs will partially be recovered through the Government of Canada's Disaster Financial Assistance Arrangements, administered by Public Safety Canada.		1,028
<b>Total capital investment special warrants</b>		<u><b>1,028</b></u>
<b>Total</b>		<u><b>20,470</b></u>



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**Government of the Northwest Territories****Non-Consolidated Schedule of Inter-activity Transfers over \$250,000 and  
Reclassification of Capital Costs (unaudited)****Schedule 8****for the year ended March 31, 2013**(thousands of dollars)

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	Transfer to (from) \$	Explanation
<b>OPERATIONS AND MAINTENANCE</b>		
<b>Health and Social Services</b>		
Directorate	(121)	
Program Delivery Support	3,318	The Department reorganized specific areas within its activities to reflect the split of one division Population Health into two divisions - Population Health and Territorial Health Services. There was then some realignment of program area responsibilities between those two divisions and the Community Wellness and Social Services divisions. This resulted in movement between the two Activities - Program Delivery Support and Community Wellness and Social Services.
Community Health Programs	(3,529)	
Health Services Programs	332	Transfer required to address the reprofiling of the budget for staff at the Joe Greenland Building. Budget has been divided between two areas on the Inuvik Regional Hospital - long term care unit and to the Homecare Budget.
<b>Industry, Tourism and Investment</b>		
Infrastructure Project Reclassification	246	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
<b>Justice</b>		
Infrastructure Project Reclassification	409	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
<b>Public Works and Services</b>		
Infrastructure Project Reclassification	1,082	The infrastructure budget associated with project costs that are not classified as capital expenditures has been transferred to the operations and maintenance budget.
<b>Education, Culture and Employment</b>		
Directorate and Administration	637	Transfer from Schools to Directorate for TSC Chargebacks.
Education and Culture	(637)	Transfer from Schools to Directorate for TSC Chargebacks.

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**Government of the Northwest Territories****Non-Consolidated Schedule of Inter-activity Transfers over \$250,000 and  
Transfers for Non-qualifying Capital Costs (unaudited)****Schedule 8 (continued)****for the year ended March 31, 2013**

(thousands of dollars)

	<b>Transfer to (from) \$</b>	<b>Explanation</b>
<b>Human Resources</b>		
Corporate Human Resources	(1,589)	Transfer to HRSP Systems for PeopleSoft Upgrade
Human Resources Strategy & Policy	1,671	Transfer from Corporate Human Resources 20/20 budget for PeopleSoft Upgrade
Regional Operations	(82)	
<b>CAPITAL INVESTMENT</b>		
<b>Transportation</b>		
Highways	320	Reprofiling funding in 2011/2012 to Motor Vehicle Information System enhancement work previously planned for 2012/2013.
Road Licensing and Safety	(320)	Funding returned back to Highways in 2012/2013.

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**for the year ended March 31, 2013**

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**ACCOUNTS RECEIVABLE WRITTEN OFF**

No amounts were written off during the  
fiscal year ended March 31, 2013.

**FORGIVENESS OF DEBT**

No amounts were forgiven during the  
fiscal year ended March 31, 2013

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

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**for the year ended March 31, 2013**

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**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.

<b>Name</b>	<b>\$</b>	<b>Name</b>	<b>\$</b>
Adam, Zahrah	2,247	Bradbury, Amanda	3,003
Adams, Jhillian	5,546	Braden, Carmen	3,924
Alain, Tess	2,028	Brandford, Adam	2,137
Allison, Stephen	607	Branton, Kimberly	43
Alty, Rebecca	1,611	Brasseur, Kali	2,773
Anavilok, Judy	4,000	Brebner, Ashley	3,825
Andersen, Kari	2,017	Broddy, Meghan	3,573
Arberry, Saundra	3,891	Bromley, Kelty	997
Ashcroft, Sunny	2,017	Bruser, Rebecca	3,891
Ashlby, Kaleigh	3,924	Bryan, Jordan	4,965
Bachand, Brendan	3,934	Bui, Trung	2,800
Baillargeon, Charles	885	Byatt, Gabriel	8,012
Ballantyne, Alexandra	4,526	Bye, Miranda	4,011
Bannon, Joseph	2,028	Callahan, Mitchell	6,390
Bannon, Sarah	3,989	Callas, Brendan	2,192
Barbier, Lindsay	1,370	Callas, Michael	3,365
Baron, Vanessa	8,593	Campbell, Donald	2,554
Barrera, Julie	3,628	Campbell, Jill	3,989
Bastedo, Jaya	1,458	Campbell, Terrence	7,102
Bauhaus, Stephanie	2,455	Carr, Georgina	3,957
Bell, Andrian	1,512	Carrillo, Karen Anne	3,683
Bell, Jason	3,474	Cartwright, Aiden	3,935
Bell, Margaret Jean	4,066	Casebeer, Jessi	2,148
Bengts, Amanda	3,957	Castro, Paula Melissa	1,271
Bengts, Stacie	3,288	Chamberlin, Jarred	2,842
Bennett, Shane	2,729	Chenkie, Jessica	3,211
Besarra, Renfred Vendiola	2,060	Chenkie, Ryan	3,573
Blandford, James	2,935	Cherwaty, Kyla	3,858
Bloomstrand, Candace	2,674	Chetwynd, Courtney	3,913
Boden, Mary	861	Chetwynd, Jamie	2,104
Boden, Rebecca	1,551	Christensen, Julia	5,239
Bokovay, David	4,472	Christensen, Marc	3,935
Bolivar, Kate	1,140	Christensen, Michael	2,356
Bolstad, Josh	3,957	Chung, Carissa	3,058
Bolstad, Mandi	3,957	Coakwell, Heather	3,135
Bolt, Kyla	6,291	Coedy, Luke	3,880
Booth, Miranda	4,910	Coleman, Amanda	2,290
Borden, Robert	4,132	Constantino, Rhea	2,543
Borkovic, Joey	6,455	Constantino, Roselle	252
Borschneck, Thomas	2,554	Coolen, Catherine	1,819
Bourassa, Darcy	4,022	Cooper, Hawna	6,960
Bourgeois, Michele	1,896	Cooper, Kayla	4,000
Bowden, Rachel	1,008	Costello, Kari	1,907
Boyd, Abbey	3,156	Cote, Lee Ann	4,011
Boyd, Jayson	4,033	Cracknell, Alexandra	3,968

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**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, 2013**

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Cracknell, James	4,143	Goldney, Jeanette	1,452
Crews, Angela	2,685	Grabke, Dwight	3,792
Crews, Gregory	4,209	Graf, Derek	3,978
Crump, Ashley	1,408	Green, Ashley	3,957
Cruzpe, Rhon	3,189	Groenheyde, Amy	2,839
Curtis, Dustan	1,776	Groenheyde, Cali	4,340
Dang, Debbie	3,233	Gzowski, Angela	2,674
Dautel, Janell	4,274	Hall, Devon	1,491
D'Avignon, Emilie	2,100	Hall, Heather	3,989
de Bassige, Brennan	2,100	Hall, Mira	2,987
De Bastiani, Thomas	1,041	Hamilton, Shelby	6,116
Debogorski, Amelia	3,430	Hand, Michael	3,047
Debogorski, Andrew	4,011	Haogak, Maja	2,773
Debogorski, Dominic	3,014	Harker, Jordan	2,970
Dechief, Samantha	2,202	Healy, Lynda	2,218
Deleff, Jeromy	2,784	Hefford, Samantha	2,800
Desilets, Angela	3,869	Heide, Hannah	3,025
Desrosiers, Veronica	5,710	Heine, Kathryn	3,003
Devitt, Matthew	2,861	Hernandez, Anneluzelia	2,093
Dewar, David	978	Herriot, Brittany	2,356
Dewar, Dustin	5,173	Heslep, Alison	3,814
Dickson, Cole	806	Hess, Samera	3,759
Digness, Samantha	4,011	Hicks, Kathleen	232
Dillon, Kathleen	4,016	Hinchey, Sheldon	2,800
Doyle, Patrick	2,017	Hoefer, Dietrich	1,400
Dumas, Chris	1,701	Hoover, Robert	778
Dumbuya, Hawa	3,869	Hovhannisyan, Arpine	2,800
Dunbar, Stephen	4,005	Hoyles, Moriah	2,115
Dupuis, Rebecca	1,863	Hurst, Leila	1,677
Eggenberger, Christian	2,800	Hurst, Michaelis	2,872
Elanik, Shelley	4,746	Hysert, Gwen	3,978
Elliott, Kristen	3,365	Inglangasuk, Alexandra	4,110
Eluik, Aimee	1,973	Jarvis, Alicia	2,137
Emerson, Jeremy	322	Jasper, Brian	2,793
England, Maia	1,544	Jefferson, Kate	3,156
Escalante, Jean	4,000	Johnson, Kate	3,946
Fabien, Katelyn	2,762	Jones, Brittany	3,704
Fisher, Whitney	4,099	Jorge, Martin	2,800
Fitzgerald, Alanna	2,598	Jung, Courtney	2,313
Fitzgerald, Jane	650	Kailek, Shelley	1,769
Forget-Manson, Avivah	3,047	Kaip, Kirsten	2,137
Foster, Brianne	3,694	Kalnay, William	5,283
Fournier, Jamesie	137	Kanwal, Harinderpaul	1,804
Fournier, Jessica	2,598	Kanwal, Inderjit	4,044
Franklin, James	2,510	Kefalas, Kyle	2,269
Fryer, Janine	6,510	Kelly, Erica	3,946
Fyfe, Jolene	3,084	Kelly, Jessica	2,800
Gardiner, Corine	2,740	Kennedy, Samanth	4,833
Gardiner, Danielle	1,050	Kimble, Stephanie	3,310
Giesbrecht, Michael	2,450	King, Christine	2,663
Gilbert, Stephanie	5,579	King, Emily	3,715
Gillander, Amanda	1,797	King, Michael	9,209
Gillespie, Danielle	3,463	King, Sharla	2,893
Goldenberg, Alina	547	Kinney, Allan	1,907

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**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, 2013**

Klengenberg, Charlene	7,037	Mandeville, Leah	652
Klengenberg, Deborah	5,721	Maracle, Alisen	4,011
Kocik, Derrick	1,973	Marriott, Jessica	1,633
Komi, Arisa	3,190	Marshall, Jordan	1,180
Koswan, Bradley	4,022	Marshall, Kellan	3,847
Kronstal, Alana	1,861	Marshman, Michelle	3,989
Kruse, Sabine	3,836	Martin, Gabrielle	4,055
Krysko, Samuel	2,937	Mathews, Brendan	3,792
Kuptana, Terri-Lee	4,000	Mathews, Greg	2,543
Lafferty, Jessica	3,211	Mathews, Joanna	4,674
Laity, Daniel	3,354	McArthur, Allison	4,176
Laity, Erin	4,318	McBride, Alexandra	219
Langevin, Jennifer	1,665	McCabe, Stephanie	2,071
Lansdown, Doug	1,094	McCarthy, Patrick	3,373
Laratta, Elisabeth	1,447	McCreadie, Allister	8,384
Larocque, Chelsey	2,587	McIntyre-Smith, Julia	4,242
Laube, Kurt	2,574	McIvor, Lindsay	485
Lavoie, Robyn	3,299	McKay, James	2,115
Lavoie-Stobbs, Arlene	4,011	McKay, Lindsay	1,929
Leblanc, Gabrielle	4,200	Mckee, Janel	3,989
Leblanc-Lupton, Michelle	2,590	McMullen, Andrea	1,107
Ledrew, Mark	1,195	Meek, Alyssa	2,473
Legaree, Alexander	7,197	Menard, Jenna	4,077
Lemieux, Tanya	3,474	Menard, Zachary	1,030
Lennie, Fraser	2,872	Merrithew, Leslie	3,902
Lindsay, Michel	2,872	Metcalfe, Scott	558
Linloff, Jenna	4,505	Michel, Gina	4,647
Long, Alexander	1,852	Michelin, Morgan	3,946
Long, Jenna	2,148	Miller, Shona	2,893
Look, Raynor	2,324	Miltenberger, Jacky	2,499
Lucas, Sandra	17,500	Mitev, Sierra	3,058
Lukaniuk, Crystal	3,113	Moir, Lauren	3,102
MacDonald, Amy	7,146	Moore, Kelly	4,252
MacDonald, Claire	384	Moore, Kristin	3,858
MacDonald, David	1,940	Moran, Alex	642
MacDonald, Laura	3,989	Moran, Colton	3,189
MacDougall, Ian	2,444	Morrison, Amanda	3,255
MacKenzie, James	4,099	Morrison, Donald	2,751
Mackenzie, Samantha	4,121	Morrison, John	2,800
Mackie, Kimberly	1,841	Morse, Julian	2,028
MacKinnon, Laura	1,140	Morton, Fallon	4,505
MacLellan, Joseph	3,989	Munroe, Sara	508
MacNeill, Laura	1,754	Munroe-Rosen, Soura	4,307
MacNeill, Nancy	16,953	Murphy, Brendan	2,432
MacNeill, Rachel	4,077	Murphy, Christine	5,677
Maddeaux-Young, Christopher	1,332	Murray, Janet	4,395
Maddeaux-Young, Hailey	3,978	Murray, John	3,014
Maguire, David	10,028	Myrick, Andrea	3,968
Mahler, Rebecca	1,940	Nadji, Negaar	3,880
Maisonneuve, Shayla	1,830	Ndlova, Princess	1,973
Makletzoff, Tonya	5,886	Nendsa, Troy	3,880
Maksymowich, Katie	3,500	Noel, Jeremy	4,066
Malakoe, Alexandra	3,836	Nojeda, Jovilynn	4,033
Mandeville, Curtis	2,937	Noland, Cory	3,150

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

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**for the year ended March 31, 2013**

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Nolting, Michael	4,000	Rozestraten, Scott	3,748
Normandin, Jessie	3,244	Ruptash, Kenneth	4,022
Normandin, Julie	3,716	Russell, Brittany	4,000
Normandin-Flesjer, Nicole	2,625	Ruttle, Pamela	1,502
O'Connor, Elise	2,148	Ryder, Graeme	2,499
Offredi, Stephen	3,989	Sartor-Pielak, Ariana	900
O'Hara, Linna	2,674	Saulis, Jared	2,804
O'Keefe, Harry	3,880	Schmalz, Alexandra	1,019
Oliver, Steven	1,940	Schnyder, Stephanie	394
O'Neill, Margaret	898	Schwartzenger, Jeffrey	1,907
Oteiza, Marissa	5,031	Scott, Danika	2,006
Pagonis, Shayla	2,949	Seeton, Matt	1,984
Paquin, Jahliele	4,088	Seinsson, Chelsea	2,214
Parker, Melody	3,935	Shaben, Krystal	1,929
Parrell, Cassandra	2,970	Shannon, Samuel	1,973
Parsons, Dustin	4,811	Short, Greg	2,017
Paul, Jonathan	1,034	Short, Tara	770
Peart, Sheldon	2,367	Shouhda, Lyle	1,951
Phillips, Taylor	2,800	Shouhda, Meagan	1,721
Phypers, Dave	1,171	Sibbald, Carey-Lynn	3,006
Plouffe, Nicholas	1,633	Silke, Andrew	1,556
Poitras, Kristina	5,666	Silke, Ryan	1,776
Posynick, Jon	4,000	Silverio, Sandra	1,962
Poulter, Brad	4,443	Sinclaie, Frances	2,291
Pound, Shawna	3,858	Singer, Claire	4,022
Power, Sarah Marie	3,935	Smith, Jodi	3,902
Purchase, Eli	4,066	Smith, Kathleen	2,800
Purchase, Elizabeth	3,146	Snodgrass, Jillian	2,356
Pyke, Caitlynd	1,633	Snyder, Cody	2,762
Pynten, Kirsten	1,469	Sosiak, Kevin	2,291
Radicchi, Laura	4,033	Spoelder, Kassandra	2,065
Radicchi, Lisa	3,989	St. Arnaud, Jessica	2,082
Ramm, Damien	557	St. Germaine, Kevin	2,937
Randall, Amber	994	St.Arnaud, Jessica	1,600
Rattray, Heather	3,319	Starling, Brent	3,836
Rattray, Kevin	3,978	Stelmack, Dallas	1,556
Reid, Graeme	1,874	Stelmack, Danelle	2,773
Reid, Taylor	2,006	Stephenson, Gordon	4,011
Rieger, Heaven	2,800	Stewart, Sabrina	1,404
Rivera, Justin	117	Stinson, Cleo	3,759
Rivers, Ashley	232	Stinson, Ella	1,874
Rivers, Ceilito	166	Stipdonk, Chris	3,726
Roberts, Brittany	3,058	Stirling, Aislinn	4,055
Roberts, Natascha	2,964	Straker, Devon	2,800
Robertson, Drew	3,913	Strand, Jesslyn	3,222
Rocher, Jaqueline	3,748	Strus, Tynan	2,576
Rocher, Lorna	5,601	Sullivan, Joshua	1,128
Rodgers, Tylor	1,545	Sumcad, Jasmin	1,962
Rodriguez-Masongsong, Rebecca	3,968	Swanson, Laura	1,699
Romanko, Lee	1,436	Taggart, Craig	2,148
Ropson, Ashley	3,551	Tam, Alexander	3,989
Rousselle, Natacha	1,265	Tam, Andrea	1,995
Rowe, Curtis	431	Thomas, Willem	1,403
Rozestraten, Katie	4,318	Thompson, Kristan	4,055

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

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**for the year ended March 31, 2013**

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Tolley, James	1,290
Tonge, Jeffrey	5,353
Tram, John	3,759
Tremblay, Brad	3,989
Tremblay, Dawn	4,000
Tremblay, Sheena	1,063
Tschirhart, Miranda	1,760
Turner, Christen	1,545
Tymchatyn, Shantel	1,611
Urschel, Skylar	2,674
Van Dyke, Christian	3,058
Van Metre, Stacey	4,220
Varrence, Shannon	3,880
Velez, Victoria	1,973
Vendiola, Arnel	2,861
Vician, Kristin	4,077
Vogt, Alanhea	3,573
Vuorela, Arleen	1,995
Walker, Ryan	1,400
Waugh, Jennifer	4,570
Webber, Jayson	3,978
Weitzel, Caitlin	4,472
Wells, Aaron	2,006
Welsh, Megan	3,124
Wesley, Vivian Krista	1,564
Westergreen, Anneka	4,537
White, Amanda	4,603
Williams, Danika	2,800
Williams, Heather	3,946
Wong, Daniel	1,929
Wong, Janet	2,324
Wood, Melissa	3,266
Wood, Shantana	2,469
Woodward, Devon	3,891
Wouters, Morgan	1,850
Woytuik, Ashley	1,315
Wrigglesworth, Patrick	2,367
Wright, Briony	4,066
Wright, Erika	3,858
Wright, Kyla	2,718
Yee, Colton	3,036
Young, Jenelle	1,885
Zenko, Benjamin	1,107

**Total Remissions** 1,400,267



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**Government of the Northwest Territories****Non-Consolidated Schedule of Recoveries of Debts and Student Loans Previously Written Off  
(unaudited)****Schedule 10  
(continued)****for the year ended March 31, 2013**

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<b>Name</b>	<b>Amount (\$)</b>
<b>Education, Culture and Employment</b>	
Beaulieu, Bernadette	1,933
Casaway, Raymond	594
Champagne, Ira Guy	1,129
Colbourne, Jennifer	1,771
Christie, Fred George	697
Cuerrier, Sheila	2,354
Dyke, Shara-Lee	1,478
Foltyn, Jiri	1,879
Leger, Candace Samatha	1,830
Mantla, Rita Mary	1,966
Nessel, Leon Ronald C.	1,563
Ricketts, Cassandra Lee	660
Tearle, Sandra	703
Ruben, Bill Steven	1,301
Blanchard, Constance	702
Guay, Dale Bryan	14,630
Holt, Kenneth Dean	2,094
MacQuarrie, Donald Hector	1,200
	<u><b>38,484</b></u>
<b>MACA</b>	
Fort Liard Metis Development	4,115
Ruben, Peter and Molly, Illasiak	500
	<u><b>4,615</b></u>
<b>Transportation</b>	
Krahn, John D	<u><b>982</b></u>
<b>Environment and Natural Resources</b>	
Gruben, Sammy and Etagiak, Annie	957
Neyelle, Michael Robert	1,759
	<u><b>2,716</b></u>
<b>Justice</b>	
Peffer, Dolly	<u><b>1,128</b></u>
<b>Individual amounts under \$500</b>	<u><b>2,407</b></u>
	<u><u><b>50,332</b></u></u>

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**Government of the Northwest Territories**

**Non-Consolidated Schedule of Overdue Travel Advances (unaudited)**

**Schedule 11**

**for the year ended March 31, 2013**

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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.

\$

**Legislative Assembly**

Nadli, Michael 300

**Municipal and Community Affairs**

Villeneuve, Gloria 700

1,000

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**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, 2013**

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	<b>Date Issued</b>	<b>\$</b>
<b>Education, Culture and Employment</b>		
Deline First Nation	December 20, 2011	18,188
La Federation Franco Tenoise	June 29, 2011	10,310
Inuvik Community Corp	August 5, 2011	10,900
Aklavik DEA	December 9, 2011	15,000
Deline First Nation OW	December 12, 2011	2,799
Hay River Reserve DEA ss	November 21, 2011	7,500
Gwichya Gwich'in Band	November 3, 2011	15,000
Tl'oondih Healing Society	November 10, 2011	15,000
Hamlet of Fort Liard	August 31, 2011	8,100
Hay River Playschool	March 7, 2012	17,437
Deninu Kue First Nation	February 16, 2012	2,920
Norman Wells Land Corp	July 12, 2011	2,800
Sachs Harbour Comm	June 24, 2011	11,000
Incor Hamlet of Paulatuk	March 26, 2012	4,550
Hamlet of Ft McPherson	October 20, 2011	9,800
Hamlet of Tuktoyaktuk	December 7, 2011	2,000
Redshaw, Braden	July 7, 2011	1,000
Cox, Mary	July 7, 2011	5,000
Zoe, Joseph	June 29, 2011	10,000
Green, Jim	July 8, 2011	9,000
Lafferty, Richard	July 8, 2011	10,900
DeWolf, Chris	June 27, 2011	3,000
Tulita Learning Centre	July 8, 2011	644
Dry Cold Media	July 7, 2011	17,000
Hay River Music, Arts, Culture	July 15, 2011	10,000
YK Guild Arts and Crafts	July 15, 2011	9,800
Netesena, Jasmine	July 29, 2011	6,500
Nardone, Michael	August 5, 2011	3,000
Mercredi, Rosalind	June 27, 2011	7,000
Rogers, James	August 29, 2011	7,900
Deline Gospel Singers	July 8, 2011	15,000
Gillis, Tanya	October 20, 2011	4,000
Sipos, Dana	November 4, 2011	3,000
Midway Lake Festival	November 21, 2011	15,000
Open Sky Creative Society	August 24, 2011	13,000
Town of Fort Smith	August 10, 2011	3,775

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**307,823****Total****307,823**

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**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, 2013**

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**Executive**

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Inuvialuit Regional Corporation	<b>124,000</b>
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**Human Resources**

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Aboriginal Health	<b>3,512</b>
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**Aboriginal Affairs and Intergovernmental Relations**

Inuvialuit Implementation Funding	119,185
Gwich'in Land Claim Implementation	172,406
Sahtu Land Claim Implementation	112,463
Tlicho Implementation Funding	173,020
Secondment - Indian and Northern Affairs Canada	151,045
	<b>728,119</b>

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**Municipal and Community Affairs**

Federal Gas Tax	14,084,733
Gwich'in Land Claim Implementation	1,360
Sahtu Land Claim Implementation	2,615
Pan Territorial Sport Strategy	252,070
Tlicho Implementation	74,002
	<b>14,414,780</b>

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**Transportation**

National Safety Code	153,371
Airline Glycol Recovery	100,821
Wood Buffalo National Park	1,126,761
Prelude Lake Access Road	7,000
Hold Baggage System - Yellowknife Airport	131,544
Alberta Road Maintenance	532,589
Hay River Access Corridor	58,833
Federal Arctic Marine Maintenance Program	317,791
	<b>2,428,710</b>

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**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, 2013**

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\$

**Public Works and Services**

Sahtu Land Claim Implementation	4,400
Gwich'in Land Claim Implementation	4,400
Tlicho Implementation	14,973
Alex Moses Greenland Building - Beaufort Delta Health and Social Services Authority	80,274
Beaufort Delta Education Board	140,137
Behchoko Wood Pellet Boiler	100,000
Elizabeth MacKenzie - Minor Renovations	47,000
Heating Upgrade - Frame Lake Medical Clinic	67,676
	<hr/>
	<b>458,860</b>

**Justice**

Sahtu Land Claims Implementation	21,825
Gwich'in Land Claims Implementation	21,825
Tlicho Implementation	47,169
Estates Clerk	187,575
Framework for Enhancing Victim Services in the NWT	477,116
Supporting Families Fund	200,562
Law Society of the NWT	20,000
NWT Law Foundation	50,000
	<hr/>
	<b>1,026,072</b>

**Health and Social Services**

Pan-Territorial Oral Health Project	30,000
Pan-Territorial Social Marketing Program	5,236
Pan-Territorial Mental Health Program	1,415
Territorial/Federal ADM's Working Group - Yukon - NWT Contribution	174,993
Collaborative Action on Childhood Obesity	11,341
Drug Treatment Funding Program	283,762
Mental Health First Aid	7,084
Non-Insured Health Benefits Funding	12,527,330
NWT Cumulative Impact Monitoring Project	52,096
Pan-Territorial Fetal Alcohol Syndrome Disorder Project	30,000
Canadian Diabetes Association - Diabetes Validation Study	4,839
Pan-Canadian Public Health Network	57,304
Healthy Child Development/Mental Wellness/Healthy Living	9,275,098
Toll Free Tobacco Quitline Services Cessation Project	24,938
Health Policy Contribution - Researching International Medical Graduates	85,937
Canadian Chronic Disease Surveillance System	62,943
Federal Wellness Funding Program	
Program Management	442,876
Home and Community Care	4,157,691
	<hr/>
	<b>27,234,883</b>

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**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, 2013**

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\$

**Education, Culture and Employment**

Sahtu Land Claim Implementation	10,000
Gwich'in Land Claim Implementation	24,492
Tlicho Implementation	67,560
Labour Market	1,470,599
Labour Market Development	4,131,993
Older Workers	47,724
Immigration Portal	46,270
Gathering of NT Arts & Cultural Organizations	41,790

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**5,840,428****Environment and Natural Resources**

Sahtu Land Claim Implementation	140,145
Gwich'in Implementation	235,562
Tlicho Implementation	66,884
Inuvialuit Implementation	4,143,542
Nature Serve Canada	27,397
Parks Canada	40,000
Sahtu Land Use Planning Board	11,742
Sahtu Renewable Resources Board	4,564
Climate Change Adaptation	497,500
US Fish and Wildlife	530
ConocoPhillips Canada	40,000
Reforestation	4,895
Indian and Northern Affairs Canada	673,049
Gwich'in Renewable Resource Board	20,000
World Wildlife Fund Canada	96,500
Environment Canada	190,000
Canadian Economic Development Agency (CanNor)	1,750,000
Mutual Aid Resource Sharing (MARS)	858,894

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**8,801,204****Industry, Tourism and Investment**

Sahtu Land Claim Implementation	25,000
Gwich'in Implementation	17,500
Canadian Economic Development Agency (CanNor)	1,488,770
Agriculture and Agri-Foods Canada	300,109

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**1,831,379**

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**Total** **62,891,947**

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**PUBLIC ACCOUNTS**  
**OF THE**  
**GOVERNMENT OF THE NORTHWEST TERRITORIES**  
**FOR THE YEAR ENDED MARCH 31, 2013**

**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**

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**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

**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



**AURORA COLLEGE**  
Audited Financial Statements  
June 30, 2012

# AURORA COLLEGE

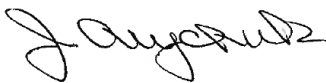
## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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 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.

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, assets are safeguarded, and proper records are maintained. These controls and practices ensure the orderly conduct of business, the timely preparation of reliable financial information and adherence to the College's policies and statutory requirements.

The Board of Governors is responsible for ensuring that management fulfils 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 auditor has 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.



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Jane Arychuk  
President



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Aranka Raffai  
Director of Finance/Chief Financial Officer

Fort Smith, Canada  
November 26, 2012

**AURORA COLLEGE**  
**STATEMENT OF FINANCIAL POSITION**  
**as at June 30, 2012**  
(in thousands of dollars)

	<b>June 30, <u>2012</u></b>	<b>June 30, <u>2011</u></b>	<b>July 1, <u>2010</u></b> <small>Opening balance</small>
<b>Financial assets</b>			
Cash and cash equivalents (Note 5)	\$ 7,231	\$ 6,997	\$ 5,873
Accounts receivable (Note 6)	<u>2,337</u>	<u>4,028</u>	<u>2,091</u>
	<b><u>9,568</u></b>	<b><u>11,025</u></b>	<b><u>7,964</u></b>
 <b>Liabilities</b>			
Accounts payable and accrued liabilities	1,592	840	1,130
Employee leave payable	1,794	1,707	1,643
Deferred project income	383	2,766	568
Due to the Government of the Northwest Territories	1,097	1,134	843
Employee future benefits (Note 7)	1,859	1,711	1,811
Professional development fund (Note 8)	<u>1,797</u>	<u>1,593</u>	<u>1,299</u>
	<b><u>8,522</u></b>	<b><u>9,751</u></b>	<b><u>7,294</u></b>
 <b>Net financial assets</b>	<b><u>1,046</u></b>	<b><u>1,274</u></b>	<b><u>670</u></b>
 <b>Non-financial assets</b>			
Prepaid expenses	275	322	400
Tangible capital assets (Note 9)	<u>6,657</u>	<u>6,871</u>	<u>7,307</u>
	<b><u>6,932</u></b>	<b><u>7,193</u></b>	<b><u>7,707</u></b>
 <b>Accumulated surplus (Note 10)</b>	<b><u>\$ 7,978</u></b>	<b><u>\$ 8,467</u></b>	<b><u>\$ 8,377</u></b>

Contingent liabilities and commitments (Notes 13 and 14)


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

Approved by the Board:




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Sydney O'Sullivan  
Chairperson of the Board




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Ethel Blondin-Andrew  
Chairperson of the Finance Committee

**AURORA COLLEGE**  
**STATEMENT OF OPERATIONS**  
**for the year ended June 30, 2012**  
(in thousands of dollars)

	<u>2012</u>		<u>2011</u>	
	<u>Budget</u> (Note 15)	<u>Actual</u>	<u>Budget</u> (Note 15)	<u>Actual</u>
<b>Revenues</b>				
Government contributions (Note 11)	\$ 28,835	\$ 35,929	\$ 27,708	\$ 33,314
Project income				
Territorial government	-	4,099	-	3,867
Other third parties	15	3,204	-	3,809
Federal government	-	1,359	285	1,032
Tuition fees	886	2,149	745	1,895
Recoveries and other	349	706	80	875
Room and board	768	853	767	851
Interest income	30	103	112	95
	<u>30,883</u>	<u>48,402</u>	<u>29,697</u>	<u>45,738</u>
<b>Expenses</b>				
Financial and accounting services	1,551	1,694	1,452	1,352
Pooled services	2,390	6,361	2,029	11,770
Student services	8,140	8,294	7,965	7,569
Education and training	11,076	21,929	10,390	15,058
Community and extensions	6,263	8,552	6,487	7,993
Aurora Research Institute	1,463	2,061	1,374	1,906
	<u>30,883</u>	<u>48,891</u>	<u>29,697</u>	<u>45,648</u>
<b>Annual (deficit) surplus</b>	-	(489)	-	90
<b>Accumulated surplus at beginning of year</b>	<u>8,467</u>	<u>8,467</u>	<u>8,377</u>	<u>8,377</u>
<b>Accumulated surplus at end of year</b>	<u>\$ 8,467</u>	<u>\$ 7,978</u>	<u>\$ 8,377</u>	<u>\$ 8,467</u>

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

**AURORA COLLEGE**  
**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**  
**for the year ended June 30, 2012**  
(in thousands of dollars)

	<u>2012</u>		<u>2011</u>	
	<u>Budget</u> <small>(Note 15)</small>	<u>Actual</u>	<u>Budget</u> <small>(Note 15)</small>	<u>Actual</u>
<b>Annual (deficit) surplus</b>	\$ -	\$ (489)	\$ -	\$ 90
<b>Effect of change in tangible capital assets</b>				
Acquisition of tangible capital assets	-	(717)	-	(937)
Disposal of tangible capital assets	-	-	-	456
Amortization of tangible capital assets	<u>451</u>	<u>931</u>	<u>-</u>	<u>917</u>
	<u>451</u>	<u>214</u>	<u>-</u>	<u>436</u>
<b>Effect of change in other non-financial assets</b>				
Decrease in prepaid expenses	<u>-</u>	<u>47</u>	<u>-</u>	<u>78</u>
<b>Increase (decrease) in net financial assets</b>	451	(228)	-	604
<b>Net financial assets at beginning of year</b>	<u>1,274</u>	<u>1,274</u>	<u>670</u>	<u>670</u>
<b>Net financial assets at end of year</b>	<u>\$ 1,725</u>	<u>\$ 1,046</u>	<u>\$ 670</u>	<u>\$ 1,274</u>

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

**AURORA COLLEGE**  
**STATEMENT OF CASH FLOWS**  
**for the year ended June 30, 2012**  
(in thousands of dollars)

	<u><b>2012</b></u>	<u><b>2011</b></u>
<b>Operating transactions</b>		
Cash receipts from students and projects	\$ 10,011	\$ 14,930
Cash receipts from government contributions	31,635	26,352
Cash paid for compensation and benefits	(27,189)	(26,760)
Cash paid to suppliers	(13,609)	(12,992)
Interest received	<u>103</u>	<u>95</u>
<b>Cash provided by operating transactions</b>	<u>951</u>	<u>1,625</u>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(717)	(937)
Proceeds from disposal of tangible capital assets	<u>-</u>	<u>436</u>
<b>Cash used in capital transactions</b>	<u>(717)</u>	<u>(501)</u>
<b>Increase in cash and cash equivalents</b>	<b>234</b>	<b>1,124</b>
<b>Cash and cash equivalents at beginning of year</b>	<u>6,997</u>	<u>5,873</u>
<b>Cash and cash equivalents at end of year</b>	<u><b>\$ 7,231</b></u>	<u><b>\$ 6,997</b></u>

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

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2012**

**1. AUTHORITY AND MANDATE**

Aurora College (the “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.

**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) Change in basis of accounting**

Commencing with the June 30, 2012 fiscal year, Aurora College has adopted Canadian public sector accounting standards. Previously the College reported its June 30, 2011 results using Part V of the Canadian Institute of Chartered Accountants’ (“CICA”) Handbook. These financial statements are the first financial statements for which Aurora College has applied Canadian public sector accounting standards.

The financial statements for the year ended June 30, 2012 along with comparative amounts for June 30, 2011, and opening statement of financial position for July 1, 2010 were prepared in accordance with accounting principles and provisions set out in FIRST-TIME ADOPTION, Section PS 2125, for first-time adopters of this basis of accounting. The change has been applied retroactively with the restatement of prior periods. Explanation of how the transition to PSAS has affected the FS has been disclosed in Note 3.

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2012**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**b) Measurement uncertainty**

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

**c) Tangible capital assets**

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

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

**d) Employee future benefits**

***i) Pension benefits***

All eligible employees participate in the Public Service Pension Plan 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.



**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2012**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**d) Employee future benefits (continued)**

***ii) Employee severance and removal benefits***

Employees are entitled to severance benefits and reimbursement of removal costs, as provided under labour contracts and conditions of employment, based upon years of service. The benefits are paid upon resignation, retirement or death of an employee.

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

**e) Government contributions**

Under a contribution agreement with the Government of the Northwest Territories (the "Government") dated January 25, 1995 the College receives contributions for its operations and capital requirements for the administration and delivery of its adult and post-secondary education programs. Under the terms of this agreement, the College is allowed to retain all surpluses and is responsible for all deficits.

Contributions from the Government are the amounts set out in the Government's Main Estimates, as adjusted by supplementary appropriations, and represent the majority of the funding for the College to cover its expenses. Contributions received for operating expenses are recognized as revenue in the College academic year which they relate to (i.e. when the related services are provided).

**f) Government contributions – services received without charge**

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

**g) General revenues**

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

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2012**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**h) Project income and deferred project income**

The College provides education and research services to outside third parties through contractual arrangements. Payments received under these contracts for which the development and delivery of projects is not completed are recorded as deferred project income until completion.

**i) 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.

**j) Contingent liabilities**

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

**k) Prepaid expenses**

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

**l) Funds and reserves**

Certain amounts, as approved by the Board of Governors, are set aside 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.

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2012**

**3. CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS (“PSAS”)**

In accordance with PSAS financial statement presentation, retained earnings are reported as accumulated surplus. To clarify the change in presentation, the College’s retained earnings, segregated between appropriated and unappropriated, were reclassified between accumulated surplus operating and reserves.

Appropriated surplus represented reserves set aside by the College for specific purposes and as such are reclassified as reserves. Unappropriated surplus represented accumulated surplus operating.

Under CICA Accounting Handbook Part V, government contributions approved for purchasing capital assets for the Corporation or its organizations were recorded as deferred capital contributions and were recognized as revenue on the same basis as the amortization of the related capital assets.

As a result of early adopting PS 3410 on government transfers, previously deferred capital contributions have retroactively been accounted for as revenue when received.

The impact of the conversion to Canadian public sector accounting standards on the accumulated surplus at the date of transition July 1, 2010 and the comparative annual surplus is as follows:

(in \$ thousands)	Previously Stated	Reclassification	Restated
<b>Opening balance, July 1, 2010</b>			
Deferred capital contributions	\$ 5,338	(\$ 5,338)	\$ -
Unappropriated surplus	\$ 1,885	(\$ 1,885)	\$ -
Operating surplus	\$ -	\$ 7,223	\$ 7,223
Appropriated surplus	\$ 1,154	(\$ 1,154)	\$ -
Reserves	<u>\$ -</u>	<u>\$ 1,154</u>	<u>\$ 1,154</u>
	<u>\$ 8,377</u>	<u>\$ -</u>	<u>\$ 8,377</u>
Total retained earnings	\$ 3,039	(\$ 3,039)	\$ -
Transfer of deferred capital contributions	\$ 5,338	(\$ 5,338)	\$ -
Total accumulated surplus	<u>\$ -</u>	<u>\$ 8,377</u>	<u>\$ 8,377</u>
	<u>\$ 8,377</u>	<u>\$ -</u>	<u>\$ 8,377</u>

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2012**

**3. CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS (“PSAS”)**  
**(continued)**

(in \$ thousands)	Previously Stated	Reclassification	Restated
<b>Closing balance, June 30, 2011</b>			
Deferred capital contributions	\$ 5,164	(\$ 5,164)	\$ -
Unappropriated surplus	\$ 2,119	(\$ 2,119)	\$ -
Operating deficit	\$ -	\$ 7,283	\$ 7,283
Appropriated surplus	\$ 1,184	(\$ 1,184)	\$ -
Reserves	<u>\$ -</u>	<u>\$ 1,184</u>	<u>\$ 1,184</u>
	<u>\$ 8,467</u>	<u>\$ -</u>	<u>\$ 8,467</u>
Total retained earnings	\$ 3,303	(\$ 3,303)	\$ -
Transfer of deferred capital contributions	\$ 5,164	(\$ 5,164)	\$ -
Total accumulated surplus	<u>\$ -</u>	<u>\$ 8,467</u>	<u>\$ 8,467</u>
	<u>\$ 8,467</u>	<u>-</u>	<u>\$ 8,467</u>

Reconciliation of net income previously reported to annual surplus for the year ended June 30, 2011:

Net income as previously reported	\$ 264
Less: Deferred capital contribution recognized	(722)
Plus: Capital contribution received	<u>548</u>
Annual surplus as reported under PSAS	<u>\$ 90</u>

These accounting changes have been applied retroactively with the restatement of prior periods. The following changes have been implemented to comply with PSAS presentation and have not had any effect on the accumulated surplus:

- a. Prepaid expenses were reclassified to non-financial assets
- b. Property and equipment was reclassified as tangible capital assets in non-financial assets

In accordance with the transitional provisions for first-time adoption in PSAS, the College elected to use the exemption related to tangible capital asset impairment. As a first-time adopter, the College does not need to comply with the requirements for write-downs of tangible capital assets that were incurred prior to the date of transition to PSAS. As a result of using this exemption, the College will apply the write-down of a tangible capital asset on a prospective basis from the date of transition.

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2012**

**4. FUTURE ACCOUNTING CHANGES**

**Financial Instruments, Section PS 3450 and related amendments to Financial Statement Presentation, Section PS 1201 (previously PS 1200)**

PSAB approved new Section PS 3450, Financial Instruments, and related to Section PS 1201, Financial Statement Presentation. This Section applies for fiscal years beginning on or after April 1, 2012 for government organizations and April 1, 2015 for governments. Earlier adoption was permitted. Governments and government organizations adopt Section PS 3450 in the same fiscal year Section PS 2601, Foreign Currency Translation, is adopted.

The College expects to adopt these standards for the year ending June 30, 2013 and is in the process of evaluating the impact of the transition on the financial statements.

**Foreign Currency Translation, Section PS 2601**

PSAB approved Section PS 2601, replacing existing Section PS 2600, Foreign Currency Translation. This Section applies for fiscal years beginning on or after April 1, 2012 for government organizations and April 1, 2015 for governments. Earlier adoption was permitted. Governments and government organizations adopt Section PS 2601 in the same fiscal year Section PS 3450, *Financial Instruments*, is adopted.

The College expects to adopt these standards for the year ending June 30, 2013 and is in the process of evaluating the impact of the transition on the financial statements.

**Portfolio Investments, Section PS 3041**

PSAB approved Section PS 3041, Portfolio Investments in April 2012. The new standard removes the requirement to apply the cost method, as the recognition and measurement requirements within Section PS 3450, Financial Instruments, apply. This section applies in the period Sections PS 1201, Financial Statement Presentation and PS 3450, Financial Instruments, are adopted.

The new standard is effective for fiscal years beginning on or after April 1, 2012.

The College expects to adopt these standards for the year ending June 30, 2013 and is in the process of evaluating the impact of the transition on the financial statements.

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2012**

**4. FUTURE ACCOUNTING CHANGES (CONTINUED)**

**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.

**5. 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 from the bank accounts at any time and is not restricted by maturity dates on investments made by the Government of the Northwest Territories. The Department of Finance approves the eligible classes of securities, categories of issuers, limits and terms. All instruments, depending on their investment class, are rated R-2 High or better by the Dominion Bond Rating Service Ltd. The College's average annual investment yield for the year ended June 30, 2012 was 1.10% (2011 – 1.03%).

**6. ACCOUNTS RECEIVABLE**

	<u>June 30, 2012</u>			<u>June 30,</u>	<u>July 1,</u>
	(in thousands)			<u>2011</u>	<u>2010</u>
	<u>Accounts</u>			<u>Net</u>	<u>Net</u>
	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>	<u>Net</u>	<u>Net</u>
Project income					
Government	\$ 1,126	\$ 92	\$ 1,034	\$ 2,674	\$ 376
Other	1,329	111	1,218	1,261	1,634
Students	280	195	85	89	79
Advances	-	-	-	4	2
	<u>\$ 2,735</u>	<u>\$ 398</u>	<u>\$ 2,337</u>	<u>\$ 4,028</u>	<u>\$ 2,091</u>

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2012**

**7. 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>2012</u>	<u>2011</u>
	(in thousands)	
College's contributions	\$ 2,447	\$ 2,576
Employees' contributions	<u>1,340</u>	<u>1,250</u>
	<u>\$ 3,787</u>	<u>\$ 3,826</u>

On January 1, 2012 the yearly maximum pension earnings for Canada Pension Plan (CPP) purposes increased to \$50,100 from \$48,300 in 2011. Employees' contributions are calculated at a rate of 6.2% (2011 – 5.8%) for amounts up to the yearly maximum CPP earnings stated above and at a rate of 8.6% (2011 – 8.4%) for amounts above the yearly maximum CPP earnings. The College's contributions are calculated at an amount of 1.86 (2011 – 1.86) 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>June 30,</u> <u>2012</u>	<u>June 30,</u> <u>2011</u>	<u>July 1,</u> <u>2010</u>
	(in thousands)		
Accrued benefit obligation, beginning of year	\$ 1,711	\$ 1,811	\$ 1,772
Cost for the year	280	40	98
Benefits paid during the year	<u>(132)</u>	<u>(140)</u>	<u>(59)</u>
Accrued benefit obligation, end of year	<u>\$ 1,859</u>	<u>\$ 1,711</u>	<u>\$ 1,811</u>

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2012**

**8. 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:

	<b><u>June 30,</u></b> <b><u>2012</u></b>	<b><u>June 30,</u></b> <b><u>2011</u></b>	<b><u>July 1,</u></b> <b><u>2010</u></b>
	(in thousands)		
Professional development fund, beginning of year	\$ 1,593	\$ 1,299	\$ 1,243
Contributions	420	430	389
Recovery of funds	-	67	19
Professional development paid during the year	<u>(216)</u>	<u>(203)</u>	<u>(352)</u>
Professional development fund, end of year	<u>\$ 1,797</u>	<u>\$ 1,593</u>	<u>\$ 1,299</u>



**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2012**

**9. TANGIBLE CAPITAL ASSETS**

<b>June 30, 2012</b>	<b>Mobile equipment</b>	<b>Building additions and renovations</b>	<b>Furniture and equipment</b>	<b>Leasehold improvements</b>	<b>Total</b>
<b>Cost</b>					
Opening balance	\$ 5,096	\$ 1,991	\$ 6,556	\$ 1,993	\$ 15,636
Additions	46	-	411	260	717
Disposals	-	-	-	-	-
Closing balance	<u>5,142</u>	<u>1,991</u>	<u>6,967</u>	<u>2,253</u>	<u>16,353</u>
<b>Accumulated amortization</b>					
Opening balance	1,929	1,344	3,976	1,516	8,765
Amortization	242	99	469	121	931
Disposals	-	-	-	-	-
Closing balance	<u>2,171</u>	<u>1,443</u>	<u>4,445</u>	<u>1,637</u>	<u>9,696</u>
<b>Net book value</b>	<b><u>\$ 2,971</u></b>	<b><u>\$ 548</u></b>	<b><u>\$ 2,522</u></b>	<b><u>\$ 616</u></b>	<b><u>\$ 6,657</u></b>

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2012**

**9. TANGIBLE CAPITAL ASSETS (Continued)**

<b>June 30, 2011</b>	<b>Mobile equipment</b>	<b>Building additions and renovations</b>	<b>Furniture and equipment</b>	<b>Leasehold improvements</b>	<b>Total</b>
<b>Cost</b>					
Opening balance	\$ 5,241	\$ 1,991	\$ 6,415	\$ 1,806	\$ 15,453
Additions	609	-	141	187	937
Disposals	<u>(754)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(754)</u>
Closing balance	<u>5,096</u>	<u>1,991</u>	<u>6,556</u>	<u>1,993</u>	<u>15,636</u>
<b>Accumulated amortization</b>					
Opening balance	1,891	1,245	3,575	1,435	8,146
Amortization	336	99	401	81	917
Disposals	<u>(298)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(298)</u>
Closing balance	<u>1,929</u>	<u>1,344</u>	<u>3,976</u>	<u>1,516</u>	<u>8,765</u>
<b>Net book value</b>	<b><u>\$ 3,167</u></b>	<b><u>\$ 647</u></b>	<b><u>\$ 2,580</u></b>	<b><u>\$ 477</u></b>	<b><u>\$ 6,871</u></b>

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2012**

**10. 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)				
<b>Reserves</b>	<b>Balance, opening July 1, 2011</b>	<b>Net results of operations</b>	<b>Appropriated</b>	<b>Used in operations</b>	<b>Balance, ending June 30, 2012</b>
a) Mallik research reserve	\$ 100	\$ -	\$ -	\$ -	\$ 100
b) Northern strategic research reserve	481	-		-	481
c) Program delivery	300	-	-	-	300
d) Research & development	128	-	1	-	129
e) HEO replacement & maintenance	140	-	-	-	140
f) Restricted donations	35	-		-	35
<hr/>					
Total reserves	1,184	-	1	-	1,185
<b>Operating surplus (deficit)</b>	<b>7,283</b>	<b>(489)</b>	<b>(1)</b>	<b>-</b>	<b>6,793</b>
<hr/>					
<b>Total accumulated surplus</b>	<b>\$ 8,467</b>	<b>\$ (489)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,978</b>

**See note 3 for changes related to PSAS.**

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2012**

**10. ACCUMULATED SURPLUS (continued)**

<b>Reserves</b>	(in thousands)				<b>Balance, ending June 30, 2011</b>
	<b>Balance, opening July 1, 2010</b>	<b>Net results of operations</b>	<b>Appropriated</b>	<b>Used in operations</b>	
a) Mallik research reserve	\$ 100	\$ -	\$ -	\$ -	\$ 100
b) Northern strategic research reserve	409	-	72	-	481
c) Program delivery	300	-	-	-	300
d) Research & development	126	-	18	(16)	128
e) HEO replacement & maintenance	179	-	-	(39)	140
f) Restricted donations	40	-	-	(5)	35
<b>Total reserves</b>	<b>1,154</b>	<b>-</b>	<b>90</b>	<b>(60)</b>	<b>1,184</b>
<b>Operating surplus</b>	<b>7,223</b>	<b>90</b>	<b>(90)</b>	<b>60</b>	<b>7,283</b>
<b>Total accumulated surplus</b>	<b>\$ 8,377</b>	<b>\$ 90</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,467</b>

See note 3 for changes related to PSAS.

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2012**

**10. ACCUMULATED SURPLUS (continued)**

**a) Mallik research reserve**

This appropriation was established from the surplus of the Methane Hydrate Research project to set funds aside to complete the scientific publishing.

**b) Northern strategic research reserve**

This appropriation was established from the surplus of the Methane Hydrate Research project to set funds aside for strategic research conducted in the north which will benefit northerners.

**c) Program delivery**

This appropriation is established to cover program costs contemplated in the annual Programs and Services Proposal prepared by the College, for which Government funding has not been approved. Allocations to and from this appropriation must be approved by the Board of Governors.

**d) Research & development**

This appropriation is established to help fund research and development of the Research Associate and Fellowship programs at the Aurora Research Institute (ARI). Annually all unencumbered ARI administration revenue after fulfillment of third party contracts is transferred to this appropriation. Use of the appropriation must be approved by the Research Advisory Council.

**e) HEO (Heavy Equipment Operator) replacement & maintenance**

This appropriation is established to help fund replacement and maintenance of the HEO program heavy equipment. Annually net equipment rental fees charged to the third party contractors for HEO courses are transferred to this appropriation. Use of the appropriation must be approved by the Board of Governors.

**f) Restricted donations**

From time to time, the College receives donations from individuals and corporations with conditions attached to them. In order to ensure that the wishes of the contributors are carried out, the donations are transferred to restricted donations until the conditions are met.

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2012**

**11. GOVERNMENT CONTRIBUTIONS**

	<u>2012</u>	<u>2011</u>
	(in thousands)	
Operating contributions	\$29,386	\$ 28,125
Capital contributions	580	548
Services received without charge (Note 12)	<u>5,963</u>	<u>4,641</u>
	<u>\$35,929</u>	<u>\$ 33,314</u>

**12. 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>June 30,</u> <u>2012</u>	<u>June 30,</u> <u>2011</u>	<u>July 1,</u> <u>2010</u>
	(in thousands)		
Accounts receivable (Note 6)	\$ 1,126	\$ 2,719	\$ 398
Amounts due to the Government	\$ 1,097	\$ 1,134	\$ 843

**Expenses**

Under the terms of administrative agreements, the Government charges for certain support services provided to the College. The College reimbursed the Government \$657,000 (2011 – \$754,000) for facility operating and utility costs, employee benefits and other expenses recorded in these statements.

**Services received without charge**

During the year, the College received without charge from the Government services including utilities \$1,807,000 (2011 – \$1,874,000) and repairs and maintenance \$1,539,000 (2011 – \$927,000).

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2012**

**12. 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 \$352,000 (2011 – \$280,000) 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 \$2,218,000 (2011 – \$1,357,000) 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 \$47,000 (2011 – \$ 203,000).

These services without charge have been recognized as a government contribution – services received without charge (Note 11) and included in the following expenses:

	<u>2012</u>	<u>2011</u>
	(in thousands)	
Contract services	\$ 352	\$ 280
Repairs and maintenance	1,539	927
Building utilities	1,807	1,874
Building leases	2,218	1,357
Medical travel	47	203
	<u>\$ 5,963</u>	<u>\$ 4,641</u>

**13. CONTINGENT LIABILITIES**

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

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2012**

**14. 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)

2013	\$ 2,061
2014	1,291
2015	1,140
2016	1,121
2017	1,047
thereafter	<u>2,653</u>
	<u>\$ 9,313</u>

**15. BUDGET FIGURES**

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Board of Governors of the College. The budget approved by the Board of Governors of the College was developed in accordance with Canadian generally accepted accounting principles – Part V of the CICA Handbook. Given differences between Part V of the CICA Handbook and PSAS, the budget figures presented have been adjusted to conform to the basis of accounting that is used to prepare the financial statements of the College. There are no budget figures prepared for acquisition of tangible capital assets or for services received without charge (Note 12).



**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2012**

**15. BUDGET FIGURES (CONTINUED)**

**Reconciliation of expense budget 2012**

	Aurora Campus (in thousands)	Thebacha Campus (in thousands)	Yellowknife Campus (in thousands)	Aurora Research Institute (in thousands)	President's Office (in thousands)	Pooled Services (in thousands)	Total (in thousands)
<b>Original Budget</b>	<b>\$5,896</b>	<b>\$10,166</b>	<b>\$8,303</b>	<b>\$1,463</b>	<b>\$3,474</b>	<b>\$1,581</b>	<b>\$30,883</b>

Allocation to Final Budget:

<b>Financial and Accounting Services</b>	\$ 264	\$ 353	\$ 115	\$ -	\$ 819	\$ -	\$ 1,551
<b>Pooled Services **</b>	\$ 257	\$ 228	\$ 168	\$ -	\$ 1,286	\$ 451	\$ 2,390
<b>Student Services</b>	\$ 1,589	\$ 3,306	\$ 3,052	\$ -	\$ 193	\$ -	\$ 8,140
<b>Education and Training</b>	\$ 1,471	\$ 4,418	\$ 3,232	\$ -	\$1,176	\$ 779	\$11,076
<b>Community and Extensions</b>	\$ 2,315	\$ 1,861	\$ 1,736	\$ -	\$ -	\$ 351	\$ 6,263
<b>Aurora Research institute</b>	\$ -	\$ -	\$ -	\$1,463	\$ -	\$ -	\$ 1,463

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

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2012**

**15. BUDGET FIGURES (CONTINUED)**

**Reconciliation of expense budget 2011**

	Aurora Campus (in thousands)	Thebacha Campus (in thousands)	Yellowknife Campus (in thousands)	Aurora Research Institute (in thousands)	President's Office (in thousands)	Pooled Services (in thousands)	Total (in thousands)
<b>Original Budget</b>	<b>\$ 5,771</b>	<b>\$ 9,562</b>	<b>\$ 7,985</b>	<b>\$ 1,374</b>	<b>\$ 3,305</b>	<b>\$ 1,700</b>	<b>\$29,697</b>

**Allocation to Final Budget:**

<b>Financial and Accounting Services</b>	\$ 250	\$ 335	\$ 74	\$ -	\$ 885	\$ (92)	\$ 1,452
<b>Pooled Services **</b>	\$ 239	\$ 194	\$ 147	\$ -	\$ 1,342	\$ 107	\$ 2,029
<b>Student Services</b>	\$ 1,467	\$ 2,906	\$ 2,720	\$ -	\$ 182	\$ 690	\$ 7,965
<b>Education and Training</b>	\$ 1,547	\$ 4,298	\$ 3,298	\$ -	\$ 896	\$ 351	\$ 10,390
<b>Community and Extensions</b>	\$ 2,268	\$ 1,829	\$ 1,746	\$ -	\$ -	\$ 644	\$ 6,487
<b>Aurora Research institute</b>	\$ -	\$ -	\$ -	\$ 1,374	\$ -	\$ -	\$ 1,374

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

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2012**

**16. COMPARATIVE FIGURES**

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

**17. SUBSEQUENT EVENT**

Subsequent to year end, the College has signed an agreement with the Canadian Northern Economic Development Agency (“CanNor”) for the funding and delivery of an adult basic education program in the North. The College will receive and be responsible for a total budget of \$8,636,000 from 2013 to 2016.

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2012**

**18. 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.

**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.

**Aurora College**  
**Notes to the Financial Statements**  
**June 30, 2012**

**18. SEGMENT DISCLOSURE (continued)**

**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, 2012**

<b>For the period ended June 30, 2012</b>	<b>Financial and accounting</b> <small>(in thousands)</small>	<b>Pooled services **</b> <small>(in thousands)</small>	<b>Student services</b> <small>(in thousands)</small>	<b>Education and training</b> <small>(in thousands)</small>	<b>Community and extensions</b> <small>(in thousands)</small>	<b>Aurora Research Institute</b> <small>(in thousands)</small>	<b>Total</b> <small>(in thousands)</small>	<b>Budget</b> <small>(in thousands)</small>
<b>Revenues</b>								
Government contributions	\$ 1,553	\$ 4,669	\$ 7,348	\$ 14,859	\$ 6,087	\$ 1,413	\$ 35,929	\$ 28,835
Project income								
Territorial government	-	-	90	3,256	638	115	4,099	-
Other third parties	67	4	17	2,350	549	217	3,204	15
Federal government	-	-	-	7	980	372	1,359	-
Tuition fees	-	-	44	1,833	269	3	2,149	886
Recoveries and other	139	290	76	59	29	113	706	349
Room and board	-	-	800	-	-	53	853	768
Interest income	103	-	-	-	-	-	103	30
	<u>1,862</u>	<u>4,963</u>	<u>8,375</u>	<u>22,364</u>	<u>8,552</u>	<u>2,286</u>	<u>48,402</u>	<u>30,883</u>
<b>Expenses</b>								
Compensation and benefits	1,400	2,117	3,701	12,471	6,951	1,522	28,162	21,581
Building leases	-	-	3,507	2,776	-	-	6,283	3,976
Materials and supplies	15	348	178	777	406	92	1,816	1,693
Utilities	-	-	107	1,817	9	9	1,942	627
Contract services	89	99	515	610	305	286	1,904	947
Repairs and maintenance	-	1,968	-	288	-	-	2,256	-
Small equipment	10	5	56	281	35	35	422	-
Fees and payments	57	526	57	644	131	67	1,482	745
Travel and accommodation	52	140	77	796	279	-	1,344	753
Professional services	-	-	-	1,043	113	-	1,156	110
Amortization of tangible capital assets	-	931	-	-	-	-	931	451
Communication, postage and freight	71	227	96	426	323	50	1,193	-
	<u>1,694</u>	<u>6,361</u>	<u>8,294</u>	<u>21,929</u>	<u>8,552</u>	<u>2,061</u>	<u>48,891</u>	<u>30,883</u>
<b>Annual surplus (deficit)</b>	<u>\$ 168</u>	<u>\$ (1,398)</u>	<u>\$ 81</u>	<u>\$ 435</u>	<u>\$ -</u>	<u>\$ 225</u>	<u>\$ (489)</u>	<u>\$ -</u>

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

**Aurora College**  
**Segmented disclosures**  
**June 30, 2012**

<b>For the period ended June 30, 2011</b>	<b>Financial and accounting</b> (in thousands)	<b>Pooled services **</b> (in thousands)	<b>Student services</b> (in thousands)	<b>Education and training</b> (in thousands)	<b>Community and extensions</b> (in thousands)	<b>Aurora Research Institute</b> (in thousands)	<b>Total</b> (in thousands)	<b>Budget</b> (in thousands)
<b>Revenues</b>								
Government contributions	\$ 1,340	\$ 7,103	\$ 8,176	\$ 9,049	\$ 6,330	\$ 1,316	\$ 33,314	\$ 27,708
Project income								
Territorial government	-	-	90	1,316	1,889	572	3,867	-
Other third parties	-	-		3,809	-	-	3,809	-
Federal government	-	544	-	-	-	488	1,032	285
Tuition fees	-	-		1,562	333	-	1,895	745
Recoveries and other	-	-	275	-	600	-	875	80
Room and board	-	-	794	-	-	57	851	767
Interest income	95	-	-	-	-	-	95	112
	<u>1,435</u>	<u>7,647</u>	<u>9,335</u>	<u>15,736</u>	<u>9,152</u>	<u>2,433</u>	<u>45,738</u>	<u>29,697</u>
<b>Expenses</b>								
Compensation and benefits	1,104	1,679	3,850	12,026	6,884	1,475	27,018	20,163
Building leases	-	5,258	-	-	-	-	5,258	-
Materials and supplies	32	369	136	801	350	106	1,794	1,565
Utilities	1	1,874	-	-	45	83	2,003	178
Contract services	71	99	1,147	670	-	-	1,987	5,052
Repairs and maintenance	67	958	302	135	115	51	1,628	-
Small equipment	1	5	57	330	54	9	456	451
Fees and payments	44	480	49	505	134	69	1,281	1,712
Travel and accommodation	32	131	87	591	411	113	1,365	576
Professional services	-	-	1,181	-	-	-	1,181	-
Amortization of tangible capital assets	-	917	-	-	-	-	917	-
Communication, postage and freight	-	-	760	-	-	-	760	-
	<u>1,352</u>	<u>11,770</u>	<u>7,569</u>	<u>15,058</u>	<u>7,993</u>	<u>1,906</u>	<u>45,648</u>	<u>29,697</u>
<b>Annual surplus (deficit)</b>	<u>\$ 83</u>	<u>\$ (4,123)</u>	<u>\$ 1,766</u>	<u>\$ 678</u>	<u>\$ 1,159</u>	<u>\$ 527</u>	<u>\$ 90</u>	<u>\$ -</u>

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

**Northwest Territories Business Development and Investment Corporation**

**Consolidated Financial Statements**

**For the year ended**

**March 31, 2013**



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## Northwest Territories Business Development and Investment Corporation

### Management's Responsibility for Financial Reporting

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

These consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards (PSAS). Where PSAS permits alternative accounting methods, management has chosen those that are most appropriate. Where required, management's best estimates and judgement have been applied in the preparation of these consolidated financial statements.

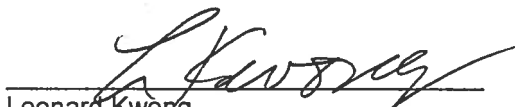
In discharging its responsibility for the integrity, fairness and quality of the consolidated financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are properly authorized and recorded, assets are safeguarded, proper records are maintained, and the Corporation complies with applicable laws and conflict of interest rules. These controls and practices help to ensure the orderly conduct of business, the accuracy of the accounting records, the timely preparation of financial information, and adherence to the Corporation's policies and statutory requirements.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. The Board of Directors exercises this responsibility through the Audit Committee, which is comprised of directors who are not employees of the Corporation. The Audit Committee meets with management on a regular basis. The external auditors also have full and free access to the Audit Committee.

The Corporation's independent external auditor, the Auditor General of Canada, is responsible for auditing the transactions and consolidated financial statements of the Corporation and for issuing his report thereon.



Pawan Chugh  
Chief Executive Officer

  
\_\_\_\_\_  
Leonard Kwong  
Director, Finance and Subsidiaries

August 26, 2013



## 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 2013, 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 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 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.



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

26 August 2013  
Edmonton, Canada

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**Northwest Territories Business Development and Investment Corporation****Consolidated Financial Statements (March 31, 2013)**

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

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	March 31, 2013	March 31, 2012
	\$	\$
<b>Financial Assets</b>		
Cash (Note 3)	13,931	13,010
Accounts receivable	169	113
Inventories held for resale (Note 4)	343	585
Loans receivable (Notes 5 and 6)	37,511	37,741
Venture investments (Note 7)	78	91
Asset held for sale (Note 8)	-	130
	52,032	51,670
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 13)	1,137	818
Post-employment benefits (Note 9)	419	405
Advances from the Government (Note 10)	30,372	32,203
Asset retirement obligations (Note 11)	265	105
Environmental liability (Note 12)	-	35
	32,193	33,566
<b>Net financial assets</b>	19,839	18,104
<b>Non-financial assets</b>		
Tangible capital assets (Schedule A)	466	605
Inventories held for use (Note 4)	157	231
Prepaid expenses	20	31
	643	867
<b>Accumulated surplus</b>	20,482	18,971

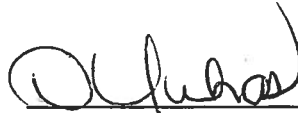
Commitments and contingencies (Notes 15 and 16)

*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

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

---

	March 31, 2013	March 31, 2012
	\$	\$
<b>Financial Assets</b>		
Cash (Note 3)	13,931	13,010
Accounts receivable	169	113
Inventories held for resale (Note 4)	343	585
Loans receivable (Notes 5 and 6)	37,511	37,741
Venture investments (Note 7)	78	91
Asset held for sale (Note 8)	-	130
	52,032	51,670
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 13)	1,137	818
Post-employment benefits (Note 9)	419	405
Advances from the Government (Note 10)	30,372	32,203
Asset retirement obligations (Note 11)	265	105
Environmental liability (Note 12)	-	35
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<b>Net financial assets</b>	19,839	18,104
<b>Non-financial assets</b>		
Tangible capital assets (Schedule A)	466	605
Inventories held for use (Note 4)	157	231
Prepaid expenses	20	31
	643	867
<b>Accumulated surplus</b>	20,482	18,971

Commitments and contingencies (Notes 15 and 16)

*The accompanying notes and Schedule A are an integral part of these consolidated financial statements.*

**Approved by:**

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Darrell Beaulieu  
Chairperson of the Board of Directors

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Denise Yuhas  
Chairperson of the Audit Committee

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**Northwest Territories Business Development and Investment Corporation****Consolidated Statement of Change in Net Financial Assets (000's)**

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<b>For the year ended March 31</b>	<b>Budget 2013</b>	<b>Actual 2013</b>	<b>Actual 2012</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Annual surplus	950	1,511	2,130
Acquisition of tangible capital assets	-	(12)	(339)
Amortization of tangible capital assets	145	127	143
Loss on disposal of tangible capital assets	-	12	-
Proceeds on sale of tangible capital assets	-	1	-
Write-down of tangible capital assets	-	11	-
	<b>145</b>	<b>139</b>	<b>(196)</b>
Acquisition of inventories held for use	-	(123)	(146)
Acquisition of prepaid expenses	-	(30)	(28)
Use of inventories held for use	(50)	197	68
Use of prepaid expenses	-	41	5
	<b>(50)</b>	<b>85</b>	<b>(101)</b>
Increase in net financial assets	1,045	1,735	1,833
<b>Net financial assets, beginning of year</b>	<b>18,104</b>	<b>18,104</b>	<b>16,271</b>
<b>Net financial assets, end of year</b>	<b>19,149</b>	<b>19,839</b>	<b>18,104</b>

*The accompanying notes and Schedule A are an integral part of these consolidated financial statements.*

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**Northwest Territories Business Development and Investment Corporation****Consolidated Statement of Operations and Accumulated Surplus (000's)**

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<b>For the year ended March 31</b>	<b>Budget 2013</b>	<b>Actual 2013</b>	<b>Actual 2012</b>
	\$	\$	\$
<b>Revenues</b>			
Interest on loans receivable	2,010	2,099	2,078
Sales and other income	1,177	895	906
Interest on pooled cash (Note 3)	149	156	162
Recovery of venture investments	15	114	50
Dividends	8	16	28
	3,359	3,280	3,224
Government transfers (Note 13)	4,786	4,679	4,837
	8,145	7,959	8,061
<b>Expenses (Note 14)</b>			
Lending and investments	4,900	3,908	3,798
Retail and manufacturing	2,295	2,540	2,133
	7,195	6,448	5,931
Annual surplus	950	1,511	2,130
<b>Accumulated surplus, beginning of year</b>	<b>18,971</b>	<b>18,971</b>	<b>16,841</b>
<b>Accumulated surplus, end of year</b>	<b>19,921</b>	<b>20,482</b>	<b>18,971</b>

*The accompanying notes and Schedule A are an integral part of these consolidated financial statements.*



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

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<b>For the year ended March 31</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Operating transactions</b>		
Cash received from:		
Governments	3,897	3,883
Customers	953	1,229
Interest	2,058	1,959
Dividends	8	6
	<hr/>	<hr/>
	6,916	7,077
Cash paid for:		
Compensation and benefits	2,273	2,504
Payments to suppliers	1,947	1,754
Grants and contributions	242	243
	<hr/>	<hr/>
	4,462	4,501
<b>Cash provided by operating transactions</b>	<hr/>	<hr/>
	<b>2,454</b>	<b>2,576</b>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(12)	(217)
Proceeds on sale of tangible capital assets	1	-
	<hr/>	<hr/>
<b>Cash used for capital transactions</b>	<b>(11)</b>	<b>(217)</b>
<b>Investing transactions</b>		
Loans receivable disbursed	(4,366)	(5,352)
Loans receivable repaid	4,792	5,050
Redemptions of venture investments	127	63
Proceeds on sale of asset held for sale	125	7
	<hr/>	<hr/>
<b>Cash provided by (used for) investing transactions</b>	<b>678</b>	<b>(232)</b>
<b>Financing transactions</b>		
Repayment of advances from the Government	(2,200)	(3,000)
	<hr/>	<hr/>
<b>Cash used for financing transactions</b>	<b>(2,200)</b>	<b>(3,000)</b>
<b>Increase (decrease) in cash</b>	<hr/>	<hr/>
	<b>921</b>	<b>(873)</b>
Cash, beginning of year	13,010	13,883
<b>Cash, end of year</b>	<hr/>	<hr/>
	<b>13,931</b>	<b>13,010</b>

*The accompanying notes and Schedule A are an integral part of these consolidated financial statements.*

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# Northwest Territories Business Development and Investment Corporation

## Notes to the Consolidated Financial Statements March 31, 2013

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### 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.

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**Northwest Territories Business Development and Investment Corporation****Notes to the Consolidated Financial Statements  
March 31, 2013**

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**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) of the Canadian Institute of Chartered Accountants (the CICA).

**(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:

<b>Organization</b>	<b>Location</b>	<b>Percentage Ownership</b>	<b>Incorporation Date</b>
<b>Light manufacturing</b>			
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
<b>Fine arts and souvenirs</b>			
Acho Dene Native Crafts Ltd.	Fort Liard, NT	100%	October 15, 1992
5983 N.W.T. Ltd. (o/a Ulu-khaktok Arts Centre)	Ulu-khaktok, NT	100%	February 12, 2008
<b>Wholesale/retail stores</b>			
Arctic Canada Trading Co. Ltd.	Yellowknife, NT	100%	June 28, 1997
Nahanni Butte General Store Ltd.	Nahanni Butte, NT	51%	October 15, 1992
<b>Muskox Harvesting</b>			
6355 N.W.T. Ltd.	Sach's Harbour, NT	100%	May 12, 2011

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

The non-controlling interest in the organization the Corporation does not wholly own is reduced by the losses applicable to the non-controlling interest. Accumulated losses applicable to the non-controlling interest that exceed the non-controlling interest's capital investment are allocated to the Corporation's interest. Subsequent earnings will be allocated proportionately to the non-controlling interest when the Corporation's previously absorbed losses are recovered. The Corporation has provided significant financial subsidies to Nahanni Butte General Store Ltd. for many years. The organization is financially dependent on these subsidies. The subsidy provided for fiscal 2013 was \$335,000 (2012: \$125,000). The Corporation has been approved to provide a subsidy up to \$125,000 for fiscal 2014.

**(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 recorded 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 recorded 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 recorded 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 recorded 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 declared. 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) Assets held for sale**

Assets held for sale are expected to be sold within one year. They are valued at the lower of cost and net realizable value. Cost includes amounts for improvements to prepare the assets for sale.

**2. Summary of significant accounting policies (continued)****(i) 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 recorded as a liability, with a corresponding increase in the carrying amount of the related asset. The costs capitalized to the related assets are amortized to net income 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 recorded.

**(j) 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 recorded as services received without charge, which is included in government transfers, and is included in the Corporation's expenses.

**(k) 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 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.

**(l) Environmental liabilities**

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries.

**2. Summary of significant accounting policies (continued)****(l) Environmental liabilities (continued)**

The estimate of the liability is based on significant assumptions made by management, including: the likely action required to meet the appropriate legislation, regulations and industry practice; the nature and extent of past and present environmental concerns; and discount rates used. The estimate of the liability could be materially different if the key assumptions used by management for determination of the estimate vary from those planned.

**(m) Tangible capital assets**

Tangible capital assets are carried at cost less accumulated amortization and write-downs. Amortization is recorded 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

Tangible capital assets are reviewed for impairment whenever events and changes in circumstances suggest that the carrying amount of an asset may not be recoverable. Impairment is recognized when the carrying amount of an asset to be held and used exceeds the undiscounted projected future net cash flows expected from its use and disposal, and is measured as the amount by which the carrying amount of the asset exceeds its fair value.

**(n) 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.

**(o) 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.

**(p) 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.

**(q) Change in accounting policy**

On April 1, 2012, the Corporation adopted new standards PS 2601 – Foreign Currency Translation, PS 1201 – Financial Statement Presentation and PS 3450 – Financial Instruments. The standards were adopted prospectively from the date of adoption. The new standards provide

**2. Summary of significant accounting policies (continued)****(q) Change in accounting policy (continued)**

comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions.

Under PS 3450, all financial instruments, including derivatives, are included on the statement of financial position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the Corporation's accounting policy choices.

The adoption of these new standards had no significant impact on the Corporation's consolidated financial statements.

**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 (2012: 1.12%). In accordance with Section 27 of the Act, the Corporation is required to establish a Loan and Investments Fund for its lending and investing activities. The Program, Projects and Services Continuation Regulations (Regulations) of the Corporation specifies in Part 1 Section 4 (2), that a Loans and Bonds Fund will be used to record the lending operations while in Part 2 Section 19 (2), a Venture Investment Fund will be used to record the venture investment operations. Furthermore, under the Regulations Part 2 Section 18 (2), the Corporation has the obligation to continue to maintain a Capital Fund and the Subsidy Fund.

In addition to these funds, the Corporation is required under the Regulations Part 2 Sections 18 (6) and 19 (5) to establish a Capital Reserve Fund and Venture Reserve Fund respectively. The Corporation will continue to deposit to the reserve funds an amount equal to 10% of each capital or venture investment made. The Corporation may use the reserve funds for further investment or financing for its organizations and venture investments through approved drawdowns.

The Corporation is responsible for administering post-employment benefits including the cash held (Note 9b).



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**Northwest Territories Business Development and Investment Corporation****Notes to the Consolidated Financial Statements**  
**March 31, 2013**

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**3. Cash (continued)**

	000's	
	2013	2012
	\$	\$
Cash held by the Corporation for operations	5,793	5,420
Cash held by the Corporation's organizations	1,157	1,089
Cash held for post-employment benefits	429	405
	7,379	6,914
Venture Investment Fund	4,045	3,911
Capital Fund	873	873
Subsidy Fund	518	460
Venture Reserve Fund	485	485
Loans and Bonds Fund	484	220
Capital Reserve Fund	147	147
	6,552	6,096
	<b>13,931</b>	<b>13,010</b>

**4. Inventories**

	000's	
	2013	2012
	\$	\$
<b>Inventories held for resale:</b>		
Arts and crafts	233	205
Canvas products	84	82
Retail store	22	161
Muskox products	4	137
	<b>343</b>	<b>585</b>
<b>Inventories held for use:</b>		
Materials and supplies	<b>157</b>	<b>231</b>

During the year, no inventories were written down (2012: 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 (2012: nil). Inventory write-downs and recoveries are included in the cost of goods sold.

**5. Loans receivable**

The Corporation provides variable and fixed rate loans for periods up to five years with the amortization period not to exceed twenty-five years.

The Corporation charges its clients prime plus 2%, 3%, or 4%, depending on the security provided, client's management ability, the client's investment, and the amortization period. The Corporation holds various types of security on its loans, including real property, aircraft, heavy equipment, and general security agreements.

# Northwest Territories Business Development and Investment Corporation

## Notes to the Consolidated Financial Statements March 31, 2013

### 5. Loans receivable (continued)

Loans receivable are expected to mature as follows:

		000's			
		2013		2012	
		Rate	Balances	Rate	Balances
		%	\$	%	\$
Performing	1 year	6.50	513	5.00	218
loans due	1-2 years	5.14	5,580	6.25	729
within:	2-3 years	5.11	5,349	5.35	6,246
	3-4 years	5.14	18,930	5.39	6,107
	over 4 years	5.67	4,877	5.22	20,480
			35,249		33,780
Accrued loan interest receivable			173		167
Impaired loans			8,518		10,226
			43,940		44,173
Less: allowance for credit losses (Note 6)			6,429		6,432
			<b>37,511</b>		<b>37,741</b>

In 2013, no accounts were written off by the Legislative Assembly (2012: nine accounts totalling \$772,000). One loan account representing one borrower totalling \$5,000 (2012: one account totalling \$9,000) was written off by the Board of Directors. In 2013, no accounts were forgiven by the Legislative Assembly (2012: eight accounts totalling \$1,034,000). No accounts were forgiven by the FMB during the current year (2012: nil). In 2013, recoveries on loans previously written off totalled \$23,000 (2012: \$17,000).

#### 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:

#### Geographic concentration

		000's			
		2013		2012	
Region		Performing	Impaired	Performing	Impaired
		\$	\$	\$	\$
South Slave		17,201	3,016	15,661	3,410
North Slave		7,613	4,080	6,671	5,039
Dehcho		6,610	336	6,664	482
Inuvik		2,141	482	2,471	503
Sahtu		1,684	604	2,313	792
		<b>35,249</b>	<b>8,518</b>	<b>33,780</b>	<b>10,226</b>

**Northwest Territories Business Development and Investment Corporation**

**Notes to the Consolidated Financial Statements  
March 31, 2013**

**5. Loans receivable (continued)**

**Enterprise concentration**

<b>Enterprise</b>	<b>000's</b>			
	<b>2013</b>		<b>2012</b>	
	<b>Performing</b>	<b>Impaired</b>	<b>Performing</b>	<b>Impaired</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Construction	9,307	761	6,538	1,923
Retail trade	6,943	905	7,334	1,212
Transportation and storage	4,111	90	4,129	143
Accommodations, food and beverage	3,876	2,522	4,657	2,356
Real estate and rentals	3,326	-	2,941	-
Wholesale trade	3,108	-	3,334	-
Other services	1,018	305	1,283	290
Travel and tourism	911	1,734	1,031	1,793
Manufacturing	704	-	777	-
Management of companies	535	-	611	-
Business services	464	-	361	-
Finance and insurance	380	788	201	913
Health care	378	-	386	-
Arts and craft	188	-	197	-
Oil and gas	-	1,153	-	1,307
Communication	-	131	-	152
Educational services	-	61	-	69
Fisheries and wildlife	-	57	-	58
Forestry and logging	-	11	-	10
	<b>35,249</b>	<b>8,518</b>	<b>33,780</b>	<b>10,226</b>

The loans receivable balance contains loans, totalling \$189,000, made to venture investees (2012: \$626,000). These loans are in addition to the venture investments shown in Note 7.

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

<b>Credit risk rating</b>	<b>000's</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Low	24,470	23,804
Medium	8,335	7,342
High	2,444	2,634
	<b>35,249</b>	<b>33,780</b>

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**Northwest Territories Business Development and Investment Corporation****Notes to the Consolidated Financial Statements**  
**March 31, 2013**

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**5. Loans receivable (continued)**

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	
	2013	2012
	\$	\$
30 – 59 days	857	653
60 – 89 days	40	-
Over 90 days	-	51
	<b>897</b>	<b>704</b>

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 2013 (2012: nil).

**6. Allowance for credit losses**

	000's	
	2013	2012
	\$	\$
Balance, beginning of year	6,432	7,464
Provision for credit losses	317	499
Recoveries from repayments	(320)	(736)
Write-offs and forgiveness (Note 5)	-	(795)
<b>Balance, end of year</b>	<b>6,429</b>	<b>6,432</b>
Comprised of:		
Specific allowance	5,724	5,756
General allowance	705	676
	<b>6,429</b>	<b>6,432</b>

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**Northwest Territories Business Development and Investment Corporation****Notes to the Consolidated Financial Statements**  
**March 31, 2013**

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**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, 2013, the Corporation does not have significant influence in the companies in which it has invested.

	000's	
	2013	2012
	\$	\$
Balance, beginning of year	91	104
Recoveries	114	50
Redemptions	(127)	(63)
<b>Balance, end of year</b>	<b>78</b>	<b>91</b>

The total cumulative venture investments at March 31, 2013 was \$1,912,000 (2012: \$2,034,000) with accumulated write-downs of \$1,834,000 (2012: \$1,943,000).

**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.

**8. Asset held for sale**

The asset held for sale is real property acquired in fiscal 2011 in settlement of a loan receivable, and was sold in the current fiscal year. A write down of \$22,000 was recorded in fiscal 2012.

**9. Post-employment benefits****(a) Pension benefits**

Substantially all of the employees of the Corporation are covered by the Plan (Note 2(k)(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 general contribution rate effective at year end was 2.00%, (2012: 2.00%). The benefits are fully indexed to the increase in the Consumer Price Index. The Corporation's and employees' contributions to the Plan for the year were as follows:

	000's	
	2013	2012
	\$	\$
Corporation's contributions	249	262
Employees' contributions	116	112

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**Northwest Territories Business Development and Investment Corporation****Notes to the Consolidated Financial Statements  
March 31, 2013**

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**9. Post-employment benefits (continued)****(a) Pension benefits (continued)**

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 inflation.

**(b) Termination and removal benefits**

The Corporation provides termination benefits to employees based on years of service and final salary (Note 2(k)(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	
	2013	2012
	\$	\$
Post-employment benefits, beginning of year	405	378
Cost for the year	14	27
<b>Post-employment benefits, end of year</b>	<b>419</b>	<b>405</b>

**10. Advances from the Government**

The Act authorizes the Corporation to borrow, for the purpose of providing financial assistance to or making investments in business enterprises, up to \$150 million from the Government through advances. Increases to the outstanding balance of the advances must be approved by the FMB based on the needs of the Corporation. The balance was not to exceed \$45 million (2012: \$45 million) as at March 31, 2013.

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 1.5% (2012: 1.0% to 2.1%) during the year.

**11. Asset retirement obligations**

	000's	
	2013	2012
	\$	\$
Balance, beginning of year	105	97
Accretion expense	-	9
Decrease due to disposal of tangible capital assets	(61)	(1)
Additions during the year (Note 21)	221	-
<b>Balance, end of year</b>	<b>265</b>	<b>105</b>

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.

**Northwest Territories Business Development and Investment Corporation**

**Notes to the Consolidated Financial Statements  
March 31, 2013**

**12. Environmental liability**

In 2012, the Corporation recorded its best estimate of anticipated future costs for environmental remediation related to a property owned by one of its organizations which incurred an oil leak on its property. During the year, the Corporation engaged an engineering firm to remediate the property, and the actual cost was \$18,000. The balance of the accrual has been reversed in the current year.

	000's	
	2013	2012
	\$	\$
Balance, beginning of year	35	-
Payments	(18)	-
Accretion expense	-	-
Estimate revisions	(17)	35
<b>Balance, end of year</b>	<b>-</b>	<b>35</b>

**13. Government transfers**

	000's					
	2013			2012		
	Lending	Retail/ Manufac- turing	Total	Lending	Retail/ Manufac- turing	Total
	\$	\$	\$	\$	\$	\$
Government:						
Operations and maintenance	2,326	1,199	3,525	2,733	980	3,713
Services received without charge (Note 18)	879	100	979	842	112	954
Capital contributions	-	-	-	71	-	71
	3,205	1,299	4,504	3,646	1,092	4,738
Federal programs	175	-	175	99	-	99
	<b>3,380</b>	<b>1,299</b>	<b>4,679</b>	<b>3,745</b>	<b>1,092</b>	<b>4,837</b>

During the current fiscal year the Corporation had surplus funding of \$303,000 (2012: nil). A stipulation included in the agreement is for any unspent funds to be repaid to the Government. This amount has been recorded in accounts payable and accrued liabilities at year end.

## Northwest Territories Business Development and Investment Corporation

### Notes to the Consolidated Financial Statements March 31, 2013

#### 14. Expenses by object

	000's					
	2013			2012		
	Lending	Retail/ Manu- factur- ing	Total	Lending	Retail/ Manu- factur- ing	Total
\$	\$	\$	\$	\$	\$	
Accretion, asset retirement (Notes 11 and 21)	(61)	221	160	2	7	9
Advertising and promotion	20	16	36	7	27	34
Amortization	-	127	127	7	136	143
Bad debts (recovery)	(1)	1	-	-	2	2
Bank charges and interest	2	21	23	2	21	23
Board members	44	2	46	38	3	41
Business Development Fund	242	-	242	243	-	243
Business Service Centre	97	-	97	86	-	86
Computers and communications	14	21	35	15	21	36
Cost of goods sold	-	855	855	-	656	656
Flood expense (Note 21)	-	352	352	-	-	-
Interest expense on advances from the Government	374	-	374	469	-	469
Loss on disposal of tangible capital assets	-	12	12	-	-	-
Office and general	109	52	161	126	121	247
Professional services	225	95	320	85	103	188
(Recovery) provision for environmental liability	-	(17)	(17)	-	35	35
Recovery of credit losses, net	(3)	-	(3)	(238)	-	(238)
Rent	201	31	232	216	22	238
Salaries and benefits	2,518	479	2,997	2,636	673	3,309
Supplies	-	37	37	-	67	67
Training and workshops	33	-	33	16	-	16
Travel	94	90	184	66	109	175
Utilities	-	134	134	-	130	130
Write-down of asset held for sale	-	-	-	22	-	22
Write-down of tangible capital assets	-	11	11	-	-	-
	<b>3,908</b>	<b>2,540</b>	<b>6,448</b>	<b>3,798</b>	<b>2,133</b>	<b>5,931</b>

#### 15. Commitments

As at March 31, 2013, loans to businesses, approved but not yet disbursed, totalled \$1.8 million at a weighted average interest rate of 4.3% (2012: \$4.9 million at a weighted average interest rate of 5.1%). These loans do not form part of the loans receivable balance until disbursed. Also as at March 31, 2013, contributions to businesses approved but not yet disbursed totalled \$10,000 (2012: \$34,000).



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**Northwest Territories Business Development and Investment Corporation****Notes to the Consolidated Financial Statements**  
**March 31, 2013**

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**16. Contingencies****Loans**

The Corporation has six outstanding loans to three Northern Community Futures organizations for their own lending purposes totalling \$1,000,000 (2012: four outstanding loans totalling \$913,000). 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 2013, no accounts were assigned to the Corporation (2012: nil).

**Letters of credit**

The Corporation has five outstanding irrevocable standby letters of credit. The amounts of these letters of credit totalled \$2,450,000 and expire in 2013. 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 (2012: nil).

**17. 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 18).

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

	000's	
	2013	2012
	\$	\$
<b>Revenues</b>		
Sales	8	28
Government transfers (Note 13)	4,504	4,738
<b>Expenses</b>		
Purchases	147	255
Interest on advances from the Government	374	469
<b>Balances at year end</b>		
Accounts receivable	26	11
Accounts payable and accrued liabilities	549	220
Advances from the Government	30,372	32,203

## Northwest Territories Business Development and Investment Corporation

### Notes to the Consolidated Financial Statements March 31, 2013

#### 18. 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	
	2013	2012
	\$	\$
Staff support	762	740
Accommodation	217	214
	<b>979</b>	<b>954</b>

#### 19. 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 2013 and 2012 budgeted expenses are as follows:

	000's					
	2013			2012		
	Lending	Retail/ Manu- factur- ing	Total	Lending	Retail/ Manu- factur- ing	Total
	\$	\$	\$	\$	\$	\$
Accretion, asset retirement	5	17	22	5	17	22
Advertising and promotion	50	29	79	65	26	91
Amortization	5	140	145	18	78	96
Bad debts	-	5	5	-	21	21
Bank charges and interest	-	24	24	-	23	23
Board members	58	5	63	95	3	98
Business Development Fund	300	-	300	300	-	300
Business Service Centre	97	-	97	-	-	-
Computers and communications	100	23	123	110	24	134
Cost of goods sold	-	898	898	-	763	763
Freight and courier	-	20	20	-	73	73
Interest expense	475	-	475	520	-	520
Office and general	60	43	103	75	38	113
Professional services	100	108	208	200	111	311
Provision for credit losses, net	500	-	500	500	-	500
Rent	240	18	258	230	17	247
Repairs and maintenance	-	26	26	-	28	28
Salaries and benefits	2,810	625	3,435	2,670	628	3,298
Supplies	-	50	50	-	75	75
Travel	100	120	220	100	130	230
Utilities	-	144	144	-	170	170
	<b>4,900</b>	<b>2,295</b>	<b>7,195</b>	<b>4,888</b>	<b>2,225</b>	<b>7,113</b>

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**Northwest Territories Business Development and Investment Corporation****Notes to the Consolidated Financial Statements**  
**March 31, 2013**

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**20. Risk Management**

The Corporation is exposed to the following risks as a result of holding financial instruments:

**Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet its obligations.

The risk associated with cash is minimized substantially by ensuring that these financial assets are placed with well-capitalized financial institutions.

Credit granting and loan management are based on established credit policies. The maximum exposure to credit risk from borrowers and investees is limited to the carrying amount of the loans and investments. The Corporation's management of credit exposures from borrowers and investees includes:

- a standardized credit risk rating classification system established for all loans;
- credit policies and directives, communicated to lending officers whose activities and responsibilities include credit granting and monitoring client performance;
- independent review of loan applications in excess of \$1 million; and,
- limiting the concentration of loans and investments with any one business enterprise or group of related enterprises to \$2 million. Amounts greater than \$2 million must be approved by the FMB.

The principal collateral held as security and other credit enhancements for loans include: (i) real estate; (ii) equipment; (iii) corporate and personal guarantees; and (iv) assignment of leases.

As at March 31, 2013, \$690,000 (2012: \$1,435,000) 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, 2013:

	000's	
	2013	2012
	\$	\$
Cash	13,931	13,010
Accounts receivable	169	113
Loans receivable	37,511	37,741
Venture investments	78	91

**20. Risk Management (continued)****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.

Based on the Corporation's advances from the Government as at March 31, 2013 and the monthly cash balance on hand, a 100 basis point increase in interest rates would decrease net income by \$131,000 (2012: \$134,000). 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 (Note 10).

**21. Flood**

In June of 2012, the community of Nahanni Butte experienced severe flooding. Due to this flooding the Nahanni Butte General Store Ltd. building was damaged. Flood expense relates to the clean-up and removal of all damaged items from the building (Note 14).

The Corporation has recorded a liability for an asset retirement obligation of \$221,000, which represents the legal and contractual obligations associated with the estimated cost of demolition and removal of existing building and general site restoration (Note 11).

**22. 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, 2013	March 31, 2012
Cost of tangible capital assets, opening	\$ 82	\$ 4,072	\$ 857	\$ 449	\$ 30	\$ 50	\$ 5,540	\$ 5,202
Acquisitions	-	12	-	-	-	-	12	339
Disposals	-	(1,127)	(20)	-	-	(32)	(1,179)	(1)
Cost of tangible capital assets, closing	82	2,957	837	449	30	18	4,373	5,540
Accumulated amortization, opening	-	3,849	752	254	30	50	4,935	4,793
Amortization expense	-	14	35	78	-	-	127	143
Disposals	-	(1,115)	(19)	-	-	(32)	(1,166)	(1)
Write-down of tangible capital assets	-	11	-	-	-	-	11	-
Accumulated amortization, closing	-	2,759	768	332	30	18	3,907	4,935
<b>Net book value</b>	<b>82</b>	<b>198</b>	<b>69</b>	<b>117</b>	<b>-</b>	<b>-</b>	<b>466</b>	<b>605</b>

**NORTHWEST TERRITORIES HERITAGE FUND**

**FINANCIAL STATEMENTS**  
**(unaudited)**

**For the year ended**

**March 31, 2013**

**NORTHWEST TERRITORIES HERITAGE FUND**  
**Financial Statements**  
**(unaudited)**  
**March 31, 2013**

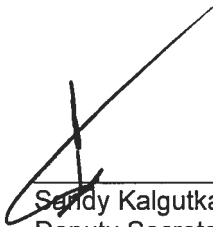
	<b>Page</b>
Management's Responsibility for Financial Reporting	3
Statement of Financial Position	4
Statement of Change in Net Financial Assets	5
Statement of Operations and Accumulated Surplus	6
Statement of Cash Flow	7
Notes to the Financial Statements	8

## 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 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 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



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Sandy Kalgutkar, CGA  
Deputy Secretary of the Financial Management Board  
Government of the Northwest Territories

Yellowknife, Northwest Territories  
July 15, 2013



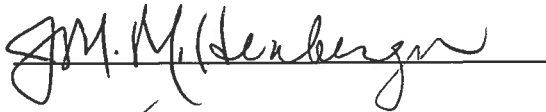
**NORTHWEST TERRITORIES HERITAGE FUND**

**Statement of Financial Position  
(unaudited)**

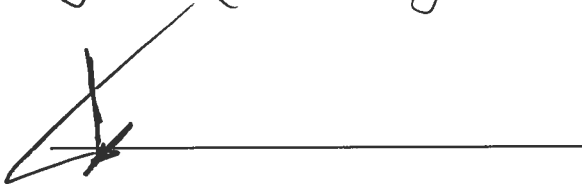
**As at March 31, 2013  
(in thousands)**

	<u>2013</u>
<b>Financial assets</b>	
Cash (Note 3)	<u>\$ 250,140</u>
<b>Liabilities</b>	<u>0</u>
<b>Net financial assets</b>	<u>\$ 250,140</u>
<b>Accumulated surplus</b>	<u>\$ 250,140</u>

Approved:



J. Michael Miltenberger  
Chairman of the Financial Management Board



Sandy Kalgutkar  
Deputy Secretary of the Financial Management Board

## NORTHWEST TERRITORIES HERITAGE FUND

### Statement of Change in Net Financial Assets (unaudited)

For the year ended March 31, 2013  
(in thousands)

	2013 Budget	2013 Actual
<b>Net financial assets, beginning of the year</b>	\$ 0	\$ 0
Items affecting net financial assets:		
Annual surplus	<u>250,000</u>	<u>250,140</u>
Increase in net financial assets	250,000	250,140
<b>Net financial assets, end of year</b>	<b><u>\$ 250,000</u></b>	<b><u>\$ 250,140</u></b>

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

**NORTHWEST TERRITORIES HERITAGE FUND**  
**Statement of Operations and Accumulated Surplus**  
**(unaudited)**  
**For the year ended March 31, 2013**  
(in thousands)

	<b>2013</b>	<b>2013</b>
	<b>Budget</b>	<b>Actual</b>
<b>Revenues</b>		
Interest	\$ 0	\$ 140
Contributions from the Government of the Northwest Territories	250,000	250,000
	<b>250,000</b>	<b>250,140</b>
<b>Expenses</b>		
	0	0
<b>Annual surplus</b>	<b>250,000</b>	<b>250,140</b>
<b>Accumulated surplus, beginning of year</b>	0	0
<b>Accumulated surplus, end of year</b>	<b>\$ 250,000</b>	<b>\$ 250,140</b>

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

# NORTHWEST TERRITORIES HERITAGE FUND

## Statement of Cash Flow (unaudited) For the year ended March 31, 2013 (in thousands)

	<u>2013</u>
<b>Operating transactions</b>	
Cash received from:	
Interest revenue	\$ 140
Miscellaneous revenue and recoveries	<u>250,000</u>
	<u>250,140</u>
<b>Increase in cash</b>	<u>250,140</u>
<b>Cash, beginning of year</b>	<u>0</u>
<b>Cash, end of year</b>	<u><u>\$ 250,140</u></u>

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

# NORTHWEST TERRITORIES HERITAGE FUND

## Notes to the Financial Statements (unaudited) March 31, 2013

### 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.

This is the Northwest Territories Heritage Fund's first year of operation.

### 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 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. The Fund's average annual yield for the years ended March 31, 2013 was 1.20%.

### 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, 2013**

## 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  
Vice President  
Finance & Infrastructure Services

Yellowknife, Northwest Territories  
October 23, 2013



## INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Northwest Territories Housing Corporation

### Report on the Consolidated Financial Statements

I have audited the accompanying consolidated financial statements of the Northwest Territories Housing Corporation, which comprise the consolidated statement of financial position as at 31 March 2013, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net financial assets and consolidated statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Consolidated Financial Statements*

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

#### *Auditor's Responsibility*

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

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

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



### *Opinion*

In my opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Northwest Territories Housing Corporation as at 31 March 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, except for the change in the method of accounting for government transfers as explained in Note 3 to the consolidated financial statements, on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept by the Northwest Territories Housing Corporation and the consolidated financial statements are in agreement therewith. In addition, the transactions of the Northwest Territories Housing Corporation that have come to my notice during my audit of the consolidated financial statements have, in all significant respects, been in accordance with Part IX of the *Financial Administration Act* of the Northwest Territories and regulations and the *Northwest Territories Housing Corporation Act* and regulations, with the exception that the Northwest Territories Housing Corporation did not meet its statutory deadline for submitting its annual report as described in the following paragraph.

Section 100 of the *Financial Administration Act* of the Northwest Territories requires the Northwest Territories Housing Corporation to submit its annual report to its Minister not later than 90 days after the end of its financial year, or an additional period, not exceeding 60 days, that the Minister may allow. The Northwest Territories Housing Corporation did not meet its statutory deadline for submitting its annual report to its Minister for the current fiscal year.



Guy LeGras, CA  
Principal  
for the Auditor General of Canada

23 October 2013  
Edmonton, Canada

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Consolidated Statement of Financial Position

As at March 31, 2013

(in thousands)

	2013	2012
<b>Financial assets</b>		
Cash and cash equivalents (Note 4)	\$ 17,097	\$ 15,395
Portfolio investments (Note 5)	49,754	46,848
Accounts receivable (Note 6)	4,484	12,001
Mortgages and loans receivable (Note 7)	1,597	2,547
	72,932	76,791
<b>Liabilities</b>		
Bank indebtedness (Note 8)	494	1,548
Accounts payable and accrued liabilities (Note 9)	12,715	14,187
Deferred revenue	65	178
Loans payable to Canada Mortgage and Housing Corporation (Note 10)	12,197	12,875
Obligations under capital leases (Note 11)	2,063	4,667
Retirement and post-employment benefits (Note 12)	4,910	4,757
	32,444	38,212
<b>Net financial assets</b>	\$ 40,488	\$ 38,579
<b>Non-financial assets</b>		
Tangible capital assets (Schedule A)	233,250	235,562
Deferred capital funding (Note 3)	-	(216,142)
Inventories held for use	2,664	3,040
Prepaid expenses	233	155
	236,147	22,615
<b>Accumulated surplus</b>	\$ 276,635	\$ 61,194

Contractual obligations and contingencies (Notes 16 and 17)

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, 2013 (in thousands)

	2013 Budget	2013 Actual	2012 Actual
<b>Net financial assets, beginning of the year</b>	\$ 38,579	\$ 38,579	\$ 30,289
Items affecting net financial assets:			
Annual surplus (deficit)	-	(701)	8,320
Acquisition of tangible capital assets	(22,639)	(13,858)	(16,999)
Amortization of tangible capital assets	12,308	11,875	12,270
Disposal of tangible capital assets	-	1,009	3,097
Write-downs of tangible capital assets	-	3,286	818
Proceeds from deferred capital funding	-	-	16,751
Amortization of deferred capital funding	-	-	(14,823)
Acquisition of inventories held for use	-	(808)	(1,729)
Consumption of inventories held for use	-	1,184	567
Acquisition of prepaid expenses	-	(117)	(30)
Use of prepaid expenses	-	39	48
Increase in net financial assets	(10,331)	1,909	8,290
<b>Net financial assets, end of year</b>	\$ 28,248	\$ 40,488	\$ 38,579

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, 2013**  
(in thousands)

	<u>2013</u> Budget	<u>2013</u> Actual	<u>2012</u> Actual
<b>Revenues</b>			
Government funding:			
Government of the Northwest Territories	\$ 52,288	\$ 66,961	\$ 53,957
Canada Mortgage and Housing Corporation (Note 13)	18,302	18,640	19,570
Amortization of deferred capital funding (Note 3)	<u>12,308</u>	<u>-</u>	<u>14,823</u>
	<u>82,898</u>	<u>85,601</u>	<u>88,350</u>
Generated revenues:			
Rental revenue	7,120	9,496	8,794
Recoveries on mortgages and loans (Note 7)	2,200	82	1,425
Investment revenue	300	715	685
Gain on disposal of investments	400	593	1,153
Other revenue and recoveries	275	1,109	584
Interest revenue on mortgages and loans	<u>100</u>	<u>126</u>	<u>125</u>
	<u>10,395</u>	<u>12,121</u>	<u>12,766</u>
	<u>93,293</u>	<u>97,722</u>	<u>101,116</u>
<b>Expenses</b>			
Public housing program (Note 14)	50,224	52,730	47,006
Unilateral CMHC programs	2,975	2,992	2,903
Contributions for market housing	890	1,238	1,202
Supported lease program	1,005	1,115	1,235
Rent subsidy program	1,050	38	-
Homelessness fund program	325	181	-
Homeownership assistance grants	7,719	7,096	7,928
Contributions for housing for staff initiative	75	75	150
Amortization	12,308	11,875	12,270
Loss on disposal of tangible capital assets	-	245	1,439
Writedowns of tangible capital assets	-	3,286	818
Administration (Note 15)	<u>16,722</u>	<u>17,552</u>	<u>17,845</u>
	<u>93,293</u>	<u>98,423</u>	<u>92,796</u>
<b>Annual surplus (deficit)</b>	<u>\$ -</u>	<u>\$ (701)</u>	<u>\$ 8,320</u>
<b>Accumulated surplus, beginning of year</b>		61,194	52,874
<b>Deferred capital funding recognized (Note 3)</b>		<u>216,142</u>	<u>-</u>
<b>Accumulated surplus, beginning of year - adjusted</b>		<u>277,336</u>	<u>52,874</u>
<b>Accumulated surplus, end of year</b>		<u>\$ 276,635</u>	<u>\$ 61,194</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, 2013 (in thousands)

	2013	2012
<b>Operating transactions</b>		
Cash received from:		
Government of the Northwest Territories	\$ 66,935	\$ 73,313
Canada Mortgage and Housing Corporation	20,628	11,129
Rental revenue	10,100	6,276
Investment revenue	357	498
Miscellaneous revenue and recoveries	6,089	790
	104,109	92,006
Cash paid for:		
Payments to and on behalf of employees	(25,555)	(24,732)
Payments to suppliers	(58,500)	(56,201)
	(84,055)	(80,933)
Cash provided by operating transactions	20,054	11,073
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(15,843)	(16,999)
Proceeds on disposal of tangible capital assets	853	1,658
Cash used in capital transactions	(14,990)	(15,341)
<b>Financing transactions</b>		
Repayment of long-term debt and capital leases	(1,386)	(1,512)
Cash used in financing transactions	(1,386)	(1,512)
<b>Investing transactions</b>		
Redemption of portfolio investments	71,316	81,714
Purchases of portfolio investments	(73,270)	(76,947)
Mortgage payments received	1,032	1,005
Cash (used in) provided by investing transactions	(922)	5,772
<b>Increase (decrease) in cash</b>	2,756	(8)
<b>Cash and cash equivalents, beginning of year</b>	13,847	13,855
<b>Cash and cash equivalents, end of year</b>	\$ 16,603	\$ 13,847
<b>Made of:</b>		
Cash and cash equivalents	17,097	15,395
Bank indebtedness	(494)	(1,548)
	\$ 16,603	\$ 13,847

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, 2013

(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 (2012 – twenty-one LHOs), via consolidation, which are controlled by the Corporation:

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements

March 31, 2013

(all figures in thousands)

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The following two LHOs: Yellowknife Dene Band (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 received or receivable, 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, 2013

(all figures in thousands)

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Contributions for public housing

The Corporation provides contributions to Yellowknife Dene Band (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, 2013

(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 in depending on the income or community of the applicant and are not expected to be repaid unless certain conditions are not met, are expensed in the year the grant is approved. Any recoveries on the conditional grants are recognized in the year the amount is recovered from the borrower (Note 7).

The Corporation is not currently providing any new repayable mortgages/loans 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. 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.

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 of payment history has accumulated with no arrears.

Write-offs of impaired mortgages and loans occur after the homeowner and the Corporation has 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.

#### 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, 2013

(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, 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 are 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, 2013

(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"), 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.

Deline Housing Association  
Fort Resolution Housing Authority  
Fort Simpson Housing Authority  
Fort Smith Housing Authority  
Inuvik Housing Authority

Lutsel K'e Housing Authority  
Radilih Koe' Housing Association  
Rae Edzo Housing Authority  
Yellowknife Housing Authority

NEBS establishes contribution rates for participating employers/employees, and contributions are remitted to NEBS on a regular basis throughout the year. Contributions are recorded as an expense in the year when the employees have rendered service.

##### c) Retirement 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 does not intend to early adopt this new standard.

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements

March 31, 2013

(all figures in thousands)

### 3. CHANGES IN ACCOUNTING POLICIES

The Corporation adopted the following new accounting policies:

#### Deferred capital funding

In the 2013 fiscal year, the Corporation has adopted the revised PS 3410 – Government transfers. These accounting changes have been applied retroactively without restatement as allowed for under the transition provisions of this revised section.

Contributions for the acquisition of tangible capital assets previously deferred and recognized as government funding on the same basis as the related tangible capital assets were amortized no longer meet the definition of a liability under the revised standards .

Deferred capital funding of \$216,142 was recognized as an adjustment to the 2013 opening accumulated surplus.

#### Portfolio investments and financial instruments

In the 2013 fiscal year, the Corporation has adopted the PS 3041 Portfolio Investments and PS 3450 – Financial Instruments. These accounting changes have been applied prospectively without restatement of prior years as required under the transition provisions of these new sections.

The Corporation under PS 3041 was required to reclassify the bankers acceptances previously recorded as temporary investment to portfolio investments. This reclassification increased portfolio investments by \$23,299 (2012 - \$23,198).

The Corporation under PS 3450 was required to determine whether its financial instruments should be valued at fair value, cost or amortized cost and provided additional disclosures related to liquidity, credit and interest rate risks (see Note 18). The Corporation determined that its financial instruments should be recorded at amortized cost (see Note 18) and this did not impact the presentation, measurement and recognition of these financial instruments compared to prior years.

### 4. CASH AND CASH EQUIVALENTS

	<u>2013</u>	<u>2012</u>
Cash	\$ 12,662	\$ 15,395
Cash equivalents	4,435	-
	<u>\$ 17,097</u>	<u>\$ 15,395</u>

Cash equivalents are comprised of a high quality debt instrument with an original term to maturity of 59 days (2012 – nil days) and a market yield of 1.14% (2012 – nil).

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 \$1,871 (2012 - \$2,140) which are also included in accounts payable and accrued liabilities (Note 9).

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements

March 31, 2013

(all figures in thousands)

### 5. PORTFOLIO INVESTMENTS

Issuer	Stated interest rate	2013		2012	
		Remaining term	Carrying amount	Carrying amount	
Fixed income investments:					
Bankers acceptances	1.30% to 1.66%	63 to 214 days	\$ 23,299	\$	23,198
Provincial governments	1.57% to 3.88%	2 to 14 years	22,449		15,367
Business Development Bank of Canada	1.17%	1 year	1,100		1,100
Ontario Hydro Strip Bonds	2.04%	4 years	1,406		1,375
Ontario Hydro Zero Coupon Bonds	2.15%	5 years	1,500		-
RES Scotia Bank			-		5,808
			<u>\$ 49,754</u>	\$	<u>46,848</u>

The weighted average effective yield of this portfolio in 2013 was 1.96% (2012 – 1.74%). Investments in bankers acceptances are highly liquid investments with original terms to maturities of 90 days to one year.

### 6. ACCOUNTS RECEIVABLE

	<u>2013</u>	<u>2012</u>
Trade accounts receivable	\$ 2,173	\$ 7,547
Tenant rents receivable	15,323	15,217
	17,496	22,764
Less allowance for doubtful accounts	(13,696)	(13,472)
	3,800	9,292
Receivables from CMHC	301	2,375
Receivables from related parties:		
Government of the Northwest Territories	383	334
Net Accounts Receivable	<u>\$ 4,484</u>	<u>\$ 12,001</u>

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements

March 31, 2013

(all figures in thousands)

### 7. MORTGAGES AND LOANS RECEIVABLE

#### a) Mortgages and loans receivable

	2013	2012
Corporate loan, repayable in monthly installments at interest rate of 7.80%, unsecured, with a term of 10 years	\$ 38	\$ 68
Mortgages based on Income Assessment, repayable in monthly installments at interest rates varying between 5.99% and 10.75%, secured by registered charges against real property, with a term over a maximum of 15 years	1,274	2,564
Loans based on Income Assessment, repayable in monthly installments at interest rates varying between 3.10% and 12.00%, unsecured, with a term over a maximum of 15 years	6,115	9,665
Restructured mortgages, repayable in monthly installments at interest rates varying between 3.00% and 5.99%, secured by registered charges against real property, with a term over a maximum of 25 years	952	555
Restructured loans, repayable in monthly installments at interest rates varying between 3.00% and 7.20%, unsecured, with a term over a maximum of 25 years	7,130	2,544
Mortgages and loans receivable	15,509	15,396
Less allowance for impaired mortgages and loans	(13,912)	(12,849)
Net mortgages and loans receivable	\$ 1,597	\$ 2,547

The carrying value of the mortgages and loans receivable that are past due but not classified as impaired is \$778 (2012 - \$1,223). There were three write-offs in the current year (2012 - three).

#### 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 \$7,096 (2012 - \$7,928), which are expensed on the consolidated statement of operations and accumulated surplus.

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

	2013	2012
Recoveries on impaired mortgages and loans	\$ 747	\$ 233
Adjustment to allowance for impaired mortgages and loans	(1,063)	893
Recoveries from conditional grants	398	299
	\$ 82	\$ 1,425

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements

March 31, 2013

(all figures in thousands)

### 8. BANK INDEBTEDNESS

	<u>2013</u>	<u>2012</u>
Cheques issued in excess of deposits for certain LHOs	\$ <u>494</u>	\$ <u>1,548</u>

### 9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2013</u>	<u>2012</u>
Trade payables	\$ 6,965	\$ 8,418
Contractors holdbacks	2,309	1,953
Damage deposits	1,702	1,659
Wages and employee benefits	489	559
Tender and security deposits	169	481
Accrued interest	224	268
Prepaid rent	94	109
Payables to related parties:		
Government of the Northwest Territories	<u>763</u>	<u>740</u>
	\$ <u>12,715</u>	\$ <u>14,187</u>

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements

March 31, 2013

(all figures in thousands)

### 10. LOANS PAYABLE TO CANADA MORTGAGE AND HOUSING CORPORATION

	2013			2012
	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 2012 to 2038, at interest rates from 5.94% to 19.00% (2012 - 5.94% to 19.00%).	\$ 25,964	\$ (25,964)	\$ -	\$ -
Loans payable to CMHC (NHA Section 82 debt), repayable in annual installments until the year 2033, bearing interest of 6.97% (2012 - 6.97%). These loans are guaranteed by the Government.	19,370	(10,761)	8,609	9,075
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%, (2012 - 2.78% to 3.68%).	<u>3,588</u>	<u>-</u>	<u>3,588</u>	<u>3,800</u>
	<u>\$ 48,922</u>	<u>\$ (36,725)</u>	<u>\$ 12,197</u>	<u>\$ 12,875</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 5/9<sup>th</sup> 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 \$4,080 in 2013 (2012 - \$4,384), and would have made additional principal long-term debt repayments to CMHC of \$2,653 in 2013 (2012 - \$3,405).

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



# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements

March 31, 2013

(all figures in thousands)

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

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 718	\$ 727	\$ 1,445
2015	761	684	1,445
2016	806	639	1,445
2017	844	590	1,434
2018	805	539	1,344
2019 - 2023	3,789	2,029	5,818
2024 - 2038	<u>4,474</u>	<u>1,006</u>	<u>5,480</u>
	<u>\$ 12,197</u>	<u>\$ 6,214</u>	<u>\$ 18,411</u>

### 11. OBLIGATIONS UNDER CAPITAL LEASES

The Corporation is committed to annual payments for 13 (2012 - 15) lease agreements for public housing units under the Public Housing Rent Supplement Programs and three (2012 - three) lease agreements for market housing units. These lease agreements are based on implicit interest rates varying from 6.6% to 11.5% 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>
2014	\$ 304	\$ 138	\$ 847	\$ 1,289
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>
<b>Total</b>	<u>\$ 734</u>	<u>\$ 260</u>	<u>\$ 2,063</u>	<u>\$ 3,057</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, 2013 is \$8,480 and \$7,171 respectively (2012 - \$11,004 and \$8,016, respectively).

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements

March 31, 2013

(all figures in thousands)

### 12. 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 dollar for every dollar contributed by the employee, and 8.95 dollar for every dollar contributed by the employee for the portion of the employee's salary above \$148 thousand. Effective January 1, 2013, the Corporation contributes 1.64 dollar for every dollar contributed by the employee, and 8.00 dollar for every dollar contributed by the employee for the portion of the employee's salary above \$150.9 thousand. And, for new employees who are participating in the plan on or after January 1, 2013, the Corporation contributes 1.57 dollar for every dollar contributed by the employee, and 8.00 dollar for every dollar contributed by the employee for the portion of the employee's salary above \$150.9 thousand.

The contribution rate for employees during the calendar year 2012 was 6.20% on their pensionable earnings up to \$50.1 thousand and 8.60% for their pensionable earnings over \$50.1 thousand. Effective January 1, 2013, the contribution rate for employees is 6.85% on their pensionable earnings up to \$51.1 thousand and 9.20% for their pensionable earnings over \$51.1 thousand. In addition, for new employees who are participating in the plan on or after January 1, 2013, the contribution rate is 6.27% on their pensionable earnings up to \$51.1 thousand and 7.63% for their pensionable earnings over \$51.1 thousand.

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

	<u>2013</u>	<u>2012</u>
Employer's contributions	\$ 1,492	\$ 1,498
Employees' contributions	778	755

#### 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% (2012 – 8%). The Corporation's and employees' contribution to the NEBS Pension Plan for the year were as follows:

	<u>2013</u>	<u>2012</u>
Employer's contribution	\$ 293	\$ 303
Employees' contribution	293	303

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements

March 31, 2013

(all figures in thousands)

### 12. RETIREMENT AND POST-EMPLOYMENT BENEFITS (continued)

The plan serves 1,128 Employee Members and 81 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.

#### 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:

	<u>2013</u>	<u>2012</u>
Accrued benefit obligation, beginning of year	\$ 4,757	\$ 4,036
Costs for the year	1,664	2,021
Benefits paid during the year	<u>(1,511)</u>	<u>(1,300)</u>
Accrued benefit obligation, end of year	<u>\$ 4,910</u>	<u>\$ 4,757</u>

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements

March 31, 2013

(all figures in thousands)

### 13. FUNDING FROM CANADA MORTGAGE AND HOUSING CORPORATION

	2013	2012
Funding received from CMHC recognized as government funding under the:		
Social Housing Agreement:		
Contributions for public housing rental subsidies	\$ 11,234	\$ 12,040
Contributions to non-profit housing sponsor groups and cooperatives	3,918	3,918
Repairs, maintenance and other costs	1,580	1,772
Agreement for Investment in Affordable Housing	1,840	1,840
Agreement for Incremental Construction Costs	25	-
Agreement for Energy Construction Monitoring	43	-
	\$ 18,640	\$ 19,570

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 will provide 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, 2013

(all figures in thousands)

### 14. PUBLIC HOUSING PROGRAM

	<u>2013</u>	<u>2012</u>
Utilities, taxes and land leases	\$ 22,928	\$ 21,247
Repairs, maintenance and other costs	8,154	4,796
Salaries	12,248	11,744
Administration	1,993	1,838
Contributions for public housing	3,365	3,312
Leasing	2,948	2,781
Interest on long-term debt	<u>1,094</u>	<u>1,287</u>
	\$ <u>52,730</u>	\$ <u>47,006</u>

### 15. ADMINISTRATION EXPENSES

	<u>2013</u>	<u>2012</u>
Salaries and benefits	\$ 13,392	\$ 13,715
Building and equipment rentals	1,760	1,735
Professional and special services	552	691
Administration	402	211
Travel and relocation	544	578
Computer services	400	444
Communications	222	225
Materials and supplies	201	179
Workshops and studies	49	67
Other expenses	<u>30</u>	<u>-</u>
	\$ <u>17,552</u>	\$ <u>17,845</u>

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements

March 31, 2013

(all figures in thousands)

### 16. 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 2014 contractual obligations are construction commitments of \$5,419 (2013 - \$5,855).

	<u>Total</u>
2014	\$ 9,116
2015	2,842
2016	2,333
2017	1,890
2018	1,566
After	<u>5,993</u>
Total	<u>\$ 23,740</u>

### 17. CONTINGENCIES

The Corporation provided guarantees to banks in financing certain new or renovated residential housing construction. The Corporation has the authority to provide loan guarantees to a limit of \$30,000 as established by Regulation made pursuant to the *Northwest Territories Housing Corporation Act*. As at March 31, 2013 a total of 28 (2012 - 31) loan guarantees were in effect, and the outstanding balance of loans guaranteed was \$4,609 (2012 - \$5,199). Seven (2012 - eight) of these loans guaranteed with a total outstanding balance of \$3,237 (2012 - \$3,664) 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, 2013 was \$24,282 (2012 - \$25,906).

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, 2013 is nil (2012 - nil).

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements

March 31, 2013

(all figures in thousands)

### 18. 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 \$54,189 (2012 - \$46,848).

##### 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 \$4,484 (2012 - \$12,001).

##### 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 the current year when a new program, the Revised Mortgage Approach was developed to determine new repayable loan amounts.

The maximum exposure to credit risk is \$1,597 (2012 - \$2,547).

# NORTHWEST TERRITORIES HOUSING CORPORATION

## Notes to Consolidated Financial Statements

March 31, 2013

(all figures in thousands)

### 18. 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	
						2013	2012
Portfolio investments	9,553	14,845	10,078	10,999	4,278	49,754	46,848

A 1% change in interest rates would change net investment income by \$483 (2012 - \$486).

### 19. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

	2013		2012	
	Carrying amount	Fair value	Carrying amount	Fair value
Portfolio investments	\$ 49,754	\$ 50,227	\$ 46,848	\$ 47,392
Loans payable to CMHC	8,609	10,968	9,075	11,578
Mortgages payable to CMHC	3,588	3,712	3,800	3,868
Obligations under capital lease	2,063	2,288	4,667	6,170

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.

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, 2013**

(all figures in thousands)

### **20. 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.

### **21. COMPARATIVE FIGURES**

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

### **22. 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, 2013**

(all figures in thousands)

	Opening balance	Cost			Accumulated amortization		Net book value				
		Acquisitions	Disposals	Write-downs	Closing balance	Opening balance	Amortization	Disposals	Closing balance	2013	2012
<b>Land and buildings:</b>											
Land	4,717	1,178	-	-	5,895	-	-	-	-	5,895	4,717
Public housing	351,271	13,331	(5,927)	(2,806)	355,869	139,908	11,261	(2,933)	148,236	207,633	211,363
Construction in progress	13,453	969	-	(480)	13,942	-	-	-	-	13,942	13,453
<b>Sub-total</b>	<b>369,441</b>	<b>15,478</b>	<b>(5,927)</b>	<b>(3,286)</b>	<b>375,706</b>	<b>139,908</b>	<b>11,261</b>	<b>(2,933)</b>	<b>148,236</b>	<b>227,470</b>	<b>229,533</b>
<b>Property and equipment:</b>											
Warehouses and offices	8,867	116	-	-	8,983	4,116	303	-	4,419	4,564	4,751
Office furniture and equipment	5,268	64	-	-	5,332	4,695	128	-	4,823	509	573
Mobile equipment	1,516	80	-	-	1,596	886	142	-	1,028	568	630
Software	-	105	-	-	105	-	-	-	-	105	-
Leaseholds	728	-	-	-	728	653	41	-	694	34	75
<b>Sub-total</b>	<b>16,379</b>	<b>365</b>	<b>-</b>	<b>-</b>	<b>16,744</b>	<b>10,350</b>	<b>614</b>	<b>-</b>	<b>10,964</b>	<b>5,780</b>	<b>6,029</b>
<b>Total</b>	<b>385,820</b>	<b>15,843</b>	<b>(5,927)</b>	<b>(3,286)</b>	<b>392,450</b>	<b>150,258</b>	<b>11,875</b>	<b>(2,933)</b>	<b>159,200</b>	<b>233,250</b>	<b>235,562</b>

**NORTHWEST TERRITORIES HYDRO CORPORATION  
CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2013**

# NORTHWEST TERRITORIES HYDRO CORPORATION

## 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  
July 31, 2013



## 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 2013, and the consolidated statement of operations, consolidated statement of 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 2013, 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

31 July 2013  
Edmonton, Canada

# NORTHWEST TERRITORIES HYDRO CORPORATION

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

	2013	2012
<b>Assets</b>		
Current assets		
Cash	\$ 2,015	\$ 1,368
Accounts receivable (Note 5)	14,904	18,834
Inventories (Note 6)	5,511	4,162
Prepaid expenses	590	661
Current portion of sinking fund investments (Note 8)	-	20,000
	<u>23,020</u>	<u>45,025</u>
Property, plant and equipment, net (Note 7)	325,363	312,021
Other non-current assets		
Regulatory assets (Note 3)	19,494	18,428
Sinking fund investments (Notes 8, 11)	5,676	5,052
Intangible assets (Note 9)	1,150	1,016
	<u>26,320</u>	<u>24,496</u>
	<u>\$ 374,703</u>	<u>\$ 381,542</u>
<b>Liabilities and Shareholder's Equity</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 15,071	\$ 22,179
Short-term debt (Note 10)	5,979	16,351
Current portion of long-term debt (Note 11)	2,298	22,184
	<u>23,348</u>	<u>60,714</u>
Long-term debt		
Long-term debt, net of sinking fund investments (Note 11)	180,404	138,379
Sinking fund investments presented as assets (Note 8)	5,676	25,052
Net lease obligation (Note 12)	2,306	2,028
	<u>188,386</u>	<u>165,459</u>
Other non-current liabilities		
Regulatory liabilities (Note 3)	36,153	39,537
Asset retirement obligations (Notes 13, 14)	12,224	7,388
Deferred government contributions (Note 15)	2,678	2,852
Employee future benefits (Note 16)	1,357	1,525
	<u>52,412</u>	<u>51,302</u>
Shareholder's equity	<u>110,557</u>	<u>104,067</u>
	<u>\$ 374,703</u>	<u>\$ 381,542</u>

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**

# NORTHWEST TERRITORIES HYDRO CORPORATION

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

	<u>2013</u>	<u>2012</u>
<b>Revenues</b>		
Sale of power	\$ 81,723	\$ 81,690
GNWT power sales contributions (Note 17)	11,600	-
Refundable rider revenues (Note 2)	5,224	-
Government contribution in lieu of fuel riders (Note 3)	-	8,957
Other government contributions (Note 21)	1,312	2,312
Other revenues (Note 18)	1,312	1,468
	<u>101,171</u>	<u>94,427</u>
<b>Expenses</b>		
Fuels and lubricants (including offsetting fuel expenses of \$8,957 (Note 3))	29,379	28,112
Salaries and wages	22,438	21,786
Amortization (Note 19)	18,486	15,225
Supplies and services	12,442	14,101
Travel and accommodation	1,953	2,070
	<u>84,698</u>	<u>81,294</u>
Earnings from operations	16,473	13,133
Share transmission line damages	-	(1,739)
Cost recovery	-	1,739
Interest income	221	233
	<u>16,694</u>	<u>13,366</u>
Earnings before interest expense	16,694	13,366
Interest expense (Note 20)	10,204	9,174
	<u>6,490</u>	<u>4,192</u>
<b>Income before impairment provision</b>	<b>6,490</b>	<b>4,192</b>
	-	-
	-	-
	<u>-</u>	<u>-</u>
Impairment provision (Note 7)		14,625
Government contributions associated with impairment provision (Note 7)	-	14,185
Net expense		440
	<u>-</u>	<u>440</u>
<b>Net income</b>	<b>\$ 6,490</b>	<b>\$ 3,752</b>

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



# NORTHWEST TERRITORIES HYDRO CORPORATION

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

	<u>2013</u>	<u>2012</u>
<b>Net income</b>	\$ 6,490	\$ 3,752
<b>Other comprehensive income (loss)</b>		
Reclassification adjustment for realized gains on sale of available-for-sale financial assets included in net income	-	(633)
Unrealized (losses) / gains on available-for-sale financial assets arising during the year	-	112
Other comprehensive loss	-	(521)
<b>Comprehensive income</b>	<u>\$ 6,490</u>	<u>\$ 3,231</u>

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

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

	<u>2013</u>	<u>2012</u>
<b>Share capital (Note 22)</b>	\$ 43,129	\$ 43,129
<b>Retained earnings</b>		
Retained earnings at beginning of year	60,938	57,186
Net income	6,490	3,752
<b>Retained earnings at end of year</b>	<u>\$ 67,428</u>	<u>\$ 60,938</u>
<b>Accumulated other comprehensive income</b>		
Accumulated other comprehensive income at beginning of year	\$ -	\$ 521
Other comprehensive loss	-	(521)
<b>Accumulated other comprehensive income at end of year</b>	<u>\$ -</u>	<u>\$ -</u>
<b>Shareholder's equity at end of year</b>	<u>\$ 110,557</u>	<u>\$ 104,067</u>

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

# NORTHWEST TERRITORIES HYDRO CORPORATION

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

	<u>2013</u>	<u>2012</u>
<b>Operating activities:</b>		
Cash receipts from customers	\$ 90,175	\$ 81,953
Government assistance (Notes 3, 21)	16,635	8,198
Cash paid to suppliers and employees	(83,017)	(64,517)
Interest received	221	233
Interest paid	(11,559)	(12,634)
Cash flows provided by operating activities	<u>12,455</u>	<u>13,233</u>
<b>Investing activities:</b>		
Property, plant and equipment constructed or purchased	(23,636)	(29,131)
Cash flows used in investing activities	<u>(23,636)</u>	<u>(29,131)</u>
<b>Financing activities:</b>		
Proceeds from long-term debt (net of debt issue costs)	24,847	-
Repayment of long-term debt	(22,184)	(16,316)
Proceeds from sinking fund redemption	20,031	15,751
Net (repayments of) proceeds from short-term debt	(10,372)	10,886
Government contributions (Note 15)	(116)	6,079
Sinking fund instalments	(656)	(1,964)
Receipts from net lease obligation	278	216
Cash flows provided by financing activities	<u>11,828</u>	<u>14,652</u>
<b>Net increase (decrease) in cash</b>	<b>647</b>	<b>(1,246)</b>
<b>Cash at beginning of year</b>	<b><u>1,368</u></b>	<b><u>2,614</u></b>
<b>Cash at end of year</b>	<b><u>\$ 2,015</u></b>	<b><u>\$ 1,368</u></b>

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

# NORTHWEST TERRITORIES HYDRO CORPORATION

## Notes to the Consolidated Financial Statements For the year ended March 31, 2013 (\$000's)

### 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 natural 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. (NTEC) and 5383 NWT Ltd. NTEC, 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). NTEC 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) is wholly-owned by NT Hydro and undertakes projects in support of the Shareholder's Energy Plan. Sahdae is wholly-owned by NT Hydro and its 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 the delays in the pipeline project SEL has been inactive in the past year.

### 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: NTEC 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 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.

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

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.

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 General Rate Application. 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)

NTPC also filed an interim rate application (IRA) with the PUB on March 23, 2012. 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%. On May 7, 2012 the PUB approved the IRA for the fiscal 2013, with interim rates effective for May 1, 2012.

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. See Note 27 for additional details.

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

**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.

**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 and a proportionate share of directly attributable overhead costs.

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.

**Amortization**

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 Notes 13 and 14.

# NORTHWEST TERRITORIES HYDRO CORPORATION

## Notes to the Consolidated Financial Statements For the year ended March 31, 2013 (\$000's)

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

Amortization rates are as follows:

	%
Electric power plants	1.16 - 5.25
Transmission and distribution systems	1.09 - 4.66
Electric power plant under capital lease	1.16 - 1.54
Warehouse, equipment, motor vehicles and general facilities	1.76 - 9.76
Other utility assets	2.50 - 20.0
Other	20.0

Amortization of intangible assets is taken on the straight-line average group life basis at an annual rate of 9.76%.

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. The last general rate application was in the 2008 fiscal year and the last amortization study was in fiscal 2002. NTPC filed a GRA in March 2012 and an amortization study was included as part of that filing. As per Decision 1-2013, rates resulting from that filing and the associated amortization rates are to be effective starting April 1, 2013.

### 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.

### 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 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-pension 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.

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

The cost of the benefits reflects management's best estimates using expected compensation levels and employee leave credits. 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.

**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.

Restricted GNWT contributions for repayment of stabilization funds are recorded as a credit to the stabilization funds. As a result of these contributions, revenues have been recorded as government contributions in lieu of fuel rider revenues and an offsetting fuel rider expense has also been recorded on the statement of operations. See Note 3 for additional details.

All other government contributions are recognized as revenue in the year the contributions are spent. See Note 21 for additional details.

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

**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 and expenses, and 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 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 and net receivable from related parties as loans and receivables. These items are recorded at amortized cost using the effective interest rate method. Due to the short-term nature of receivables, their carrying value approximates their fair value.

*Other financial liabilities*

NT Hydro classifies its accounts payable, short-term debt, long-term debt 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 short-term debt, their carrying value approximates their fair value.

*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.



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

*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 (2012 – 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 CICA 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 IASB is also planning to issue an interim IFRS standard on rate-regulated activities by the end of 2013 and the extension will provide first-time adopters of IFRS adequate time to prepare comparative figures based on a new interim IFRS standard.

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 NTPC include property, plant and equipment, regulatory assets and liabilities, employee benefits and the transitional requirements upon the adoption of IFRS under the provisions of IFRS 1, First-Time Adoption of IFRS.

NT Hydro qualifies for the deferral and 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.

# NORTHWEST TERRITORIES HYDRO CORPORATION

## Notes to the Consolidated Financial Statements For the year ended March 31, 2013 (\$000's)

### 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>2013</u>	<u>2012</u>	<u>Remaining recovery period</u>
Water licensing deferral account	\$ 5,320	\$ 5,262	Determined by PUB
Normalized overhaul costs	4,634	5,487	Determined by PUB
Regulated employee future benefits	4,498	4,172	Determined by PUB
Reserve for injuries and damages	1,898	2,423	Determined by PUB
Other regulatory assets	1,513	634	Determined by PUB
Regulatory costs	1,170	450	Determined by PUB
Rate stabilization funds	461	-	Determined by PUB
	<u>\$ 19,494</u>	<u>\$ 18,428</u>	

# NORTHWEST TERRITORIES HYDRO CORPORATION

## Notes to the Consolidated Financial Statements For the year ended March 31, 2013 (\$000's)

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

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

	<u>2013</u>	<u>2012</u>
Water licensing deferral account	\$ 58	\$ 3,865
Normalized overhaul costs	(1,294)	1,653
Regulated employee future benefits	326	385
Reserve for injuries and damages	(525)	(439)
Other regulatory assets	879	237
Regulatory costs	720	(65)
Rate stabilization funds	461	(3,685)
Reserve for future removal and site restoration	4,973	1,551
Deferred revenues	(1,664)	(586)
Capitalized fuel	(39)	(39)
Equity component of AFUDC	-	1,014
Net increase in net income due to rate regulation	<u>\$ 3,895</u>	<u>\$ 3,891</u>

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

#### 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 \$751 (2012 from 2006/08 GRA - \$137) to be included in annual expenses for this fund. Costs allocated to this account in fiscal 2013 totalled \$809 (2012 - \$4,002). In the absence of rate regulation, GAAP would require that the cost of these events be expensed or capitalized in the year in which they were incurred. The net effect of rate regulation on net income was an increase of \$58 (2012 – increase of \$3,865).

#### Normalized overhaul costs

Normalized overhaul costs include costs over the life of the assets to overhaul hydro, diesel and natural 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 \$1,137 (2012 - \$2,860) and annual amortization expense would increase by \$505 (2012 - \$486) as a result of an increase in the balance of property, plant and equipment of \$947 (2012 - \$796). In Decision 1-2013, the PUB approved \$2,936 (2012 - \$1,693) 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 2013 actual costs deferred to this account totalled \$2,084 (2012 - \$3,656). The net effect of rate regulation on net income was a decrease of \$ 1,294(2012 – increase of \$1,653).

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

**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 2013 actual costs deferred to this account totalled \$674 (2012 - \$385). In Decision 1-2013, the PUB initiated amortization of this fund for the first time since its inception and approved \$348 (2012 - \$nil) to be included in annual expenses for this fund. The net effect of rate regulation on net income was an increase of \$326 (2012 – increase of \$385).

**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 (2012 - \$670) to be included in annual expenses for this fund. In fiscal 2013 actual costs deferred to this account totalled \$145 (2012 - \$231). 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 \$525 (2012 – decrease of \$439).

**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. 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 \$1,036 (2012 - \$264) and annual amortization expense would decrease by \$157 (2012 - \$27). The net effect of rate regulation on net income was an increase of \$879 (2012 – increase of \$237).

**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 (2012 - \$600) to be included in annual expenses for this fund. In fiscal 2013 actual costs deferred to this account totalled \$963 (2012 - \$535). The net effect of rate regulation on net income was an increase of \$720 (2012 – decrease of \$65).

**NORTHWEST TERRITORIES HYDRO CORPORATION**

**Notes to the Consolidated Financial Statements  
For the year ended March 31, 2013  
(\$000's)**

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

**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 natural 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 2013 fuel expenses were deferred and consequently higher due to the differences in fuel prices of \$290 (2012 – lower by \$4,830) and lower due to the volume of available water generation of \$739 (2012 – lower by \$383). The net interest revenues accrued on the balance of the funds also decreased interest expense by \$12 (2012 - \$59).

In fiscal 2012 the GNWT made specified contributions of \$8,957 to pay down the balance of the stabilization funds instead of NTPC applying a rate rider to recover the outstanding balance in the funds directly from customers. At the end of fiscal 2012, \$3,856 of this balance was recorded in accounts receivable. In addition to offsetting the balances accumulated in the stabilization funds, these contributions were reported as rider revenue with an offsetting and equal charge to fuel expense in fiscal 2012. There were no similar contributions from the GNWT in fiscal 2013.

The net effect of rate regulation on net income was an increase of \$461 (2012 – decrease of \$3,685).

**Fuel rider revenues**

Fuel rider revenues with offsetting fuel expense:

	<b>2013</b>		<b>2012</b>	
	<b>Rider revenues</b>	<b>Associated fuel expense</b>	<b>Rider revenues</b>	<b>Associated fuel expense</b>
GNWT contribution	\$ -	\$ -	\$ 8,957	\$ 8,957
Rate stabilization fund riders	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,957</u>	<u>\$ 8,957</u>

# NORTHWEST TERRITORIES HYDRO CORPORATION

## Notes to the Consolidated Financial Statements For the year ended March 31, 2013 (\$000's)

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

#### Regulatory liabilities

	<u>2013</u>	<u>2012</u>	<u>Remaining settlement period</u>
Reserve for future removal and site restoration	\$ 29,628	\$ 34,601	Determined by PUB
Deferred revenues	6,525	4,936	Determined by PUB
	<u>\$ 36,153</u>	<u>\$ 39,537</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. 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. Actual costs incurred in a given year for asset removals and site clean-up are charged to this account.

The remaining recovery period is indeterminate due to the amounts added to the fund and the amounts drawing down the balance of the fund each year. 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.

The fund is built up each year based on the following rates and the balance in property, plant and equipment of those asset categories:

	<u>%</u>
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 and the removal and site restoration costs would be expensed in the year incurred if they did not relate to an asset retirement obligation or environmental liabilities and the remaining balance in the reserve would be taken into equity. In the absence of rate regulation, NTPC's fiscal 2013 expenses would have been \$1,842 (2012 - \$725) higher by the amount of the removal and site restoration costs deferred. Amortization expenses were \$1,961 (2012 - \$1,889) higher than 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 13) 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

## **NORTHWEST TERRITORIES HYDRO CORPORATION**

### **Notes to the Consolidated Financial Statements For the year ended March 31, 2013 (\$000's)**

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

decrease in the account balance of \$5,092 (2012 – decrease of \$2,715). The net effect of rate regulation on net income is an increase of \$4,973 (2012 – increase of \$1,551).

#### **Deferred revenues**

Deferred revenues reflect contributions to aid in the construction and acquisition of property, plant and equipment. Deferred revenues 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 19). In the absence of rate regulation, GAAP would require that the contributions received in a given year be recorded in revenues for that year and amortization expense would not be offset by the amortization of the deferred revenues. The remaining 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 deferred revenues are the same as those found in Note 2 under Amortization. In fiscal 2013 revenues were \$2,175 (2012 - \$1,104) lower than they would have been and amortization on property, plant, and equipment was \$511 (2012 - \$518) lower than it would have been in the absence of rate regulation. The net effect of rate regulation on net income is a decrease of \$1,664 (2012 – decrease of \$586).

#### **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 2013 (or 2012) in association with this project. Therefore fuel expense in fiscal 2013 (and 2012) was the same as it would have been in absence of rate regulation. Amortization expense was \$39 (2012 - \$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 (2012 – decrease of \$39).

#### **Capitalized allowance for funds used during construction**

In Decision 1-2013, the PUB approved NTPC to capitalize costs incurred for interest during construction (IDC) based on the most recent PUB-approved IDC which is 6.540% for fiscal 2013. In fiscal 2012 NTPC capitalized an allowance for funds used during construction (AFUDC) instead of an IDC based on the most recent PUB-approved cost of capital which was 9.674% for fiscal 2008 and future years until the next GRA. The AFUDC rate includes a component for the return on equity. In the absence of rate regulation, GAAP allows interest during construction (IDC) be capitalized based on the related cost of debt instead of an AFUDC. Therefore, the AFUDC as recorded by NTPC in fiscal 2012 was higher than it would have been in a non-regulated operation, as is the subsequent amortization of the capitalized equity component. Capitalized AFUDC and IDC is recorded as an

# NORTHWEST TERRITORIES HYDRO CORPORATION

## Notes to the Consolidated Financial Statements For the year ended March 31, 2013 (\$000's)

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

offset to interest expense (Note 20). Due to the complexities in the calculation, it is not possible to make a reasonable estimate of the carrying value of the equity component of AFUDC in fiscal 2012 to determine the impact of amortization on net income.

In fiscal 2013 approximately \$nil (2012 - \$1,014) was capitalized as the return on equity component of the capitalized AFUDC based on NTPC's 2006/08 PUB-approved cost of capital structure. The net effect of rate regulation on net income is an increase of \$nil (2012 – increase of \$883).

### 4. Capital management

NT Hydro's capital structure as at March 31, 2013 and March 31, 2012 was as follows:

	<u>2013</u>	<u>2012</u>
		\$
Long-term debt	\$ 189,819	187,004
Less: Sinking funds	5,676	25,052
Less: Unamortized premium, discount and issuance costs	1,441	1,389
Net long-term debt	<u>182,702</u>	<u>160,563</u>
Net lease obligation	2,306	2,028
Shareholder's equity	110,556	104,067
Less: AOCI	-	-
Adjusted shareholder's equity	<u>110,556</u>	<u>104,067</u>
		\$
Total capital	<u>\$ 295,564</u>	<u>266,658</u>

NT Hydro's capital structure consists of its financing sources for capital projects: adjusted 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 2013 is 63/37 (2012 – 61/39).



# NORTHWEST TERRITORIES HYDRO CORPORATION

## Notes to the Consolidated Financial Statements For the year ended March 31, 2013 (\$000's)

### Note 4. Capital management (continued)

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:

	2013				2012
	Current (less than 28 days)	29-90 days	Over 90 days	Total	Total
Utility	\$ 10,916	\$ 937	\$ 1,054	\$ 12,907	\$ 11,686
Non-utility	2,373	8	822	3,203	7,876
Allowance for doubtful accounts	-	-	(1,206)	(1,206)	(728)
	<u>\$ 13,289</u>	<u>\$ 945</u>	<u>\$ 670</u>	<u>\$ 14,904</u>	<u>\$ 18,834</u>

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

	2013	2012
Balance, beginning of the year	\$ (728)	\$ (361)
Receivables written off	85	93
Increase to allowance	(563)	(460)
Balance, end of the year	<u>\$ (1,206)</u>	<u>\$ (728)</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

	2013	2012
Materials, supplies and lubricants	\$ 5,206	\$ 3,981
Fuel	305	181
	<u>\$ 5,511</u>	<u>\$ 4,162</u>

Inventories are comprised of fuel and materials, supplies and lubricants used in the production of electricity in NT Hydro. Production fuel inventory is only held by NT Hydro in four of its operating plants. The fuel requirements for NT Hydro's remaining plants are all managed under the fuel management services agreement described in Note 23. Fuel held as inventory and then expensed in fiscal 2013 totalled \$1,516 (2012 - \$1,540).

# NORTHWEST TERRITORIES HYDRO CORPORATION

## Notes to the Consolidated Financial Statements For the year ended March 31, 2013 (\$000's)

### Note 6. Inventories (continued)

The supplies and services expenses reported in fiscal 2013 includes \$1,112 (2012 - \$1,099) of materials, supplies and lubricants held as inventory throughout the year. The majority of materials, supplies and lubricants are used by NT Hydro to make repairs, complete overhauls or generate electricity.

### 7. Property, plant and equipment

	2013			2012
	Cost	Accumulated amortization	Net book value	Net book value
Electric power plants	\$ 264,794	\$ (68,081)	\$ 196,713	\$ 162,998
Transmission and distribution systems	78,383	(21,965)	56,418	57,534
Electric power plant under capital lease	26,455	(6,753)	19,702	20,002
Warehouse, equipment, motor vehicles and general facilities	40,692	(14,315)	26,377	25,122
Other	7,636	(5,276)	2,360	1,662
Other utility assets	7,062	(1,776)	5,286	5,608
Assets held for future use (critical spare parts)	3,274	-	3,274	3,648
	<u>\$ 428,296</u>	<u>\$ (118,166)</u>	<u>\$ 310,130</u>	<u>\$ 276,574</u>
Construction work in progress	30,470	-	30,470	50,072
Impairment provision	(15,237)	-	(15,237)	(14,625)
	<u>\$ 443,529</u>	<u>\$ (118,166)</u>	<u>\$ 325,363</u>	<u>\$ 312,021</u>

Engineering and other direct overhead expenses allocated to assets placed in service during the year amounted to \$3,444 (2012 - \$3,565).

#### *Impairment provision*

In Decision 1-2013, the PUB determined that a group of distribution assets were not recoverable from customers through rates starting in fiscal 2013. As a result, an impairment provision of \$612 has been recognized and included in amortization.

### 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 20).

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 realized a mark-to-market return of 0.96% (2012 – 5.20%) on the general portfolio of sinking fund investments.

**NORTHWEST TERRITORIES HYDRO CORPORATION**

**Notes to the Consolidated Financial Statements  
For the year ended March 31, 2013  
(\$000's)**

**Note 8. Sinking fund investments (continued)**

In May 2012 \$20,000 of the sinking fund balance was retired to offset the repayment of the May 2012 debenture and only two smaller sinking fund debentures remain. In anticipation of this reduced balance, in February 2012 the sinking fund policy was revised to reduce the investment risk of the portfolio and reduce administrative costs. The 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.

	2013		2012	
	Class value	Weighted average effective rate of return <sup>(1)</sup>	Class value	Weighted average effective rate of return <sup>(1)</sup>
Held for trading (fair value)				
Cash and short-term investments	\$ 5,676	0.96%	\$ 25,052	0.90%
Less: current portion	-		20,000	
	\$ 5,676		\$ 5,052	

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

**9. Intangible assets**

	2013		2012	
	Cost	Accumulated amortization	Net book Value	Net Book Value
Enterprise software	\$ 3,129	\$ (1,979)	\$ 1,150	\$ 1,016

**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.

	2013	2012
Bankers acceptances and bank overdraft	\$ 5,979	\$ 16,351

In fiscal 2013 short-term debt at March 31, 2013 is only comprised of a bank overdraft balance. The short-term debt outstanding at March 31, 2012 had a weighted average 30 day term and a 2.25% weighted average annual interest rate.

# NORTHWEST TERRITORIES HYDRO CORPORATION

## Notes to the Consolidated Financial Statements For the year ended March 31, 2013 (\$000's)

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

	<u>2013</u>	<u>2012</u>
5.16% amortizing debenture, due September 13, 2040	\$ 49,201	\$ 50,000
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	-
5% debenture, due July 11, 2025	15,000	15,000
6.83% amortizing debenture, due December 18, 2032	13,333	14,000
6.33% sinking fund debentures, due October 27, 2018	10,000	10,000
8.41% sinking fund debentures, due February 27, 2026	8,700	8,700
9.11% debenture series 3, due September 1, 2026 repayable in equal monthly payments of \$73	6,774	7,021
9.75% debentures series 2, due October 1, 2025 repayable in equal monthly payments of \$69	5,932	6,165
10% debenture series 1, due May 1, 2025 repayable in equal monthly payments of \$70	5,879	6,118
10.75% sinking fund debentures, due May 28, 2012	-	20,000
	<u>\$ 189,819</u>	<u>\$ 187,004</u>
Less: Unamortized premium, discount and issuance costs	1,441	1,389
	<u>188,378</u>	<u>185,615</u>
Less: Current portion	2,298	22,184
	<u>186,080</u>	<u>163,431</u>
Less: Sinking fund investments (Note 8)	5,676	25,052
Long-term debt, net of sinking fund investments	<u>\$ 180,404</u>	<u>\$ 138,379</u>

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Principal repayments	\$2,298	\$2,414	\$2,544	\$2,691	\$2,847
Sinking fund investment contributions	\$ 780	\$ 780	\$ 780	\$ 780	\$780

### 12. Net lease obligation

NTEC loaned funds to the Dogrib Power Corporation 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 \$17,570 (2012 - \$18,191). The loan bears interest at an annual rate of 9.6%, which is the average rate of interest on NTEC's long-term debt issued to finance the loan. It is due July 2026 and is repayable in equal monthly payments of \$195. The loan is secured by a charge against the plant and the lease agreement.

NTPC has an initial 65-year lease for the plant at an imputed interest rate of 9.6% from the Dogrib Power Corporation until 2061. The value of the capital lease obligation is \$19,598 (2012 - \$20,003). To

# NORTHWEST TERRITORIES HYDRO CORPORATION

## Notes to the Consolidated Financial Statements For the year ended March 31, 2013 (\$000's)

### Note 12. Net lease obligation (continued)

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

Upon consolidation, the loan receivable held by NTEC is offset with the capital lease obligation of NTPC resulting in a net lease obligation of \$2,028 (2012 - \$1,812). The current portion of the net lease obligation is a receipt of \$278 (2012 - \$216) 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.

Subsequent to March 31, 2013 there was a security change in the net lease obligation arrangement. See Note 27 for additional details. 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.

The net lease obligation receipts due over the next five years are:

2014	2015	2016	2017	2018
\$347	\$423	\$506	\$597	\$698

### 13. Asset retirement obligations

	2013	2012
Balance, beginning of the year	\$ 7,388	\$ 4,674
Liabilities settled	(815)	(576)
Accretion expense	322	174
Valuation adjustment	4,991	2,695
Additions	338	421
Balance, end of the year	\$ 12,224	\$ 7,388

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 - \$28,306 (2012 - \$21,380)
- 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 5.50% for those obligations identified prior to fiscal 2013 and 3.90% for those obligations identified in fiscal 2013

## NORTHWEST TERRITORIES HYDRO CORPORATION

### Notes to the Consolidated Financial Statements For the year ended March 31, 2013 (\$000's)

#### 14. Environmental liabilities

NT Hydro estimates that it would cost approximately \$20,891 (2012 - \$14,802) to clean up the environmentally contaminated soil at its 27 sites in the NWT. The discounted present value of these obligations is \$8,632 (2012 - \$4,144) 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 NCPC. 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 net deferred government contributions:

	<u>2013</u>	<u>2012</u>
Balance, beginning of the year	\$ 2,852	\$ 12,009
Eligible funding	288	5,229
	<u>3,140</u>	<u>17,238</u>
Amortization for the year	(206)	(201)
Contributions related to asset disposals	(256)	(14,185)
Balance, end of the year	<u>\$ 2,678</u>	<u>\$ 2,852</u>

In fiscal 2013 the GNWT signed a one-year capital contribution agreement for \$250 with NTPC for capital project funding assistance for the expansion of the photovoltaic generation system in Ft. Simpson. As of March 31, 2013, eligible costs incurred were \$331. There is \$50 owing to NTPC by the GNWT under this agreement at the end of the year. Total project costs of \$331 were capitalized during the year.

There was also \$38 of funding additions related to eligible spending in fiscal 2012 for fiscal 2012 contribution agreements that was received and recorded by NTPC in fiscal 2013.

#### 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 1.64 times employees' contributions (2012 – 1.74 times). Total contributions of \$2,737 (2012 - \$2,833) 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 2

# NORTHWEST TERRITORIES HYDRO CORPORATION

## Notes to the Consolidated Financial Statements For the year ended March 31, 2013 (\$000's)

### Note 16. Employee future benefits (continued)

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>2013</u>	<u>2012</u>
Accrued benefit obligation, beginning of the year	\$ 1,938	\$ 2,120
Net increase in obligation for the year	1,650	385
Benefits paid during the year	(646)	(567)
Accrued benefit obligation	1,942	1,938
Less: current portion	(585)	(413)
Accrued benefit obligation, end of the year	<u>\$ 1,357</u>	<u>\$ 1,525</u>

### 17. GNWT power sales contributions

In fiscal 2013, NTPC signed a contribution agreement with the GNWT to provide a direct operating subsidy (cash contribution) to retire the balance in NTPC's Consolidated Fuel Stabilization Fund at March 31, 2012 to mitigate the impact of the revenue requirement changes on customers and to ensure a transition from current rates to final approved rates, over a 3 year period from fiscal 2013 to fiscal 2015. Under the 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 Consolidated Fuel Stabilization Fund. The remaining \$11,600 was recorded as revenues. All of the funding for fiscal 2013 was received in fiscal 2013. See *Rate regulation* under Note 2 for additional details.

### 18. Other revenues

	<u>2013</u>	<u>2012</u>
Connection fees	\$ 350	\$ 349
Contract work	305	570
Pole rental	272	247
Heat revenues	222	214
Miscellaneous	163	88
	<u>\$ 1,312</u>	<u>\$ 1,468</u>

# NORTHWEST TERRITORIES HYDRO CORPORATION

## Notes to the Consolidated Financial Statements For the year ended March 31, 2013 (\$000's)

### 19. Amortization

	<u>2013</u>	<u>2012</u>
Property, plant and equipment	\$ 13,837	\$ 12,329
Regulatory assets	5,104	3,127
Intangible assets	267	287
Deferred revenues (Note 3)	(722)	(518)
	<u>\$ 18,486</u>	<u>\$ 15,225</u>

### 20. Interest expense

	<u>2013</u>	<u>2012</u>
Interest on long-term debt	\$ 13,178	\$ 14,859
Short-term debt financing costs	328	435
Income from sinking fund investments	(76)	(1,561)
Income on loan receivable (Note 12)	(1,719)	(1,776)
Capitalized interest during construction (Notes 2, 3)	(1,507)	-
Capitalized allowance for funds used during construction (Notes 2, 3)	-	(2,783)
	<u>\$ 10,204</u>	<u>\$ 9,174</u>

### 21. Other government contributions

The GNWT provided \$1,312 (2011 - \$2,312) to NT Hydro and its subsidiaries for operating costs related to furthering the NWT Hydro Strategy and water monitoring activities, consideration of renewable energy options and energy options in Inuvik, support of the 2012 NWT Energy Charette, transmission line options from Fort Providence and a program related to rate review. Any funding provided under the contributions agreements and not expended during the current fiscal year is repayable to the GNWT. As at March 31, 2013, a net receivable of \$130 (2012 - \$35) of funding under these agreements was still receivable from the GNWT and is recorded in accounts receivable.



## NORTHWEST TERRITORIES HYDRO CORPORATION

**Notes to the Consolidated Financial Statements**  
**For the year ended March 31, 2013**  
(\$000's)

### 22. Share capital

	Number of shares	2013	Number of shares	2012
<b>Preferred shares</b>				
Authorized:				
One preferred share, non-cumulative, without par value				
Issued and outstanding:				
Issued on incorporation (one dollar)	1	\$ -	1	\$ -
<b>Common shares</b>				
Authorized:				
One common share without par value				
Issued and outstanding:				
Issued on incorporation	1	\$ 43,129	1	\$ 43,129

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

### 23. Commitments and contingencies

#### Capital projects

In March 2013, the Board of Directors approved a capital plan for fiscal 2014 of \$28,384 (2012 - \$22,860) which includes the costs to complete projects already in progress at March 31, 2013.

#### Natural gas purchase commitment

NT Hydro has an agreement to purchase natural gas to produce electricity in Inuvik. In September 2011 NT Hydro received a letter from the gas supplier, which is a partnership of IKHIL Resources Ltd., Altagas Marketing Inc. and IPL Holdings Inc., providing notice that the gas supply in the Inuvik Gas Reservoir was limited and unlikely to last to the end of the contract period. NT Hydro reduced its consumption of natural gas in a good faith attempt to extend the supply of gas to the residents of Inuvik so that alternative gas supplies could be pursued.

NT Hydro also agreed to forgo its legal remedies for the partnership's inability to supply its full obligations as outlined in the agreement on the basis that the partnership agreed to not enforce the minimum purchase clause within that agreement or any damages against NT Hydro for not consuming gas.

Since January 2012 gas generation has been significantly curtailed – running approximately 18% the first six months and 2% the last six months of 2013. The remainder of the generation is produced by the diesel plant. In fiscal 2013, gas represented 9% of the fuel used for power generation in Inuvik.

# NORTHWEST TERRITORIES HYDRO CORPORATION

## Notes to the Consolidated Financial Statements For the year ended March 31, 2013 (\$000's)

### Note 23. Commitments and contingencies (continued)

#### 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.

#### 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:

	<u>2013</u>	<u>2012</u>
<b>Transactions during the year:</b>		
Sale of power and other	\$ 21,990	\$ 20,197
Purchase of fuel from PPD	26,090	16,398
Other purchases and payments	1,198	1,544
Fuel tax paid to GNWT	-	155
GNWT refunded deposit for purchase of land and building	-	2,043
<b>Balances at year-end:</b>		
Accounts payable to PPD	2,191	7,298
Accounts receivable	1,611	5,606
Accounts payable, accrued liabilities and derivatives	29	62

# NORTHWEST TERRITORIES HYDRO CORPORATION

## Notes to the Consolidated Financial Statements For the year ended March 31, 2013 (\$000's)

### 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	Market risks
Interest rate	Other price				
<b>Measured at cost or amortized cost</b>					
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
<b>Measured at fair value</b>					
Cash	Held for trading	X			
Short-term investments	Held for trading	X		X	X

#### 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.

	<b>2013</b>	<b>2012</b>
Snare Cascades loan receivable	\$ 17,570	\$ 18,192
Accounts receivable	14,904	18,834
Sinking fund short-term investments	5,676	25,052
Cash	2,015	1,368
	<u>\$ 40,165</u>	<u>\$ 63,446</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.

#### *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 (2012 - 36%) of NTPC's sales are to two other utilities. Eleven percent (2012 - 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.

# NORTHWEST TERRITORIES HYDRO CORPORATION

## Notes to the Consolidated Financial Statements For the year ended March 31, 2013 (\$000's)

### Note 25. Financial instruments (continued)

#### *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 eight of the twelve 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.

The following table shows the maturities of the NT Hydro's short and long-term debt (excluding bank overdraft) as at March 31, 2013:

<u>Timeframe</u>	<u>Dollar value</u>	
	<u>2013</u>	<u>2012</u>
Less than 1 year	\$ 2,293	\$ 35,678
Greater than 1 year and not later than 6 years	23,516	12,791
Greater than 6 years and not later than 20 years	93,346	103,484
Greater than 20 years	70,732	48,612
	<u>\$ 189,887</u>	<u>\$ 200,565</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 loans receivable, the net lease obligation, long-term debt, short-term debt, interest rate derivatives, and fixed-income investments.

**Note 25. Financial instruments (continued)**

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.

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) Other price risk

Other price 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, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

When NT Hydro holds a derivative instrument in the form of a fuel commodity swap, the fair value fluctuates with changes in market commodity prices but absent early redemption, as the fixed price payer, cash flows do not.

f) 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 other 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. The U.S. dollar denominated sinking fund investments as at the balance sheet date has been used in the calculations. Purchases of U.S. dollar denominated goods throughout the year have not been included in this analysis due to the small dollar value of these purchases.

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. For fiscal 2012 and 2013, all of NT Hydro's gains and losses have been realized. 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/or other comprehensive income. Changes in net income and/or other comprehensive income generally cannot be extrapolated

**NORTHWEST TERRITORIES HYDRO CORPORATION**

**Notes to the Consolidated Financial Statements  
For the year ended March 31, 2013  
(\$000's)**

**Note 25. Financial instruments (continued)**

because the relationship of the change in assumption to the change in net income and/or other 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 other 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.

	<b>Reasonable possible changes in market variables</b>					
	<b>Currency risk</b>		<b>Interest rate risk</b>		<b>Other price risk</b>	
	<b>10%</b>		<b>25 basis points</b>		<b>10%</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Net income	\$129	\$25	\$21	\$531	\$-	\$60
Other comprehensive income	-	-	-	-	-	-

g) 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 and the net 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, 2013, the fair value and carrying value of NT Hydro's financial instruments are:

	<b>Level</b>	<b>Fair value</b>		<b>Carrying value</b>	
		<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>Held for trading financial assets</b>					
Cash	Level 1	\$ 2,015	\$ 1,368	\$ 2,015	\$ 1,368
Short-term investments	Level 1	5,676	25,052	5,676	25,052
		<u>\$ 7,691</u>	<u>\$ 26,420</u>	<u>\$ 7,691</u>	<u>\$ 26,420</u>
<b>Other financial liabilities</b>					
Long-term debt	Level 2	\$ 241,788	\$ 237,792	\$ 241,788	\$ 185,615
Net lease obligation	Level 2	6,574	6,024	6,574	1,812
		<u>\$ 248,362</u>	<u>\$ 243,816</u>	<u>\$ 248,362</u>	<u>\$ 187,427</u>

# NORTHWEST TERRITORIES HYDRO CORPORATION

## Notes to the Consolidated Financial Statements For the year ended March 31, 2013 (\$000's)

### Note 25. Financial instruments (continued)

#### h) 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, 2013, NT Hydro provided an allowance for doubtful accounts of \$1,206 (2012 - \$728) 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 (2012 - \$nil).

### 26. Investments in joint ventures

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

	<u>2013</u>	<u>2012</u>
Other revenues	\$ 119	\$ 98
Operating expenses including amortization	51	34
Net income	<u>\$ 68</u>	<u>\$ 64</u>
Current assets	\$ 250	\$ 145
Non-current assets	455	479
	<u>\$ 705</u>	<u>\$ 624</u>
Current liabilities	\$ 27	\$ 14
Shareholder's equity	678	610
	<u>\$ 705</u>	<u>\$ 624</u>
Cash flows provided by operating activities	\$ 13	\$ 88
Cash flows provided by investing activities	-	-
Cash flows used in financing activities	-	-

**27. Subsequent events**

Following are significant events occurring after March 31, 2013:

**Net lease obligation**

Subsequent to March 31, 2013, there was a security change made in the lease/loan agreement between DPC and NTEC. In 1996 when the lease/loan agreement was signed, DPC granted first charge to NTEC 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 NTEC 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 NTEC, 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 NTEC 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 NTEC loan to DPC. NTEC 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 NTEC and the lease payment received by DPC from NTPC.

**Rate regulation**

On July 9, 2013 the PUB issued Decision 9-2013, the PUB ruling on NTPC's Compliance Filing related to the 2012/14 GRA. There were no significant changes to NT Hydro's financial statements as a result of this Decision. Decision 9-2013 confirmed the assumptions made by management in preparing these financial statements.

**28. Comparative figures**

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



**NWT LOTTERY AUTHORITY  
YELLOWKNIFE, NT  
FINANCIAL STATEMENTS  
March 31, 2013**

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## MANAGEMENT'S RESPONSIBILITY FOR REPORTING

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

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

The Auditors annually provide an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards.



General Manager,  
NWT Sport and Recreation Council

May 14, 2013



# AVERY, COOPER & Co.

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors 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, 2013, 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, 2013, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



## INDEPENDENT AUDITOR'S REPORT, continued

### *Comparative Information*

Without modifying our opinion, we draw attention to note 3 to the financial statements which describes that NWT Lottery Authority adopted Canadian public sector accounting standards on April 1, 2012 with a transition date of April 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial position as at March 31, 2012 and April 1, 2011, and the Statements of Changes in Net Assets, Operations, and Cash Flows for the year ended March 31, 2012 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

*Avery, Cooper & Co.*

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

May 14, 2013

**NWT LOTTERY AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION**  
 March 31, 2013

	March 31, 2013 \$	March 31, 2012 \$	April 1, 2011 \$
<b>ASSETS</b>			
<b>Current</b>			
Cash	208,800	1,215,892	1,256,512
Accounts receivable	900	899	372
Due from Western Canada Lottery Corporation	473,592	603,427	561,035
Due from Sports and Recreation Council	62,723	22,559	-
Prepaid expenses	-	1,000	-
	746,015	1,843,777	-
<b>Deferred charge (Note 4)</b>	<b>275,000</b>	<b>275,000</b>	<b>275,000</b>
	<b>1,021,015</b>	<b>2,118,777</b>	<b>2,092,919</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	11,050	178,509	46,795
Due to Government of Nunavut (Note 9)	99,482	58,795	280,492
Wages and benefits payable	8,312	7,331	6,355
Due to NWT Sport and Recreation Council	-	-	39,234
	118,844	244,635	372,876
<b>Accrued termination benefits</b>	<b>34,815</b>	<b>62,166</b>	<b>57,779</b>
	<b>153,659</b>	<b>306,801</b>	<b>430,655</b>
<b>NET ASSETS</b>			
<b>Reserve (Note 4)</b>	<b>275,000</b>	<b>275,000</b>	<b>275,000</b>
<b>Accumulated surplus (Page 2)</b>	<b>592,356</b>	<b>1,536,976</b>	<b>1,387,264</b>
	<b>867,356</b>	<b>1,811,976</b>	<b>1,662,264</b>
	<b>1,021,015</b>	<b>2,118,777</b>	<b>2,092,919</b>

On behalf of the NWT Lottery Authority \_\_\_\_\_  
 Director

On behalf of the NWT Lottery Authority \_\_\_\_\_  
 Director

**NWT LOTTERY AUTHORITY**  
**STATEMENT OF CHANGES IN NET ASSETS**  
 March 31, 2013

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>SURPLUS</b>		
Balance, beginning of year	<b>1,536,976</b>	1,387,266
Transfer to NWT Sport and Recreation Council	<b>(1,536,976)</b>	(1,387,264)
<hr/>		
Excess (deficiency) of revenue over expenses per page 3	<b>592,356</b>	1,536,976
<hr/>		
Balance, end of year	<b>592,356</b>	1,536,976
<hr/>		

**NWT LOTTERY AUTHORITY**  
**STATEMENT OF OPERATIONS**  
For the year ended March 31, 2013

	Budget 2013 (unaudited) \$	Actual 2013 \$	Actual 2012 \$
<b>REVENUE</b>			
Lottery Revenue, Net ( <i>Schedule</i> ) ( <i>Note 2c</i> )	5,553,822	5,968,981	5,448,911
Less: Nunavut Lottery Revenue ( <i>Note 9</i> )	(517,000)	(799,917)	(532,714)
Net Lottery income	5,036,822	5,169,064	4,916,197
<b>Other Revenue</b>			
Interest	8,500	5,873	7,858
Management fee revenue	10,000	12,787	12,001
Miscellaneous	4,500	4,375	4,995
Total revenue	5,059,822	5,192,099	4,941,051
<b>EXPENSES</b>			
Advertising and promotion	20,000	5,704	-
Audit and accounting	7,500	12,995	15,628
Bank charges	1,000	1,074	926
Communications	7,500	4,108	4,175
Contributions ( <i>Note 7</i> )	4,386,903	4,193,405	3,927,770
Less distribution from reserves	-	(38,128)	(984,000)
Grants to retailers	120,000	120,000	120,000
Insurance	4,400	4,355	4,355
Allocation of Insurance - Nunavut	-	(470)	(319)
Policy Development	27,000	21,660	-
Legal	5,000	-	215
Miscellaneous	1,000	2,522	905
Office Supplies	2,000	1,225	875
Growth and Expansion Plan development	25,000	-	-
Risk Management	48,000	(1,680)	4,704
Periodicals, printing and newsletters	-	-	43
Postage	30,000	26,219	25,703
Professional development and training	8,000	363	3,233
Retailer Training (NWT only)	-	2,167	6,919
Repairs and maintenance	1,500	541	1,211
Salaries, wages and benefits	340,019	242,675	270,103
Subscription revenue expansion	25,000	-	-
Travel (NWT only)	-	1,118	1,631
Less: Nunavut portion of Training and Travel expenses	-	(110)	-
	5,059,822	4,599,743	3,404,077
Excess (deficiency) of revenue over expenses	-	592,356	1,536,974

See accompanying notes and schedule.



**NWT LOTTERY AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
For the year ended March 31, 2013

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts	5,259,734	4,849,719
Cash receipts from other revenue	23,035	24,854
Cash paid to suppliers and employees	(6,289,861)	(4,915,193)
<hr/>		
Net cash provided by operating activities	(1,007,092)	(40,620)
<hr/>		
<b>FINANCING AND INVESTING ACTIVITIES</b>		
<hr/>		
Net increase (decrease) in cash	(1,007,092)	(40,620)
Cash, beginning of year	1,215,892	1,256,512
<hr/>		
<b>Cash, end of year</b>	<b>208,800</b>	<b>1,215,892</b>
<hr/>		

**NWT LOTTERY AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
For the year ended March 31, 2013

**NOTE 1 NATURE OF BUSINESS**

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. 1990, 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. 1988cc.W-3 as amended (the "Act") and the Regulations.

**NOTE 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 used are as follows:

- a) Cash equivalent are considered all investments with maturities of three months or less and bank loans with no fixed terms of repayment.
- b) Capital assets purchased during the year are recorded as Expenses.
- c) Funds received from Western Canada Lottery Corporation are recognized as revenue only when the draw has been completed.

**NOTE 3 IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING**

Effective April 1, 2012, the Council elected to apply the standards in the CICA Public Sector Accounting Handbook in accordance with public sector accounting standards (PSAS) that apply only to government not-for-profit organizations.

These are the first financial statements prepared in accordance with this new framework which has been applied retrospectively. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2013, the comparative information for the year ended March 31, 2012 and in the preparation of an opening statement of financial position as at April 1, 2011, which is the Council's date of transition.

The Council previously issued financial statements for the year ended March 31, 2012 using generally accepted accounting principles prescribed by Part V of the CICA Handbook.

The adoption of PSAS has had no impact on the previously reported assets, liabilities and net assets of the Council's and accordingly, no adjustments have been recorded in the comparative statements of financial position, statement of operations, and statement of cash flow.

**NOTE 4 DEFERRED CHARGE**

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.

**NWT LOTTERY AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
For the year ended March 31, 2013

**NOTE 5 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.

**NOTE 6 PRIOR PERIOD FIGURES**

Prior year figures have been restated where necessary to conform to current year presentation.

**NWT LOTTERY AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
For the year ended March 31, 2013

**NOTE 7 CONTRIBUTIONS**

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

	<b>2013</b>	2012
	\$	\$
Aboriginal Sport Circle of the Western Arctic	<b>541,845</b>	537,141
Beaufort Delta Sahtu Recreation Association	<b>325,980</b>	234,830
Mackenzie Recreation Association	<b>304,686</b>	269,944
NWT Recreation and Parks Association	<b>550,496</b>	571,157
Sport North Federation	<b>1,580,000</b>	1,580,698
Lex Borealis Ltd	<b>293,241</b>	305,000
NWT Sport and Recreation Council	<b><u>597,157</u></b>	<u>429,000</u>
	<b><u>4,193,405</u></b>	<u>3,927,770</u>

**NOTE 8 NUNAVUT LOTTERY**

By an agreement dated April 1, 2009 between Western Canada Lottery Corporation (WCLC) and 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.

**NOTE 9 FINANCIAL INSTRUMENTS**

Financial instruments consist of cash, accounts receivable, due from WCLC, accounts payable and accrued liabilities, due to Government of Nunavut, due to related parties and accrued termination benefits. Unless otherwise noted, it is management's opinion that the Corporation is not exposed to significant interest, currency or credit risks. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

**NWT LOTTERY AUTHORITY**  
**SCHEDULE OF LOTTERY REVENUE, NET**  
(amounts derived from Western Canada Lottery Corporation financial statements)  
For the year ended March 31, 2013

	<b>Budget 2013 (unaudited) \$</b>	<b>Actual 2013 \$</b>	<b>Actual 2012 \$</b>
<b>REVENUE</b>			
Lottery ticket sales	15,413,000	17,122,617	16,622,295
<b>Direct Expenses</b>			
Free tickets	-	713,961	684,234
Prizes	8,144,000	8,377,435	8,459,673
Retailer commissions	904,000	943,970	910,000
Ticket printing	246,900	208,880	211,636
	9,294,900	10,244,246	10,265,543
<b>Net ticket sales revenue</b>	<b>6,118,100</b>	<b>6,878,371</b>	<b>6,356,752</b>
Interest and other income	12,500	18,856	22,112
<b>Operating income</b>	<b>6,130,600</b>	<b>6,897,227</b>	<b>6,378,864</b>
<b>CORPORATE EXPENSES</b>			
Amortization	90,200	81,482	83,333
Communications	192,400	122,718	135,814
Cost of premises	21,900	22,850	21,620
Draws and winning numbers publication	6,900	5,190	5,988
Employee development	10,400	5,331	5,014
Equipment	28,400	24,261	26,987
Freight and product transport	3,700	3,448	3,609
Goods and services tax	82,600	77,195	79,828
I.L.C. expense	14,000	16,772	19,521
Insurance and bank charges	2,100	1,863	1,956
Media & advertising	113,400	136,441	117,370
Overhead allocation	(300)	(255)	(239)
Payment to Government of Canada	164,000	163,153	166,961
Presentations, publications and miscellaneous	2,600	3,006	1,862
Professional fees	68,400	38,058	54,153
Promotion	7,500	7,218	8,916
Salaries, wages and benefits	205,800	213,397	190,565
Supplies	2,900	2,626	2,528
Travel	4,800	3,492	4,167
	1,021,700	928,246	929,953
<b>Excess (deficiency) of revenue over Expenses</b>	<b>5,108,900</b>	<b>5,968,981</b>	<b>5,448,911</b>

# **NORTHWEST TERRITORIES OPPORTUNITIES FUND**

**Financial Statements**

**For the year ended**

**March 31, 2013**

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## Northwest Territories Opportunities Fund

### Financial Statements

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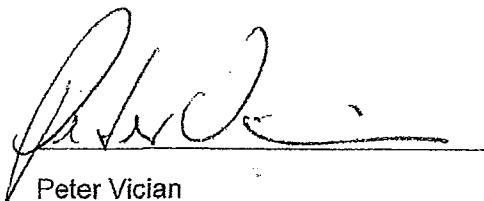
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### Management's Responsibility for Financial Reporting

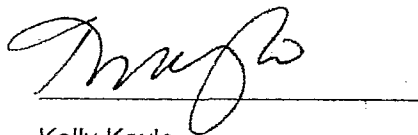
The accompanying financial statements of the Northwest Territories Opportunities Fund (the "Fund") have been prepared by management in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Management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

September 30, 2013  
Yellowknife, Canada





# VERY, 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 31, 2013, and the statement of operations and accumulated surplus, statement of change in net financial resources and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statement*

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 31, 2013, 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

### *Other Matters*

The financial statements of the Northwest Territories Opportunities Fund for the year ended March 31, 2012, were audited by another auditor who expressed an unmodified opinion on those statements on August 21, 2012.

### **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

September 30, 2013

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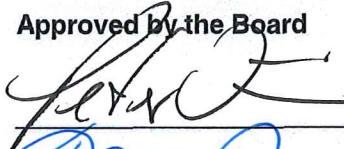
**Northwest Territories Opportunities Fund**

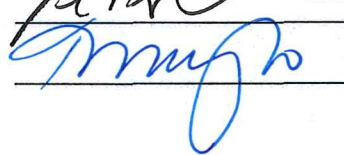
**Statement of Financial Position**

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<b>As at March 31, 2013</b>	<b>2013</b>	<b>2012</b>
<b>Financial assets</b>		
Cash and cash equivalents (note 3)	\$ 7,240,365	\$ 8,208,311
Accrued interest receivable	1,527	2,082
<b>Total financial assets</b>	<b>7,241,892</b>	<b>8,210,393</b>
<b>Liabilities</b>		
Accounts payable	9,677	15,499
<b>Total liabilities</b>	<b>9,677</b>	<b>15,499</b>
<b>Net financial resources</b>	<b>7,232,215</b>	<b>8,194,894</b>
<b>Accumulated surplus</b>	<b>\$ 7,232,215</b>	<b>\$ 8,194,894</b>

Approved by the Board

  
\_\_\_\_\_  
Chairman of the Board

  
\_\_\_\_\_  
President of the Board

The accompanying notes are an integral part of these financial statements

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

---

**For the year ended March 31, 2013****2013****2012**

---

**Revenue**

Interest income	\$ 92,722	\$ 4,479,548
Government contribution - services provided without charge (note 4)	33,420	55,297
	<b>126,142</b>	<b>4,534,845</b>

---

**Expenses**

Administration services (note 4)	33,420	55,297
Amortization of loan origination fees	-	1,561,790
Bank charges and investment fees	7,813	94,096
Professional fees	7,588	36,427
Economic Opportunity Strategy and Mineral Development Strategy contributions	1,040,000	-
	<b>1,088,821</b>	<b>1,747,610</b>

---

**Annual surplus before other items****(962,679)** 2,787,235**Other items**

Loss on settlement of loan receivable	-	(2,234,089)
Additional amortization of loan origination fees recognized upon early repayment of long-term debt (note 1)	-	(3,125,406)

---

**Annual surplus (deficit)****(962,679)** (2,572,260)**Accumulated surplus at beginning of year****8,194,894** 10,767,154**Accumulated surplus at end of year****\$ 7,232,215** \$ 8,194,894

---

The accompanying notes are an integral part of these financial statements

---

**Northwest Territories Opportunities Fund**

**Statement of Change in Net Financial Resources**

---

<b>For the year ended March 31, 2013</b>	<b>2013</b>	<b>2012</b>
<b>Net financial resources at beginning of year</b>	<b>\$ 8,194,894</b>	<b>\$ 10,767,154</b>
<b>Annual surplus (deficit)</b>	<b>(962,679)</b>	<b>(2,572,260)</b>
<b>Net financial resources at end of year</b>	<b>\$ 7,232,215</b>	<b>\$ 8,194,894</b>

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The accompanying notes are an integral part of these financial statements

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## Northwest Territories Opportunities Fund

### Statement of Cash Flow

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For the year ended March 31, 2013

2013

2012

---

#### Operating transactions

Interest income received	\$ 93,276	\$ 4,536,726
Bank charges and investment fees paid	(7,813)	(94,096)
Cash paid to suppliers	(13,409)	(20,926)
Contributions to Economic Opportunity Strategy and Mineral Development Strategy	(1,040,000)	-

---

Total cash provided by operating transactions (967,946) 4,421,704

---

#### Investing transactions

Proceeds from repayment of loan receivable - 32,017,417

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Total cash provided by investing transactions - 32,017,417

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#### Financing transactions

Proceeds from long-term debt	-	-
Repayment of long-term debt	-	(130,892,826)
Loan origination fees paid	-	-

---

Total cash applied to financing transactions - (130,892,826)

---

Decrease in cash and cash equivalents (967,946) (94,453,705)

Cash and cash equivalents at beginning of year 8,208,311 102,662,016

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Cash and cash equivalents at end of year \$ 7,240,365 \$ 8,208,311

---

The accompanying notes are an integral part of these financial statements

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## Northwest Territories Opportunities Fund

### Notes to the Financial Statements

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March 31, 2013

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#### 1. Authority and operations

The Northwest Territories Opportunities Fund (the "Fund") was established by the Government of the Northwest Territories (the Government) 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.

In March 2012, the Fund repaid the long-term debt owing of \$130,892,826 to Citizenship and Immigration Canada (CIC) and wrote-off the remaining loan origination fees of \$3,125,406 as a result of the early repayment of the long-term debt.

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.

#### 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) Loan origination fees

Loan origination fees consist of a 7% commission fee paid on allocations received under the IIP and are amortized on a straight-line basis over the remaining term of the related long-term debt. These fees are recorded contra to the long-term debt on the statement of financial position.

##### (d) Interest income

Interest income on the loan receivable is recognized when earned.

##### (e) 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.

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## Northwest Territories Opportunities Fund

### Notes to the Financial Statements

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March 31, 2013

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#### 2. Significant accounting policies (continued)

##### (f) 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. The Fund's average annual yield for the years ended March 31, 2013 and March 31, 2012 was 1.10%.

#### 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 \$33,420 (2012 - \$55,297) 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% (2012 - 0.10%) on the average balance invested. The total cost for this service for the year ended March 31, 2013, was \$7,674 (2012 - \$94,096) and is accounted for as bank charges and investment fees.

#### 5. 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, liquidity, cash flow, or other price 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  
March 31, 2013**

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### MANAGEMENT'S RESPONSIBILITY FOR REPORTING

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

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

The Auditors annually provide an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards.

General Manager,  
NWT Sport and Recreation Council

May 17, 2013



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



## INDEPENDENT AUDITOR'S REPORT, continued

### *Comparative Information*

Without modifying our opinion, we draw attention to note 3 to the financial statements which describes that N.W.T. Sport and Recreation Council adopted Canadian public sector accounting standards on April 1, 2012 with a transition date of April 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial position as at March 31, 2012 and April 1, 2011, and the Statements of Changes in Net Assets, Operations, and Cash Flows for the year ended March 31, 2012 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

*Avery, Cooper & Co.*

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

May 17, 2013

**N.W.T. SPORT AND RECREATION COUNCIL  
STATEMENT OF FINANCIAL POSITION**

March 31, 2013

	March 31, 2013 \$	March 31, 2012 \$	April 1, 2011 \$
<b>ASSETS</b>			
<b>Current</b>			
Cash	462,106	349,536	92,661
Accounts receivable	9,526	-	62,000
Short term investment (Note 5)	28,731	28,644	28,410
Due from related parties (Note 10)	1,303	1,566	47,199
GST receivable	5,375	6,210	17,583
Prepaid expenses	1,990	-	302,582
	<b>509,031</b>	<b>385,956</b>	<b>550,435</b>
<b>Capital Assets, net (Notes 2c and 6)</b>	<b>11,754</b>	<b>15,728</b>	<b>15,358</b>
<b>Restricted Cash (Note 4)</b>	<b>3,078,666</b>	<b>1,470,364</b>	<b>1,342,468</b>
	<b>3,599,451</b>	<b>1,872,048</b>	<b>1,908,261</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>			
<b>LIABILITIES</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	21,197	25,773	38,832
Wages and benefits payable	38,863	30,296	19,746
Deferred revenue	-	-	145,185
Due to related parties (Note 10)	62,723	22,560	-
	<b>122,783</b>	<b>78,629</b>	<b>203,763</b>
<b>LOAN GUARANTEE (Note 9)</b>			
<b>NET ASSETS (Page 2)</b>			
<b>Accumulated Surplus</b>	<b>82,595</b>	<b>110,310</b>	<b>107,466</b>
<b>Reserves</b>	<b>3,394,073</b>	<b>1,683,109</b>	<b>1,597,032</b>
	<b>3,476,668</b>	<b>1,793,419</b>	<b>1,704,498</b>
	<b>3,599,451</b>	<b>1,872,048</b>	<b>1,908,261</b>

On behalf of the Board \_\_\_\_\_  
Director

On behalf of the Board \_\_\_\_\_  
Director

See accompanying notes and schedules

**N.W.T. SPORT AND RECREATION COUNCIL**  
**STATEMENT OF CHANGES IN NET ASSETS**  
 March 31, 2013

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<b>SURPLUS</b>		
<hr/>		
<i>Unrestricted Surplus</i>		
Balance, beginning of year	110,310	107,467
Excess revenue (Expenses) for the year per page 3	1,683,249	(11,762)
Transfer to (from) surplus from (to) Reserves (Note 8)	(1,710,964)	14,605
<hr/>		
Balance, end of year	<b>82,595</b>	110,310
<hr/>		
<b>RESERVES (Note 8)</b>		
Building Reserve	600,000	295,000
Games Reserve	386,152	231,808
General Reserve	857,513	550,118
Program Reserve	1,550,408	606,183
<hr/>		
Balance, end of year	<b>3,394,073</b>	1,683,109
<hr/>		

See accompanying notes and schedules

**N.W.T. SPORT AND RECREATION COUNCIL**  
**STATEMENT OF OPERATIONS**  
For the period ended March 31, 2013

	Budget 2013 (unaudited) \$	Actual 2013 \$	Actual 2012 \$
<b>REVENUE</b>			
Lottery Contribution	560,000	597,157	429,000
Interest	10,000	22,923	12,384
Lottery Funding (Note 7)	-	1,556,620	-
From Surplus	147,466	-	-
Multi - Sport Games (Note 8)	650,000	650,000	813,000
MACA Contributions	-	-	145,185
System Initiatives	-	-	6,362
	<b>1,367,466</b>	<b>2,826,700</b>	<b>1,405,931</b>
<b>Projects</b>			
Administration (Schedule 1)	78,226	105,379	390,923
Governance (Schedule 2)	57,125	27,129	26,137
Capacity (Schedule 3)	257,891	204,553	-
Evaluation (Schedule 4)	104,845	116,129	-
Investment model (Schedule 5)	66,840	68,507	-
Research and Strategy Planning (Schedule 6)	152,539	126,098	-
Multi Sport Games (Schedule 7)	650,000	495,656	827,601
Contributions - MACA (Schedule 8)	-	-	128,760
Contributions - Systems Initiatives (Schedule 9)	-	-	44,272
<b>Total Project Expenses</b>	<b>1,367,466</b>	<b>1,143,451</b>	<b>1,417,693</b>
Excess (Deficiency) of Revenue over Expenses	-	1,683,249	(11,762)

See accompanying notes and schedules



**N.W.T. SPORT AND RECREATION COUNCIL**  
**STATEMENT OF CASH FLOWS**  
For the period ended March 31, 2013

	2013	2012
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts	2,818,009	1,334,119
Cash receipts from other revenue	-	-
Cash paid to suppliers and employees	(1,132,610)	(1,105,686)
Interest paid	(521)	(923)
	1,684,878	227,510
<b>FINANCING AND INVESTING ACTIVITIES</b>		
Transfer (from)/to Surplus	-	14,605
Purchase of capital assets	(4,345)	(11,381)
Change in investment	(87)	(234)
Advances from (to) related parties	40,426	68,194
Change in General reserve	-	277,453
Change in Building reserve	-	(305,000)
Change in Program reserve	-	128,229
Change in Games reserve	-	(14,605)
Proceeds on disposition of Marketable Securities	-	-
Net cash provided by (used in) financing and investing activities	35,994	157,261
<b>Net increase (decrease) in cash</b>	<b>1,720,872</b>	<b>384,771</b>
Cash, beginning of year	1,819,900	1,435,129
<b>Cash, end of year</b>	<b>3,540,772</b>	<b>1,819,900</b>
<b>REPRESENTED BY:</b>		
Cash	462,106	349,536
Term deposits	-	-
Restricted Cash	3,078,666	1,470,364
	3,540,772	1,819,900

See accompanying notes and schedules

**N.W.T. SPORT AND RECREATION COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the period ended March 31, 2013

**NOTE 1 NATURE OF OPERATIONS**

The 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)(1) of the Income Tax Act (Canada).

**NOTE 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) **Cash Equivalents**

The Council considers all investments with maturities of three months or less and bank loans with no fixed terms of repayment to be cash equivalents.

b) **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 when the amount to be received can be reasonably estimated and collections 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.

c) **Capital assets**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Where fair value cannot reasonably be estimated, contributed assets are recorded at nominal value. The cost of capital assets are amortized over the estimated useful lives of assets by category. Estimates of useful life are made as assets are acquired. A full year's amortization is expensed in the year of acquisition. Capital assets are being amortized to expense at the following rates:

<u>Asset Category</u>	<u>Rate</u>	<u>Amortization Method</u>
Computer Equipment - Hardware	40%	Declining Balance
Computer Equipment - Software	50%	Declining Balance
Office Equipment	30%	Declining Balance

**N.W.T. SPORT AND RECREATION COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the period ended March 31, 2013

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**d) Capital management**

N.W.T. 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.

**NOTE 3 IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING**

Effective April 1, 2012, the Council elected to apply the standards in the CICA Public Sector Accounting Handbook in accordance with public sector accounting standards (PSAS) that apply only to government not-for-profit organizations.

These are the first financial statements prepared in accordance with this new framework which has been applied retrospectively. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2013, the comparative information for the year ended March 31, 2012 and in the preparation of an opening statement of financial position as at April 1, 2011, which is the Council's date of transition.

The Council previously issued financial statements for the year ended March 31, 2012 using generally accepted accounting principles prescribed by Part V of the CICA Handbook.

The adoption of PSAS has had no impact on the previously reported assets, liabilities and net assets of the Council's and accordingly, no adjustments have been recorded in the comparative statements of financial position, statement of operations, and statement of cash flow.

**NOTE 4 RESTRICTED CASH**

	<b>2013</b>	<b>2012</b>
	\$	\$
RBC Dominion Securities	<b>3,078,666</b>	1,470,364

Cash, in the amount of \$3,078,666, is restricted for use in the establishment of the reserve funds as outlined in Note 8. At March 31, 2013 reserves exceeded restricted cash by \$315,407.

**NOTE 5 SHORT TERM INVESTMENTS**

The Council has invested in Prime-Linked Cashable GIC's issued by the Royal Bank of Canada with an interest rate of 1% and maturity date of July 27, 2013. The Council does not anticipate redemption of the investments within the next year.

	<b>2013</b>	<b>2012</b>
	\$	\$
RBC Prime-Linked Cashable GIC	<b>28,731</b>	28,644

**N.W.T. SPORT AND RECREATION COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the period ended March 31, 2013

**NOTE 6 CAPITAL ASSETS**

	Cost \$	Accumulated Amortization \$	2013 Net Book Value \$	2012 Net Book Value \$
Equipment	10,926	7,499	3,427	4,280
Computer equipment	20,675	16,246	4,429	6,810
Computer software	18,408	14,511	3,897	4,638
	<b>50,009</b>	<b>38,256</b>	<b>11,753</b>	<b>15,728</b>

**NOTE 7 LOTTERY FUNDING**

NWT Sport and Recreation Council received the following amounts from the NWT Lottery Authority during the year:

	\$
Funds transferred from NWT Lottery Authority	1,536,976
Less: Overpayment from NWT Lottery Authority surplus	(38,128)
Plus: Recovery of prior year unspent contributions paid to partners	57,772
	<b>1,556,620</b>

**NOTE 8 RESERVES**

	Opening Balance	Additions	Expenses	2013 \$	2012 \$
Program reserve	606,183	944,225	-	1,550,408	606,183
Building reserve	295,000	305,000	-	600,000	295,000
General reserve	550,118	307,395	-	857,513	550,118
Games reserve	231,808	650,000	(495,656)	386,152	231,808
	<b>1,683,109</b>	<b>2,206,620</b>	<b>(495,656)</b>	<b>3,394,073</b>	<b>1,683,109</b>

**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.

**N.W.T. SPORT AND RECREATION COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the period ended March 31, 2013

**NOTE 8 RESERVES (cont'd)**

Increase in the building reserve for the current fiscal year from NWT Lottery authority as 50% of prior years surplus to the maximum of \$600,000.

**GENERAL RESERVE FUNDING**

The general reserve is established by the NWT Sport and Recreation Council (SRC) to be used for any unexpected or unanticipated needs. Allocation of up to 20% of the surplus funds in any given year to a maximum reserve balance of \$500,000 or 15% of the average net proceeds of the Lottery program over the previous 5 years, whichever is greater. If the reserve exceeds this amount, the excess funds are to be transferred to the Program Reserve without affecting the amount to be allocated to that reserve in any given year.

Increase in the general reserve in the current year from NWT Lottery authority as 20% of prior years surplus.

**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.

Increase in the program reserve in the current year from NWT Lottery authority as 30% of prior years surplus, increased by the refund of unexpended programs funding to the reserve in the current fiscal year.

**GAMES RESERVE FUNDING**

The games reserve is established by the SRC to support approved multi-sport games. The games reserve was increased in the current year.

Games reserve activities	
GNWT- MACA Contribution	<b>650,000</b>
<b>Total Additions</b>	<b>650,000</b>
AWG 2012 Games	<b>75,000</b>
Canada Summer Games 2013 and AWG 2014	<b>300,250</b>
Senior Games	<b>24,407</b>
CWG 2011 repayment of unexpended funding	<b>(14,734)</b>
Games Administrative expenses from SRC	<b>53,733</b>
Western Canada Games 2011	<b>57,000</b>
<b>Total Expenses</b>	<b>(495,656)</b>
	<b>154,344</b>

**N.W.T. SPORT AND RECREATION COUNCIL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the period ended March 31, 2013

**NOTE 9 COMMITMENTS**

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, 2013 is nil.

**NOTE 10 RELATED PARTY TRANSACTIONS**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
The net receivable from related parties consists of:		
Nunavut Lotteries	<b>1,302</b>	1,566
<hr/>		
The net payable to related parties consists of:		
NWT Lotteries	<b>62,723</b>	22,560
<hr/>		
During the year, SRC paid the following amount to related parties:		
Nunavut Lottery accounting expenses	-	5,935
NWT Lottery Authority Payroll	<b>538,963</b>	311,740

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

**NOTE 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 Nunavut territory has been extended until March 31, 2015.

**NOTE 12 FINANCIAL INSTRUMENTS**

The company's financial instruments consist of cash, accounts receivable, short term investments, due to/from related party, accounts payable and accrued liabilities and wages and benefits payable. Unless otherwise noted, it is management's opinion that the company 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.

**SCHEDULE 1****N.W.T. SPORT AND RECREATION COUNCIL  
ADMINISTRATION**

For the period ended March 31, 2013

	<b>Budget 2013 (unaudited) \$</b>	<b>Actual 2013 \$</b>	<b>Actual 2012 \$</b>
<b>PROGRAM EXPENSES</b>			
Advertising and promotion	3,000	692	2,527
Amortization	7,000	8,319	11,012
Audit and accounting fees	20,315	36,916	28,743
Bank charges	1,000	521	923
Catering	-	122	-
Communications	6,000	7,539	6,999
Computer	4,500	4,001	4,108
Insurance	2,000	1,990	1,990
Miscellaneous	237	(7)	97
Supplies	3,000	2,957	2,759
Postage and freight	100	76	131
Professional Development	-	-	23,278
Repairs and Maintenance	1,000	-	208
Travel	5,000	-	5,890
Wages and benefits	25,074	42,253	302,258
	<b>78,226</b>	<b>105,379</b>	<b>390,923</b>

**SCHEDULE 2****N.W.T. SPORT AND RECREATION COUNCIL  
GOVERNANCE**

For the period ended March 31, 2013

	<b>Budget 2013 (unaudited) \$</b>	<b>Actual 2013 \$</b>	<b>Actual 2012 \$</b>
<b>EXPENSES</b>			
Catering	1,500	881	1,605
Communications	500	69	19
Conference calls	3,000	-	-
Supplies	400	1,387	-
Legal fees	3,000	-	-
Board recruitment	7,000	-	-
Rental equipment	100	-	3,916
Travel	30,000	10,162	20,597
Wages	11,625	14,630	-
	<b>57,125</b>	<b>27,129</b>	<b>26,137</b>



**SCHEDULE 3****N.W.T. SPORT AND RECREATION COUNCIL  
CAPACITY**

For the period ended March 31, 2013

	<b>Budget 2013 (unaudited) \$</b>	<b>Actual 2013 \$</b>	<b>Actual 2012 \$</b>
<b>EXPENSES</b>			
Policy development	30,000	26,236	-
Strong communications	52,000	22,501	-
Shared services/collaboration	31,000	10,205	-
Human resource development	31,500	33,780	-
Wages and benefits	113,391	111,831	-
	<b>257,891</b>	<b>204,553</b>	-

**SCHEDULE 4**

**N.W.T. SPORT AND RECREATION COUNCIL  
EVALUATION**

For the period ended March 31, 2013

	<b>Budget 2013 (unaudited)</b>	<b>Actual 2013</b>	<b>Actual 2012</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<hr/>			
<b>EXPENSES</b>			
Contractor fees	-	340	-
Office Supplies	-	359	-
Professional development	-	154	-
Travel	16,800	7,764	-
Wages and Benefits	88,045	107,512	-
	104,845	116,129	-
<hr/>			

**SCHEDULE 5**

**N.W.T. SPORT AND RECREATION COUNCIL  
INVESTMENT MODEL**

For the period ended March 31, 2013

	<b>Budget 2013 (unaudited)</b>	<b>Actual 2013</b>	<b>Actual 2012</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>EXPENSES</b>			
Communications	-	<b>6</b>	-
Wages	<b>66,840</b>	<b>68,501</b>	-
	<b>66,840</b>	<b>68,507</b>	-

SCHEDULE 6

**N.W.T. SPORT AND RECREATION COUNCIL**  
**RESEARCH AND PLANNING**  
 For the period ended March 31, 2013

	<b>Budget 2013 (unaudited)</b>	<b>Actual 2013</b>	<b>Actual 2012</b>
	\$	\$	\$
<b>EXPENSES</b>			
Strategic planning	26,000	3,721	-
NWT Physical Activity strategy	-	2,074	-
National participation	14,000	-	-
Wages and benefits	112,539	120,303	-
	<b>152,539</b>	<b>126,098</b>	-

**SCHEDULE 7**

**N.W.T. SPORT AND RECREATION COUNCIL  
MULTI SPORT GAMES  
For the period ended March 31, 2013**

	<b>Budget 2013 (unaudited) \$</b>	<b>Actual 2013 \$</b>	<b>Actual 2012 \$</b>
<hr/>			
<b>EXPENSES</b>			
Commitments	<b>168,000</b>	<b>441,957</b>	827,601
Contractor fees	<b>25,000</b>	<b>3,430</b>	-
Contribution to reserves	<b>409,145</b>	-	-
SRC Administration costs	<b>47,855</b>	<b>50,269</b>	-
	<hr/>	<hr/>	<hr/>
	<b>650,000</b>	<b>495,656</b>	827,601
	<hr/>	<hr/>	<hr/>

**SCHEDULE 8****N.W.T. SPORT AND RECREATION COUNCIL  
MACA CONTRIBUTION AGREEMENTS  
For the period ended March 31, 2013**

	<b>Budget 2013 (unaudited)</b>	<b>Actual 2013</b>	<b>Actual 2012</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>PROGRAM EXPENSES</b>			
Evaluation	-	-	93,431
Policy and procedure development	-	-	22,104
Research	-	-	13,225
	-	-	128,760

**SCHEDULE 9**

**N.W.T. SPORT AND RECREATION COUNCIL**  
**SRC SYSTEM INITIATIVES**  
For the period ended March 31, 2013

	<b>Budget 2013 (unaudited)</b>	<b>Actual 2013</b>	<b>Actual 2012</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>EXPENSES</b>			
Communications	-	-	13,059
Leadership	-	-	31,213
	-	-	44,272

**Status of Women Council  
of the Northwest Territories  
Yellowknife, NT**

**Financial Statements  
March 31, 2013**



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## **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, 2013

## 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 2013, 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, 2013, 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.

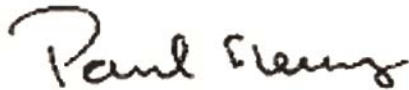
### Comparative Information

Without modifying my opinion, I draw attention to Note 2 to the financial statements which describes that the Status of Women Council of the Northwest Territories adopted Canadian public sector accounting standards on April 1, 2012 with a transition date of April 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statement of financial position as at March 31, 2012 and April 1, 2011 and the statements of operations, changes in net financial assets and cash flows for the year ended March 31, 2012 and related disclosures. I was not engaged to report on the restated comparative information, and as such, it is unaudited.

## 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, after giving retroactive effect to the adoption of the new standards as explained in Note 3 to the financial statements.

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.

A handwritten signature in black ink that reads "Paul Fleury". The signature is written in a cursive, flowing style.

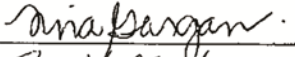

Paul Fleury, CGA  
Yellowknife, NWT  
June 28, 2013

**Status of Women Council of the Northwest Territories  
Statement of Financial Position  
as at March 31, 2013**

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	<u>March 31,</u> <u>2013</u>	<u>March 31,</u> <u>2012</u>	<u>April 1,</u> <u>2011</u>
<b>Financial assets</b>			
Cash and cash equivalents (Note 5)	\$ 92,145	\$ 170,398	\$ 140,407
Accounts receivable (Note 6)	51,859	43,206	50,647
	144,004	213,604	191,054
<b>Liabilities</b>			
Accounts payable and accrued expenses	10,455	48,729	43,184
Vacation payable	18,661	12,021	22,797
Employee deductions payable	1,384	16,929	1,356
Funding refundable	-	21,246	-
Benefits Fund (Note 7)	38,159	37,860	37,678
Contingency Fund (Note 8)	42,657	42,323	42,120
	111,316	179,108	147,135
<b>Net financial assets</b>	<b>32,688</b>	<b>34,496</b>	<b>43,919</b>
Non-financial assets			
Capital Assets-Council	2,213	3,104	4,362
-Projects	1,608	2,297	3,281
	3,821	5,401	7,643
<b>Accumulated Surplus</b>	<b>\$ 36,509</b>	<b>\$ 39,897</b>	<b>\$ 51,562</b>

Approved on behalf of the Board

 President  
 Vice-President

The accompanying notes and supplementary schedules are an integral part of the financial statements



**Status of Women Council of the Northwest Territories  
Statement of Change in Net Financial Assets  
for the year ended March 31, 2013**

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	<u>2013</u>	<u>2012</u>
<b>Annual (deficit) surplus</b>	<b>\$ ( 2,699)</b>	<b>\$ ( 10,681)</b>
Effect of change in tangible capital assets		
Amortization of tangible Capital assets	891	1,258
Increase (decrease) in net financial assets	( 1,808)	( 9,423)
Net financial assets at Beginning of year	34,496	43,919
<b><u>Net financial assets at end of year</u></b>	<b><u>\$ 32,688</u></b>	<b><u>\$ 34,496</u></b>

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, 2013**

	<b>2013</b>	<b>2012</b>
Operating Activities		
Excess revenue/ (expenditure)	\$( 2,699)	\$( 10,681)
Interest earned	633	384
Amortization	891	1,258
Accounts receivable	( 8,652)	7,441
Prepaid expenses	-	-
Accounts payable	( 47,179)	10,342
Funding refundable	( 21,246)	21,246
	( 78,252)	29,990
<u>Investing Activities-Capital Assets</u>	<u>-</u>	<u>-</u>
Change in cash position	( 78,252)	29,990
<u>Cash position, beginning of year</u>	<u>170,397</u>	<u>140,407</u>
<b><u>Cash position, end of year</u></b>	<b><u>92,145</u></b>	<b><u>170,397</u></b>
Represented by		
Petty cash	\$ 300	300
Cash in bank	( 750)	\$ 78,135
Guaranteed investment certificates	92,595	91,962
	<b><u>\$ 92,145</u></b>	<b><u>\$ 170,397</u></b>

The accompanying notes and supplementary schedules are an integral part of the financial statements



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**Status of Women Council of the Northwest Territories**  
**Notes to Financial Statements**  
**March 31, 2013**

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**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, 2013**

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**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) Change in basis of accounting**

Commencing with the March 31, 2013 fiscal year, the Status of Women Council of the Northwest Territories has adopted Canadian public sector accounting standards. Previously the Council reported its March 31, 2012 results using Part V of the Canadian Institute of Chartered Accountants’ (CICA) Handbook. These financial statements are the first financial for which the Status of Women Council of the Northwest Territories has applied Canadian public sector accounting standards.

The financial statements for the year ended March 31, 2013 along with comparative amounts for March 31, 2012, and opening statement of financial position for April 1, 2011 were prepared in accordance with accounting principles and provisions set out in FIRST-TIME ADOPTION, Section PS 2125, for first-time adopters of this basis of accounting. The change has been adopted retroactively with the restatement of prior periods. Explanation of how the transition to PSAS has affected the Financial Statement has been disclosed in Note 3.

**b) 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.

**c) 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.

**d) 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%

**Status of Women Council of the Northwest Territories**  
**Notes to Financial Statements**  
**March 31, 2013**

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**e) 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.

**f) 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.

**g) 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.

**h) 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.

**Status of Women Council of the Northwest Territories**  
**Notes to the Financial Statements**  
**March 31, 2013**

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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 expenses over the periods expected to benefit from them.

**k) 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.

**l) Income taxes**

The Council is exempt from income taxes under section 149(1) (e) of the Income Tax Act.

**3. CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS (“PSAS”)**

In accordance with PSAS financial statement presentation, retained earnings are reported as accumulated surplus. To clarify the change in presentation the Council’s retained earnings, restricted and unrestricted, were reclassified between accumulated surplus operating and reserves.

Restricted surplus represented funds set aside for specific purposes and as such are reclassified as funds in the liability section..Unrestricted surplus represented accumulated surplus operating.

The impact of the conversion to Canadian public sector accounting standards on the accumulated surplus at the date of transition April 1, 2011 and the comparative annual surplus is as follows:

	Previously Stated	Reclassification	Restated
Opening bal April 1, 2011			
Benefits fund	\$ 37,678	\$ ( 37,678)	\$ -
Contingency fund	\$ 42,120	\$ ( 42,120)	\$ -
Capital assets-Council	\$ 4,362	\$ ( 4,362)	\$ -
Capital assets-Projects	\$ 3,281	\$ ( 3,281)	\$ -
Operating surplus	\$ 43,919	\$ 7,643	\$ 51,562
<b>Total accumulated surplus</b>	<b>\$ 131,360</b>	<b>\$ ( 79,798)</b>	<b>\$ 51,562</b>

**Status of Women Council of the Northwest Territories**  
**Notes to Financial Statements**  
**March 31, 2013**

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**3. CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARDS (“PSAS”)**  
**(continued)**

	Previously Stated	Reclassification	Restated
Opening bal March 31, 2012			
Benefits fund	\$ 37,860	\$ ( 37,860)	\$ -
Contingency fund	\$ 42,323	\$ ( 42,323)	\$ -
Capital assets-Council	\$ 3,104	\$ ( 3,104)	\$ -
Capital assets-Projects	\$ 2,297	\$ ( 2,297)	\$ -
Operating surplus	\$ 34,496	\$ 5,401	\$ 39,897
<b>Total accumulated surplus</b>	<b>\$120,080</b>	<b>\$ ( 80,183)</b>	<b>\$ 39,897</b>

There was no change to the net loss reported to annual surplus for the year ended March 31, 2011.

These accounting changes have been applied retroactively with the restatement of prior periods. The following changes have been implemented to comply with PSAS presentation and have not had any effect on the accumulated surplus.

Property and equipment was reclassified as tangible capital assets in non-financial assets.

**4. 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, 2013**

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**5. CASH AND CASH EQUIVALENTS**

Cash balances are made up as follows:

	March 31, 2013	March 31, 2012	April 1, 2011
Petty Cash	\$ 300	\$ 300	\$ 300
Cash	14	78,136	48,529
Guaranteed Investment Certificate	92,581	91,962	91,578
Bank overdraft	<u>( 750)</u>	<u>-</u>	<u>-</u>
Total cash and cash equivalents	<u>\$92,145</u>	<u>\$170,398</u>	<u>\$140,407</u>

**6. ACCOUNTS RECEIVABLE**

	March 31, <u>2013</u>	March 31, <u>2012</u>	April 1, <u>2011</u>
Project income Government of Canada	\$ 51,859	\$ 3,899	\$ 30,000
GNWT	-	30,149	1,379
Other	-	8,503	18,032
Advances	<u>-</u>	<u>655</u>	<u>1,236</u>
Total accounts receivables	<u>\$ 51,859</u>	<u>\$ 43,206</u>	<u>\$ 50,647</u>

**7. 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:

	March 31, <u>2013</u>	March 31, <u>2012</u>	April 1, <u>2011</u>
Benefits Fund, beginning of year	\$ 37,860	\$ 37,678	\$ 37,531
Interest earned	<u>299</u>	<u>182</u>	<u>147</u>
Benefits Fund, end of year	<u>\$ 38,159</u>	<u>\$ 37,860</u>	<u>\$ 37,678</u>

**Status of Women Council of the Northwest Territories**  
**Notes to the Financial Statements**  
**March 31, 2013**

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**8. CONTINGENCY FUND**

The Council created a contingency fund to protect against funding cutbacks.

Information about the fund is as follows:

	March 31, <u>2013</u>	March 31, <u>2012</u>	April 1, <u>2011</u>
Benefits Fund, beginning of year	\$ 42,323	\$ 42,120	\$ 41,955
Interest earned	<u>334</u>	<u>203</u>	<u>165</u>
Benefits Fund, end of year	<u>\$ 42,657</u>	<u>\$ 42,323</u>	<u>\$ 42,120</u>

**9. TANGIBLE CAPITAL ASSETS- ASSOCIATION**

<b>March 31, 2013</b>	<b>Furniture</b>	<b>Projector</b>	<b>Computer</b>	<b>Total</b>
<b>Cost</b>				
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>
<b>Accumulated amortization</b>				
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>

<b>March 31, 2012</b>	<b>Furniture</b>	<b>Projector</b>	<b>Computer</b>	<b>Total</b>
<b>Cost</b>				
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>
<b>Accumulated amortization</b>				
Opening balance	1,906	574	25,417	27,897
Amortization	<u>101</u>	<u>165</u>	<u>991</u>	<u>1,257</u>
Closing balance	<u>2,007</u>	<u>739</u>	<u>26,408</u>	<u>29,154</u>
Net book value	<u>\$ 405</u>	<u>\$ 386</u>	<u>\$ 2,313</u>	<u>\$ 3,104</u>

**Status of Women Council of the Northwest Territories**  
**Notes to the Financial Statements**  
**March 31, 2013**

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**10. TANGIBLE CAPITAL ASSETS-PROJECTS**

<b>March 31, 2013</b>	<b>Computer</b>
<b>Cost</b>	
Opening balance	\$13,664
Additions	-
Disposals	-
Closing balance	<u>\$13,664</u>
 <b>Accumulated amortization</b>	
Opening balance	11,367
Amortization	<u>689</u>
Closing balance	<u>12,056</u>
 Net book value	 <u>\$ 1,608</u>

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<b>March 31, 2012</b>	<b>Computer</b>
<b>Cost</b>	
Opening balance	\$13,664
Additions	-
Disposals	-
Closing balance	<u>\$13,664</u>
 <b>Accumulated amortization</b>	
Opening balance	10,383
Amortization	<u>984</u>
Closing balance	<u>11,367</u>
 Net book value	 <u>\$ 2,297</u>

**11. ACCUMULATED SURPLUS**

	<b>2013</b>	<b>2012</b>
Balance, opening April 1, 2012	\$ 39,897	\$ 51,562
Operating surplus (deficit)	( 2,699)	(10,681)
Amortization tangible capital assets-projects	( 689)	( 984)
Balance, closing	<u>\$ 36,509</u>	<u>\$(39,897)</u>

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**Status of Women Council of the Northwest Territories**  
**Notes to the Financial Statements**  
**March 31, 2013**

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**12. GOVERNMENT CONTRIBUTIONS**

	<b>2013</b>	<b>2012</b>
Operating contributions	\$ 368,000	\$ 368,000
Project contributions	210,446	282,407
Services received without charges	<u>70,870</u>	<u>70,870</u>
	<u>\$ 649,316</u>	<u>\$ 721,277</u>

**13. RELATED PARTIES**

The Council receives contributions from the Government.

**Accounts Receivable**

	March 31, 2013	March 31, 2012	April 1, 2011
Accounts receivable (Note 6)	<u>\$ -</u>	<u>\$ 34,048</u>	<u>\$ 31,379</u>

**Expenses**

Under the terms of administrative agreements, the Government charges for certain support services provided to the Council. The Council reimbursed the Government \$5,677 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 \$ 70,850 for each of the years ended March 31, 2013 and 2012.

**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 \$ 1,979.30 per quarter. Remaining payments on this lease amount to \$ 41,565.30.

**Status of Women Council of the NWT  
Revenue And Expenditure  
Period Ending March 31, 2013**

	Core Budget	Core Actual
<b>REVENUE</b>		
GNWT - Core Funding	368,000	368,000
Service Revenue		986
Contributed Rent		70,870
		<b>439,856</b>
<b>EXPENSE</b>		
*Wages & Benefits	287,604	289,786
Professional Development – staff	2,000	210
Professional Development – board	1,500	2,700
Facilitators /Contractors	1,600	-
Honoraria	7,500	6,850
Office Supplies	8,900	10,225
Travel Council Directors	10,600	16,012
Travel Community Worker	3,000	13,640
Travel F/P/T	5,400	7,914
Bank Charges	800	771
Audit	9,000	8,159
Advertising & Promotion	7,806	1,443
Telephone & Fax	5,600	4,186
Postage , Courier , mail service	5,500	1,394
Food Service Special Events	1,490	2,257
Design & Printing	3,500	2,313
Computer Services and Internet	5,500	2,278
Amortization		891
Bad debts		655
Contributed Rent		70,870
	<b>367,300</b>	<b>442,554</b>
<b>NET INCOME (DEFICIENCY)</b>	<b>\$ 700.00</b>	<b>-\$ 2,698</b>

**Status of Women Council of the NWT  
Revenue And Expenditure  
Period Ending March 31, 2013**

	Donations	Family Violence	FAST	FV Educational Series
<b>REVENUE</b>				
Health Canada			77,986	
GNWT- HSS		10,000		
GNWT - Justice		19,550		
GNWT - Executive		5,000		
RCMP				22,000
Service Revenue	1,389			
Donations, Events Grants	450			
Contributed Rent				
	<b>1,839</b>	<b>34,550</b>	<b>77,986</b>	<b>22,000</b>
<b>EXPENSE</b>				
Office supplies - Small Equipment	223		2,079	1,099
Books				520
Design and Printing		7,594	1,200	
Project Management		10,000	55,221	
Advertising and promotion		5,740		
Telecommunications		500	905	
Bank charges/Interests/Penalties			105	
Postage and Courier			429	
Mail Service		2,933	1,366	
Computer Service			1,143	
Accommodation - General	62			
Salaries and wages			10,946	
Materials,Resources,/Subscriptions	554	4,792		
Workshop Expenses	1,000	200		3,399
Course Delivery Fees				13,656
Facility/Equipment Rental		1,741	4,592	2,333
Administration Fees		1,050		993
	<b>1,839</b>	<b>34,550</b>	<b>77,986</b>	<b>22,000</b>
<b>NET INCOME (DEFICIENCY)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Status of Women Council of the NWT  
Revenue and Expenditure  
Period Ending March 31, 2013**

	<b>Leadership Workshops</b>	<b>Moving Forward Workshop</b>	<b>Safety for NWT Women</b>	<b>Victim Awareness Week</b>
<b>REVENUE</b>				
Dept of Justice Canada		7,250		4,100
Canadian Heritage			47,960	
GNWT - Executive	13,000			
GNWT - Justice				3,600
	<b>13,000</b>	<b>7,250</b>	<b>47,960</b>	<b>7,700</b>
<b>EXPENSE</b>				
Office supplies - Small Equipment		164	1,973	148
Design and Printing			342	232
Advertising and promotion	835	558		
Accommodation - General		354		
Travel - General	3,315			607
Travel Expenses - General	895			
Salaries and wages			1,680	
Materials, Resources/Subscriptions	478	1,216	838	918
Telecommunications			621	313
Workshop Expenses	645		1,346	100
Course delivery fees		3,430		
Meeting Expenses			191	
Research and Contract Fees	200		40,970	3,500
Facility Rental				500
Equipment Rental		165		150
Food Service-Special Events	5,730	1,127		900
Awards & Gifts and Hospitality	902	237		
Administration fees				332
	<b>13,000</b>	<b>7,250</b>	<b>47,960</b>	<b>7,700</b>
<b>NET INCOME (DEFICIENCY)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**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 )

	2012/2013 Actuals	2012/2013 Revised Estimates	2012/2013 Main Estimates	2011/2012 Actuals
Authorized Limit	900	900	900	900
Opening Accounts Receivable	360	360	420	373
Advances to Trappers	921	1,250	1,250	861
Repayment of Fur Account Loans	(328)	(1,150)	(1,150)	(875)
Closing Accounts Receivable	952	460	520	360
Cash	33			
Other Asset Accounts	3			
Other Liability Accounts	(154)			
Clearing Accounts	63			
<b>Closing Balance Fund 12</b>	<b>897</b>			
Authorized limit	900			

**Note:**

*The March 19-20, 2013 fur sale recovered \$611,709 of the advances to trappers. Funds were received April 19, 2013. The remaining fur has not yet sold.*

**NORTHWEST TERRITORIES LIQUOR COMMISSION**

**Financial Statements**

**Year ended March 31, 2013**

# NORTHWEST TERRITORIES LIQUOR COMMISSION

## Index to Financial Statements

**March 31, 2013**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The preparation of the financial statements of the Northwest Territories Liquor Commission (Commission) is the responsibility of the Commission's management.

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. Where alternative accounting methods are permitted, management has chosen those that are most appropriate. Where required, management's best estimates and judgments have been applied in the preparation of these financial statements.

Management fulfills its financial reporting responsibilities by maintaining financial management and control systems and practices which are designed to provide reasonable assurance that transactions are properly authorized, proper records are maintained, accurate financial information is prepared on a timely basis, assets are safeguarded, and the Commission complies with all statutory requirements.

Our auditor performs an annual audit on the financial statements in order to express an opinion as to whether the financial statements present fairly, in all material respects, the financial position of the Commission, the results of its operations, the change in its net financial resources and its cash flows for the year. During the course of the audit, he also examines transactions that have come to his notice, to ensure they are, in all significant respects, in accordance with the statutory authorities of the Commission.



Kyle Reid  
Director, Liquor Operations  
Northwest Territories Liquor Commission  
June 26, 2013



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**Chris Polselli, CA**  
5 Deer Park Point  
Spruce Grove, AB, T7X 4N6

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## **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, 2013, 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, 2013 and the results of its operations, changes in its net financial resources, and its cash flows for the year ended March 31, 2013 in accordance with Canadian public sector accounting standards.



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## Independent Auditor's Report (Continued)

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### 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 26, 2013  
Spruce Grove, Canada

# NORTHWEST TERRITORIES LIQUOR COMMISSION

## Statement of Financial Position

As at March 31 (\$000)	2013	2012
		(Restated - Note 2)
<b>Financial Assets</b>		
Cash	\$ 3,905	\$ 2,300
Accounts Receivable	10	-
Inventories for resale (note 4)	2,940	3,865
	<u>6,855</u>	<u>6,165</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	2,667	2,846
Pension and other employee benefits (note 5)	73	71
Due to the NWT Liquor Licensing Board (note 6)	129	100
	<u>2,869</u>	<u>3,017</u>
<b>Net Financial Resources</b>	<u>3,986</u>	<u>3,148</u>
<b>Non-Financial Assets</b>		
Tangible capital assets (note 7)	737	779
Prepaid Expenses	36	47
	<u>773</u>	<u>826</u>
<b>Accumulated Surplus</b>	<u>\$ 4,759</u>	<u>\$ 3,974</u>

Contractual obligations (note 9).

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

Approved by the Northwest Territories Liquor Commission:



Kyle Reid  
Director, Liquor Operations

# NORTHWEST TERRITORIES LIQUOR COMMISSION

## Statement of Operations

For the year ended March 31 (\$000)	2013	2013	2012
	Budget	Actual	(Restated - Note 2)
<b>Sales</b>			
Beer	\$ 19,415	\$ 19,351	\$ 19,192
Spirits	19,770	19,872	19,499
Wine	6,404	6,482	6,273
Coolers and Ciders	1,389	1,608	1,336
	<u>46,978</u>	<u>47,313</u>	<u>46,300</u>
<b>Cost of goods sold</b>			
Beer	8,089	7,948	8,000
Spirits	5,592	5,535	5,495
Wine	2,896	2,889	2,853
Coolers and ciders	620	702	574
	<u>17,197</u>	<u>17,074</u>	<u>16,922</u>
<b>Gross profit on sales</b>	<u>29,781</u>	<u>30,239</u>	<u>29,378</u>
<b>Other income</b>			
Government contribution - services provided without charge (note 8)	-	1	15
Import fees and Income	5	8	6
	<u>5</u>	<u>9</u>	<u>21</u>
<b>Expenses (notes 8)</b>			
Commissions to agents	2,969	2,977	3,209
Salaries, wages and employee benefits	1,150	1,048	1,048
Administration	401	425	410
Travel	57	33	39
Rent	232	213	151
Amortization of tangible capital assets	140	111	79
	<u>4,949</u>	<u>4,807</u>	<u>4,936</u>
<b>Annual surplus</b>	<u>24,837</u>	<u>25,441</u>	<u>\$ 24,463</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)	2013		2012	
	Budget	Actual	(Restated - Note 2)	
<b>Accumulated surplus, beginning of the year</b>	\$ 3,974	\$ 3,974	\$	3,790
Annual surplus	24,837	25,441		24,463
Amounts transferred to the Consolidated Revenue Fund	(24,628)	(24,462)		(24,052)
Amounts transferred to the NWT Liquor Licensing Board (note 6)	(209)	(194)		(227)
Increase in accumulated surplus	-	785		184
<b>Accumulated surplus, end of year</b>	\$ 3,974	\$ 4,759	\$	3,974

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)	2013		2012
	Budget	Actual	Actual
<b>Net financial resources, beginning of the year</b>	\$ 3,148	\$ 3,148	\$ 3,565
Items affecting net financial resources:			
Increase in accumulated surplus	-	785	184
Net investment in tangible capital assets:			
Acquisitions	-	(69)	(679)
Amortization expense	140	111	79
Increase in prepaid expenses	-	11	(1)
<b>Net financial resources, end of year</b>	\$ 3,288	\$ 3,986	\$ 3,148

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)	2013	2012
		(Restated - Note 2)
<b>Operating activities</b>		
Cash received from customers	\$ 47,311	\$ 46,306
Cash paid to employees and suppliers	(21,010)	(21,541)
Cash provided by operating activities	26,301	24,765
<b>Capital activities</b>		
Purchase of tangible capital assets	(69)	(679)
<b>Financing activities</b>		
Cash transferred to the Consolidated Revenue Fund	(24,462)	(24,052)
Cash transferred to the NWT Licensing Board	(165)	(298)
<b>Decrease in cash</b>	1,605	(264)
<b>Cash, beginning of year</b>	2,300	2,564
<b>Cash, end of Year</b>	\$ 3,905	\$ 2,300

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

# NORTHWEST TERRITORIES LIQUOR COMMISSION

## Notes to Financial Statements

March 31, 2013 (\$000)

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### 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, 2013, the Fund's assets exceeded the liabilities by \$3,986 (2012 – \$3,148).

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. Change in Accounting Policy

In previous years, the financial accounts of the Board were combined in the annual financial statements of the Commission. During the year it was jointly determined by management of the Commission and the Board that the Board's assets, liabilities, revenue and expenses should be reported separate from the Commission. This decision was made so that the Board and the Commission would comply with the reporting requirements of the GNWT's *Financial Administration Act*. This change has been accounted for as a change in accounting policy.

This change in accounting policy has been applied retroactively and the comparative figures presented in these financial statements have been restated. The effect on the comparative figures of removing the financial accounts of the Board is summarized as follows:



# NORTHWEST TERRITORIES LIQUOR COMMISSION

## Notes to Financial Statements

March 31, 2013 (\$000)

	2012 as previously stated	2012 as restated	Change
<b>Liabilities</b>			
Accounts payable and accrued liabilities	2,921	2,846	(75)
Pension and other employee benefits	96	71	(25)
Due to the NWT Liquor Licencing Board	0	100	100
			<u>-</u>
Effect on net financial resources			<u>-</u>
<b>Other income</b>			
License fees and permits	410	-	(410)
Government contributions - services provided without charge	60	15	(45)
			<u>-</u>
			<u>(455)</u>
<b>Expenses</b>			
Salaries, wages and employee benefits	1,417	1,048	(369)
Administration	499	410	(89)
Travel	119	39	(80)
Rent	182	151	(31)
Inspectors' fees	68	-	(68)
Board member honoraria	45	-	(45)
			<u>(682)</u>
			<u>227</u>
Effect on annual surplus			227
Amounts transferred to the NWT Liquor Licensing board	-	(227)	(227)
			<u>-</u>
Effect on accumulated surplus			<u>-</u>

Separate financial statements of the Board have been prepared for the first time for the year ending March 31 2013.

# NORTHWEST TERRITORIES LIQUOR COMMISSION

## Notes to Financial Statements

March 31, 2013 (\$000)

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### 3. 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.

#### (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

# NORTHWEST TERRITORIES LIQUOR COMMISSION

## Notes to Financial Statements

March 31, 2013 (\$000)

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### 3. Significant accounting policies (continued)

#### (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.

### 4. Inventories for resale

	2013	2012
Spirits	\$ 1,207	\$ 1,519
Beer	1,023	1,376
Wine	593	809
Coolers and ciders	117	161
	\$ 2,940	\$ 3,865

### 5. 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. The employer contribution rate effective at the end of the year was 1.74 times employees' contributions times (2012 – 1.74 times).

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

# NORTHWEST TERRITORIES LIQUOR COMMISSION

## Notes to Financial Statements

March 31, 2013 (\$000)

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### 5. Pension and other employee benefits (continued)

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:

	2013	2012
	Actual	(Restated - Note 2)
Employer's contributions (recognized as expense)	\$ 103	\$ 96
Employees' contribution	59	52

### 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:

	2013	2012
	Actual	(Restated - Note 2)
Accrued benefit obligation, beginning of year	\$ 71	\$ 67
Cost for the year	2	4
Benefits paid during the year	-	0
Accrued benefit obligation, end of year	\$ 73	\$ 71

### 6. 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, 2013 (\$000)

### 7. Tangible capital assets

	Furniture and fixtures	Computer hardware and software	Leasehold improvements	2013	2012
<b>Cost:</b>					
Opening balance	\$ 92	\$ 638	\$ 823	\$ 1,553	\$ 892
Acquisitions	-	51	18	69	679
Disposals and write-downs	-	(72)	-	(72)	(18)
Closing balance	92	617	841	1,550	1,553
<b>Accumulated Amortization:</b>					
Opening balance	(86)	(559)	(129)	(774)	(713)
Amortization	(5)	(51)	(55)	(111)	(79)
Disposals and write-downs	-	72	-	72	18
	(91)	(538)	(184)	(813)	(774)
Net book value	\$ 1	\$ 79	\$ 657	\$ 737	\$ 779

### 8. 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 \$1,048 (2012 – \$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 \$1 (2012 – \$15). 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 \$164 (2012 – \$178) for bottle deposits payable to the Department of Environment and Natural Resources, \$105 (2012 – \$100) for salaries, wages, and employee benefits to the Department of Finance, and \$4 (2012 – \$4) for other government departments.

## Notes to Financial Statements

March 31, 2013 (\$000)

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### 9. 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:

2013/14	\$ 226
2014/15	\$ 226
2015/16	\$ 226
2016/17	\$ 150
2017/18	\$ 143

Annual lease payments for the office premises include estimated operating costs and property taxes.

### 10. 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, 2013**

# NORTHWEST TERRITORIES LIQUOR LICENSING BOARD

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**March 31, 2013**

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## 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 public sector accounting standards for the public sector. 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 26, 2013

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**Chris Polselli, CA**  
5 Deer Park Point  
Spruce Grove, AB, T7X 4N6

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## **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, 2013, 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, 2013 and the results of its operations, changes in its net financial resources, and its cash flows for the year ended March 31, 2013 in accordance with Canadian public sector accounting standards.



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## Independent Auditor's Report (Continued)

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### 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 26, 2013  
Spruce Grove, Canada



# NORTHWEST TERRITORIES LIQUOR LICENSING BOARD

## Statement of Financial Position

<b>As at March 31 (\$000)</b>	<b>2013</b>	<b>2012</b>
<b>Financial Assets</b>		
Due from NWT Liquor Commission (note 3)	\$ 129	\$ 100
<b>Liabilities</b>		
Accounts payable and accrued liabilities	91	69
Pension and other employee benefits (note 4)	27	25
Deferred revenue	11	6
	129	100
<b>Net financial resources</b>	-	-
<b>Accumulated surplus</b>	\$ -	\$ -

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

<b>For the year ended March 31, (\$000)</b>	<b>2013</b>	<b>2013</b>	<b>2012</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenue</b>			
License fees and permits (note 6)	\$ 430	\$ 396	\$ 410
Government contribution – services provided without charge (note 7)	-	12	45
	<u>430</u>	<u>408</u>	<u>455</u>
<b>Expenses (notes 5 and 6)</b>			
Salaries, wages and employee benefits	379	377	369
Administration	33	53	24
Travel	95	39	80
Inspector's Fees	36	47	68
Professional Fees	12	18	65
Rent	27	30	31
Honoraria	57	38	45
	<u>639</u>	<u>602</u>	<u>682</u>
<b>Annual Surplus (loss)</b>	<u>\$ (209)</u>	<u>\$ (194)</u>	<u>\$ (227)</u>

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

# NORTHWEST TERRITORIES LIQUOR LICENSING BOARD

## Statement of Accumulated Surplus

<b>For the year ended March 31, (\$000)</b>	<b>2013</b>	<b>2012</b>
<b>Accumulated surplus, beginning of year</b>	\$ -	\$ -
Annual Surplus (loss)	(194)	(227)
Amounts transferred from the NWT Liquor Commission	194	227
Increase (decrease) in accumulated surplus	-	-
<b>Accumulated surplus, end of year</b>	\$ -	\$ -

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

# NORTHWEST TERRITORIES LIQUOR LICENSING BOARD

## Statement of Cash Flow

<b>For the year ended March 31, (\$000)</b>	<b>2013</b>	<b>2012</b>
<b>Operating activities</b>		
Cash received from license holders and others	\$ 401	\$ 408
Cash paid to employees and suppliers	(566)	(706)
Cash provided by operating activities	(165)	(298)
<b>Financing activities</b>		
Cash transferred from the NWT Liquor Commission	165	298
<b>Decrease in cash</b>	-	-
<b>Cash, beginning of year</b>	-	-
<b>Cash, end of year</b>	\$ -	\$ -

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

# NORTHWEST TERRITORIES LIQUOR LICENSING BOARD

## Notes to Financial Statements

March 31, 2013 (\$000)

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### 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, 2013, the Fund's assets exceeded the liabilities by \$3,992 (2012 – \$3,148).

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 estimation of the useful life of the tangible capital assets.



# **NORTHWEST TERRITORIES LIQUOR LICENSING BOARD**

## **Notes to Financial Statements**

**March 31, 2013 (\$000)**

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### **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, 2013 (\$000)

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### 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. The employer contribution rate effective at the end of the year was 1.74 times employees' contributions (2012 – 1.74 times).

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:

	2013	2012
Employer's contributions (recognized as expense)	\$ 37	\$ 35
Employee's contribution	22	19

#### 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:

	2013	2012
Accrued benefit obligation, beginning of year	\$ 25	\$ 23
Cost for the year	2	2
Benefits paid during the year	-	-
Accrued benefit obligation, end of year	\$ 27	\$ 25

# NORTHWEST TERRITORIES LIQUOR LICENSING BOARD

## Notes to Financial Statements

March 31, 2013 (\$000)

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### 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	
	2013	2012
<b>Expenses (notes 6 and 7)</b>		
Salaries, wages and employee benefits	259	255
Travel	23	17
Professional Fees	-	-
Inspector's Fees	47	68
Honoraria	-	-
Other	59	31
	<hr/>	<hr/>
	388	371
	<hr/>	<hr/>
<b>Annual Surplus (loss)</b>	(388)	(371)

### 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 \$377 (\$369 – 2012) related to salaries, wages, and employee benefits for the Board's employees and \$38 (\$45 – 2012) 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 \$12 (\$45 – 2012). The cost of the services noted above has been recognized on the statement of operations.

Included in accounts payable and accrued liabilities is \$41 (\$36 - 2012) for salaries, wages, and employee benefits to the Department of Finance, and \$1 (\$4 - 2012) for other government departments.

### 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:

2013/14	\$ 19
2014/15	\$ 19
2015/16	\$ 19
2016/17	\$ 2
2017/18	\$ -

Annual lease payments for the office premises include estimated operating costs and property taxes.

# **NORTHWEST TERRITORIES LIQUOR LICENSING BOARD**

## **Notes to Financial Statements**

**March 31, 2013 (\$000)**

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### 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, 2013**

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**Petroleum Products Division**

**Financial Statements**

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**March 31, 2013**

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## **Independent Auditors' Report**

### **To the Minister of Public Works and Services**

We have audited the accompanying financial statements of Petroleum Products Division, which comprise the statement of financial position as at March 31, 2013, and the statement 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, 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 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 Petroleum Products Division as at March 31, 2013, and the results of its operations for the year then ended in accordance with Canadian public sector accounting standards.

**Yellowknife, Canada  
June 25, 2013**

*MacKay LLP*

**Chartered Accountants**

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## Petroleum Products Division

### Statement of Operations and Changes in Net Assets

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For the year ended March 31,	2013	2012
<b>Revenue</b>		
Sales of petroleum products (note 10)	\$ 41,267,928	\$ 32,624,492
<b>Cost of goods sold</b>	<b>35,002,953</b>	<b>26,770,330</b>
<b>Gross margin</b>	<b>6,264,975</b>	<b>5,854,162</b>
<b>Expenditures</b>		
Bad debts (recovered)	55,831	(8,139)
Commissions	2,369,848	2,209,248
Contracts and purchased services	945,272	740,907
Operating and maintenance costs	466,330	726,877
Miscellaneous	29,405	7,554
Salaries, wages and employee benefits	2,008,192	1,935,904
Travel	330,393	315,015
Utilities	305,113	301,545
	<b>6,510,384</b>	<b>6,228,911</b>
<b>Deficiency of revenue over expenditures before other items</b>	<b>(245,409)</b>	<b>(374,749)</b>
<b>Other Income (expenses)</b>		
Other revenue	59,108	94,020
Grant-in-kind, Government assets provided at no cost (note 5)	2,541,829	2,450,423
Financing charges (note 5)	(594,754)	(497,423)
Tangible capital assets - rent expenses (note 5)	(1,947,075)	(1,953,000)
	<b>59,108</b>	<b>94,020</b>
<b>Deficiency of revenue over expenditures</b>	<b>(186,301)</b>	<b>(280,729)</b>
<b>Stabilization fund, beginning of year</b>	<b>368,282</b>	<b>649,011</b>
<b>Stabilization fund, end of year</b>	<b>\$ 181,981</b>	<b>\$ 368,282</b>



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**Petroleum Products Division****Statement of Financial Position**

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**March 31,** **2013** **2012**

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**Assets****Current**

Accounts receivable (note 6)	\$ 8,634,200	\$ 11,421,189
Inventory (note 7)	28,517,741	26,850,895
Prepaid expenses	109,581	-

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**\$ 37,261,522 \$ 38,272,084**

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**Liabilities****Current**

Accounts payable and accrued liabilities (note 8)	\$ 5,726,945	\$ 5,649,608
Employee benefits payable	211,567	154,044
Due to the Government of the Northwest Territories - revolving fund (note 9)	31,141,029	32,100,150

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**37,079,541 37,903,802**

**Fund balances**

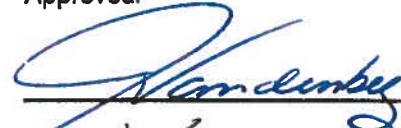
<b>Stabilization fund</b>	<b>181,981</b>	<b>368,282</b>
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**\$ 37,261,522 \$ 38,272,084**

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Approved:

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John Vandenberg, Director

Kathleen Broderick, Comptroller

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## **Petroleum Products Division**

### **Notes to the Financial Statements**

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**March 31, 2013**

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#### **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, 2013 is a surplus of \$181,814 (2012 - \$368,282).

#### **2. Implemented accounting changes**

##### **Government Transfers – Section PS 3410**

Public Sector Accounting Board (PSAB) revised and replaced Section PS 3410 – Government Transfers. The Section has been adopted April 1, 2012 and applied prospectively. This new standard outlines how to account for and report government transfers to individuals, organizations and other governments from both a transferring and a recipient perspective.

##### **Financial Instruments, Section PS 3450 and related amendments to Financial Statement Presentation**

PSAB approved new Section PS 3450, Financial Instruments, and related amendments to Section PS 1201, Financial Statement Presentation. The Section has been adopted April 1, 2012. This standard establishes how to account for and report all types of financial instruments including derivatives. Financial instruments include primary instruments and derivative financial instruments.

##### **Foreign Currency Translation, Section PS 2601**

PSAB approved Section PS 2601, replacing existing Section PS 2600, Foreign Currency Translation. The effective date for Section PS 2601 is April 1, 2012 for government organizations and April 1, 2015 for governments. Governments and government organizations adopt Section PS 2601 in the same fiscal year Section PS 3450, Financial Instruments, is adopted. As the Fund does not typically have foreign currency transactions it is not expected to have an impact on the financial statements.

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## **Petroleum Products Division**

### **Notes to the Financial Statements**

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**March 31, 2013**

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#### **2. Implemented accounting changes (continued)**

##### **Tax Revenue, Section PS 3510**

In February of 2010 the Public Sector Accounting Board (PSAB) released a Section PS 3510 - Tax Revenue. This new Section establishes recognition, measurement, presentation and disclosure standards relating to tax revenue reported in financial statements.

The main features of the new Section are as follows:

- Tax revenue should be grossed up for transfers made through the tax system.
- Tax revenue should not be grossed up for the amount of tax concessions (that are often referred to as tax expenditures)
- Tax revenue should be recognized when it is authorized and the taxable event occurs
- Tax revenue should be recognized by the government that imposes the tax except in flow-through arrangements.
- Guidance is provided for identifying and distinguishing between tax concessions and transfers made through a tax system.

As the Fund does not have tax revenue it is not expected to have an impact on the financial statements.

#### **3. 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) Accounting estimates**

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 5.

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## Petroleum Products Division

### Notes to the Financial Statements

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March 31, 2013

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#### 3. 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 \$61,933 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 employment, employees may qualify and earn employment benefits for annual leave, retirement, severance and removal costs. The estimated liability for these benefits is recorded as the benefits are earned by the employees.

##### (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 \$176,397 (2012 - \$154,193) to the plan while employees contributed \$97,423 (2012 - \$101,971). 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. Other revenue is recognized as goods are delivered or services are provided.

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## Petroleum Products Division

### Notes to the Financial Statements

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March 31, 2013

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#### 4. 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.

#### 5. Grant in kind

##### Financing charges

Management estimated that the Fund required up to \$40.4 million in working capital with an estimated financing cost of \$594,754 for the year. (For 2012 they were \$32.9 million and \$497,423 respectively). The financing cost is based upon the average monthly balance due to the Government at an average interest rate for the Government of 1.51% p.a.

##### 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	2013	2012
Fuel storage facilities	\$ 54,432,581	\$ 20,458,207	\$ 33,974,476	\$ 35,607,181
Fuel delivery vehicles	4,629,923	3,507,306	1,122,617	949,628
Construction in progress	4,996,548	-	4,996,548	1,137,536
	<b>\$ 64,059,052</b>	<b>\$ 23,965,513</b>	<b>\$ 40,093,641</b>	<b>\$ 37,694,345</b>

Amortization expense for 2013 is \$1,947,075 (2012 - \$1,953,000).

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## Petroleum Products Division

### Notes to the Financial Statements

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March 31, 2013

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#### 6. Accounts receivable

	Total Receivable	Allowance for Doubtful	2013
Commercial and private customers	\$ 2,315,049	\$ (210,688)	\$ 2,104,361
Municipalities and Housing Authorities	1,541,251	(9,260)	1,531,991
Government of the Northwest Territories			
- Departments and agencies	323,703	(135,344)	188,359
- Northwest Territories Power Corporation	4,447,215	-	4,447,215
Government of Canada	362,274	-	362,274
	<b>\$ 8,989,492</b>	<b>\$ 355,292</b>	<b>\$ 8,634,200</b>

#### 7. Inventory

	2013	2012
P-50 Diesel (motive, non-motive and heating oil)	\$ 22,752,941	\$ 21,848,364
Gasoline	4,389,858	3,802,412
Jet A1	1,348,216	1,157,510
Naptha	26,726	42,609
	<b>\$ 28,517,741</b>	<b>\$ 26,850,895</b>

#### 8. Accounts payable and accrued liabilities

	2013	2012
Trade payables	\$ 609,337	\$ 872,810
Petroleum products	4,750,533	4,494,537
Commissions	133,297	79,729
Goods and services tax	233,778	202,532
	<b>\$ 5,726,945</b>	<b>\$ 5,649,608</b>

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## Petroleum Products Division

### Notes to the Financial Statements

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March 31, 2013

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#### 9. Due to the Government of the Northwest Territories (GNWT) - revolving fund

The amount due to the Government represents the balance in the revolving fund as follows:

	2013	2012
Balance, beginning of year	\$ 32,100,150	\$ 23,151,495
Plus:		
Payments made from the revolving fund		
- purchases of petroleum products	36,678,792	30,201,373
- other cash disbursements	6,245,860	6,054,937
Less:		
Cash received into the revolving fund	(44,247,734)	(27,307,655)
Balance, end of year	\$ 31,141,029	\$ 32,100,150

#### 10. Sales of Petroleum Products

	2013	2012
Commercial / Private	\$ 9,447,641	\$ 8,228,440
Territorial Municipalities and Housing Associations	6,149,462	5,590,650
Northwest Territories Power Corporation	22,743,900	16,087,477
Departments and Agencies	2,528,551	2,376,090
Government of Canada	398,374	341,835
	\$ 41,267,928	\$ 32,624,492

#### 11. Statement of cash flows

A statement of cash flows has not been presented as these financial statements report the transactions within the revolving fund of the Government of the Northwest Territories (GNWT). The cash received and payments made by the GNWT on behalf of this Fund are reported in Note 9.

#### 12. Related party transactions

In addition to those transactions with related parties disclosed elsewhere in the financial statements, the Fund is related in terms of common ownership to all Government of the Northwest Territories departments, agencies and Crown Corporations. The Fund enters into transactions with these entities in the normal course of business, with the exception of the Northwest Territories Power Corporation (NTPC). In accordance with an agreement with the Government of the Northwest Territories, NTPC is charged the landed cost to purchase and deliver petroleum products to its facilities in the communities.

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## Petroleum Products Division

### Notes to the Financial Statements

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March 31, 2013

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#### 13. Comparative amounts

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

#### 14. Commitments

##### Fuel resupply contracts

The Government established a long-term contract with Northern Transportation Company Limited (NTCL) for the supply and delivery of bulk petroleum products to communities served by marine transport effective 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 2010, the Government entered into a three-year contract with Bluewave Energy 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 November 2013.

##### 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, 2013, 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 \$4,387,250 as follows:

2014	\$	2,066,550
2015		1,094,280
2016		678,655
2017		547,765
		<hr/>
		\$ 4,387,250

The Fund paid \$2,369,848 (2012 - \$2,209,248) in commissions to local contractors in the 16 communities that they serve.

#### 15. Capital management

The Fund's capital objectives are to manage operations with a goal of controlling profits and losses. The Fund attempts to break-even on an annual basis, and is also monitored so that it remains within the profit and loss restrictions of the Stabilization Fund, as set out in the Financial Administration Act.

The Fund's capital is provided and managed by the Government of the Northwest Territories.



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**Petroleum Products Division**

**Notes to the Financial Statements**

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**March 31, 2013**

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**16. Financial instruments**

Financial risk management objectives and policies

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.

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 is exposed to credit risk from its customers. In particular, 49% (\$4,447,000) of the receivables are from Northwest Territories Power Corporation.

**Schedule of Public Stores Revolving Fund Inventories  
for the year ended March 31, 2013**

<b>Public Stores</b>	<b>Balance March 31, 2012</b>	<b>Net Receipts</b>	<b>Net Issues</b>	<b>Board of Survey</b>	<b>Inventory (Write-downs) Write-ups</b>	<b>Balance March 31, 2013</b>
Yellowknife	148,561			0	0	148,561
SAM		132,119	(126,177)			5,942
	148,561	132,119	(126,177)	0	0	154,504

  
 \_\_\_\_\_  
 Steve Lewis, Director Corporate Services

3/9/13  
 \_\_\_\_\_  
 Date

**Environment Fund**

**Financial Statements**

**March 31, 2013**

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**Environment Fund**

**Financial Statements**

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**March 31, 2013**

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Management Responsibility Statement	3
Independent Auditors' Report	4 - 5
Statement of Operations	6
Statement of Changes in Net Assets	7
Statement of Financial Position	8
Notes to the Financial Statements	9 - 15

## Management Responsibility Statement

Management is responsible for the reliability, integrity and objectivity of the data in the accompanying financial statement, which has been prepared in accordance with Canadian public sector accounting standards for not-for-profit organizations. Where appropriate, the financial statements include estimates and judgments based on careful consideration of the information available to management.

In discharging its responsibility for financial reporting, management maintains and relies on internal control systems and practices, which are designated to provide reasonable assurance that the transactions are authorized, the assets are safeguarded and proper records are maintained. These control systems and practices ensure the orderly conduct of business, the accuracy of the accounting records, reliability of financial information and compliance to legislation governing the Environment Fund.

The auditor provides an independent, objective audit for the purpose of expressing an opinion on the financial statements. The auditor also considers whether the transactions that come to their notice during the course of the audit are, in all significant respects, in accordance with specified legislation.



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Ernie Campbell, Deputy Minister,  
Department of Environment and Natural Resources



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Nancy Magrum, C.G.A., Director Finance and Administration,  
Department of Environment and Natural Resources

May 31, 2013

## **Independent Auditors' Report**

### **To the Minister of Environment Fund**

We have audited the accompanying financial statements of Environment Fund, which comprise the statement of financial position as at March 31, 2013, 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 Fund as at March 31, 2013 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  
May 31, 2013



Chartered Accountants

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**Environment Fund****Statement of Operations**

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<b>For the year ended March 31,</b>	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Revenues</b>		
Beverage container program	5,165,214	5,335,763
Recoveries	-	(24,069)
Single-use retail bag program	494,038	575,653
	<hr/>	<hr/>
	5,659,252	5,887,347
<b>Expenditures</b>		
Advertising and promotion	17,617	11,226
Contract service - miscellaneous	22,987	38,831
Contract service - satellite depots	54,624	16,168
Depot handling fee	756,428	712,047
Equipment, supplies and maintenance	17,187	117,029
Freight	322,190	296,764
Grants and contributions	103,071	128,690
Insurance	8,000	10,833
Office	9,562	7,744
Processing centre handling fee	611,919	584,825
Professional fees	26,971	39,228
Refundable deposit fee	3,067,331	2,999,776
Storage	44,374	35,827
Travel and training	22,238	40,515
Wages and benefits	483,602	430,637
	<hr/>	<hr/>
	5,568,101	5,470,140
<b>Excess of revenues over expenditures before other item</b>	<b>91,151</b>	<b>417,207</b>
<b>Other income</b>		
Interest	27,837	25,673
	<hr/>	<hr/>
<b>Excess of revenues over expenditures</b>	<b>118,988</b>	<b>442,880</b>



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**Environment Fund****Statement of Changes in Net Assets**

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**For the year ended March 31, 2013**

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	Unrestricted	Equipment replacement reserve	<b>Total 2013</b>	Total 2012
	\$	\$	\$	\$
<b>Balance, beginning of year</b>	1,290,510	333,158	<b>1,623,668</b>	1,180,788
Excess of revenues over expenditures	118,988	-	<b>118,988</b>	442,880
Transfers (Note 4b)	(47,594)	47,594	-	-
<b>Balance, end of year</b>	<b>1,361,904</b>	<b>380,752</b>	<b>1,742,656</b>	<b>1,623,668</b>

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**Environment Fund****Statement of Financial Position**

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	March 31, 2013	March 31, 2012	April 1, 2011
	\$	\$	\$
<b>Financial Assets</b>			
Accounts receivable	632,101	827,310	763,295
Due from treasury (note 6)	2,336,833	1,784,104	1,574,546
Loans receivable (note 7)	5,972	5,972	1,805
	<u>2,974,906</u>	<u>2,617,386</u>	<u>2,339,646</u>

**Liabilities**

Accounts payable and accrued liabilities	459,638	214,240	374,293
Unredeemed container liability (note 9)	772,612	779,478	784,565
	<u>1,232,250</u>	<u>993,718</u>	<u>1,158,858</u>
	<u>1,742,656</u>	<u>1,623,668</u>	<u>1,180,788</u>

**Represented by****Fund balances**

Unrestricted	1,361,904	1,290,510	895,224
Equipment replacement reserve	380,752	333,158	285,564
	<u>1,742,656</u>	<u>1,623,668</u>	<u>1,180,788</u>

Approved:

  
Deputy Minister  
Director (Acting)

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## Environment Fund

### Notes to the Financial Statements

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March 31, 2013

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#### 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.

These financial statements are prepared in accordance with public sector accounting standards for Not-for-profit Organizations (PSA - NPO).

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## Environment Fund

### Notes to the Financial Statements

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March 31, 2013

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#### 2. First Time Adoption of Public Sector Accounting for Not-for-Profit Organizations

PS 2125 First-time adoption by Government Organizations requires that comparative financial information be provided and that the PSA-NPO be applied retrospectively as of the reporting date, which for the Fund is March 31, 2013. However, PS 2125 provides for certain optional exemptions and mandatory exemptions for first time adopters.

##### Optional Exemptions

The Fund has elected to apply the exemption and consider the conditions for write-down on tangible capital assets on a prospective basis from the date of transition. As a result, no write-downs of tangible capital assets were recognized. No other optional exemptions were enacted.

##### Mandatory Exemptions

The estimates previously made by the Fund under Canadian Generally Accepted Accounting Principles (GAAP) were not revised for the application of PSA-NPO to reflect any difference in accounting policy or when there is objective evidence that those estimates were in error. As a result the Board has not used hindsight to revise estimates.

The Fund issued financial statements for the year ended March 31, 2013 using PSA-NPO. The adoption of PSA-NPO results in no adjustments to the previously reported assets, liabilities, net assets, net income and cash flows.

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## Environment Fund

### Notes to the Financial Statements

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March 31, 2013

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#### 3. Implemented Accounting Changes

##### Government Transfers – Section PS 3410

Public Sector Accounting Board (PSAB) revised and replaced Section PS 3410 – Government Transfers. The Section has been adopted April 1, 2012 and applied prospectively. This new standard outlines how to account for and report government transfers to individuals, organizations and other governments from both a transferring and a recipient perspective.

##### Financial Instruments, Section PS 3450 and related amendments to Financial Statement Presentation

PSAB approved new Section PS 3450, Financial Instruments, and related amendments to Section PS 1201, Financial Statement Presentation. The Section has been adopted April 1, 2012. This standard establishes how to account for and report all types of financial instruments including derivatives. Financial instruments include primary instruments and derivative financial instruments.

##### Foreign Currency Translation, Section PS 2601

PSAB approved Section PS 2601, replacing existing Section PS 2600, Foreign Currency Translation. The effective date for Section PS 2601 is April 1, 2012 for government organizations and April 1, 2015 for governments. Governments and government organizations adopt Section PS 2601 in the same fiscal year Section PS 3450, Financial Instruments, is adopted. As the Fund does not typically have foreign currency transactions it is not expected to have an impact on the financial statements.

##### Tax Revenue, Section PS 3510

In February of 2010 the Public Sector Accounting Board (PSAB) released a Section PS 3510 - Tax Revenue. This new Section establishes recognition, measurement, presentation and disclosure standards relating to tax revenue reported in financial statements.

The main features of the new Section are as follows:

- Tax revenue should be grossed up for transfers made through the tax system.
- Tax revenue should not be grossed up for the amount of tax concessions (that are often referred to as tax expenditures)
- Tax revenue should be recognized when it is authorized and the taxable event occur
- Tax revenue should be recognized by the government that imposes the tax except in flow-through arrangements.
- Guidance is provided for identifying and distinguishing between tax concessions and transfers made through a tax system.

As the Fund does not have tax revenue it is not expected to have an impact on the financial statements.

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## Environment Fund

### Notes to the Financial Statements

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March 31, 2013

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#### 4. Significant accounting policies

The Fund follows accounting principles generally accepted in Canada in preparing its financial statements. The significant accounting policies used are as follows:

##### (a) Capital assets

Capital equipment, consisting of mobile equipment and machinery, exceeding \$50,000 are recorded at cost and amortized on a straight-line basis over the estimated useful life of the equipment. Capital equipment items less than \$50,000 are recorded as expenditures when purchased. All tangible capital assets owned by the Fund have been fully depreciated.

##### (b) 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 2013 transfer is \$47,594 (2012 - \$47,594). This reserve was approved by the Government of the Northwest Territories to be set up for future capital equipment purchases/replacement.

##### (c) 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 (\$46,544 in 2013, \$37,132 in 2012).

##### (d) 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.

##### (e) 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.

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## Environment Fund

### Notes to the Financial Statements

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March 31, 2013

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#### 4. Significant accounting policies (continued)

##### (f) 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.

##### (g) Use of estimates

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.

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## Environment Fund

### Notes to the Financial Statements

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March 31, 2013

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**5. 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.

**6. 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.

**7. Loan receivable**

The Fund loaned three 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 second loan is a non-interest bearing loan with an amount currently outstanding of \$5,000 and is repayable in monthly installments of \$833, the loan is due on January 1, 2014. The final loan is a non-interest bearing loan with an amount currently outstanding of \$972 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 2014 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, 2013.

**8. Expenses by program**

The Fund's two major programs, beverage container and single use bag, have direct costs associated to them in terms of depot handling fees, processing and refundable deposits. The costs for the beverage container program total \$4,439,844, while the costs associated with the single use bag program total \$78,558.



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## Environment Fund

### Notes to the Financial Statements

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March 31, 2013

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**9. 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.

**10. Comparative figures**

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

**11. Related party transactions**

	2013	2012
	\$	\$
NWT Liquor Commission		
Accounts receivable	164,409	330,116
Revenue - Beverage Container Program Revenues	1,871,501	1,930,934
<hr/>		
Department of Human Resources - Payroll expenses	483,602	430,637
<hr/>		
Department of Finance		
Insurance expense	8,000	10,833
Accounts payable	170,965	-

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 4(c).

**12. 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 \$632,101 (2012 - \$827,310). 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, 2013**

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**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 Operations as at March 31, 2013, and the statements of changes in net assets available for benefits and changes in obligations for pension benefits 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.

*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 Legislative Assembly Retiring Allowance Fund as at March 31, 2013, and the changes in its net assets available for benefits and changes in its pension obligations in accordance with Canadian accounting standards for pension plans.

*Avery, Cooper & Co.*

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

April 29, 2013



**LEGISLATIVE ASSEMBLY  
RETIRING ALLOWANCE FUND**

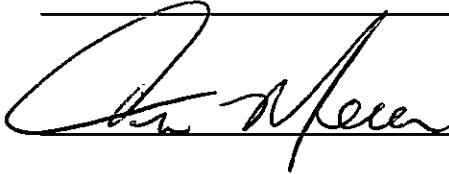
**STATEMENT OF FINANCIAL POSITION  
March 31, 2013**

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Accounts Receivable (Note 3)	\$ 33,177	\$ 30,732
Accrued Interest Income	<u>32,586</u>	<u>35,769</u>
	65,763	66,501
<b>INVESTMENTS (Note 4)</b>	<u>20,939,783</u>	<u>19,897,154</u>
	<u><u>\$ 21,005,546</u></u>	<u><u>\$ 19,963,655</u></u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts Payable	<u>\$ 57,329</u>	<u>\$ 91,843</u>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b> per page 2	20,948,217	19,871,812
<b>PENSION OBLIGATIONS</b> per page 3 (Note 5)	<u>17,118,900</u>	<u>17,017,000</u>
<b>PENSION PLAN FUND SURPLUS</b>	<u><u>\$ 3,829,317</u></u>	<u><u>\$ 2,854,812</u></u>

APPROVED



\_\_\_\_\_  
Speaker



\_\_\_\_\_  
Clerk

**LEGISLATIVE ASSEMBLY  
RETIRING ALLOWANCE FUND**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
For the Year Ended March 31, 2013**

	<u>2013</u>	<u>2012</u>
<b>INCREASE IN ASSETS</b>		
<b>Contributions</b>		
Members	198,823	188,466
In-Kind Contributions	8,500	7,500
	207,323	195,966
<b>Investment Income</b>		
Interest	268,554	310,618
Dividends	300,802	244,951
Gain on Sale of Investments	703,930	423,247
	1,273,285	978,816
Current Period Change in Fair Value of Investments	489,376	(332,109)
Net Investment Income	1,762,661	646,707
Total Increase in Assets	1,969,984	842,673
<b>DECREASE IN ASSETS</b>		
<b>Benefits</b>		
Pension Payments	721,061	653,977
Termination/Lump sum Payments	-	1,311,599
	721,061	1,965,576
<b>Administrative</b>		
Actuary Fees	59,857	64,422
Audit Fees	8,500	7,500
Investment Management Fees	56,135	60,292
Meeting Travel & Accommodation	19,843	15,074
Trustee Fees	28,183	25,650
	172,519	172,938
Total Decrease in Assets	893,579	2,138,514
<b>INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS</b>	<b>\$ 1,076,405</b>	<b>\$ (1,295,841)</b>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>		
<b>BEGINNING OF YEAR</b>	<b>19,871,812</b>	<b>21,167,653</b>
<b>END OF YEAR</b>	<b>\$ 20,948,217</b>	<b>\$ 19,871,812</b>

**LEGISLATIVE ASSEMBLY  
RETIRING ALLOWANCE FUND**

**STATEMENT OF CHANGES IN PENSION OBLIGATIONS  
For the Year Ended March 31, 2013**

	<u>2013</u>	<u>2012</u>
<b>INCREASE IN PENSION OBLIGATIONS</b>		
Interest accrued on benefits	\$ 807,000	\$ 1,010,000
Benefits accrued	677,100	684,000
Cost of Amendment	-	393,000
	<u>1,484,100</u>	<u>2,087,000</u>
<b>DECREASE IN PENSION OBLIGATIONS</b>		
Benefits paid	\$ 1,009,000	\$ 1,658,000
Experience gains	373,200	-
	<u>1,382,200</u>	<u>1,658,000</u>
<b>INCREASE IN PENSION OBLIGATIONS</b>	101,900	429,000
<b>PENSION OBLIGATIONS, BEGINNING OF YEAR</b>	<u>17,017,000</u>	<u>16,588,000</u>
<b>PENSION OBLIGATIONS, END OF YEAR</b>	<u>\$ 17,118,900</u>	<u>\$ 17,017,000</u>
<b>AS REPRESENTED BY</b>		
Active Members	\$ 4,751,300	\$ 6,533,000
Pensioners & Terminated Members	12,367,600	10,484,000
	<u>\$ 17,118,900</u>	<u>\$ 17,017,000</u>



**LEGISLATIVE ASSEMBLY  
RETIRING ALLOWANCE FUND**

**NOTES TO THE FINANCIAL STATEMENTS**

March 31, 2013

**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 Allowances Act (NWT) 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**

March 31, 2013

**NOTE 1      DESCRIPTION OF PLAN, continued**

3) Retirement Pension

Two percent of the average best total earnings over four years multiplied by Credited Service 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**

March 31, 2013

**NOTE 1      DESCRIPTION OF PLAN, continued**

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 March 31, 2013

### 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) 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**  
March 31, 2013

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 accounting standards for pension plans requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results may differ from these estimates.

Significant estimates are used in determining pension obligations. The Fund's actual experience may differ significantly from assumptions used in the calculation of the Plan's pension obligations. While best estimates have been used in the valuation of the Plan's actuarial value of accrued benefits, management considers that it is possible, based on existing knowledge, that changes in future conditions in the short term could require a material change in the recognized amounts. Differences between actual results and expectations are disclosed in these financial statements as actuarial gains or losses on Actuarial Benefit Obligations in the Statement of Changes in Pension Obligations in the year when actual results are known.

**LEGISLATIVE ASSEMBLY  
RETIRING ALLOWANCE FUND**

**NOTES TO THE FINANCIAL STATEMENTS**  
March 31, 2013

3. **ACCOUNTS RECEIVABLE**

	2013	2012
Member Contributions	\$ 24,677	\$ 23,232
In-Kind Contributions- GNWT	8,500	7,500
	\$ 33,177	\$ 30,732

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	2013 Market	Cost	2012 Market
Cash & Cash Equivalents	\$ 515,528	\$ 515,528	\$ 470,163	\$ 470,163
Canadian Equity Mutual Funds	4,889,142	5,244,067	4,810,444	5,100,227
International Equity Mutual Funds	6,402,254	6,555,213	6,687,423	6,038,539
Temporary Investments	69,930	69,929	57,552	57,552
NWT LABS Series	27,571	27,571	79,050	79,050
Canadian Fixed Income Funds	4,207,307	4,236,776	3,720,217	3,870,934
Government of Canada Bonds	2,628,822	3,649,769	2,362,451	3,627,921
Province of Ontario Bonds	430,653	640,930	430,653	652,767
	\$ 19,171,207	\$ 20,939,783	\$ 18,617,953	\$ 19,897,153

The above listed investments are managed by CIBC Mellon Global Securities and invested by McLean Budden Limited and Connor, Clark & Lunn Investment Management Ltd. The investments will not be redeemed in the subsequent period.

**LEGISLATIVE ASSEMBLY  
RETIRING ALLOWANCE FUND**

**NOTES TO THE FINANCIAL STATEMENTS**  
March 31, 2013

4. **INVESTMENTS, continued**

The fair value hierarchy as described in note 2(c) requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified at the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The total investment portfolio by fair value hierarchy is as follows:

	2013	2012
Level 1	\$ 20,939,783	\$ 19,897,153

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, 2012. The data and assumptions used for the March 31, 2013 obligations are the same as that used in the actuarial valuation as at April 1, 2012. 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.

	2013	2012
Valuation Interest Rate (net of expenses)	4.80%	6.00%
Salary Projection Rate	2.25%	3.00%
Interest Credited on Contributions	4.80%	6.00%
Inflation Rate	2.25%	3.00%

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 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, 2013 has been obtained using a measurement date of January 31, 2013 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 March 31, 2013

### 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 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:

#### (a) 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 Plan manages these risks through its investment policy, which limits the proportion of foreign assets within the 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**  
March 31, 2013

**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 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 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 March 31, 2013

### 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 a 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, 2013, the Plan is not in violation of any externally imposed legal or regulatory requirements.

### 8. AUTHORIZATION

On April 29, 2013, the Board of Management authorized the issue of the financial statements for the year ended March 31, 2013.

**THE NATURAL RESOURCES  
CONSERVATION TRUST FUND**  
Yellowknife, NT

**FINANCIAL STATEMENTS**  
For the year ended March 31, 2013

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### MANAGEMENT'S RESPONSIBILITY FOR REPORTING

The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with the *Natural Resources Conservation Trust Act of the Northwest Territories* ("the Act"). Where necessary the statements include amounts that are based on informed judgments and estimates by management, giving appropriate consideration to reasonable limits of materiality.

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

The accounting firm Avery, Cooper & Co. 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 11, 2013



**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, 2013, 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, 2013, 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 11, 2013

# THE NATURAL RESOURCES CONSERVATION TRUST FUND

## STATEMENT OF FINANCIAL POSITION

March 31, 2013

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	<u>\$ 233,216</u>	<u>\$ 231,911</u>
<b>LIABILITY</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 1,500	\$ 1,500
<b>FUND BALANCES</b>		
<b>BALANCE per page 2</b>	<u>231,716</u>	<u>230,411</u>
	<u>\$ 233,216</u>	<u>\$ 231,911</u>



# THE NATURAL RESOURCES CONSERVATION TRUST FUND

## STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2013

	<u>Capital Portion</u>	<u>Interest Portion</u>	<u>Total 2013</u>	<u>Total 2012</u>
<b>BALANCE, opening</b>	\$ 187,828	\$ 42,583	\$ 230,411	\$ 229,138
Excess of revenues over expenses per page 3	<u>-</u>	<u>1,305</u>	<u>1,305</u>	<u>1,273</u>
<b>BALANCE, closing</b>	<u>\$ 187,828</u>	<u>\$ 43,888</u>	<u>\$ 231,716</u>	<u>\$ 230,411</u>

# THE NATURAL RESOURCES CONSERVATION TRUST FUND

## STATEMENT OF OPERATIONS

For the year ended March 31, 2013

	<u>2013</u>	<u>2012</u>
<b>REVENUES</b>		
Interest income	\$ 2,805	\$ 2,773
<b>EXPENSES</b>		
Professional fees	<u>1,500</u>	<u>1,500</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 1,305</u>	<u>\$ 1,273</u>

# THE NATURAL RESOURCES CONSERVATION TRUST FUND

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2013

### 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

The Fund applies the Canadian accounting standards for not-for-profit enterprises.

#### (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, 2013

### 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, 2013

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**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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File No. 37-100

**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The Public Trustee for the Northwest Territories is responsible for the preparation, integrity and objectivity of the financial statements. The financial statements have been prepared in accordance with generally accepted accounting principles considered appropriate in the circumstances. 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 31, 2013



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, 2013, 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, 2013 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 describe 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 31, 2013





**PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES  
ESTATE & TRUST FUND**

**BALANCE SHEET**

March 31, 2013

**ASSETS**

	<u>2013</u>	<u>2012</u>
Cash (Note 3)	\$6,413,990	\$6,276,878
Other assets at nominal value	<u>1</u>	<u>1</u>
	<u>\$6,413,991</u>	<u>\$6,276,879</u>

**LIABILITIES**

<b>Undistributed Common Fund earnings</b> per Statement II (Note 4)	\$ 36,185	\$ 35,589
<b>Public Trustee Management Fund</b> (Note 6)	14,866	10,625
<b>Estate &amp; Trust Fund</b> per Statement III (Note 5)	<u>6,362,940</u>	<u>6,230,665</u>
	<u>\$6,413,991</u>	<u>\$6,276,879</u>

**APPROVED:**

Brian J. Asmundson  
Public Trustee for the Northwest Territories

See the accompanying notes.

**PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES  
ESTATE & TRUST FUND**

**STATEMENT OF OPERATIONS**  
For the year ended March 31, 2013

	<u>2013</u>	<u>2012</u>
<b>Undistributed Common Fund earnings, opening</b>	<b>\$ <u>35,589</u></b>	<b>\$ <u>37,372</u></b>
Add		
Common Fund earnings	<u>70,366</u>	<u>70,182</u>
Less		
Interest paid to estates and trusts (Statement III)	55,778	55,751
Transfers to Public Trustee Management Fund (Note 6)	13,992	15,004
Excess interest paid to the Government of the Northwest Territories	<u>-</u>	<u>1,210</u>
	<u>69,770</u>	<u>71,965</u>
<b>Increase (decrease) in Undistributed Common Fund earnings balance</b>	<b><u>596</u></b>	<b><u>(1,783)</u></b>
<b>Undistributed Common Fund earnings, closing</b>	<b><u>\$ 36,185</u></b>	<b><u>\$ 35,589</u></b>

See the accompanying notes.

**PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES  
ESTATE & TRUST FUND**

**STATEMENT OF CHANGES IN ESTATE & TRUST FUND BALANCE**  
For the year ended March 31, 2013

	<u>2013</u>	<u>2012</u>
<b>Estate &amp; trust funds provided:</b>		
Estate and trust assets received	\$ 1,998,497	\$ 1,758,076
Common Fund interest paid to estates and trusts (Statement II)	<u>55,778</u>	<u>55,751</u>
	<u>2,054,275</u>	<u>1,813,827</u>
<b>Estate &amp; trust funds applied:</b>		
Payments to beneficiaries	1,156,259	1,156,758
Disbursements made on behalf of estates and trusts	633,665	621,294
Administration fees	122,907	120,062
GST on Administration fees	6,146	6,003
Court fees	<u>3,023</u>	<u>4,609</u>
	<u>1,922,000</u>	<u>1,908,726</u>
<b>Increase (decrease) in Estate &amp; Trust Fund balance</b>	132,275	(94,899)
<b>Estate &amp; Trust Fund balance, opening</b>	<u>6,230,665</u>	<u>6,325,564</u>
<b>Estate &amp; Trust Fund balance, closing</b>	<u>\$ 6,362,940</u>	<u>\$ 6,230,665</u>

See the accompanying notes.

## **PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES**

### **NOTES TO THE FINANCIAL STATEMENTS**

March 31, 2013

#### **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 \$122,907 (2012 - \$121,271) 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, 2013

**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>2013</u>	<u>2012</u>
Common Fund	\$6,362,939	\$6,230,664
Other assets, at nominal value	<u>1</u>	<u>1</u>
	<u>\$6,362,940</u>	<u>\$6,230,665</u>

**PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES**

**NOTES TO THE FINANCIAL STATEMENTS**

March 31, 2013

**NOTE 6 PUBLIC TRUSTEE MANAGEMENT FUND**

The change during the year in the Public Trustee Management Fund is as follows:

	<u>2013</u>	<u>2012</u>
<b>Public Trustee Management Fund balance, opening</b>	\$10,625	\$ 4,121
Add		
Management fees paid to the Public Trustee out of the excess interest earned	13,992	15,004
Less		
Costs incurred in respect of the annual audit	<u>(9,750)</u>	<u>(8,500)</u>
<b>Public Trustee Management Fund balance, closing</b>	<u>\$14,866</u>	<u>\$10,625</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 approximate their carrying value.

**NOTE 8 COMPARATIVE AMOUNTS**

The prior year's figures for the year ended March 31, 2012 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, 2013**

	<b>2013</b>	<b>2012</b>
	<b>\$000s</b>	<b>\$000s</b>
Loans Receivable, opening balance	36,115	34,628
Loans granted during the year	6,227	6,456
	<b>42,342</b>	<b>41,084</b>
Less:		
Principal amount of loans repaid	(3,232)	(3,023)
Principal amount of loans forgiven	-	(108)
Principal amount of loan remissions	(1,398)	(1,838)
	<b>37,712</b>	<b>36,115</b>
Loans Receivable, closing balance	37,712	36,115
Less:		
Estimated provision for remission and doubtful accounts-GL15120	(18,070)	(16,977)
	<b>19,642</b>	<b>19,138</b>
<b>Net Loans Receivable, closing balance</b>	<b>19,642</b>	<b>19,138</b>

**Effect of Student Loan Revolving Fund  
On Government Operations**

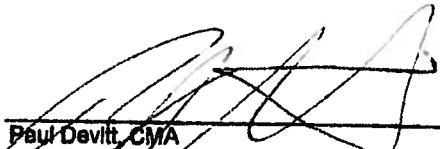
Interest earned and credited to general revenues	456	479
Less:		
Financial collection agency fees	(21)	(24)
Estimated provision for remission and doubtful accounts	(2,480)	(2,600)
	<b>(2,055)</b>	<b>(2,145)</b>
<b>Operating deficiency for the year</b>	<b>(2,055)</b>	<b>(2,145)</b>

**Notes**

- 1 During the fiscal year, the provision for remission and write offs was \$2,490,886.11 (2011/2012 \$2,600,000). This amount represents loans that are unlikely to be collected, or loans which qualify for remission.
- 2 During the fiscal year, \$1,398,425.56 loans were granted remission.
- 3 No cost for administration of the Student Loan Fund are included in this Statement of Operation.

Approved:

  
 \_\_\_\_\_  
 R. Dana Helde  
 Associate Deputy Minister  
 Department of Education, Culture and Employment

  
 \_\_\_\_\_  
 Paul Devitt, CMA  
 Director, Strategic and Business Services  
 Department of Education, Culture and Employment

*May 31, 2013*

**TERRITORIAL COURT JUDGES REGISTERED  
PENSION PLAN FUND  
Yellowknife, NT**

**FINANCIAL STATEMENTS**

**For the Year Ended January 1, 2013**



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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with Canadian 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 09, 2013





**AVERY, 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, 2013, 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, 2013, 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

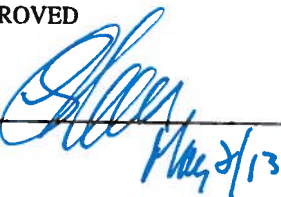
April 9, 2013

**TERRITORIAL COURT JUDGES' REGISTERED  
PENSION PLAN FUND**

**STATEMENT OF FINANCIAL POSITION  
January 1, 2013**

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Contributions Receivable- GNWT (Note 3)	\$ 80,662	\$ 26,906
	<u>80,662</u>	<u>26,906</u>
<b>INVESTMENTS (Note 4)</b>	<u>4,543,128</u>	<u>4,081,748</u>
	<u>\$ 4,623,790</u>	<u>\$ 4,108,654</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts Payable & Accrued Liabilities	\$ 60,554	\$ 26,956
Deferred Revenue	<u>-</u>	<u>19,557</u>
	<u>60,554</u>	<u>46,513</u>
<b>NET ASSETS AVAILABLE FOR BENEFITS per page 2</b>	4,563,234	4,062,141
<b>PENSION OBLIGATIONS per page 3 (Note 5)</b>	<u>4,897,700</u>	<u>4,724,400</u>
<b>PENSION PLAN FUND DEFICIT</b>	<u>\$ (334,466)</u>	<u>\$ (662,259)</u>

APPROVED

  
 \_\_\_\_\_ Deputy Minister

See the accompanying notes.

**TERRITORIAL COURT JUDGES' REGISTERED  
PENSION PLAN FUND**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
For the Year Ended January 1, 2013**

	<u>2013</u>	<u>2012</u>
<b>INCREASE IN ASSETS</b>		
<b>Contributions</b>		
Current Service Cost	\$ 117,750	\$ 110,000
Special Payments	275,275	90,800
Members	59,700	56,900
In-Kind Contributions	<u>52,237</u>	<u>19,181</u>
	<u>504,962</u>	<u>276,881</u>
<b>Investment Income</b>		
Interest & Dividends	132,565	134,906
Gain on Sale of Investments	<u>26,344</u>	<u>32,146</u>
	158,909	167,052
Current Period Change in Fair Value of Investments	<u>197,049</u>	<u>(275,106)</u>
Net investment income	<u>355,958</u>	<u>(108,054)</u>
Total Increase in Assets	<u>860,920</u>	<u>168,827</u>
<b>DECREASE IN ASSETS</b>		
<b>Benefits</b>		
Pension Payments	271,744	267,802
<b>Administrative</b>		
Investment Management Fees	22,622	21,752
Audit Fees	9,713	7,700
Trustee Fees	13,224	13,288
Actuary Fees	<u>42,525</u>	<u>11,481</u>
	<u>88,083</u>	<u>54,221</u>
Total Decrease in Assets	<u>359,827</u>	<u>322,023</u>
<b>INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS</b>	<u>\$ 501,093</u>	<u>\$ (153,196)</u>
<b>NET ASSETS AVAILABLE FOR BENEFITS</b>		
<b>BEGINNING OF YEAR</b>	<u>4,062,141</u>	<u>4,215,337</u>
<b>END OF YEAR</b>	<u>\$ 4,563,234</u>	<u>\$ 4,062,141</u>

See the accompanying notes.

**TERRITORIAL COURT JUDGES' REGISTERED  
PENSION PLAN FUND**

**STATEMENT OF CHANGES IN PENSION OBLIGATIONS  
For the Year Ended January 1, 2013**

	<u>2013</u>	<u>2012</u>
<b>INCREASE IN PENSION OBLIGATIONS</b>		
Interest accrued on benefits	\$ 291,600	\$ 281,600
Benefits accrued	<u>156,600</u>	<u>147,400</u>
	<u>448,200</u>	<u>429,000</u>
<b>DECREASE IN PENSION OBLIGATIONS</b>		
Actuarial Gain on ABO	-	-
Benefits paid	<u>274,900</u>	<u>271,400</u>
	<u>274,900</u>	<u>271,400</u>
<b>INCREASE IN PENSION OBLIGATIONS</b>	<u>\$ 173,300</u>	<u>\$ 157,600</u>
<b>PENSION OBLIGATIONS, BEGINNING OF YEAR</b>	<u>4,724,400</u>	<u>4,566,800</u>
<b>PENSION OBLIGATIONS, END OF YEAR</b>	<u>\$ 4,897,700</u>	<u>\$ 4,724,400</u>

See the accompanying notes.

# **TERRITORIAL COURT JUDGES' REGISTERED PENSION PLAN FUND**

## **NOTES TO THE FINANCIAL STATEMENTS** January 1, 2013

### **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 must retire upon attainment of age 69.

# **TERRITORIAL COURT JUDGES' REGISTERED PENSION PLAN FUND**

## **NOTES TO THE FINANCIAL STATEMENTS January 1, 2013**

### **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, 2013

### **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, 2013

### **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, 2013

### 3. CONTRIBUTIONS RECEIVABLE - GNWT

	2013	2012
Special Payments	\$ -	\$ 7,725
In-Kind Contributions	52,238	19,181
Current Service Contributions	28,424	-
	\$ 80,662	\$ 26,906

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:

	2013	2012
Canadian Equities	\$ 1,581,652	\$ 1,278,837
Global Equities	1,220,132	1,046,322
Canadian Bonds	1,495,791	1,416,196
Canadian Money Market Funds	245,553	340,393
<b>Total market value of the investment portfolio</b>	<b>\$ 4,543,128</b>	<b>\$ 4,081,748</b>

The total cost of the investments for the year ended Jan 1, 2013 is \$4,081,428 (2012: \$3,817,097)

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, 2013

### 4. INVESTMENTS, continued

The total investment portfolio by fair value hierarchy is as follows:

	2013	2012
Level 1	\$ 4,543,128	\$ 4,081,748

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 Dexia.

### 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, 2010. The data and assumptions used for the January 1, 2013 obligations are the same as that used in the actuarial valuation as at April 1, 2010. 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.

	2013	2012
Discount rate	6.00%	6.00%
Salary Projection Rate	4.00%	4.00%
Price Inflation	3.00%	3.00%
Real Rate of Return	4.00%	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, 2010 was completed on June 18, 2010. The next funding valuation must be performed no later than April 1, 2013.

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, 2013

### **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, 2013, 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, 2013

### 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, 2013

### **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, 2010. 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. An unfunded liability in the amount of \$846,800 (2008 - \$661,300) existed in the Fund at April 1, 2010. Per the Plan Regulations, this amount is required to be funded over a period of not more than 15 years from the valuation date. Minimum funding would be accomplished by quarterly installments of \$22,700 including 6% interest per annum compounded quarterly, for the next 15 years commencing April 1, 2010, 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, 2013**

**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**

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- Yellowknife District No 1 Education Authority

Health and Social Services Authorities

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- Stanton Territorial Health Authority
- Yellowknife Health and Social Services Authority
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**BEAUFORT-DELTA DIVISIONAL EDUCATION COUNCIL**

**INUVIK, NT**

**Consolidated Financial Statements  
For the year ended June 30, 2012**

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## BEAUFORT DELTA EDUCATION COUNCIL

Aklavik Fort. McPherson, Inuvik, Paulatuk, Sachs Harbour, Tsiigehtchic, Tuktoyaktuk Ulukhaktok

27 September, 2012

Honorable Jackson Lafferty  
Minister of Education, Culture and Employment  
Government of the Northwest Territories  
P.O. Box 1320  
Yellowknife, NT  
X1A 2L9

Dear Honorable Minister:

**Re: 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. 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 auditors also consider 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.

Yours sincerely,

  
\_\_\_\_\_  
Gilbert Thrasher Sr.  
Chairperson

Bag Service # 12, Inuvik, NT XOE OTO

Tel: (867) 777-7136 Fax: (867) 777-2469

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# AVERY, COOPER & Co.

Certified General Accountants

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

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

## INDEPENDENT AUDITORS' REPORT

To the Minister of Education, Culture and Employment  
Government of the Northwest Territories

### Report on the Financial Statements

We have audited the accompanying financial statements of Beaufort-Delta Education Council which comprise the Consolidated Statement of Financial Position as at June 30, 2012 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, 2012 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.

### Comparative Information

Without modifying our opinion, we draw attention to Note 3 to the financial statements which describes that the Organization adopted Canadian generally accepted accounting principles for the public sector on July 1, 2011 with a transition date of July 1, 2010. These standards were applied retrospectively by management to the comparative information in these financial statements, including the Statements of Financial Position as at June 30, 2011 and July 1, 2010, and the Statements of Operations and Accumulated Surplus (Deficit), Changes in Net Financial Assets (Debt) and Cash Flows for the year ended June 30, 2011 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

*Avery, Cooper & Co.*

AVERY, COOPER & CO  
Certified General Accountants  
Yellowknife, NT

September 27, 2012

**BEAUFORT-DELTA DIVISIONAL EDUCATION COUNCIL**  
**Statement of Financial Position**  
**Consolidated**  
**For the Year Ended June 30, 2012**

**STATEMENT I**

	2012	2011	TRANSITION TO PSAS JULY 1, 2010
<b><u>Financial Assets</u></b>			
Cash	2,756,424	2,364,654	2,433,359
Due from the GNWT	22,967	50,544	1,031,329
Other accounts receivable	<u>460,027</u>	<u>470,476</u>	<u>329,703</u>
<b>Total Financial Assets</b>	3,239,419	2,885,674	3,794,391
<b>Trust Fund (Note 5)</b>	<u>253,665</u>	<u>252,143</u>	<u>250,156</u>
	<u><b>3,493,084</b></u>	<u><b>3,137,817</b></u>	<u><b>4,044,547</b></u>
<b><u>Liabilities</u></b>			
Accounts payable	467,923	288,654	269,032
Accrued salaries	1,811,845	1,842,557	2,149,984
Due to the GNWT (Note 6)	9,715	87,702	381,960
Employee Deductions Payable	43,581	101,496	212,586
Leave and termination benefits (Note 7)	2,089,639	2,086,544	1,906,034
Deferred revenue (Note 8)	<u>322,087</u>	<u>166,870</u>	<u>234,330</u>
	4,744,789	4,573,823	5,153,926
<b>TRUST FUND (Note 5)</b>	<u>253,665</u>	<u>252,143</u>	<u>250,156</u>
<b>Total Liabilities</b>	<u><b>4,998,454</b></u>	<u><b>4,825,966</b></u>	<u><b>5,404,082</b></u>
<b>CONTINGENT LIABILITY (Note 10)</b>			
<b><u>Net</u></b>	(1,505,370)	(1,688,149)	(1,359,535)
<b><u>Non-financial Assets</u></b>			
Tangible capital assets	-	-	-
Prepaid expenses	42,644	52,620	52,373
<b>CLOSING NET FINANCIAL RESOURCES</b>	<u><b>(1,462,726)</b></u>	<u><b>(1,635,529)</b></u>	<u><b>(1,307,162)</b></u>

Approved:

*Kenneth Thresher Sr.*  
Chairperson

*[Signature]*  
Comptroller

See attached notes and schedules



STATEMENT II

**BEAUFORT-DELTA DIVISIONAL EDUCATION COUNCIL**  
**Statement of Changes in Net Financial Resources**  
**For the Year Ended June 30**

	<b>2012</b>	<b>2011</b>
Annual surplus/(deficit)	\$172,803	(\$328,367)
Adjustments	0	0
<b>(Increase)/decrease in net debt</b>	<b>\$172,803</b>	<b>(\$328,367)</b>
Opening net financial resources	(1,635,429)	(1,307,062)
Closing net financial resources	(\$1,462,626)	(\$1,635,429)

**See attached notes and schedules**

**BEAUFORT-DELTA DIVISIONAL EDUCATION COUNCIL**  
**Statement of Operations**  
**Consolidated**  
**For the Year Ended June 30, 2012**

**STATEMENT III**

	(unaudited) 2012 <u>Budget</u>	2012 <u>Actual</u>	2011 <u>Actual</u>
<b><u>OPERATING FUND</u></b>			
<b>REVENUES</b>			
<b>Government of the NWT</b>			
Regular contribution	28,359,628	28,667,698	28,817,308
Other ECE contributions	470,300	345,973	271,765
Other contributions	-	619,607	176,218
<b>Total GNWT</b>	<u>28,829,928</u>	<u>29,633,279</u>	<u>29,265,291</u>
<b>Federal Government</b>	<u>590,000</u>	<u>490,711</u>	-
<b>BOARD GENERATED FUNDS</b>			
Investment income	20,100	24,672	28,893
Other	189,875	434,627	1,210,361
<b>Total generated funds</b>	<u>209,975</u>	<u>459,300</u>	<u>1,239,254</u>
<b>TOTAL REVENUES</b>	<u>29,629,903</u>	<u>30,583,289</u>	<u>30,504,545</u>
<b><u>EXPENSES</u></b>			
Administration	2,200,254	2,172,638	2,273,192
School Programs	19,393,361	19,781,613	20,418,862
Inclusive schooling	4,627,408	4,608,916	4,414,914
Student accommodations	170,000	175,041	155,178
Operations and maintenance	773,473	889,723	703,923
Aboriginal language/cultural programs	2,624,116	2,782,555	2,866,843
<b>TOTAL EXPENSES</b>	<u>29,788,612</u>	<u>30,410,486</u>	<u>30,832,912</u>
<b>OPERATING SURPLUS (DEFICIT)</b>	<u>(158,709)</u>	<u>172,803</u>	<u>(328,367)</u>
<b>ACCUMULATED SURPLUS (DEFICIT) - JULY 1</b>	<u>(1,635,529)</u>	<u>(1,635,529)</u>	<u>(1,307,162)</u>
<b>ACCUMULATED SURPLUS (DEFICIT) - JUNE 30</b>	<u>(1,794,238)</u>	<u>(1,462,726)</u>	<u>(1,635,529)</u>

## STATEMENT IV

**BEAUFORT-DELTA DIVISIONAL EDUCATION COUNCIL**  
**Statement of Cash Flow**  
**Consolidated**  
**For the year ended June 30, 2012**

	<u>2012</u>	<u>2011</u>
<b>Operating Transactions</b>		
<b>Cash received from:</b>		
Government of Northwest Territories	29,633,279	29,265,290
Recoveries and general revenue	1,143,253	2,011,805
	<u>30,776,532</u>	<u>31,277,095</u>
<b>Cash paid for:</b>		
Compensation and benefits	(26,844,480)	(26,716,901)
Operations and maintenance	(3,540,281)	(4,628,900)
	<u>(30,384,761)</u>	<u>(31,345,801)</u>
<b>Net cash from operations</b>	391,771	(68,705)
Cash applied to capital transactions	-	-
Cash provided by investing transactions	-	-
Cash provided by financing transactions	-	-
Increase in cash and cash equivalents	<u>391,771</u>	<u>(68,705)</u>
Opening cash and cash equivalents	<u>2,364,654</u>	<u>2,433,359</u>
Closing cash and cash equivalents	<u>2,756,425</u>	<u>2,364,654</u>

**See attached notes and schedules**

# **BEAUFORT-DELTA DIVISIONAL EDUCATION COUNCIL**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2012**

### **NOTE 1. NATURE OF ORGANIZATION**

The Council was established under the Education Act of the Government of the Northwest Territories by order of the Minister dated March 31, 1989. Its purpose is to administer and maintain the standards of educational programs defined under the Act in the member communities of the Beaufort-Delta Region.

The Council is dependent upon funding from the Department of Education, Culture and Employment of the GNWT. Member communities have formed local District Education Authorities (DEA) which have assumed the responsibility to provide adequate educational programs within their respective communities.

### **NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

#### **a) General**

The accounting policies of the Council are as prescribed by the Public Sector Accounting Board and the statements prepared in accordance with Canadian Public Sector Accounting Standards. Requirements of the Education Act are also taken into consideration in the preparation of the statements and related notes.

These consolidated financial statements include the operations of the member District Education Authorities of (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. Minister grants to the Board full occupancy and use of such facilities and equipment required for the administration and delivery of the education programs within the division. Assets in excess of \$50,000 are to be capitalized and amortized in accordance with GNWT guidelines.

# BEAUFORT-DELTA DIVISIONAL EDUCATION COUNCIL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS June 30, 2012

### 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 DIVISIONAL EDUCATION COUNCIL

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2012

### NOTE 3. CONVERSION TO PUBLIC SECTOR ACCOUNTING STANDARD

Commencing the 2011/12 fiscal year, the Council 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). These financial statements are the first financial statements for which the Council has applied Canadian public sector accounting standards (PSAS). Any accounting changes have been applied retroactively with restatement of prior periods.

As a result of adopting Canadian public sector accounting standards, no adjustments were necessary.

### NOTE 4. 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 5. 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 1.30% Due June 22, 2013	250,000
	- Due from general cash	<u>3,665</u>
		<u>253,665</u>

#### Fund balance:

Principal proceeds received	216,515
Interest earned to-date	246,063
Expenditures to-date	<u>(208,914)</u>
	<u>253,665</u>

**BEAUFORT-DELTA DIVISIONAL EDUCATION COUNCIL**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
June 30, 2012

**NOTE 6. DUE TO GNWT**

	<u>2012</u>	<u>2011</u>
General and service costs	9,715	25,070
Excess funding repayable - current	-	62,632
	<hr/>	<hr/>
	<u>9,715</u>	<u>87,702</u>

**NOTE 7. LEAVE AND TERMINATION BENEFITS**

Under conditions of employment, employees qualify for retirement and severance remuneration based on the number of years of service. Some employees also qualify for annual leave. Certain employees will also receive assistance with removal costs to return to their point of recruitment. Annual leave is payable within one fiscal year; payment of other amounts is dependent upon employees leaving the government.

	<u>2012</u>	<u>2011</u>
Annual leave and lieu time	138,374	95,045
Retirement and resignation benefits	910,860	970,959
Ultimate removal assistance	1,040,405	1,020,541
	<hr/>	<hr/>
	<u>2,089,639</u>	<u>2,086,545</u>

**NOTE 8. DEFERRED REVENUE**

	<u>2012</u>	<u>2011</u>
Government of the Northwest Territories -		
- Education, Culture & Employment	213,318	131,710
- Department of Justice	5,159	6,388
- Department of Municipal & Community Affairs	24,382	-
Inuvialuit Education Foundation	910	2,000
Health Canada - Community Oral Health Initiative	3,635	17,455
IOS Financial	1,450	9,317
Schools' O&M Surplus Carry Fwd	70,583	-
WWF for a Living Planet	2,650	-
	<hr/>	<hr/>
	<u>322,087</u>	<u>166,870</u>

## BEAUFORT-DELTA DIVISIONAL EDUCATION COUNCIL

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2012

#### 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>2012</u>	<u>2011</u>
Surplus (Deficit) as reported on the consolidated balance sheet	(1,462,726)	(1,635,528)
Infrastructure Deficit	285,624	-
Accrual for Summer Salaries/ Benefits (classroom assistants)	82,503	115,559
Termination and ultimate removal benefits (Note 7)	1,951,265	1,991,500
	<u>856,665</u>	<u>471,531</u>

The accumulated management surplus of \$ \$ 856,665 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 \$28,667,698 which is calculated as \$1,433,385

#### NOTE 10. CONTINGENT LIABILITY

The Council may be subject of a future legal action instituted by the Northern Employees Benefits Services (NEBS) in relation to the Council's decision in 2008 to terminate its participation in the Plan. NEBS has calculated the Council's unfunded liability on a Solvency Deficiency basis instead of on a Going Concern basis. NEBS has requested payment of \$336,519 to fund this "deficiency". The Council believes that it has a good defense to this claim and intends to defend itself. However, the outcome of litigation is uncertain and this claim could be decided unfavourably against the Council. The Council may also decide to enter into settlement negotiations if it believes it is in its best interests. This contingent liability has not been recorded in these financial statements.



SCHEDULE 1

BEAUFORT-DELTA DIVISIONAL EDUCATION COUNCIL  
 Schedule of Consolidated Expenditures  
 For the year ended June 30, 2012

	School Programs	Inclusive Schooling	Student Accommodations	Operations & Maintenance	Administration	Aboriginal Languages	Fiscals & Transfers	Totals
<b>SALARIES</b>								
Teachers	10,792,194	2,818,360	-	-	-	1,199,598	-	14,810,153
Instruction Assistant	18,312	23,872	-	-	-	364,967	-	407,151
Non-instructional staff	2,081,452	528,397	-	-	1,237,546	206,146	-	4,053,541
Board/Trustee honoraria	23,725	-	-	-	81,405	2,994	-	108,124
<b>EMPLOYEE BENEFITS</b>								
Employee benefit/allow	4,771,594	978,141	-	730,977	355,941	554,234	-	7,390,887
Leave and termination	59,808	14,816	-	-	-	-	-	74,624
<b>SERVICES PURCHASED/</b>								
<b>CONTRACTED</b>								
Professional/technical services	-	53,766	-	-	74,126	-	-	127,892
Postage/communication	90,201	-	2,236	-	36,763	-	-	129,200
Utilities & Leases	-	-	-	-	6,250	-	-	6,250
Travel	284,360	68,489	13,677	4,321	150,693	55,211	-	576,751
Student travel	71,264	-	19,566	-	-	45,943	-	136,772
Advertising/printing/publishing	643	-	-	-	9,664	-	-	10,307
Maintenance/repair	24,233	-	-	-	35,361	-	-	59,594
Rentals/leases	125,108	-	133,210	154,425	(487)	-	-	412,255
Others	61,427	2,775	-	-	50,148	22,067	-	136,418
Contracted services	79,335	12,750	-	-	59,214	214,776	-	366,075
<b>MATERIALS/SUPPLIES/FREIGHT</b>								
Materials	963,497	37,238	6,352	-	40,846	103,360	-	1,171,293
Furniture and equipment	224,629	68,385	-	-	22,253	12,964	-	328,231
Freight	89,831	1,928	-	-	12,915	295	-	104,969
<b>CONTRIBUTIONS/TRANSFERS</b>								
Transfers - Other	-	-	-	-	-	-	-	-
Transfers to Capital	-	-	-	-	-	-	-	-
<b>AMORTIZATION</b>								
	-	-	-	-	-	-	-	-
<b>DEBT SERVICES</b>								
<b>TOTAL</b>	<b>19,781,613</b>	<b>4,608,916</b>	<b>175,041</b>	<b>889,723</b>	<b>2,172,638</b>	<b>2,782,555</b>	<b>-</b>	<b>30,410,486</b>

## SCHEDULE 2

**AKLAVIK DISTRICT EDUCATION AUTHORITY**  
**Statement of Financial Position**  
**For the Year Ended June 30, 2012**

	2012	2011	TRANSITION TO PSAS JULY 1, 2010
<b><u>Financial Assets</u></b>			
Cash	59,695	153	24,655
Due from related party	-	-	52,870
Other accounts receivable	<u>47,633</u>	<u>105,136</u>	<u>9,435</u>
<b>Total Financial Assets</b>	<u>107,328</u>	<u>105,289</u>	<u>86,960</u>
<b><u>Liabilities</u></b>			
Bank Overdraft	-	4,202	-
Due to related party	36,946	14,660	-
Due to GNWT	4,939	-	-
Accounts payable	-	11,674	18
Wages & Benefits payable	2,373	3,430	20,835
Deferred revenue	<u>9,904</u>	<u>24,980</u>	<u>24,980</u>
<b>Total Liabilities</b>	<u>54,162</u>	<u>58,947</u>	<u>45,833</u>
<b><u>Net</u></b>	<u>53,166</u>	<u>46,342</u>	<u>41,127</u>
<b><u>Non-financial Assets</u></b>			
Tangible capital assets	-	-	-
Prepaid expenses	-	7,448	-
<b>Accumulated Surplus (Deficit)</b>	<u>53,166</u>	<u>53,790</u>	<u>41,127</u>

**AKLAVIK DISTRICT EDUCATION AUTHORITY**  
**Statement of Operations**  
**For the Year Ended June 30, 2012**

**SCHEDULE 3**

	<u>2012 Budget</u>	<u>2012 Actual</u>	<u>2011 Actual</u>
<b><u>REVENUES</u></b>			
Contributions from Divisional Council	59,820	62,020	59,700
GNWT Revenue	84,000	72,439	101,290
Federal Government	295,000	217,852	210,858
Other	<u>2,500</u>	<u>33,424</u>	<u>3,100</u>
<b>TOTAL REVENUES</b>	<u><b>441,320</b></u>	<u><b>385,735</b></u>	<u><b>374,948</b></u>
<b><u>EXPENSES</u></b>			
Administration	18,060	70,902	32,487
School programs	86,000	83,058	116,364
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	<u>337,260</u>	<u>232,399</u>	<u>213,435</u>
<b>TOTAL EXPENSES</b>	<u><b>441,320</b></u>	<u><b>386,359</b></u>	<u><b>362,285</b></u>
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>-</b>	<b>(624)</b>	<b>12,663</b>
<b>SURPLUS (DEFICIT) JULY 1</b>	<u><b>53,790</b></u>	<u><b>53,790</b></u>	<u><b>41,127</b></u>
<b>SURPLUS (DEFICIT) JUNE 30</b>	<u><u><b>53,790</b></u></u>	<u><u><b>53,166</b></u></u>	<u><u><b>53,790</b></u></u>

SCHEDULE 4

Aklavik District Education Authority  
 Schedule Of Expenditures  
 For the year ended June 30, 2012

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Admin	Aboriginal Languages	Transfers & Other	Totals
<b>SALARIES</b>								
Teachers	-	-	-	-	-	-	-	-
Instruction Assistant	-	-	-	-	-	181,340	-	181,340
Non-instructional staff	39,972	-	-	-	47,650	2,730	-	90,352
Board/Trustee honoraria	-	-	-	-	8,825	-	-	8,825
<b>EMPLOYEE BENEFITS</b>								
Employee benefit/allowance	-	-	-	-	-	14,009	-	14,009
Leave and termination	-	-	-	-	-	-	-	-
<b>SERVICES PURCHASED/ CONTRACTED</b>								
Professional/technical services	-	-	-	-	-	-	-	-
Postage/communication	-	-	-	-	1,033	-	-	1,033
Utilities	-	-	-	-	-	-	-	-
Travel	-	-	-	-	844	-	-	844
Student travel	-	-	-	-	-	-	-	-
Advertising/printing/publishing	-	-	-	-	-	-	-	-
Maintenance/repair	-	-	-	-	-	-	-	-
Rentals/leases	-	-	-	-	-	-	-	-
Others	1,042	-	-	-	9,260	-	-	10,302
Contracted services	-	-	-	-	-	-	-	-
<b>MATERIALS/SUPPLIES/FREIGHT</b>								
Materials	39,750	-	-	-	3,291	34,320	-	77,361
Furniture and equipment	1,597	-	-	-	-	-	-	1,597
Freight	697	-	-	-	-	-	-	697
<b>CONTRIBUTIONS/TRANSFERS</b>								
Transfers - Other	-	-	-	-	-	-	-	-
Transfers to Capital	-	-	-	-	-	-	-	-
<b>AMORTIZATION</b>								
	-	-	-	-	-	-	-	-
<b>DEBT SERVICES</b>								
<b>TOTAL</b>	<b>83,058</b>	-	-	-	<b>70,902</b>	<b>232,399</b>	-	<b>386,359</b>

## SCHEDULE 5

**TSIIGEHTCHIC DISTRICT EDUCATION AUTHORITY**  
**Statement of Financial Position**  
**For the Year Ended June 30, 2012**

	2012	2011	TRANSITION TO PSAS JULY 1, 2010
<b><u>Financial Assets</u></b>			
Cash	7,097	3,404	11,134
Due from related party	32,180	20,901	5,553
Total Financial Assets	<u>39,277</u>	<u>24,305</u>	<u>16,687</u>
<b><u>Liabilities</u></b>			
Accounts payable	279	214	2,135
Wages Payable	-	-	424
Total Liabilities	<u>279</u>	<u>214</u>	<u>2,559</u>
<b><u>Net</u></b>	38,998	24,091	14,128
<b><u>Non-financial Assets</u></b>			
Tangible capital assets	-	-	-
Prepaid expenses	-	-	-
<b>Accumulated Surplus (Deficit)</b>	<u>38,998</u>	<u>24,091</u>	<u>14,128</u>

**TSIIGEHTCHIC DISTRICT EDUCATION AUTHORITY**  
**Statement of Operations**  
**For the Year Ended June 30, 2012**

**SCHEDULE 6**

	<u>2012</u> <u>Budget</u>	<u>2012</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
<b><u>REVENUES</u></b>			
Contributions from Divisional Council	23,980	24,380	22,500
Other - Facility Rental	-	4,720	-
	<hr/>	<hr/>	<hr/>
<b>TOTAL REVENUES</b>	<b>23,980</b>	<b>29,100</b>	<b>22,500</b>
<b><u>EXPENSES</u></b>			
Administration	8,300	4,895	12,237
School programs	13,880	6,773	-
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	1,800	2,524	300
	<hr/>	<hr/>	<hr/>
<b>TOTAL EXPENSES</b>	<b>23,980</b>	<b>14,193</b>	<b>12,537</b>
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>-</b>	<b>14,907</b>	<b>9,963</b>
<b>SURPLUS (DEFICIT) JULY 1</b>	<b>14,128</b>	<b>24,091</b>	<b>14,128</b>
<b>SURPLUS (DEFICIT) JUNE 30</b>	<b>14,128</b>	<b>38,998</b>	<b>24,091</b>

Tsiigehtich District Education Authority  
 Schedule Of Expenditures  
 For the year ended June 30, 2012

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Admin	Aboriginal Languages	Transfers & Other	Totals
<b>SALARIES</b>								
Teachers	-	-	-	-	-	-	-	-
Instruction Assistant	-	-	-	-	-	-	-	-
Non-instructional staff	-	-	-	-	-	-	-	-
Board/Trustee honoraria	-	-	-	-	3,275	-	-	3,275
<b>EMPLOYEE BENEFITS</b>								
Employee benefit/allowance	-	-	-	-	0	-	-	0
Leave and termination	-	-	-	-	-	-	-	-
<b>SERVICES PURCHASED/ CONTRACTED</b>								
Professional/technical services	-	-	-	-	-	-	-	-
Postage/communication	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-
Student travel	100	-	-	-	60	-	-	60
Advertising/printing/publishing	-	-	-	-	-	-	-	100
Maintenance/repair	-	-	-	-	-	-	-	-
Rentals/leases	-	-	-	-	-	-	-	-
Others	6,673	-	-	-	1,404	-	-	8,077
Contracted services	-	-	-	-	156	2,524	-	2,681
<b>MATERIALS/SUPPLIES/FREIGHT</b>								
Materials	-	-	-	-	-	-	-	-
Furniture and equipment	-	-	-	-	-	-	-	-
Freight	-	-	-	-	-	-	-	-
<b>CONTRIBUTIONS/TRANSFERS</b>								
Transfers - Other	-	-	-	-	-	-	-	-
Transfers to Capital	-	-	-	-	-	-	-	-
<b>AMORTIZATION</b>								
<b>DEBT SERVICES</b>								
<b>TOTAL</b>	<b>6,773</b>	-	-	-	<b>4,895</b>	<b>2,524</b>	-	<b>14,193</b>

SCHEDULE 8

FORT MCPHERSON DISTRICT EDUCATION AUTHORITY  
 Statement of Financial Position  
 For the Year Ended June 30, 2012

	2012 Actual	2011 Actual	TRANSITION TO PSAS JULY 1, 2010
<b><u>Financial Assets</u></b>			
Cash	61,394	2,435	93,283
Due from related party	10,624	23,939	34,157
Other accounts receivable	50,554	49,171	636
<b>Total Financial Assets</b>	<b>122,572</b>	<b>75,545</b>	<b>128,076</b>
<b><u>Liabilities</u></b>			
Accounts payable	10,998	9,823	19,331
Wages payable	-	-	8,213
Deferred revenue	25,630	-	34,255
<b>Total Liabilities</b>	<b>36,628</b>	<b>9,823</b>	<b>61,799</b>
<b><u>Net</u></b>	<b>85,944</b>	<b>65,722</b>	<b>66,277</b>
<b><u>Non-financial Assets</u></b>			
Tangible capital assets	-	-	-
Prepaid expenses	-	9,983	-
<b>Accumulated Surplus (Deficit)</b>	<b>85,944</b>	<b>75,705</b>	<b>66,277</b>



**FORT MCPHERSON DISTRICT EDUCATION AUTHORITY**  
**Statement of Operations**  
**For the Year Ended June 30, 2012**

**SCHEDULE 9**

	<u>2012</u> <u>Budget</u>	<u>2012</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
<b><u>REVENUES</u></b>			
Contributions from Divisional Council	61,670	63,220	60,950
GNWT Revenue	53,300	48,560	53,800
Federal Government	295,000	231,450	228,789
Other	<u>63,800</u>	<u>51,993</u>	<u>59,443</u>
<b>TOTAL REVENUES</b>	<u><b>473,770</b></u>	<u><b>395,223</b></u>	<u><b>402,982</b></u>
<b><u>EXPENSES</u></b>			
Administration	32,120	44,121	46,581
School programs	120,100	98,589	114,792
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	<u>321,550</u>	<u>242,274</u>	<u>232,181</u>
<b>TOTAL EXPENSES</b>	<u><b>473,770</b></u>	<u><b>384,984</b></u>	<u><b>393,554</b></u>
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>-</b>	<b>10,239</b>	<b>9,428</b>
<b>SURPLUS (DEFICIT) JULY 1</b>	<u><b>75,705</b></u>	<u><b>75,705</b></u>	<u><b>66,277</b></u>
<b>SURPLUS (DEFICIT) JUNE 30</b>	<u><b>75,705</b></u>	<u><b>85,944</b></u>	<u><b>75,705</b></u>

**Fort McPherson District Education Authority**  
**Schedule Of Expenditures**  
**For the year ended June 30, 2012**

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Transfers & Other	Totals
<b>SALARIES</b>								
Teachers	-	-	-	-	-	-	-	-
Instruction Assistant	-	-	-	-	-	175,364	-	175,364
Non-instructional staff	54,660	-	-	-	20,529	1,625	-	76,814
Board/Trustee honoraria	-	-	-	-	6,575	-	-	6,575
<b>EMPLOYEE BENEFITS</b>								
Employee benefit/allowance	7,454	-	-	-	2,281	17,737	-	27,471
Leave and termination	-	-	-	-	-	-	-	-
<b>SERVICES PURCHASED/ CONTRACTED</b>								
Professional/technical services	-	-	-	-	1,339	-	-	1,339
Postage/communication	-	-	-	-	864	-	-	864
Utilities	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-
Student travel	1,770	-	-	-	-	11,753	-	13,523
Advertising/printing/publishing	-	-	-	-	-	-	-	-
Maintenance/repair	-	-	-	-	-	-	-	-
Rentals/leases	-	-	-	-	-	-	-	-
Others	10,095	-	-	-	519	-	-	10,614
Contracted services	-	-	-	-	-	8,725	-	8,725
<b>MATERIALS/SUPPLIES/FREIGHT</b>								
Materials	23,221	-	-	-	12,015	27,071	-	62,306
Furniture and equipment	-	-	-	-	-	-	-	-
Freight	1,390	-	-	-	-	-	-	1,390
<b>CONTRIBUTIONS/TRANSFERS</b>								
Transfers - Other	-	-	-	-	-	-	-	-
Transfers to Capital	-	-	-	-	-	-	-	-
<b>AMORTIZATION</b>								
<b>DEBT SERVICES</b>								
<b>TOTAL</b>	<b>98,589</b>	-	-	-	<b>44,121</b>	<b>242,274</b>	-	<b>384,984</b>

**INUVIK DISTRICT EDUCATION AUTHORITY**  
**Statement of Financial Position**  
**For the Year Ended June 30, 2012**

	2012	2011	TRANSITION TO PSAS JULY 1, 2010
<b><u>Financial Assets</u></b>			
Cash	71,953	95,755	96,760
Due from related party	16,757	-	24,820
Other accounts receivable	1,000	5,250	2,434
Short-term Investment	<u>13,405</u>	<u>13,318</u>	<u>13,226</u>
<b>Total Financial Assets</b>	<u>103,115</u>	<u>114,323</u>	<u>137,240</u>
<b><u>Liabilities</u></b>			
Accounts payable	8,527	9,826	30,175
Due to the GNWT	-	396	-
Wages payable	-	-	2,248
Deferred revenue	<u>6,069</u>	<u>6,388</u>	<u>12,735</u>
<b>Total Liabilities</b>	<u>14,596</u>	<u>16,610</u>	<u>45,158</u>
<b><u>Net</u></b>	88,519	97,713	92,082
<b><u>Non-financial Assets</u></b>			
Tangible capital assets	-	-	-
Prepaid expenses	<u>280</u>	<u>-</u>	<u>-</u>
<b>Accumulated Surplus (Deficit)</b>	<u>88,799</u>	<u>97,713</u>	<u>92,082</u>

**INUVIK DISTRICT EDUCATION AUTHORITY**  
**Statement of Operations**  
**For the Year Ended June 30, 2012**

**SCHEDULE 12**

	<u>2012</u> <u>Budget</u>	<u>2012</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
<b><u>REVENUES</u></b>			
Contributions from Divisional Council	239,220	235,020	287,089
GNWT revenue	35,400	12,358	5,852
Investment income	100	89	90
Other revenue	<u>45,975</u>	<u>30,303</u>	<u>48,545</u>
<b>TOTAL REVENUES</b>	<u>320,695</u>	<u>277,770</u>	<u>341,576</u>
<b><u>EXPENSES</u></b>			
Administration	77,895	83,937	69,572
School programs	159,120	104,032	175,637
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	<u>83,680</u>	<u>98,714</u>	<u>90,736</u>
<b>TOTAL EXPENSES</b>	<u>320,695</u>	<u>286,684</u>	<u>335,945</u>
<b>OPERATING SURPLUS (DEFICIT)</b>	-	<b>(8,914)</b>	<b>5,631</b>
	92,082		
<b>SURPLUS (DEFICIT) JULY 1</b>	<u>-</u>	<u>97,713</u>	<u>92,082</u>
<b>SURPLUS (DEFICIT) JUNE 30</b>	<u><u>92,082</u></u>	<u><u>88,799</u></u>	<u><u>97,713</u></u>

Inuvik District Education Authority  
 Schedule Of Expenditures  
 For the year ended June 30, 2012

	School Programs	Inclusive Schooling	Student Accommoda	Operations & Maintenance	Admin	Aboriginal Languages	Transfers & Other	Totals
<b>SALARIES</b>								
Teachers	-	-	-	-	-	-	-	-
Instruction Assistant	-	-	-	-	-	-	-	-
Non-instructional staff	32,954	-	-	-	52,720	50,346	-	136,020
Board/Trustee honoraria	-	-	-	-	8,125	-	-	8,125
<b>EMPLOYEE BENEFITS</b>								
Employee benefit/allowance	3,454	-	-	-	2,073	1,382	-	6,909
Leave and termination	-	-	-	-	-	-	-	-
<b>SERVICES PURCHASED/ CONTRACTED</b>								
Professional/technical services	-	-	-	-	-	-	-	-
Postage/communication	-	-	-	-	2,281	-	-	2,281
Utilities	-	-	-	-	6,250	-	-	6,250
Travel	-	-	-	-	-	-	-	-
Student travel/awards	1,566	-	-	-	-	34,190	-	35,755
Advertising/printing/publishing	-	-	-	-	-	-	-	-
Maintenance/repair	-	-	-	-	-	-	-	-
Rentals/leases	22,508	-	-	-	-	-	-	22,508
Others	7,929	-	-	-	12,489	10,892	-	31,310
Contracted services	17,847	-	-	-	-	-	-	17,847
<b>MATERIALS/SUPPLIES/FREIGHT</b>								
Materials	17,775	-	-	-	-	1,905	-	19,680
Furniture and equipment	-	-	-	-	-	-	-	-
Freight	-	-	-	-	-	-	-	-
<b>CONTRIBUTIONS/TRANSFERS</b>								
Transfers - Other	-	-	-	-	-	-	-	-
Transfers to Capital	-	-	-	-	-	-	-	-
<b>AMORTIZATION</b>								
-	-	-	-	-	-	-	-	-
<b>DEBT SERVICES</b>								
<b>TOTAL EXPENDITURE</b>	<b>104,032</b>	-	-	-	<b>83,937</b>	<b>98,714</b>	-	<b>286,683</b>

SCHEDULE 14

PAULATUK DISTRICT EDUCATION AUTHORITY  
 Statement of Financial Position  
 For the Year Ended June 30, 2012

	2012	2011	TRANSITION TO PSAS JULY 1, 2010
<b><u>Financial Assets</u></b>			
Cash	10,323	10,094	7,817
Due from related party	24,707	22,427	12,173
Other accounts receivable	<u>-</u>	<u>684</u>	<u>685</u>
Total Financial Assets	<u>35,029</u>	<u>33,205</u>	<u>20,675</u>
<b><u>Liabilities</u></b>			
Accounts payable	-	12,476	8,000
Payroll deductions payable	<u>2,231</u>	<u>2,081</u>	<u>5,075</u>
Total Liabilities	<u>2,231</u>	<u>14,557</u>	<u>13,075</u>
<b><u>Net</u></b>	32,798	18,648	7,600
<b><u>Non-financial Assets</u></b>			
Tangible capital assets	-	-	-
Prepaid expenses	<u>213</u>	<u>-</u>	<u>-</u>
<b>Accumulated Surplus (Deficit)</b>	<u><u>33,011</u></u>	<u><u>18,648</u></u>	<u><u>7,600</u></u>

**PAULATUK DISTRICT EDUCATION AUTHORITY**  
**Statement of Operations**  
**For the Year Ended June 30, 2012**

	<u>2012</u> <u>Budget</u>	<u>2012</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
<b><u>REVENUES</u></b>			
Contributions from Divisional Council	41,330	43,180	39,850
Bingo revenue	25,000	14,553	37,810
Other revenue	5,700	5,522	4,000
<b>TOTAL REVENUES</b>	<u>72,030</u>	<u>63,255</u>	<u>81,660</u>
<b><u>EXPENSES</u></b>			
Administration	32,775	28,912	33,440
School programs	39,255	16,487	34,522
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	3,494	2,650
<b>TOTAL EXPENSES</b>	<u>72,030</u>	<u>48,893</u>	<u>70,612</u>
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>-</b>	<b>14,363</b>	<b>11,048</b>
<b>SURPLUS (DEFICIT) JULY 1</b>	<u>18,648</u>	<u>18,648</u>	<u>7,600</u>
<b>SURPLUS (DEFICIT) JUNE 30</b>	<u><b>18,648</b></u>	<u><b>33,011</b></u>	<u><b>18,648</b></u>

**Paulatuk District Education Authority**  
**Schedule Of Expenditures**  
**For the year ended June 30, 2012**

	School Programs	Inclusive Schooling	Student Accommodator	Operations & Maintenance	Admin	Aboriginal Languages	Transfers & Other	Totals
<b>SALARIES</b>								
Teachers	-	-	-	-	-	-	-	-
Instruction Assistant	-	-	-	-	-	-	-	-
Non-instructional staff	9,197	-	-	-	9,764	-	-	18,961
Board/Trustee honoraria	-	-	-	-	6,675	2,994	-	9,669
<b>EMPLOYEE BENEFITS</b>								
Employee benefit/allowance	751	-	-	-	751	-	-	1,502
Leave and termination	-	-	-	-	-	-	-	-
<b>SERVICES PURCHASED/ CONTRACTED</b>								
Professional/technical services	-	-	-	-	-	-	-	-
Postage/communication	-	-	-	-	762	-	-	762
Utilities	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-
Student travel	1,300	-	-	-	-	-	-	1,300
Advertising/printing/publishing	-	-	-	-	-	-	-	-
Maintenance/repair	-	-	-	-	-	-	-	-
Rentals/leases	-	-	-	-	-	-	-	-
Others	-	-	-	-	3,033	-	-	3,033
Contracted services	4,000	-	-	-	5,919	-	-	9,919
<b>MATERIALS/SUPPLIES/FREIGHT</b>								
Materials	1,151	-	-	-	2,008	500	-	3,659
Furniture and equipment	-	-	-	-	-	-	-	-
Freight	88	-	-	-	-	-	-	88
<b>CONTRIBUTIONS/TRANSFERS</b>								
Transfers - Other	-	-	-	-	-	-	-	-
Transfers to Capital	-	-	-	-	-	-	-	-
<b>AMORTIZATION</b>								
<b>DEBT SERVICES</b>								
<b>TOTAL</b>	<b>16,487</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,912</b>	<b>3,494</b>	<b>-</b>	<b>48,893</b>



## SCHEDULE 17

**SACHS HARBOUR DISTRICT EDUCATION AUTHORITY**  
**Statement of Financial Position**  
**For the Year Ended June 30, 2012**

	2012	2011	TRANSITION TO PSAS JULY 1, 2010
<b><u>Financial Assets</u></b>			
Cash	32,592	10,096	12,494
Due from related party	<u>26,740</u>	<u>32,180</u>	<u>45,312</u>
Total Financial Assets	<u>59,332</u>	<u>42,276</u>	<u>57,806</u>
<b><u>Liabilities</u></b>			
Accounts payable	<u>24,457</u>	<u>12,944</u>	<u>2,598</u>
Total Liabilities	<u>24,457</u>	<u>12,944</u>	<u>2,598</u>
<b><u>Net</u></b>	34,876	29,332	55,208
<b><u>Non-financial Assets</u></b>			
Tangible capital assets	-	-	-
Prepaid expenses	<u>-</u>	<u>-</u>	<u>-</u>
<b>Accumulated Surplus (Deficit)</b>	<u><u>34,876</u></u>	<u><u>29,332</u></u>	<u><u>55,208</u></u>

**SACHS HARBOUR DISTRICT EDUCATION AUTHORITY**  
**Statement of Operations**  
**For the Year Ended June 30, 2012**

**SCHEDULE 18**

	<u>2012 Budget</u>	<u>2012 Actual</u>	<u>2011 Actual</u>
<b><u>REVENUES</u></b>			
Contributions from Divisional Council	<u>25,910</u>	<u>25,760</u>	<u>27,450</u>
<b>TOTAL REVENUES</b>	<u>25,910</u>	<u>25,760</u>	<u>27,450</u>
<b><u>EXPENSES</u></b>			
Administration	16,800	2,295	14,196
School programs	7,760	17,871	37,759
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	<u>1,350</u>	<u>50</u>	<u>1,371</u>
<b>TOTAL EXPENSES</b>	<u>25,910</u>	<u>20,216</u>	<u>53,326</u>
<b>OPERATING SURPLUS (DEFICIT)</b>	-	<b>5,544</b>	<b>(25,876)</b>
<b>SURPLUS (DEFICIT) JULY 1</b>	<u>29,332</u>	<u>29,332</u>	<u>55,208</u>
<b>SURPLUS (DEFICIT) JUNE 30</b>	<u><u>29,332</u></u>	<u><u>34,876</u></u>	<u><u>29,332</u></u>

SCHEDULE 19

Sachs Harbour District Education Authority  
 Schedule Of Expenditures  
 For the year ended June 30, 2012

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Admin	Aboriginal Languages	Transfers & Other	Totals
<b>SALARIES</b>								
Teachers	-	-	-	-	-	-	-	-
Instruction Assistant	-	-	-	-	-	-	-	-
Non-instructional staff	-	-	-	-	921	-	-	921
Board/Trustee honoraria	-	-	-	-	1,227	-	-	1,227
<b>EMPLOYEE BENEFITS</b>								
Employee benefit/allowance	-	-	-	-	55	-	-	55
Leave and termination	-	-	-	-	-	-	-	-
<b>SERVICES PURCHASED/ CONTRACTED</b>								
Professional/technical services	-	-	-	-	-	-	-	-
Postage/communication	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-
Student travel	-	-	-	-	-	-	-	-
Advertising/printing/publishing	-	-	-	-	-	-	-	-
Maintenance/repair	1,034	-	-	-	-	-	-	1,034
Rentals/leases	-	-	-	-	-	-	-	-
Others	4,837	-	-	-	-	-	-	4,887
Contracted services	12,000	-	-	-	92	50	-	12,092
<b>MATERIALS/SUPPLIES/FREIGHT</b>								
Materials	-	-	-	-	-	-	-	-
Furniture and equipment	-	-	-	-	-	-	-	-
Freight	-	-	-	-	-	-	-	-
<b>CONTRIBUTIONS/TRANSFERS</b>								
Transfers - Other	-	-	-	-	-	-	-	-
Transfers to Capital	-	-	-	-	-	-	-	-
<b>AMORTIZATION</b>								
-	-	-	-	-	-	-	-	-
<b>DEBT SERVICES</b>	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>17,871</b>	-	-	-	<b>2,295</b>	<b>50</b>	-	<b>20,216</b>

**TUKTOYAKTUK DISTRICT EDUCATION AUTHORITY**  
**Statement of Financial Position**  
**For the Year Ended June 30, 2012**

	2012	2011	TRANSITION TO PSAS JULY 1, 2010
<b><u>Financial Assets</u></b>			
Cash	17,057	-	6,713
Due from related party	15,681	30,645	17,526
Accounts receivable	-	-	26,099
<b>Total Financial Assets</b>	<b><u>32,738</u></b>	<b><u>30,645</u></b>	<b><u>50,338</u></b>
<b><u>Liabilities</u></b>			
Bank indebtedness	-	3,740	-
Accounts payable	12,500	16,195	10,475
Wages Payable	1,175	1,792	10,492
Deferred revenue	3,635	17,455	41,054
<b>Total Liabilities</b>	<b><u>17,310</u></b>	<b><u>39,182</u></b>	<b><u>62,021</u></b>
<b><u>Net</u></b>	<b>15,428</b>	<b>(8,537)</b>	<b>(11,683)</b>
<b><u>Non-financial Assets</u></b>			
Tangible capital assets	-	-	-
Prepaid expenses	-	-	-
<b>Accumulated Surplus (Deficit)</b>	<b><u>15,428</u></b>	<b><u>(8,537)</u></b>	<b><u>(11,683)</u></b>

**TUKTOYAKTUK DISTRICT EDUCATION AUTHORITY**  
**Statement of Operations**  
**For the Year Ended June 30, 2012**

**SCHEDULE 21**

	<u>2012 Budget</u>	<u>2012 Actual</u>	<u>2011 Actual</u>
<b><u>REVENUES</u></b>			
Contributions from Divisional Council	77,060	77,060	82,000
GNWT revenue	-	9,500	-
Federal Govt revenue	29,000	41,408	34,909
Other	<u>15,000</u>	<u>75,812</u>	<u>53,271</u>
 TOTAL REVENUES	 <u>121,060</u>	 <u>203,780</u>	 <u>170,180</u>
<b><u>EXPENSES</u></b>			
Administration	38,660	69,470	19,038
School programs	75,700	90,195	140,976
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	<u>6,700</u>	<u>20,149</u>	<u>7,020</u>
 TOTAL EXPENSES	 <u>121,060</u>	 <u>179,815</u>	 <u>167,034</u>
 <b>OPERATING SURPLUS (DEFICIT)</b>	 <b>-</b>	 <b>23,965</b>	 <b>3,146</b>
 <b>SURPLUS (DEFICIT) JULY 1</b>	 <u>(8,537)</u>	 <u>(8,537)</u>	 <u>(11,683)</u>
<b>SURPLUS (DEFICIT) JUNE 30</b>	<u><b>(8,537)</b></u>	<u><b>15,428</b></u>	<u><b>(8,537)</b></u>

SCHEDULE 22

Tuktoyaktuk District Education Authority  
 Schedule Of Expenditures  
 For the year ended June 30, 2012

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Admin	Aboriginal Languages	Transfers & Other	Totals
<b>SALARIES</b>								
Teachers	-	-	-	-	-	-	-	-
Instruction Assistant	-	-	-	-	-	-	-	-
Non-instructional staff	20,750	-	-	-	22,380	1,517	-	44,647
Board/Trustee honoraria	-	-	-	-	5,660	-	-	5,660
<b>EMPLOYEE BENEFITS</b>								
Employee benefit/allowance	-	-	-	-	3,030	-	-	3,030
Leave and termination	-	-	-	-	-	-	-	-
<b>SERVICES PURCHASED/ CONTRACTED</b>								
Professional/technical services	-	-	-	-	-	-	-	-
Postage/communication	86	-	-	-	-	-	-	86
Utilities	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-
Student support/awards	600	-	-	-	545	-	-	545
Advertising/printing/publishing	-	-	-	-	-	-	-	600
Maintenance/repair	-	-	-	-	-	-	-	-
Rentals/leases	-	-	-	-	-	-	-	-
Others	150	-	-	-	680	-	-	830
Contracted services	6,280	-	-	-	36,754	-	-	43,034
<b>MATERIALS/SUPPLIES/FREIGHT</b>								
Materials	62,329	-	-	-	422	18,632	-	81,384
Furniture and equipment	-	-	-	-	-	-	-	-
Freight	-	-	-	-	-	-	-	-
<b>CONTRIBUTIONS/TRANSFERS</b>								
Transfers - Other	-	-	-	-	-	-	-	-
Transfers to Capital	-	-	-	-	-	-	-	-
<b>AMORTIZATION</b>								
<b>DEBT SERVICES</b>								
<b>TOTAL</b>	<b>90,195</b>	-	-	-	<b>69,470</b>	<b>20,149</b>	-	<b>179,815</b>

**ULUKHAKTOK DISTRICT EDUCATION AUTHORITY**  
**Statement of Financial Position**  
**For the Year Ended June 30, 2012**

**SCHEDULE 23**

**TRANSITION  
TO PSAS  
JULY 1, 2010**

	2011-2012	2010-2011	
<b><u>Financial Assets</u></b>			
Cash	43,429	40,052	38,887
Due from related party	39,217	30,661	30,661
Accounts receivable	-	-	182
<b>Total Financial Assets</b>	<b>82,646</b>	<b>70,713</b>	<b>69,548</b>
<b><u>Liabilities</u></b>			
Accounts payable	752	772	500
Wages payable	-	-	471
Deferred revenue	40,980	28,730	32,980
<b>Total Liabilities</b>	<b>41,732</b>	<b>29,502</b>	<b>33,951</b>
<b><u>Net</u></b>	<b>40,915</b>	<b>41,211</b>	<b>35,597</b>
<b><u>Non-financial Assets</u></b>			
Tangible capital assets	-	-	-
Prepaid expenses	-	-	-
<b>Accumulated Surplus (Deficit)</b>	<b>40,915</b>	<b>41,211</b>	<b>35,597</b>

**ULUKHAKTOK DISTRICT EDUCATION AUTHORITY**  
**Statement of Operations**  
**For the Year Ended June 30, 2012**

**SCHEDULE 24**

	<u>2012 Budget</u>	<u>2012 Actual</u>	<u>2011 Actual</u>
<b><u>REVENUES</u></b>			
Contributions from Divisional Council	47,280	48,980	52,300
GNWT revenue	48,300	49,050	43,881
Other - GNWT/Federal/Fund raising	<u>11,900</u>	<u>8,220</u>	<u>13,892</u>
<b>TOTAL REVENUES</b>	<u>107,480</u>	<u>106,250</u>	<u>110,073</u>
<b><u>EXPENSES</u></b>			
Administration	12,130	16,234	16,553
School programs	78,800	66,395	68,004
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	<u>16,550</u>	<u>23,917</u>	<u>20,084</u>
<b>TOTAL EXPENSES</b>	<u>107,480</u>	<u>106,546</u>	<u>104,641</u>
<b>OPERATING SURPLUS (DEFICIT)</b>	-	<b>(296)</b>	<b>5,432</b>
<b>SURPLUS (DEFICIT) JULY 1</b>	<u>41,211</u>	<u>41,211</u>	<u>35,779</u>
<b>SURPLUS (DEFICIT) JUNE 30</b>	<u><u>41,211</u></u>	<u><u>40,915</u></u>	<u><u>41,211</u></u>



SCHEDULE 25

Uluksaktok District Education Authority  
 Schedule Of Expenditures  
 For the year ended June 30, 2012

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Admin	Aboriginal Languages	Transfers & Other	Totals
<b>SALARIES</b>								
Teachers	9,692	-	-	-	-	-	-	9,692
Instruction Assistant	-	-	-	-	-	-	-	-
Non-instructional staff	25,172	-	-	-	2,467	10,276	-	37,916
Board/Trustee honoraria	-	-	-	-	9,088	-	-	9,088
<b>EMPLOYEE BENEFITS</b>								
Employee benefit/allowance	-	-	-	-	2,903	-	-	2,903
Leave and termination	-	-	-	-	-	-	-	-
<b>SERVICES PURCHASED/ CONTRACTED</b>								
Professional/technical services	-	-	-	-	-	-	-	-
Postage/communication	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-
Student support/awards	9,309	-	-	-	-	-	-	9,309
Advertising/printing/publishing	-	-	-	-	-	-	-	-
Maintenance/repair	-	-	-	-	-	-	-	-
Rentals/leases	-	-	-	-	-	-	-	-
Others	4,809	-	-	-	1,535	-	-	6,343
Contracted services	-	-	-	-	-	-	-	-
<b>MATERIALS/SUPPLIES/FREIGHT</b>								
Materials	17,411	-	-	-	243	13,641	-	31,296
Furniture and equipment	-	-	-	-	-	-	-	-
Freight	-	-	-	-	-	-	-	-
<b>CONTRIBUTIONS/TRANSFERS</b>								
Transfers - Other	-	-	-	-	-	-	-	-
Transfers to Capital	-	-	-	-	-	-	-	-
<b>AMORTIZATION</b>								
<b>DEBT SERVICES</b>								
<b>TOTAL</b>	<b>66,395</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,234</b>	<b>23,917</b>	<b>-</b>	<b>106,546</b>

**BEAUFORT-DELTA DIVISIONAL EDUCATION COUNCIL**  
**Statement of Financial Position**  
**Non-consolidated**  
**For the Year Ended June 30, 2012**

	2012	2011	TRANSITION TO PSAS JULY 1, 2010
<b><u>Financial Assets</u></b>			
Cash	2,452,884	2,197,290	2,128,389
Due from the GNWT	22,967	50,544	1,021,894
Other accounts receivable	360,840	325,291	299,667
	<u>2,836,691</u>	<u>2,573,125</u>	<u>3,449,950</u>
<b>TRUST FUND</b>	<u>253,665</u>	<u>252,143</u>	<u>250,156</u>
<b>Total Financial Assets</b>	<u><b>3,090,356</b></u>	<u><b>2,825,268</b></u>	<u><b>3,700,106</b></u>
<b><u>Liabilities</u></b>			
Accounts payable and accrued liabilities	410,413	240,269	421,145
Due to related party	128,960	145,697	-
Accrued salaries	1,811,849	1,826,857	2,099,952
Due to the GNWT	4,776	87,702	381,960
Employee deductions payable	37,800	99,415	212,592
Deferred revenue	235,869	89,317	88,327
Leave and termination benefits	2,089,639	2,086,544	1,906,034
	<u>4,719,306</u>	<u>4,575,801</u>	<u>5,110,010</u>
<b>TRUST FUND</b>	<u>253,665</u>	<u>252,143</u>	<u>250,156</u>
<b>Total Liabilities</b>	<u><b>4,972,971</b></u>	<u><b>4,827,944</b></u>	<u><b>5,360,166</b></u>
<b><u>Net</u></b>	<u>(1,882,615)</u>	<u>(2,002,676)</u>	<u>(1,660,060)</u>
<b><u>Non-financial Assets</u></b>			
Tangible capital assets			
Prepaid expenses	28,746	35,189	52,372
<b>Accumulated Surplus.(Deficit)</b>	<u><b>(1,853,869)</b></u>	<u><b>(1,967,487)</b></u>	<u><b>(1,607,688)</b></u>

**BEAUFORT-DELTA DIVISIONAL EDUCATION COUNCIL**  
**Statement of Operations**  
**Non-consolidated**  
**For the Year Ended June 30, 2012**

	<u>2012</u> <u>Budget</u>	<u>2012</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
<b><u>OPERATING FUND</u></b>			
<b>REVENUES</b>			
<b>Government of the NWT</b>			
Regular contribution	28,359,628	28,667,698	28,612,485
Other ECE Contributions	182,000	314,394	271,765
Other contributions	38,300	459,279	176,218
	<u>28,579,928</u>	<u>29,441,371</u>	<u>29,060,468</u>
<b>Federal Government</b>	-	-	-
<b>Board generated funds</b>			
Investment income	20,000	24,583	28,802
Other	20,000	210,082	515,744
<b>Total generated funds</b>	<u>40,000</u>	<u>234,665</u>	<u>544,546</u>
<b>TOTAL REVENUES</b>	<u>28,619,928</u>	<u>29,676,035</u>	<u>29,605,014</u>
<b><u>EXPENSES</u></b>			
Administration	1,963,514	2,092,170	1,955,475
School programs	19,215,646	19,450,813	20,257,483
Inclusive schooling	4,627,408	4,608,916	4,414,914
Student accommodations	170,000	175,041	155,177
Operations and maintenance	773,473	889,723	703,923
Aboriginal language/cultural programs	2,028,596	2,345,753	2,477,841
<b>TOTAL EXPENSES</b>	<u>28,778,637</u>	<u>29,562,416</u>	<u>29,964,813</u>
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>(158,709)</b>	<b>113,619</b>	<b>(359,799)</b>
<b>SURPLUS (DEFICIT) JULY 1</b>	<u>(1,967,487)</u>	<u>(1,967,487)</u>	<u>(1,607,688)</u>
<b>SURPLUS (DEFICIT) JUNE 30</b>	<u><b>(2,126,196)</b></u>	<u><b>(1,853,868)</b></u>	<u><b>(1,967,487)</b></u>



Beaufort-Delta Divisional Education Council  
 Report on Activities of Specific Programs  
 Infrastructure  
 For the Year Ended June 30, 2012

SCHEDULE 29

<b>Personnel Infrastructure</b>	<b>Personnel Infrastructure</b>
Contributions	<u>460,708</u>
Expenses	
Applicant Travel	4,321
Staff Advertising	-
Removal In/Transfer	356,590
Ultimate Removal	261,403
WCB Premiums	<u>112,984</u>
Total Expenses	<u>735,298</u>
Net Deficit	<u>(274,590)</u>

<b>Leases Infrastructure</b>	<b>Leases Infrastructure</b>
Contributions	<u>143,391</u>
Expenses	
Leases	154,425
Other (specify)	-
Total Expenses	<u>154,425</u>
Net Deficit	<u>(11,034)</u>

**BEAUFORT-DELTA DIVISIONAL EDUCATION COUNCIL**  
**Report on Activities of Specific Programs**  
**French Language Programs**  
**For the Year Ended June 30, 2012**

	Contributions July 1 to June 30	Total Expenses July 1 to June 30	Variance
<b>Bilateral Agreement Funding</b>			
Special projects:			
Teacher's Assistant Salary	30,000	63,033	(33,033)
Core French 1:12 salary	25,000	387,812	(362,812)
French Immersion-Pioneer Class	70,000	112,410	(42,410)
French Immersion-Pioneer Class (Resourc	5,000	7,246	(2,246)
French Resources	8,500	8,635	(135)
Cultural Activities	3,000	4,000	(1,000)
Professional Development	5,000	8,102	(3,102)
French Monitor	<u>25,740</u>	<u>32,184</u>	<u>(6,444)</u>
<b>TOTAL</b>	<b><u>172,240</u></b>	<b><u>623,423</u></b>	<b><u>(451,183)</u></b>
<b>Regular GNWT Funding</b>			
Immersion program	147,240		
Core French instruction	<u>25,000</u>		
<b>Total</b>	<b><u>172,240</u></b>		

**Beaufort-Delta Divisional Education Council**  
**Report on Activities of Specific Programs**  
**Aboriginal Languages**  
**For the Year Ended June 30, 2012**

**SCHEDULE 31**

<b>Contribution Agreement</b> <b><u>Aboriginal Languages</u></b>	<b>July 1 to March 31</b>	<b>April 1 to June 30</b>	<b>Total GNWT Fiscal Year</b>
<b>Revenues</b>			
Funding Received July-March	78,000	-	78,000
Funding Received April - June	-	-	-
<b>Total Funding</b>	<b>78,000</b>	<b>-</b>	<b>78,000</b>
<b>Expenses</b>			
Salaries	100,000	-	100,000
Other O & M	78,000	1,280	79,280
Deficit of Funding - June 30 Prev.Yr.	102,000	-	102,000
<b>Total Expenses</b>	<b>280,000</b>	<b>1,280</b>	<b>281,280</b>
Surplus March 31			
Surplus June 30			
Deficit March 31	(202,000)	-	(202,000)
Deficit June 30	-	(1,280)	(1,280)
<b>Net Surplus/(Deficit)</b>	<b>(202,000)</b>	<b>(1,280)</b>	<b>(203,280)</b>

**SCHEDULE 32**

**Beaufort-Delta Divisional Education Council  
Report on Activities of Specific Programs  
Student Success Initiative Projects  
For the Year Ended June 30, 2012**

**NWT Student Success Initiative  
Professional Development Initiative**

**Title of Project: Differentiated Instruction - Year 3 of 3**

2012

**Revenue**

134,325

**Expenses**

**Salaries/Wages**

Facilitator fees ( include per diem)  
Substitute teacher wages

29,700  
25,671

**Travel**

Facilitator travel  
Air charter  
Staff travel  
Accommodation  
Daily per diems  
Other expenses

7,028  
-  
31,783  
40,994

**Workshop Expenses**

Room rental  
Refreshments  
Resources  
Miscellaneous (stationery)

1,875  
4,070  
-  
511

**Total Expenses**

141,632

**Net Surplus/Deficit**

(7,307)



**SCHEDULE 33**

**BEAUFORT-DELTA DIVISIONAL EDUCATION COUNCIL  
Report on Activities of Specific Programs  
Student Success Initiative Projects  
For the Year Ended June 30, 2012**

**NWT Student Success Initiative  
Title of Project: Angik School CTS - YEAR 1 OF 2**

**APPROVED REVENUE**

NWT SSI 40,000

**EXPENDITURES**

REPAIR/MTNCE- BLDG. 380  
OTHER SUPPLIES 96  
TEXTBOOKS 4,460  
FURNITURE &  
EQUIPMEN 16,150  
FREIGHT - GENERAL 9,308

**TOTAL EXPENDITURES** 30,394

**SURPLUS** 9,606

**DEFERRED - 2012 - 2013** 9,606

SCHEDULE 34

**BEAUFORT-DELTA DIVISIONAL EDUCATION COUNCIL**  
**Report on Activities of Specific Programs**  
**Student Success Initiative Projects**  
**For the Year Ended June 30, 2012**

**NWT Student Success Initiative**  
**Title of Project: Helen Kalvak School - CTS**

**APPROVED REVENUE**

NWT SSI

80,000

**EXPENDITURES**

OTHER SUPPLIES

3,563

LAND IMPROVEMENTS

7,981

BUILDINGS

68,455

**TOTAL EXPENDITURES**

80,000

**SURPLUS**

-

**SCHEDULE 35**

**BEAUFORT-DELTA DIVISIONAL EDUCATION COUNCIL  
Report on Activities of Specific Programs  
Student Success Initiative Projects  
For the Year Ended June 30, 2012**

**NWT Student Success Initiative**

**Title of Project: eLEARNING DEVELOPMENT/IMPLMENTATION - YEAR 1 OF 3**

**APPROVED REVENUE**

NWT SSI

100,000

**EXPENDITURES**

INTERNET

1,112

COMPUTER SOFTWARE

3,003

COMPUTER HARDWARE

21,720

**TOTAL EXPENDITURES**

25,835

**SURPLUS**

74,165

**DEFERRED TO 2012 - 2013**

(74,165)

**BEAUFORT-DELTA DIVISIONAL EDUCATION COUNCIL**  
**Report on Activities of Specific Programs**  
**Details of Aboriginal Language and Culture-based Education Expenses**  
**For the Year Ended June 30, 2012**

Schedule 36

FUNCTION	Aboriginal Language and Culture-Based Education				Total
	Student Instruction	Teaching/ Learning Resources	Professional Development	School Activities and integrated Community Programs	
<b><u>SALARIES</u></b>					
ALCBE Teachers	1,199,598	-	-	-	1,199,598
Instruction Assistants	12,722	-	-	-	12,722
Non Instructional Staff	201,790	-	-	356,704	558,494
Honoraria	5,724	-	-	-	5,724
<b><u>EMPLOYEE BENEFITS</u></b>					
Employee Benefits/Allowances	521,106	-	-	31,746	552,852
<b><u>SERVICES PURCHASED/CONTRACTED</u></b>					
Professional/Technical Services	-	-	-	-	-
Travel	20,221	-	33,710	45,943	99,874
Student Transportation (Bussing)	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-
Rentals/Leases	-	-	-	-	-
Other Contracted Services	623	178,000	31,030	27,191	236,844
<b><u>MATERIALS/SUPPLIES/FREIGHT</u></b>					
Materials	19,568	-	686	96,069	116,323
Freight	123	-	-	-	123
<b>TOTAL</b>	<b>1,981,476</b>	<b>178,000</b>	<b>65,426</b>	<b>557,652</b>	<b>2,782,555</b>

**BEAUFORT-DELTA DIVISIONAL EDUCATION COUNCIL**  
**Report on Activities of Specific Programs**  
**Details of Inclusive Schooling Expenses**  
**For the Year Ended June 30, 2012**

<b>FUNCTION</b>	<b>Staff Development</b>	<b>Intervention Strategies</b>	<b>Assistive Technology</b>	<b>Student Resources</b>	<b>Southern Placements</b>	<b>Magnet Facilities</b>	<b>General Inclusive Schooling</b>	<b>Total</b>
<b><u>SALARIES</u></b>								
Program Support Teachers	-	-	-	-	-	-	1,734,180	1,734,180
Consultants	-	-	-	-	-	-	281,425	281,425
Support Assistants	-	-	-	-	-	-	1,084,180	1,084,180
Non Instructional Staff	-	-	-	-	-	-	270,845	270,845
Honoraria	-	-	-	-	-	-	-	-
<b><u>EMPLOYEE BENEFITS</u></b>								
Employee Benefits/Allowances	-	-	-	-	-	-	2,062,321	992,957
<b><u>SERVICES PURCHASED/CONTRACTED</u></b>								
Professional/Technical Services	-	-	-	-	-	-	53,766	53,766
Travel	30,811	-	-	-	-	-	37,677	68,489
Student Transportation (Bussing)	-	-	-	-	-	-	-	0
Advertising/Printing/Publishing	-	-	-	-	-	-	-	0
Maintenance/Repair	-	-	-	-	-	-	-	0
Rentals/Leases	-	-	-	-	-	-	-	0
Other Contracted Services	13,386	-	-	-	-	-	2,140	15,525
<b><u>MATERIALS/SUPPLIES/FREIGHT</u></b>								
Materials	-	-	69,103	33,931	-	-	2,589	105,622
Freight	-	-	35	-	-	-	1,893	1,928
<b>TOTAL</b>	<b>44,197</b>	<b>-</b>	<b>69,138</b>	<b>33,931</b>	<b>-</b>	<b>-</b>	<b>4,446,835</b>	<b>4,608,916</b>

**Commission scolaire francophone Territoires du Nord-Ouest**

**Financial Statements**

**June 30, 2012**

**Financial Statements**

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**June 30, 2012**

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## 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 Commission scolaire francophone Territoires du Nord-Ouest ("the Commission"), which comprises the statement of financial position as at June 30, 2012 and the statement of change in net financial resources, the statement of operations 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 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 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 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 qualified audit opinion.

#### *Basis for Qualified Opinion*

Salaries and benefits paid to employees of the Commission are administered by 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 employee benefits, employee leave and termination benefits, employee deductions payable or vacation payable.



**Independent Auditors' Report (continued)**

*Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Commission as at June 30, 2012 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*, 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 significant aspects, been within the statutory powers of the Commission.

*Mackay LLP*

Yellowknife, Northwest Territories  
October 5, 2012

Chartered Accountants

Commission scolaire francophone Territoires du Nord-Ouest

Statement of Financial Position

As at June 30,	June 30, 2012	June 30, 2011	July 1, 2010
<b>Financial Assets</b>			
<b>Current</b>			
Cash	\$ 405,855	\$ 80,535	\$ 715,467
Restricted cash (Note 4)	6,250	6,250	60,671
Temporary investment (Note 5)	11,473	11,473	11,452
Due from the Government of the Northwest Territories	83,133	562,687	48,342
Other accounts receivable	45,541	49,841	46,747
	<b>\$ 552,252</b>	<b>\$ 710,786</b>	<b>\$ 882,679</b>

**Liabilities**

<b>Current</b>			
Accounts payable and accrued liabilities Due to the Government of the Employee deductions payable	\$ 523,560	\$ 491,135	\$ 202,757
Vacation payable	2,780	2,454	2,731
Contributions repayable	34,635	185,748	203,775
Employee leave and termination benefits (Note 6)	6,329	19,468	-
Deferred revenue (Note 7)	120,584	81,349	49,877
	5,382	5,382	60,671
	<b>693,270</b>	<b>785,536</b>	<b>519,811</b>
<b>Net (debt) financial resources</b>	<b>(141,018)</b>	<b>(74,750)</b>	<b>362,868</b>

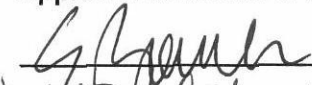
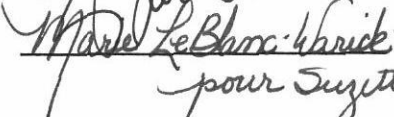
**Non-financial assets**

Prepaid expenses and deposits	12,536	26,752	32,622
<b>Accumulated (deficit) surplus</b>	<b>\$ (128,482)</b>	<b>\$ (47,998)</b>	<b>\$ 395,490</b>

Commitments (Note 8)

Contingencies (Note 9)

Approved on behalf of the Board

 Trustee  
 Trustee  
*pour Suzette Montreuil*

Commission scolaire francophone Territoires du Nord-Ouest

**Statement of Operations**

For the year ended June 30,

	2012 Budget	2012 Actual	2011 Actual
<b>Revenue</b>			
<b>Government of the Northwest Territories</b>			
Regular contributions	\$ 4,006,002	\$ 4,256,518	\$ 3,598,975
French minority language	1,152,850	1,152,850	1,152,850
Other contributions	71,900	60,242	6,522
Infrastructure adjustment	-	-	6,544
	<b>5,230,752</b>	<b>5,469,610</b>	4,764,891
<b>Government of Canada</b>			
Other contributions	-	<b>37,985</b>	37,795
<b>Board Generated Funds</b>			
Other contributions	-	121,223	160,534
Interest	-	-	21
School fees	-	6,266	10,539
	-	<b>127,489</b>	171,094
	<b>5,230,752</b>	<b>5,635,084</b>	4,973,780
<b>Expenses (Schedule 1)</b>			
School programs	3,391,485	3,837,683	3,441,235
Inclusive schooling	878,902	838,153	729,615
Operations and maintenance	75,795	144,260	75,635
Administration	847,794	814,055	1,035,983
Aboriginal languages	91,106	81,417	134,800
	<b>5,285,082</b>	<b>5,715,568</b>	5,417,268
<b>Operating deficit</b>	<b>\$ (54,330)</b>	<b>\$ (80,484)</b>	<b>\$ (443,488)</b>
<b>Accumulated (deficit) surplus, beginning of year</b>		<b>(47,998)</b>	395,490
<b>Accumulated deficit, end of year</b>		<b>\$ (128,482)</b>	<b>\$ (47,998)</b>

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**Commission scolaire francophone Territoires du Nord-Ouest**

**Statement of Change in Net Financial Resources**

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<b>For the year ended June 30,</b>	<b>2012</b>	<b>2011</b>
<b>Annual deficit</b>	<b>\$ (80,484)</b>	<b>\$ (443,488)</b>
Change in prepaid expenses and deposits	14,216	5,870
<b>Decrease in net financial resources</b>	<b>(66,268)</b>	<b>(437,618)</b>
<b>Net (debt) financial resources, beginning of year</b>	<b>(74,750)</b>	<b>362,868</b>
<b>Net debt, end of year</b>	<b>\$ (141,018)</b>	<b>\$ (74,750)</b>

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**Commission scolaire francophone Territoires du Nord-Ouest****Statement of Cash Flows**

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<b>For the year ended June 30,</b>	<b>2012</b>	<b>2011</b>
<b>Operating transactions</b>		
<b>Cash received from:</b>		
Government of Canada	\$ 53,912	\$ 21,500
Government of the Northwest Territories	5,936,025	4,182,752
Recoveries and general revenue	115,862	216,269
	<b>6,105,799</b>	<b>4,420,521</b>
<b>Cash paid for:</b>		
Compensation and benefits	(4,593,471)	(4,151,136)
Operations and maintenance	(1,187,008)	(958,717)
	<b>(5,780,479)</b>	<b>(5,109,853)</b>
<b>Cash provided by operating transactions</b>	<b>325,320</b>	<b>(689,332)</b>
<b>Investing transaction</b>		
Restricted cash	-	54,421
Temporary investments	-	(21)
<b>Cash used for investing transactions</b>	<b>-</b>	<b>54,400</b>
<b>Change in cash position</b>	<b>325,320</b>	<b>(634,932)</b>
<b>Cash, beginning of year</b>	<b>80,535</b>	<b>715,467</b>
<b>Cash, end of year</b>	<b>\$ 405,855</b>	<b>\$ 80,535</b>

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Notes to Financial Statements

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June 30, 2012

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**1. 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) Temporary investments**

Temporary investments are recorded at the lower of cost or net realizable value.

**(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.

June 30, 2012

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**1. Accounting Policies (continued)**

**(d) 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 is 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.

The Commission is economically dependent on the GNWT to provide funding for continued operations.

**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 fees**

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 amount can be reasonably estimated.

**(e) 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.

**(f) Tangible capital assets**

The Commission does not carry any tangible capital assets. All tangible capital assets used by the Commission are purchased by and remain the property of the GNWT.

**(g) Non-financial assets**

Non-financial asset are accounted for as assets by the Commission 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 Commission unless they are sold.

**Notes to Financial Statements**

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**June 30, 2012**

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**1. Accounting Policies (continued)**

**(h) Donated goods and services**

The school buildings occupied by the Commission are the property of the GNWT. The lease of the office space occupied by the Commission is paid for by the GNWT. The fair value of the use of the building and office space can not be readily determined and, accordingly, has not been reported in the financial statements.

**(i) Budget data**

Section 117 of the *Education Act* of the Northwest Territories requires that Boards of Education prepare an annual budget.

The final priorities and funding allocations are determined by the Commission Trustees 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 Commission policy, regulations and approved budget procedures. The budget data presented in the financial statements reflect the amended budget for the fiscal year, and therefore, include any amendments that may have been made during the year. The budget has not been audited.

**(j) Use of estimates**

The preparation of these financial statements in conformity with the directives of the Department of Education, Culture and Employment ("the Department"), 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. Impact of the Change in the Basis of Accounting**

These are the Commission's first financial statements prepared in accordance with Canadian public sector accounting standards. The 2011 comparative financial statements include an opening balance sheet as at July 1, 2010 that provides for the impact of the transition. There were no changes required to the comparative balances presented as a result of adoption of these accounting principles.

The rules for transition to Canadian public sector accounting standards require that an enterprise prepare its opening balance sheet using the standards that will be followed thereafter, however, certain elective exemptions from this rule are available. In preparing the opening balance sheet shown above, the Commission used none of the elective exemptions.



**Notes to Financial Statements**

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**June 30, 2012**

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**3. Future Changes in Accounting Policies**

In 2011, Public Sector Accounting Board (PSAB) made several pronouncements which may impact the Commission's financial statements. The pronouncements are as follows:

**Government Transfers – Section PS 3410**

PSAB revised and replaced Section PS 3410 – Government Transfers. The Section applies to fiscal years beginning on or after April 1, 2012 and may be applied retroactively or prospectively. The Commission expects to adopt this standard for the year ending June 30, 2013. The Commission is in the process of evaluating the impact of the transition to these accounting standards.

**Financial Instruments, Section PS 3450 and related amendments to Financial Statement Presentation, Section PS 1201 (previously PS 1200)**

PSAB approved new Section PS 3450, Financial Instruments, and related to Section PS 1201, Financial Statement Presentation. This Section applies for fiscal years beginning on or after April 1, 2012 for government organizations and April 1, 2015 for governments. Earlier adoption is permitted. Governments and government organizations adopt Section PS 3450 in the same fiscal year Section PS 2601, Foreign Currency Translation, is adopted.

The Commission expects to adopt these standards for the year ending June 30, 2013 and is in the process evaluating the impact of the transition on the financial statements.

**Foreign Currency Translation, Section PS 2601**

PSAB approved Section PS 2601, replacing existing Section PS 2600, Foreign Currency Translation. This Section applies for fiscal years beginning on or after April 1, 2012 for government organizations and April 1, 2015 for governments. Earlier adoption is permitted. Governments and government organizations adopt Section PS 2601 in the same fiscal year Section PS 3450, Financial Instruments, is adopted.

The Commission expects to adopt these standards for the year ending June 30, 2013 and is in the process evaluating the impact of the transition on the financial statements.

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

**4. 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).

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**Commission scolaire francophone Territoires du Nord-Ouest****Notes to Financial Statements**

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**June 30, 2012**

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**5. Temporary Investment**

The temporary investment is a prime linked GIC with the Royal Bank of Canada which accrues interest at 0.001%. The investment matures in June 2013 however, it was redeemed in July 2012.

**6. Employee Leave and Termination Benefits**

	<b>2012</b>	2011
Severance liability	\$ 50,108	\$ 21,446
Removal liability	70,476	59,903
	<b>\$ 120,584</b>	<b>\$ 81,349</b>

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**7. Deferred Revenue**

Deferred revenue consists of funding received from the Programme d'appui aux droits linguistiques / Language Rights Support Program of Canada for expenditures not yet incurred.

**8. Commitments**

The Commission is committed to a photocopier lease agreement. The lease agreement is with IOS Financial Services and expires in 2014.

The Commission is committed to two photocopier lease agreements. The lease agreements are with Xerox and expire in 2016.

The Commission is committed to a busing services agreement. The agreement is with Cardinal Coach Lines Ltd. and expires in 2015.

	<b>Expires in fiscal year</b>	<b>2013</b>	<b>2014 - 2016</b>	<b>Total</b>
<b>Equipment leases</b>				
Xerox WC5755 Printer	2016	\$ 3,285	\$ 9,856	\$ 13,141
Afcio MP C4000	2014	10,140	10,140	20,280
Xerox WC7125	2016	1,259	3,776	5,035
		<b>14,684</b>	39,700	54,384
<b>Operation contracts</b>				
Bus Services	2015	30,000	60,000	90,000
		<b>\$ 44,684</b>	<b>\$ 83,772</b>	<b>\$ 128,456</b>

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**Notes to Financial Statements**

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June 30, 2012

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**9. Contingencies**

In early June 2012, a judgment 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 enroll students in both schools, and in a second legal action brought against the GNWT by the 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) Surplus 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.

	<b>2012</b>	2011
Accumulated deficit	\$ (128,482)	\$ (47,998)
Accrual for leave and termination benefits	120,584	81,349
	<b>\$ (7,898)</b>	<b>\$ 33,351</b>

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**11. Comparative Figures**

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

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 1 - Details of Expenses

For the year ended June 30 2012

	School Programs	Inclusive Schooling	Operation & Maintenance	Administration	Aboriginal Languages	Total
<b>Salaries</b>						
Teachers salaries	\$ 2,761,813	\$ 292,818	\$ -	\$ -	\$ 32,065	\$ 3,086,696
Instruction assistants	223,039	334,120	-	-	-	557,159
Non-instructional staff	375,421	101,403	-	398,506	-	875,330
Board/trustee honorarium	-	-	-	27,833	26,108	53,941
	<b>3,360,273</b>	<b>728,341</b>	<b>-</b>	<b>426,339</b>	<b>58,173</b>	<b>4,573,126</b>
<b>Employee benefits</b>						
Employee benefits	-	-	14,979	-	-	14,979
Leave and termination benefits	-	-	48,446	-	-	48,446
	<b>-</b>	<b>-</b>	<b>63,425</b>	<b>-</b>	<b>-</b>	<b>63,425</b>
<b>Services purchased</b>						
Advertising/printing	-	-	26,140	9,576	-	35,716
Communications	12,779	215	-	12,858	-	25,852
Contracted services	52,800	14,401	-	257,559	-	324,760
Maintenance/repair	11,217	-	-	-	-	11,217
Other	51,067	21,579	-	16,270	-	88,916
Rental/leases	60,242	-	-	27,326	-	87,568
Student travel	59,675	-	-	-	-	59,675
Travel	11,469	42,507	-	34,613	11,493	100,082
Utilities	-	-	54,695	-	-	54,695
	<b>259,249</b>	<b>78,702</b>	<b>80,835</b>	<b>358,202</b>	<b>11,493</b>	<b>788,481</b>
<b>Supplies and materials</b>						
Freight	637	2,606	-	800	-	4,043
Materials	217,524	28,504	-	28,714	11,751	286,493
	<b>218,161</b>	<b>31,110</b>	<b>-</b>	<b>29,514</b>	<b>11,751</b>	<b>290,536</b>
	<b>\$ 3,837,683</b>	<b>\$ 838,153</b>	<b>\$ 144,260</b>	<b>\$ 814,055</b>	<b>\$ 81,417</b>	<b>\$ 5,715,568</b>

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Commission scolaire francophone Territoires du Nord-Ouest

Schedule 2 - Details of Inclusive Schooling Expenses

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For the year ended June 30 2012

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	Staff Development	Student Resources	General Inclusive Schooling	Total
<b>Function Salaries</b>				
Consultants	\$ -	\$ -	\$ 101,403	\$ 101,403
Program support teachers	-	-	292,818	292,818
Supportive assistants	-	-	334,120	334,120
	-	-	<b>728,341</b>	<b>728,341</b>
<b>Services Purchased/Contracted</b>				
Other contracted	14,401	-	215	14,616
Travel	21,579	-	42,507	64,086
	<b>35,980</b>	-	<b>42,722</b>	<b>78,702</b>
<b>Materials/Supplies/Freight</b>				
Freight	-	-	2,606	2,606
Materials	-	28,504	-	28,504
	-	<b>28,504</b>	<b>2,606</b>	<b>31,110</b>
	<b>\$ 35,980</b>	<b>\$ 28,504</b>	<b>\$ 773,669</b>	<b>\$ 838,153</b>

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Commission scolaire francophone Territoires du Nord-Ouest

**Schedule 3 - Details of Aboriginal Language and Culture Expenses**

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For the year ended June 30 2012

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	Student Instructions	School Activities & Integrated Community Programs	Total
<b>Function Salaries</b>			
ALCBE teachers	\$ 32,065	\$ -	\$ 32,065
Honoraria	-	26,108	26,108
	<b>32,065</b>	<b>26,108</b>	<b>58,173</b>
<b>Services Purchased/Contracted</b>			
Travel	-	11,493	11,493
<b>Materials/Supplies/Freight</b>			
Materials	-	11,751	11,751
	<b>\$ 32,065</b>	<b>\$ 49,352</b>	<b>\$ 81,417</b>

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Commission scolaire francophone Territoires du Nord-Ouest

Schedule 4 - French Language Funding

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For the year ended June 30 2012

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	Contributions from GNWT	Commitments from Commission	Expenditures	(Under) Over Funding
2 grade level per class (salary)	\$ 250,350	\$ 1,537,859	\$ 2,606,035	\$ (817,826)
2 secretaries / librarian (salary)	117,500	39,155	163,012	(6,357)
Assistant-superintendent pedagogy (O&M)	40,000	-	32,420	7,580
Assistant-superintendent pedagogy (salary)	115,000	15,000	187,225	(57,225)
Cultural activities	40,000	-	38,677	1,323
Cyber pedagogy (salary)	115,000	-	124,755	(9,755)
French resource purchase	10,000	25,000	34,623	377
Music projects (ÉASC)	30,000	-	42,096	(12,096)
Partnership early childhood	30,000	-	29,583	417
Professional development	10,000	48,000	35,011	22,989
Retention bursaries	3,500	-	5,250	(1,750)
School administration (salary)	231,500	-	320,286	(88,786)
Teacher assistants for francisation (salary)	120,000	60,000	179,011	989
Technology resources	40,000	30,000	70,535	(535)
<b>Total</b>	<b>\$ 1,152,850</b>	<b>\$ 1,755,014</b>	<b>\$ 3,868,519</b>	<b>\$ (960,655)</b>
<hr/>				
<b>Regular GNWT Funding</b>				
<b>Total</b>	<b>\$ 4,256,518</b>			

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**Commission scolaire francophone Territoires du Nord-Ouest**

**Schedule 5 - Student Success Initiative**

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**For the year ended June 30 2012**

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	<b>Total</b>
<b>Revenue</b>	<b>\$ 37,000</b>
<b>Expenditures</b>	
<b>Salaries/Wages</b>	
Facilitator fees	26,053
<b>Travel</b>	
Facilitator travel	8,346
<b>Workshop expense</b>	
Material	5,327
<b>Total Expenditures</b>	<b>39,726</b>
<b>Deficit</b>	<b>\$ (2,726)</b>

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Commission scolaire francophone Territoires du Nord-Ouest

Schedule 6 - Infrastructure Revenues and Expenses

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For the year ended June 30 2012

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	Total
<b>Personnel Infrastructure Contributions</b>	<b>\$ 64,913</b>
<b>Expenses</b>	
Removal in/transfer	48,446
Staff advertising	26,140
WCB premiums	14,979
	<b>89,565</b>
<b>Personnel infrastructure net</b>	<b>(24,652)</b>
<b>Utilities &amp; Leases Infrastructure Contributions</b>	<b>105,618</b>
<b>Expenses</b>	
Leases	10,005
Other	28,861
Maintenance	35,771
	<b>74,637</b>
<b>Utilities &amp; leases infrastructure net</b>	<b>30,981</b>
<b>Surplus</b>	<b>\$ 6,329</b>

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Consolidated Financial Statements of

**DEHCHO DIVISIONAL  
EDUCATION COUNCIL**

June 30, 2012

# DEHCHO DIVISIONAL EDUCATION COUNCIL

## Consolidated Financial Statements

June 30, 2012

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## AUDITORS' REPORT

### To the Minister of Education, Culture and Employment of the Government of the Northwest Territories:

We have audited the consolidated financial statements of the Dehcho Divisional Education Council, which comprise the consolidated statement of financial position as at June 30, 2012, 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 to expenditure, liabilities or accumulated surplus.

**Audit Report to the Minister of Education, Culture and Employment of the Government of the Northwest Territories (continued)**

Qualified Opinion

In our opinion, except for the effect of adjustments, if any, which might have been determined to be necessary had we been able to do a complete payroll audit, these consolidated financial statements present fairly, in all material respects, the financial position of the Council as at June 30, 2012 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 20, 2012

# DEHCHO DIVISIONAL EDUCATION COUNCIL

## Consolidated Statement of Operations

For the year ended June 30, 2012

	Budget 2011-2012	Actual 2011-2012	Actual 2010-2011
<b>Revenue</b>			
Government of the NWT, Note 7			
Regular contribution	\$ 13,959,778	\$ 14,602,997	\$ 13,194,152
Other ECE contributions, Note 10	73,000	123,000	123,000
Other contributions, Note 9	-	337,933	452,957
	<u>14,032,778</u>	<u>15,063,930</u>	<u>13,770,109</u>
<b>Self-Generated Funds</b>			
Rentals	36,000	28,600	30,600
Investment income	15,000	17,979	21,897
Contract and other	115,000	151,482	79,171
	<u>166,000</u>	<u>198,061</u>	<u>131,668</u>
<b>Education authority generated funds</b>	-	441,835	227,506
	<u>14,198,778</u>	<u>15,703,826</u>	<u>14,129,283</u>
<b>Expenditure (Schedule C)</b>			
Council administration	994,663	1,146,201	1,083,265
School programs	8,642,184	9,530,804	8,857,644
Inclusive schooling	2,731,213	2,589,230	2,582,365
Student accommodation	-	299,350	227,211
Operations and maintenance	761,279	720,548	768,495
Amortization	-	19,380	6,840
Aboriginal languages	1,226,888	1,337,151	1,102,017
	<u>14,356,227</u>	<u>15,642,664</u>	<u>14,627,837</u>
<b>Operating Surplus (Deficit)</b>	<u>\$ (157,449)</u>	<u>\$ 61,162</u>	<u>\$ (498,554)</u>

# DEHCHO DIVISIONAL EDUCATION COUNCIL

## Consolidated Statement of Financial Position

June 30, 2012

	2012	2011
<b>FINANCIAL ASSETS</b>		
Cash and short term investments	\$ 2,040,909	\$ 2,047,818
Due from Government of the Northwest Territories	32,450	20,540
Other accounts receivable	24,045	2,615
	<u>\$ 2,097,404</u>	<u>\$ 2,070,973</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 79,856	\$ 147,268
Employee deductions payable	522	1,254
Deferred revenue, Note 11	63,724	92,525
Scholarship fund	11,317	11,195
Accrued Employee Leave and Termination Benefits	1,943,408	1,873,933
	<u>2,098,827</u>	<u>2,126,175</u>
Net Financial Assets (Deficit)	<u>\$ (1,423)</u>	<u>\$ (55,202)</u>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	\$ 46,763	\$ 20,000
Tangible Capital Asset, Note 3	-	19,380
	<u>46,763</u>	<u>39,380</u>
<b>ACCUMULATED SURPLUS (DEFICIT)</b>	<u>\$ 45,340</u>	<u>\$ (15,822)</u>

Approved:

Marie Norwegen Chair

Lisa Moses Vice-chair

# DEHCHO DIVISIONAL EDUCATION COUNCIL

## Consolidated Statement of Accumulated Surplus

For the year ended June 30, 2012

	2011-2012	2010-2011
Accumulated surplus (Deficit), beginning of year		
Divisional Education Council	\$ (300,154)	\$ 304,269
District Education Authorities	284,332	178,463
	(15,822)	482,732
Excess (Deficiency) of revenue over expenditure	61,162	(498,554)
Accumulated surplus (deficit), end of year, Note 6	\$ 45,340	\$ (15,822)
Comprised of:		
Divisional Education Council	\$ (248,413)	\$ (300,154)
District Education Authorities	293,753	284,332
	\$ 45,340	\$ (15,822)



# DEHCHO DIVISIONAL EDUCATION COUNCIL

## Consolidated Statement of Net Financial Resources

For the year ended June 30, 2012

	2011-2012	2010-2011
Net financial resources, beginning of the year		
Divisional Education Council	\$ (339,534)	\$ 257,735
District Education Authorities	284,332	178,463
	(55,202)	436,198
Amortization of tangible capital assets	19,380	6,840
Net change in prepaids	(26,771)	314
Annual surplus (deficit)	61,162	(498,554)
Net financial resources, end of year	\$ (1,431)	\$ (55,202)
Comprised of:		
Divisional Education Council	\$ (295,184)	\$ (339,534)
District Education Authorities	293,753	284,332
	\$ (1,431)	\$ (55,202)

# DEHCHO DIVISIONAL EDUCATION COUNCIL

## Consolidated Statement of Cash Flow

For the year ended June 30, 2012

	2011-2012	2010-2011
<b>Operating Transactions</b>		
<b>Cash received from:</b>		
Government of the Northwest Territories	\$ 14,950,180	\$ 14,224,737
Government of Canada	73,040	-
Recoveries and general revenue	618,588	360,787
	<u>15,641,808</u>	<u>14,585,524</u>
<b>Cash paid for:</b>		
Compensation and benefits	12,671,363	12,311,609
Operations and maintenance	2,977,354	2,382,188
	<u>15,648,717</u>	<u>14,693,797</u>
<b>Cash provided by (used for) operating transactions</b>	<u>(6,909)</u>	<u>(108,273)</u>
Change in cash and cash equivalents during the year	(6,909)	(108,273)
Cash and cash equivalents, beginning of year	2,047,818	2,156,091
Cash and cash equivalents, end of year	<u>\$ 2,040,909</u>	<u>\$ 2,047,818</u>

# DEHCHO DIVISIONAL EDUCATION COUNCIL

## Notes to the Consolidated Financial Statements

June 30, 2012

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### 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, but not yet expended, are recorded as deferred revenue.

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2012

## 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 2012	2011
Automotive equipment	s/l 8 years	\$ 57,000	\$ 57,000	\$ -	\$ 19,380

## 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:

	2011-2012	2010-2011
Non-teacher salaries and benefits	\$ 487,191	\$ 438,487
Teachers' salaries and benefits	494,127	472,798
	\$ 981,318	\$ 911,285

## 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:

	2011-2012	2010-2011
Employee leave	\$ 64,034	\$ 114,112
Employee termination	898,056	848,536
	\$ 962,090	\$ 962,648

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2012

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## 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:

	2011-2012	2010-2011
Accumulated surplus (deficit) as reported in these financial statements	\$ 45,340	\$ (15,822)
Add:		
Employee termination benefits	898,056	848,536
Accrual for summer salaries (classroom assistants)	131,127	106,097
Infrastructure deficit (surplus)	20,007	109,388
Accumulated surplus for Council management purposes	\$ 1,094,530	\$ 1,048,199

## 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. Purchase Order Commitments

At June 30, 2012, the Council had outstanding purchase order commitments for goods and services ordered, but not yet received, totaling \$35,264 (June 30, 2011 - \$11,382).

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2012

## Note 9. Other Revenue

Other GNWT contribution revenue consists of:

	2011-2012	2010-2011
Canadian interactive fund	\$ 73,040	\$ -
MACA Youth Programs	149,834	217,035
Health & Social Services	-	22,500
Student Success	87,824	-
ECE Programs	5,200	137,219
Drop the pop	8,006	6,750
Food First	1,344	50,618
Breakfast for learning	12,685	18,835
	\$ 337,933	\$ 452,957

## Note 10. Other ECE Revenue

Other ECE contribution revenue consists of:

	2011-2012	2010-2011
Aboriginal languages Vote 4	\$ 73,000	\$ 73,000
French language	50,000	50,000
	\$ 123,000	\$ 123,000

## Note 11. Deferred Revenue

	2011-2012	2010-2011
Fort Simpson Playground	\$ 5,000	\$ -
MACA - Wrigley	4,000	-
CTS-SSI Contribution	51,375	71,375
Food First	-	8,446
Breakfast for learning	1,126	8,292
Active after school	2,223	4,412
	\$ 63,724	\$ 92,525

# **DEHCHO DIVISIONAL EDUCATION COUNCIL**

Notes to the Consolidated Financial Statements

June 30, 2012

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## **Note 12. Financial Instruments**

The Council's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, amounts due to and from the Government of the Northwest Territories and accrued employee leave and termination benefits.

It is the opinion of the Council that it is not exposed to significant credit or other risk with respect to its financial instruments. The fair value of these financial instruments approximate their carrying values, except for the long-term portion of accrued employee leave and termination benefits, for which fair value is not readily determinable.

## **Note 13. Comparative Figures**

Certain figures have been reclassified to conform with the presentation used in the current year.

## **Note 14. Budget**

Budget figures are unaudited and are those approved by Council.

# DEHCHO DIVISIONAL EDUCATION COUNCIL

## Schedule A - Infrastructure Costs

For the year ended June 30, 2012

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<b>Personnel</b>	
Revenue	
Funding received, July 1, 2011 - June 30, 2012	\$ 238,835
Expenditure	
Staffing:	
Applicant Travel	37,656
Advertising	565
Employee Benefits:	
Removal in	131,101
Ultimate Removal	34,679
Medical Travel Assistance	-
Workers' Compensation	56,444
	<hr/> 260,445
Surplus June 30, 2012	\$ (21,610)
Revenue	
Funding received, July 1, 2011 - June 30, 2012	\$ 50,000
Expenditure	
Housing:	
Utilities	35,197
Leases	13,200
	<hr/> 48,397
Surplus June 30, 2012	\$ 1,603
Total Surplus(Deficit) June 30, 2012	\$ (20,007)

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# DEHCHO DIVISIONAL EDUCATION COUNCIL

## Schedule B-1 - Specific Program Activities

For the year ended June 30, 2012

	July 1, 2011 to March 31, 2012	April 1, 2012 to June 30, 2012	Total Fiscal Year 2011/2012
<b>Aboriginal Languages Vote 4</b>			
<b>Revenue</b>			
Funding received	\$ 73,000	\$ -	\$ 73,000
Funding received	-	-	-
	<u>73,000</u>	<u>-</u>	<u>73,000</u>
<b>Expenditure</b>			
Salaries	-	4,200	4,200
Other O & M	49,034	37,971	87,005
Deficit of Funding - June 30 Prev yr	53,583	-	-
	<u>102,617</u>	<u>42,171</u>	<u>91,205</u>
Deficit, March 31, 2012	\$ <u>(29,617)</u>		
Deficit, June 30, 2012		\$ <u>(42,171)</u>	\$ <u>(18,205)</u>

# DEHCHO DIVISIONAL EDUCATION COUNCIL

## Schedule B-2 - Specific Program Activities

For the year ended June 30, 2012

### NWT Student Success Initiative

	NWT SSI Funding	NWTTA SSI PD Funding	Total
<i>Education Through Commitment - Bompas &amp; Deh Gah Schools</i>			
Revenue	\$ 55,000	\$ 42,275	\$ 97,275
Expenditure			
Salaries and wages			
Facilitator fees	28,532	16,322	44,854
Student resources	666	29,465	30,131
Camp supplies	-	-	-
Travel	27,516	14,155	41,671
	56,714	59,942	116,656
Surplus (Deficit)	\$ (1,714)	\$ (17,667)	\$ (19,381)

**DEHCHO DIVISIONAL EDUCATION COUNCIL**

Schedule B-3 - Details of Inclusive Schooling Expenditures

For the year ended June 30, 2012

Function	Staff Development	Intervention Strategies	Assistive Technology	Student Resources	Southern Placements	Magnet Facilities	General Inclusive Schooling	Total
<b>Salaries</b>								
Program support teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 891,971	\$ 891,971
Consultants	-	-	-	-	-	-	-	-
Instruction assistants	-	-	-	-	-	-	1,206,373	1,206,373
Non-instructional staff	-	-	-	-	-	-	220,852	220,852
Honoraria	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	2,319,196	2,319,196
<b>Employee Benefits</b>								
Employee benefits and allowances	-	-	-	-	-	-	104,905	104,905
<b>Services Purchased/Contracted</b>								
Professional and technical services	-	-	-	-	-	-	-	-
Travel	12,397	-	-	-	-	-	9,078	21,475
Student transportation	-	-	-	-	-	-	-	-
Advertising, printing and publishing	-	-	-	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-	-	-	-
Rentals and leases	-	-	-	-	-	-	-	-
Other contracted services	-	103,744	-	-	29,293	-	-	133,037
	12,397	103,744	-	-	29,293	-	9,078	154,512
<b>Materials, Supplies and Freight</b>								
Materials	-	-	-	-	-	-	10,491	10,491
Freight	-	-	-	-	-	-	126	126
	-	-	-	-	-	-	10,617	10,617
<b>Total</b>	<b>\$ 12,397</b>	<b>\$ 103,744</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 29,293</b>	<b>\$ -</b>	<b>\$ 2,443,796</b>	<b>\$ 2,589,230</b>

# DEHCHO DIVISIONAL EDUCATION COUNCIL

## Schedule B-4 - Details of Aboriginal Language and Culture-Based Education Expenditures

For the year ended June 30, 2012

	Student Instruction	Teaching/ Learning Resources	Professional Development	School Activities and Integrated Community Programs	Total
<b>Salaries</b>					
ALCBE teachers	\$ -	\$ -	\$ -	\$ -	\$ -
Language consultants	-	-	-	-	-
Instruction assistants	831,868	-	-	-	831,868
Non-instructional staff	-	300,575	-	-	300,575
Honoraria	-	-	-	-	-
	831,868	300,575	-	-	1,132,443
<b>Employee Benefits</b>					
Employee benefits and allowances	23,493	-	-	-	23,493
<b>Services Purchased/Contracted</b>					
Professional services	-	-	-	-	-
Postage and communication	-	144	-	-	144
Travel	-	11,023	-	-	11,023
Student transportation	-	-	-	-	-
Advertising, printing and publishing	-	20,012	-	-	20,012
Maintenance and repairs	-	-	-	-	-
Rentals and leases	-	2,804	-	-	2,804
Other contracted services	-	10,576	-	-	10,576
	-	44,559	-	-	44,559
<b>Materials, Supplies and Freight</b>					
Materials	-	-	-	94,720	94,720
Freight	-	1,863	-	-	1,863
	-	1,863	-	94,720	96,583
<b>Total</b>	<b>\$ 855,361</b>	<b>\$ 346,997</b>	<b>\$ -</b>	<b>\$ 94,720</b>	<b>\$ 1,297,078</b>

# DEHCHO DIVISIONAL EDUCATION COUNCIL

## Schedule B-5 - Specific Program Activities

For the year ended June 30, 2012

	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
<b>French Second Language</b>				
Special projects:				
Core French 1-12 (salary)	\$ 50,000	\$ 50,000	\$ 100,567	\$ (567)

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Schedule C - Details of Council Expenditure (Consolidated)

For the year ended June 30, 2012

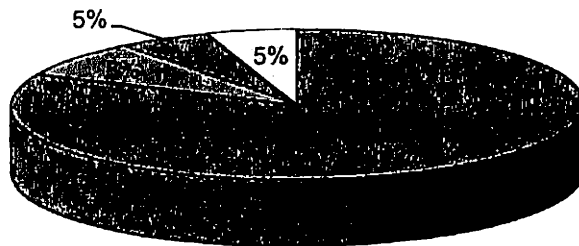
Function	School Programs	Inclusive Schooling	Student Accommodation	Operations and Maintenance	Council Administration	Aboriginal Languages	Fiscal & Transfers	Total
<b>Salaries</b>								
Teachers' salaries	\$ 6,513,872	\$ 891,971	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,405,843
Consultants	-	-	-	-	-	-	-	-
Instruction assistants	-	1,206,373	-	-	-	831,868	-	2,038,241
Non-instructional staff	1,104,979	220,852	-	632,663	716,846	300,575	-	2,975,915
Council/Trustee honorarium	-	-	-	-	20,580	-	-	20,580
	<u>7,618,851</u>	<u>2,319,196</u>	<u>-</u>	<u>632,663</u>	<u>737,426</u>	<u>1,132,443</u>	<u>-</u>	<u>12,440,579</u>
<b>Employee Benefits</b>								
Employee benefits and allowances	162,947	48,779	-	13,090	15,818	23,493	-	264,127
Leave and termination	49,306	56,126	-	-	-	-	-	105,432
	<u>212,253</u>	<u>104,905</u>	<u>-</u>	<u>13,090</u>	<u>15,818</u>	<u>23,493</u>	<u>-</u>	<u>369,559</u>
<b>Services Purchased/Contracted</b>								
Professional services	-	-	-	-	19,496	-	-	19,496
Postage and communication	39,521	-	1,129	-	22,521	144	-	63,315
Utilities	-	-	-	33,931	-	-	-	33,931
Travel	222,151	21,475	26,890	-	93,781	11,023	-	375,320
Student travel (bussing)	165,576	-	-	-	-	-	-	165,576
Advertising, printing and publishing	21,280	-	-	-	2,180	20,012	-	43,472
Maintenance and repair	-	-	-	6,531	21,424	-	-	27,955
Rentals and leases	35,806	-	-	13,200	8,649	2,804	-	60,459
Contracted services	4,534	133,037	233,980	11,926	-	10,576	-	394,053
Other	-	-	-	-	14,485	-	-	14,485
	<u>488,868</u>	<u>154,512</u>	<u>261,999</u>	<u>65,588</u>	<u>182,536</u>	<u>44,559</u>	<u>-</u>	<u>1,198,062</u>
<b>Materials, Supplies and Freight</b>								
Materials	601,755	10,491	36,788	-	53,597	94,720	-	797,351
Freight	28,582	126	563	-	10,088	1,863	-	41,222
	<u>630,337</u>	<u>10,617</u>	<u>37,351</u>	<u>-</u>	<u>63,685</u>	<u>96,583</u>	<u>-</u>	<u>838,573</u>
<b>Amortization</b>								
	-	-	-	-	-	-	19,380	19,380
<b>Local programs, supplies and office</b>								
	580,495	-	-	9,207	146,736	40,073	-	776,511
<b>Total</b>	<b>\$ 9,530,804</b>	<b>\$ 2,589,230</b>	<b>\$ 299,350</b>	<b>\$ 720,548</b>	<b>\$ 1,146,201</b>	<b>\$ 1,337,151</b>	<b>\$ 19,380</b>	<b>\$ 15,642,664</b>

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Graphical Representation of Expenditure

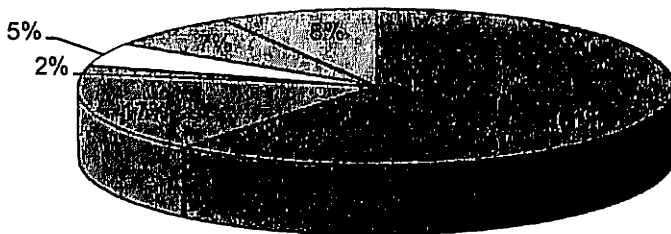
For the year ended June 30, 2012

## 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, 2012

	Fort Simpson	Fort Providence	Fort Liard	Jean Marie River	Wrigley	Nahanni Butte	Trout Lake	Kakisa Lake	Total
<b>Revenue</b>									
Contributions from Divisional Council	\$ 50,882	\$ 49,327	\$ 28,148	\$ 16,055	\$ 18,865	\$ 17,582	\$ 16,731	\$ 15,839	\$ 213,429
Other	210,003	377,748	36,425	7,638	691	7,000	6,742	5,350	651,597
	<u>260,885</u>	<u>427,075</u>	<u>64,573</u>	<u>23,693</u>	<u>19,556</u>	<u>24,582</u>	<u>23,473</u>	<u>21,189</u>	<u>865,026</u>
<b>Expenditure</b>									
School programs	286,940	259,622	36,291	21,825	15,536	21,340	11,201	6,834	659,589
Aboriginal languages	-	26,097	7,986	-	2,795	-	3,195	-	40,073
Operations & maintenance	3,312	-	-	-	1,430	-	-	4,465	9,207
Council administration	8,881	88,964	4,290	6,960	6,579	3,485	20,196	7,381	146,736
	<u>299,133</u>	<u>374,683</u>	<u>48,567</u>	<u>28,785</u>	<u>26,340</u>	<u>24,825</u>	<u>34,592</u>	<u>18,680</u>	<u>855,605</u>
Excess (Deficiency) of Revenue over Expenditure	(38,248)	52,392	16,006	(5,092)	(6,784)	(243)	(11,119)	2,509	9,421
Accumulated surplus, beginning of year	174,371	12,047	27,383	32,450	8,229	8,532	14,441	6,879	284,332
Accumulated surplus, end of year	\$ 136,123	\$ 64,439	\$ 43,389	\$ 27,358	\$ 1,445	\$ 8,289	\$ 3,322	\$ 9,388	\$ 293,753
<b>Composition of Ending Accumulated Surplus</b>									
Cash in bank	\$ 136,123	\$ 64,439	\$ 42,251	\$ 27,358	\$ 1,445	\$ 8,289	\$ 3,322	\$ 9,388	\$ 292,615
Accounts Receivable	-	-	1,138	-	-	-	-	-	1,138
	<u>\$ 136,123</u>	<u>\$ 64,439</u>	<u>\$ 43,389</u>	<u>\$ 27,358</u>	<u>\$ 1,445</u>	<u>\$ 8,289</u>	<u>\$ 3,322</u>	<u>\$ 9,388</u>	<u>\$ 293,753</u>



# DEHCHO DIVISIONAL EDUCATION COUNCIL

Schedule D-2 - Details of DEA Expenditures (Summary)

For the year ended June 30, 2012

Function	School Programs	Operations and Maintenance	Council Administration	Aboriginal Languages	Total
<b>Salaries</b>					
Teachers' salaries	\$ -	\$ -	\$ -	\$ -	-
Instruction assistant	12,006	-	-	-	12,006
Non-instructional staff	-	9,127	21,725	-	30,852
Council/Trustee honorarium	-	-	102,193	-	102,193
	12,006	9,127	123,918	-	145,051
<b>Employee Benefits</b>					
Employee benefits and allowances	2,761	-	2,235	-	4,996
Leave and termination	-	-	-	-	-
	2,761	-	2,235	-	4,996
<b>Services Purchased/Contracted</b>					
Professional services	-	-	1,280	-	1,280
Postage and communication	-	-	-	-	-
Utilities	-	-	-	-	-
Travel	-	-	-	-	-
Student travel	50,471	-	-	-	50,471
Advertising, printing and publishing	-	-	-	-	-
Maintenance and repair	-	-	-	-	-
Rentals and leases	13,400	-	-	-	13,400
Other	13,262	80	9,070	3,195	25,607
Contracted services	6,213	-	-	-	6,213
	83,346	80	10,350	3,195	96,971
<b>Materials, Supplies and Freight</b>					
Materials	95,561	-	7,252	-	102,813
Freight	-	-	-	-	-
	95,561	-	7,252	-	102,813
<b>Local programs, supplies and office</b>					
	465,915	-	2,981	36,878	505,774
<b>Total</b>	<b>\$ 659,589</b>	<b>\$ 9,207</b>	<b>\$ 146,736</b>	<b>\$ 40,073</b>	<b>\$ 855,605</b>

# FORT SIMPSON

District Education Authority  
Statement of Revenues and Expenses

For the year ended June 30, 2012

	Current Year Budget	Current Year Actual	Prior Year Actual
<b>Revenue</b>			
Contributions from Divisional Council	\$ 50,882	\$ 50,882	\$ 50,607
Other	124,369	210,003	224,141
	<u>175,251</u>	<u>260,885</u>	<u>274,748</u>
<b>Expenditure</b>			
School programs	159,200	286,940	149,814
Operations and maintenance	-	3,312	2,970
Council administration	16,000	8,881	12,280
	<u>175,200</u>	<u>299,133</u>	<u>165,064</u>
Excess (Deficiency) of Revenue over Expenditure	51	(38,248)	109,683
Accumulated surplus, beginning of year	-	174,371	64,688
Accumulated surplus (Deficit), end of year	\$ 51	\$ 136,123	\$ 174,371
<b>Composition of Ending Accumulated Surplus (Deficit)</b>			
Cash in bank		\$ 136,123	\$ 174,371

# FORT SIMPSON DISTRICT EDUCATION AUTHORITY

Details of DEA Expenditure

For the year ended June 30, 2012

Function	School Programs	Operations and Maintenance	Council Administration	Aboriginal Languages	Total
<b>Salaries</b>					
Teachers' salaries	\$ -	\$ -	\$ -	\$ -	-
Instruction assistant	-	-	-	-	-
Non-instructional staff	-	3,312	-	-	3,312
Council/Trustee honorarium	-	-	2,403	-	2,403
	-	3,312	2,403	-	5,715
<b>Employee Benefits</b>					
Employee benefits and allowances	-	-	-	-	-
Leave and termination	-	-	-	-	-
	-	-	-	-	-
<b>Services Purchased/Contracted</b>					
Professional services	-	-	-	-	-
Postage and communication	-	-	-	-	-
Utilities	-	-	-	-	-
Travel	-	-	-	-	-
Student travel	48,551	-	-	-	48,551
Advertising, printing and publishing	-	-	-	-	-
Maintenance and repair	-	-	-	-	-
Rentals and leases	-	-	-	-	-
Other	-	-	-	-	-
Contracted services	-	-	-	-	-
	48,551	-	-	-	48,551
<b>Materials, Supplies and Freight</b>					
Materials	83,448	-	6,478	-	89,926
Freight	-	-	-	-	-
	83,448	-	6,478	-	89,926
Local programs, supplies and office	154,941	-	-	-	154,941
<b>Total</b>	<b>\$ 286,940</b>	<b>\$ 3,312</b>	<b>\$ 8,881</b>	<b>\$ -</b>	<b>299,133</b>

# FORT PROVIDENCE

## District Education Authority Statement of Revenues and Expenses

For the year ended June 30, 2012

	Current Year Budget	Current Year Actual	Prior Year Actual
<b>Revenue</b>			
Contributions from Divisional Council	\$ 49,327	\$ 49,327	\$ 45,037
Other	175,320	377,748	260,411
	<u>224,647</u>	<u>427,075</u>	<u>305,448</u>
<b>Expenditure</b>			
School programs	182,460	259,622	300,515
Council administration	36,600	88,964	48,945
Aboriginal languages	-	26,097	-
	<u>219,060</u>	<u>374,683</u>	<u>349,460</u>
Excess of Revenue over Expenditure	5,587	52,392	(44,012)
Accumulated surplus, beginning of year	-	12,047	56,059
Accumulated surplus, end of year	\$ 5,587	\$ 64,439	\$ 12,047
<b>Composition of Ending Accumulated Surplus</b>			
Cash in bank		\$ 64,439	\$ (5,587)
Accounts receivable		-	17,634
		<u>\$ 64,439</u>	<u>\$ 12,047</u>

# FORT PROVIDENCE DISTRICT EDUCATION AUTHORITY

Details of DEA Expenditure

For the year ended June 30, 2012

Function	School Programs	Operations and Maintenance	Council Administration	Aboriginal Languages	Total
<b>Salaries</b>					
Teachers' salaries	\$ -	\$ -	\$ -	\$ -	-
Instruction assistant	-	-	-	-	-
Non-instructional staff	-	-	-	-	-
Council/Trustee honorarium	-	-	88,964	-	88,964
	-	-	88,964	-	88,964
<b>Employee Benefits</b>					
Employee benefits and allowances	-	-	-	-	-
Leave and termination	-	-	-	-	-
	-	-	-	-	-
<b>Services Purchased/Contracted</b>					
Professional services	-	-	-	-	-
Postage and communication	-	-	-	-	-
Utilities	-	-	-	-	-
Travel	-	-	-	-	-
Student travel	-	-	-	-	-
Advertising, printing and publishing	-	-	-	-	-
Maintenance and repair	-	-	-	-	-
Rentals and leases	-	-	-	-	-
Other	-	-	-	-	-
Contracted services	-	-	-	-	-
	-	-	-	-	-
<b>Materials, Supplies and Freight</b>					
Materials	-	-	-	-	-
Freight	-	-	-	-	-
	-	-	-	-	-
<b>Local programs, supplies and office</b>	<b>259,622</b>	<b>-</b>	<b>-</b>	<b>26,097</b>	<b>285,719</b>
<b>Total</b>	<b>\$ 259,622</b>	<b>\$ -</b>	<b>88,964</b>	<b>\$ 26,097</b>	<b>\$ 374,683</b>

# FORT LIARD

District Education Authority  
Statement of Revenues and Expenses

For the year ended June 30, 2012

	Current Year Budget	Current Year Actual	Prior Year Actual
<b>Revenue</b>			
Contributions from Divisional Council	\$ 28,148	\$ 28,148	\$ 27,708
Other	8,400	36,425	25,304
	<u>36,548</u>	<u>64,573</u>	<u>53,012</u>
<b>Expenditure</b>			
School programs	55,927	36,291	33,648
Aboriginal languages	-	7,986	-
Council administration	7,000	4,290	5,259
	<u>62,927</u>	<u>48,567</u>	<u>38,907</u>
Excess (Deficiency) of Revenue over Expenditure	(26,379)	16,006	14,105
Accumulated surplus (deficit), beginning of year	-	27,383	13,278
Accumulated surplus (deficit), end of yea	\$ (26,379)	\$ 43,389	\$ 27,383
<b>Composition of Ending Accumulated Surplus (Deficit)</b>			
Cash in bank		\$ 42,251	\$ 25,126
Accounts receivable		1,138	2,257
		<u>\$ 43,389</u>	<u>\$ 27,383</u>

# FORT LIARD DISTRICT EDUCATION AUTHORITY

Details of DEA Expenditure

For the year ended June 30, 2012

Function	School Programs	Operations and Maintenance	Council Administration	Aboriginal Languages	Total
<b>Salaries</b>					
Teachers' salaries	\$ -	\$ -	\$ -	\$ -	-
Instruction assistant	-	-	-	-	-
Non-Instructional staff	-	-	-	-	-
Council/Trustee honorarium	-	-	3,990	-	3,990
	-	-	3,990	-	3,990
<b>Employee Benefits</b>					
Employee benefits and allowances	2,761	-	-	-	2,761
Leave and termination	-	-	-	-	-
	2,761	-	-	-	2,761
<b>Services Purchased/Contracted</b>					
Professional services	-	-	-	-	-
Postage and communication	-	-	-	-	-
Utilities	-	-	-	-	-
Travel	-	-	-	-	-
Student travel	1,920	-	-	-	1,920
Advertising, printing and publishing	-	-	-	-	-
Maintenance and repair	-	-	-	-	-
Rentals and leases	13,000	-	-	-	13,000
Other	5,326	-	300	-	5,626
Contracted services	6,213	-	-	-	6,213
	26,459	-	300	-	26,759
<b>Materials, Supplies and Freight</b>					
Materials	2,830	-	-	-	2,830
Freight	-	-	-	-	-
	2,830	-	-	-	2,830
<b>Local programs, supplies and office</b>	4,241	-	-	7,986	12,227
<b>Total</b>	\$ 36,291	\$ -	\$ 4,290	\$ 7,986	\$ 48,567

# JEAN MARIE RIVER

District Education Authority  
Statement of Revenues and Expenses

For the year ended June 30, 2012

	Current Year Budget	Current Year Actual	Prior Year Actual
<b>Revenue</b>			
Contributions from Divisional Council	\$ 16,055	\$ 16,055	\$ 16,165
Other	-	7,638	9,475
	16,055	23,693	25,640
<b>Expenditure</b>			
School programs	5,105	21,825	14,279
Council administration	10,950	6,960	2,248
	16,055	28,785	16,527
Excess (Deficiency) of Revenue over Expenditure	-	(5,092)	9,113
Accumulated surplus, beginning of year	-	32,450	23,337
Accumulated surplus, end of yea	\$ -	\$ 27,358	\$ 32,450
<b>Composition of Ending Accumulated Surplus</b>			
Cash in bank		\$ 27,358	\$ 32,450



# JEAN MARIE RIVER DISTRICT EDUCATION AUTHORITY

Details of DEA Expenditure

For the year ended June 30, 2012

Function	School Programs	Operations and Maintenance	Council Administration	Aboriginal Languages	Total
<b>Salaries</b>					
Teachers' salaries	\$ -	\$ -	\$ -	\$ -	-
Instruction assistant	-	-	-	-	-
Non-instructional staff	-	-	2,890	-	2,890
Council/Trustee honorarium	-	-	2,740	-	2,740
	-	-	5,630	-	5,630
<b>Employee Benefits</b>					
Employee benefits and allowances	-	-	-	-	-
Leave and termination	-	-	-	-	-
	-	-	-	-	-
<b>Services Purchased/Contracted</b>					
Professional services	-	-	1,280	-	1,280
Postage and communication	-	-	-	-	-
Utilities	-	-	-	-	-
Travel	-	-	-	-	-
Student travel	-	-	-	-	-
Advertising, printing and publishing	-	-	-	-	-
Maintenance and repair	-	-	-	-	-
Rentals and leases	-	-	-	-	-
Other	-	-	50	-	50
Contracted services	-	-	-	-	-
	-	-	1,330	-	1,330
<b>Materials, Supplies and Freight</b>					
Materials	-	-	-	-	-
Freight	-	-	-	-	-
	-	-	-	-	-
Local programs, supplies and office	21,825	-	-	-	21,825
<b>Total</b>	<b>\$ 21,825</b>	<b>\$ -</b>	<b>\$ 6,960</b>	<b>\$ -</b>	<b>28,785</b>

# WRIGLEY

## District Education Authority Statement of Revenues and Expenses

For the year ended June 30, 2012

	Current Year Budget	Current Year Actual	Prior Year Actual
<b>Revenue</b>			
Contributions from Divisional Council	\$ 18,865	\$ 18,865	\$ 19,635
Other	-	691	14,642
	<u>18,865</u>	<u>19,556</u>	<u>34,277</u>
<b>Expenditure</b>			
School programs	9,715	15,536	18,331
Council administration	9,150	6,579	5,749
Operations & maintenance	-	1,430	1,425
Aboriginal languages	-	2,795	-
	<u>18,865</u>	<u>26,340</u>	<u>25,505</u>
Excess (Deficiency) of Revenue over Expenditure	-	(6,784)	8,772
Accumulated surplus (deficit), beginning of year	-	8,229	(543)
Accumulated surplus, end of year	\$ -	\$ 1,445	\$ 8,229
<b>Composition of Ending Accumulated Surplus</b>			
Cash in bank		\$ 1,445	\$ 8,229

# WRIGLEY DISTRICT EDUCATION AUTHORITY

Details of DEA Expenditure

For the year ended June 30, 2012

Function	School Programs	Operations and Maintenance	Council Administration	Aboriginal Languages	Total
<b>Salaries</b>					
Teachers' salaries	\$ -	\$ -	\$ -	\$ -	-
Instruction assistant	12,006	-	-	-	12,006
Non-instructional staff	-	1,350	-	-	1,350
Council/Trustee honorarium	-	-	515	-	515
	12,006	1,350	515	-	13,871
<b>Employee Benefits</b>					
Employee benefits and allowances	-	-	-	-	-
Leave and termination	-	-	-	-	-
	-	-	-	-	-
<b>Services Purchased/Contracted</b>					
Professional services	-	-	-	-	-
Postage and communication	-	-	-	-	-
Utilities	-	-	-	-	-
Travel	-	-	-	-	-
Student travel	-	-	-	-	-
Advertising, printing and publishing	-	-	-	-	-
Maintenance and repair	-	-	-	-	-
Rentals and leases	-	-	-	-	-
Other	2,440	80	5,290	-	7,810
Contracted services	-	-	-	-	-
	2,440	80	5,290	-	7,810
<b>Materials, Supplies and Freight</b>					
Materials	-	-	774	-	774
Freight	-	-	-	-	-
	-	-	774	-	774
Local programs, supplies and office	1,090	-	-	2,795	1,090
<b>Total</b>	<b>\$ 15,536</b>	<b>\$ 1,430</b>	<b>\$ 6,579</b>	<b>\$ 2,795</b>	<b>\$ 26,340</b>

# NAHANNI BUTTE

District Education Authority  
Statement of Revenues and Expenses

For the year ended June 30, 2012

	Current Year Budget	Current Year Actual	Prior Year Actual
<b>Revenue</b>			
Contributions from Divisional Council	\$ 17,582	\$ 17,582	\$ 17,747
Other	-	7,000	-
	<u>17,582</u>	<u>24,582</u>	<u>17,747</u>
<b>Expenditure</b>			
School programs	15,082	21,340	7,775
Council administration	2,500	3,485	4,136
Operations and maintenance	-	-	996
	<u>17,582</u>	<u>24,825</u>	<u>12,907</u>
Excess (Deficiency) of Revenue over Expenditure	-	(243)	4,840
Accumulated surplus, beginning of year		8,532	3,692
Accumulated surplus, end of year	\$ -	\$ 8,289	\$ 8,532
<b>Composition of Ending Accumulated Surplus</b>			
Cash in bank		\$ 8,289	\$ 8,532

# NAHANNI BUTTE DISTRICT EDUCATION AUTHORITY

Details of DEA Expenditure

For the year ended June 30, 2012

Function	School Programs	Operations and Maintenance	Council Administration	Aboriginal Languages	Total
<b>Salaries</b>					
Teachers' salaries	\$ -	\$ -	\$ -	\$ -	-
Instruction assistant	-	-	-	-	-
Non-instructional staff	-	-	-	-	-
Council/Trustee honorarium	-	-	1,632	-	1,632
	-	-	1,632	-	1,632
<b>Employee Benefits</b>					
Employee benefits and allowances	-	-	-	-	-
Leave and termination	-	-	-	-	-
	-	-	-	-	-
<b>Services Purchased/Contracted</b>					
Professional services	-	-	-	-	-
Postage and communication	-	-	-	-	-
Utilities	-	-	-	-	-
Travel	-	-	-	-	-
Student travel	-	-	-	-	-
Advertising, printing and publishing	-	-	-	-	-
Maintenance and repair	-	-	-	-	-
Rentals and leases	400	-	-	-	400
Other	-	-	1,853	-	1,853
Contracted services	-	-	-	-	-
	400	-	1,853	-	2,253
<b>Materials, Supplies and Freight</b>					
Materials	9,283	-	-	-	9,283
Freight	-	-	-	-	-
	9,283	-	-	-	9,283
<b>Local programs, supplies and office</b>	11,657	-	-	-	11,657
<b>Total</b>	\$ 21,340	\$ -	\$ 3,485	\$ -	24,825

# TROUT LAKE

District Education Authority  
Statement of Revenues and Expenses

For the year ended June 30, 2012

	Current Year Budget	Current Year Actual	Prior Year Actual
<b>Revenue</b>			
Contributions from Divisional Council	\$ 16,731	\$ 16,731	\$ 16,621
Other	-	6,742	12,073
	<u>16,731</u>	<u>23,473</u>	<u>28,694</u>
<b>Expenditure</b>			
School programs	5,781	11,201	2,139
Council administration	10,950	20,196	25,744
Aboriginal languages	-	3,195	-
	<u>16,731</u>	<u>34,592</u>	<u>27,883</u>
Excess (Deficiency) of Revenue over Expenditure	-	(11,119)	811
Accumulated surplus, beginning of year	-	14,441	13,630
Accumulated surplus, end of year	\$ -	\$ 3,322	\$ 14,441
<b>Composition of Ending Accumulated Surplus</b>			
Cash in bank		\$ 3,322	\$ 14,441

# TROUT LAKE DISTRICT EDUCATION AUTHORITY

Details of DEA Expenditure

For the year ended June 30, 2012

Function	School Programs	Operations and Maintenance	Council Administration	Aboriginal Languages	Total
<b>Salaries</b>					
Teachers' salaries	\$ -	\$ -	\$ -	\$ -	-
Instruction assistant	-	-	-	-	-
Non-instructional staff	-	-	14,435	-	14,435
Council/Trustee honorarium	-	-	1,949	-	1,949
	-	-	16,384	-	16,384
<b>Employee Benefits</b>					
Employee benefits and allowances	-	-	2,235	-	2,235
Leave and termination	-	-	-	-	-
	-	-	2,235	-	2,235
<b>Services Purchased/Contracted</b>					
Professional services	-	-	-	-	-
Postage and communication	-	-	-	-	-
Utilities	-	-	-	-	-
Travel	-	-	-	-	-
Student travel	-	-	-	-	-
Advertising, printing and publishing	-	-	-	-	-
Maintenance and repair	-	-	-	-	-
Rentals and leases	-	-	-	-	-
Other	5,496	-	1,577	3,195	10,268
Contracted services	-	-	-	-	-
	5,496	-	1,577	3,195	10,268
<b>Materials, Supplies and Freight</b>					
Materials	-	-	-	-	-
Freight	-	-	-	-	-
	-	-	-	-	-
Local programs, supplies and office	5,705	-	-	-	5,705
<b>Total</b>	\$ 11,201	\$ -	\$ 20,196	\$ 3,195	\$ 34,592

# KAKISA LAKE

District Education Authority  
Statement of Revenues and Expenses

For the year ended June 30, 2012

	Current Year Budget	Current Year Actual	Prior Year Actual
<b>Revenue</b>			
Contributions from Divisional Council	\$ 15,839	\$ 15,839	\$ 15,949
Other	-	5,350	10,617
	<u>15,839</u>	<u>21,189</u>	<u>26,566</u>
<b>Expenditure</b>			
School programs	4,889	6,834	14,207
Operations and maintenance	-	4,465	9,632
Council administration	10,950	7,381	175
	<u>\$ 15,839</u>	<u>18,680</u>	<u>24,014</u>
Excess of Revenue over Expenditure	-	2,509	2,552
Accumulated surplus, beginning of year		6,879	4,327
Accumulated surplus, end of year	\$ -	\$ 9,388	\$ 6,879
<b>Composition of Ending Accumulated Surplus</b>			
Cash		\$ 9,388	\$ 6,879



# KAKISA LAKE DISTRICT EDUCATION AUTHORITY

Details of DEA Expenditure

For the year ended June 30, 2012

Function	School Programs	Operations and Maintenance	Council Administration	Aboriginal Languages	Total
<b>Salaries</b>					
Teachers' salaries	\$ -	\$ -	\$ -	\$ -	-
Instruction assistant	-	-	-	-	-
Non-instructional staff	-	4,465	4,400	-	8,865
Council/Trustee honorarium	-	-	-	-	-
	-	4,465	4,400	-	8,865
<b>Employee Benefits</b>					
Employee benefits and allowances	-	-	-	-	-
Leave and termination	-	-	-	-	-
	-	-	-	-	-
<b>Services Purchased/Contracted</b>					
Professional services	-	-	-	-	-
Postage and communication	-	-	-	-	-
Utilities	-	-	-	-	-
Travel	-	-	-	-	-
Student travel	-	-	-	-	-
Advertising, printing and publishing	-	-	-	-	-
Maintenance and repair	-	-	-	-	-
Rentals and leases	-	-	-	-	-
Other	-	-	-	-	-
Contracted services	-	-	-	-	-
	-	-	-	-	-
<b>Materials, Supplies and Freight</b>					
Materials	-	-	-	-	-
Freight	-	-	-	-	-
	-	-	-	-	-
<b>Local programs, supplies and office</b>	<b>6,834</b>	<b>-</b>	<b>2,981</b>	<b>-</b>	<b>9,815</b>
<b>Total</b>	<b>\$ 6,834</b>	<b>\$ 4,465</b>	<b>\$ 7,381</b>	<b>\$ -</b>	<b>18,680</b>

**Dettah District Education Authority**

**Financial Statements**

**June 30, 2012**

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**Dettah District Education Authority****Financial Statements**

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**June 30, 2012** **Page**

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## 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, 2012, 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 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  
MacKay LLP

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P.O. Box 727  
Yellowknife, NT X1A 2N5  
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**mackay.ca**

*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 do a complete payroll audit, these financial statements present fairly, in all material respects, the financial position of the Authority as at June 30, 2012, 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.

*Mackay LLP*

Chartered Accountants

Yellowknife, Northwest Territories  
November 06, 2012

## Dettah District Education Authority

### Statement of Operations

For the year ended June 30,	2012	2012	2011
	Budget (unaudited)	Actual	Actual
<b>Revenues - Schedule 1</b>			
Government of the Northwest Territories - Department of Education Culture and Employment	\$1,283,186	\$1,358,206	\$1,428,351
Other revenue	-	129,887	40,710
	<b>1,283,186</b>	<b>\$1,488,093</b>	\$1,469,061
<b>Expenditures - Schedule 2</b>			
Core administration	70,100	104,057	99,297
School programs	756,767	616,102	562,432
Inclusive schooling	85,000	158,628	21
Maintenance and upgrades	18,200	67,476	35,387
Aboriginal languages	38,600	72,703	51,837
Other - school fees	227,810	523,295	506,437
	<b>\$1,196,477</b>	<b>\$1,542,261</b>	\$1,255,411
<b>Surplus (Deficit)</b>	<b>86,709</b>	<b>(54,168)</b>	213,650
<b>Accumulated surplus, beginning of year</b>	<b>522,718</b>	<b>522,718</b>	309,068
<b>Accumulated surplus, end of year</b>	<b>\$ 609,427</b>	<b>\$ 468,550</b>	\$ 522,718

## Dettah District Education Authority

### Statement of Financial Position

As at,	June 30, 2012	June 30, 2011	July 1, 2010
<b>Financial Assets</b>			
<b>Current</b>			
Cash	\$ 615,460	\$ 642,326	\$ 410,170
Short-term investment (note 5)	28,324	28,254	28,242
Accounts receivable	4,000	-	3,000
	<b>\$ 647,784</b>	<b>\$ 670,580</b>	<b>\$ 441,412</b>
<b>Liabilities</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	\$ 59,855	\$ 60,104	\$ 52,243
Accounts payable - Yellowknife Education District #1	118,619	86,224	71,241
Wages and benefits payable	760	1,534	8,860
	<b>179,234</b>	<b>147,862</b>	<b>132,344</b>
<b>Net Financial Assets and Accumulated Surplus</b>	<b>\$ 468,550</b>	<b>\$ 522,718</b>	<b>\$ 309,068</b>

Approved on behalf of the Authority

\_\_\_\_\_ Chairperson

\_\_\_\_\_ Secretary/Treasurer

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**Dettah District Education Authority****Statement of Changes in Net Financial Resources**

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<b>June 30,</b>	<b>2012</b>	<b>2011</b>
<b>Annual surplus (deficit)</b>	<b>\$ (54,168)</b>	<b>\$ 213,650</b>
<b>Net financial resources, beginning of year</b>	<b>522,718</b>	<b>309,068</b>
<b>Net financial resources, end of year</b>	<b>\$ 468,550</b>	<b>\$ 522,718</b>

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## Dettah District Education Authority

### Statement of Cash Flows

For the year ended June 30,	2012	2011
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Cash received from Government of the Northwest Territories	\$ 1,358,206	\$ 1,428,351
Other revenue	129,887	40,710
	1,488,093	1,469,061
Cash paid for compensation	625,357	457,582
Operations and maintenance	893,603	779,311
Accounts receivable	(4,000)	-
	1,514,960	1,236,893
	<b>(26,867)</b>	232,168
<b>Financing Activities</b>		
Interest earned	71	-
<b>Change in cash position</b>	<b>(26,796)</b>	232,168
<b>Cash position, beginning of year</b>	<b>670,580</b>	438,412
<b>Cash, position, end of year</b>	<b>\$ 643,784</b>	\$ 670,580
<b>Represented by</b>		
Cash	\$ 615,460	\$ 642,326
Short-term investment	28,324	28,254
	<b>\$ 643,784</b>	<b>\$ 670,580</b>

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# Dettah District Education Authority

## Notes to Financial Statements

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June 30, 2012

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### 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.

### 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) Basis of accounting

The basis of accounting refers to the timing of when revenue and expense items are recognized in the *accounts and reported in the financial statements*.

The accrual basis of accounting is used. Under this basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recorded when they are incurred. Revenue received and not spent is deferred where contribution agreements provide for funding to be carried over to subsequent years. If the funding can not be carried forward it is reflected as a repayable contribution.

#### (b) Government of the Northwest Territories - Regular Contributions

The regular contributions from the Government of the Northwest Territories is determined by a funding formula, based on student enrolment and price and volume fluctuation, and is received in monthly installments. The Authority retains surpluses and is responsible for deficits. Any funding requests, over and above those levels provided by the formula, must be first approved by the GNWT.

#### (c) 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.

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## Dettah District Education Authority

### Notes to Financial Statements

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June 30, 2012

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#### 2. Significant Accounting Policies (continued)

##### (d) 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 updated amounts of revenue and expenses during the period. Actual results could differ from those estimates.

##### (e) 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.

The Authority is economically dependent on the GNWT to provide funding for continued operations.

###### **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.

##### (f) 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.

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## Dettah District Education Authority

### Notes to Financial Statements

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June 30, 2012

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#### 3. Impact of the Change in the Basis of Accounting

These are Authority's first financial statements prepared in accordance with Canadian public sector accounting standards. The 2011 comparative financial statements include an opening balance sheet as at July 1, 2010 that provides for the impact of the transition. There were no changes required to the comparative balances presented as a result of adoption of these accounting principles.

The rules for transition to Canadian public sector accounting standards require that a government prepare its opening balance sheet using the standards that will be followed thereafter, however, certain elective exemptions from this rule are available. In preparing the opening balance sheet shown above, the Authority used none of the elective exemptions.

#### 4. Future Changes in Accounting Policies

In 2011, PSAB made several pronouncements which may impact the Authority's financial statements. The pronouncements are as follows:

##### **Government Transfers - Section PS 3410**

PSAB revised and replaced Section PS 3410 - Government Transfers. The Section applies to fiscal years beginning on or after April 1, 2012 and may be applied retroactively or prospectively. The Authority expects to adopt this standard for the year ending June 30, 2013. The Authority is in the process of evaluating the impact of the transition to these accounting standards.

##### **Related Party Transactions, Section PS 4260**

The Public Sector Accounting Board (PSAB) released Section 4260 - disclosures of related party transactions effective for years beginning after January 1, 2012. If adopted the section will require the disclosure of related parties, the relationship of the parties, description and amount of transactions, measurement basis and amounts due to or from related parties. The impact of the transition to these accounting standards has not yet been determined.

##### **Financial Instruments, Section PS 3450 and related amendments to Financial Statement Presentation, Section PS 1201 (previously PS 1200)**

PSAB approved new Section PS 3450, Financial Instruments, and related to Section PS 1201, Financial Statement Presentation. The effective date for Section PS 3450 is April 1, 2012 for government organizations. Earlier adoption is permitted. Governments organizations adopt Section PS 3450 in the same fiscal year Section PS 2601, Foreign Currency Translation, is adopted.

##### **Foreign Currency Translation, Section PS 2601**

PSAB approved Section PS 2601, replacing existing Section PS 2600, Foreign Currency Translation. The effective date for Section PS 2601 is April 1, 2012 for government organizations. Earlier adoption is permitted. Governments organizations adopt Section PS 2601 in the same fiscal year Section PS 3450, Financial Instruments, is adopted.

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## Dettah District Education Authority

### Notes to Financial Statements

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June 30, 2012

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#### 4. Future Changes in Accounting Policies (continued)

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

#### 5. Short-term Investment

The Authority's guaranteed investment certificate is classified as available for sale and 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, 2012.

#### 6. Operating Surplus

Under the block funding agreements the Authority 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 Authority. For management purposes, the Department of Education recalculates surplus as shown below.

	2012	2011
Surplus as reported on balance sheet	\$ 468,550	\$ 522,718

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#### 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. 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, 2012, the line of credit had not been used by the Authority.

#### 9. Comparative Figures

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

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**Dettah District Education Authority**
**Notes to Financial Statements**


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**June 30, 2012**


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**Dettah District Education Authority**
**Schedule 1 - Revenues**


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For the year ended June 30,	2012	2011
Government of the Northwest Territories Education Culture and Employment		
Core funding	\$ 1,340,766	\$ 1,368,252
Small communities & Screen smart	17,439	-
Infrastructure adjustment	-	6,790
	<hr/>	<hr/>
	1,358,205	1,375,042
Active after school	-	7,200
BHP school culture program	-	10,000
Breakfast for learning	-	2,900
Drop the pop	5,838	1,750
Food first	-	5,788
Health promotion	-	1,838
Interest	2,796	159
Miscellaneous	67,754	35,308
Preschool	28,500	-
Renovation funding	25,000	-
Small communities	-	16,000
Together for learning	-	1,500
True sport foundation	-	3,923
Yellowknives Dene First Nation	-	7,653
	<hr/>	<hr/>
	<b>\$ 1,488,093</b>	<b>\$ 1,469,061</b>

# Dettah District Education Authority

## Schedule 2 - Statement of Expenditures

For the year ended June 30,							2012	2011
	School Programs	Operations & Maintenance	Administrative	Aboriginal Languages	Inclusive Schooling	Other	Total	Total
<b>Salaries</b>								
Teachers	\$ 293,699	\$ -	\$ -	\$ 35,003	\$ 106,231	\$ -	\$ 434,933	\$ 327,912
Instructional assistant	8,840	-	-	-	44,795	-	53,635	8,232
YK1 Superintendent	-	-	25,000	-	-	-	25,000	25,000
Non-instructional staff	-	14,558	-	25,290	-	-	39,848	73,292
Board/Trustee honoraria	-	-	24,100	-	-	-	24,100	16,407
School Secretary	30,240	-	5,237	7,602	7,602	-	50,681	8,506
<b>Total Salaries</b>	<b>332,779</b>	<b>14,558</b>	<b>54,337</b>	<b>67,895</b>	<b>158,628</b>	<b>-</b>	<b>628,197</b>	<b>459,349</b>
<b>Employee Benefits</b>								
Employee benefits and allowances	3,586	-	-	-	-	4,575	8,161	16,933
<b>Services Purchased or Contracted</b>								
Office supplies and admin	-	-	10,490	-	-	-	10,490	7,416
Postage and communications	-	-	5,321	-	-	-	5,321	2,240
Student travel and busing	65,689	-	-	-	-	-	65,689	57,723
Maintenance and repairs	-	11,583	-	-	-	-	11,583	8,101
Renovation of computer lab	-	40,199	-	-	-	-	40,199	8,332
Library and guided program	41,754	-	-	-	-	-	41,754	21,729
Lunch / snack program	15,087	-	-	-	-	-	15,087	13,784
Art and physical education	14,290	-	-	-	-	-	14,290	11,839
Staff development	30,510	-	-	-	-	-	30,510	10,235
School fees	-	-	-	-	-	518,719	518,719	506,436
Robotics and technology	11,709	-	-	-	-	-	11,709	17,118
School wide promotions	48,518	-	2,786	-	-	-	51,304	25,858
Accounting and legal	-	-	31,122	-	-	-	31,122	20,858
<b>Total Services Purchased or Contracted</b>	<b>227,557</b>	<b>51,782</b>	<b>49,719</b>	<b>-</b>	<b>-</b>	<b>518,719</b>	<b>847,777</b>	<b>711,669</b>
<b>Materials, Supplies and Freight</b>								
Materials	41,985	1,136	-	4,809	-	-	47,930	33,969
Furniture and equipment	6,013	-	-	-	-	-	6,013	33,356
Freight	4,183	-	-	-	-	-	4,183	135
<b>Total Materials, Supplies, and Freight</b>	<b>52,181</b>	<b>1,136</b>	<b>-</b>	<b>4,809</b>	<b>-</b>	<b>-</b>	<b>58,126</b>	<b>67,460</b>
<b>Total Expenditures</b>	<b>\$ 616,102</b>	<b>\$ 67,476</b>	<b>\$ 104,057</b>	<b>\$ 72,703</b>	<b>\$ 158,628</b>	<b>\$ 523,295</b>	<b>\$ 1,542,261</b>	<b>\$ 1,255,411</b>

**Sahtu Divisional Education Council**

**Consolidated Financial Statements**

**June 30, 2012**



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# Sahtu Divisional Education Council

## Consolidated Financial Statements

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June 30, 2012

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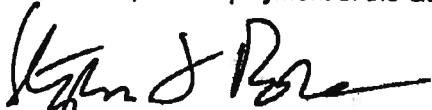
## **Management Responsibility for Financial Reporting**

**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 judgements 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 provided 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.



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Steven Rose  
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, 2012, 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 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 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 (deficit).

## Independent Auditors' Report (Continued)

### Basis of Qualified Opinion (continued)

The council administers accountable advances as described in note 4 (h). At June 30, 2012 the balance of the accountable advance was \$429,903 (2011: \$251,543). 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 Council as at June 30, 2012, 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, 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 material respects, been within the statutory powers of the Council.

Yellowknife, Northwest Territories  
September 18, 2012

*MacKay LLP*  
Chartered Accountants

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**Sahtu Divisional Education Council****Consolidated Statement of Financial Position**

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<b>As at,</b>	<b>June 30, 2012</b>	<b>June 30, 2011</b>	<b>July 1, 2010</b>
<b>Financial Assets</b>			
Cash (Note 6)	\$ 3,916,881	\$ 2,462,913	\$ 2,273,120
Due from the GNWT (Note 7)	179,200	44,387	663,582
Other accounts receivable	118,380	149,799	81,997
	<b>4,214,461</b>	<b>2,657,099</b>	<b>3,018,699</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	1,036,200	108,191	320,911
Accrued salaries (Note 8)	875,797	818,515	944,035
Due to the GNWT (Note 9)	-	35,500	-
Deferred revenue	-	-	311,370
Employee leave and termination benefits (Note 10)	1,450,360	1,472,503	1,359,701
Accountable funds (Note 11)	429,903	251,543	190,778
<b>Total Liabilities</b>	<b>3,792,260</b>	<b>2,686,252</b>	<b>3,126,795</b>
<b>Net Financial Assets (Debt)</b>	<b>422,201</b>	<b>(29,153)</b>	<b>(108,096)</b>

**Non-Financial Assets**

Prepaid expenses	-	4,635	-
<b>Accumulated Surplus (Deficit)</b>	<b>\$ 422,201</b>	<b>\$ (24,518)</b>	<b>\$ (108,096)</b>

**Commitments (Note 12)**

Approved on behalf of the Board:

  
Chairperson  
Supervisor of Business Administration

# Sahtu Divisional Education Council

## Consolidated Statement of Operations

For the year ended June 30,	2012	2012	2011
	(Unaudited) Budget	Actual	Actual
<b>Revenues</b>			
Government of the Northwest Territories			
Regular contribution	\$ 13,184,366	\$ 13,825,002	\$ 12,905,844
Other - HCI / French contribution	58,000	145,190	283,065
Capital contribution	50,000	136,500	386,370
	<b>13,292,366</b>	<b>14,106,692</b>	<b>13,575,279</b>
<b>Council generated funds</b>			
Donations	-	-	5,009
Investment income	10,000	33,072	30,699
Other	-	108,697	100,411
<b>Total Generated Funds</b>	<b>10,000</b>	<b>141,769</b>	<b>136,119</b>
<b>Total revenues</b>	<b>13,302,366</b>	<b>14,248,461</b>	<b>13,711,398</b>
<b>Expenditures (Schedule 1)</b>			
Administration	1,171,369	1,208,902	1,166,506
School programs	8,688,092	8,600,710	8,768,100
Inclusive schooling	1,737,200	2,328,057	2,073,076
Operations and maintenance	356,952	423,865	304,055
Aboriginal languages	1,314,874	1,240,208	1,316,083
	<b>13,268,487</b>	<b>13,801,742</b>	<b>13,627,820</b>
<b>Annual operating surplus</b>	<b>33,879</b>	<b>446,719</b>	<b>83,578</b>
<b>Accumulated surplus (deficit), beginning of year</b>	-	(24,518)	(108,096)
<b>Accumulated surplus (deficit), end of year</b>	<b>\$ -</b>	<b>\$ 422,201</b>	<b>\$ (24,518)</b>

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**Sahtu Divisional Education Council****Consolidated Statement of Changes in Net Financial Resources**

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<b>For the year ended, June 30</b>		<b>2012</b>	<b>2011</b>
	<b>(Unaudited) Budget</b>	<b>Actual</b>	<b>Actual</b>
Annual operating surplus	\$ 33,879	\$ 446,719	\$ 83,578
Change in prepaid expenses	-	4,635	(4,635)
Increase in net financial assets	<b>33,879</b>	<b>451,354</b>	<b>78,943</b>
<b>Net financial debt, beginning of year</b>	<b>(29,153)</b>	<b>(29,153)</b>	<b>(108,096)</b>
<b>Net financial asset (debt), end of year</b>	<b>\$ 4,726</b>	<b>\$ 422,201</b>	<b>\$ (29,153)</b>

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**Sahtu Divisional Education Council****Consolidated Statement of Cash Flows**

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<b>For the year ended June 30,</b>	<b>2012</b>	<b>2011</b>
<b>Operating transactions</b>		
<b>Cash received from:</b>		
Government of the Northwest Territories	\$ 13,932,451	\$ 13,918,604
Recoveries and general revenue	152,898	68,317
Accountable funds	178,360	60,765
	<b>14,263,709</b>	<b>14,047,686</b>
<b>Cash paid for:</b>		
Compensation and benefits	(11,925,605)	(11,523,548)
Operations and maintenance	(871,857)	(2,342,516)
Leave and termination benefits	(10,279)	8,171
	<b>(12,807,741)</b>	<b>(13,857,893)</b>
<b>Change in cash position</b>	<b>1,455,968</b>	<b>189,793</b>
<b>Cash, beginning of year</b>	<b>2,462,913</b>	<b>2,273,120</b>
<b>Cash, end of year</b>	<b>\$ 3,918,881</b>	<b>\$ 2,462,913</b>

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# Sahtu Divisional Education Council

## Notes to Consolidated Financial Statements

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June 30, 2012

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### 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. Impact of the Change in the Basis of Accounting

These are the Council's first consolidated financial statements prepared in accordance with Canadian public sector accounting standards. The 2011 comparative financial statements include an opening balance sheet as at July 1, 2010 that provides for the impact of the transition. There were no changes required to the comparative balances presented as a result of adoption of these accounting principles.

The rules for transition to Canadian public sector accounting standards require that an entity prepare its opening balance sheet using the standards that will be followed thereafter, however, certain elective exemptions from this rule are available. In preparing the opening balance sheet, the Council used none of the elective exemptions.

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# Sahtu Divisional Education Council

## Notes to Consolidated Financial Statements

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June 30, 2012

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### 4. 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 administration'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.

#### (b) Financial Instruments

All significant financial assets, financial liabilities and equity instruments of the Council are either recognized or disclosed in the consolidated 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.

#### (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.

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# Sahtu Divisional Education Council

## Notes to Consolidated Financial Statements

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June 30, 2012

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### 4. Accounting Policies (continued)

#### (f) Leave and Termination Benefits

Under the conditions of employment, employees qualify for annual leave of varying lengths depending on length of service. Annual leave is payable within one fiscal year. Employees also earn retirement and severance remuneration based on number of years of service. Certain employees will also receive assistance with removal costs to return to their point of recruitment. Payment of the removal and termination is dependent on employees leaving the Council and other criteria as outlined in the negotiated collective agreements.

#### (g) Revenue Recognition

##### **GNWT - regular contributions**

The regular contributions from the GNWT is 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.

#### (h) School Funds

Schools in the system administer funds which arise from certain school and student activities. Such funds, although subject to internal review, are not recorded in the accounts or in the consolidated financial statements of the Council as they do not constitute any part of the approved Operating fund surplus (deficit) budget and are available for use at the discretion of each individual school.

#### (i) Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded to reflect the use of the applicable spending appropriations, is employed by the Operating fund surplus (deficit) during the fiscal year to control expenditures. In accordance with Canadian public sector accounting standards; however, encumbrance accounting is not used for recording expenditures for the year. Only the cost of those goods acquired and services received on or before June 30 is recognized as an expenditure in the consolidated financial statements. Encumbrances not converted to expenditures at year-end are charged to the next year's appropriation and are not reflected as either expenditures or liabilities in the consolidated financial statements.

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# Sahtu Divisional Education Council

## Notes to Consolidated Financial Statements

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June 30, 2012

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### 4. Accounting Policies (continued)

#### (j) Budget Data

The *Education Act* of the Northwest Territories requires that Boards of Education prepare an annual budget, as outlined in Section 128 and 129.

The final priorities and funding allocations are determined by the Board of Trustees 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.

#### (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.

#### (l) Use of Estimates

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.

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# Sahtu Divisional Education Council

## Notes to Consolidated Financial Statements

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June 30, 2012

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### 5. Future Changes in Accounting Policies

In 2011, the Public Standards Accounting Board (PSAB) made several pronouncements which may impact the Council's consolidated financial statements. The pronouncements are as follows:

#### **Financial Instruments, Section PS 3450 and related amendments to Financial Statement Presentation, Section PS 1201**

PSAB approved new Section PS 3450, Financial Instruments, and related to Section PS 1201, Financial Statement Presentation. The effective date for Section PS 3450 is April 1, 2012 for government organizations and April 1, 2015 for governments. Earlier adoption is permitted. Governments and government organizations adopt Section PS 3450 in the same fiscal year Section PS 2601, Foreign Currency Translation, is adopted.

#### **Related party Transactions, Section PS 4260**

PSAB released Section 4260 - disclosures of related party transactions by not-for profit organization effective for years beginning after January 1, 2012. If adopted the section will require the disclosure of related parties, the relationship of the parties, description and amount of transactions, measurement basis and amounts due to or from related parties. The impact of the transition to these accounting standards has not yet been determined.

#### **Tax Revenue, Section PS 3510**

PSAB released a Section PS 3510 - Tax Revenue. This new Section establishes recognition, measurement, presentation and disclosure standards relating to tax revenue reported in financial statements.

The main features of the new Section are as follows:

- Tax revenue should be grossed up for transfers made through the tax system.
- Tax revenue should not be grossed up for the amount of tax concessions (that are often referred to as tax expenditures.)
- Tax revenue should be recognized when it is authorized and the taxable event occurs.
- Tax revenue should be recognized by the government that imposes the tax except in flow-through arrangements.
- Guidance is provided for identifying and distinguishing between tax concessions and transfers made through a tax system.

The Section applies to fiscal years beginning on or after April 1, 2012. The impact of the transition to these accounting standards has not yet been determined.

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# Sahtu Divisional Education Council

## Notes to Consolidated Financial Statements

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June 30, 2012

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### 6. Cash

The cash balance of \$3,916,881 (2011 - \$2,462,913) includes \$429,903 (2011 - \$251,543) of amounts held in trust as outlined in Note 11.

### 7. Due from GNWT

	2012	2011
Education, Culture, and Employment	\$ 179,200	\$ 44,387

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### 8. Accrued Salaries

	2012	2011
Summer salary payout accruals	\$ 875,797	\$ 818,515

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Relates to salaries of teachers and classroom assistants who work for 10 months and are paid out over 12 months).

### 9. Due to the GNWT

	2012	2011
Overpayment received relating to regular contributions	\$ -	\$ 35,500

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# Sahtu Divisional Education Council

## Notes to Consolidated Financial Statements

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June 30, 2012

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### 10. 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.

	2012	2011
Annual leave and lieu time	\$ 176,423	\$ 240,248
Retirement and resignation benefits	840,345	830,087
Removal assistance	433,592	402,168
	<b>\$ 1,450,360</b>	<b>\$ 1,472,503</b>

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### 11. Accountable funds

	2012	2011
Colville Lake	\$ 33,927	\$ 2
Deline	43,790	25,165
Fort Good Hope	106,340	77,011
Norman Wells	71,794	46,289
Superintendent's Association	-	88
Tulita	174,052	102,988
	<b>\$ 429,903</b>	<b>\$ 251,543</b>

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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.

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# Sahtu Divisional Education Council

## Notes to Consolidated Financial Statements

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June 30, 2012

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### 12. Commitments

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.

The future minimum contracts payments for the above are as follows:

2013	\$ 106,752
2014	106,752
2015	106,752
2016	106,752
2017	106,752
2018 and thereafter	640,512
	<hr/>
	\$ 1,174,272

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.

### 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:

	2012	2011
Surplus (deficit) per Balance Sheet	\$ 422,201	\$ (24,518)
Retirement, termination, and ultimate removal benefits	827,772	717,939
Infrastructure deficit or surplus	66,913	(28,718)
	<hr/>	
	\$ 1,316,886	\$ 664,703

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 \$1,316,886 exceeds \$663,424 (5% of the approved annual budget of \$13,268,487) by \$653,462.



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# Sahtu Divisional Education Council

## Notes to Consolidated Financial Statements

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June 30, 2012

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### 14. 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 Department of Education, Culture, and Employment - GNWT.

#### b) Fair value

The Council's carrying value of cash and cash equivalents, due from the GNWT, other accounts receivable, accounts payable and accrued liabilities, accrued salaries, employee deductions payable, and employee leave and termination benefits approximates its fair value due to the immediate or short-term maturity of these instruments.

Schedule 1

Sahtu Divisional Education Council

Consolidated Detail of Expenses

For the year ended June 30, 2012

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Transfers & Other	Total
<b>Salary</b>								
Teachers salaries	\$ 6,512,536	\$ 701,515	\$ -	\$ -	\$ -	\$ 1,045,486	\$ -	\$ 8,259,537
Instruction assistants	-	666,182	-	-	-	144,219	-	810,401
Non-instructional staff	906,243	783,548	-	-	695,807	-	-	2,385,598
Board/trustee honoraria	-	-	-	-	22,120	-	-	22,120
	<b>7,418,779</b>	<b>2,151,245</b>	<b>-</b>	<b>-</b>	<b>717,927</b>	<b>1,189,705</b>	<b>-</b>	<b>11,477,656</b>
<b>Employee Benefits</b>								
Employee benefits/allowances	165,150	11,036	-	214,392	11,257	-	-	401,835
Leave and termination benefits	-	-	-	-	94,749	-	-	94,749
	<b>165,150</b>	<b>11,036</b>	<b>-</b>	<b>214,392</b>	<b>106,006</b>	<b>-</b>	<b>-</b>	<b>496,584</b>
<b>Services Purchased/Contracted</b>								
Other	40	77	-	-	2,300	-	-	2,417
Other Contracted services	152,048	-	-	-	-	7,223	-	159,271
Postage/communication	40,871	-	-	-	38,933	-	-	79,804
Professional/technical services	33,035	21,874	-	-	91,680	22,396	-	168,985
Rental/leases	346	-	-	196,748	-	-	-	197,094
Travel	158,026	107,938	-	-	171,431	8,461	-	445,856
Utilities	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-
Heating	-	-	-	-	-	-	-	-
Water/sewage	-	-	-	12,725	-	-	-	12,725
	<b>384,366</b>	<b>129,869</b>	<b>-</b>	<b>209,473</b>	<b>304,344</b>	<b>38,080</b>	<b>-</b>	<b>1,066,152</b>
<b>Materials/Supplies/Freight</b>								
Materials	570,104	34,121	-	-	61,244	10,868	-	676,337
Freight	41,131	1,766	-	-	17,648	1,555	-	62,100
	<b>611,235</b>	<b>35,887</b>	<b>-</b>	<b>-</b>	<b>78,892</b>	<b>12,423</b>	<b>-</b>	<b>738,437</b>
<b>Contributions/Transfers</b>								
Transfers - other	889	-	-	-	-	-	-	889
<b>Debt Services</b>								
Other	20,291	-	-	-	1,733	-	-	22,024
	<b>20,291</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,733</b>	<b>-</b>	<b>-</b>	<b>22,024</b>
<b>Total</b>	<b>\$ 8,600,710</b>	<b>\$ 2,328,057</b>	<b>\$ -</b>	<b>\$ 423,865</b>	<b>\$ 1,208,902</b>	<b>\$ 1,240,208</b>	<b>\$ -</b>	<b>\$ 13,801,742</b>

Schedule 2

Sahtu Divisional Education Council

Detail of Inclusive Schooling Expenses

For the year ended June 30, 2012

	Staff Development	Intervention Strategies	Assistive Technology	Student Resources	Southern Placements	Magnet Facilities	General Inclusive Schooling	Total
<b>Salary</b>								
Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 701,515	\$ 701,515
Instruction assistants	-	666,182	-	-	-	-	-	666,182
Non-instructional staff	-	-	697,358	-	-	-	86,190	783,548
	-	666,182	697,358	-	-	-	787,705	2,151,245
<b>Employee Benefits</b>								
Employee benefits/allowances	11,036	-	-	-	-	-	-	11,036
<b>Services Purchased/Contracted</b>								
Other	77	-	-	-	-	-	-	77
Professional/technical services	-	-	21,874	-	-	-	-	21,874
Travel	107,938	-	-	-	-	-	-	107,938
	108,015	-	21,874	-	-	-	-	129,889
<b>Materials /Supplies/Freight</b>								
Materials	4,734	-	3,377	26,010	-	-	-	34,121
Freight	-	-	1,766	-	-	-	-	1,766
	4,734	-	5,143	26,010	-	-	-	35,887
<b>Total</b>	\$ 123,785	\$ 666,182	\$ 724,375	\$ 26,010	\$ -	\$ -	\$ 787,705	\$ 2,328,057

## Sahtu Divisional Education Council

## Aboriginal Languages

For the year ended June 30, 2012

	July 1, 2011 to March 31, 2012	April 1, 2012 to June 30, 2012	Total
<b>Revenue</b>			
Secretary State Funding	\$ 58,000	\$ -	\$ 58,000
	<b>58,000</b>	<b>-</b>	<b>58,000</b>
<b>Expenses</b>			
Salaries	94,162	-	94,162
Other O&M	7,985	-	7,985
	<b>102,147</b>	<b>-</b>	<b>102,147</b>
<b>Surplus (deficit)</b>	<b>\$ (44,147)</b>	<b>\$ -</b>	<b>\$ (44,147)</b>

## Sahtu Divisional Education Council

**Infrastructure**

For the year ended June 30,

	2012	2011
<b>Personnel Infrastructure</b>		
<b>Revenue</b>		
GNWT - ECE contributions	\$ 176,952	\$ 193,085
	<b>176,952</b>	<b>193,085</b>
<b>Expenses</b>		
Staffing	-	-
Storage	221	-
Employee benefits		
Removal in/transfer	163,466	128,688
WCB premiums	50,705	50,680
	<b>214,392</b>	<b>179,368</b>
<b>Surplus (deficit)</b>	<b>\$ (37,440)</b>	<b>\$ 13,717</b>

**Lease Infrastructure****Revenue**

GNWT - ECE contributions	\$ 180,000	\$ 139,688
	<b>180,000</b>	<b>139,688</b>

**Expenses**

<b>Utilities</b>		
Electricity	-	(1,601)
Water/sewage	12,725	12,017
Leases	196,748	114,271
	<b>209,473</b>	<b>124,687</b>
<b>Surplus (deficit)</b>	<b>\$ (29,473)</b>	<b>\$ 15,001</b>

Schedule 5

Sahtu Divisional Education Council

Aboriginal Language and Culture-based Education Expenses

For the year ended June 30, 2012

	Student Instruction	Teaching/Learning Resources	Professional Development	School activities and integrated Community Programs	Total
<b>Salaries</b>					
ALCBE Teachers	\$ 334,319	\$ -	\$ -	\$ -	\$ 334,319
Language Consultants	495,864	-	-	165,288	661,152
Non-instructional staff	144,219	-	-	-	144,219
	<b>974,402</b>	<b>-</b>	<b>-</b>	<b>165,288</b>	<b>1,139,690</b>
<b>Employee Benefits</b>					
Employee benefits/allowances	-	-	-	-	-
<b>Services Purchased</b>					
Professional/technical services	7,223	-	16,797	-	24,020
Travel	-	-	8,461	-	8,461
	<b>7,223</b>	<b>-</b>	<b>25,258</b>	<b>-</b>	<b>32,481</b>
<b>Supplies and Materials</b>					
Materials	426	8,056	-	-	8,482
Freight	-	1,555	-	-	1,555
	<b>426</b>	<b>9,611</b>	<b>-</b>	<b>-</b>	<b>10,037</b>
<b>Total</b>	<b>\$ 982,051</b>	<b>\$ 9,611</b>	<b>\$ 25,258</b>	<b>\$ 165,288</b>	<b>\$ 1,182,208</b>

Sahtu Divisional Education Council

French Language Programs

For the year ended June 30, 2012

	Contribution	Expenditure	Variance
<b>Bilateral Agreement Funding</b>			
<b>Special Projects</b>			
Consultant - Immersion/Core French	50,000	124,399	(74,399)
<b>Total</b>	<b>\$ 50,000</b>	<b>\$ 124,399</b>	<b>\$ (74,399)</b>
<b>Regular GNWT Funding</b>			
Core French		\$ -	
Immersion Program		-	
<b>Total</b>		<b>\$ -</b>	

## Sahtu Divisional Education Council

## Student Success Initiative Projects

For the year ended June 30, 2012

	Literacy Place	Integrated Technology	Math Makes Sense	Total
<b>Revenue</b>	\$ 38,500	\$ 51,000	\$ 40,000	\$ 129,500
<b>Expenses</b>				
Facilitator fees (instructor salary)	-	-	-	-
Training	5,569	50,411	33,615	89,595
Substitute teacher wages	-	-	-	-
Other	-	-	-	-
<b>Travel</b>				
Teacher travel (air charter & regular schedule travel / accommodations / per diem / hotel)	51,631	1,059	(885)	51,805
<b>Workshop Expenses</b>				
Program material	1,164	(470)	11	705
<b>Total Expenses</b>	<b>58,364</b>	<b>51,000</b>	<b>32,741</b>	<b>142,105</b>
<b>Net Deficit</b>	<b>\$ (19,864)</b>	<b>\$ -</b>	<b>\$ 7,259</b>	<b>\$ (12,605)</b>



## Colville Lake District Education Authority

**Statement of Revenue and Expenditures and Financial Position**

For the year ended June 30,

	2012 Budget	2012 Actual	2011 Actual
<b>Revenues</b>			
Government of the Northwest Territories			
Operating grant	\$ 21,000	\$ 21,000	\$ 21,000
<b>Council generated funds</b>			
<b>Total Generated Funds</b>	-	-	-
<b>Total revenues</b>	<b>21,000</b>	<b>21,000</b>	<b>21,000</b>
<b>Expenses</b>			
Administration	-	37,170	3,900
School programs	21,000	889	31,642
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/culture programs	-	-	-
Other	-	-	-
	<b>21,000</b>	<b>38,059</b>	<b>35,542</b>
<b>Deficit</b>	-	<b>(17,059)</b>	<b>(14,542)</b>
Opening equity	-	<b>16,817</b>	31,359
Closing equity	\$ -	\$ <b>(242)</b>	\$ 16,817
<b>Composition of Closing Equity</b>			
Receivable from (repayable to) SDEC		\$ (242)	\$ 16,817
<b>Surplus (deficit)</b>		<b>\$ (242)</b>	<b>\$ 16,817</b>

Schedule 9

Colville Lake District Education Authority

Detail of Expenditures

For the year ended June 30, 2012

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Transfers & Other	Total
<b>Salary</b>								
Teachers salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instruction assistants	-	-	-	-	-	-	-	-
Non-instructional staff	-	-	-	-	-	-	-	-
Board/trustee honoraria	-	-	-	-	1,413	-	-	1,413
	-	-	-	-	1,413	-	-	1,413
<b>Employee Benefits</b>								
Employee benefits/allowances	-	-	-	-	-	-	-	-
Leave and termination benefits	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Services Purchased/Contracted</b>								
Professional/technical services	-	-	-	-	35,757	-	-	35,757
	-	-	-	-	35,757	-	-	35,757
<b>Materials/Supplies/Freight</b>								
Materials	-	-	-	-	-	-	-	-
Freight	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Contributions/Transfers</b>								
Transfers - other	889	-	-	-	-	-	-	889
Transfers to capital	-	-	-	-	-	-	-	-
	889	-	-	-	-	-	-	889
<b>Debt Services</b>								
	-	-	-	-	-	-	-	-
<b>Total</b>	\$ 889	\$ -	\$ -	\$ -	\$ 37,170	\$ -	\$ -	\$ 38,059

## Deline District Education Authority

**Statement of Revenue and Expenditures and Financial Position**

For the year ended June 30,	2012 Budget	2012 Actual	2011 Actual
<b>Revenues</b>			
Government of the Northwest Territories			
Operating grant	\$ 32,000	\$ 32,000	\$ 32,000
<b>Council generated funds</b>			
<b>Total Generated Funds</b>	-	-	-
<b>Total revenues</b>	<b>32,000</b>	<b>32,000</b>	<b>32,000</b>
<b>Expenditures</b>			
Administration	-	23,104	21,630
School programs	32,000	11,044	13,258
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/culture programs	-	-	-
Other	-	-	-
	<b>32,000</b>	<b>34,148</b>	<b>34,888</b>
<b>Deficit</b>	-	<b>(2,148)</b>	<b>(2,888)</b>
Opening equity	-	<b>(896)</b>	1,992
Closing equity	\$ -	\$ <b>(3,044)</b>	\$ (896)
<b>Composition of Closing Equity</b>			
Receivable from (payable to) SDEC		\$ (3,044)	\$ (896)
<b>Surplus (deficit)</b>		<b>\$ (3,044)</b>	<b>\$ (896)</b>

# Deline District Education Authority

# Schedule 11

## Detail of Expenditures

For the year ended June 30, 2012

	Salary	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Transfers & Other	Total
<b>Salary</b>									
Teachers salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instruction assistants	-	-	-	-	-	-	-	-	-
Non-instructional staff	-	-	-	-	-	20,824	-	-	20,824
Board/trustee honoraria	-	-	-	-	-	1,030	-	-	1,030
						<b>21,854</b>			<b>21,854</b>
<b>Employee Benefits</b>									
Employee benefits/allowances	-	-	-	-	-	-	-	-	-
Leave and termination benefits	-	-	-	-	-	-	-	-	-
<b>Services Purchased/Contracted</b>									
Professional/technical services	-	-	-	-	-	1,250	-	-	1,250
<b>Materials/Supplies/Freight</b>									
Materials	11,044	-	-	-	-	-	-	-	11,044
Freight	-	-	-	-	-	-	-	-	-
<b>Debt Services</b>									
<b>Total</b>	\$ 11,044	\$ -	\$ -	\$ -	\$ -	\$ 23,104	\$ -	\$ -	\$ 34,148

## K'asho Gotine District Education Authority

**Statement of Revenue and Expenditures and Financial Position**

For the year ended June 30,

	2012 Budget	2012 Actual	2011 Actual
<b>Revenues</b>			
Government of the Northwest Territories			
Operating grant	\$ 31,000	\$ 35,500	\$ 31,000
<b>Expenditures</b>			
Administration	-	26,504	24,620
School programs	31,000	1,394	4,647
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/culture programs	-	-	-
Other	-	-	-
	<b>31,000</b>	<b>27,898</b>	<b>29,267</b>
<b>Surplus</b>	-	<b>7,602</b>	<b>1,733</b>
Opening equity	-	<b>1,361</b>	(372)
<b>Closing equity</b>	<b>\$ -</b>	<b>\$ 8,963</b>	<b>\$ 1,361</b>
<b>Composition of Closing Equity</b>			
Receivable from SDEC		\$ 8,963	\$ 1,361
<b>Surplus</b>		<b>\$ 8,963</b>	<b>\$ 1,361</b>

K'asho Gotine District Education Authority

Detail of Expenditures

For the year ended June 30, 2012

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Transfers & Other	Total
<b>Salary</b>								
Teachers salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instruction assistants	-	-	-	-	-	-	-	-
Non-instructional staff	-	-	-	-	18,903	-	-	18,903
Board/trustee honoraria	-	-	-	-	4,647	-	-	4,647
	-	-	-	-	23,550	-	-	23,550
<b>Employee Benefits</b>								
Employee benefits/allowances	-	-	-	-	-	-	-	-
Leave and termination benefits	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Services Purchased/Contracted</b>								
Professional/technical services	-	-	-	-	2,954	-	-	2,954
	-	-	-	-	2,954	-	-	2,954
<b>Materials/Supplies/Freight</b>								
Materials	1,394	-	-	-	-	-	-	1,394
Freight	-	-	-	-	-	-	-	-
	1,394	-	-	-	-	-	-	1,394
<b>Debt Services</b>								
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Total</b>	\$ 1,394	\$ -	\$ -	\$ -	\$ 26,504	\$ -	\$ -	\$ 27,898

## Norman Wells District Education Authority

## Statement of Revenue and Expenditures and Financial Position

For the year ended June 30,

	2012 Budget	2012 Actual	2011 Actual
<b>Revenues</b>			
Government of the Northwest Territories			
Operating grant	\$ 30,000	\$ 30,000	\$ 30,000
<b>Council generated funds</b>			
<b>Total Generated Funds</b>	-	-	-
<b>Total revenues</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>
<b>Expenditures</b>			
Administration	-	34,968	18,408
School programs	30,000	212	11,867
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/culture programs	-	-	-
Other	-	-	-
	<b>30,000</b>	<b>35,180</b>	<b>30,275</b>
<b>Deficit</b>	-	<b>(5,180)</b>	<b>(275)</b>
Opening equity	-	4,334	4,609
Closing equity	\$ -	\$ (846)	\$ 4,334
<b>Composition of Closing Equity</b>			
Receivable from (payable to) SDEC		\$ (846)	\$ 4,334
<b>Surplus (deficit)</b>		<b>\$ (846)</b>	<b>\$ 4,334</b>

Schedule 15

Norman Wells District Education Authority

Detail of Expenditures

For the year ended June 30, 2012

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Transfers & Other	Total
<b>Salary</b>								
Teachers salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instruction assistants	-	-	-	-	-	-	-	-
Non-instructional staff	-	-	-	-	17,749	-	-	17,749
Board/trustee honoraria	-	-	-	-	-	-	-	-
	-	-	-	-	17,749	-	-	17,749
<b>Employee Benefits</b>								
Employee benefits/allowances	-	-	-	-	-	-	-	-
Leave and termination benefits	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Services Purchased/Contracted</b>								
Other	-	-	-	-	2,300	-	-	2,300
Professional/technical services	-	-	-	-	14,919	-	-	14,919
	-	-	-	-	17,219	-	-	17,219
<b>Materials/Supplies/Freight</b>								
Materials	212	-	-	-	-	-	-	212
Freight	-	-	-	-	-	-	-	-
	212	-	-	-	-	-	-	212
<b>Debt Services</b>								
	-	-	-	-	-	-	-	-
<b>Total</b>	\$ 212	\$ -	\$ -	\$ -	\$ 34,968	\$ -	\$ -	\$ 35,180



## Tulita District Education Authority

## Statement of Revenue and Expenditures and Financial Position

For the year ended June 30,

	2012 Budget	2012 Actual	2011 Actual
<b>Revenues</b>			
Government of the Northwest Territories			
Operating grant	\$ 33,000	\$ 33,000	\$ 33,000
Other - HCl / French contribution	-	3,928	-
<b>Total GNWT</b>	<b>33,000</b>	<b>36,928</b>	<b>33,000</b>
<b>Council generated funds</b>			
Donations	-	-	5,009
<b>Total Generated Funds</b>	<b>-</b>	<b>-</b>	<b>5,009</b>
<b>Total revenues</b>	<b>33,000</b>	<b>36,928</b>	<b>38,009</b>
<b>Expenditures</b>			
Administration	-	25,486	21,474
School programs	33,000	27,677	21,375
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/culture programs	-	-	-
Other	-	-	-
	<b>33,000</b>	<b>53,163</b>	<b>42,849</b>
<b>Deficit</b>	<b>-</b>	<b>(16,235)</b>	<b>(4,840)</b>
Opening equity	-	6,465	11,305
Closing equity	\$ -	\$ (9,770)	\$ 6,465
<b>Composition of Closing Equity</b>			
Receivable from (payable to) SDEC		\$ (9,770)	\$ 6,465
<b>Surplus (deficit)</b>		<b>\$ (9,770)</b>	<b>\$ 6,465</b>





**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL**

**FORT SMITH, NT.**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2012**

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**Schedule 1** - Schedule of Consolidated Expenses

**Schedule 2** - Statement of Financial Position - Fort Smith DEA

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**Schedule 14** – Statement of Net Financial Position - Lutsel K'e DEA

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**Schedule 22** – French Language Expenses

**Schedule 23** – Personnel Infrastructure Expenses

**Schedule 24** – Utilities/Leases Infrastructure Expenses

**Schedule 25** – Student Success Initiative Professional Development Expenses

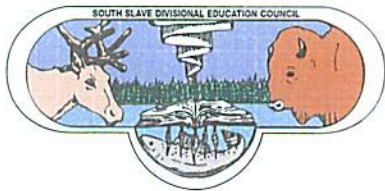
**Schedule 26** – NWT Student Success Initiative Expenses

**Schedule 27** – Inclusive Schooling Expenses

**Schedule 28** – Aboriginal Language and Culture Based Education Expenses

**Schedule 29** – 2011/12 Fund Balances (unaudited)

Graphical Representation of Consolidated Expenses



# Creating Futures

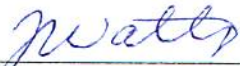
## RESPONSIBILITY FOR FINANCIAL REPORTING

### **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 generally accepted accounting principles. Where necessary the statements include amounts that are based on informed judgments and estimates by management, given reasonable limits of materiality.

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

The auditor annually provides an independent, objective audit for the purposes of expressing an opinion on the consolidated financial statements in accordance with generally accepted auditing standards. The auditor also considers whether transactions that come to their knowledge in the course of this audit are, in all significant respects, in accordance with specified legislation and directives from the Department of Education, Culture and Employment of the Government of the Northwest Territories.

  
James Watts, CMA  
Comptroller - South Slave Divisional Education Council  
Fort Smith, NT.  
September 22, 2012.



**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, 2012 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 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, 2012 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.

## Comparative Information

Without modifying our opinion, we draw attention to Note 3 to the financial statements which describes that the Organization adopted Canadian generally accepted accounting principles for the public sector on July 1, 2011 with a transition date of July 1, 2010. These standards were applied retrospectively by management to the comparative information in these financial statements, including the Statements of Financial Position as at June 30, 2011 and July 1, 2010, and the Statements of Operations and Accumulated Surplus (Deficit), Changes in Net Financial Assets (Debt) and Cash Flows for the year ended June 30, 2011 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

*Avery, Cooper & Co.*

AVERY, COOPER & CO  
Certified General Accountants  
Yellowknife, NT

September 22, 2012

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
as at June 30, 2012**

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b><u>Financial Assets</u></b>			
Cash and Cash Equivalents	\$4,147,818	\$4,049,758	\$3,475,453
Cash Held in Trust	\$77,958	\$79,300	\$80,189
Due from the GNWT	305,397	122,857	470,774
Prepaid Expenses	0	0	0
Other Accounts Receivable	<u>316,178</u>	<u>470,101</u>	<u>324,891</u>
<b>Total Financial Assets</b>	<b><u>\$4,847,351</u></b>	<b><u>\$4,722,016</u></b>	<b><u>\$4,351,307</u></b>
<b><u>Liabilities</u></b>			
Bank Indebtedness	\$0	\$18,029	\$0
Accounts Payable and Accrued Liabilities	183,231	109,504	112,697
Trust Liability	78,991	79,300	80,189
Due to the GNWT (note 5)	105,493	62,722	0
Accrued Payroll & Employee Deductions	1,336,006	1,001,623	958,865
Deferred Revenue (note 11)	161,693	284,321	142,869
Leave & Termination Benefits (note 6)	<u>2,162,310</u>	<u>2,111,953</u>	<u>2,084,933</u>
<b>Total Liabilities</b>	<b><u>\$4,027,724</u></b>	<b><u>\$3,667,452</u></b>	<b><u>\$3,379,553</u></b>
<b>Net Financial Resources</b>	<b><u>\$819,627</u></b>	<b><u>\$1,054,564</u></b>	<b><u>\$971,754</u></b>
<b>Fund Balance</b>	<b><u><u>\$819,627</u></u></b>	<b><u><u>\$1,054,564</u></u></b>	<b><u><u>\$971,754</u></u></b>

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, 2012**

	<u>2012</u>	<u>2011</u>
Annual Surplus/(Deficit)	(\$234,937)	\$82,810
Prior Year Adjustments	<u>0</u>	<u>0</u>
<b>Increase/(Decrease) in Net Financial Resources (Statement III)</b>	<b>(\$234,937)</b>	<b>\$82,810</b>
Opening Net Financial Resources	<u>1,054,564</u>	<u>971,754</u>
Closing Net Financial Resources	<u><u>\$819,627</u></u>	<u><u>\$1,054,564</u></u>

See attached notes and schedules.

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
CONSOLIDATED STATEMENT OF OPERATIONS  
For the Year Ended June 30, 2012**

	(unaudited) <u>2012 Budget</u>	<u>2012 Actual</u>	<u>2011 Actual</u>
<b><u>REVENUES</u></b>			
<b>Government of the NWT</b>			
Regular Contributions	\$25,269,112	\$25,560,273	\$24,805,014
Other Contributions	613,315	991,829	848,585
<b>Total Government of the NWT</b>	<u>\$25,882,427</u>	<u>\$26,552,102</u>	<u>\$25,653,599</u>
<b>Federal Government</b>	<b>\$383,655</b>	<b>\$401,705</b>	<b>\$389,940</b>
<b>Generated Funds</b>			
Investment Income	\$25,000	\$30,960	\$28,449
Non-GNWT Contributions	213,794	185,654	257,733
Donations	-	52,149	-
Other	66,500	234,343	726,698
<b>Total Generated Funds</b>	<u>\$305,294</u>	<u>\$503,106</u>	<u>\$1,012,880</u>
<b>Total Revenues</b>	<u><b>\$26,571,376</b></u>	<u><b>\$27,456,913</b></u>	<u><b>\$27,056,419</b></u>
<b><u>EXPENSES (Schedule 1)</u></b>			
Administration	\$1,602,943	\$1,521,286	\$1,351,849
School Programs	17,070,002	17,984,954	17,984,947
Inclusive Schooling	5,130,178	5,674,874	5,033,518
Distance Learning/Technology	296,000	317,035	280,534
Operations and Maintenance	543,881	279,946	294,256
Aboriginal Language/Cultural Programs	1,910,763	1,913,756	2,028,506
<b>Total Expenses</b>	<u><b>\$26,553,767</b></u>	<u><b>\$27,691,850</b></u>	<u><b>\$26,973,609</b></u>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<u><b>\$17,609</b></u>	<b>(234,937)</b>	<b>82,810</b>
<b>Fund Balance at beginning of year</b>		<u><b>\$1,054,564</b></u>	<u><b>\$971,754</b></u>
<b>Fund Balance at end of year</b>		<u><u><b>\$819,627</b></u></u>	<u><u><b>\$1,054,564</b></u></u>
<b>Composition of Closing Equity</b>			
Cash		\$4,225,776	\$4,129,058
Accounts Receivable		621,575	592,958
Accounts Payable		(4,027,724)	(3,667,452)
		<u><u><b>\$819,627</b></u></u>	<u><u><b>\$1,054,564</b></u></u>

See attached notes and schedules.

## Statement IV

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
CONSOLIDATED STATEMENT OF CASH FLOW  
For the Year Ended June 30, 2012**

	<u>2012</u>	<u>2011</u>
Operating Transactions		
Cash received from:		
Government of the Northwest Territories	\$26,230,157	\$26,123,349
Government of Canada	401,704	389,940
Interest Revenue	30,960	28,449
Recoveries and General Revenue	642,846	858,840
	<u>\$27,305,667</u>	<u>\$27,400,578</u>
Cash Paid For:		
Compensation and Benefits	(\$23,989,611)	(\$23,339,520)
Grants and Contributions	-	-
Operations and Maintenance	(3,201,309)	(3,505,671)
	<u>(\$27,190,920)</u>	<u>(\$26,845,190)</u>
Cash Provided by (Used for) Operating Transactions	<u>\$114,747</u>	<u>\$555,388</u>
Increase/(Decrease) in Cash and Cash Equivalents	<u>\$114,747</u>	<u>\$555,388</u>
Cash and Cash Equivalents at Beginning of Year	\$4,111,029	\$3,555,641
Cash and Cash Equivalents at End of Year	<u>\$4,225,776</u>	<u>\$4,111,029</u>
Represented by:		
Cash and Short Term Investments	\$4,147,818	\$4,049,758
Bank Indebtedness	0	(18,029)
Cash Held in Trust	77,958	79,300
	<u>\$4,225,776</u>	<u>\$4,111,029</u>

See attached notes and schedules.

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2012**

**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 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'atlodecche First Nation, Fort Resolution and Lutsel K'e. 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 GNWT capital funds are the property of the GNWT. 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, they are not shown on the balance sheet. Assets in excess of \$50,000 must be recorded on the Balance Sheet and amortized.

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2012**

c) 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.

d) 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.

e) Budget Data

The *Education Act* of the NWT requires that Boards of Education prepare an annual budget, as outlined in Sections 128 and 129.

The final priorities and funding allocations are determined by the Council at a special meeting called for the purposes of reviewing budget proposals, recommending changes, additions and deletions and adopting the proposed budget. The budget is then legally adopted by a motion of the Council.

This annual budget includes estimates of revenues and expenses. Budgets are considered a management control and planning tool and as such are incorporated in the accounting system of the Council.

The budget may be amended within a given fiscal year in accordance with Council policy, regulations and approved budget procedures. The budget data presented in the financial statements reflects the amended budget for the fiscal year, and therefore, includes any amendments that may have been made during the year.

f) Deferred Revenue.

Deferred revenue consists of funds received in advance of providing the services or acquiring the goods. These amounts will be taken into revenue when the expenses are incurred.

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2012**

g) 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.

h) 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 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). These financial statements are the first financial statements for which the School Board has applied Canadian public sector accounting standards (PSAS). Any accounting changes have been applied retroactively with restatement of prior periods.

As a result of adopting Canadian public sector accounting standards no adjustments were necessary.

**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.



**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2012**

**Note 5. Due to the GNWT**

	<u>2012</u>	<u>2011</u>
Excess funding repayable	\$ 105,493	\$ 55,122
Other payables	<u>0</u>	<u>7,600</u>
	<u>\$ 105,493</u>	<u>\$ 62,722</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>2012</u>	<u>2011</u>
Annual leave and lieu time	\$ 104,096	\$ 160,220
Retirement and resignation benefits	1,424,452	1,324,603
Removal assistance	<u>633,762</u>	<u>627,130</u>
	<u>\$2,162,310</u>	<u>\$2,111,953</u>

**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>2012</u>	<u>2011</u>
Operating fund balance as reported on the consolidated balance sheet	\$ 819,627	\$ 1,054,654
Retirement, termination and ultimate removal benefits	2,058,214	1,951,733
Infrastructure Deficit (net)	<u>0</u>	<u>0</u>
	<u>\$ 2,877,841</u>	<u>\$ 3,006,297</u>

The accumulated management surplus of \$2,877,841 exceeds by \$1,550,153 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 \$26,553,767 which is calculated as \$1,327,688. See also Note 8 which details Council's approved commitments against surplus.

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2012**

**Note 8. Commitments Against Surplus**

The Council currently has approved commitments against its surplus of \$1,044,467 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**

Effective for the year ending June 30, 2008, the Council adopted the new financial instruments standards issued by the Canadian Institute of Chartered Accountants (CICA). The Council's financial instruments consist of cash, accounts receivable, due from the GNWT, accounts payable and accrued liabilities, due to the GNWT, accrued salaries and accrued leave and termination benefits.

All significant financial assets and financial liabilities are either recognized or disclosed in the financial statements together with available information for a reasonable assessment of future cash flows, interest rate risk and credit risk.

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.

**Note 10. 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 2012</u>	<u>2013</u>	<u>2014 onward</u>	<u>Total</u>
Commercial Leases	\$ 154,531	\$ 64,388	\$ 0	\$ 218,919
Equipment Leases	7,342	11,653	23,350	42,345
Operation Leases	<u>10,928</u>	<u>10,928</u>	<u>19,125</u>	<u>40,981</u>
Totals	<u>\$ 172,801</u>	<u>\$ 86,969</u>	<u>\$ 42,475</u>	<u>\$ 302,245</u>

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**June 30, 2012**

**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, 2012 the South Slave Divisional Education Council has deferred revenue in the amount of \$161,693.09 broken down as follows:

	<u>2012</u>	<u>2011</u>
Lutsel K'e CTS/SSI	\$ 13,450.02	\$
Diamond Jenness FF&E		230,000.00
Attendance Research Project		7,202.63
Autism Speaks Funding		3,812.66
Cree Language Books		1,437.03
System PD Training	\$17,288.01	
Math 2,5,8 Resources		529.00
Math 3,6,9 Resources	\$7,368.76	16,970.31
2011 Not Us Campaign		13,369.22
Fort Smith Not Us	\$4,394.90	
Hay River Substance Abuse	\$24,501.00	
Fort Resolution Not Us	\$5,000.00	
Hay River Not Us	\$5,000.00	
Fort Smith Not Us	\$5,000.00	
Federal Aboriginal Language	\$62,000.00	
Trades Awareness	\$10,190.40	
Together for Healthy Learning	<u>\$7,500.00</u>	<u>11,000.00</u>
G/L Balance	<u>\$161,693.09</u>	<u>\$284,320.85</u>

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
CONSOLIDATED SCHEDULE OF EXPENSES  
For the Year Ended June 30, 2012**

	School Programs	Inclusive Schooling	Distance Learning/Tech	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
<b>Salaries</b>								
Teachers	\$13,814,508	\$2,732,724	\$0	\$0	\$0	\$426,113	\$0	\$16,973,345
Instruction Assistants	\$180,598	\$1,747,051	\$0	\$0	\$0	\$1,075,781	\$0	\$3,003,430
Non-Instructional Staff	\$1,984,021	\$553,093	\$253,545	\$0	\$1,132,023	\$0	\$0	\$3,922,682
Board/Trustee Honoraria	\$100	\$850	\$0	\$0	\$37,243	\$14,650	\$0	\$52,843
<b>Employee Benefits</b>								
Employee Benefits/Allowances	\$114,407	\$47,255	\$1,658	\$0	\$4,974	\$14,923	\$0	\$183,217
Leave & Termination Benefits	\$149,138	\$61,601	\$2,161	\$0	\$6,484	\$19,453	\$0	\$238,837
<b>Services Purchased/Contracted</b>								
Professional/Technical Services	\$19,173	\$36,331	\$0	\$50	\$40,595	\$33,420	\$0	\$129,569
Postage/Communication	\$63,626	\$47	\$0	\$0	\$38,097	\$0	\$0	\$101,770
Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Travel	\$241,408	\$169,399	\$26,411	\$0	\$88,641	\$36,832	\$0	\$562,691
Student Travel	\$93,035	\$6,508	\$0	\$0	\$0	\$1,000	\$0	\$100,543
Advertising/Printing/Publishing	\$11,310	\$1,321	\$0	\$16,728	\$12,491	\$39,258	\$0	\$81,108
Maintenance/Repair	\$132	\$0	\$0	\$0	\$24,179	\$0	\$0	\$24,311
Rentals/Leases	\$105,975	\$4,521	\$0	\$154,531	\$31,911	\$2,621	\$0	\$299,560
Contracted Services	\$313,095	\$46,057	\$600	\$3,891	\$400	\$52,855	\$0	\$416,899
<b>Materials/Supplies/Freight</b>								
Materials	\$892,531	\$256,084	\$31,149	\$91,787	\$100,715	\$196,260	\$0	\$1,568,526
Freight	\$1,897	\$12,031	\$1,511	\$12,958	\$3,533	\$590	\$0	\$32,520
<b>Total</b>	<b>\$17,984,954</b>	<b>\$5,674,874</b>	<b>\$317,035</b>	<b>\$279,946</b>	<b>\$1,521,286</b>	<b>\$1,913,756</b>	<b>\$0</b>	<b>\$27,691,850</b>

**FORT SMITH DISTRICT EDUCATION AUTHORITY  
STATEMENT OF FINANCIAL POSITION  
as at June 30, 2012**

	<u>2012</u>	<u>2011</u>
<b><u>Financial Assets</u></b>		
Cash and Cash Equivalents	\$97,592	\$102,617
Cash Held in Trust	77,958	79,300
Other Accounts Receivable (net)	<u>1,112</u>	<u>722</u>
<b>Total Financial Assets</b>	<b><u>\$176,662</u></b>	<b><u>\$182,639</u></b>
<b><u>Liabilities</u></b>		
Accounts Payable & Accrued Liabilities	\$0	\$1,439
Trust Liability	<u>78,991</u>	<u>79,300</u>
<b>Total Liabilities</b>	<b><u>\$78,991</u></b>	<b><u>\$80,739</u></b>
<b>Net Financial Resources</b>	<b><u>\$97,671</u></b>	<b><u>\$101,900</u></b>
<b>Fund Balance</b>	<b><u><u>\$97,671</u></u></b>	<b><u><u>\$101,900</u></u></b>

**FORT SMITH DISTRICT EDUCATION AUTHORITY  
STATEMENT OF OPERATIONS  
For the Year Ended June 30, 2012**

	<u>2012 Budget (unaudited)</u>	<u>2012 Actual</u>	<u>2011 Actual</u>
<b><u>REVENUES</u></b>			
<b>Government of the NWT</b>			
Regular Contributions	\$451,626	\$451,626	\$532,931
Other Contributions	0	274,212	88,915
<b>Total Government of the NWT</b>	<u>\$451,626</u>	<u>\$725,838</u>	<u>\$621,846</u>
<b>Generated Funds</b>			
Investment Income	\$500	\$1,835	\$442
Other	61,000	49,629	63,778
<b>Total Generated Funds</b>	<u>\$61,500</u>	<u>\$51,464</u>	<u>\$64,220</u>
<b>Total Revenues</b>	<u>\$513,126</u>	<u>\$777,301</u>	<u>\$686,066</u>
<b><u>EXPENSES (Schedule 4)</u></b>			
Administration	\$179,394	\$61,973	\$82,651
School Programs	278,644	591,669	441,334
Inclusive Schooling	39,500	27,797	60,075
Student Accommodations	0	0	0
Operations and Maintenance	0	19,646	19,041
Aboriginal Language/Cultural Programs	83,000	80,445	87,406
<b>Total Expenses</b>	<u>\$580,538</u>	<u>\$781,530</u>	<u>\$690,506</u>
<b>Operating Surplu/(Deficit)</b>	<u>(\$67,412)</u>	<u>(\$4,229)</u>	<u>(\$4,440)</u>
<b>Fund Balance at beginning of year</b>		<u>101,900</u>	<u>106,340</u>
<b>Fund Balance at end of year</b>		<u>\$97,671</u>	<u>101,900</u>
<b>Composition of Closing Fund Balance</b>			
Cash		\$175,550	\$181,917
Accounts Receivable		1,112	722
Accounts Payable		(78,991)	(80,739)
		<u>\$97,671</u>	<u>\$101,900</u>

**FORT SMITH DISTRICT EDUCATION AUTHORITY  
SCHEDULE OF EXPENSES  
For the Year Ended June 30, 2012**

	<b>School Programs</b>	<b>Inclusive Schooling</b>	<b>Student Accom.</b>	<b>Operations &amp; Maint.</b>	<b>Admin.</b>	<b>Aboriginal Languages</b>	<b>Fiscal &amp; Transfers</b>	<b>Total</b>
<b>Salaries</b>								
Teachers	\$1,265							\$1,265
Instruction Assistants								\$0
Non-Instructional Staff					\$54,600			\$54,600
Board/Trustee Honoraria								\$0
<b>Employee Benefits</b>								
Employee Benefits/Allowances								\$0
Leave & Termination Benefits								\$0
<b>Services Purchased/Contracted</b>								
Professional/Technical Services								\$0
Postage/Communication	\$27,466				\$3,052			\$30,518
Utilities								\$0
Travel								\$0
Student Travel								\$0
Advertising/Printing/Publishing	\$2,208							\$2,208
Maintenance/Repair	\$132							\$132
Rentals/Leases	\$18,371				\$2,041			\$20,412
Contracted Services	\$126,229							\$126,229
<b>Materials/Supplies/Freight</b>								
Materials	\$415,997	\$27,797		\$19,646	\$2,280	\$80,445		\$546,165
Freight								\$0
<b>Total</b>	<b>\$591,669</b>	<b>\$27,797</b>	<b>\$0</b>	<b>\$19,646</b>	<b>\$61,973</b>	<b>\$80,445</b>	<b>\$0</b>	<b>\$781,530</b>

**HAY RIVER DISTRICT EDUCATION AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION**  
as at June 30, 2012

	<u>2012</u>	<u>2011</u>
<b><u>Financial Assets</u></b>		
Cash and Cash Equivalents	\$237,683	\$159,151
Due from the GNWT	54,032	0
Other Accounts Receivable (net)	<u>0</u>	<u>0</u>
<b>Total Financial Assets</b>	<b><u>\$291,715</u></b>	<b><u>\$159,151</u></b>
<b><u>Liabilities</u></b>		
Accounts Payable & Accrued Liabilities	<u>\$7,727</u>	<u>\$0</u>
<b>Total Liabilities</b>	<b><u>\$7,727</u></b>	<b><u>\$0</u></b>
<b>Net Financial Resources</b>	<b><u>\$283,988</u></b>	<b><u>\$159,151</u></b>
<b>Fund Balance</b>	<b><u><u>\$283,988</u></u></b>	<b><u><u>\$159,151</u></u></b>



**HAY RIVER DISTRICT EDUCATION AUTHORITY  
STATEMENT OF OPERATIONS  
For the Year Ended June 30, 2012**

	<b>2012 Budget (unaudited)</b>	<b><u>2012 Actual</u></b>	<b><u>2011 Actual</u></b>
<b><u>REVENUES</u></b>			
<b>Government of the NWT</b>			
Regular Contributions	\$426,818	\$426,818	\$539,721
Other Contributions	0	554,304	151,500
<b>Total Government of the NWT</b>	<b><u>\$426,818</u></b>	<b><u>\$981,122</u></b>	<b><u>\$691,221</u></b>
<b>Generated Funds</b>			
Investment Income	\$24,500	\$863	\$144
Other	5,500	76,000	119,487
<b>Total Generated Funds</b>	<b><u>\$30,000</u></b>	<b><u>\$76,863</u></b>	<b><u>\$119,631</u></b>
<b>Total Revenues</b>	<b><u>\$456,818</u></b>	<b><u>\$1,057,985</u></b>	<b><u>\$810,852</u></b>
<b><u>EXPENSES (Schedule 7)</u></b>			
Administration	\$110,688	\$119,140	\$109,649
School Programs	300,835	739,931	547,535
Inclusive Schooling	6,000	733	61,861
Student Accommodations	0	0	0
Operations and Maintenance	0	38,955	46,579
Aboriginal Language/Cultural Programs	39,295	34,390	29,241
<b>Total Expenses</b>	<b><u>\$456,818</u></b>	<b><u>\$933,149</u></b>	<b><u>\$794,865</u></b>
<b>Operating Surplus/(Deficit)</b>	<b><u>\$0</u></b>	<b>\$124,836</b>	<b>\$15,987</b>
<b>Fund Balance at beginning of year</b>		<b><u>159,152</u></b>	<b><u>143,165</u></b>
<b>Fund Balance at end of year</b>		<b><u>\$283,988</u></b>	<b><u>\$159,152</u></b>
<b>Composition of Closing Fund Balance</b>			
Cash		\$237,683	\$159,151
Accounts Receivable		54,032	
Accounts Payable		(7,727)	
		<b><u>\$283,988</u></b>	<b><u>\$159,151</u></b>

**HAY RIVER DISTRICT EDUCATION AUTHORITY**  
**SCHEDULE OF EXPENSES**  
For the Year Ended June 30, 2012

School Programs	Inclusive Schooling	Student Accom.	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
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**Salaries**

Teachers							\$0
Instruction Assistants	\$180,598				\$18,108		\$198,706
Non-Instructional Staff				\$103,212			\$103,212
Board/Trustee Honoraria				\$7,830			\$7,830

**Employee Benefits**

Employee Benefits/Allowances							\$0
Leave & Termination Benefits							\$0

**Services Purchased/Contracted**

Professional/Technical Services	\$12,723						\$12,723
Postage/Communication	\$26,416			\$2,424			\$28,840
Utilities							\$0
Travel							\$0
Student Travel	\$2,650						\$2,650
Advertising/Printing/Publishing							\$0
Maintenance/Repair							\$0
Rentals/Leases	\$73,408						\$73,408
Contracted Services	\$159,589						\$159,589

**Materials/Supplies/Freight**

Materials	\$284,547	\$733		\$26,624	\$5,674	\$16,282	\$333,860
Freight				\$12,331			\$12,331

**Total**

<b>\$739,931</b>	<b>\$733</b>	<b>\$0</b>	<b>\$38,955</b>	<b>\$119,140</b>	<b>\$34,390</b>	<b>\$0</b>	<b>\$933,149</b>
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**K'ATLODEECHE FIRST NATIONS DISTRICT EDUCATION AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION**  
as at June 30, 2012

	<u>2012</u>	<u>2011</u>
<b><u>Financial Assets</u></b>		
Cash and Cash Equivalents	\$40,531	\$32,084
Other Accounts Receivable (net)	<u>0</u>	<u>0</u>
<b>Total Financial Assets</b>	<b><u>\$40,531</u></b>	<b><u>\$32,084</u></b>
<b><u>Liabilities</u></b>		
Accounts Payable & Accrued Liabilities	<u>\$927</u>	<u>\$0</u>
<b>Total Liabilities</b>	<b><u>\$927</u></b>	<b><u>\$0</u></b>
<b>Net Financial Resources</b>	<b><u>\$39,604</u></b>	<b><u>\$32,084</u></b>
<b>Fund Balance</b>	<b><u><u>\$39,604</u></u></b>	<b><u><u>\$32,084</u></u></b>

**K'ATLODEECHE FIRST NATIONS DISTRICT EDUCATION AUTHORITY**  
**STATEMENT OF OPERATIONS**  
For the Year Ended June 30, 2012

	<u>2012 Budget</u> <u>(unaudited)</u>	<u>2012 Actual</u>	<u>2011 Actual</u>
<b><u>REVENUES</u></b>			
<b>Government of the NWT</b>			
Regular Contributions	\$49,519	\$49,519	\$89,395
Other Contributions	0	30,736	24,402
<b>Total Government of the NWT</b>	<u>\$49,519</u>	<u>\$80,255</u>	<u>\$113,797</u>
<b>Generated Funds</b>			
Investment Income	\$0	\$15	\$25
Other	0	29,315	43,383
<b>Total Generated Funds</b>	<u>\$0</u>	<u>\$29,330</u>	<u>\$43,408</u>
<b>Total Revenues</b>	<u>\$49,519</u>	<u>\$109,584</u>	<u>\$157,205</u>
<b><u>EXPENSES (Schedule 10)</u></b>			
Administration	\$26,117	\$6,742	\$24,963
School Programs	4,402	75,610	113,843
Inclusive Schooling	0	2,217	1,925
Student Accommodations	0	0	0
Operations and Maintenance	5,000	3,452	7,216
Aboriginal Language/Cultural Programs	14,000	14,043	13,379
<b>Total Expenses</b>	<u>\$49,519</u>	<u>\$102,064</u>	<u>\$161,326</u>
<b>Operating Surplus/(Deficit)</b>	<u>\$0</u>	<u>\$7,520</u>	<u>(\$4,121)</u>
<b>Fund Balance at beginning of year</b>		<u>32,084</u>	<u>36,205</u>
<b>Fund Balance at end of year</b>		<u>\$39,604</u>	<u>\$32,084</u>
<b>Composition of Closing Fund Balance</b>			
Cash		\$40,531	\$32,084
Accounts Payable		(927)	0
		<u>\$39,604</u>	<u>\$32,084</u>

**K'ATLODEECHE FIRST NATIONS DISTRICT EDUCATION AUTHORITY**  
**SCHEDULE OF EXPENSES**  
For the Year Ended June 30, 2012

School Programs	Inclusive Schooling	Student Accom.	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
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**Salaries**

Teachers							\$0
Instruction Assistants					\$8,561		\$8,561
Non-Instructional Staff				\$164			\$164
Board/Trustee Honoraria				\$6,435			\$6,435

**Employee Benefits**

Employee Benefits/Allowances							\$0
Leave & Termination Benefits							\$0

**Services Purchased/Contracted**

Professional/Technical Services							\$0
Postage/Communication	\$3,583						\$3,583
Utilities							\$0
Travel							\$0
Student Travel							\$0
Advertising/Printing/Publishing							\$0
Maintenance/Repair							\$0
Rentals/Leases	\$5,625						\$5,625
Contracted Services			\$1,200				\$1,200

**Materials/Supplies/Freight**

Materials	\$66,403	\$2,217		\$2,252	\$144	\$5,482	\$76,497
Freight							\$0

**Total**

<b>\$75,610</b>	<b>\$2,217</b>	<b>\$0</b>	<b>\$3,452</b>	<b>\$6,742</b>	<b>\$14,043</b>	<b>\$0</b>	<b>\$102,064</b>
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**FORT RESOLUTION DISTRICT EDUCATION AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION**  
as at June 30, 2012

	<u>2012</u>	<u>2011</u>
<b><u>Financial Assets</u></b>		
Cash and Cash Equivalents	\$160,238	\$146,222
Due from GNWT	2,108	13,536
Other Accounts Receivable (net)	<u>0</u>	<u>0</u>
<b>Total Financial Assets</b>	<b><u>\$162,346</u></b>	<b><u>\$159,758</u></b>
<b><u>Liabilities</u></b>		
Accounts Payable & Accrued Liabilities	<u>\$0</u>	<u>\$1,217</u>
<b>Total Liabilities</b>	<b><u>\$0</u></b>	<b><u>\$1,217</u></b>
<b>Net Financial Resources</b>	<b><u>\$162,346</u></b>	<b><u>\$158,541</u></b>
<b>Fund Balance</b>	<b><u><u>\$162,346</u></u></b>	<b><u><u>\$158,541</u></u></b>

**FORT RESOLUTION DISTRICT EDUCATION AUTHORITY  
STATEMENT OF OPERATIONS  
For the Year Ended June 30, 2012**

	<u>2012 Budget (unaudited)</u>	<u>2012 Actual</u>	<u>2011 Actual</u>
<b><u>REVENUES</u></b>			
<b>Government of the NWT</b>			
Regular Contributions	\$82,994	\$82,994	\$89,907
Other Contributions	0	111,274	32,287
<b>Total Government of the NWT</b>	<u>\$82,994</u>	<u>\$194,268</u>	<u>\$122,194</u>
<b>Generated Funds</b>			
Investment Income	\$0	\$92	\$88
Other	0	34,300	126,300
<b>Total Generated Funds</b>	<u>\$0</u>	<u>\$34,392</u>	<u>\$126,388</u>
<b>Total Revenues</b>	<u>\$82,994</u>	<u>\$228,660</u>	<u>\$248,582</u>
<b><u>EXPENSES (Schedule 13)</u></b>			
Administration	\$22,994	\$13,172	\$8,886
School Programs	35,490	147,014	165,855
Inclusive Schooling	0	0	0
Student Accommodations	0	0	0
Operations and Maintenance	0	39,168	34,934
Aboriginal Language/Cultural Programs	24,510	25,501	23,352
<b>Total Expenses</b>	<u>\$82,994</u>	<u>\$224,855</u>	<u>\$233,027</u>
<b>Operating Surplus/(Deficit)</b>	<u>\$0</u>	<u>\$3,805</u>	<u>\$15,555</u>
<b>Fund Balance at beginning of year</b>		<u>158,541</u>	<u>142,986</u>
<b>Fund Balance at end of year</b>		<u>\$162,346</u>	<u>\$158,541</u>
<b>Composition of Closing Fund Balance</b>			
Cash		\$160,238	\$146,222
Accounts Receivable		2,108	13,536
Accounts Payable			(1,217)
		<u>\$162,346</u>	<u>\$158,541</u>

**FORT RESOLUTION DISTRICT EDUCATION AUTHORITY**  
**SCHEDULE OF EXPENSES**  
For the Year Ended June 30, 2012

Schedule 13

School Programs	Inclusive Schooling	Student Accom.	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
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**Salaries**

Teachers  
Instruction Assistants  
Non-Instructional Staff  
Board/Trustee Honoraria

							\$0
							\$0
\$41,071				\$4,700			\$45,771
				\$8,472			\$8,472

**Employee Benefits**

Employee Benefits/Allowances  
Leave & Termination Benefits

							\$0
							\$0

**Services Purchased/Contracted**

Professional/Technical Services  
Postage/Communication  
Utilities  
Travel  
Student Travel  
Advertising/Printing/Publishing  
Maintenance/Repair  
Rentals/Leases  
Contracted Services

							\$0
\$4,613							\$4,613
							\$0
							\$0
\$11,385							\$11,385
							\$0
\$5,700							\$5,700
							\$0

**Materials/Supplies/Freight**

Materials  
Freight

\$84,245			\$39,168		\$25,501		\$148,914
							\$0

**Total**

<b>\$147,014</b>	<b>\$0</b>	<b>\$0</b>	<b>\$39,168</b>	<b>\$13,172</b>	<b>\$25,501</b>	<b>\$0</b>	<b>\$224,855</b>
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**LUTSEL K'E DISTRICT EDUCATION AUTHORITY**  
**STATEMENT OF FINANCIAL POSITION**  
as at June 30, 2012

	<u>2012</u>	<u>2011</u>
<b><u>Financial Assets</u></b>		
Cash and Cash Equivalents	\$69,223	\$0
Other Accounts Receivable (net)	<u>0</u>	<u>0</u>
<b>Total Financial Assets</b>	<b><u>\$69,223</u></b>	<b><u>\$0</u></b>
<b><u>Liabilities</u></b>		
Bank Indebtedness	\$0	\$18,029
Accounts Payable & Accrued Liabilities	<u>120</u>	<u>7,897</u>
<b>Total Liabilities</b>	<b><u>\$120</u></b>	<b><u>\$25,926</u></b>
<b>Net Financial Resources</b>	<b><u>\$69,103</u></b>	<b><u>(\$25,926)</u></b>
<b>Fund Balance</b>	<b><u><u>\$69,103</u></u></b>	<b><u><u>(\$25,926)</u></u></b>

**LUTSEL K'E DISTRICT EDUCATION AUTHORITY  
STATEMENT OF OPERATIONS  
For the Year Ended June 30, 2012**

	<b>2012 Budget (unaudited)</b>	<b><u>2012 Actual</u></b>	<b><u>2011 Actual</u></b>
<b><u>REVENUES</u></b>			
<b>Government of the NWT</b>			
Regular Contributions	\$83,431	\$83,431	\$79,084
Other Contributions	0	9,824	78,000
<b>Total Government of the NWT</b>	<u>\$83,431</u>	<u>\$93,255</u>	<u>\$157,084</u>
<b>Generated Funds</b>			
Investment Income	\$0	\$0	\$0
Donations	\$0	\$52,149	\$0
Other	0	20,418	110,571
<b>Total Generated Funds</b>	<u>\$0</u>	<u>\$72,567</u>	<u>\$110,571</u>
<b>Total Revenues</b>	<u>\$83,431</u>	<u>\$165,823</u>	<u>\$267,655</u>
<b><u>EXPENSES (Schedule 16)</u></b>			
Administration	\$21,750	\$19,005	\$31,006
School Programs	42,605	34,306	152,168
Inclusive Schooling	0	2,794	34,706
Student Accommodations	0	0	0
Operations and Maintenance	0	7,415	17,358
Aboriginal Language/Cultural Programs	18,995	7,275	78,797
<b>Total Expenses</b>	<u>\$83,350</u>	<u>\$70,794</u>	<u>\$314,034</u>
<b>Operating Surplus/(Deficit)</b>	<u>\$81</u>	\$95,029	(\$46,379)
<b>Fund Balance at beginning of year</b>		<u>(25,926)</u>	<u>20,453</u>
<b>Fund Balance at end of year</b>		<u>\$69,103</u>	<u>(\$25,926)</u>
<b>Composition of Closing Fund Balance</b>			
Cash		\$69,223	(\$18,029)
Accounts Payable		(\$120)	(\$7,897)
		<u>\$69,103</u>	<u>(\$25,926)</u>

**LUTSEL K'E DISTRICT EDUCATION AUTHORITY**  
**SCHEDULE OF EXPENSES**  
For the Year Ended June 30, 2012

School Programs	Inclusive Schooling	Student Accom.	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
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**Salaries**

Teachers	\$859						\$859
Instruction Assistants							\$0
Non-Instructional Staff				\$449			\$449
Board/Trustee Honoraria				\$8,256			\$8,256

**Employee Benefits**

Employee Benefits/Allowances							\$0
Leave & Termination Benefits							\$0

**Services Purchased/Contracted**

Professional/Technical Services							\$0
Postage/Communication	\$988			\$2,535			\$3,523
Utilities							\$0
Travel	\$343						\$343
Student Travel					\$1,000		\$1,000
Advertising/Printing/Publishing							\$0
Maintenance/Repair							\$0
Rentals/Leases	\$1,871	\$1,871		\$1,871	\$2,621		\$8,235
Contracted Services	\$2,845		\$2,691	\$400	\$900		\$6,836

**Materials/Supplies/Freight**

Materials	\$25,679	\$530		\$4,097	\$4,691	\$2,268	\$37,265
Freight	\$1,720	\$393		\$627	\$803	\$485	\$4,028

**Total**

<b>\$34,306</b>	<b>\$2,794</b>	<b>\$0</b>	<b>\$7,415</b>	<b>\$19,005</b>	<b>\$7,275</b>	<b>\$0</b>	<b>\$70,794</b>
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**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
as at June 30, 2012**

	<u>2012</u>	<u>2011</u>
<b><u>Financial Assets</u></b>		
Cash and Cash Equivalents	\$3,526,277	\$3,609,377
Due from the GNWT	251,365	122,857
Prepaid Expenses	0	0
Other Accounts Receivable	<u>332,137</u>	<u>461,978</u>
<b>Total Financial Assets</b>	<b><u>\$4,109,779</u></b>	<b><u>\$4,194,212</u></b>
<b><u>Liabilities</u></b>		
<b>Current</b>		
Accounts Payable and Accrued Liabilities	\$177,362	\$104,779
Due to the GNWT	105,493	62,722
Accrued Payroll & Employee Deductions	1,336,007	1,001,623
Deferred Revenue	161,693	284,321
Leave & Termination Benefits	<u>2,162,310</u>	<u>2,111,953</u>
<b>Total Liabilities</b>	<b><u>\$3,942,865</u></b>	<b><u>\$3,565,398</u></b>
<b>Net Financial Resources</b>	<b><u>\$166,914</u></b>	<b><u>\$628,814</u></b>
<b>Accumulated Surplus/(Deficit)</b>	<b><u><u>\$166,914</u></u></b>	<b><u><u>\$628,814</u></u></b>

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL**  
**NON-CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL RESOURCES**  
**For the Year Ended June 30, 2012**

	<u>2012</u>	<u>2011</u>
Annual Surplus/(Deficit) (Schedule 19)	(\$461,900)	\$106,209
Prior Year Adjustments	<u>0</u>	<u>0</u>
<b>Increase/(Decrease) in Net Financial Resources</b>	<b>(\$461,900)</b>	<b>\$106,209</b>
Opening net Financial Resources	<u>628,814</u>	<u>522,605</u>
Closing Net Financial Resources	<u><u>\$166,914</u></u>	<u><u>\$628,814</u></u>

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
NON-CONSOLIDATED STATEMENT OF OPERATIONS  
For the Year Ended June 30, 2012**

	<b>2012 Budget (unaudited)</b>	<b><u>2012 Actual</u></b>	<b><u>2011 Actual</u></b>
<b><u>REVENUES</u></b>			
<b>Government of the NWT</b>			
Regular Contributions	\$25,269,112	\$25,560,273	\$24,805,014
Other Contributions	613,315	565,938	617,155
<b>Total Government of the NWT</b>	<b><u>\$25,882,427</u></b>	<b><u>\$26,126,212</u></b>	<b><u>\$25,422,169</u></b>
<b>Federal Government</b>	<b>\$383,655</b>	<b>\$401,705</b>	<b>\$389,940</b>
<b>Generated Funds</b>			
Investment Income	\$0	\$28,156	\$27,750
Non-GNWT Contributions	213,794	185,654	257,733
Donations	0	0	0
Other	0	24,681	299,281
<b>Total Generated Funds</b>	<b><u>\$213,794</u></b>	<b><u>\$238,491</u></b>	<b><u>\$584,764</u></b>
<b>Total Revenues</b>	<b><u>\$26,479,876</u></b>	<b><u>\$26,766,407</u></b>	<b><u>\$26,396,873</u></b>
<b><u>EXPENSES (Schedule 20)</u></b>			
Administration	\$1,242,000	\$1,301,254	\$1,095,008
School Programs	\$16,408,026	16,534,570	16,655,625
Inclusive Schooling	\$5,084,678	5,641,333	4,876,270
Distance Learning/Technology	\$296,000	317,035	281,332
Operations and Maintenance	\$538,881	171,309	169,129
Aboriginal Language/Cultural Programs	\$1,730,963	1,752,103	1,796,331
Transfers to DEAs	\$1,094,388	1,510,704	1,416,969
<b>Total Expenses</b>	<b><u>\$26,394,936</u></b>	<b><u>\$27,228,307</u></b>	<b><u>\$26,290,664</u></b>
<b>Operating Surplus/(Deficit)</b>	<b><u>\$84,940</u></b>	<b><u>(\$461,900)</u></b>	<b><u>\$106,209</u></b>
<b>Fund Balance at beginning of year</b>		<b><u>628,814</u></b>	<b><u>522,605</u></b>
<b>Fund Balance at end of year</b>		<b><u>\$166,914</u></b>	<b><u>\$628,814</u></b>
<b>Composition of Closing Fund Balance</b>			
Cash		\$3,526,277	\$3,609,377
Accounts Receivable		583,502	584,835
Accounts Payable		(3,942,865)	(3,565,398)
		<b><u>\$166,914</u></b>	<b><u>\$628,814</u></b>

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
SCHEDULE OF EXPENSES  
(Non-Consolidated)  
For the Year Ended June 30, 2012**

School Programs	Inclusive Schooling	Distance Learning/Tech	Operations & Maint.	Admin.	Aboriginal Languages	Fiscal & Transfers	Total
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**Salaries**

Teachers	\$13,812,383	\$2,732,724				\$426,113	\$16,971,220
Instruction Assistants		\$1,747,051				\$1,049,112	\$2,796,163
Non-Instructional Staff	\$1,942,950	\$553,093	\$253,545		\$968,899		\$3,718,487
Board/Trustee Honoraria	\$100	\$850			\$6,250	\$14,650	\$21,850

**Employee Benefits**

Employee Benefits/Allowances	\$114,407	\$47,255	\$1,658		\$4,974	\$14,923	\$183,217
Leave & Termination Benefits	\$149,138	\$61,601	\$2,161		\$6,484	\$19,453	\$238,837

**Services Purchased/Contracted**

Professional/Technical Services	\$6,450	\$36,331		\$50	\$40,595	\$33,420	\$116,846
Postage/Communication	\$560	\$47			\$30,086		\$30,693
Utilities							\$0
Travel	\$241,065	\$169,399	\$26,411		\$88,641	\$36,832	\$562,348
Student Travel	\$79,000	\$6,508					\$85,508
Advertising/Printing/Publishing	\$9,102	\$1,321		\$16,728	\$12,491	\$39,258	\$78,901
Maintenance/Repair					\$24,179		\$24,179
Rentals/Leases	\$1,000	\$2,650		\$154,531	\$27,999		\$186,180
Contracted Services	\$24,432	\$46,057	\$600			\$51,955	\$123,044

**Materials/Supplies/Freight**

Materials	\$153,805	\$224,809	\$31,148		\$87,924	\$66,283	\$563,970
Freight	\$177	\$11,638	\$1,511		\$2,730	\$105	\$16,161

**Transfers to DEA's**

						\$1,510,704	\$1,510,704
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<b>Total</b>	<b>\$16,534,570</b>	<b>\$5,641,333</b>	<b>\$317,035</b>	<b>\$171,309</b>	<b>\$1,301,254</b>	<b>\$1,752,103</b>	<b>\$27,228,307</b>
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**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
SCHEDULE OF SPECIFIC PROGRAM EXPENSES  
ABORIGINAL LANGUAGES**

**For the Year Ended June 30, 2012**

	<b>July 1, 2011 to March 31, 2012</b>	<b>April 1, 2012 to June 30, 2012</b>	<b>Total 2011/12</b>
<b>Revenues</b>			
Funding Received	\$62,000		\$62,000
<b>Total Funding</b>	<b>\$62,000</b>	<b>\$0</b>	<b>\$62,000</b>
<b>Expenditures</b>			
Materials & Supplies	\$62,000	\$0	\$62,000
Wages & Benefit	\$0	\$0	\$0
<b>Total Expenditures</b>	<b>\$62,000</b>	<b>\$0</b>	<b>\$62,000</b>
<b>Surplus/(Deficit)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
SCHEDULE OF SPECIFIC PROGRAM EXPENSES  
FRENCH LANGUAGE**

**For the Year Ended June 30, 2012**

	<b>Contributions July 1, 2011 to June 30, 2012</b>	<b>Total Expenses July 1, 2011 to June 30, 2012</b>	<b>Variance</b>
<b>Bilateral Agreement Funding</b>			
Staff (classroom assistants)			
French Monitor	39,245	\$57,565	(\$18,320)
French Resources	11,000	\$2,150	\$8,850
Professional Development	2,500	\$1,249	\$1,251
French Cultural Activities			\$0
Special Projects:			
Core French Staff	180,000	\$456,756	(\$276,756)
French Immersion	70,000	\$239,292	(\$169,292)
<b>Totals</b>	<b>\$302,745</b>	<b>\$757,012</b>	<b>(\$454,267)</b>

**Regular GNWT Funding**

Immersion Program

Core French Instruction

**Total**


**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
 SCHEDULE OF SPECIFIC PROGRAM EXPENSES  
 PERSONNEL INFRASTRUCTURE**

**For the Year Ended June 30, 2012**

Funding Received	\$366,675
Expenditures	
Staffing:	
Applicant Travel	\$0
Advertising	\$16,728
Legal Fees	\$50
Employee Benefits:	
Removal In/Transfer	\$79,154
Ultimate Removal	\$88,228
Worker's Compensation	\$94,698
Medical Travel Assistance	\$0
Total Expenditures	\$278,858
Net Surplus/(Deficit)	\$87,817

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
SCHEDULE OF SPECIFIC PROGRAM EXPENSES  
UTILITIES & LEASES INFRASTRUCTURE**

**For the Year Ended June 30, 2012**

Funding Received	\$172,207
Expenditures	
Leases	\$154,531
Total Expenditures	\$154,531
Net Surplus/(Deficit)	\$17,676

Schedule 25

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
SCHEDULE OF SPECIFIC PROGRAM EXPENSES  
NWT STUDENT SUCCESS INITIATIVE - PROFESSIONAL DEVELOPMENT**

For the Period July 1, 2011 to June 30, 2012

Funding Received	
<u>Expenditures</u>	
<u>Salaries/Wages</u>	
Facilitator's Fees	\$296,540
Substitute Teachers Wages	\$29,349
<u>Travel</u>	
Facilitator Travel	\$33,405
Staff Travel	\$18,137
Accommodation	\$13,695
Per Diems	\$14,295
<u>Workshop Expenses</u>	
Room Rental	
Tuition	\$2,779
Refreshments	\$3,548
Resources	\$8,176
Miscellaneous	
Total Expenses	\$419,924
Net Surplus/(Deficit)	(\$419,924)

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
 SCHEDULE OF SPECIFIC PROGRAM EXPENSES  
 NWT STUDENT SUCCESS INITIATIVE**

**For the Period July 1, 2011 to June 30, 2012**

Funding Received	\$55,000
<b><u>Expenditures</u></b>	
<b><u>Salaries/Wages</u></b>	
Salaries	\$1,057,360
Facilitator's Fees	
Substitute Teachers Wages	
<b><u>Travel</u></b>	
Facilitator Travel	
Staff Travel	
Accommodation	
Per Diems	
<b><u>Workshop Expenses</u></b>	
Room Rental	
Tuition	
Refreshments	
Resources	\$38,227
Miscellaneous	
Total Expenses	\$1,095,587
Net Surplus/(Deficit)	(\$1,040,587)

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
SCHEDULE OF SPECIFIC PROGRAM EXPENSES  
INCLUSIVE SCHOOLING**

**For the Year Ended June 30, 2012**

	<b>Staff Development</b>	<b>Intervention Strategies</b>	<b>Assistive Technology</b>	<b>Student Resources</b>	<b>Southern Placements</b>	<b>Magnet Facilities</b>	<b>General</b>	<b>Total</b>
<b>Salaries</b>								
Program Support Teachers						\$152,674	\$2,747,686	\$2,900,361
Consultants		\$310,796						\$310,796
Instruction Assistants						\$74,659	\$1,747,051	\$1,821,710
Non-Instructional Staff								\$0
Honoraria							\$850	\$850
<b>Employee Benefits</b>								
Employee Benefits/Allowances							\$108,855	\$108,855
<b>Services Purchased/Contracted</b>								
Professional/Technical Services		\$82,388						\$82,388
Travel	\$169,399							\$169,399
Student Travel (Bussing)							\$6,508	\$6,508
Advertising/Printing/Publishing							\$1,321	\$1,321
Maintenance/Repair								\$0
Rentals/Leases	\$2,200						\$2,321	\$4,521
Contracted Services								\$0
<b>Materials/Supplies/Freight</b>								
Materials	\$26,438		\$81,269				\$148,427	\$256,133
Freight			\$11,638				\$393	\$12,031
<b>Total</b>	<b>\$198,037</b>	<b>\$393,184</b>	<b>\$92,907</b>	<b>\$0</b>	<b>\$0</b>	<b>\$227,333</b>	<b>\$4,763,412</b>	<b>\$5,674,874</b>

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL  
SCHEDULE OF SPECIFIC PROGRAM EXPENSES  
ABORIGINAL LANGUAGE AND CULTURE-BASED EDUCATION**

**For the Year Ended June 30, 2012**

<b>Student Instruction</b>	<b>Teaching Resources</b>	<b>Professional Development</b>	<b>School ** Activities</b>	<b>Total</b>
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**Salaries**

ALCBE Teachers	\$426,113			\$426,113
Language Consultants				\$0
Instruction Assistants	\$1,049,112		\$25,764	\$1,074,876
Non-Instructional Staff				\$0
Honoraria		\$14,650		\$14,650

**Employee Benefits**

Employee Benefits/Allowances	\$34,375			\$34,375
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**Services Purchased/Contracted**

Professional/Technical Services				\$0
Travel		\$36,832		\$36,832
Student Transportation (Bussing)			\$1,000	\$1,000
Advertising/Printing/Publishing	\$39,258			\$39,258
Maintenance/Repair				\$0
Rentals/Leases			\$2,621	\$2,621
Contracted Services	\$85,375		\$900	\$86,275

**Materials/Supplies/Freight**

Materials	\$63,832	\$2,450	\$129,979	\$196,261
Freight	\$105		\$485	\$590

<b>Total</b>	<b>\$1,509,600</b>	<b>\$203,220</b>	<b>\$39,282</b>	<b>\$160,749</b>	<b>\$1,912,851</b>
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Schedule 29

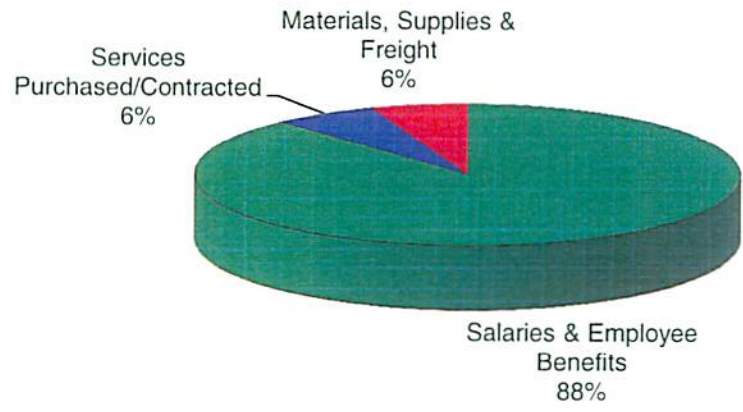
South Slave Divisional Education Council  
2011/12 Fund Balances  
(Unaudited)

	<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	\$166,914	\$97,671	\$283,988	\$39,604	\$162,346	\$69,103
less: Staffing Surpluses						
- Lutsel K'e Dene School	\$140,992					
- Paul William Kaeser	\$192,595					
- Harry Camsell	\$92,459					
- Joseph Burr Tyrrell	\$135,119					
- Chief Sunrise	\$118,824					
- Princess Alexandra	\$66,706					
- Diamond Jenness Secondary School	\$65,226					
- Deninu School	<u>\$232,546</u>					
	(\$1,044,467)					
Commitments against surpluses						
- Fort Resolution DEA plan					(\$153,401)	
- Fort Smith DEA plan		(\$49,971)				
- Hay River DEA plan			(\$223,593)			
- Lutsel K'e DEA plan						(\$65,700)
- K'atlodeeche plan				(\$32,179)		
Uncommitted Fund Balance	<u>(\$877,553)</u>	<u>\$47,700</u>	<u>\$60,395</u>	<u>\$7,425</u>	<u>\$8,945</u>	<u>\$3,403</u>
2012/13 contributions from SSDEC		<u>\$477,000</u>	<u>\$603,954</u>	<u>\$74,254</u>	<u>\$89,449</u>	<u>\$34,027</u>
Fund Balance percentage *		<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>	<u>10.00%</u>

\* Calculated as per SSDEC policy DFAA - Financial Surplus

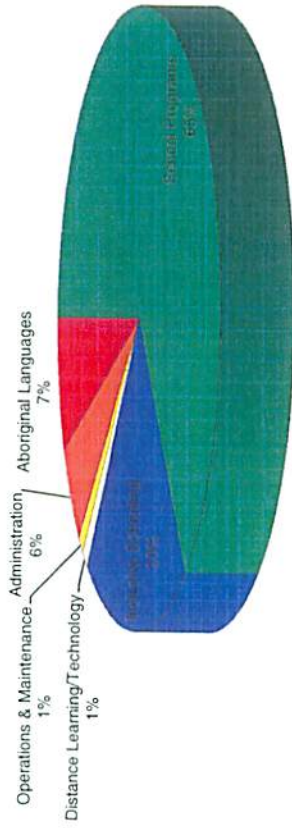


**South Slave Divisional Education Council  
Details of Expenses  
For the Year Ended June 30, 2012**



■ Salaries & Employee Benefits   ■ Services Purchased/Contracted   ■ Materials, Supplies & Freight

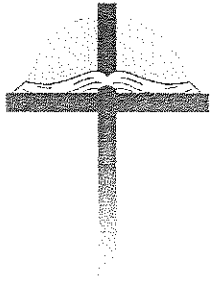
**South Slave Divisional Education Council  
Expenditures by Function  
For the Year Ended June 30, 2012**



**Yellowknife Catholic Schools  
(Yellowknife Public Denominational  
District Education Authority)**

**Annual Financial Report**

**June 30, 2012**



# Yellowknife Catholic Schools

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis (MD&A) of the financial position and results of operations of Yellowknife Public Denominational District Education Authority (Yellowknife Catholic Schools) for the year ended June 30, 2012 should be read in conjunction with Yellowknife Catholic Schools' audited financial statements and related notes.

Yellowknife Catholic Schools is the only Catholic school board in the Northwest Territories. YCS was established in July of 1951. YCS' primary operation is the education of students from Kindergarten to Grade 12.

YCS programs operate out of: Ecole St. Patrick High School(ESPHS), Weledeh Catholic School(WCS), Ecole St. Joseph School(ESJS), the Kimberlite Career and Technical Centre(KCTC), the Tallah Building, the Yellowknife Family Centre, Jim Murphy Maintenance Building and the Central Services Building. All of our facilities are in excellent condition.

The audited financial statements were prepared for the Government of the Northwest Territories (GNWT) Minister of Education, Culture and Employment(ECE), in accordance with the Education Act using accounting principles as prescribed by ECE. For the year ended June 30, 2012, the GNWT directed that all School Boards follow standards set by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. This is a change in the basis of accounting for Yellowknife Catholic Schools. The biggest change to YCS' financial statements is the replacement of the Balance Sheet with the Statement of Financial Position.

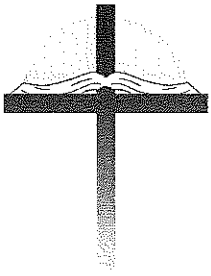
### Highlights of YCS Financial Position

Cash balance is over \$2,372,900 indicating good cash flow. The increase in cash from the prior year is due to earlier collection of accounts receivable than the prior year. Our biggest account receivable relates to outstanding insurance proceeds from the August 2006 fire at Ecole St. Joseph School. The other large account receivable is for funding from the federal government for the Do Edaeze program.

Deferred Revenue for 2011 consists primarily of a quarterly payment of property tax revenue. We customarily receive this payment on the first of June and recognize it as revenue in the following year. In 2012 this payment was not received until July, as a result deferred revenue decreased.

In March of 2012 YCS purchased the Tallah building. We issued a debenture in the amount of \$1,410,000 to finance this purchase. The Tallah building is being rented to Aurora College. During 2011/2012 YCS made \$700,798 in principal repayments on our debentures.

The Statement of Financial Position has a subtotal called "Net financial assets (debt)". This line is an indicator of the ability to discharge all of the entity's debt with financial assets. YCS issued debentures for the construction of Weledeh Catholic School and for the purchase of the Tallah Building. Future streams of revenue (rental revenue for the Tallah building and GNWT Core funding for the Weledeh debenture) will more than cover the net financial debt.



# Yellowknife Catholic Schools

The \$ 292,247 decrease in tangible capital assets relates to depreciation of \$ 1,702,246 of all capital assets for this fiscal year, offset by the purchase of the Tallah Building.

Non-financial assets include land and buildings that YCS has no intention of selling and that would not be able to be quickly converted to cash.

Accumulated Surplus is equal to the difference between Non-financial assets and Net financial assets. Accumulated Surplus represents the Equity that YCS has generated in the last 62 years. The largest component of Accumulated Surplus is the Investment in Capital Assets. A further breakdown of Accumulated Surplus can be found on the Statement of Accumulated Surplus.

## **Highlights of YCS Operations**

### **Operating Revenue**

The majority of the funding for YCS comes from the Government of the Northwest Territories (GNWT) Department of Education Culture and Employment (ECE) as core funding. The core funding is derived from a funding formula developed by ECE. The most important factor in the funding formula is student enrollment. GNWT core funding also includes \$860,000 paid to YCS each year to cover principal and interest payments on a debenture issued by YCS to fund construction of Weledeh Catholic School.

YCS generates revenue from property taxes. The City of Yellowknife collects property tax revenue on our behalf.

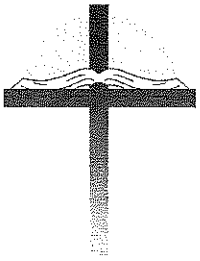
Yellowknife Catholic Schools has contracts with the Government of Canada for two programs (Do Edaeze Program and the Yellowknife Family Centre).

Other GNWT Funding includes contribution agreement funding for: French language programs, the Four Plus program, Yellowknife Family Centre, preschool programs, active after-school programs and for the development of materials for aboriginal languages.

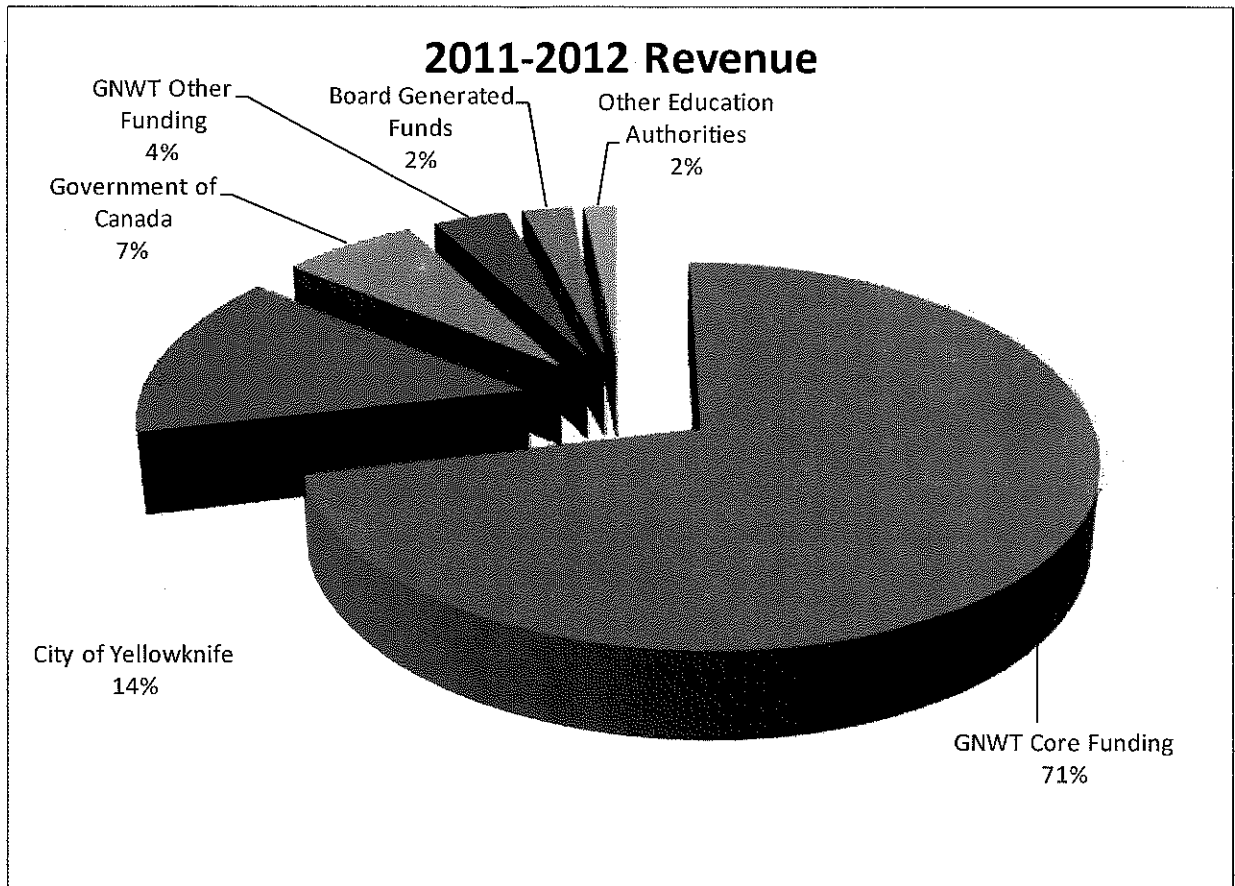
Board generated funds include donations, bus pass sales, day care fees, investment revenue, and rental revenue.

YCS generates revenue from other school districts when a student from that district attends a YCS school and the other district receives GNWT core funding for that student.

YCS is economically dependent upon the GNWT for the majority of its operating revenue. Significant changes to enrollment in Yellowknife or to the GNWT funding formula would have dramatic effects on the future operations of YCS.



# Yellowknife Catholic Schools

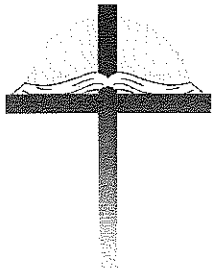


## Operating Expenditures

The GNWT provides guidelines on financial presentation of expenditures. The Statement of Operations and Schedule 1 provide two different ways to classify expenditures. In the Statement of Operations – expenditures are classified by program. Schedule 1 of the financial statements provides an additional breakdown by object.

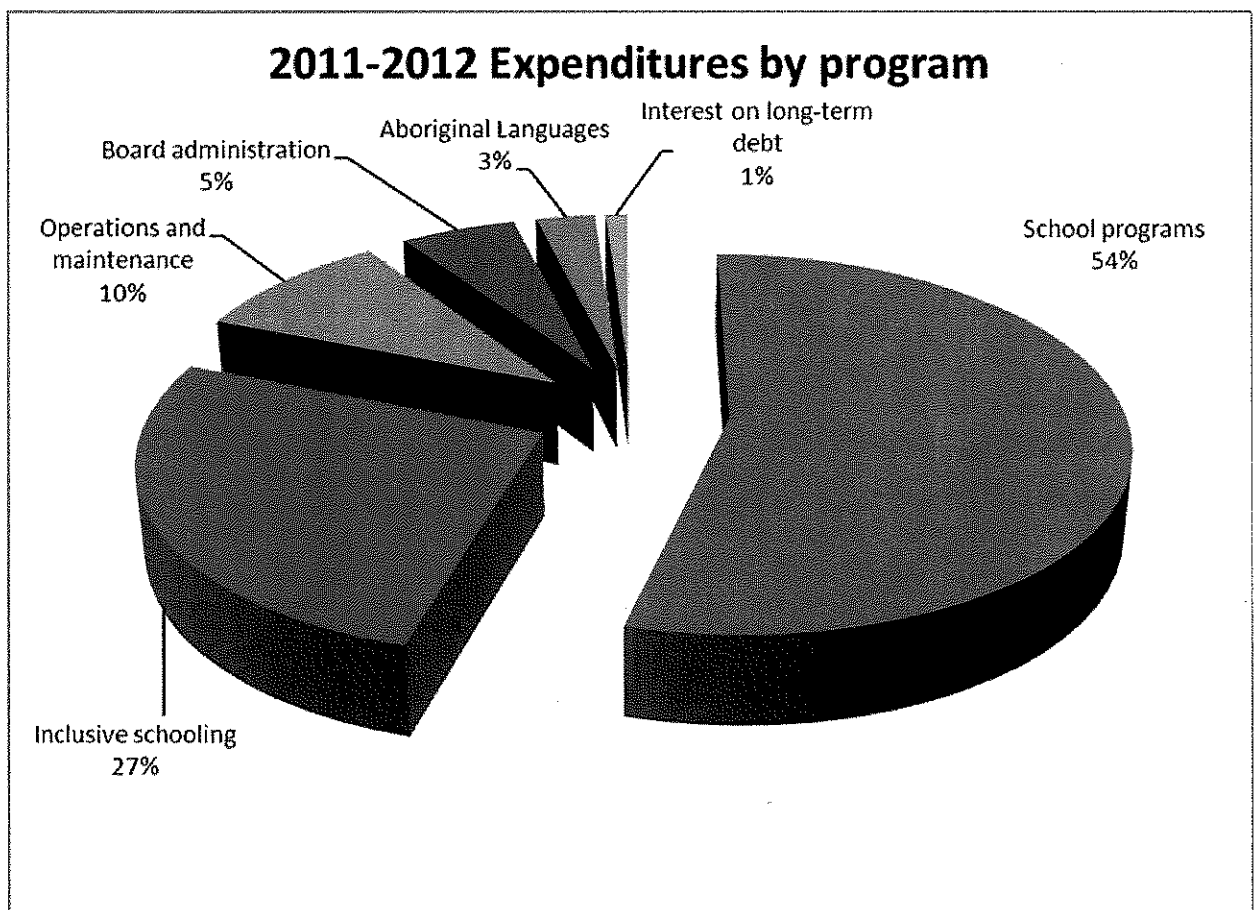
Program categories for YCS are:

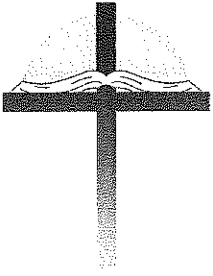
- **School programs:** Salary and benefits for the majority of teachers are recorded in this program. Other large components of expenditure in this program are salary and benefits for school secretaries, library technicians, technology staff and curriculum coordinators, the cost for school textbooks and supplies and the cost of busing services. The cost of ever-greening computers is also included in this category.
- **Inclusive schooling:** Expenditures in this program relate to supporting students with diverse needs. This support can include enrichment opportunities as well as supporting students with learning challenges. Salary and benefits for program support teachers, literacy and early intervention teachers, the student services coordinator, counselors, classroom assistants advanced placement teachers, and Do Edaeze program staff are included in this category.



# Yellowknife Catholic Schools

- **Operations and maintenance:** Includes salaries and benefits of maintenance staff, cost of electricity, fuel and water, expenditures on janitorial services, expenditures on repair and maintenance of our facilities (including minor capital projects).
- **Board Administration:** includes salary and benefits for central services administrative staff, honorariums for trustees, audit and legal fees, travel costs, advertising and publishing costs.
- **Aboriginal Language and Culture program costs:** include salary and benefits of Dogrib Language instructors, salary and benefits of the literacy coach, costs related to the creation of learning materials in the Dogrib language and the cost of running our aboriginal language and culture camps.
- **Interest on Long-Term Debt** relates to the repayment of debentures for ESPHS, WCS and the Tallah Building. The ESPHS debenture was fully repaid in June 2012. The WCS debenture repayments are fully funded through an agreement with the GNWT. Debenture payments for the Tallah building are mostly funded through lease payments from Aurora College.

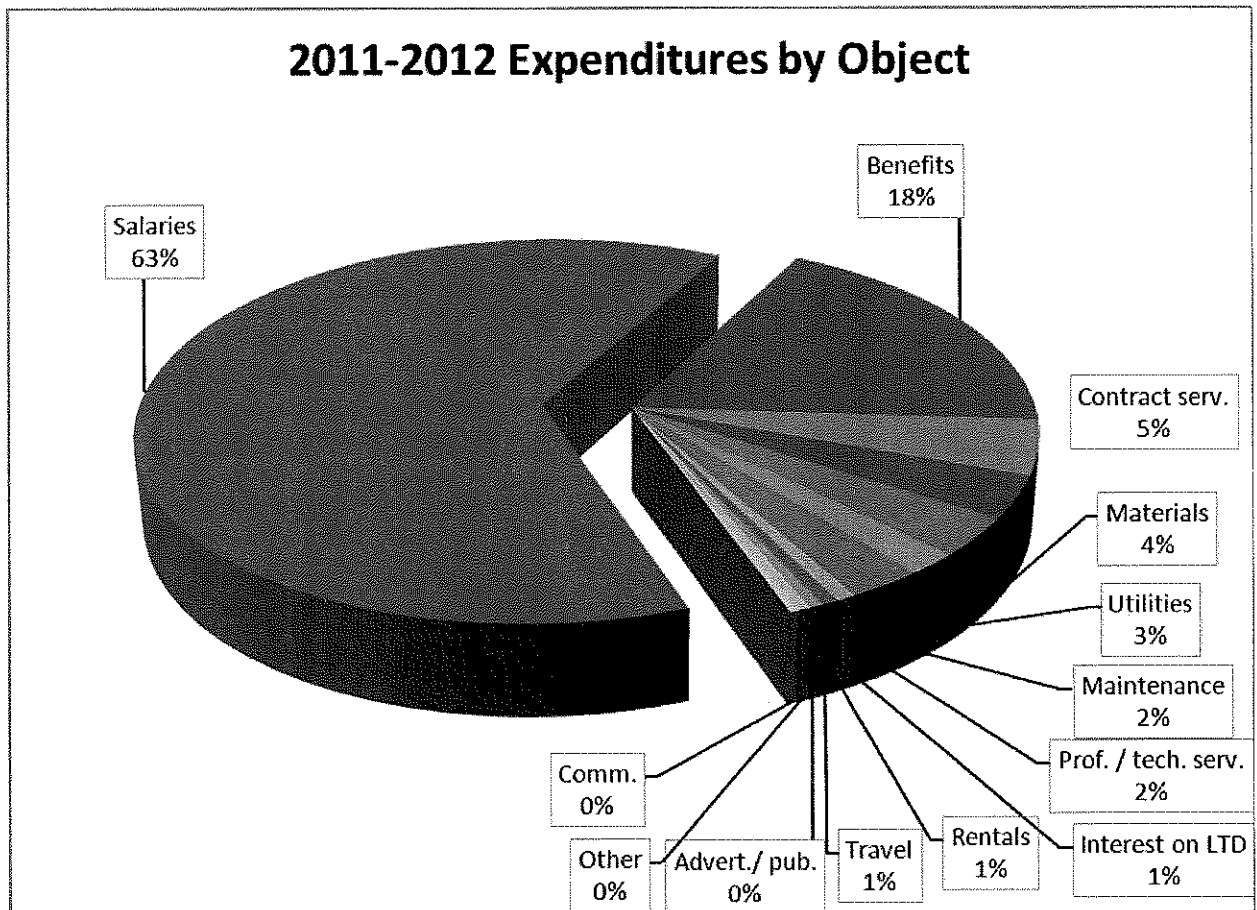




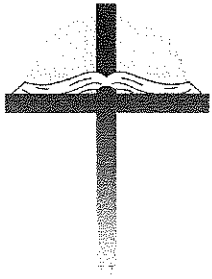
# Yellowknife Catholic Schools

Object categories for YCS include:

- Salaries: Includes salary for teachers, coordinators, classroom assistants, maintenance staff, secretaries, library technicians, counselors, technology staff, administrative staff and trustee honorariums. The majority of YCS staff are unionized and collective agreements with the unions specify pay and benefits for these staff. The collective agreements with the NWTTA and the UNW expired June 30, 2012. Negotiations of new collective agreements are in progress. Non-unionized staff pay and benefits are specified under individual employment contracts.
- Benefits consist of: employer contributions to pension plans, extended health and dental plans, CPP, EI, WSCC premiums, life insurance, long term disability insurance, maternity leave, professional development, medical travel, vacation travel, removal benefits and other allowances.
- Contracted services include: Busing, janitorial services, insurance services, security services and snow removal.







# Yellowknife Catholic Schools

<b>Summary of Accumulated Surplus</b>			
	Opening	Increase/Decrease	Closing
Operating Fund Surplus	\$ 892,471	\$ 412,247	\$ 1,304,718
Investment in Capital Assets	46,117,085	(1,001,448)	45,115,637
Decentralized Budget Accumulated Surplus	439,175	(36,853)	402,322
	<u>\$ 47,448,731</u>	<u>\$ (626,054)</u>	<u>\$ 46,822,677</u>

Operating fund surplus (Equity) has increased by \$412,247 which represents our operating surplus for 2011/2012.

Investment in capital assets represents the amount of funds received and recognized as revenue that allow us to purchase our capital assets less accumulated amortization. The decrease in this account this year is due to amortization of our assets offset by the principal portion of the repayment of debentures on SPHS, WCS and the Tallah Building.

The decentralized budget accumulated surplus consists of funds, which are committed to or designated to specific purposes. The majority of funds in this fund are Professional Development funds carried forward under the terms of employment contracts. Other significant amounts in the decentralized surplus are school-based funds. Decisions on expenditure of school based funds are made by individual schools under YCS' School Based Decision Making Procedure.

The bottom line:

YCS had a healthy operating fund surplus for the year and has a strong cash position that will allow us to continue to operate in a financially prudent manner in the future.

**Yellowknife Catholic Schools  
(Yellowknife Public Denominational  
District Education Authority)**

**Financial Statements**

**June 30, 2012**

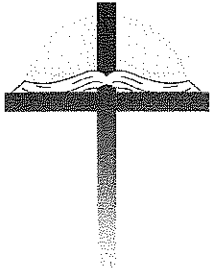
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**Yellowknife Catholic Schools**  
**(Yellowknife Public Denominational District Education Authority)**

**Financial Statements**

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# Yellowknife Catholic Schools

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided.

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) for the public sector. The Government of the Northwest Territories has specified additional financial reporting requirements. Where GAAP 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 11, 2012

**Michael Huvenaars**  
Assistant Superintendent – Business  
Yellowknife Catholic Schools  
September 11, 2012

## **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, 2012, and the statement of change in net financial resources, 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the non-consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the entity's internal controls. An audit also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the 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, 2012 and the results of its operations, changes in net financial resources, cash flows and its accumulated surplus for the year then ended in accordance with Canadian public sector accounting standards.

**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 respects, been within the statutory powers of Yellowknife Catholic Schools.

*Mackay LLP*

Yellowknife, Northwest Territories  
September 13, 2012

Chartered Accountants

**Yellowknife Catholic Schools**  
 (Yellowknife Public Denominational District Education Authority)

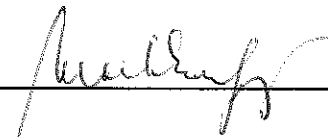
**Statement of Financial Position**

As at,	June 30, 2012	June 30, 2011	July 1, 2010
<b>Financial Assets</b>			
Cash	\$ 2,372,900	\$ 1,734,116	\$ 3,135,452
Due from the Government of the Northwest Territories (GNWT)	111,868	136,373	211,260
Other accounts receivable (Note 4)	1,257,160	2,370,564	1,499,379
	<b>3,741,928</b>	<b>4,241,053</b>	<b>4,846,091</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	709,695	776,010	1,464,485
Employee deductions payable	781,645	701,725	571,601
Deferred revenue	7,739	986,500	909,009
Employee leave and termination benefits (Note 5)	614,015	536,807	494,904
Debentures (Note 6)	5,414,515	4,705,313	5,333,644
	<b>7,527,609</b>	<b>7,706,355</b>	<b>8,773,643</b>
<b>Net financial resources</b>	<b>(3,785,681)</b>	<b>(3,465,302)</b>	<b>(3,927,552)</b>
<b>Non-financial Assets</b>			
Tangible capital assets (Note 7)	50,530,149	50,822,396	51,347,384
Prepaid expenses and deposits (Note 8)	78,209	91,637	88,044
	<b>50,608,358</b>	<b>50,914,033</b>	<b>51,435,428</b>
<b>Accumulated Surplus</b>	<b>\$ 46,822,677</b>	<b>\$ 47,448,731</b>	<b>\$ 47,507,876</b>

**Commitments (Note 10)**

Approved on behalf of the Board

 Trustee

 Trustee

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**Yellowknife Catholic Schools**  
(Yellowknife Public Denominational District Education Authority)

**Statement of Changes in Net Financial Resources**

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<b>For the year ended June 30,</b>	<b>2012</b>	<b>2011</b>
<b>Annual surplus (deficit)</b>	\$ (626,054)	\$ (59,145)
Change in prepaid expenses (and deposits)	13,428	(3,593)
Change in tangible capital assets	292,247	524,988
<b>Increase (decrease) in net financial resources</b>	<b>(320,379)</b>	<b>462,250</b>
<b>Net financial resources, beginning of year</b>	<b>(3,465,302)</b>	<b>(3,927,552)</b>
<b>Net financial resources, end of year</b>	<b>\$ (3,785,681)</b>	<b>\$ (3,465,302)</b>

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## Yellowknife Catholic Schools

(Yellowknife Public Denominational District Education Authority)

### Statement of Operations

For the year ended June 30,	2012 Budget	2012 Actual	2011 Actual
<b>Revenue</b>			
GNWT			
Operating grant	\$ 17,828,177	\$ 17,830,300	\$ 16,939,614
Other contributions	861,389	901,794	1,144,676
	<b>18,689,566</b>	<b>18,732,094</b>	18,084,290
<b>Government of Canada - grants and contributions</b>	<b>1,682,000</b>	<b>1,641,487</b>	1,730,326
<b>City of Yellowknife - property tax requisitioned</b>	<b>3,616,000</b>	<b>3,605,660</b>	3,679,350
<b>Other Education Authorities</b>			
Extra-jurisdictional tuition	351,258	359,835	390,372
Joint venture funding	39,780	41,565	-
	<b>391,038</b>	<b>401,400</b>	390,372
<b>Education authority generated funds (Note 11)</b>	<b>632,585</b>	<b>621,178</b>	546,827
	<b>25,011,189</b>	<b>25,001,819</b>	24,431,165
<b>Expenditures</b>			
School programs (Schedule 1)	13,308,553	12,985,906	12,748,327
Inclusive schooling (Schedule 2)	6,534,809	6,401,381	6,184,000
Operations and maintenance (Schedule 1)	2,263,065	2,285,756	2,406,003
Board administration (Schedule 1)	1,298,313	1,306,781	1,271,489
Aboriginal language and culture (Schedule 3)	704,217	685,126	614,825
Debt service	258,540	260,677	293,144
	<b>24,367,497</b>	<b>23,925,627</b>	23,517,788
<b>Excess revenue from operations</b>	<b>643,692</b>	<b>1,076,192</b>	913,377
<b>Amortization</b>	<b>(744,621)</b>	<b>(1,702,246)</b>	(1,698,539)
<b>Contributions in kind</b>	-	-	726,017
<b>Excess expenditures from capital items</b>	<b>(744,621)</b>	<b>(1,702,246)</b>	(972,522)
<b>Surplus (deficit)</b>	<b>\$ (100,929)</b>	<b>\$ (626,054)</b>	<b>\$ (59,145)</b>

**Yellowknife Catholic Schools**  
**(Yellowknife Public Denominational District Education Authority)**

**Statement of Cash Flows**

For the year ended June 30,	2012	2011
<b>Operating activities</b>		
<b>Cash received from:</b>		
Government of Canada	\$ 2,583,835	\$ 869,463
Government of the Northwest Territories	18,723,099	18,224,405
City of Yellowknife - property tax requisitioned	2,676,816	3,710,185
Recoveries and general revenue	775,817	517,933
Recovery from other educational authorities	401,400	390,372
	<b>25,160,967</b>	<b>23,712,358</b>
<b>Cash paid for:</b>		
Compensation and benefits	(19,384,428)	(18,499,019)
Operations and maintenance	(4,176,280)	(5,245,666)
Debenture interest	(260,677)	(293,144)
	<b>(23,821,385)</b>	<b>(24,037,829)</b>
<b>Cash provided by operating transactions</b>	<b>\$ 1,339,582</b>	<b>\$ (325,471)</b>
<b>Cash applied to capital transaction</b>	<b>(1,410,000)</b>	<b>(447,534)</b>
<b>Cash provided by financing transactions</b>		
Issued debenture	1,410,000	-
Repayment of debentures	(700,798)	(628,331)
<b>Change in cash position</b>	<b>638,784</b>	<b>(1,401,336)</b>
<b>Cash, beginning of year</b>	<b>1,734,116</b>	<b>3,135,452</b>
<b>Cash, end of year</b>	<b>\$ 2,372,900</b>	<b>\$ 1,734,116</b>



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# Yellowknife Catholic Schools

(Yellowknife Public Denominational District Education Authority)

## Notes to Financial Statements

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June 30, 2012

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### 1. Accounting Policies

The financial statements of the Yellowknife Public Denominational District Education Authority, Yellowknife Catholic Schools ("YCS") have been prepared in accordance with Canadian public sector accounting standards. The 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) Reporting Entity and Services Offered

YCS was established in July 1951 and is presently the only Catholic school board in the Northwest Territories. A full range of instructional programs ranging from Kindergarten through Grade 12 is offered by the YCS.

YCS is an independent legal and accounting entity with an elected Board of Trustees as stipulated in Section 82 of the *Education Act*. The Board of Trustees has decision making authority, the power to delegate authority, the ability to significantly influence operations and the sole accountability for all fiscal matters.

Section 81 of the *Education Act* outlines the powers of a Board of Education which for the YCS includes all aspects of operation and management relating to Catholic education within the boundaries of the City of Yellowknife. The Board is the lowest (and sole) level of government exercising oversight responsibility. The financial statements of the YCS are not included in the financial statements of the City of Yellowknife as the YCS trustees are a separate governing body that is not under the control of the City of Yellowknife. The City of Yellowknife, however, does collect and remit property taxes requisitioned by the Board as detailed in Note 1(g).

#### (b) Basis of Accounting

The basis of accounting refers to the timing of when revenue and expenditure items are recognized in the accounts and reported in the financial statements.

The accrual basis of accounting is utilized for all funds. Under this basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable, and expenditures are recorded when they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay.

YCS uses fund accounting to separate transactions between its Operating fund surplus, Investment in capital assets, Decentralized budget accumulated surplus and Capital reserve.

#### Operating Fund

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, capital assets acquired from operating funds and debenture debt repayment are treated as expenditures in the Operating fund surplus. This 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 capital assets fund, Decentralized budget accumulated surplus and Capital reserve.

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**Yellowknife Catholic Schools**  
**(Yellowknife Public Denominational District Education Authority)**

**Notes to Financial Statements**

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**June 30, 2012**

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**1. Accounting Policies (continued)**

**(b) Basis of Accounting (continued)**

**Investment in Capital Assets**

The Investment in capital assets fund is used to account for financial transactions related to the acquisition of 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 debentures or other long-term debt is charged to the Investment in capital assets fund. This results in a corresponding increase in the equity in capital assets. Other additions are initially charged to the statement of operations.

**Capital Reserve**

The Capital reserve represents the cost of significant budgeted capital projects to be completed in future periods.

**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**

All significant financial assets, financial liabilities and equity instruments 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**

Capital assets acquired for more than \$50,000 are capitalized and amortized. 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 and other non-financial assets are accounted for as assets by the YCS 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 YCS unless they are sold.

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**Yellowknife Catholic Schools**  
(Yellowknife Public Denominational District Education Authority)

**Notes to Financial Statements**

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**June 30, 2012**

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**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) 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.

**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 budget and are available for use at the discretion of each individual school.

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**Yellowknife Catholic Schools**  
(Yellowknife Public Denominational District Education Authority)

**Notes to Financial Statements**

---

**June 30, 2012**

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**1. Accounting Policies (continued)**

**(g) Revenue Recognition (continued)**

**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.

**(h) 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 during the fiscal year to control expenditures. In accordance with Canadian generally accepted accounting principles, however, encumbrance accounting is not used for recording expenditures for the year. Only the cost of those goods acquired and services rendered on or before June 30 is recognized as an expenditure in the financial statements. Encumbrances not converted to expenditures at year-end are charged to the next year's appropriation and are not reflected as either expenditures or liabilities in the financial statements.

**(i) Employee Benefit Plans**

The YCS contributes 100% of the premiums relating to life insurance, long term disability and extended health care for eligible employees, in accordance with negotiated salary agreements and employment practices.

In addition, the YCS contributes 100% of the premiums relating 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 relating to Canada Pension Plan and Employment Insurance.

All employees of the YCS who so choose are members of the YCS's Pension Plan, which has an outside administrator. The employee and employer each contribute an equal amount to the District's defined contribution Pension Plan.

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**Yellowknife Catholic Schools**  
**(Yellowknife Public Denominational District Education Authority)**

**Notes to Financial Statements**

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**June 30, 2012**

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**1. Accounting Policies (continued)**

**(j) Budget Data**

The *Education Act* of the Northwest Territories requires that Boards of Education prepare an annual budget, as outlined in Section 128 and 129.

The final priorities and funding allocations are determined by the Board of Trustees at a special meeting called for the purposes of reviewing budget proposals, recommending changes, additions or deletions and adopting the proposed budget.

The budget is legally adopted by a motion of the Board which also establishes a tax levy to support the approved budget in accordance with Section 135(2) of the *Education Act*.

This annual budget includes estimates of revenue and expenditures for the Operating fund surplus along with estimates of source and application for the Investment in capital assets fund. Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Board.

The budget may be amended within a given fiscal year in accordance with Board policy, regulations and approved budget procedures. The budget data presented in the financial statements reflects the amended budget for the fiscal year, and therefore, includes any amendments that may have been made during the year. Schools carry forward surplus or deficit amounts from their school budgets.

**(k) Use of Estimates**

The preparation of these 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 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. Impact of the Change in the Basis of Accounting**

These are YCS' first financial statements prepared in accordance with Canadian public sector accounting standards. The 2011 comparative financial statements include an opening balance sheet as at July 1, 2010 that provides for the impact of the transition. There were no changes required to the comparative balances presented as a result of adoption of these accounting principles.

The rules for transition to Canadian public sector accounting standards require that an enterprise prepare its opening balance sheet using the standards that will be followed thereafter, however, certain elective exemptions from this rule are available. In preparing the opening balance sheet shown above, YCS used none of the elective exemptions.



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# **Yellowknife Catholic Schools**

## **(Yellowknife Public Denominational District Education Authority)**

### **Notes to Financial Statements**

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**June 30, 2012**

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#### **3. Future Changes in Accounting Policies**

In 2011, PSAB made several pronouncements which may impact the YCS' financial statements. The pronouncements are as follows:

##### **Related party Transactions, Section PS 4260**

The Public Sector Accounting Board (PSAB) released Section 4260 - disclosures of related party transactions effective for years beginning after January 1, 2012. If adopted the section will require the disclosure of related parties, the relationship of the parties, description and amount of transactions, measurement basis and amounts due to or from related parties. The impact of the transition to these accounting standards has not yet been determined.

##### **Financial Instruments, Section PS 3450 and related amendments to Financial Statement Presentation, Section PS 1201 (previously PS 1200)**

PSAB approved new Section PS 3450, Financial Instruments, and related to Section PS 1201, Financial Statement Presentation. The effective date for Section PS 3450 is April 1, 2012 for government organizations. Earlier adoption is permitted. Governments organizations adopt Section PS 3450 in the same fiscal year Section PS 2601, Foreign Currency Translation, is adopted.

##### **Foreign Currency Translation, Section PS 2601**

PSAB approved Section PS 2601, replacing existing Section PS 2600, Foreign Currency Translation. The effective date for Section PS 2601 is April 1, 2012 for government organizations. Earlier adoption is permitted. Governments organizations adopt Section PS 2601 in the same fiscal year Section PS 3450, Financial Instruments, is adopted.

##### **Tax Revenue, Section PS 3510**

In February of 2010 the Public Sector Accounting Board (PSAB) released Section PS 3510 - Tax Revenue. This new Section establishes recognition, measurement, presentation and disclosure standards relating to tax revenue reported in financial statements.

- The main features of the new Section are as follows: Tax revenue should be grossed up for transfers made through the tax system.
- Tax revenue should not be grossed up for the amount of tax concessions (that are often referred to as tax expenditures.)
- Tax revenue should be recognized when it is authorized and the taxable event occurs.
- Tax revenue should be recognized by the government that imposes the tax except in flow-through arrangements.
- Guidance is provided for identifying and distinguishing between tax concessions and transfers made through a tax system.

The Section applies to fiscal years beginning on or after April 1, 2012. The impact of the transition to these accounting standards has not yet been determined.

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**Yellowknife Catholic Schools**  
(Yellowknife Public Denominational District Education Authority)

**Notes to Financial Statements**

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**June 30, 2012**

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**4. Other Accounts Receivable**

	<b>2012</b>	2011
Employee loan and advances	\$ 23,799	\$ 78,495
Government of Canada	671,236	1,613,584
GST receivable	71,056	158,514
Insurance proceeds	449,210	449,210
Other	41,859	70,761
	<b>\$ 1,257,160</b>	<b>\$ 2,370,564</b>

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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. 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.

	<b>2012</b>	2011
Severance	\$ 146,651	\$ 435,243
Removal	467,364	101,564
	<b>\$ 614,015</b>	<b>\$ 536,807</b>

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**Yellowknife Catholic Schools**  
 (Yellowknife Public Denominational District Education Authority)

**Notes to Financial Statements**

**June 30, 2012**

**6. Debentures**

	2012	2011
Pacific and Western debenture, repayable in monthly installments of \$8,597, including interest at 6.85%, final installment was paid in the current year.	\$ -	\$ 99,434
Pacific and Western debenture, repayable in monthly installments of \$68,016, including interest at 5.80%, final installment due in 2018.	4,038,911	4,605,879
Government of the Northwest Territories debenture, repayable in monthly installments of \$10,000 including interest. Interest rate floats with GNWT cost of borrowing at a current rate of 1.2%. If rates do not change the final installment will be due in 2024.	1,375,604	-
	<b>\$ 5,414,515</b>	<b>\$ 4,705,313</b>

The debenture is repayable annually as follows:

2013	\$ 704,366
2014	740,971
2015	779,644
2016	820,532
2017	863,766
2018 and thereafter	1,505,236
	<b>\$ 5,414,515</b>

The debentures are registered.

**Yellowknife Catholic Schools**  
(Yellowknife Public Denominational District Education Authority)

**Notes to Financial Statements**

June 30, 2012

**7. Tangible Capital Assets**

	Cost	Additions	Disposals	Amortization	Accumulated Amortization	Net Book Value, June 30, 2012	Net Book Value, June 30, 2011
<b>Land and Improvements</b>	\$ 873,700	\$ 965,125	\$ -	\$ -	\$ -	\$ 1,838,825	\$ 873,700
<b>Equipment</b>	77,451	-	-	7,745	38,725	38,726	46,471
<b>Buildings and Portables</b>							
Career and Technical Centre	2,878,913	-	-	73,888	588,386	2,290,527	2,364,414
Central Services offices	953,899	-	-	34,426	404,836	549,063	583,489
Ecole St. Joseph School	37,333,024	-	-	958,888	7,661,302	29,671,722	30,630,610
Ecole St. Patrick High School	11,723,901	-	-	293,431	4,976,321	6,747,580	7,041,011
Talliah Building	-	444,875	-	3,707	3,707	441,168	-
Weledeh Catholic School	12,557,840	-	-	330,161	3,605,302	8,952,538	9,282,701
	<b>65,447,577</b>	<b>444,875</b>	<b>-</b>	<b>1,694,501</b>	<b>17,239,854</b>	<b>48,652,598</b>	<b>49,902,225</b>
	<b>\$ 66,398,728</b>	<b>\$ 1,410,000</b>	<b>\$ -</b>	<b>\$ 1,702,246</b>	<b>\$ 17,278,579</b>	<b>\$ 50,530,149</b>	<b>\$ 50,822,396</b>

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**Yellowknife Catholic Schools**  
(Yellowknife Public Denominational District Education Authority)

**Notes to Financial Statements**

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**June 30, 2012**

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**8. Prepaid Expenses and Deposits**

	<b>2012</b>	2011
Deposits	\$ 6,287	\$ 24,302
Other prepaids	71,922	67,335
	<b>\$ 78,209</b>	<b>\$ 91,637</b>

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**9. Employee Future Benefits**

All employees of YCS who so choose are members of "the defined contribution Pension Plan for the employees of Yellowknife Catholic Schools".

The pension on retirement is based on the contributions made over time by the employer and each participating employee as well as any earnings on investments in that plan.

The rate of contribution to the plan is specified in the plan and in employee contracts. The employee contributions to the plan of \$ 768,280 were matched by YCS. YCS' contribution was recognized as an expense this year.

The costs of insured benefits reflected in these financial statements are the employer's portion of the insurance premiums owed for coverage of employees during the period.

**Yellowknife Catholic Schools**  
**(Yellowknife Public Denominational District Education Authority)**

**Notes to Financial Statements**

**June 30, 2012**

**10. Commitments**

YCS is committed to two rental agreements. The first rental agreement is with Side Door Ministries and expires June 30, 2013. The second rental agreement is with Shelter Canadian Properties and expires November 30, 2012.

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.

	Expires in fiscal year	2013	2014 - 2021	Total
<b>Commercial and residential leases</b>				
4903 - 50th Street	2013	\$ 67,375	\$ -	\$ 67,375
303 - 100 Beck Court	2013	8,925	-	8,925
		<b>76,300</b>	<b>-</b>	<b>76,300</b>
<b>Equipment leases</b>				
Photocopier leases	2013	7,445	-	7,445
Photocopier leases	2015	11,475	22,950	34,425
Photocopier leases	2016	7,021	21,061	28,082
		<b>25,941</b>	<b>44,011</b>	<b>69,952</b>
<b>Operation contracts</b>				
Bussing services	2015	267,611	559,549	827,160
Elevator maintenance	2021	24,994	191,618	216,612
Employee assistance program	2013	9,060	6,795	15,855
Janitorial services	2014	562,549	562,549	1,125,098
Mail services	2013	9,173	-	9,173
		<b>873,387</b>	<b>1,320,511</b>	<b>2,193,898</b>
		<b>\$ 975,628</b>	<b>\$ 1,364,522</b>	<b>\$ 2,340,150</b>

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. The collective agreements expire on June 30, 2012. New contracts are being negotiated.

**Yellowknife Catholic Schools**  
 (Yellowknife Public Denominational District Education Authority)

**Notes to Financial Statements**

**June 30, 2012**

**11. Education Authority Generated Funds**

	<b>2012 Budget</b>	<b>2012 Actual</b>	<b>2011 Actual</b>
Donations	\$ 30,522	\$ 31,159	\$ 27,460
Fees and sales	266,049	255,155	276,692
Investments	50,000	43,191	42,897
Other	193,552	204,111	151,428
Rentals	92,462	87,562	48,350
	<b>\$ 632,585</b>	<b>\$ 621,178</b>	<b>\$ 546,827</b>

**12. Surplus For Management Purposes**

The management surplus, as prescribed by the Department of Education, Culture and Employment is:

	<b>2012</b>	<b>2011</b>
Operating fund surplus	\$ 1,304,718	\$ 892,471
Decentralized budget accumulated surplus	402,322	439,175
	1,707,040	1,331,646
Employee leave and termination benefits	614,015	536,807
	<b>\$ 2,321,055</b>	<b>\$ 1,868,453</b>

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 \$2,321,055 exceeds \$1,250,559 (5% of the approved annual budget of \$25,011,189) by \$1,070,496.

**13. Comparative Figures**

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

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**Yellowknife Catholic Schools**  
(Yellowknife Public Denominational District Education Authority)

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**Notes to Financial Statements**

**June 30, 2012**

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**14. 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.

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.

**b) Fair value**

The YCS' carrying value of cash and cash equivalents, due from the GNWT, other accounts receivable, accounts payable and accrued liabilities, employee deductions payable, and employee leave and termination benefits approximates its fair value due to the immediate or short-term maturity of these instruments.

The carrying value of the debentures approximates the fair value as the interest rates are comparable to rates offered on similar debt.

**c) 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, 2012**

	School Programs	Inclusive Schooling	Operations & Maintenance	Administration	Aboriginal Languages	Transfers & Others	Total
<b>Salary</b>							
Teachers	\$ 8,133,024	\$ 2,461,671	\$ -	\$ -	\$ 336,686	\$ -	\$ 10,931,381
Instruction assistants	18,500	1,399,197	-	-	-	-	1,417,697
Non-instructional	1,068,460	660,068	322,136	674,084	-	-	2,724,748
Board honoraria	-	-	-	63,286	-	-	63,286
	<b>9,219,984</b>	<b>4,520,936</b>	<b>322,136</b>	<b>737,370</b>	<b>336,686</b>	<b>-</b>	<b>15,137,112</b>
<b>Employee Benefits</b>							
Employee benefits	2,530,887	1,399,088	93,166	170,726	112,136	-	4,306,003
Leave and termination benefits	35,606	-	-	47,580	-	-	83,186
	<b>2,566,493</b>	<b>1,399,088</b>	<b>93,166</b>	<b>218,306</b>	<b>112,136</b>	<b>-</b>	<b>4,389,189</b>
<b>Services Purchased/Contracted</b>							
Advertising/publishing	22,137	-	-	77,066	15,392	-	114,595
Communication	47,486	4,320	7,895	21,464	4,164	-	85,329
Contracted services	420,548	11,644	638,075	2,220	15,223	-	1,087,710
Maintenance & repairs	15,732	2,225	416,116	-	3,666	-	437,739
Other	57,161	-	10,173	30,814	-	-	98,148
Professional/technical	60,267	100,005	-	104,919	104,232	-	369,423
Rental/leases	41,319	86,808	23,166	15,318	545	-	167,156
Student transportation	3,435	91,862	-	-	-	-	95,297
Travel	9,737	-	-	36,682	4,324	-	50,743
Utilities	-	-	385,557	-	-	-	385,557
Electricity	-	-	301,262	-	-	-	301,262
Heating	-	-	88,210	-	-	-	88,210
Water/sewage	-	-	-	-	-	-	-
	<b>677,822</b>	<b>296,864</b>	<b>1,870,454</b>	<b>288,483</b>	<b>147,546</b>	<b>-</b>	<b>3,281,169</b>
<b>Materials/Supplies/Freight</b>							
Materials	510,234	184,493	-	62,622	88,758	-	846,107
Freight	11,373	-	-	-	-	-	11,373
	<b>521,607</b>	<b>184,493</b>	<b>-</b>	<b>62,622</b>	<b>88,758</b>	<b>-</b>	<b>857,480</b>

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, 2012**

	School Programs	Inclusive Schooling	Operations & Maintenance	Administration	Aboriginal Languages	Transfers & Others	Total
Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,702,246	\$ 1,702,246
Debtenture Interest	-	-	-	-	-	260,677	260,677
	-	-	-	-	-	1,962,923	1,962,923
<b>Total</b>	<b>\$ 12,985,906</b>	<b>\$ 6,401,381</b>	<b>\$ 2,285,756</b>	<b>\$ 1,306,781</b>	<b>\$ 685,126</b>	<b>\$ 1,962,923</b>	<b>\$ 25,627,873</b>

**Yellowknife Catholic Schools  
(Yellowknife Public Denominational District Education Authority)**

**Schedule 2  
Detail of Inclusive Schooling Expenditures**

**For the year ended June 30, 2012**

	Staff Development	Intervention Strategies	Assistive Technology	Early Childhood	Magnet Facilities	Do Edaeze	General Inclusive Schooling	Total
<b>Salary</b>								
Consultants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 118,705	\$ 118,705
Non-instructional	-	185,741	-	271,745	-	202,582	-	660,068
Support assistants	-	1,345,755	-	-	53,442	-	-	1,399,197
Teachers	6,522	1,432,635	-	-	101,088	802,721	-	2,342,966
	<b>6,522</b>	<b>2,964,131</b>	<b>-</b>	<b>271,745</b>	<b>154,530</b>	<b>1,005,303</b>	<b>118,705</b>	<b>4,520,936</b>
<b>Employee Benefits</b>	<b>106,110</b>	<b>878,481</b>	<b>-</b>	<b>97,171</b>	<b>44,904</b>	<b>245,532</b>	<b>26,890</b>	<b>1,399,088</b>
<b>Services Purchased/Contracted</b>								
Contracted services	-	-	-	11,644	-	-	-	11,644
Communication	-	-	-	4,320	-	-	-	4,320
Maintenance & Repairs	-	-	2,225	-	-	-	-	2,225
Professional/technical	10,179	41,631	-	-	-	48,195	-	100,005
Rental/leases	-	433	-	86,375	-	-	-	86,808
Student transportation	-	7,733	-	385	-	83,744	-	91,862
	<b>10,179</b>	<b>49,797</b>	<b>2,225</b>	<b>102,724</b>	<b>-</b>	<b>131,939</b>	<b>-</b>	<b>296,864</b>
<b>Materials</b>	<b>8,428</b>	<b>74,708</b>	<b>27,711</b>	<b>14,499</b>	<b>2,894</b>	<b>56,253</b>	<b>-</b>	<b>184,493</b>
<b>Total</b>	<b>\$ 131,239</b>	<b>\$ 3,967,117</b>	<b>\$ 29,936</b>	<b>\$ 486,139</b>	<b>\$ 202,328</b>	<b>\$ 1,439,027</b>	<b>\$ 145,595</b>	<b>\$ 6,401,381</b>

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**Yellowknife Catholic Schools****(Yellowknife Public Denominational District Education Authority)****Schedule 3****Aboriginal Language and Culture Program Expenditures**

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**For the year ended June 30, 2012**

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	Student Instruction	Teaching/ Learning Resources	Total
<b>Salaries</b>			
Teachers	\$ 336,686	\$ -	\$ 336,686
	<b>336,686</b>	<b>-</b>	<b>336,686</b>
<b>Employee Benefits</b>	<b>112,136</b>	<b>-</b>	<b>112,136</b>
<b>Services Purchased</b>			
Contracted services	15,223	-	15,223
Communications	4,164	-	4,164
Maintenance & repairs	3,666	-	3,666
Printing & publishing	-	15,392	15,392
Professional/technical	98,407	5,825	104,232
Rentals	545	-	545
Travel	4,324	-	4,324
	<b>126,329</b>	<b>21,217</b>	<b>147,546</b>
<b>Supplies and Materials</b>	<b>88,637</b>	<b>121</b>	<b>88,758</b>
<b>Total</b>	<b>\$ 663,788</b>	<b>\$ 21,338</b>	<b>\$ 685,126</b>

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**Yellowknife Catholic Schools**  
(Yellowknife Public Denominational District Education Authority)

**Schedule 4**  
**Aboriginal Language Materials**

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**For the year ended June 30, 2012**

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	July 1, 2011 to March 31, 2012	April 1, 2012 to June 30, 2012	Total
<b>Revenue</b>			
Secretary of State Funding Aboriginal Languages	\$ 59,000	\$ -	\$ 59,000
Other revenue	11,280	-	11,280
	<b>70,280</b>	<b>-</b>	<b>70,280</b>
<b>Expenditures</b>			
Supplies and materials	20,268	1,070	21,338
<b>Surplus (deficit)</b>	<b>\$ 50,012</b>	<b>\$ (1,070)</b>	<b>\$ 48,942</b>

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**Yellowknife Catholic Schools**  
(Yellowknife Public Denominational District Education Authority)

**Schedule 5**  
**Four Plus**

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**For the year ended June 30, 2012**

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	July 1, 2011 to March 31, 2012	April 1, 2012 to June 30, 2012	Total
<b>Revenue</b>			
Contract	\$ 105,000	\$ 35,750	\$ 140,750
Other	10,223	-	10,223
Usage	38,809	10,899	49,708
	<b>154,032</b>	<b>46,649</b>	<b>200,681</b>
<b>Expenditures</b>			
Operations and maintenance	21,514	6,883	28,397
Salary and benefits	94,903	69,002	163,905
	<b>116,417</b>	<b>75,885</b>	<b>192,302</b>
<b>Surplus (deficit)</b>	<b>\$ 37,615</b>	<b>\$ (29,236)</b>	<b>\$ 8,379</b>

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**Yellowknife Catholic Schools**  
(Yellowknife Public Denominational District Education Authority)

**Schedule 6**  
**Yellowknife Family Centre**

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**For the year ended June 30, 2012**

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	July 1, 2011 to March 31, 2012	April 1, 2012 to June 30, 2012	Total
<b>Revenue</b>			
Health Canada	\$ 128,050	\$ 53,950	\$ 182,000
Government of the Northwest Territories	63,750	21,250	85,000
Other	16,020	636	16,656
	<b>207,820</b>	<b>75,836</b>	<b>283,656</b>
<b>Expenditures</b>			
Operations and maintenance	69,771	21,879	91,650
Salary and benefits	125,299	77,888	203,187
	<b>195,070</b>	<b>99,767</b>	<b>294,837</b>
<b>Surplus (deficit)</b>	<b>\$ 12,750</b>	<b>\$ (23,931)</b>	<b>\$ (11,181)</b>

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**Yellowknife Catholic Schools**  
 (Yellowknife Public Denominational District Education Authority)

**Schedule 7**  
**French Language Programs**

**For the year ended June 30, 2012**

	Contribution from GNWT	Commitment from YCS	Actual Expenditures	Under (over) Expenditures
<b>Bilateral Agreement Funding</b>				
<b>Special Projects</b>				
French cultural activities	\$ 4,000	\$ 5,000	\$ 15,241	\$ (6,241)
French monitor	-	6,000	13,585	(7,585)
French resources	11,000	14,000	41,201	(16,201)
Professional development	4,000	8,000	20,616	(8,616)
Teacher assistant (salary and benefits)	45,500	45,500	103,712	(12,712)
Consultant - Immersion/Core French	60,000	66,000	140,032	(14,032)
Core French (salary and benefits)	100,000	213,000	363,955	(50,955)
Early Immersion/Literacy (salary and benefits)	56,000	50,000	138,480	(32,480)
<b>Total</b>	<b>\$ 280,500</b>	<b>\$ 407,500</b>	<b>\$ 836,822</b>	<b>\$ (148,822)</b>
<b>Regular GNWT Funding</b>				
Core French			\$ 265,935	
Immersion Program			1,962,793	
<b>Total</b>			<b>\$ 2,228,728</b>	



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**Yellowknife Catholic Schools**  
(Yellowknife Public Denominational District Education Authority)

**Schedule 8**  
**Student Success Initiative Projects**

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**For the year ended June 30, 2012**

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	Literacy	Differentiated Professional Development	Total
<b>Revenue</b>	\$ 55,000	\$ 48,000	\$ 103,000
<b>Expenditures</b>			
Facilitator fees	-	46,883	46,883
Literacy Coach salary and benefits	120,912	-	120,912
Resources	-	14,326	14,326
Staff travel and accommodation	-	15,957	15,957
Substitute teacher wages	-	17,242	17,242
	<b>120,912</b>	<b>94,408</b>	<b>215,320</b>
<b>Deficit</b>	\$ (65,912)	\$ (46,408)	\$ (112,320)

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**Yellowknife Catholic Schools**  
**(Yellowknife Public Denominational District Education Authority)**

**Schedule 9**  
**Ecole St. Joseph School Furniture, Fixtures and Equipment**

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**For the year ended June 30, 2012**

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	<b>April 1, 2011 to March 31, 2012</b>	<b>Total</b>
<b>Revenue</b>		
Contribution agreement	\$ 83,013	\$ 83,013
<b>Expenditures</b>		
Furniture, fixtures and equipment	92,332	92,332
<b>Deficit</b>	<b>\$ (9,319)</b>	<b>\$ (9,319)</b>

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# **Yellowknife District No. 1 Education Authority**

**(Yellowknife Education District No. 1)**

## **Financial Statements**

**June 30, 2012**





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

The auditors annually provide an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards. The auditors also consider whether the transactions that have come to their notice in the course of this audit are, in all significant respects, in accordance with specified legislation and directives from the Department of Education, Culture, and Employment of the Government of the Northwest Territories.

A handwritten signature in cursive script, reading "Metro Huculak", positioned above a horizontal line.

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, 2012, 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, 2012, and the results of its operations, changes in net financial resources, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Report on Other Legal and Regulatory Requirements*

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

*Mackay LLP*

**Yellowknife, Northwest Territories  
September 14, 2012**

**Chartered Accountants**



**Yellowknife District No. 1 Education Authority**

(the Authority)

**Statement of Financial Position**

**Statement 1**

As at June 30	June 30, 2012 \$	June 30, 2011 \$	July 1, 2010 \$
<b>FINANCIAL ASSETS</b>			
Cash	1,575,351	1,951,148	1,933,038
Short term investments (Note 5)	3,199,713	6,124,419	7,000,000
Due from GNWT (Note 6)	104,118	3,102	4,731
Other accounts receivable (Note 7)	864,222	756,808	749,481
Long-term investments (Note 8)	2,789,674	700,418	-
	<b>8,533,078</b>	<b>9,535,895</b>	<b>9,687,250</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	697,643	813,999	409,946
Due to GNWT	-	18,088	-
Wages and employee deductions payable (Note 9)	2,902,770	2,845,731	2,681,229
Leave and termination benefits (Note 10)	1,854,999	1,808,724	1,588,282
Deferred revenue (Note 11)	3,750	1,490,684	1,359,104
	<b>3,073,916</b>	<b>2,558,669</b>	<b>3,648,689</b>
<b>NET FINANCIAL RESOURCES</b>			
	<b>3,073,916</b>	<b>2,558,669</b>	<b>3,648,689</b>
<b>NON-FINANCIAL ASSETS</b>			
Prepaid Expenses	114,455	42,147	56,776
Tangible Capital Assets (Schedule 1)	18,623,663	19,560,847	20,074,053
	<b>18,738,118</b>	<b>19,602,994</b>	<b>20,130,829</b>
<b>ACCUMULATED SURPLUS AND RESERVES</b>			
	<b>21,812,034</b>	<b>22,161,663</b>	<b>23,779,518</b>
<b>Represented by:</b>			
Operating Fund (Note 12)	2,018,187	1,379,747	2,549,118
Capital Fund	18,623,663	19,560,846	20,074,053
Decentralized Surplus	255,959	192,514	92,183
Capital Fund Reserve	904,165	904,165	904,164
Playground/Recreational Equipment Fund Reserve	10,060	124,391	160,000
	<b>21,812,034</b>	<b>22,161,663</b>	<b>23,779,518</b>

Approved on behalf of the board:

Trustee Alton Shalt

Trustee John Anderson





# Yellowknife District No. 1 Education Authority

(the Authority)

## Statement of Changes in Net Financial Resources

Statement 2

For the ended June 30,	2012 \$	2011 \$
Annual surplus / (deficit)	1,003,614	(502,503)
Change in prepaid expenses	(72,308)	14,629
Change in tangible capital assets	937,184	513,206
Transfer (to) from schools	(159,293)	(35,609)
Amortization	(1,193,950)	(1,079,743)
<b>Increase (decrease) in net financial resources</b>	<b>515,247</b>	<b>(1,090,020)</b>
Net financial resources, beginning of year	2,558,669	3,648,689
<b>Net financial resources, end of year</b>	<b>3,073,916</b>	<b>2,558,669</b>



# Yellowknife District No. 1 Education Authority

(the Authority)

## Statement of Funds

## Statement 3

For the year ended June 30,	2012 \$	2011 \$
<b>OPERATING FUND</b>		
Balance, beginning of year	1,379,747	2,549,117
Excess (deficiency) of revenue over expenditures (Statement 5)	1,003,614	(502,503)
Transfer (to) from Capital Fund	(256,767)	(566,535)
Transfer (to) from Decentralized Surplus (Deficit)	(108,407)	(100,332)
Balance, end of year	2,018,187	1,379,747
<b>CAPITAL FUND</b>		
Balance, beginning of year	19,560,846	20,074,054
Transfer (to) from Operating Fund	256,767	566,535
Amortization	(1,193,950)	(1,079,743)
Balance, end of year	18,623,663	19,560,846



**Yellowknife District No. 1 Education Authority**

(the Authority)

**Statement of Surplus and Reserves**

**Statement 4**

<b>For the period July 1 through June 30,</b>	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>DECENTRALIZED SURPLUS</b>		
Balance, beginning of year	192,514	92,182
Surpluses expended by schools in current year	(44,962)	-
Transfer (to) from Operating Fund	108,407	100,332
<b>Balance, end of year</b>	<b>255,959</b>	<b>192,514</b>
<b>CAPITAL FUND RESERVE</b>		
Balance, beginning of year	904,165	904,165
<b>Balance, end of year</b>	<b>904,165</b>	<b>904,165</b>
<b>PLAYGROUND/RECREATIONAL EQUIPMENT FUND RESERVE</b>		
Balance, beginning of year	124,391	160,000
Transfer (to) from Operating Fund	-	-
Transfer (to) from schools	(114,331)	(35,609)
<b>Balance, end of year</b>	<b>10,060</b>	<b>124,391</b>



**Yellowknife District No. 1 Education Authority**

(the Authority)

**Statement of Operations**

**Statement 5**

For the period July 1 through June 30,

	2012 Budget \$	2012 Actual \$	2011 Actual \$
<b>REVENUE</b>			
<b>Government of the Northwest Territories</b>			
Regular contributions (Note 2a)	23,458,396	<b>24,086,569</b>	22,183,259
Other contributions	123,000	<b>389,706</b>	455,743
Aboriginal languages	60,000	<b>73,799</b>	72,999
French revenue	410,000	<b>818,745</b>	446,975
	24,051,396	<b>25,368,819</b>	23,158,976
<b>Property tax requisitioned (Note 2b)</b>	5,592,008	<b>5,585,423</b>	5,462,425
<b>Education authority generated funds</b>			
Rental income	360,000	<b>320,232</b>	322,040
Investment income	200,000	<b>232,049</b>	167,693
Other	463,000	<b>709,040</b>	584,261
	1,023,000	<b>1,261,321</b>	1,073,994
<b>Total revenue</b>	30,666,404	<b>32,215,563</b>	29,695,395
<b>EXPENDITURES (Schedule 3)</b>			
School programs	20,193,500	<b>20,310,077</b>	19,677,593
Inclusive schooling	5,662,826	<b>5,556,494</b>	5,434,303
Accommodation	153,500	<b>183,480</b>	133,878
Operations and maintenance	2,856,424	<b>3,028,460</b>	2,928,492
Board administration	1,511,833	<b>1,454,088</b>	1,298,875
Aboriginal languages	715,867	<b>679,350</b>	724,757
<b>Total operating expenditures</b>	31,093,950	<b>31,211,949</b>	30,197,898
<b>Excess (deficiency) of revenue over expenditures</b>	(427,546)	<b>1,003,614</b>	(502,503)
<b>TRANSFERS</b>			
Transfer to Capital Fund	(305,500)	<b>(256,767)</b>	(566,535)
<b>Surplus (deficiency) for the year</b>	(733,046)	<b>746,847</b>	(1,069,038)
<b>Opening accumulated surplus, operating fund</b>		1,379,747	2,549,117
<b>Transfer to decentralized surplus</b>		(108,407)	(100,332)
<b>Closing accumulated surplus, operating fund</b>		<b>2,018,187</b>	1,379,747



**Yellowknife District No. 1 Education Authority**

(the Authority)

**Statement of Cash Flows**

**Statement 6**

For the year ended June 30,	2012 \$	2011 \$
<b>OPERATING TRANSACTIONS</b>		
<b>Cash received from:</b>		
Government of the Northwest Territories	24,872,760	22,569,198
Government of Canada	818,745	506,975
City of Yellowknife - property tax requisitioned	4,217,649	5,471,095
Recoveries and general revenue	609,203	1,081,020
	<u>30,518,357</u>	<u>29,628,288</u>
<b>Cash paid for:</b>		
Compensation and benefits	(27,950,200)	(24,474,900)
Operations and maintenance	(3,363,413)	(4,954,714)
	<u>(31,313,613)</u>	<u>(29,429,614)</u>
<b>CASH PROVIDED BY (USED FOR) OPERATING TRANSACTIONS</b>	<b>(795,256)</b>	<b>198,674</b>
<b>CAPITAL TRANSACTIONS</b>		
Acquisitions of capital assets	(256,767)	(566,535)
<b>CASH USED FOR CAPITAL TRANSACTIONS</b>	<b>(256,767)</b>	<b>(566,535)</b>
<b>FINANCING TRANSACTION</b>		
Decentralized surplus expended by schools	(159,224)	-
<b>CASH USED FOR FINANCING TRANSACTIONS</b>	<b>(159,224)</b>	<b>-</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,211,247)</b>	<b>(367,861)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>8,775,985</b>	<b>9,143,846</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>7,564,738</b>	<b>8,775,985</b>
<b>REPRESENTED BY:</b>		
Cash	1,575,351	1,951,148
Short term investments (Note 5)	3,199,713	6,124,419
Long-term investments (Note 8)	2,789,674	700,418
	<u>7,564,738</u>	<u>8,775,985</u>



June 30, 2011

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## 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 program 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. 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.



June 30, 2011

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## 2. Accounting Policies (continued)

### b) 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 installments 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.

### c) Revenue Recognition - Other

Yellowknife District No. 1 Education Authority follows the deferral method of accounting for contributions from funding arrangements. Unrestricted contributions are recognized as revenue when they are received or receivable, if the amount can be reasonably estimated and its collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Revenue from rentals is earned as the facilities are used. Interest revenue is recognized as accrued based on contracted rate. Other revenue is recorded as the service is provided.



**June 30, 2011**

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**2. Accounting Policies (continued)**

**d) Fund Accounting**

The Authority uses fund accounting to separate transactions between its Operating and Capital Fund.

The Operating Fund accounts for the Authority's operating and administrative activities.

The Capital Fund reports the expenses related to 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.

**e) Materials and Supplies**

Materials and supplies are considered a cost of operations and are expensed to the various accounts when received.

**f) Tangible Capital Assets**

Tangible capital assets with a cost lower than a threshold value of \$50,000 will be expensed in the year of acquisition or amortized at a rate of 100%. Assets with an acquisition value more than \$50,000 are capitalized and amortized using the straight-line method.

Asset Category Amortization Period:

Land - Indefinite

Buildings - 40 years

Furniture and Equipment - 40 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.





June 30, 2011

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## 2. Accounting Policies (continued)

### g) 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 14, 2011.

### h) Financial Instruments

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.

### i) Use of Estimates

The preparation of these financial statements in conformity with the financial guidelines of the Department 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.

### j) Non-financial Assets

Tangible capital and other non-financial assets are accounted for as asserts by the Yellowknife District No. 1 Education 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.



June 30, 2011

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### 3. Future changes in accounting policies

In 2011, PSAB made several pronouncements which may impact the Authority's financial statements. The pronouncements are as follows:

#### **Financial Instruments, Section PS 3450 and related amendments to Financial Statement Presentation, Section PS 1201 (previously PS 1200)**

PSAB approved new Section PS 3450, Financial Instruments, and related to Section PS 1201, Financial Statement Presentation. The effective date for Section PS 3450 is April 1, 2012 for government organizations and April 1, 2015 for governments. Earlier adoption is permitted. The impact of the transition to these accounting standards has not yet been determined.

#### **Related party Transactions, Section PS 4260**

The Public Sector Accounting Board (PSAB) released Section 4260 - disclosures of related party transactions by not-for profit organization effective for years beginning after January 1, 2012. Adoption of this section is optional. If the Authority elects to adopt this section it will require the disclosure of related parties, the relationship of the parties, description and amount of transactions, measurement basis and amounts due to or from related parties. The impact of the transition to these accounting standards has not yet been determined.

#### **Tax Revenue, Section PS 3510**

In February of 2010 the Public Sector Accounting Board (PSAB) released a Section PS 3510 - Tax Revenue. This new Section establishes recognition, measurement, presentation and disclosure standards relating to tax revenue reported in financial statements.

The main features of the new Section are as follows:

- Tax revenue should be grossed up for transfers made through the tax system.
- Tax revenue should not be grossed up for the amount of tax concessions (that are often referred to as tax expenditures.)
- Tax revenue should be recognized when it is authorized and the taxable event occurs.
- Tax revenue should be recognized by the government that imposes the tax except in flow-through arrangements.
- Guidance is provided for identifying and distinguishing between tax concessions and transfers made through a tax system.

The Section applies to fiscal years beginning on or after April 1, 2012. The impact of the transition to these accounting standards has not yet been determined.



(the Authority)

**Notes to Financial Statements**

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**June 30, 2011**

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**4. Impact of the change in basis of accounting**

There are the Authority's first financial statements prepared in accordance with Canadian public sector accounting standards. The 2011 comparative financial statements include an opening balance sheet as at July 1, 2010 that provides for the impact of the transition. There were no changes required to the comparative balances presented as a result of adoption of these accounting principles.

The rules for transition to Canadian public sector accounting standards normally require that an enterprise prepare its opening balance sheet using the standards that will be followed thereafter. However, certain elective exemptions from this rule are available. In preparing the opening balance sheet shown above, the Authority used none of the elective exemptions.

**5. Short Term Investments**

	<b>2012</b>	2011
	\$	\$
Altimira High Interest Cash Performer Mutual Fund	<b>2,017,624</b>	4,030,642
RBC Premium Money Market Fund	<b>1,182,089</b>	2,093,777
	<b>3,199,713</b>	6,124,419

The Authority authorized the investment of cash in the Government of the Northwest Territories investment pool, 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, 2012.



# Yellowknife District No. 1 Education Authority

(the Authority)

## Notes to Financial Statements

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June 30, 2011

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### 6. Due from GNWT

	2012	2011
	\$	\$
Department of Education, Culture and Employment	12,372	3,102
Department of Health and Social Services	91,746	-
	<b>104,118</b>	<b>3,102</b>

### 7. Other Accounts Receivable

	2012	2011
	\$	\$
Computer purchase plan - employees	11,741	5,409
GST recoverable	102,707	111,559
Trade receivables	749,774	639,840
	<b>864,222</b>	<b>756,808</b>



**June 30, 2011**

**8. Long-Term Investments**

The table below presents the fair value of the Authority's long-term investments as at June 30, 2012 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.

	<b>2012</b>	<b>2012</b>
	<b>Market Value</b>	<b>Book Value</b>
	<b>\$</b>	<b>\$</b>
<b>Bonds</b>		
1.5% Government of Canada, due December 1, 2012	261,514	262,213
1.5% Government of Canada, due November 1, 2013	296,903	297,638
1.5% Government of Canada, due December 1, 1944	43,903	44,760
2.2% Canada Housing Trust No.1, due March 15, 2014	39,698	39,684
2.95% Canada Housing Trust No.1, due March 15, 2015	22,973	22,893
2.75% Canada Housing Trust No. 1, due June 15, 2016	179,221	178,121
2.05% Canada Housing Trust No. 1, due June 15, 2017	140,600	140,022
2.65% Canada Housing Trust No. 1, due March 15, 2022	46,527	44,993
4% Government of Canada, due June 1, 2041	89,133	86,899
3.25% Province of British Columbia, due December 18, 2021	94,140	92,681
5.5% Province of Quebec, due June 2, 2020	14,259	14,540
4.5% Province of New Brunswick, due June 2, 2020	109,366	107,297
4.2% Province of Ontario, due June 2, 2020	54,984	53,226
3.25% Province of British Columbia, due December 18, 2021	111,064	109,058
8.1% Province of Ontario, due September 8, 2023	61,314	61,268
5.75% Province of Quebec, due December 1, 2036	87,730	86,982
4.85 Toronto Dominion Bank, due February 13, 2013	87,858	89,288
5.06% Royal Bank of Canada, due July 17, 2013	26,964	27,100
5.05% Bank of Montreal, due September 3, 2013	61,471	62,336
4.97% Royal Bank of Canada, due June 5, 2014	100,973	102,637
3.34% Bank of Nova Scotia, due March 25, 2015	82,802	83,098
3.18% Royal Bank of Canada, due November 2, 2020	39,628	39,499
3.15% CIBC, due November 2, 2020	21,325	21,308
3.98% Bank of Montreal, due July 8, 2021	68,840	69,247
4.39% Hydro One Inc., due September 26, 2014	125,888	123,129
4.54% CU Inc., due October 24, 2041	126,523	124,937
4.55% Transcanada Pipelines Ltd., due November 15, 2041	62,770	63,162
4.95% Telus Corporation, due March 15, 2017	27,462	27,058
5.53% GE Capital Canada, due August 17, 2017	27,044	26,401
5.65% Shaw Communications Inc., due October 1, 2019	36,367	35,905
4.81% Teranet Holdings LP, due December 16, 2020	69,416	67,068
6.47% 407 International Inc., due July 27, 2029	19,991	19,347
6.98% Greater Toronto Airport Authority, due October 15, 2032	22,531	21,727
5.21% Enbridge Gas Distribution Inc., due February 25, 2036	20,574	19,571
4.95% Sun Life Financial Inc., due June 1, 2036	11,356	11,206
5.69% Great-West Lifeco., due June 21, 1967	17,900	17,918
5.69% Toronto Dominion Bank, due December 18, 2106	19,220	19,016
	<b>2,730,232</b>	<b>2,713,233</b>
Cash and cash equivalents	59,442	59,441
	<b>2,789,674</b>	<b>2,772,674</b>



**Yellowknife District No. 1 Education Authority**

(the Authority)

**Notes to Financial Statements**

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**June 30, 2011**

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**8. Long-Term 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, 2012.

	<b>Within 1 yr</b>	<b>1-5 yrs</b>	<b>5-10 yrs</b>	<b>Over 10 yrs</b>	<b>Total 2012</b>
Securities	\$ 349,372	\$ 993,326	\$ 678,700	\$ 708,834	\$ 2,730,232
Effective yields	1.093 %	1.435 %	2.823 %	3.426 %	3.205 %

**9. 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:

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
Payable at end of July	<b>1,447,469</b>	1,430,671
Payable at end of August	<b>1,455,301</b>	1,415,060
	<b>2,902,770</b>	2,845,731



(the Authority)

**Notes to Financial Statements**

**June 30, 2011**

**10. 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.

	2012	2011
	\$	\$
Leave and termination benefits - current	308,167	267,767
Leave and termination benefits - non-current	1,546,832	1,540,957
	<b>1,854,999</b>	<b>1,808,724</b>
<b>Comprised of:</b>		
Removal	872,300	738,519
Leave	389,165	393,476
Termination	513,141	576,914
Medical leave accrual	80,393	99,815
	<b>1,854,999</b>	<b>1,808,724</b>

**11. Deferred Revenue**

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

	2012	2011
	\$	\$
City of Yellowknife - tax requisition received in advance	-	1,367,774
GNWT - Active After School Program	-	49,500
Other	3,750	13,410
Department of Education, Culture and Employment	-	60,000
	<b>3,750</b>	<b>1,490,684</b>



(the Authority)

**Notes to Financial Statements**

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**June 30, 2011**

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**12. Surplus for Management Purposes**

Under block funding agreements, the Authority does not receive funding for the summer salary payout 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:

	2012	2011
	\$	\$
Operating fund per balance sheet	<b>2,018,187</b>	1,379,747
Accrual for retirement, resignation and removal	<b>1,385,441</b>	1,315,433
Capital fund reserve	<b>904,165</b>	904,170
Decentralized surplus	<b>255,959</b>	192,514
	<b>4,563,752</b>	3,791,864

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. The surplus of \$4,563,752 exceeds \$1,610,778 by \$2,952,974.

**13. 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.





June 30, 2011

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#### 14. Financial Instruments

Financial instruments consist of recorded amounts of other accounts receivable and short term investments which will result in future cash receipts, as well as accounts payable and accrued liabilities, accrued salaries and benefits, leave and termination benefits and deferred revenue 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 customers. The Authority has a concentrated risk of credit from two other school districts whose funding also comes from the Department.

**b) Fair value**

The Authority's carrying value of cash, short term investments, accounts receivable, accounts payable and accrued liabilities, accrued salaries and benefits, leave and termination benefits and deferred revenues approximates its fair value due to the immediate or short-term maturity of these instruments.



**Yellowknife District No. 1 Education Authority**

(the Authority)

**Schedule of Tangible Capital Assets**

**Schedule 1**

For the year ended June 30,	2012			2011		
	Cost \$	Additions \$	Amortization \$	Accumulated Amortization beginning of year \$	Net Book Value \$	Net Book Value \$
<b>Land and improvements</b>	1,299,476	-	-	-	1,299,476	1,299,476
<b>School buildings</b>						
Ecole Sir John Franklin	2,149,661	-	(59,762)	(699,406)	1,390,493	1,450,255
William McDonald	7,078,328	-	(176,958)	(5,131,788)	1,769,582	1,946,541
Mildred Hall	11,009,651	-	(275,241)	(4,375,226)	6,359,184	6,634,426
Range Lake North	8,215,859	-	(205,396)	(3,697,137)	4,313,326	4,518,722
N. J. Macpherson	5,329,162	-	(136,459)	(3,134,082)	2,058,621	2,195,080
Ecole J. H. Sissons	2,436,769	-	(60,919)	(2,375,850)	-	60,920
	36,219,430	-	(914,735)	(19,413,489)	15,891,206	16,805,944
Administration office	1,070,827	-	(26,771)	(481,872)	562,184	588,955
Nordic Arms residence	595,205	-	(14,880)	(550,231)	30,094	44,974
<b>Total land and buildings</b>	39,184,938	-	(956,386)	(20,445,592)	17,782,960	18,739,349
<b>Equipment and furnishings</b>						
Schools	4,059,767	256,767	(237,562)	(3,238,269)	840,703	167,624
Playgrounds	149,972	-	-	(149,972)	-	-
Residences	64,045	-	-	(64,045)	-	-
Administration office	322,132	-	-	(322,132)	-	653,874
Vehicles	195,071	-	-	(195,071)	-	-
	4,790,987	256,767	(237,562)	(3,969,489)	840,703	821,498
	43,975,925	256,767	(1,193,948)	(24,415,081)	18,623,663	19,560,847



# 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 2012 \$	Total 2011 \$
<b>SALARIES</b>								
Honoraria	1,000	-	-	-	64,235	-	65,235	65,657
Instructional assistants	709,128	2,040,028	-	-	-	-	2,749,156	2,826,478
Non-instructional staff	1,991,156	-	-	459,664	1,034,686	275,691	3,761,197	3,403,019
Teachers	12,029,359	2,303,334	-	-	-	97,712	14,430,405	13,723,173
	14,730,643	4,343,362	-	459,664	1,098,921	373,403	21,005,993	20,018,327
	3,287,641	1,053,312	-	90,066	120,236	77,725	4,628,980	4,841,518
<b>EMPLOYEE BENEFITS</b>								
<b>SERVICES PURCHASED</b>								
Advertising and printing	-	-	-	-	31,813	-	31,813	37,216
Communication	57,846	-	-	8,126	31,088	-	97,060	89,955
Contracted services	272,987	70,685	1,016	99,612	-	55,756	500,056	360,974
Maintenance and repairs	155,362	13,866	77,637	605,208	9,632	23,422	885,127	981,421
Other	120,763	-	-	-	82,014	-	202,777	250,298
Professional and technical	204,916	22,518	-	2,661	52,656	66,189	348,940	349,891
Rentals and leases	73,187	-	-	-	1,056	-	74,243	74,626
Student transportation	341,287	16,157	-	-	-	-	357,444	370,102
Travel	12,646	-	-	-	-	-	12,646	18,256
Utilities	-	-	104,341	1,711,369	-	-	1,815,710	1,678,204
	1,238,994	123,226	182,994	2,426,976	208,259	145,367	4,325,816	4,210,943
<b>MATERIALS</b>								
Awards and student events	17,086	-	-	-	10,069	-	27,155	27,037
Freight	12,078	-	-	441	-	-	12,519	17,397
Materials and supplies	1,023,635	36,594	486	51,313	16,603	82,855	1,211,486	1,082,676
	1,052,799	36,594	486	51,754	26,672	82,855	1,251,160	1,127,110
<b>Total operating expenditures</b>	20,310,077	5,556,494	183,480	3,028,460	1,454,088	679,350	31,211,949	30,197,898



**Yellowknife District No. 1 Education Authority**

(the Authority)

**Details of Inclusive Schooling Expenditures**

**Schedule 3**

<b>For the year ended June 30,</b>	<b>Staff Development \$</b>	<b>Assistive Technology \$</b>	<b>Student Resources \$</b>	<b>Magnet Facilities \$</b>	<b>General Inclusive Schooling \$</b>	<b>Total 2012 \$</b>
<b>SALARIES</b>						
Program Support Teachers	22,518	-	-	-	2,303,334	<b>2,325,852</b>
Support Assistants	-	-	-	-	2,040,028	<b>2,040,028</b>
	<b>22,518</b>	-	-	-	<b>4,343,362</b>	<b>4,365,880</b>
<b>EMPLOYEE BENEFITS</b>						
	-	-	-	-	1,053,312	<b>1,053,312</b>
<b>SERVICES PURCHASED</b>						
Student transportation	-	-	16,157	-	-	<b>16,157</b>
Maintenance and repairs	-	-	13,866	-	-	<b>13,866</b>
Contracted services	-	-	70,685	-	-	<b>70,685</b>
	-	-	<b>100,708</b>	-	-	<b>100,708</b>
<b>MATERIALS</b>						
Materials and supplies	-	-	36,594	-	-	<b>36,594</b>
	-	-	<b>36,594</b>	-	-	<b>36,594</b>
<b>Total operating expenditures</b>	<b>22,518</b>	-	<b>137,302</b>	-	<b>5,396,674</b>	<b>5,556,494</b>



**Yellowknife District No. 1 Education Authority**

(the Authority)

**Details of Aboriginal Language and Culture-Based Education Expenditures**

**Schedule 4**

<b>For the year ended June 30,</b>	Student Instruction \$	Professional Development \$	School Activities and Integrated Community Programs \$	Total 2012 \$
<b>SALARIES</b>				
ALCBE Teachers	97,712	-	-	97,712
Non Instructional Staff	-	-	275,691	275,691
	97,712	-	275,691	373,403
<b>EMPLOYEE BENEFITS</b>				
	77,725	-	-	77,725
<b>SERVICES PURCHASED</b>				
Professional and technical	-	66,189	-	66,189
Maintenance and repairs	-	-	23,422	23,422
Contracted services	-	-	55,756	55,756
	-	66,189	79,178	145,367
<b>MATERIALS</b>				
Materials and supplies	-	-	82,855	82,855
	-	-	82,855	82,855
<b>Total operating expenditures</b>	175,437	66,189	437,724	679,350



# 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,	July 1 to March 31 \$	April 1 to June 30 \$	Total 2012 \$
<b>Secretary of State (Heritage Canada)</b>			
<b>REVENUE</b>			
Contribution from federal government	60,000	-	60,000
<b>EXPENDITURES</b>			
Salaries and benefits	33,050	-	33,050
Other O&M	28,856	-	28,856
	61,906	-	61,906
Surplus (deficit), March 31	(1,906)	-	(1,906)
Surplus (deficit), June 30	-	-	-
<b>Surplus (deficit)</b>	<b>(1,906)</b>	<b>-</b>	<b>(1,906)</b>



**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, 2012**

	<b>Contribution from the Department \$</b>	<b>Commitment from the Authority \$</b>	<b>Expenses \$</b>	<b>Over(under) funding \$</b>
Literacy Coach (Salary)	60,000	30,000	126,994	(36,994)
Librarian (Salary)	35,000	35,000	73,133	(3,133)
Teacher Assistants (Salary)	60,000	10,000	99,217	(29,217)
Intensive French (Salary)	425,000	55,000	502,741	(22,741)
Enhance French (Salary)	40,000	20,000	105,491	(45,491)
French Camps	8,000	2,000	5,381	4,619
French Monitor	-	11,000	14,820	(3,820)
French Resources	46,000	20,000	57,105	8,895
Assessment, Intensive French	20,000	1,000	16,258	4,742
Cultural Activities	12,000	2,000	13,344	656
Professional Development	41,000	9,000	34,606	15,394
Consultant	60,000	115,000	167,861	7,139
<b>Total</b>	<b>807,000</b>	<b>310,000</b>	<b>1,216,951</b>	<b>(99,951)</b>



**Yellowknife District No. 1 Education Authority**

(the Authority)

**Report on Activities of Specific Programs**

**Schedule 7**

**Student Success Initiative Projects**

For the year ended June 30,

**2012**

**\$**

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**Revenue**

**123,000**

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**Expenses**

**Salaries/Wages**

Facilitator fees (including per diems)

3,000

Substitute teacher wages

60,651

**Travel**

Facilitator travel

9,966

Other expenses

680

**Workshop expenses**

Resources

17,032

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**Total expenses**

**91,329**

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**Surplus**

**31,671**

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# Yellowknife District No. 1 Education Authority

(the Authority)

## Report on Activities of Specific Programs

Schedule 8

### Healthy Schools and CACO Project

For the year ended June 30,

	2012 Budget \$	2012 Actual \$
<b>Revenue</b>		
Government of the Northwest Territories	144,609	144,609
<b>Expenses</b>		
Compensation for Project Staff - HSPC Salary	49,567	59,752
Materials	43,967	30,726
External Consultations and Professions	15,000	13,068
Meetings and travel	12,000	13,151
Other	8,092	5,431
CACO Evaluation	10,800	17,298
<b>Admin fees</b>	139,426 5,183	139,426 5,183
<b>Surplus</b>	-	-



**Yellowknife District No. 1 Education Authority**

(the Authority)

**Report on Activities of Specific Programs**

**Schedule 9**

**NWT School Nutrition Project**

For the year ended June 30,

	<b>2012 Budget \$</b>	<b>2012 Actual \$</b>
<b>Revenue</b>		
Government of the Northwest Territories	234,675	207,338
<b>Expenses</b>		
Administration fee	11,175	11,175
Deh Gah lunch program	9,000	9,000
Deh Gah spark program	1,500	1,500
External evaluation	25,000	-
Family nutrition fairs	5,000	5,000
Material layout and design	8,000	8,092
Miscellaneous	2,500	3,538
Physical activity/education resources	6,000	5,879
Professional development	3,000	2,607
Program development - CTS	15,000	13,300
Program resources	4,500	4,681
Rent	2,500	2,500
Salaries and benefits	100,000	97,302
School grants	15,000	15,000
Student development resources	15,000	16,000
Traditional foods	5,000	1,255
Travel	4,500	4,348
Website	2,000	1,902
	234,675	203,079
<b>Surplus</b>	-	4,259



**Yellowknife District No. 1 Education Authority**

(the Authority)

**Report on Activities of Specific Programs**

**Schedule 10**

**Mildred Hall Preschool**

	<b>Budget</b>	<b>Revenue and Expenditures (April - Sept)</b>	<b>Revenue and Expenditures (Oct - March)</b>	<b>Total April 2011 - March 2012</b>
	\$	\$	\$	\$
<b>REVENUES</b>				
GNWT Contribution	60,000	36,000	24,000	60,000
GNWT Attendance	16,000	9,510	5,626	15,136
Fee cost	28,800	10,200	19,200	29,400
<b>Total Revenue:</b>	<b>104,800</b>	<b>55,710</b>	<b>48,826</b>	<b>104,536</b>
<b>EXPENSES</b>				
Employee salary	78,820	29,336	42,780	72,116
Employee benefits	13,899	6,196	6,054	12,250
Workers' Safety & Compensation	482	241	241	482
Audit	134	54	76	130
Insurance	409	197	253	450
Janitorial staff	14,736	7,368	7,368	14,736
Janitorial supplies	811	1,779	132	1,911
Materials & supplies	4,000	8,383	9,026	17,409
Office supplies / admin	391	64	234	298
Photocopy / xerox	178	50	208	258
Repair & maintenance	546	942	129	1,071
Subsidized kids	39,600	14,400	21,600	36,000
Telephone	257	136	121	257
Utilities	4,327	3,399	2,601	6,000
<b>Total Expenditures:</b>	<b>158,590</b>	<b>72,545</b>	<b>90,823</b>	<b>163,368</b>
<b>Deficit</b>	<b>(53,790)</b>	<b>(16,835)</b>	<b>(41,997)</b>	<b>(58,832)</b>

**Beaufort-Delta Health and Social Services Authority**

**Financial Statements**

**March 31, 2013**

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# Beaufort-Delta Health and Social Services Authority

## Financial Statements

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March 31, 2013

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## **Management's Responsibility for Financial Reporting**

**June 05, 2013**

### **To Minister of Health and Social Services and 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, 2013

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, 2013 the BDHSSA incurred an operating deficit of \$737,918 thereby increasing the accumulated operating deficit to \$6,535,955.

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 \$1,288,000. This is up from last year's \$802,000. 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 \$48,000 as a capital budget and in this fiscal period incurred expenses of \$374,700. Some of the major items were the replacement of a highway vehicle, replacement of kitchen equipment due to breakdown of the aged equipment and install the Dental Therapy Suite in the new East Three Elementary School.
3. Hospital, Administration and Support Services is \$800,000 over budget. This is attributable partially to the recruitment of a new CEO and turnover in Senior Management positions that was over budget by \$550,000. There are other operating costs such as telephones and supplies for housekeeping, laundry, food services were \$120,000 over budget. In addition plant operations and maintenance were \$130,000 over budget.
4. The cost of medical supplies was \$606,000 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.
6. The Operating Room was over budget by \$249,000 as a result of increased costs of medical and surgical supplies of \$114,000 and the cost of having staff on call 128 hours per week as the operating room must be available in case of emergencies.
7. The Physician Services were over budget by \$593,000 attributable to the upfront hiring costs of the five permanent doctors. The travel costs of bringing in locum doctors and the travel to the communities was over budget \$140,000 as well as increased insurance costs for physicians.
8. The operations of the health centres were over budget by \$918,200; this is 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 large savings in the operation of the Acute Care and Long Term Care totaling \$172,000. This is a positive reduction from last year over expenditure of \$316,000.

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 \$970,000. In addition the Authority has been able to recover \$859,000 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 9,900 patients visit the general clinics. The emergency department had 8,176 patients. The Authority's laboratory provided services to 3,683 patients. BDHSSA's operating room provided 85 surgeries and 413 day surgeries during this fiscal year. The total number of patient visits to the Inuvik regional Hospital for this fiscal period was 24,965 visits.

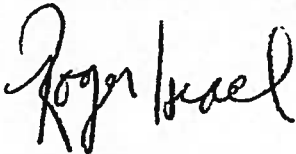
All of the Community Health Centre's combined together had 17,861 patient visits during 2013. In addition our Physicians saw 1,993 patients in the Community Health Centre. The Community Health Centre's also had 2,337 after hour's calls. The community Home Support Workers made 953 home care visits in the communities excluding Inuvik.

During April 1, 2012 to March 31, 2013 there have been 390 intake reports for 631 identified children of concern in the Beaufort Delta Health and Social Services Region. There was 254 of these calls during the day and 136 are reported after hours. Twenty-Seven children are or have been in the care of Child Protection under a permanent custody order during last year.

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**

We have audited the accompanying financial statements of the Beaufort-Delta Health and Social Services Authority as at March 31, 2013, 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.

#### *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.

**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 Beaufort-Delta Health and Social Services Authority as at March 31, 2013, 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, 2013, 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 5, 2013

*MacKay LLP*  
Chartered Accountants

**Beaufort-Delta Health and Social Services Authority**

**STATEMENT I**

**Statement of Financial Position**

**As at March 31,**

**2013**

**2012**

**Financial Assets**

Cash		
Restricted cash - Reserves (Note 4)	\$ 3,097,162	\$ 1,957,100
Restricted cash - Foundation (Note 5)	119,915	134,712
Patient trust funds	60,272	60,272
Accounts receivable (Note 6)	211,410	300,872
	2,810,901	1,931,392
	<b>6,299,660</b>	<b>4,384,348</b>

**Liabilities**

Accounts payable and accrued liabilities	9,412,750	6,940,582
Employee and payroll-related liabilities	843,284	461,952
Employee leave and termination benefits (Note 7)	2,295,428	2,235,798
Patient trust liabilities	211,410	300,872
Foundation donations	60,272	60,272
Contributions repayable (Note 8)	12,471	40,042

<b>Total Liabilities</b>	<b>12,835,615</b>	<b>10,039,518</b>
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<b>Net Financial Debt</b>	<b>(6,535,955)</b>	<b>(5,655,170)</b>
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**Non-Financial Assets**

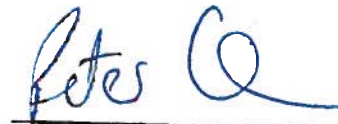
Inventories (Note 9)	554,965	526,474
Prepaid expenses	114,376	-
	<b>669,341</b>	<b>526,474</b>

<b>Accumulated deficit (Note 10)</b>	<b>\$ (5,866,614)</b>	<b>\$ (5,128,696)</b>
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**Contingencies (Note 11)**  
**Contractual Obligations (Note 12)**

**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,	2013	2013	2012
	(unaudited) Budget	Actual	Actual
<b>REVENUE</b>			
Operating Advance from GNWT (Schedule A)	\$ 42,041,000	\$ 42,154,135	\$ 43,883,000
Other Recoveries (Schedule B)	604,500	859,980	802,598
Other Revenues (Schedule C)	2,626,794	2,665,209	2,175,987
Patient services	807,968	969,856	1,274,580
Non-Insured Recoveries (Schedule E)	-	881,505	840,898
Transient centre	626,000	781,893	662,774
Investment revenue	5,000	21,504	20,893
	<b>46,711,262</b>	<b>48,334,082</b>	<b>49,660,730</b>
<b>EXPENDITURES</b>			
Administration and Support Services (Schedule D)	8,685,192	9,869,533	9,133,503
Nursing Inpatient / Resident Services (Schedule D)	7,915,987	8,242,318	8,380,390
Ambulatory Care Services (Schedule D)	6,340,277	6,816,408	5,607,911
Diagnostic and Therapeutic Services (Schedule D)	3,876,348	4,159,192	3,551,544
Regional Health Services (Schedule D)	9,694,767	9,655,118	9,000,718
Regional Social Services (Schedule D)	10,181,891	9,396,699	9,706,393
Education (Schedule D)	-	34,427	31,131
Undistributed and Service Contracts (Schedule D)	16,800	16,800	-
Non-Insured Services (Schedule E)	-	881,505	851,749
	<b>46,711,262</b>	<b>49,072,000</b>	<b>46,263,339</b>
<b>OPERATING SURPLUS (DEFICIT)</b>	-	<b>(737,918)</b>	<b>3,397,391</b>
<b>UNFUNDED ITEM</b>			
Change in employee leave and termination benefits	-	<b>59,630</b>	<b>118,866</b>
<b>SURPLUS (DEFICIT) BEFORE THE FOLLOWING</b>	-	<b>(678,288)</b>	<b>3,516,257</b>
Rent expense - GNWT assets provided at no cost (Note 13)	-	<b>(1,993,896)</b>	<b>(1,988,978)</b>
Grant-In-Kind - GNWT assets provided at no cost (Note 13)	-	<b>1,993,896</b>	<b>1,988,978</b>
<b>SURPLUS (DEFICIT)</b>	<b>\$ -</b>	<b>\$ (678,288)</b>	<b>\$ 3,516,257</b>
<b>OPENING ACCUMULATED DEFICIT</b>	<b>\$ -</b>	<b>\$ (5,128,696)</b>	<b>\$ (8,526,087)</b>
<b>CLOSING ACCUMULATED DEFICIT (NOTE 10)</b>	<b>\$ -</b>	<b>\$ (5,866,614)</b>	<b>\$ (5,128,696)</b>

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**Beaufort-Delta Health and Social Services Authority**
**Statement of Changes in Net Financial Debt**


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<b>For the year ended March 31,</b>	<b>2013</b>	<b>2012</b>
Annual operating surplus (deficit)	\$ (737,918)	\$ 3,397,391
Change in prepaid expenses	(114,376)	82,270
Change in other	(28,491)	(58,847)
<b>INCREASE IN NET FINANCIAL ASSET (DEBT)</b>	<b>(880,785)</b>	<b>3,420,814</b>
<b>NET FINANCIAL DEBT, BEGINNING OF YEAR</b>	<b>(5,655,170)</b>	<b>(9,075,984)</b>
<b>NET FINANCIAL DEBT, END OF YEAR (Note 10)</b>	<b>\$(6,535,955)</b>	<b>\$(5,655,170)</b>

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**Beaufort-Delta Health and Social Services Authority**

**STATEMENT IV**

**Statement of Cash Flows**

**For the year ended March 31,**

**2013**

**2012**

**Net inflow (outflow) of cash related to the following activities:**

**Operating activities**

Annual operating surplus (deficit)	\$ (737,918)	\$ 3,397,391
Non-cash charges to operations:		
Accounts receivable	(879,509)	986,721
Prepaid expenses	(114,376)	82,270
Inventory	(28,491)	(58,847)
Accounts payable and accrued liabilities	2,472,168	(4,233,991)
Payroll and related liabilities	381,332	-
Deferred revenue	-	(78,994)
Employee leave and termination benefits	59,630	118,866
Patient trust liabilities	(89,462)	243,538
Contributions repayable	(27,571)	-
<b>Net cash inflow (outflow) from operating activities</b>	<b>1,035,803</b>	<b>456,954</b>
<b>Increase (Decrease) in cash during the year</b>	<b>1,035,803</b>	<b>456,954</b>
<b>Cash, beginning of year</b>	<b>2,452,956</b>	<b>1,996,002</b>
<b>Cash, end of year</b>	<b>\$ 3,488,759</b>	<b>\$ 2,452,956</b>

**Represented by**

Cash	\$ 3,097,162	\$ 1,957,100
Patient trust funds	211,410	300,872
Restricted cash (Termination benefit reserve)	119,915	134,712
Restricted cash (Donations reserve)	60,272	60,272
	<b>\$ 3,488,759</b>	<b>\$ 2,452,956</b>



## Beaufort-Delta Health and Social Services Authority

## Statement of Expenses by Object

For the year ended March 31,

	2013 Budget	2013 Actual	2012 Actual
<b>Expenditures</b>			
Grants and contribution			
Purchased services	\$ 739,534	\$ 741,756	\$ 396,684
Travel	13,000	7,587	24,789
	752,534	749,343	421,473
<b>Compensation</b>			
Adjustment	-	59,630	118,866
EI / CPP	-	993,883	897,191
Employee benefits	88,332	614,287	563,803
Leave	-	1,181,801	1,268,038
Locums	1,093,402	3,098,752	3,085,856
Merit/retention bonus	160,000	516,657	125,540
Northern allowance	3,575,622	3,456,304	3,315,293
Other	210,000	359,240	260,458
Overtime/callback/shift/responsibility	902,809	3,235,197	3,272,801
Purchased services	5,451,806	5,471,955	5,524,858
Removal	676,300	1,288,258	802,238
Salaries and wages	22,278,075	16,947,876	15,462,280
Severance/superannuation	4,389,149	2,126,435	2,512,125
	38,825,495	39,350,275	37,209,347
<b>Operations and Maintenance</b>			
Advertising and promotion	34,050	176,782	65,778
Contracted and general services	959,132	803,387	519,504
Equipment rental	64,061	27,076	84,278
Foster care	1,205,000	766,729	899,720
Insurance	-	31,449	-
Interest and bank charges	15,500	16,913	37,468
License and membership fees	249,440	197,927	168,507
Maintenance	412,705	499,298	409,401
Minor equipment	246,000	374,734	297,468
Other	41,716	44,421	187,726
Supplies - education and general	109,683	112,566	195,792
Supplies - food	440,320	474,566	477,012
Supplies - housekeeping and laundry	146,630	188,724	169,892
Supplies - medical	1,117,000	1,723,304	1,438,755
Supplies - office	124,362	173,701	169,277
Postage and freight	313,000	297,267	314,817
Professional services	53,000	124,832	220,687
Rent	181,891	186,814	181,917
Training	71,000	86,933	116,286
Telephone	244,938	290,644	306,105
Travel	1,031,803	1,348,297	1,198,575
Vehicle operations and maintenance	52,002	86,725	52,075
	7,113,233	8,033,089	7,511,040
<b>Valuation Allowance</b>			
bad debts expense	20,000	57,788	269,731
<b>Non-insured expenses</b>			
	-	881,505	851,748
<b>Total expenditures</b>	<b>\$ 46,711,262</b>	<b>\$ 49,072,000</b>	<b>\$ 46,263,339</b>

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# Beaufort-Delta Health and Social Services Authority

## Notes to Financial Statements

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March 31, 2013

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### 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

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# Beaufort-Delta Health and Social Services Authority

## Notes to Financial Statements

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March 31, 2013

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### 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.

#### (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.

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# Beaufort-Delta Health and Social Services Authority

## Notes to Financial Statements

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March 31, 2013

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### 2. Summary of Significant Accounting Policies (continued)

#### (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) Government transfers

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenue 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) 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, restricted and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, employee and payroll-related liabilities, foundation donations, and contributions repayable.

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# Beaufort-Delta Health and Social Services Authority

## Notes to Financial Statements

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March 31, 2013

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### 2. Summary of Significant Accounting Policies (continued)

#### (m) Financial instruments (continued)

##### 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 net income.

#### (n) 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. Changes in Accounting Policies

The Authority adopted the following new accounting policies:

#### Government Transfers

On 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

On 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.

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## Beaufort-Delta Health and Social Services Authority

### Notes to Financial Statements

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March 31, 2013

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#### 4. Restricted Cash - Reserves

	2013	2012
Special projects reserve (Schedule G)	\$ 50,540	\$ 50,540
Termination benefit reserve (Schedule G)	69,375	84,172
	<b>\$ 119,915</b>	<b>\$ 134,712</b>

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#### 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 2013	Net 2012
Government of the Northwest Territories	\$ 2,686,844	\$ 310,930	\$ 2,375,914	\$ 1,931,392
Government of Canada	743	743	-	-
Other	561,474	126,487	434,987	-
	<b>\$ 3,249,061</b>	<b>\$ 438,160</b>	<b>\$ 2,810,901</b>	<b>\$ 1,931,392</b>

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#### 7. 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.

	2013	2012
Removal	\$ 914,100	\$ 946,409
Termination	424,832	597,905
Leave	956,496	691,484
<b>Long term portion</b>	<b>\$ 2,295,428</b>	<b>\$ 2,235,798</b>

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# Beaufort-Delta Health and Social Services Authority

## Notes to Financial Statements

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March 31, 2013

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### 8. Contributions Repayable

	2013	2012
Government of Northwest Territories - DHSS		
Canada Prenatal Nutrition	\$ 12,471	\$ 40,042

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### 9. Inventories

	2013	2012
Pharmacy - weighted average cost	\$ 248,262	\$ 228,345
Stores - weighted average cost	306,703	298,129
	<b>\$ 554,965</b>	<b>\$ 526,474</b>

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### 10. Accumulated Deficit

	2013	2012
Funded leave and termination reserve	\$ 69,375	\$ 84,172
Operating deficit	(3,621,728)	(2,943,440)
Special projects reserve	50,540	50,540
Unfunded leave and termination benefits	(2,364,803)	(2,319,970)
	<b>\$ (5,866,616)</b>	<b>\$ (5,128,698)</b>

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### 11. Contingencies

In common with many health authorities, claims are made against the Authority and its staff. As of March 31, 2013, 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.

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## Beaufort-Delta Health and Social Services Authority

### Notes to Financial Statements

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March 31, 2013

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#### 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	2014	2015 and thereafter	Total
Commercial and residential leases	2015	\$ 3,381,837	\$ 2,620,455	\$ 6,002,292
Equipment leases	2016	54,964	63,609	118,573
Operational leases/contracts	2017	3,311,347	807,963	4,119,310
<b>Total</b>		<b>\$ 6,748,148</b>	<b>\$ 3,492,027</b>	<b>\$ 10,240,175</b>

#### 13. GNWT Assets Provided at No Cost

			2013	2012
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings	\$ 66,854,157	\$ (22,296,372)	\$ 44,557,785	\$ 46,033,546
General equipment	249,028	(236,760)	12,268	20,446
Mobile equipment	-	-	-	-
Medical equipment	3,184,554	(2,495,140)	689,414	846,925
Software systems	290,790	(266,916)	23,874	23,874
	<b>\$ 70,578,529</b>	<b>\$ (25,295,188)</b>	<b>\$ 45,283,341</b>	<b>\$ 46,924,791</b>

Rent expense for 2013 is \$1,993,896 (2012: \$1,988,978) 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.



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# Beaufort-Delta Health and Social Services Authority

## Notes to Financial Statements

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March 31, 2013

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### 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 operations would be significantly affected.

### 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.

### 18. 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. 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.

(b) Liquidity risk

Liquidity risk is the risk that the Authority will encounter difficulty in meeting obligations associated with financial liabilities. The Authority is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Authority reduces its exposure to liquidity risk by monitoring budgets and cash flows.

(c) Fair value

The Authority's carrying value of cash, restricted cash, accounts receivable, accounts payable and accrued liabilities, employee and payroll related liabilities and contributions repayable approximates its fair value due to the immediate or short-term maturity of these instruments.

## Beaufort-Delta Health and Social Services Authority

## Schedule of Operating Advances from the GNWT

For the year ended March 31,	2013	2013	2012
	(unaudited) Budget	Actual	Actual
Application systems telehealth	\$ 100,000	\$ 100,000	\$ 100,000
Authority administration	3,291,000	3,320,090	3,223,000
Community wellness programs	157,000	157,000	157,000
Elderly and persons with disabilities	2,003,000	2,003,000	2,525,000
Equipment <\$50,000	48,000	48,000	48,000
Family violence	856,000	926,000	669,000
Foster care	1,605,000	1,605,000	1,605,000
Health centre	7,893,000	7,893,000	7,852,000
Health promotion	182,000	182,000	89,000
Homecare	1,202,000	1,202,000	755,000
Hospital services	14,330,000	14,330,000	16,684,000
Intervention services	142,000	142,000	142,000
Physician services to NWT residents	5,020,000	5,034,045	4,796,000
Residential care - children	256,000	256,000	325,000
Social service delivery	4,956,000	4,956,000	4,913,000
	<b>\$ 42,041,000</b>	<b>\$ 42,154,135</b>	<b>\$ 43,883,000</b>

## Beaufort-Delta Health and Social Services Authority

## Schedule of Other Recoveries for Direct Charges for Services

For the year ended March 31,	2013	2013	2012
	(unaudited) Budget	Actual	Actual
<b>Other Recoveries from the GNWT</b>	\$ -	\$ 90,638	\$ 15,106
<b>Other Recoveries directly from Third Parties</b>			
Administration(recovery)	-	-	15,301
Dietary	236,500	187,637	174,490
Occupational therapy	50,000	52,151	63,547
Operating room	-	43,818	58,673
Other recoveries	318,000	347,088	289,324
Staff rent	-	138,648	186,157
	<b>604,500</b>	<b>769,342</b>	<b>787,492</b>
	<b>\$ 604,500</b>	<b>\$ 859,980</b>	<b>\$ 802,598</b>

## Beaufort-Delta Health and Social Services Authority

## Schedule of Other Revenues

For the year ended March 31,	2013	2013	2012
	(unaudited) Budget	Actual	Actual
Championing Health - Food Calendar	\$ -	\$ -	\$ (4,484)
Children's counselling	-	-	(8,907)
Community based diabetes self management	-	-	30,301
Community Health Nurse in Sachs Harbour	114,000	114,000	114,000
Diabetic specialty clinic	163,033	163,033	-
Enhanced Homecare	1,083,520	1,083,520	976,976
Enhanced Homecare (adjustment)	-	(1,390)	-
Family Violence - Inuvik	-	-	86,534
Family Violence - North	-	-	60,729
French Language services	-	8,900	-
Healthy families	250,000	250,000	-
Healthy families program	17,680	17,680	21,454
Healthy eating and weight management	-	50,000	-
Mental health first aid and suicide prevention skills workshop	25,577	25,577	-
New resident nurse practitioners	267,000	267,000	254,271
Nurse grad placement	-	-	40,000
Nutrition North Canada - We Cook	129,478	65,948	125,476
Nutrition North Canada - We Cook (adjustment)	-	(3,124)	-
Other	-	-	2,615
Physician resident support	53,000	32,729	32,485
Prenatal program, nutrition support	218,400	286,230	185,989
Professional development initiative	53,306	53,306	23,548
Summer students	16,800	16,800	-
Physician staffing model	235,000	235,000	235,000
	<b>\$ 2,626,794</b>	<b>\$ 2,665,209</b>	<b>\$ 2,175,987</b>

SCHEDULE D

Beaufort-Delta Health and Social Services Authority

Schedule of Expenses by Functional Centre

2013

For the year ended March 31,

Function Centre	Grants and Contributions		Operations and Maintenance		Compensation and Benefits		Valuation Allowance		Total	
	Budget	actual	(unaudited) Budget	Actual	(unaudited) Budget	Actual	(unaudited) Budget	Actual	(unaudited) Budget	Actual
711 Administration and Support Services	\$ -	\$ -	\$ 2,170,171	\$ 2,583,504	\$ 6,495,021	\$ 7,228,241	\$ 20,000	\$ 57,788	\$ 8,685,192	\$ 9,869,533
712 Nursing Inpatient / Resident Services	-	-	589,963	845,053	7,326,024	7,397,265	-	-	7,915,987	8,242,318
713 Ambulatory Care Services	-	-	404,722	547,969	5,935,555	6,268,439	-	-	6,340,277	6,816,408
714 Diagnostic and Therapeutic Services	-	-	1,350,456	1,295,976	2,525,892	2,863,216	-	-	3,876,348	4,159,192
715 Regional Health Services	-	-	905,116	1,261,926	8,789,651	8,393,192	-	-	9,694,767	9,655,118
716 Regional Social Services	752,534	749,343	1,692,805	1,464,234	7,736,552	7,183,122	-	-	10,181,891	9,396,699
718 Education	-	-	-	34,427	-	-	-	-	-	34,427
719 Undistributed and Service Contracts	-	-	-	-	16,800	16,800	-	-	16,800	16,800
<b>Total</b>	<b>\$ 752,534</b>	<b>\$ 749,343</b>	<b>\$ 7,113,233</b>	<b>\$ 8,033,089</b>	<b>\$ 38,825,495</b>	<b>\$ 39,350,275</b>	<b>\$ 20,000</b>	<b>\$ 57,788</b>	<b>\$ 46,711,262</b>	<b>\$ 48,190,495</b>

## Beaufort-Delta Health and Social Services Authority

## Schedule of Non-Insured Recoveries and Expenses

For the year ended March 31,	2013	2012
	Actual	Actual
<b>Recoveries</b>	<b>\$ 881,505</b>	<b>\$ 840,898</b>
<b>Expenditures</b>		
Dental	365,166	376,685
Eyeglass	194,916	200,522
Ophthalmology services travel	1,398	6,269
Orthodontics	28,196	35,417
Patient and escort transportation	291,829	232,856
	<b>881,505</b>	<b>851,749</b>
<b>Excess revenue (expenditures)</b>	<b>\$ -</b>	<b>\$ (10,851)</b>

**Beaufort-Delta Health and Social Services Authority**

**Schedule of Contribution Agreements  
Physician Residents Support**

<b>For the year ended March 31,</b>	<b>2013</b>	<b>2013</b>
	<b>(Unaudited) Budget</b>	<b>Actual</b>
<b>Revenue</b>		
Department of Health & Social Services	\$ 53,000	\$ 32,729
<b>Expenditures</b>		
Travel	53,000	32,729
<b>Excess revenue</b>	\$ -	\$ -

**Beaufort-Delta Health and Social Services Authority**

**Schedule of Contribution Agreements (continued)  
Physician Staffing Model**

For the year ended March 31,	2013	2013
	(unaudited) Budget	Actual
<b>Revenue</b>		
Department of Health & Social Services	\$ 235,000	\$ 235,000
<b>Expenditures</b>		
Compensation	235,000	235,000
<b>Excess revenue</b>	\$ -	\$ -

See scope limitation in the Independent Auditors' Report.



**Beaufort-Delta Health and Social Services Authority****Schedule of Contribution Agreements (continued)  
Home Care Enhancement**

<b>For the year ended March 31,</b>	<b>2013</b>	<b>2013</b>
	<b>(unaudited) Budget</b>	<b>Actual</b>
<b>Revenue</b>		
Department of Health & Social Services	\$ 1,083,520	\$ 1,083,520
<b>Expenditures</b>		
Compensation	1,023,500	1,022,548
Equipment expense	41,000	39,984
Supplies	9,120	7,107
Transportation	9,900	11,700
Sundry	-	2,747
	<b>1,083,520</b>	<b>1,084,086</b>
<b>Excess revenue</b>	<b>\$ -</b>	<b>\$ (566)</b>

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**

<b>For the year ended March 31,</b>	<b>2013</b>	<b>2013</b>
	<b>(unaudited) Budget</b>	<b>Actual</b>
<b>Revenue</b>		
Department of Health & Social Services	\$ 114,000	\$ 114,000
<b>Expenditures</b>		
Compensation	105,566	105,566
Supplies	8,434	8,434
	<b>114,000</b>	<b>114,000</b>
<b>Excess revenue</b>	<b>\$ -</b>	<b>\$ -</b>

See scope limitation in the Independent Auditors' Report.

**Beaufort-Delta Health and Social Services Authority**

**Schedule of Contribution Agreements (continued)  
New Resident Nurse Practitioners**

<b>For the year ended March 31,</b>	<b>2013</b>	<b>2013</b>
	<b>(unaudited) Budget</b>	<b>Actual</b>
<b>Revenue</b>		
Department of Health & Social Services	\$ 267,000	\$ 267,000
<b>Expenditures</b>		
Compensation	216,938	246,478
Sundry	40,000	15,911
Supplies	10,062	4,611
	<b>267,000</b>	<b>267,000</b>
<b>Excess revenue</b>	<b>\$ -</b>	<b>\$ -</b>

See scope limitation in the Independent Auditors' Report.

**Beaufort-Delta Health and Social Services Authority**

**Schedule of Contribution Agreements (continued)  
CPNP**

<b>For the year ended March 31,</b>	<b>2013</b>	<b>2013</b>
	<b>(unaudited) Budget</b>	<b>Actual</b>
<b>Revenue</b>		
Department of Health & Social Services	\$ 286,230	\$ 286,230
<b>Expenditures</b>		
Compensation	128,000	125,560
Sundry	115,730	114,419
Supplies	42,500	46,251
	<b>286,230</b>	<b>286,230</b>
<b>Excess revenue</b>	<b>\$ -</b>	<b>\$ -</b>

See scope limitation in the Independent Auditors' Report.

**Beaufort-Delta Health and Social Services Authority****Schedule of Contribution Agreements (continued)  
Diabetic Specialty Clinics**

<b>For the year ended March 31,</b>	<b>2013</b>	<b>2013</b>
	<b>(unaudited) Budget</b>	<b>Actual</b>
<b>Revenue</b>		
Department of Health & Social Services	\$ 163,033	\$ 163,033
<b>Expenditures</b>		
Compensation	147,963	147,336
Sundry	12,170	11,795
Supplies	2,900	3,902
	<b>163,033</b>	<b>163,033</b>
<b>Excess revenue</b>	<b>\$ -</b>	<b>\$ -</b>

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**

<b>For the year ended March 31,</b>	<b>2013</b>	<b>2013</b>
	<b>(unaudited) Budget</b>	<b>Actual</b>
<b>Revenue</b>		
Department of Health & Social Services	\$ 129,478	\$ 65,948
<b>Expenditures</b>		
Compensation	55,386	26,875
Sundry	6,166	6,081
Supplies	19,000	4,496
Travel	48,926	28,496
	<b>129,478</b>	<b>65,948</b>
<b>Excess revenue</b>	<b>\$ -</b>	<b>\$ -</b>

**Beaufort-Delta Health and Social Services Authority**

**Schedule of Contribution Agreements (continued)  
Healthy Eating and Weight Management**

<b>For the year ended March 31,</b>	<b>2013</b>	<b>2013</b>
	<b>(unaudited) Budget</b>	<b>Actual</b>
<b>Revenue</b>		
Department of Health & Social Services	\$ 50,000	\$ 50,000
<b>Expenditures</b>		
Compensation	37,000	15,670
Sundry	11,000	13,071
Supplies	2,000	21,259
	<b>50,000</b>	<b>50,000</b>
<b>Excess revenue</b>	<b>\$ -</b>	<b>\$ -</b>

See scope limitation in the Independent Auditors' Report.

**Beaufort-Delta Health and Social Services Authority****Schedule of Contribution Agreements (continued)  
Healthy Families**

<b>For the year ended March 31,</b>	<b>2013</b>	<b>2013</b>
	<b>(unaudited) Budget</b>	<b>Actual</b>
<b>Revenue</b>		
Department of Health & Social Services	\$ 250,000	\$ 250,000
<b>Expenditures</b>		
Compensation	240,980	155,758
Equipment	31,000	52,643
Sundry	13,949	34,267
Supplies	7,000	7,332
	<b>292,929</b>	<b>250,000</b>
<b>Excess revenue (expenditures)</b>	<b>\$ (42,929)</b>	<b>\$ -</b>

See scope limitation in the Independent Auditors' Report.



**Beaufort-Delta Health and Social Services Authority**

**Schedule of Contribution Agreements (continued)  
Social Services Staff Training**

<b>For the year ended March 31,</b>	<b>2013</b>	<b>2013</b>
	<b>(unaudited) Budget</b>	<b>Actual</b>
<b>Revenue</b>		
Department of Health & Social services	\$ 53,306	\$ 53,306
<b>Expenditures</b>		
Compensation	11,400	14,110
Sundry	7,338	3,998
Supplies	-	5,156
Travel	34,568	30,042
	<b>53,306</b>	<b>53,306</b>
<b>Excess revenue</b>	\$ -	\$ -

**Beaufort-Delta Health and Social Services Authority****Schedule of Contribution Agreements (continued)  
French Language Services**

<b>For the year ended March 31,</b>	<b>2013</b>	<b>2013</b>
	<b>(unaudited) Budget</b>	<b>Actual</b>
<b>Revenue</b>		
Department of Health & Social Services	\$ 8,900	\$ 8,900
<b>Expenditures</b>		
Compensation	2,400	2,031
Sundry	6,500	6,869
	<b>8,900</b>	<b>8,900</b>
<b>Excess revenue</b>	<b>\$ -</b>	<b>\$ -</b>

**Beaufort-Delta Health and Social Services Authority**

**Schedule of Contribution Agreements (continued)  
Healthy Families Program**

For the year ended March 31,	2013	2013
	(unaudited) Budget	Actual
<b>Revenue</b>		
Department of Health & Social services	\$ 17,680	\$ 17,680
<b>Expenditures</b>		
Equipment	-	200
Supplies	16,330	16,261
Sundry	1,350	1,219
	<b>17,680</b>	<b>17,680</b>
<b>Excess revenue</b>	<b>\$ -</b>	<b>\$ -</b>

**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,	2013	2013
	(unaudited) Budget	Actual
<b>Revenue</b>		
Department of Health & Social services	\$ 25,577	\$ 25,577
<b>Expenditures</b>		
Compensation	5,048	6,134
Supplies	8,233	5,936
Travel	12,296	13,507
	<b>25,577</b>	<b>25,577</b>
<b>Excess revenue</b>	<b>\$ -</b>	<b>\$ -</b>

**Beaufort-Delta Health and Social Services Authority**

**Schedule of Contribution Agreements (continued)  
Summer Students**

For the year ended March 31,	2013	2013
	(unaudited) Budget	Actual
<b>Revenue</b>		
Department of Health & Social Services	\$ 16,800	\$ 16,800
<b>Expenditures</b>		
Compensation	16,800	16,800
<b>Excess revenue</b>	\$ -	\$ -

SCHEDULE G

Beaufort-Delta Health and Social Services Authority

Schedule of Reserves

	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	Total
	Surplus / Deficit Reserve	Funded Leave and Termination Benefits Reserve	Special Projects Reserve								
March 31,											
Balance, beginning of year	\$ -	\$ -	\$ 84,172	\$ 84,172	\$ 50,540	\$ 50,540	\$ 134,712	\$ 134,712	\$ 50,540	\$ 50,540	\$ 134,712
Transfer from (to) operating fund	-	-	(14,797)	-	-	-	(14,797)	-	-	-	-
Balance, end of year	\$ -	\$ -	\$ 69,375	\$ 84,172	\$ 50,540	\$ 50,540	\$ 119,915	\$ 119,915	\$ 50,540	\$ 50,540	\$ 134,712

**Financial Statements of**  
**Dehcho Health and Social Services Authority**  
**Year End March 31, 2013**

**Dehcho Health and Social Services Authority  
Financial Statements**

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**Year End March 31, 2013**

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July 12, 2013

To the Board of Trustees and  
Minister of Health and Social Services  
DehCho Health and 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 Canadian generally accepted accounting principles for public sector. 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 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 territorial Health and Social 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 Northwest Territories Government.

A handwritten signature in black ink, appearing to read "Sue Cullen", is written over a faint, larger signature.

Sue Cullen  
Assistant Deputy Minister  
Department of Health and Social Services



## 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, 2013, 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 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

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 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 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, liabilities, excess of revenue, expenditures and surplus.

### 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, 2013 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, 2013 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.

**Other matters**

The prior period financial statements were audited by another auditor. The auditor has provided an qualified opinion with a modification on June 15, 2012.



Biswanath Chakrabarty, CGA  
Biswanath Chakrabarty & Co  
Certified General Accountant  
Yellowknife, Northwest Territories  
July 10, 2013

Dehcho Health and Social Services Authority  
Statement of Financial Position  
As at March 31, 2013

Statement I

	2013 Actual	2012 Actual
<b>Financial Assets</b>		
Cash and Cash Equivalents	\$ -	\$ 65,152
Accounts receivable (Note 5)	959,474	1,041,161
<b>Total Financial Assets</b>	<b>959,474</b>	<b>1,106,313</b>
<b>Liabilities</b>		
Bank Indebtedness (Note 4)	1,186,945	-
Accounts Payable and Accrued Liabilities (Note 6)	662,241	1,468,242
Payroll Liabilities	299,373	181,347
Employee Leave and Termination Benefits (Note 8)	996,844	916,485
Deferred Revenue (Note 2(f))	62,575	569,626
<b>Total Liabilities</b>	<b>3,207,978</b>	<b>3,135,700</b>
<b>Net Financial Debts</b>	<b>(2,248,504)</b>	<b>(2,029,387)</b>
<b>Non-Financial Assets</b>		
Tangible capital assets (Note 2(d)), (Note 7)	1	1
<b>Total Non-Financial Assets</b>	<b>1</b>	<b>1</b>
<b>Accumulated Deficit</b>	<b>\$ (2,248,503)</b>	<b>\$ (2,029,386)</b>

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.

**Dehcho Health and Social Services Authority**  
**Statement of Operations**  
**For the year ended March 31, 2013**

**Statement II**

	2013		2012
	Budget	Actual	Actual
<b>Revenue</b>			
Operating Advance from GNWT (Schedule A)	\$ 17,025,000	\$ 16,761,360	\$ 15,981,000
Other Recoveries (Schedule B)	1,454,377	1,175,447	1,114,577
Other Revenues (Schedule C)	501,700	511,242	375,370
Non-insured recoveries (Schedule E)	161,000	122,781	99,367
Investment revenue	35,000	16,075	51,988
<b>Total Revenue</b>	<b>19,177,077</b>	<b>18,586,905</b>	<b>17,622,302</b>
<b>Expenses</b>			
Administrative and Support Services (Schedule D)	3,368,272	3,806,618	4,198,463
Ambulatory Care Services (Schedule D)	1,340,000	1,076,360	1,252,335
Community Health Services (Schedule D)	6,068,418	6,443,033	6,260,310
Social Services (Schedule D)	8,011,387	7,357,230	7,417,058
Non- Insured Expenses (Schedule E)	-	122,781	99,367
<b>Total Expenses</b>	<b>18,788,077</b>	<b>18,806,022</b>	<b>19,227,533</b>
<b>Operating Deficit for the year</b>	<b>389,000</b>	<b>(219,117)</b>	<b>(1,605,231)</b>
Supplemental funding for increased employee benefits	(389,000)	(389,000)	-
<b>Operating Surplus / (Deficit) before Prior Year Funding</b>	<b>-</b>	<b>(608,117)</b>	<b>(1,605,231)</b>
<b>Unfunded Items</b>			
Change in Employee Leave and Termination Benefits ( Note 8)	-	80,359	254,711
<b>Annual Surplus / (Deficit) Before the Following</b>	<b>-</b>	<b>(527,758)</b>	<b>(1,350,520)</b>
Rent Expense - GNWT Assets provided at no cost (provide note)	-	-	-
Grant-In-Kind - GNWT Assets provided at no cost (provide note)	-	-	-
<b>Annual Surplus/Deficit</b>	<b>-</b>	<b>(527,758)</b>	<b>(1,350,520)</b>
<b>Opening Accumulated Surplus (Deficit)</b>	<b>-</b>	<b>(2,029,386)</b>	<b>3,664,626</b>
Repayment of surplus to GNWT	-	-	(4,088,781)
<b>Operating deficit for the year</b>	<b>-</b>	<b>(2,029,386)</b>	<b>(424,155)</b>
		(219,117)	(1,605,231)
<b>Closing, Accumulated Deficit</b>	<b>\$ -</b>	<b>\$ (2,248,503)</b>	<b>\$ (2,029,386)</b>

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, 2013**

**Statement III**

	2013	2012
<b>Operating Deficit for the year</b>	<b>\$ (219,117)</b>	<b>(1,605,231)</b>
Adjustments	-	(4,088,781)
<b>(Increase) / decrease in net debt</b>	<b>(219,117)</b>	<b>(5,694,012)</b>
Opening net financial debt	(2,029,387)	3,664,625
<b>Closing net financial debt</b>	<b>\$ (2,248,504)</b>	<b>\$ (2,029,387)</b>

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, 2013**

**Statement IV**

	2013	2012
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Operating annual deficit for the year	\$ (219,117)	\$ (1,605,231)
<b>Item not affecting cash:</b>		
Increase in employee leave and termination benefits	80,359	254,711
Adjusted annual deficit	(138,758)	(1,350,520)
<b>Changes in non-cash working capital balances:</b>		
Decrease (increase) in accounts receivable	81,687	(42,854)
Increase in payroll liabilities	118,026	-
Increase (decrease) in accounts payable and accrued liabilities	(806,001)	1,021,005
Repayment of accumulated surplus	-	(4,088,781)
Increase (decrease) in deferred revenue	(507,051)	284,820
Net change in non-cash working capital balances	(1,113,339)	(2,825,810)
Net cash provided by (used in) operating activities	(1,252,097)	(4,176,330)
<b>NET INCREASE (DECREASE) IN CASH POSITION</b>	<b>(1,252,097)</b>	<b>(4,176,330)</b>
<b>CASH, AT BEGINNING OF YEAR</b>	<b>65,152</b>	<b>4,241,482</b>
<b>CASH, AT END OF YEAR</b>	<b>\$ (1,186,945)</b>	<b>\$ 65,152</b>
<b>Cash consists of :</b>		
Cash	200	200
Bank Indebtedness	(1,187,145)	-
Bank	-	64,952
	<b>\$ (1,186,945)</b>	<b>\$ 65,152</b>

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") was established under the Territorial Hospital Insurance Services Act on April 1, 1997 to manage, control and operate the public health facilities and services assigned to it by the Northwest Territories Department of Health and Social Services. 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.

## **2. Significant Accounting Policies**

### **2(a) Basis of accounting**

The accounting policies of the Authority are as prescribed by the Department of Health and Social Services, Government of the Northwest Territories. The basis of accounting used in these financial statements materially differs from Canadian generally accepted accounting principles because capital assets purchased are charged to operations in the year the expenditure are incurred rather than being capitalized on the balance sheet and amortized over the estimated useful lives.

### **2(b) Use of estimates**

The preparation of financial statements 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. Actual results could differ from those estimates. Significant areas of estimation include accounts receivable, accounts payable and accrued liabilities, estimated useful lives of tangible capital assets, employee leave and termination benefits liabilities

### **2(c) Inventory**

The Authority has established the policy of accounting for inventories of materials and supplies by expensing them in the period of acquisition.

### **2(d) Tangible Capital assets**

Tangible Capital Assets (TCA) are owned by the Government of the Northwest Territories. Tangible Capital Assets are amortized over the estimated useful lives of the assets at the rates established in the Financial Administration Manual of the GNWT.



**Dehcho Health and Social Services Authority**  
**Notes to the financial statements**  
**For the year ended March 31, 2013**

**2(e) Operating Surplus (Deficit)**

The Operating Surplus (Deficit) section of the statement of operations reflects any accumulated excess revenues (expenses), net repayments from or to the Department of Health and Social Services. Commencing April 1, 1999 the Authority was funded by the Department using new block funding approach. Commencing July 18, 2011, if an Authority has an operating surplus in a fiscal year, it may retain up to 1%, to a maximum of \$250,000, subject to certain stipulations requiring it to be used within one year or returned to the Department.

**2(f) Deferred Revenue**

Deferred revenue is comprised of amounts received but not yet earned as a result of project completion dates extending beyond the fiscal year end, or conditions attached to the use of the funds as follows:

	2013	2012
Youth Treatment Project 2010/11	\$ -	82,027
Youth Treatment Project 2011/12	-	205,757
Diabetes Four-in-one Program	-	21,979
Family Violence Prevention	-	121,000
Healthy Families Program	62,275	123,000
Community Health Nurse Development	-	15,863
	<b>\$ 62,275</b>	<b>\$ 569,626</b>

**2(g) 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(h) 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.

**2(i) Trust Funds and Liability**

Funds are not received on behalf of long-term care patients by the Authority and not recorded in these financial statements.

**2(j) 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(k) Revenue and Expenditure Recognition**

The Authority follows the deferral method of accounting for contributions received. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred or committed to. Unrestricted contributions are recognized as revenue when received if the amount to be received can be reasonably estimated and collection is reasonably assured. Expenditures are recognized in the year in which legal title transfers or services have been rendered, or commitments have been made to match related funding.

**2(l) Insurance**

Insurance on the operations and assets are included in the Government of the Northwest Territories program at no cost to the Authority. It is to be noted that the limit of General Liability (with medical malpractice) is \$5,000,000 per occurrence.

**3. Changes in Accounting Policies**

**3(i) Government Transfers - Section PS 3410**

On 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.

**3(ii) Financial Instruments, Section PS 3450 and related amendments to Financial Statement Presentation, Section PS 1200**

On 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.

Dehcho Health and Social Services Authority  
Notes to the financial statements  
For the year ended March 31, 2013

**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, 2013** is \$1,186,945.

**5. Accounts Receivable**

	Accounts Receivable 2013	Allowance for Doubtful Debt	Net 2013	Net 2012
Government of The Northwest Territories	\$ 828,966	\$ -	\$ 828,966	\$ 1,005,088
Government of Nunavut	-	-	-	6,625
Other Receivables	196,622	66,114	130,508	29,448
	\$ 1,025,588	\$ 66,114	\$ 959,474	\$ 1,041,161

**6. Accounts Payable and Accrued Liabilities**

	Net 2013	Net 2012
Government of The Northwest Territories	\$ 660,368	\$ 600,365
Other Receivables	1,873	867,877
	\$ 662,241	\$ 1,468,242

**7. 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 \$428,625 (2012 \$465,085). Amounts are provided by the Department of Health and Social Services and are unaudited.

	Cost	Accumulated Amortization	Net Book Value 2013	Net Book Value 2012
Buildings - 40 years	\$ 11,105,723	\$ 4,322,835	\$ 6,782,888	\$ 7,896,337
Buildings - 33 years	76,526	40,551	35,975	516,343
Renovations - 28 years	960,241	33,437	926,804	186,556
Renovations - 20 years	191,402	18,894	172,508	182,366
Vehicle	51,588	4,872	46,716	50,155
Renovations	147,071	56,377	90,694	105,401
Renovations	231,372	192,842	38,530	84,767
	\$ 12,763,923	\$ 4,669,808	\$ 8,094,115	\$ 9,021,925

**Dehcho Health and Social Services Authority**  
**Notes to the financial statements**  
**For the year ended March 31, 2013**

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**8. Employee Leave and Termination Benefits**

Under the conditions of employment, employees qualify for annual leave of varying lengths depending on length of service. Employees also earn retirement and severance remuneration based on number of years of service. Certain employees will also receive assistance with removal costs 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.

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	2013	2012
Leave	\$ 494,060	447,079
Termination	384,308	340,738
Removal	118,476	128,668
<b>Total Employee Leave and Termination Benefits</b>	<b>996,844</b>	<b>916,485</b>

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**9. 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 2013 ( no changes in 2012).

**10. Comparative Figures**

Certain prior year's figures have been reclassified for comparative purposes to conform with current year presentation.

The prior period financial statements were audited by another auditor. The auditor has provided an opinion on June 15, 2012 with the scope limitation on salaries and expenditure as instructed by Government of the Northwest Territories.

**Dehcho Health and Social Services Authority**  
**Schedule of Operating Advances from the GNWT**  
**For the year ended March 31, 2013**

**Schedule A**

	2013		2012
	Annual Budget	Actual	Actual
Health Centres	\$ 6,010,000	\$ 6,010,000	\$ 5,632,000
Social Services Delivery	3,067,000	3,067,000	3,042,000
Residential Care Alcohol & Drug	2,096,000	2,096,000	2,096,000
Physicians Services to NWT Residents	1,340,000	1,340,000	1,312,000
Independent Living	1,297,000	1,297,000	1,229,000
Authority Administration	1,248,000	1,248,000	1,202,000
Children in Care	631,000	631,000	631,000
Homecare	660,000	660,000	625,000
Protective Services/Early Intervention	165,000	165,000	164,000
Community Wellness Programs	47,000	47,000	47,000
Family Violence	46,000	46,000	(28,000)
Capital Funding < \$50,000	20,000	20,000	20,000
Health Promotion	9,000	9,000	9,000
Supplemental funding for increased employee	389,000	389,000	-
<b>Total Advances</b>	<b>17,025,000</b>	<b>17,025,000</b>	<b>15,981,000</b>
Unspent portion of the funding for Physician Services to NWT Residents	-	(263,640)	-
<b>Adjusted Total</b>	<b>\$ 17,025,000</b>	<b>16,761,360</b>	<b>\$ -</b>

Dehcho Health and Social Services Authority  
 Schedule of Other Recoveries for Direct Charges for Services  
 For the year ended March 31, 2013

Schedule B

	2013		2012
	Annual Budget	Actual	Actual
<b>Other Recoveries from the GNWT:</b>			
Homecare Enhancement Program	\$ 411,825	\$ 410,692	\$ 476,496
DHR CHN Development (AS)	133,787	93,515	36,575
DHR CHN Development (SG)	46,674	112,679	108,435
Healthy Family Choices	246,000	65,654	123,000
Healthy Family Baby Feeding Basics Project	13,750	6,875	-
Associate CEO	85,000	90,143	124,020
Violence Prevention Program/Workshop	-	-	136,000
Diabetes Four-in-One Project	-	-	32,600
Injury Prevention	3,623	3,476	-
Safety for Victims of Family Violence	63,718	48,734	-
Community Wellness Planning	105,000	105,000	-
<b>Other Revenue directly from Third Parties:</b>			
Youth A&D Treatment	345,000	238,679	430,000
French Language	-	-	8,400
<b>Total Recoveries</b>	<b>1,454,377</b>	<b>1,175,447</b>	<b>1,475,526</b>
Transferred from (to) deferred revenue	-	-	(360,949)
<b>Adjusted Total</b>	<b>\$ 1,454,377</b>	<b>\$ 1,175,447</b>	<b>\$ 1,114,577</b>

Dehcho Health and Social Services Authority  
 Schedule of Other Revenues  
 For the year ended March 31, 2013

Schedule C

	2013		2012
	Annual Budget	Actual	Actual
<b>Other Revenue directly from Third Parties:</b>			
Staff Rent	\$ 73,500	\$ 74,581	\$ 60,163
Physician's Services	78,000	32,644	81,188
Extended Care Services	155,000	131,256	157,164
Workers compensation	4,600	28,490	19,593
Meals on wheels	3,000	925	1,955
Cafeteria	100	-	21
Vaccines	7,000	2,416	2,353
Other	34,615	66,079	52,933
Training recoveries	31,395	60,851	-
Access to information and Protection of Privacy (ATIPP)	14,490	27,234	-
Non Residents of territories	100,000	86,766	-
<b>Total</b>	<b>\$ 501,700</b>	<b>\$ 511,242</b>	<b>\$ 375,370</b>

**Dehcho Health and Social Services Authority  
 Schedule of Expenses by Functional Centre  
 For the year ended March 31, 2013**

**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	\$ 85,000	\$ 90,143	\$ 1,133,677	\$ 1,116,317	\$ 2,149,595	\$ 2,600,158	\$ -	\$ -	\$ 3,368,272	\$ 3,806,618
712 Nursing Inpatient/Resident Services	-	-	-	-	-	-	-	-	-	-
713 Ambulatory Care Services	-	-	195,049	198,553	1,144,951	877,807	-	-	1,340,000	1,076,360
714 Diagnostic & Therapeutic Services	-	-	-	-	-	-	-	-	-	-
715 Community Health Services	595,909	620,285	617,496	924,256	4,855,013	4,898,492	-	-	6,068,418	6,443,033
716 Social Services	668,468	479,843	1,344,204	1,406,792	5,998,715	5,470,595	-	-	8,011,387	7,357,230
717 Research	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 1,349,377</b>	<b>\$ 1,190,271</b>	<b>\$ 3,290,426</b>	<b>\$ 3,645,918</b>	<b>\$ 14,148,274</b>	<b>\$ 13,847,052</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,788,077</b>	<b>\$ 18,683,241</b>



**Dehcho Health and Social Services Authority  
 Schedule of Non-Insured Recovery and Expense  
 For the year ended March 31, 2013**

	<b>2013</b>		<b>2012</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Recovery</b>	\$ 161,000	\$ 122,781	\$ 99,367
<b>Expense:</b>			
Dental services travel	161,000	122,781	99,367
<b>Excess of Recovery Over Expense</b>	\$ -	-	\$ -

Dehcho Health and Social Services Authority  
 Schedule of Detailed Contribution Funding and Expenditures  
 For the year ended March 31, 2013

Schedule F

	<b>HomeCare Enhancement SC# HSS01-0000001175</b>	
	<b>Budget</b>	<b>Actual</b>
<b>Revenue:</b>		
Department of Health and Social Services	\$ 411,825	\$ 410,692
Less: transfer to deferred revenue	-	-
<b>Total Revenue</b>	<b>411,825</b>	<b>410,692</b>
<b>Expenses:</b>		
Compensation	358,500	358,500
Supplies	3,500	2,627
Travel	14,825	14,825
Referred out expenses	35,000	34,740
<b>Total Expenses</b>	<b>411,825</b>	<b>410,692</b>
<b>Excess of Revenue Over Expenses</b>	<b>\$ -</b>	<b>\$ -</b>

Dehcho Health and Social Services Authority  
 Schedule of Detailed Contribution Funding and Expenditures  
 Youth A & D Treatment Program  
 For the year ended March 31, 2013

Schedule F-1

	Youth A & D Treatment Program HSS01-0000001992	
	Budget	Actual
<b>Revenue:</b>		
Department of Health and Social Services	\$ 345,000	\$ 238,679
Less: transfer to deferred revenue	-	-
<b>Total Revenue</b>	<b>345,000</b>	<b>238,679</b>
<b>Expenses:</b>		
Compensation	80,233	88,348
Training & development	120,350	-
Supplies	44,129	909
Travel	56,163	10,476
Building rent	8,023	7,500
Audit evaluation and legal consultation	36,102	128,946
<b>Total Expenses</b>	<b>345,000</b>	<b>236,179</b>
<b>Excess of Revenue Over Expenses</b>	<b>\$ -</b>	<b>\$ 2,500</b>

**Dehcho Health and Social Services Authority  
Schedule of Surplus (Deficit) and Reserves  
For the year ended March 31, 2013**

**Schedule G**

	General Operations		Surplus (Deficit) Reserve		Unfunded Leave and Termination Benefits Reserve		Special Project Reserve		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
<b>Balance, Opening</b>	\$ (3,200,583)	\$ 878,650	\$ -	\$ 1,869,490	\$ 916,485	\$ 661,774	\$ -	\$ -	\$ (2,029,386)	\$3,664,626
Repayment of Surplus	-	(2,219,291)	-	(1,869,490)	-	-	-	-	-	4,088,781
Operating Surplus (Deficit)	(219,117)	(1,605,231)	-	-	-	-	-	-	(219,117)	1,605,231
	(3,419,700)	(2,945,872)	-	-	916,485	661,774	-	-	(2,248,503)	2,029,386
Interfund transfers	124,589	(254,711)	-	-	80,359	254,711	-	-	-	-
<b>Balance, Closing</b>	<b>(3,295,111)</b>	<b>(3,200,583)</b>	<b>-</b>	<b>-</b>	<b>996,844</b>	<b>916,485</b>	<b>-</b>	<b>-</b>	<b>(2,248,503)</b>	<b>2,029,386</b>

Dehcho Health and Social Services Authority  
 Schedule of Preserves in Departmental Format  
 For the year ended March 31, 2013

Schedule G-1

	Surplus/Deficit Reserve		Unfunded Leave and Termination Benefits Reserve (Note)		Special Project Reserve		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
<b>Balance, Opening</b>	\$ -	\$ 1,869,490	\$ 916,485	\$ 661,774	\$ -	\$ -	\$ 916,485	\$ 2,531,264
Repayment of Surplus	-	(1,869,490)	-	-	-	-	-	(1,869,490)
Operating Surplus	-	-	-	-	-	-	-	-
	-	-	916,485	661,774	-	-	916,485	661,774
Interfund transfers	-	-	80,359	254,711	-	-	80,359	254,711
<b>Balance, Closing</b>	-	-	<b>996,844</b>	<b>916,485</b>	-	-	<b>996,844</b>	<b>916,485</b>

**Fort Smith Health and Social  
Services Authority**

**Financial Statements**

**March 31, 2013**

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# Fort Smith Health and Social Services Authority

## Financial Statements

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March 31, 2013

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## **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, 2013, 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.



**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, 2013, 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.

*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 25, 2013

*MacKay LLP*

Chartered Accountants

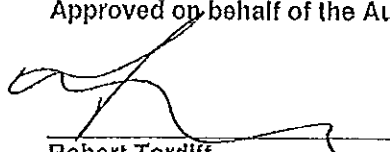
## Fort Smith Health and Social Services Authority

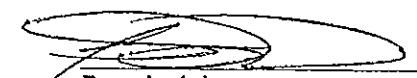
## Statement of Financial Position

As at March 31,	2013	2012
<b>Financial Assets</b>		
Cash	\$ 148,274	\$ 238,261
Cash held in trust	17,801	-
Accounts receivable (Note 4)	1,322,374	590,690
	<b>\$ 1,488,449</b>	<b>\$ 828,951</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 915,802	\$ 2,140,469
Employee and payroll-related liabilities	2,408,550	296,119
Deferred revenue	3,510	-
Employee leave and termination benefits (Note 5)	903,544	917,747
Trust liabilities	17,801	-
<b>Total liabilities</b>	<b>4,249,207</b>	<b>3,354,335</b>
<b>Net Financial Debt</b>	<b>\$ (2,760,758)</b>	<b>\$ (2,525,384)</b>
<b>Non-Financial Assets</b>		
Inventory (Note 6)	293,721	384,814
Prepaid expenses (Note 7)	44,225	66,779
	<b>337,946</b>	<b>451,593</b>
<b>Accumulated Deficit (Note 8)</b>	<b>\$ (2,422,812)</b>	<b>\$ (2,073,791)</b>

Contingent Liabilities (Note 9)  
Contractual Obligations (Note 10)

Approved on behalf of the Authority

  
Robert Tordiff  
Chief Executive Officer

  
Brenda Johnson  
Chairperson of the Board

## Fort Smith Health and Social Services Authority

## Statement of Operations

For the year ended March 31,		2013	2012
	(unaudited) Budget	Actual	Actual
<b>REVENUE</b>			
Operating advances from the GNWT (Schedule A)	\$ 15,623,000	\$ 16,028,391	\$ 14,529,609
Other recoveries (Schedule B)	189,000	258,550	365,382
Other revenues (Schedule C)	998,004	1,190,708	1,275,959
Interest revenue	9,996	6,767	20,253
	<b>16,820,000</b>	<b>17,484,416</b>	<b>16,191,203</b>
<b>EXPENDITURES</b>			
Administration and support services (Schedule D)	1,789,104	2,061,255	2,048,215
Nursing Inpatients / Residents (Schedule D)	2,183,028	2,908,343	2,787,225
Ambulatory care services (Schedule D)	2,611,032	2,535,393	2,238,785
Diagnostic and Therapeutic Services (Schedule D)	1,355,988	1,486,383	1,279,920
Community health services (Schedule D)	1,345,992	1,380,954	1,412,202
Social services (Schedule D)	7,525,020	7,457,172	7,629,334
Undistributed (Schedule D)	9,836	3,937	-
	<b>16,820,000</b>	<b>17,833,437</b>	<b>17,400,107</b>
<b>OPERATING DEFICIT</b>	-	<b>(349,021)</b>	<b>(1,208,904)</b>
<b>PRIOR YEAR FUNDING (note 11)</b>	-	<b>(445,000)</b>	-
<b>OPERATING DEFICIT BEFORE PRIOR YEAR FUNDING</b>	-	<b>(794,021)</b>	<b>(1,208,904)</b>
<b>UNFUNDED ITEM</b>			
Change in employee leave and termination benefits	-	<b>(14,203)</b>	52,861
<b>ANNUAL DEFICIT BEFORE THE FOLLOWING</b>	-	<b>(808,224)</b>	<b>\$ (1,156,043)</b>
Rent expense - GNWT assets provided at no cost (note 12)	-	833,714	821,500
Grant-in-kind - GNWT assets provided at no cost (note 12)	-	<b>(833,714)</b>	<b>(821,500)</b>
<b>ANNUAL DEFICIT</b>	\$ -	\$ <b>(808,224)</b>	\$ <b>(1,156,043)</b>
<b>OPENING ACCUMULATED SURPLUS (DEFICIT)</b>	\$ -	\$ <b>(2,073,791)</b>	\$ 537,290
<b>REPAYMENT OF SURPLUS</b>	\$ -	\$ -	\$ <b>(1,402,177)</b>
<b>CLOSING ACCUMULATED DEFICIT</b>	\$ -	\$ <b>(2,422,812)</b>	\$ <b>(2,073,791)</b>

## Fort Smith Health and Social Services Authority

**Statement of Change in Net Financial Debt**

<b>For the year ended March 31,</b>	<b>2013</b>	<b>2012</b>
Annual operating deficit	\$ (349,021)	\$ (1,208,904)
Change in prepaid expenses	22,554	(27,333)
Change in inventory	91,093	(53,998)
Repayment of surplus to Department	-	(1,402,178)
<b>INCREASE IN NET FINANCIAL DEBT</b>	<b>(235,374)</b>	<b>(2,692,413)</b>
<b>NET FINANCIAL (DEBT) ASSET, BEGINNING OF YEAR</b>	<b>(2,525,384)</b>	167,029
<b>NET FINANCIAL DEBT, END OF YEAR</b>	<b>\$ (2,760,758)</b>	<b>\$ (2,525,384)</b>

## Fort Smith Health and Social Services Authority

Statement of Cash Flow

For the year ended March 31,	2013	2012
<b>Net inflow (outflow) of cash related to the following activities:</b>		
<b>Operating transactions</b>		
Annual operating deficit	\$ (349,021)	\$ (1,208,904)
Non-cash charges to operations:		
Accounts receivable	(731,684)	(152,139)
Accounts payable and accrued liabilities	(1,224,667)	1,248,572
Employee and payroll-related liabilities	2,112,431	59,131
Employee leave and termination benefits	(14,203)	52,862
Deferred revenue	3,510	(9,464)
Funds held in trust	17,801	-
Inventory	91,093	(53,998)
Prepaid expenses	22,554	(27,333)
<b>Cash used by operating transactions</b>	<b>(72,186)</b>	<b>(91,273)</b>
<b>Financing activities</b>		
Repayment of accumulated surplus	-	(1,402,177)
<b>Change in cash during the year</b>	<b>(72,186)</b>	<b>(1,493,450)</b>
<b>Cash, beginning of year</b>	<b>238,261</b>	<b>1,731,711</b>
<b>Cash, end of year</b>	<b>\$ 166,075</b>	<b>\$ 238,261</b>
<b>Represented by</b>		
Cash	\$ 148,274	\$ 238,261
Cash held "in trust"	17,801	-
	<b>\$ 166,075</b>	<b>\$ 238,261</b>

**Statement of Expenses by Object**

For the year ended March 31,	2013 Budget	2013 Actual	2012 Actual
<b>Expenditures</b>			
Advertising and promotion	\$ 44,904	\$ 62,657	\$ 50,850
Contracted and general services	2,773,988	1,769,453	1,926,545
Equipment rental	35,004	41,860	46,703
Equipment and software maintenance	90,912	87,916	84,960
Foster care	233,988	214,023	298,919
Groceries	131,496	161,711	139,704
Insurance	-	2,606	903
Interest and bank charges	1,500	5,350	811
Medical supplies	337,380	468,449	349,885
Minor capital	179,364	85,591	62,970
Office and administration services	151,812	174,616	196,297
Postage and freight	49,452	69,422	58,621
Professional services	51,000	38,914	48,150
Rent	26,496	62,554	48,921
Salaries and wages	12,147,204	13,800,065	13,345,108
Telephone and communications	75,324	118,268	104,320
Training and development	122,076	149,768	106,140
Travel and relocation	319,584	490,130	500,539
Utilities	11,004	4,700	3,446
Vehicle operations and maintenance	37,512	25,384	26,315
<b>Total expenditures</b>	<b>\$ 16,820,000</b>	<b>\$ 17,833,437</b>	<b>\$ 17,400,107</b>

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## Fort Smith Health and Social Services Authority

### Notes to Financial Statements

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March 31, 2013

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#### 1. Authority

The Fort Smith Health and Social Services Authority the ("Authority") operates under the authority of the *Hospital Insurance and Health and Social Services Act* of the Northwest Territories. The Authority 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 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) 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 - 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. Inventory is valued using the First-in, First-out method. There were no write downs and there were no write-ups of inventory previously written down in the current year.

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**Fort Smith Health and Social Services Authority**

**Notes to Financial Statements**

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**March 31, 2013**

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**2. Summary of significant accounting policies (continued)**

**(d) 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.

**(e) 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, and amounts due to related parties.

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 net income.

**(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.



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## Fort Smith Health and Social Services Authority

### Notes to Financial Statements

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March 31, 2013

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#### 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.

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## Fort Smith Health and Social Services Authority

### Notes to Financial Statements

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March 31, 2013

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#### 2. Summary of significant accounting policies (continued)

##### (k) 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.

##### (l) 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. Changes in accounting policies

##### Government Transfers – Section PS 3410

On 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

On 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.

#### 4. Accounts Receivable

	Amount 2013	Allowance 2013	Net 2013	Net 2012
Government of the Northwest Territories	\$ 1,115,440	\$ -	\$ 1,115,440	\$ 338,563
Government of Nunavut	350	-	350	3,988
Goods and Services Tax	50,595	-	50,595	54,596
Other	177,283	21,294	155,989	193,543
	<hr/>			
	\$ 1,343,668	\$ 21,294	\$ 1,322,374	\$ 590,690

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**Fort Smith Health and Social Services Authority**

**Notes to Financial Statements**

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**March 31, 2013**

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**5. 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 that are received from the GNWT.

	2013	2012
Employee leave and termination benefits		
Leave	\$ 457,627	\$ 472,148
Removal costs	227,187	234,071
Severance pay	218,730	211,528
	<hr/> \$ 903,544	<hr/> \$ 917,747

\*Leave

- includes annual, lieu, statutory holidays, and mandatory leave.
- includes leave banks as well as leave accruals and leave payouts due.

**6. Inventory**

	2013	2012
Drugs	\$ 54,302	\$ 116,041
Laboratory and x-ray	13,245	21,666
Housekeeping	3,711	1,026
Medical and surgical	199,321	225,745
Office	23,142	20,336
	<hr/> \$ 293,721	<hr/> \$ 384,814

Inventory is held for consumption in the process of providing services and are distributed at no charge or for a nominal charge.

**Fort Smith Health and Social Services Authority**

**Notes to Financial Statements**

**March 31, 2013**

**7. Prepaid expenses**

	2013	2012
ORMED	\$ -	\$ 10,935
Foster care	-	1,145
Agreements, contracts and leases	40,660	47,064
Travel expenses	3,565	7,635
	<b>\$ 44,225</b>	<b>\$ 66,779</b>

**8. Accumulated deficit**

	2013	2012
Operating accumulated deficit	\$ (1,519,267)	\$ (2,991,538)
Unfunded leave and termination benefits	(903,545)	917,747
	<b>\$ (2,422,812)</b>	<b>\$ (2,073,791)</b>

**9. 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, 2013, there are no claims pending against the Authority.

**10. 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	2014	2015 - 2018	Total
Equipment lease and maintenance	2018	\$ 234,509	\$ 447,538	\$ 682,047
Operational contracts	2017	1,484,438	5,349	1,489,787
<b>Total</b>		<b>\$ 1,718,947</b>	<b>\$ 452,887</b>	<b>\$ 2,171,834</b>

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## Fort Smith Health and Social Services Authority

### Notes to Financial Statements

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March 31, 2013

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#### 11. Prior year funding

The Authority received funding for payroll benefits during the year, which is intended to offset the March 31, 2012 operating deficit. This amount was included in revenues for the current year and has been disclosed separately in order to not impact the current year operating deficit.

#### 12. GNWT assets provided at no cost

			2013	2012
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings	\$20,395,677	\$ (10,493,453)	\$ 9,902,224	\$10,261,269
Mainframe and software systems	55,407	(55,407)	-	642
Medical equipment	3,219,541	(1,650,093)	1,569,448	1,286,526
	<b>\$23,670,625</b>	<b>\$ (12,198,953)</b>	<b>\$11,471,672</b>	<b>\$11,548,437</b>

Rent expense for 2013 is \$833,714 (2012 - \$821,500) with an offsetting grant-in-kind.

#### 13. 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.

#### 14. Budget

Budget figures were those approved by the Authority's board of management and DHSS. The budget figures are not audited and are intended for information purposes only.

#### 15. Comparative figures

The comparative figures have been reclassified, where applicable, to conform with the presentation adopted in the current year.

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## Fort Smith Health and Social Services Authority

### Notes to Financial Statements

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March 31, 2013

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#### 16. 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.

	2013	2012
Accounts payable		
Government of the Northwest Territories	\$ 2,849,797	\$ 1,729,336
Hay River Health and Social Services Authority	2,100	-
Health Boards	-	777
Stanton Territorial Hospital	31,033	45,359
	<hr/> \$ 2,882,930	<hr/> \$ 1,775,472
Accounts receivable		
Government of the Northwest Territories	\$ 1,115,440	\$ 338,563
Health Boards	-	10,123
Hay River Health and Social Services Authority	588	-
Government of Nunavut	-	3,988
Workers Safety & Compensation Commission	25,715	42,311
	<hr/> \$ 1,141,743	<hr/> \$ 394,985

Transactions with related parties are in the normal course of operations and are measured at the amounts agreed to between the parties.

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## Fort Smith Health and Social Services Authority

### Notes to Financial Statements

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March 31, 2013

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#### 17. 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 following sections describe the Authority's financial risk management objectives and policies and the Authority's financial risk exposures.

##### **Fair value**

The Authority's carrying value of cash, restricted cash, accounts receivable, accounts payable and accrued liabilities, employee and payroll related liabilities and contributions repayable approximates its fair value due to the immediate or short-term maturity of these instruments.

##### **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's main credit risk relates to its accounts receivable from customers. The Authority reduces this risk by regularly assessing the credit risk and closely monitoring overdue balances.

##### **Concentration risk**

Concentration risk is the risk that a customer has more than ten percent of the total accounts receivable balance and thus is a higher risk to the business in the event of a default by one of these customers. As at March 31, 2013, one customer comprised 84% of accounts receivable (2012 - 57%). The Authority reduces this risk by regularly assessing the credit risk associated with this account and closely monitors overdue balances.

##### **Liquidity risk**

Liquidity risk is the risk that the Authority will encounter difficulty in meeting obligations associated with financial liabilities. The Authority is exposed to this risk mainly in respect of its accounts payable and accrued liabilities and operating and equipment lease commitments. The Authority reduces its exposure to liquidity risk by consistently monitoring budgets and cash flows.

## Fort Smith Health and Social Services Authority

**Territorial Operating Advances**

March 31,	2013		2012
	(Unaudited) Budget	Actual	Actual
Authority administration	\$ 1,352,000	\$ 1,352,000	\$ 1,288,000
Authority social service delivery	1,579,000	1,579,000	1,545,000
Community wellness programs	114,000	114,000	93,000
Family violence	519,000	519,000	410,000
Foster care	284,000	284,000	284,000
Homecare	351,000	351,000	335,000
Hospital services	5,034,000	5,034,000	5,478,000
Medical equipment	18,000	18,000	18,000
Physician programs	1,553,000	1,513,391	1,288,609
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	1,786,000
Residential care - elderly and persons with disabilities	2,945,000	2,945,000	1,974,000
Residential care - group home	211,000	211,000	-
	<b>\$ 15,623,000</b>	<b>\$ 16,028,391</b>	<b>\$ 14,529,609</b>



Fort Smith Health and Social Services Authority

Schedule of Other Recoveries for Direct Charges for Services

March 31,	2013		2012
	Budget (Unaudited)	Actual	Actual
<b>Other recoveries from the GNWT</b>	\$ -	\$ -	\$ -
<b>Other Recoveries directly from Third Parties</b>			
Non-Residents of the Territory -			
Territorial Health Insurance Plan	120,000	143,004	216,927
Other clinic recoveries	18,996	41,041	88,031
Workers' Safety Compensation Commission	50,004	74,505	60,424
	<b>\$ 189,000</b>	<b>\$ 258,550</b>	<b>\$ 365,382</b>

Fort Smith Health and Social Services Authority

Schedule of Other Revenues

March 31,	2013		2012
	Budget (Unaudited)	Actual	Actual
<b>Other Revenues from the GNWT</b>			
GNWT - DHSS	\$ 777,000	\$ 994,383	\$ 1,080,452
	<b>777,000</b>	<b>994,383</b>	<b>1,080,452</b>
<b>Other Revenues directly from Third Parties</b>			
Room and Board	221,004	196,325	195,507
	<b>221,004</b>	<b>196,325</b>	<b>195,507</b>
	<b>\$ 998,004</b>	<b>\$ 1,190,708</b>	<b>\$ 1,275,959</b>

SCHEDULE D

Fort Smith Health and Social Services Authority  
 Schedule of Expenses by Functional Centre

March 31, 2013

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	\$ -	\$ -	\$ 460,980	\$ 643,684	\$ 1,328,124	\$ 1,417,571	\$ 1,789,104	\$ 2,061,255
712 Nursing Inpatients	-	-	233,016	336,492	1,950,012	2,571,851	2,183,028	2,908,343
713 Ambulatory care services	-	-	384,996	355,512	2,226,036	2,179,881	2,611,032	2,535,393
714 Diagnostic and Therapeutic Services	-	-	359,964	397,449	996,024	1,088,934	1,355,988	1,486,383
715 Community health services	-	18,000	105,984	195,749	1,240,008	1,167,205	1,345,992	1,380,954
716 Social services	-	-	3,118,020	2,082,549	4,407,000	5,374,623	7,525,020	7,457,172
719 Undistributed Nursing Rent	-	-	9,836	3,937	-	-	9,836	3,937
<b>Total</b>	<b>\$ -</b>	<b>\$ 18,000</b>	<b>\$4,672,796</b>	<b>\$4,015,372</b>	<b>\$12,147,204</b>	<b>\$13,800,065</b>	<b>\$16,820,000</b>	<b>\$17,833,437</b>

Fort Smith Health and Social Services Authority

Schedule of Non-insured Recoveries and Expenses

March 31,	2013		2012
	Budget (Unaudited)	Actual	Actual
Recoveries	\$ -	\$ -	\$ -
Expenses	-	-	485
Net Expenditure	\$ -	\$ -	\$ 485

This schedule is not applicable to the Authority.

Fort Smith Health and Social Services Authority

SCHEDULE F

Other Contributions

March 31,

	Actual	Budget (Unaudited)
<b>Funding</b>		
Government of the Northwest Territories	\$ -	\$ -
<b>Expenditures</b>	-	-
<b>Surplus</b>	\$ -	\$ -

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
	2013	2012	2013	2012	2013	2,012	
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, 2013

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

## Financial Statements

Year ended March 31, 2013

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## AUDITORS' REPORT

To the Minister of Health and Social Services and  
the Chief Executive Officer

### Report on the Financial Statements

We have audited the operating fund balance sheet of the Hay River Health & Social Services Authority as at March 31, 2013 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, 2013 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, 2013, 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.

**Other Matter**

We draw attention to Note 14 to the financial statements which describes the reasons for the reissuance of this audit report.



ASHTON  
Chartered Accountants  
Business Advisors

Hay River, NT  
August 8, 2013




# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

## Operating Fund Statement of Financial Position

March 31, 2013

	2013	2012
<b>Financial Assets</b>		
Bank	\$ 249,886	\$ 2,006,380
Accounts receivable	192,905	80,253
Due from GNWT	2,009,649	549,792
<b>Total Financial Assets</b>	<b>\$ 2,452,440</b>	<b>\$ 2,636,425</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 1,645,125	\$ 1,310,458
Due to GNWT	760,855	112,950
Unspent donations	21,906	20,814
Accountable capital advance, GNWT, Note 4	5,829	5,829
Repayable contributions, GNWT	997,477	1,078,245
Deferred revenue, Note 7	55,825	61,443
Accrued employee leave, Note 5	788,467	651,953
Accrued employee termination benefits, Note 5	1,645,430	1,557,973
Post-employment benefits payable, Note 10	896,000	950,000
<b>Total Liabilities</b>	<b>6,816,914</b>	<b>5,749,665</b>
<b>Net Financial Assets (Debt)</b>	<b>\$ (4,364,474)</b>	<b>\$ (3,113,240)</b>
<b>Non-Financial Assets</b>		
Inventory	\$ 225,237	\$ 196,629
Prepaid expenses and deposits	134,624	57,668
<b>Total Non-Financial Assets</b>	<b>\$ 359,861</b>	<b>\$ 254,297</b>
<b>Accumulated Surplus (Deficit)</b>	<b>\$ (4,004,613)</b>	<b>\$ (2,858,943)</b>
Contractual obligations, Note 11		
Represented by:		
Operating Fund Accumulated Surplus (Deficit)	(2,859,183)	(1,800,970)
Employee Termination Liability Fund, Notes 5 and 6	(1,645,430)	(1,557,973)
Cash Reserve, Note 2 and Schedule G	500,000	500,000
	<b>\$ (4,004,613)</b>	<b>\$ (2,858,943)</b>

Approved:

 Public Administrator  
 Chief Executive Officer  
 Director, Finance and Support Services

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

## Operating Fund Statement of Operations

For the year ended March 31, 2013

	2013 Budget	2013 Actual	2012 Actual
<b>Revenue</b>			
Territorial Operating Advances, Schedule A	\$ 23,977,000	\$ 24,300,037	\$ 22,336,893
Other Recoveries, Schedule B	506,918	1,130,863	1,363,992
Other Revenues, Schedule C	1,008,662	1,097,118	1,399,477
Interest	50,000	46,804	70,670
	<u>25,542,580</u>	<u>26,574,822</u>	<u>25,171,032</u>
<b>Expenses</b>			
Administrative and Support Services, Schedule D	8,248,161	8,530,759	7,674,253
Nursing Inpatients/Resident Services, Schedule D	3,718,029	4,028,107	3,777,849
Ambulatory Care Services, Schedule D	3,880,689	3,912,171	3,533,107
Diagnostic and Therapeutic Services, Schedule D	2,595,889	2,613,897	2,595,354
Community Health Services, Schedule D	1,440,130	1,667,172	1,820,794
Social Services, Schedule D	6,784,813	6,944,788	7,086,241
Research, Schedule D	-	-	-
Education, Schedule D	-	23,598	150,158
Non-Insured Services, Schedule E	-	-	-
	<u>26,667,711</u>	<u>27,720,492</u>	<u>26,637,756</u>
Operating surplus (deficit)	(1,125,131)	(1,145,670)	(1,466,724)
Prior year funding Received, Note 12	-	(650,000)	-
<b>Operating Surplus/(deficit) before prior year funding</b>	<u>(1,125,131)</u>	<u>(1,795,670)</u>	<u>(1,466,724)</u>
<b>Unfunded items</b>			
Change in employee termination benefits, Note 5	-	87,457	162,754
Adjusted operating surplus (deficit) before the undemoted	(1,125,131)	(1,708,213)	(1,303,970)
Tangible Capital Assets - Rent Expense, Note 13	-	(622,833)	(589,005)
Grant-in-Kind - GNWT assets provided at no cost, Note 13	-	622,833	589,005
<b>Adjusted operating surplus (deficit) for the year</b>	<u>\$ (1,125,131)</u>	<u>\$ (1,708,213)</u>	<u>\$ (1,303,970)</u>

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

## Statement of Changes in Net Financial Assets (Debt)

For the year ended March 31, 2013

	2013	2012
Annual surplus (deficit)	\$ (1,708,213)	\$ (1,303,970)
Surplus repayment	-	(1,548,115)
Change in employee termination benefit	(87,457)	(162,754)
Prior year funding received	650,000	-
Adjustment to opening accumulated surplus	-	(757,000)
Change in inventory	(28,608)	(22,762)
Change in prepaid expenses	(76,956)	22,684
Increase (Decrease) in net financial assets	(1,251,234)	(3,771,917)
Net financial assets (debt), beginning of year	(3,113,240)	658,677
Net financial assets (debt), end of year	\$ (4,364,474)	\$ (3,113,240)

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

## Statement of Cash Flows

For the year ended March 31, 2013

	2013	2012
<b>Operating Activities</b>		
Cash received from:		
GNWT	\$ 24,497,973	\$ 24,878,032
Other revenues and recoveries	1,020,147	1,196,695
Interest	46,804	70,670
Cash paid for:		
Compensation and benefits	(23,314,514)	(22,259,005)
Operations and maintenance	(4,006,904)	(4,080,722)
<b>Cash from operations</b>	<b>(1,756,494)</b>	<b>(194,330)</b>
<b>Financing Activities</b>		
	-	-
<b>Investing Activities</b>		
Repayment of operating surplus	-	(1,548,115)
Change in cash during the year	(1,756,494)	(1,742,445)
Cash, beginning of year	2,006,380	3,748,825
<b>Cash, end of year</b>	<b>\$ 249,886</b>	<b>\$ 2,006,380</b>

## HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

### Statement of Accumulated Surplus (Deficit) from Operations

For the year ended March 31, 2013

	2013	2012
Opening Operating Fund Accumulated Surplus - as previously stated	\$ (1,800,970)	\$ 2,308,115
Prior period adjustment, Note 9	-	(757,000)
Opening Operating Fund Accumulated Surplus - restated	(1,800,970)	1,551,115
Adjusted operating surplus (deficit) for the year	(1,708,213)	(1,303,970)
Prior year funding received	650,000	-
Transfer to Cash Reserve, Schedule G	-	(500,000)
Repayment of surplus to GNWT	-	(1,548,115)
Closing Operating Fund Accumulated Surplus (Deficit)	\$ (2,859,183)	\$ (1,800,970)

## HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

### Statement of Change in Employee Termination Liability Fund

For the year ended March 31, 2013

	2013	2012
Opening Employee Termination Liability Fund	\$ (1,557,973)	\$ (1,395,219)
(Increase) Decrease in employee termination benefits, Note 5	(87,457)	(162,754)
Closing Employee Termination Liability Fund	\$ (1,645,430)	\$ (1,557,973)

## HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

### Statement of Change in Cash Reserve

For the year ended March 31, 2013

	2013	2012
Opening Employee Termination Liability Fund	\$ 500,000	\$ -
Transfer to cash reserve	-	500,000
Closing Employee Termination Liability Fund	\$ 500,000	\$ 500,000

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2013

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## 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 and Public Health, Social Services and Supported Independent Living and provides financial and administrative support for community and regional programs.

## Note 2. 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, 2013

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## 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 6. 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, 2013

### 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 types. 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. 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.

	2013	2012
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, 2013

## 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 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:

	2013	2012
<b>Current</b>		
Employee annual leave*	\$ 788,467	\$ 651,953
<b>Non-current</b>		
Employee severance	983,132	953,531
Employee removal	662,298	604,442
	1,645,430	1,557,973
<i>Comprised of:</i>		
HRHSSA portion - earned beyond August 31, 1996	\$ 1,493,020	\$ 1,399,226
GNWT portion - Earned to August 31, 1996	152,410	158,747
	\$ 1,645,430	\$ 1,557,973

### \* Leave

- includes annual, lieu, stat holidays and mandatory leave
- includes leave banks as well as leave accruals and leave payouts due
- is considered to be a short-term liability for the purposes of distinguishing employee leave and termination benefits not short-term and long-term categories.

## Note 6. Contingent Revenue

Revenue of \$152,410 representing accrued leave benefits for employees on August 31, 1996 and which, in management's view, pursuant to the terms of the transfer agreement on that date between the GNWT and the Town of Hay River, is owed to the Authority by GNWT, has not been recorded in these financial statements. Recognition of this amount is contingent upon GNWT agreeing to payment terms.

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2013

## Note 7. Deferred Revenue

Deferred revenue represents funds that have been received for specific programs but remain unspent at March 31, 2013 as follows:

	2013	2012
Professional Development Initiative	\$ 55,330	\$ 61,201
Other	495	242
	\$ 55,825	\$ 61,443

## Note 8. Budget

The budget figures are those provided by Management and are unaudited.

## Note 9. Change in accounting policy

### Post-employment benefits payable

Effective April 1, 2011, the Authority adopted section 3250 of the Public Sector Accounting Handbook with respect to the disclosure of post-employment benefits. Previously, the Authority disclosed the post-employment benefits payable in the notes to the financial statements. As of April 1, 2011, the statement of financial position reports the retirement benefit liability and the statement of operations reports the expenses for retirement benefits. They are reported on the basis of the value of the benefits attributed to employee service to the financial statement date.

## Note 10. Post-employment benefits payable

The authority sponsors a contributory defined benefit pension plan for substantially all of its employee

Employees are required to contribute 5.55% of their pensionable earnings up to the yearly maximum pensionable earnings (YMPE) plus 7.5% 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 exceeds the accumulated assets available to fund the members' benefit entitlements in the plan

	2013	2012
Accrued benefit obligation	\$ 30,351,000	\$ 31,387,000
Pension fund assets	28,292,000	24,993,000
	2,059,000	6,394,000
Unamortized actuarial gains / (losses)	(1,163,000)	(5,444,000)
Pension liability	\$ 896,000	\$ 950,000

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2013

## Note 10. Post-employment benefits payable (continued)

The retirement benefit liability includes the following components:

	2013	2012
Pension liability - beginning of year	\$ 950,000	\$ 757,000
Cash items:		
Member contributions	(667,000)	(688,000)
Employer contributions	(3,023,000)	(2,162,000)
Benefit payments	(1,802,000)	(799,000)
Drawdown from plan assets	1,802,000	799,000
Net change to pension liability from cash items	(3,690,000)	(2,850,000)
Accrual items:		
Current period benefit cost	2,615,000	2,273,000
Amortization of actuarial gains/losses	2,217,000	538,000
Past service amendment	(1,477,000)	-
Interest on average accrued benefit obligation	1,526,000	1,306,000
Expected earnings on average pension fund assets	(1,245,000)	(1,074,000)
	3,636,000	3,043,000
Pension liability - end of year	\$ 896,000	\$ 950,000

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 group:

The actuarial valuation was based on a number of assumptions about future events, such as inflation rate, 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:

	2013	2012
Date of actuarial valuation	1-Jan-13	1-Jan-12
Date of audited financial statements	31-Mar-13	31-Mar-12
Discount rate	5.10%	4.80%
Interest rate on pension fund assets	4.80%	4.80%
Interest rate on accrued benefit obligation	4.80%	4.80%
Future inflation	2.00%	2.30%
Future compensation increases	2.50%	2.80%
Expected average remaining service life (years)	7.7	8.0

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2013

## Note 10. 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, 2013, the member required contributions will be increased to 6.85% (previously 5.5%) of earnings up to the YMPE plus 9.2% (previously 7.5% of earnings above the YMPE. The member required contribution rates will also increase effective April 1, 2014 and April 1, 2015.
- b) To cease offering portability at certain ages - The plan will be amended with effect from January 1, 2011 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 will be changed two years from six months. This Change does not affect any current plan members or employees hired prior to April 1, 2013.

## Note 11. Contractual Obligations

The Authority has entered into agreements extending beyond one year for the use of equipment, vehicles, and residential and office space which require periodic payments. The minimum payments under existing agreements over the next five years are as follows:

	Equipment	Vehicle	Commercial/ Residential	Total
2014	\$ 27,544	\$ 38,834	\$ 147,300	\$ 213,678
2015	24,080	33,619	21,000	78,699
2016	17,079	-	21,000	38,079
2017	8,668	-	10,500	19,168
2018	-	-	-	-
	\$ 77,371	\$ 72,453	\$ 199,800	\$ 349,624

## Note 12. Prior Year Funding Received

Funding for payroll benefits in the amount of \$650,000 was received in the 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

Notes to the Financial Statements

For the year ended March 31, 2013

## Note 13. 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.

	Not amortized			
Land				
Buildings	Straight-line (40 yrs)			
Buildings Service Equipment	Straight-line (5-15 yrs)			
Equipment	Straight-line (5-15 yrs)			
	Cost	Accumulated Amortization	2013 Net Book Value	2012 Net Book Value
Land	\$ 30,325	\$ -	\$ 30,325	\$ 30,325
Buildings	11,873,890	4,656,244	7,217,646	7,517,754
Buildings Service Equipment	1,748,034	1,148,307	599,727	721,021
Equipment	3,173,261	2,354,726	818,535	1,041,633
	<b>\$ 16,825,510</b>	<b>\$ 8,159,277</b>	<b>\$ 8,666,233</b>	<b>\$ 9,310,733</b>

Amortization expense for 2012-2013 is \$622,833 (2011-2012 = \$589,005)

The Authority attempts to reconcile its carrying value of capital assets annually to the information provided by GNWT. Adjustments are determined through communication and exchange of information on the history and status of specific assets.

A discrepancy of \$132,396 exists between the cost of assets recorded by the Authority and the carrying value of assets recorded by GNWT at March 31, 2013, due primarily to purchases of capital assets purchased by the Authority out of operating funds in previous years. Some assets recorded in the GNWT's Asset Management System, known as 'Cedar', are no longer being used by the Authority. For details of this discrepancy see below:

Land	\$ 30,325	to be added to Cedar
Woodland Manor	190,015	assets purchased through Board funding
Woodland Manor Furniture	115,767	assets purchased through Board funding
Ultrasound Monitor and Printer	33,027	amounts in Cedar do not match asset cost
Holter Monitor	25,879	amounts in Cedar do not match asset cost
Hemoglobin A1C System	14,571	amounts in Cedar do not match asset cost
Endoscope	32,116	not yet added to Cedar
Operating/Surgical Table	(53,118)	asset disposed of, to be removed from Cedar
Incinerator	(50,071)	asset disposed of, to be removed from Cedar
Medical Air Compressor System	(50,477)	asset disposed of, to be removed from Cedar
1995 Ultrasound	(89,000)	traded in with purchase of new machine in 2003
1994 Diagnostic Analyzer	(66,638)	asset disposed of, to be removed from Cedar
	<b>\$ 132,396</b>	

## Note 14. Reissuance of audit report

This audit report replaces the original audit report dated June 26, 2013. The financial statement issued with the original report required reclassifications to conform with the presentation outlined by the Government of the Northwest Territories. The reclassification results in a decrease to the adjusted operating surplus (deficit) \$650,000 with an offsetting adjustment to Accumulated surplus (deficit). Additionally the cash reserve was adjusted to equal \$500,000.

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Schedule of Operating Advances from the GNWT

Schedule A

For the year ended March 31, 2013

	2013 Budget	2013 Actual	2012 Actual
Hospital Services	\$ 11,332,000	\$ 11,782,000	\$ 11,258,000
Board Administration	2,407,000	2,932,000	1,841,000
Physician Services to NWT Residents	2,751,000	2,826,000	2,693,000
Medical Equipment under \$50,000	24,000	24,000	-
Intervention Services	32,000	32,000	-
Social Service Delivery	1,765,000	1,790,000	1,751,000
Residential Care - Elderly & Persons with Disabilities	4,069,000	4,209,000	3,957,000
Homecare	557,000	586,000	537,000
Family Violence	513,000	513,000	359,000
Foster Care	452,000	452,000	452,000
Human Resources Planning and Development	-	-	-
Children and Family Services	-	-	32,000
Community Wellness Programs	53,000	53,000	53,000
Medical Travel	22,000	22,000	22,000
Boards - Capital	-	-	24,000
	23,977,000	25,221,000	22,979,000
Physician Services	-	42,662	56,587
Less: Physician Services Repayable	-	(963,625)	(698,694)
	\$ 23,977,000	\$ 24,300,037	\$ 22,336,893



# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Schedule of Other Recoveries for Direct Charges for Services

Schedule B

For the year ended March 31, 2013

	2013	2013	2012
	Budget	Actual	Actual
<b>Other Recoveries from the GNWT</b>			
Patient Revenues	\$ 35,818	\$ 131,910	\$ 322,305
Services	37,000	35,038	33,150
Wages	-	-	10,148
Travel and Training	-	34,192	32,019
Other	10,000	21,336	18,013
	<u>82,818</u>	<u>222,476</u>	<u>415,635</u>
<b>Other Recoveries directly from Third Parties</b>			
<b>Government of Canada</b>			
Patient Revenues	1,000	3,188	6,175
Services	5,800	5,452	5,158
Other	-	520	71
	<u>6,800</u>	<u>9,160</u>	<u>11,404</u>
<b>Workers' Safety and Compensation Commission</b>			
Patient Revenues	8,100	26,547	66,404
Services	41,700	39,274	37,158
Wages	-	965	27,910
Other	-	26,240	-
	<u>49,800</u>	<u>93,026</u>	<u>131,472</u>
<b>Hay River Dental Clinic</b>			
Other	35,700	116,400	159,150
<b>Other GNWT Health Authorities</b>			
Wages	2,900	9,485	-
Travel and Training	-	5,754	18,157
Other	-	11,904	23,855
	<u>2,900</u>	<u>27,143</u>	<u>42,012</u>
<b>Other Third Parties Insurance Companies</b>			
Patient Revenues	800	2,464	2,826
Services	5,800	1,086	4,901
Other	-	-	9,148
	<u>6,600</u>	<u>3,550</u>	<u>16,875</u>
<b>Other Third Parties</b>			
Patient Revenues	129,600	422,607	365,825
Cafeteria	159,500	143,789	144,255
Services	33,200	36,120	30,300
Wages	-	5,733	2,151
Travel and Training	-	2,096	4,776
Other	-	48,763	40,137
	<u>322,300</u>	<u>659,108</u>	<u>587,444</u>
	<u>\$ 506,918</u>	<u>\$ 1,130,863</u>	<u>\$ 1,363,992</u>

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Schedule of Other Revenues

Schedule C

For the year ended March 31, 2013

	2013 Budget	2013 Actual	2012 Actual
<b>Other Revenues from the GNWT</b>			
Home and Community Care Enhancement	\$ 289,408	\$ 287,946	\$ 287,074
Integrated Service Delivery Model	40,140	32,070	32,218
Living with Type 2 Diabetes	103,763	74,109	96,420
Healthy Family Program	216,000	209,668	209,500
Professional Development Initiative - Group Deferred Revenue	-	5,871	30,370
Nurse Educator/Mentor Program	115,000	71,871	116,204
Victims Assistance Program	-	-	6,250
French Language Services	40,000	49,565	40,000
Laboratory Information Services	62,750	83,025	127,286
Behavioral Management Training	8,526	7,214	7,905
Nurse Practitioner Education Leave	-	-	28,612
Grad Placement Program	-	10,053	68,312
Family Violence - Shelter Improvement	-	-	163,049
Children Who Witness Violence	12,500	6,250	-
Relevant Experience Program	8,400	8,400	20,265
Baby feeding basics	7,475	9,494	-
Chronic Long-term Care Nursing	-	11,760	-
Other	25,200	6,502	6,459
	929,162	873,798	1,239,924
<b>Other Revenue directly from Third Parties</b>			
Fort Smith Health & Social Services Authority	37,500	77,100	90,000
Hay River Hospital Foundation - Restricted Donations	-	105,917	44,845
Federal Government	-	2,431	-
Internal Transfers	42,000	37,872	24,708
	79,500	223,320	159,553
	\$ 1,008,662	\$ 1,097,118	\$ 1,399,477

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Schedule of Expenses by Functional Centre

Schedule D

For the year ended March 31, 2013

	Compensation		Other		Total 2013		2012
	Budget	Actual	Budget	Actual	Budget	Actual	Actual
<b>Administrative and Support Services</b>							
General Administration/ Mailroom/ Board	\$ 25,000	\$ 20,070	\$ 111,350	\$ 87,437	\$ 136,350	\$ 107,507	\$ 106,201
Executive Offices	854,995	916,181	52,950	63,865	907,945	980,046	977,770
Quality Improvement/Risk Management	135,157	217,577	66,000	46,418	201,157	263,995	172,151
Finance	530,865	512,787	141,650	65,596	672,515	578,383	610,188
Employee Services	313,163	298,367	22,900	10,886	336,063	309,253	329,633
Corporate Human Resources	1,847,600	2,082,318	354,350	213,829	2,201,950	2,296,147	1,473,477
Information Services/telehealth	210,709	248,186	117,545	106,008	328,254	354,194	319,054
Materials Management	194,300	154,074	33,100	7,725	227,400	161,799	238,078
Supply, Process and Distribution	145,146	156,807	32,400	42,429	177,546	199,236	187,005
Housekeeping and Laundry	665,806	731,499	70,800	55,389	736,606	786,888	821,320
Engineering Services	572,869	542,854	249,550	193,382	822,419	736,236	732,756
Registration	99,271	125,943	15,700	16,781	114,971	142,724	122,222
Medical Records	233,432	239,150	13,250	10,888	246,682	250,038	273,259
Dietary	792,653	844,862	315,650	320,249	1,108,303	1,165,111	1,193,852
Contribution Agreements	-	55,079	30,000	144,123	30,000	199,202	117,287
<b>Total Administrative and Support Services</b>	<b>6,620,966</b>	<b>7,145,754</b>	<b>1,627,195</b>	<b>1,385,005</b>	<b>8,248,161</b>	<b>8,530,759</b>	<b>7,674,253</b>
<b>Nursing Inpatients/Resident Services</b>							
Acute Care	2,372,279	2,487,985	268,900	398,470	2,641,179	2,886,455	2,662,233
Chronic Long-Term Care	1,026,800	1,067,486	50,050	13,506	1,076,850	1,080,992	999,412
Contribution Agreements	-	58,644	-	2,016	-	60,660	116,204
<b>Total Nursing Inpatients/Resident Services</b>	<b>3,399,079</b>	<b>3,614,115</b>	<b>318,950</b>	<b>413,992</b>	<b>3,718,029</b>	<b>4,028,107</b>	<b>3,777,849</b>
<b>Ambulatory Care Services</b>							
Endoscopic Procedures	-	23,593	16,050	11,752	16,050	35,345	37,959
Dialysis	308,946	349,446	160,100	124,220	469,046	473,666	392,101
Dental Surgery	124,514	62,191	17,525	27,265	142,039	89,456	125,210
Physicians	1,865,310	1,447,845	493,000	414,289	2,358,310	1,862,134	1,676,566
Nurse practitioner services	-	452,692	-	77,194	-	529,886	-
Medical Clinic Administration	798,144	854,547	97,100	67,137	895,244	921,684	1,301,271
<b>Total Ambulatory Care Services</b>	<b>3,096,914</b>	<b>3,190,314</b>	<b>783,775</b>	<b>721,857</b>	<b>3,880,689</b>	<b>3,912,171</b>	<b>3,533,107</b>

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Schedule of Expenses by Functional Centre

Schedule D (continued)

For the year ended March 31, 2013

	Compensation		Other		Total 2013		2012
	Budget	Actual	Budget	Actual	Budget	Actual	Actual
<b>Diagnostic and Therapeutic Services</b>							
Laboratory	417,479	470,130	424,700	399,737	842,179	869,867	891,508
Mammography	148,862	115,688	43,900	63,473	192,762	179,161	182,992
Diagnostic Imaging	423,992	430,579	89,600	101,059	513,592	531,638	486,308
Pharmacy	132,413	128,661	65,250	68,387	197,663	197,048	193,374
Physiotherapy	295,406	275,642	12,650	7,681	308,056	283,323	261,437
Occupational Therapy	225,509	218,257	8,450	11,873	233,959	230,130	201,255
Audiology and Speech Language Therapy	158,312	41,754	23,665	86,673	181,977	128,427	151,678
Recreation Therapy	121,101	112,803	4,600	3,997	125,701	116,800	99,516
Contribution Agreements	-	73,398	-	4,105	-	77,503	127,286
<b>Total Diagnostic and Therapeutic Services</b>	<b>1,923,074</b>	<b>1,866,912</b>	<b>672,815</b>	<b>746,985</b>	<b>2,595,889</b>	<b>2,613,897</b>	<b>2,595,354</b>
<b>Community Health Services</b>							
Public Health	506,885	468,227	84,950	79,470	591,835	547,697	557,430
Home Care	662,862	718,281	34,200	36,106	697,062	754,387	730,366
Environmental Health	124,233	15,495	15,000	975	139,233	16,470	145,811
Contribution Agreements (HCE/ADI/TCDT)	-	297,512	12,000	51,106	12,000	348,618	387,187
<b>Total Community Health Services</b>	<b>1,293,980</b>	<b>1,499,515</b>	<b>146,150</b>	<b>167,657</b>	<b>1,440,130</b>	<b>1,667,172</b>	<b>1,820,794</b>
<b>Social Services</b>							
Social Services	762,853	750,142	38,950	36,445	801,803	786,587	817,312
Foster Care	-	-	496,300	443,571	496,300	443,571	494,442
Family Violence	513,000	500,900	-	-	513,000	500,900	353,400
Community Counselling Services	716,670	421,288	112,260	112,987	828,930	534,275	724,215
Woodland Manor	1,617,922	1,736,929	34,300	32,143	1,652,222	1,769,072	1,719,271
Supported Independent Living	1,958,241	2,124,279	99,950	95,277	2,058,191	2,219,556	2,208,111
Supported Independent Living - Day	405,567	450,313	28,800	19,947	434,367	470,260	388,521
Contribution Agreements (VA/HF/KHS/SI/PDI)	-	173,971	-	46,596	-	220,567	380,969
<b>Total Social Services</b>	<b>5,974,253</b>	<b>6,157,822</b>	<b>810,560</b>	<b>786,966</b>	<b>6,784,813</b>	<b>6,944,788</b>	<b>7,086,241</b>
Research	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Contribution Agreements (PDI/NP/GP/BMT)	-	10,053	-	13,545	-	23,598	150,158
<b>Total Expenses</b>	<b>\$ 22,308,266</b>	<b>\$ 23,484,485</b>	<b>\$ 4,359,445</b>	<b>\$ 4,236,007</b>	<b>\$ 26,667,711</b>	<b>\$ 27,720,492</b>	<b>\$ 26,637,756</b>

\* 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, 2013

	Total 2013		2012
	Budget	Actual	Actual
Recoveries	\$ -	\$ -	\$ -
Expenditures	-	-	-
Surplus (Deficit)	\$ -	\$ -	\$ -

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Other Contributions

Schedule F

For the year ended March 31, 2013

	SC#	Budget	Actual
Home and Community Care Enhancement (F-1)	HSS01-000001640	\$ 289,408	\$ 287,946
		\$ 289,408	\$ 287,946

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Home and Community Care Enhancement

Schedule F-1

For the year ended March 31, 2013

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Revenue		
GNWT - Home and Community Care Enhancement	\$	287,946
Other recoveries		2,994
		<hr/>
		290,940
<hr/>		
Expenditures		
Salaries and benefits		253,860
Supplies		8,312
Sundry		13,480
Building and grounds		297
Telephone and fax		1,321
Vehicle expense		9,576
Minor equipment		4,151
		<hr/>
Total expenditures		290,997
		<hr/>
Surplus (Deficit)	\$	(57)

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**HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY**

Schedule of Reserves

Schedule G

For the year ended March 31, 2013

	Surplus / Deficit		Cash Reserve	
	2013	2012	2013	2012
Balance, beginning of the year	\$ -	\$ -	\$ 500,000	\$ -
Change in employee termination benefits	-	-	-	-
Repayment of accumulated surplus to GNWT, Note 12	-	-	-	-
Transfers between reserves	-	(500,000)	-	500,000
Balance end of year	\$ -	\$ -	\$ 500,000	\$ 500,000



# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Capital Assets

Schedule H

March 31, 2013

	Cost
<hr/>	
Capital Assets owned and Financed by GNWT:	
Land	\$ 30,325
Buildings	11,668,528
Buildings Service Equipment	1,748,034
Equipment	2,789,529
<hr/>	
Total Assets Financed by GNWT	\$ 16,236,416
<hr/>	
Capital Assets owned by GNWT and Financed by Other Funds:	
Buildings	\$ 205,362
Equipment	383,732
<hr/>	
Total Assets Financed by Other Funds	\$ 589,094
<hr/>	
Total Capital Assets	\$ 16,825,510
<hr/>	
<u>Assets purchased or disposed of during the year:</u>	
Purchased Capital Asset owned and financed by the GNWT:	
NA	\$ -
<hr/>	
	\$ -
<hr/>	

**Sahtu Health & Social Services Authority  
Financial Statements  
Norman Wells, NT  
Year End March 31, 2013**

# **Sahtu Health & Social Services Authority**

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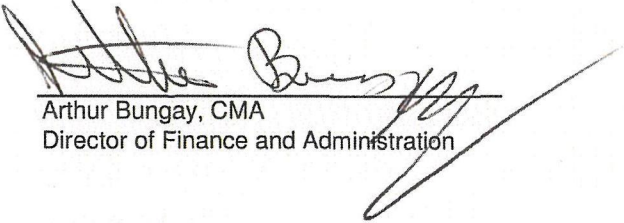
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NORMAN WELLS, NT  
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Phone: (867) 587-3650  
Fax: (867) 587-3436

## Sahtu Health Social Services Authority MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with Canadian public sector accounting standards, 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 Canadian generally accepted auditing standards. The auditors' also considers whether the transactions that come to their notice in the course of this audit are, in all significant respects, in accordance with specified legislation and directives from the Department of Health and Social Services, Government of the Northwest Territories.

  
Arthur Bungay, CMA  
Director of Finance and Administration

June 28, 2013



# VERY, COOPER & Co.

Certified General Accountants

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Gerald F. Avery, FCGA  
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4918 - 50th Street, P.O. Box 1620  
Yellowknife, NT X1A 2P2  
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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, 2013, 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, 2013 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 28, 2013

# Sahtu Health & Social Services Authority

## Statement of Financial Position

As of March 31, 2013

### FINANCIAL ASSETS

	<u>2013</u>	<u>2012</u>
<i>Cash</i>	312,764	356,137
<i>Accounts Receivable</i>	43,036	31,502
<i>Accounts Receivable- GNWT</i>	873,388	508,856

	<u>1,229,188</u>	<u>896,495</u>
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### LIABILITIES

<i>Accounts Payable</i>	463,319	386,673
<i>Accounts Payable- GNWT</i>	482,256	312,513
<i>Wages &amp; Benefits Payable - GNWT</i>	624,486	540,727
<i>Employee Leave and payroll related Liabilities-GNWT (Note 3)</i>	589,668	452,848

	<u>2,159,729</u>	<u>1,692,761</u>
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### Net Financial Assets/(Debt)

	<u>(930,541)</u>	<u>(796,266)</u>
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### Non-Financial Assets

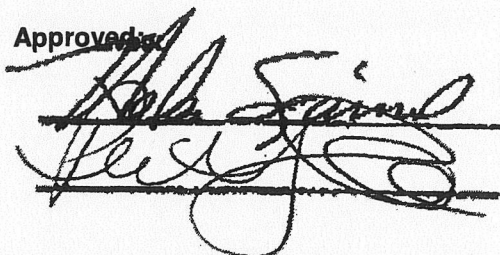
<i>Inventory (Note 6)</i>	82,403	-
<i>Prepaid Expenses</i>	10,865	42,270

	<u>93,268</u>	<u>42,270</u>
--	---------------	---------------

### Accumulated Surplus/(Deficit)

	<u>(837,272)</u>	<u>(753,996)</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, 2013

	2013 Budget (unaudited)	2013 Actual	2012 Actual
<b>REVENUE</b>			
Territorial Operating Advance (Schedule A)	\$ 11,739,000	\$ 11,593,631	\$ 10,752,420
Other Recoveries (Schedule B)	109,800	107,831	132,810
Other Revenues (Schedule C)	1,425,786	1,084,609	521,701
Non-insured Health Benefits (Schedule E)	164,900	245,663	198,202
Investment Revenue	18,000	16,460	22,135
	<b>13,457,486</b>	<b>13,048,194</b>	<b>11,627,268</b>
<b>EXPENDITURES</b>			
Administration (Schedule D)	1,550,905	1,473,701	1,421,148
Ambulatory Care Services (Schedule D)	931,000	785,631	794,062
Community Health Services (Schedule D)	7,954,906	7,955,664	7,194,334
Social Services (Schedule D)	2,585,440	2,492,326	2,315,773
Education (Schedule D)	270,335	178,486	28,291
Non-Insured Expenses (Schedule E)	164,900	245,663	198,202
	<b>13,457,486</b>	<b>13,131,471</b>	<b>11,951,810</b>
<b>OPERATING SURPLUS (DEFICIT)</b>	<b>-</b>	<b>(83,277)</b>	<b>(324,542)</b>
<b>Unfunded Items</b>			
Change in employee leave and termination benefits (Note 3)	-	136,820	23,393
<b>ANNUAL SURPLUS (DEFICIT) Before the Following</b>	<b>-</b>	<b>53,544</b>	<b>(301,149)</b>
Amortization of Building & Equipment	257,577	257,577	263,530
Grant-in-Kind - GNWT Assets provided at no cost	(257,577)	(257,577)	(263,530)
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>-</b>	<b>53,544</b>	<b>(301,149)</b>
Opening Accumulated Surplus	-	(753,996)	(4,556)
Prior Year's Adjusted Surplus transfer to DHSS	-	-	(424,898)
Closing Accumulated Surplus	-	(837,272)	(753,996)

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, 2013

	<u>2013</u>	<u>2012</u>
Annual Surplus/(Deficit)	(83,277)	(324,543)
Acquisition of Prepays	(10,865)	(42,270)
Acquisition of Inventory	(82,403)	-
Consumption of Inventory	-	-
Use of Prepaid Expenses	42,270	-
Prior Year's Adjusted Surplus transfer to DHSS	-	(424,898)
<b>(Increase)/Decrease in net debt</b>	<b>(134,275)</b>	<b>(791,710)</b>
Opening net financial resources	(796,266)	(4,556)
Closing net financial resources	<u>(930,541)</u>	<u>(796,266)</u>

See the accompanying notes and schedules.

# Sahtu Health & Social Services Authority

## STATEMENT OF CHANGES IN FINANCIAL POSITION

For the year ended March 31, 2013

	<u>2013</u>	<u>2012</u>
<b>Annual Operating Surplus (deficit)</b>	(83,277)	(324,543)
Pror year Adjusted Surplus Transfer to DHSS	-	(424,898)
Accounts Receivable	(376,067)	(8,710)
Accounts Payable and Accrued Liabilities	246,390	193,457
Employee and Payroll liabilities	83,759	52,269
Inventory	(82,403)	-
Prepaid	31,404	(42,270)
Employee Leave and Termination Benefits	136,821	23,392
	<hr/>	<hr/>
<b>Net Cash from Operations</b>	(43,373)	(531,303)
Cash Provided by Investing Transactions	-	-
Cash Provided by Financing Transactions	-	-
	<hr/>	<hr/>
<b>Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(43,373)</b>	<b>(531,303)</b>
Opening Cash and Cash Equivalents	356,137	887,440
	<hr/>	<hr/>
<b>Closing Cash and Cash Equivalents</b>	<b>312,764</b>	<b>356,137</b>
	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes and schedules.

# Sahtu Health & Social Services Authority

## Notes to the Financial Statements

*For the year ended March 31, 2013*

### 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 Statement of Financial Position 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, 2013 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, 2013

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. Revenue is not accrued in the current period as funding from the Department of Health and Social Services is not directly linked to the employee leave and termination benefit and is not currently receivable.

Employee leave and termination benefits are comprised as follows:

	<u>2013</u>	<u>2012</u>
<i>Leave</i>	290,555	194,562
<i>Termination, Severance, Resignation, Retirement</i>	111,913	103,662
<i>Removal</i>	187,200	154,624
	<u>589,668</u>	<u>452,848</u>
 <i>Less: portion included in current liabilities</i>	 <u>290,555</u>	 <u>194,562</u>
<i>Long term portion</i>	<u>299,113</u>	<u>258,286</u>

# Sahtu Health & Social Services Authority

## Notes to the Financial Statements

For the year ended March 31, 2013

### 4. CONTRACTUAL OBLIGATIONS

The Authority has entered into agreements for, or is contractually committed to, the following expenses subsequent to March 31, 2013.

	Expires in Fiscal Year	2013	Remaining Obligation	Total
<b>Commercial &amp; Residential Leases</b>				
Seamus Quigg	2014	21,300	27,000	48,300
Steven Rose	2014	21,600	27,000	48,600
Norman Wells Claimant Corporation I	2018	16,960	278,180	295,140
Northwest Territories Housing Corp	2014	2,300	13,800	16,100
Northwest Territories Housing Corp	2013	37,500	25,000	62,500
<b>Equipment Leases</b>				
Xerox Canada Limited	2017	7,895	39,475	47,370
Total		107,555	410,455	518,010

Responsibility of the Deline Wellness Centre Lease was assumed by the Department of Public Works on April 1, 2013

### 5. 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
Computer & Software	7 Years
Furniture, Fixtures & Equipment	15 years

	Cost (unaudited)	Accumulated Amortization (unaudited)	2013 Net Book Value (unaudited)	2012 Net Book Value (unaudited)
Buildings	7,777,795	(4,886,043)	2,891,752	3,144,931
Furniture, Fixtures & Equipment	66,955	(60,358)	6,597	10,995
Computer & Software	46,728	(46,728)	-	-
	7,891,478	(4,993,129)	2,898,349	3,155,926

The above information was provided by the Government of the Northwest Territories.

Amortization expense for 2012-13 is \$257,577 (\$263,530 2011-12).

# Sahtu Health & Social Services Authority

## Notes to the Financial Statements

For the year ended March 31, 2013

### 6. INVENTORY

Inventories, consisting of medical supplies and drugs and vaccines are held for consumption as part of the provision of service and not for re-sale. Items are expensed when taking out inventory. Previously years inventory levels and costs were such that it was not material to be recorded on the prior Audited Statements.

	<u>2013</u>	<u>2012</u>
Medical Supplies	69,604	-
Pharmacy	12,799	-
	<u>82,403</u>	<u>-</u>

### 7. 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.

### 8. EXPENSES BY OBJECT

	<u>2013</u>	<u>2012</u>
Compensation	9,421,379	8,430,805
Other	3,967,669	3,784,535
	<u>13,389,048</u>	<u>12,215,340</u>

### 9. 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.

### 10. RELATED PARTY TRANSACTIONS

There are no further transactions with related parties and balances at year end then already disclosed elsewhere in the financial Statements,

### 11. PRIOR YEAR FIGURES

The prior years figures have been modified to conform with current year presentation

**Sahtu Health & Social Services Authority**  
**SCHEDULE A**  
**Schedule of Territorial Operating Advances**  
**For the year ended March 31, 2013**

	<b>2013 Budget (unaudited)</b>	<b>2013 Actual</b>	<b>2012 Actual</b>
<i>Authority Administration</i>	1,124,000	1,124,000	1,043,000
<i>Equipment (under \$50,000)</i>	13,000	13,000	13,000
<i>Health Centres</i>	5,533,000	5,533,000	5,136,000
<i>Physician Services to NWT Residents</i>	931,000	785,631	794,062
<i>Intervention Services</i>	52,000	52,000	52,000
<i>Foster Care</i>	768,000	768,000	768,000
<i>Prevention &amp; Promotion</i>	276,000	276,000	225,000
<i>Authority Social Services Delivery</i>	2,090,000	2,090,000	1,863,000
<i>Family Violence</i>	122,000	122,000	122,000
<i>Community Wellness Programs</i>	106,000	106,000	67,000
<i>Home Care</i>	724,000	724,000	669,357
	<b>11,739,000</b>	<b>11,593,631</b>	<b>10,752,420</b>

**Sahtu Health & Social Services Authority**  
**SCHEDULE B**  
**Schedule of Other Recoveries directly from Third Parties**  
*For the year ended March 31, 2013*

	<b>2013 Budget (unaudited)</b>	<b>2013 Actual</b>	<b>2012 Actual</b>
<b>Other Recoveries directly from Third Parties</b>			
<i>RCMP</i>	4,200	6,000	13,125
<i>WSCC</i>	18,600	21,330	31,430
<i>Private Insurance Plans</i>	-	-	495
<i>Other Provincial Plans</i>	76,800	68,864	77,169
<i>Co-payment Users</i>	10,200	11,093	8,546
<i>Other Payment Sources</i>	-	544	2,045
	<u>109,800</u>	<u>107,831</u>	<u>132,810</u>



**Sahtu Health & Social Services Authority**  
**SCHEDULE C**  
**Schedule of Other Revenues**  
**For the year ended March 31, 2013**

	<b>2013 Budget (unaudited)</b>	<b>2013 Actual</b>	<b>2012 Actual</b>
<b>Other Revenue from the GNWT</b>			
<i>Enhanced Home Care</i>	606,084	597,879	395,219
<i>Nutrition North</i>	86,048	30,875	25,649
<i>Community Wellness Program</i>	84,840	42,089	-
<i>Healthy Family Program</i>	248,634	108,049	-
<i>Diabetes Awareness</i>	67,776	67,776	7,353
<i>Mental Health First Aid</i>	22,930	6,897	-
<i>Community Health Nurse Development</i>	270,335	178,486	-
<i>PDI</i>	-	-	28,291
<i>Other</i>	-	-	4,175
	<u>1,386,646</u>	<u>1,032,050</u>	<u>460,687</u>

**Sahtu Health & Social Services Authority**  
**SCHEDULE C**  
**Schedule of Other Revenues**  
**For the year ended March 31, 2013**

	<b>2013 Budget (unaudited)</b>	<b>2013 Actual</b>	<b>2012 Actual</b>
<i>Grants</i>	3,200	750	5,061
<i>NIHB Administration Fee</i>	-	1,488	-
<i>Compensation Recoveries</i>	-	-	13,058
<i>Donations - Unrestricted</i>	-	1,650	8,200
<i>Transient Accommodation</i>	35,940	48,670	34,695
	<u>39,140</u>	<u>52,558</u>	<u>61,014</u>
	<u>1,425,786</u>	<u>1,084,609</u>	<u>521,701</u>

# Sahtu Health & Social Services Authority

## SCHEDULE D

### Schedule of Expenses by Functional Services

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>3,058,430</u>	<u>9,194,894</u>	<u>8,769,560</u>	<u>-</u>	<u>25,767</u>	<u>13,292,586</u>	<u>12,885,808</u>

For the year ended March 31, 2012

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	-	-	291,711	305,729	1,299,225	1,118,308	-	(2,889)	1,590,936	1,421,148
Ambulatory Care Services	-	-	144,305	229,193	724,404	564,869	-	-	868,709	794,062
Community Health Services	535,342	432,397	1,276,488	1,514,686	5,162,254	5,247,251	-	-	6,974,084	7,194,334
Social Services	-	-	752,937	815,397	1,343,416	1,500,376	-	-	2,096,353	2,315,773
Education	42,015	28,291	-	-	-	-	-	-	42,015	28,291
	<u>577,356</u>	<u>460,687</u>	<u>2,465,441</u>	<u>2,865,005</u>	<u>8,529,299</u>	<u>8,430,805</u>	<u>-</u>	<u>(2,889)</u>	<u>11,572,096</u>	<u>11,753,608</u>

**Sahtu Health & Social Services Authority**  
**SCHEDULE E**  
**Schedule of Non-Insured Recoveries and Expenses**  
*For the year ended March 31, 2013*

	<b>2013 Budget (unaudited)</b>	<b>2013 Actual</b>	<b>2012 Actual</b>
<i>Recoveries</i>	164,900	245,663	198,202
<b>Expenses</b>			
<i>Transportation</i>	-	-	-
<i>Vision</i>	-	-	-
<i>Drugs</i>	21,000	21,398	20,811
<i>Medical Supplies</i>	-	-	-
<i>Dental</i>	143,900	224,265	177,392
<i>Medical Equipment</i>	-	-	-
	<u>164,900</u>	<u>245,663</u>	<u>198,202</u>
 Net Expenditures	 -	 -	 -

# Sahtu Health & Social Services Authority

## SCHEDULE F

### Contribution Agreement

### Home Care Enhancement Program

SC-407330

For the year ended March 31, 2013

	2013 Budget (unaudited)	2013 Actual	2012 Actual
Funding			
GNWT			
Department of Health & Social Services	606,084	597,879	395,219
Expenditures			
Compensation and Benefits			
Regional			4,896
Norman Wells	45,055	36,762	35,974
Tulita	37,654	32,795	21,844
Fort Good Hope	152,118	154,540	149,090
Deline	208,517	235,321	147,516
Colville Lake	18,308	8,475	5,000
Compensation and Benefits Total	<u>461,652</u>	<u>467,893</u>	<u>364,320</u>
Operations & Maintenance			
Regional	15,787	10,923	24,916
Tulita	43,598	45,213	3,458
Fort Good Hope	36,433	29,292	2,525
Deline	44,500	40,443	-
Colville Lake	4,114	4,114	-
Operations & Maintenance Total	<u>144,432</u>	<u>129,986</u>	<u>30,899</u>
Expenditure Total	<u>606,084</u>	<u>597,879</u>	<u>395,219</u>
Excess Funding Over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>



**Stanton Territorial Health Authority**

**Financial Statements**

**March 31, 2013**

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# Stanton Territorial Health Authority

## Financial Statements

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March 31, 2013

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## **Management's Responsibility for Financial Reporting**

**July 12, 2013**

### **To Minister of Health and Social Services and Stanton Territorial Health Authority**

The accompanying financial statements were prepared by management in accordance with Canadian Public Sector Accounting Standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent with the information contained in the financial statements.

Stanton Territorial Health Authority maintains internal financial and management systems and practices which are designed to provide reasonable assurance that reliable financial and non-financial information is available on a timely basis and that the Authority acts in accordance with the laws of the Northwest Territories. The Authority's management recognizes its responsibility for conducting the Authority's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to a Territorial Health Authority.

The external auditors annually provide an independent, objective audit for the purposes of expressing an opinion on the financial statements. They also consider whether transactions which come to their notice in the course of this audit are, in all significant respect, in accordance with the specified legislation.



Kay Lewis  
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, 2013, 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.

### *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, employee and payroll related liabilities, employee leave and termination benefits, and net financial debt.

**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 Stanton Territorial Health Authority as at March 31, 2013, 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, 2013, 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.

*Mackay LLP*

**Yellowknife, Northwest Territories  
July 12, 2013**

**Chartered Accountants**

**Stanton Territorial Health Authority**

**Statement of Financial Position**

**STATEMENT I**

**As at March 31,**

**2013**

**2012**

**Financial Assets**

Cash	\$ 794,111	\$ 166,407
Restricted cash (capital advance) (Note 4 and Note 7)	286,644	297,203
Restricted cash (trust account)	9,618	6,005
Accounts receivable (Note 5)	20,215,459	18,414,308
	<b>21,305,832</b>	<b>18,883,923</b>

**Liabilities**

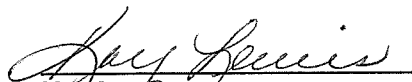
Accounts payable and accrued liabilities	\$ 5,936,778	\$ 5,520,124
Employee and payroll-related liabilities	26,377,959	24,641,536
Capital advances (Note 7)	286,644	297,203
Employee leave and termination benefits (Note 7)	5,572,926	5,028,118
Deferred revenue (Note 8)	-	30,000
Trust liabilities	9,618	6,005
<b>Total Liabilities</b>	<b>38,183,924</b>	<b>35,522,986</b>
<b>Net Financial Debt</b>	<b>(16,878,092)</b>	<b>(16,639,064)</b>

**Non Financial Assets**

Prepaid expenses	359,408	380,029
Inventory (Note 9)	1,375,437	1,348,370
	<b>1,734,845</b>	<b>1,728,399</b>
<b>Accumulated Deficit (Note 10)</b>	<b>\$ (15,143,247)</b>	<b>\$ (14,910,665)</b>

Contingencies (Note 11)  
Contractual Obligations (Note 12)

Approved on behalf of the Authority

  
Kay Lewis  
Chief Executive Officer

  
Corinne Devitt  
Chief Financial Officer

## Stanton Territorial Health Authority

## Statement of Operations

For the year ended March 31,	2013		2012
	(unaudited) Budget	Actual	Actual
<b>Revenue</b>			
Operating advances from the GNWT (Schedule A)	\$ 78,382,000	\$ 79,618,599	\$ 79,035,000
Other recoveries (Schedule B)	21,152,129	21,996,970	23,283,540
Other revenues (Schedule C)	4,963,430	4,956,973	5,023,647
Non-insured recoveries and expenses (Schedule E)	9,551,385	9,337,706	9,420,952
Investment revenue	70,000	71,618	76,028
	<b>114,118,944</b>	<b>115,981,866</b>	116,839,167
<b>Expenditures</b>			
Administration and support services (Schedule D)	40,858,549	40,584,936	38,431,547
Nursing inpatients services (Schedule D)	21,212,630	21,678,993	20,376,010
Ambulatory care services (Schedule D)	24,691,220	25,013,022	23,544,523
Diagnostic and therapeutic services (Schedule D)	17,743,085	17,832,457	18,333,536
Community health services (Schedule D)	912,314	846,703	844,786
Education (Schedule D)	989,692	670,303	755,340
Undistributed (Schedule D)	439,000	250,329	428,034
Non-insured recoveries and expenses (Schedule E)	9,551,385	9,337,706	9,420,952
	<b>116,397,874</b>	<b>116,214,448</b>	112,134,728
<b>Operating Surplus (Deficit)</b>	<b>(2,278,930)</b>	<b>(232,582)</b>	4,704,439
<b>Prior Year Funding Received</b>	-	<b>(1,206,599)</b>	(6,181,000)
<b>Operating Deficit Before Prior Year Funding</b>	<b>(2,278,930)</b>	<b>(1,439,181)</b>	(1,476,561)
<b>Unfunded Item:</b>			
Change in employee leave and termination benefits	-	544,808	317,775
<b>Annual Deficit Before the Following:</b>	<b>(2,278,930)</b>	<b>(894,373)</b>	(1,158,786)
Rent expense - GNWT assets provided at no cost (note 13)	-	<b>(3,660,738)</b>	(2,126,213)
Grant-in-kind - GNWT assets provided at no cost (note 13)	-	<b>3,660,738</b>	2,126,213
<b>Annual Operating Surplus (Deficit)</b>	<b>\$ (2,278,930)</b>	<b>\$ (894,373)</b>	<b>\$ (1,158,786)</b>
Opening Accumulated Deficit	-	<b>(14,910,665)</b>	(19,615,104)
<b>Closing Accumulated Deficit</b>	<b>\$ (2,278,930)</b>	<b>\$ (15,143,247)</b>	<b>\$ (14,910,665)</b>

## Stanton Territorial Health Authority

## Statement of Changes in Net Financial Debt

For the year ended March 31,	2013		2012
	(unaudited) Budget	Actual	Actual
Operating surplus (deficit)	\$ (2,278,930)	\$ (232,582)	\$ 4,704,439
Change in prepaid expenses	-	20,621	101,147
Change in inventory	-	(27,067)	(115,131)
<b>Increase (Decrease) in Net Financial Debt</b>	<b>(2,278,930)</b>	<b>(239,028)</b>	<b>4,690,455</b>
<b>Net Financial Debt, Beginning of Year</b>	<b>-</b>	<b>(16,639,064)</b>	<b>(21,329,519)</b>
<b>Net Financial Debt, End of Year</b>	<b>\$ (2,278,930)</b>	<b>\$ (16,878,092)</b>	<b>\$ (16,639,064)</b>

## Stanton Territorial Health Authority

## Statement of Cash Flows

For the year ended March 31,	2013	2012
<b>Net inflow (outflow) of cash related to the following activities:</b>		
<b>Operating transactions</b>		
Operating surplus (deficit)	\$ (232,582)	\$ 4,704,437
<b>Non-cash charges to operations</b>		
Accounts receivable	(1,801,151)	(2,377,173)
Prepaid expenses	20,621	101,147
Inventory	(27,067)	(115,131)
Accounts payable and accrued liabilities	416,656	(873,926)
Employee and payroll-related liabilities	1,736,422	(4,526,156)
Deferred revenue	(30,000)	(9,524)
Capital advances	(10,559)	(408,774)
Employee leave and termination benefits	544,808	317,776
Trust fund	3,613	(6,000)
<b>Cash provided by operating transactions</b>	<b>620,758</b>	<b>(3,193,324)</b>
<b>Increase in cash and restricted cash during the year</b>	<b>620,758</b>	<b>(3,193,324)</b>
<b>Cash and restricted cash, beginning of year</b>	<b>469,615</b>	<b>3,662,938</b>
<b>Cash and restricted cash, end of year</b>	<b>\$ 1,090,373</b>	<b>\$ 469,615</b>
<b>Represented by</b>		
Cash	\$ 794,111	\$ 166,407
Restricted cash - capital advance	286,644	297,203
Restricted cash - trust account	9,618	6,005
	<b>\$ 1,090,373</b>	<b>\$ 469,615</b>

## Stanton Territorial Health Authority

## Statement of Expenses by Object

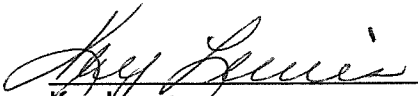
For the year ended March 31,	(unaudited) Budget	2013	2012
<b>Expenditures</b>			
Advertising and promotion	\$ 105,000	\$ 70,936	\$ 81,583
Communications	310,865	309,976	307,254
Compensation	59,171,681	59,366,554	56,041,185
Contracted and general services	3,435,646	3,270,502	3,076,681
Diagnostic and therapeutic supplies	917,150	930,220	871,006
Doubtful accounts	300,000	15,512	1,097,753
Drugs and vaccines	2,145,375	2,304,086	3,480,997
Education	832,427	384,748	520,750
Equipment maintenance	994,794	1,111,461	941,765
General supplies	674,620	702,322	617,382
Insurance	128,124	153,104	108,726
Interest and bank charges	16,100	18,423	19,077
Leases	1,097,904	1,111,729	1,052,513
Maintenance and biomedical	324,900	257,146	394,841
Medical and surgical supplies	3,229,475	3,268,679	2,841,154
Medical gases	93,000	84,272	77,037
Medical travel	30,056,366	30,672,217	27,786,955
Minor capital	324,800	318,935	334,502
Non-capital renovations	105,000	144,414	114,917
Office and general admin expenses	462,120	388,488	397,367
Postage and freight	165,690	137,309	152,288
Professional services	127,250	113,386	130,303
Purchased services	9,658,983	9,283,276	10,035,579
Travel	1,710,105	1,777,487	1,641,106
Utilities	10,500	19,269	12,011
<b>Total Expenditures</b>	<b>\$ 116,397,874</b>	<b>\$ 116,214,448</b>	<b>\$ 112,134,730</b>

Stanton Territorial Health Authority

Endowment and Special Purpose Fund  
Balance Sheet

As at March 31,	2013	2012
<b>Assets</b>		
Cash	\$ 88,958	\$ 81,191
Accounts receivable	3,547	803
	<b>\$ 92,505</b>	<b>\$ 81,994</b>
<b>Surplus</b>		
Due to Operating Fund	\$ 2,661	\$ -
Fund Balances	89,844	81,994
	<b>\$ 92,505</b>	<b>\$ 81,994</b>

Approved on behalf of the Authority

  
 Kay Lewis  
 Chief Executive Officer

  
 Corinne Devitt  
 Chief Financial Officer



STATEMENT VII

Stanton Territorial Health Authority

Endowment and Special Purpose Fund  
Statement of Revenue, Expenditures and Surplus

For the year ended March 31,

	2013		2012		
	Unrestricted	Equipment	Elks	Special Purpose	Total
<b>Surplus, beginning of year</b>	\$ 18,400	\$ 31,611	\$ 19,978	\$ 6,000	\$ 75,989
<b>Revenue</b>					
Donations and grants	4,527	-	7,500	8,429	20,456
Other	-	-	-	-	150
Interest	392	-	-	-	392
	4,919	-	7,500	8,429	20,848
<b>Expenditures</b>					
Equipment	-	-	5,417	-	5,417
Other	1,576	-	-	-	1,576
	1,576	-	5,417	-	6,993
<b>Net change in funds</b>	3,343	-	2,083	8,429	13,855
<b>Surplus, end of year</b>	\$ 21,743	\$ 31,611	\$ 22,061	\$ 14,429	\$ 89,844
					(1,303)
					\$ 75,989

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# Stanton Territorial Health Authority

## Notes to Financial Statements

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March 31, 2013

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### 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.

### 2. Accounting Policies and Reporting Procedures

#### 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 GNWT - 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.

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# Stanton Territorial Health Authority

## Notes to Financial Statements

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March 31, 2013

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### 2. Accounting Policies and Reporting Procedures (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) 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 up to 1% of audited revenues to a maximum of \$250,000 subject to the provisions of the operations and maintenance surplus retention policy. 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.

#### (f) Inventories of supplies

Inventories are valued at the lower of cost and current replacement value

#### (g) 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.

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# Stanton Territorial Health Authority

## Notes to Financial Statements

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March 31, 2013

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### 2. Accounting Policies and Reporting Procedures (continued)

#### (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 MD Management. 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 DHSS Administration Office in Inuvik. An estimate of outstanding receipts at March 31, 2013 are included in the Authority's financial statements.

Other revenue is recognized when the service is performed or the goods are provided.

#### (j) Measurement uncertainty

The preparation of these financial statements in conformity with Public Sector Accounting Standards (PSAS) 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.

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# Stanton Territorial Health Authority

## Notes to Financial Statements

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March 31, 2013

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### 3. Changes in Accounting Policies

The Authority adopted the following new accounting policies:

#### Government Transfers

On 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

On April 1, 2012, the Authority adopted the PSA Handbook Section 3450 "Financial Instruments". The standard 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 statement.

### 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.

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# Stanton Territorial Health Authority

## Notes to Financial Statements

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March 31, 2013

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### 5. Accounts Receivable

	Accounts Receivable	Allowance for Doubtful Accounts	Net 2013	Net 2012
Clinical	\$ 136,062	\$ 9,788	\$ 126,274	\$ 102,479
Government of NWT	-	-	-	-
Government of Nunavut	2,585,190	1,685,918	899,272	784,775
Grants receivable	-	-	-	-
GST receivable	13,117	-	13,117	6,186
Inpatients	4,789,226	557,429	4,231,797	5,071,545
Medical travel	5,034,837	564,552	4,470,284	4,082,038
Miscellaneous	9,278,756	471,826	8,806,929	6,782,432
Outpatients	1,740,090	98,449	1,641,641	1,583,805
Travel advances	26,146	-	26,146	1,048
	<b>\$ 23,603,424</b>	<b>\$ 3,387,962</b>	<b>\$ 20,215,460</b>	<b>\$ 18,414,308</b>

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### 6. Capital Advances

	2013	2012
Opening balance	\$ 297,203	\$ 705,977
Additions - GNWT	-	30,353
	297,203	736,330
Disbursements	(10,559)	(439,127)
Closing balance	<b>\$ 286,644</b>	<b>\$ 297,203</b>

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# Stanton Territorial Health Authority

## Notes to Financial Statements

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March 31, 2013

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### 7. 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.

	2013	2012
Removal	\$ 1,328,178	\$ 1,296,051
Termination	2,085,685	1,905,583
Leave	2,159,063	1,826,484
	<b>\$ 5,572,926</b>	<b>\$ 5,028,118</b>

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### 8. Deferred Revenue

Deferred revenue consists of amounts received for which project completion dates extend beyond the fiscal year end, or conditions attached to the use of the funds have not yet been met, or an operating advance from the DHSS for the upcoming fiscal year. These amounts will be recognized in revenue as expenditures are incurred or conditions of funding are satisfied.

	2013	2012
Sterilization steam infrastructure	\$ -	\$ 30,000

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### 9. Inventories

	2013	2012
General	\$ 71,742	\$ 64,148
General plant	199,398	207,022
Laboratory	140,679	147,531
Medical/Surgical	710,300	675,999
Pharmacy	253,318	253,670
	<b>\$ 1,375,437</b>	<b>\$ 1,348,370</b>

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Inventories are held for consumption in the process of providing services and are distributed at no charge or for a nominal charge.

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## Stanton Territorial Health Authority

### Notes to Financial Statements

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March 31, 2013

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#### 10. Accumulated Deficit

	2013	2012
Opening accumulated deficit	\$ (14,910,665)	\$ (19,615,104)
Operating (deficit) surplus	(232,582)	4,704,439
	<b>\$ (232,582)</b>	<b>\$ 4,704,439</b>

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#### 11. 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.

#### 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	2014	2015 and thereafter	Total
Commercial and residential leases	2016	\$ 231,170	44,858	\$ 276,028
Services contracts	2019	26,886,917	12,872,386	39,759,303
<b>Total</b>		<b>\$ 27,118,087</b>	<b>\$ 12,917,244</b>	<b>\$ 40,035,331</b>

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## Stanton Territorial Health Authority

### Notes to Financial Statements

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March 31, 2013

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#### 13. GNWT Assets Provided

			2013	2012
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Buildings	\$ 48,947,390	\$ 27,043,330	\$ 21,904,060	\$ 18,624,851
Mainframe and software systems	910,561	910,561	-	23,245
Medical equipment	14,498,282	8,485,793	6,012,489	2,697,420
Furniture and fixtures	218,604	218,604	-	4,574
	<b>\$ 64,574,837</b>	<b>\$ 36,658,288</b>	<b>\$ 27,916,549</b>	<b>\$ 21,350,090</b>

Rent expense for 2013 is \$3,660,738 (2012: \$2,126,213) with an offsetting grant-in-kind.

#### 14. 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.

#### 15. 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.

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# Stanton Territorial Health Authority

## Notes to Financial Statements

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March 31, 2013

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### 16. 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 by the Department of Finance, compensation services provided by Department of Human Resources, and internal audit services provided by the Department of Finance.

The Authority also 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,	2013	2012
Total assets	\$ 1,318,840	\$ 1,059,707
Total liabilities (1)	636,138	511,989
<b>Net assets (2)</b>	<b>\$ 682,702</b>	<b>\$ 547,718</b>

Results of Operations for the year ended March 31,	2013	2012
Total revenues (3)	\$ 569,890	\$ 465,665
Total expenditures	295,666	346,312
<b>Excess of revenue</b>	<b>\$ 274,224</b>	<b>\$ 119,353</b>

Cash Flows as at March 31,	2013	2012
Cash from operations	\$ 139,830	\$ 16,918
Cash generated by (used in) financing and investing activities	1,369	20,573
<b>Change in cash position</b>	<b>\$ 141,199</b>	<b>\$ 37,491</b>

- (1) At March 31, 2013 the Foundation owed \$28,763 (2012 - \$55,638) 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 \$194,505 (2012 - \$93,665) and a surplus of \$95,797 (2012 - \$58,936) is restricted for Run for Our Lives Fund and Capital Acquisition Fund respectively as designated by the donors.
- (3) The Authority provided \$50,000 (2012 - \$50,000) to the Foundation as an operating contribution. The Authority also provides office space to the Foundation at no charge.

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# Stanton Territorial Health Authority

## Notes to Financial Statements

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March 31, 2013

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### 17. Financial Instruments

The Following sections describe the Authority's financial risk management objectives and policies and the Authority's financial risk exposures.

Financial risk management objectives and policies:

The Authority has a formalized risk management position that adheres to the risk management objectives and policies as set by the GNWT. Risks identified are addressed by the GNWT Insurance Policy which sets out reporting of risk and potential to the insurer, who in turn determine acceptance and assignment of external legal counsel. GNWT employment, labour relation and policy risk matters are addressed by the GNWT Department of Justice.

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. However, the Authority's customers are the Government of the Northwest Territories, the Government of Nunavut 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.

(b) Liquidity risk

Liquidity risk is the risk that the Authority will encounter difficulty in meeting obligations associated with financial liabilities. The Authority is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Authority reduces its exposure to liquidity risk by monitoring budgets and cash flows.

## Stanton Territorial Health Authority

## Schedule of Operating Advances from the GNWT

	2013		2012
	(unaudited) Budget	Actual	Actual
Application systems	\$ 100,000	\$ 100,000	\$ 100,000
Authority administration	2,608,000	2,608,000	2,008,000
Hospital services	48,677,500	48,707,500	46,545,500
Medical equipment	144,000	144,000	69,000
Medical travel	14,965,500	14,965,500	12,665,500
Physician services to NWT residents	11,796,000	11,796,000	11,375,000
Reallocation of surpluses - prior year	-	1,206,599	6,181,000
Social service delivery	91,000	91,000	91,000
	<b>\$ 78,382,000</b>	<b>\$ 79,618,599</b>	<b>\$ 79,035,000</b>

## Stanton Territorial Health Authority

## Schedule of Other Recoveries for Direct Charges for Services

For the year ended March 31,	2013		2012
	(unaudited) Budget	Actual	Actual
<b>Other Recoveries from the GNWT</b>	<b>\$ 16,432,974</b>	<b>\$ 16,812,658</b>	<b>\$ 17,647,330</b>
<b>Other Direct Recoveries</b>			
Federal Government	287,204	599,611	339,935
Nunavut	1,979,694	1,957,852	1,754,838
Other	1,728,065	1,626,478	2,673,631
Workers' Safety and Compensation	724,192	1,000,368	867,806
	<b>4,719,155</b>	<b>5,184,309</b>	<b>5,636,210</b>
	<b>\$ 21,152,129</b>	<b>\$ 21,996,970</b>	<b>\$ 23,283,540</b>

## Stanton Territorial Health Authority

## Schedule of Other Revenues

For the year ended March 31,

2013

2012

	(unaudited) Budget	Actual	Actual
<b>Other Revenues from the GNWT</b>			
<b>GNWT - DHSS</b>			
3M-Dipacs Project	\$ -	\$ -	\$ 2,855
Biological Technologist Services (HSS01 - 1361)	-	-	3,064
Breastfeeding Education for NWT Health Professionals (HSS01 - 1472)	-	-	13,948
Healthy Child & Youth Development FASD/CPNP (HSS01 - 1684)	177,167	124,647	126,158
French Language Services (HSS01 - 2010)	90,563	86,850	97,936
Health Promotion (HSS01 - 1778)	389,184	408,656	420,877
Laboratory Information System (HSS01 - 997am2)	92,090	91,591	163,143
NME Graduate Nurse Placement (HSS01-1897 & 1898)	100,000	100,000	40,000
Nicotine Replacement Therapy Pilot Project (HSS01 - 1548)	-	-	2,180
Nurse Practitioner Training (SC417961)	-	-	6,999
Relevant Experience Program (HSS01 - 1857)	75,705	75,705	58,170
THSSI - Medical Travel (HSS01 -1723)	3,200,000	3,200,000	3,200,000
THSSI - Physician Staffing Model, Dialysis Program, Physician Resident Program (HSS01 - 1883)	764,000	764,000	755,441
<b>GNWT - Human Resources</b>			
Progressive Experience Program	-	-	7,524
ScheduleSoft Project	-	-	73,245
<b>Yellowknife Health &amp; Social Services</b>			
DI Clerk - Yellowknife Primary Care Clinic	-	30,196	-
French Language	52,096	52,703	52,107
Northern Options for Women	22,625	22,625	-
	<b>\$ 4,963,430</b>	<b>\$ 4,956,973</b>	<b>\$ 5,023,647</b>

SCHEDULE D

Stanton Territorial Health Authority

Schedule of Expenses by Functional Centre

For the year ended March 31, 2013

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	\$ 50,000	\$ 50,000	\$ 25,893,130	\$ 26,431,992	\$ 14,615,419	\$ 14,087,432	300,000	15,512	\$ 40,858,549	\$ 40,584,936
712 Nursing inpatient / resident services	-	-	2,055,290	2,179,917	19,157,340	19,499,076	-	-	21,212,630	21,678,993
713 Ambulatory care services	-	-	2,448,633	2,564,493	22,242,587	22,448,529	-	-	24,691,220	25,013,022
714 Diagnostic and therapeutic services	-	-	6,747,769	7,003,892	10,995,316	10,828,565	-	-	17,743,085	17,832,457
715 Community health services	-	-	182,787	130,883	729,527	715,820	-	-	912,314	846,703
718 Education	-	-	526,417	227,133	463,275	443,170	-	-	989,692	670,303
719 Undistributed	-	-	439,000	250,329	-	-	-	-	439,000	250,329
<b>Total</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>	<b>\$ 38,293,026</b>	<b>\$ 38,788,639</b>	<b>\$ 68,203,464</b>	<b>\$ 68,022,592</b>	<b>\$ 300,000</b>	<b>\$ 15,512</b>	<b>\$106,846,490</b>	<b>\$106,876,743</b>

## Stanton Territorial Health Authority

## Schedule of Non-Insured Recoveries and Expenses

For the year ended March 31,	2013		2012
	(unaudited) Budget	Actual	Actual
<b>Recoveries</b>	\$ 9,551,385	\$ 9,337,706	\$ 9,420,952
<b>Expenditures</b>			
Eye team	888,000	888,058	872,228
Eyeglasses	250,000	283,785	254,090
Medical travel	8,168,384	7,946,314	8,076,713
Patient aides	245,001	219,549	217,921
	<b>9,551,385</b>	<b>9,337,706</b>	9,420,952
<b>Surplus</b>	\$ -	\$ -	\$ -



**Schedule of Contributions**  
**Health Promotion (HSS01-000000-1778)**

For the year ended March 31,

2013

	(Unaudited) Budget	Actual
<b>Funding</b>		
Government of Northwest Territories - Department of Health and Social Services	\$ 389,184	\$ 408,656
<b>Expenditures</b>		
Compensation	370,593	382,244
Sundry	-	1,344
	<b>370,593</b>	<b>383,588</b>
<b>Surplus</b>	<b>\$ 18,591</b>	<b>\$ 25,068</b>

See scope limitation in the Independent Auditors' Report.

**Schedule of Contributions (continued)**  
**THSSI - Medical Travel (HSS01-000000-1763)**

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**For the year ended March 31,****2013**

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	<b>(Unaudited) Budget</b>	<b>Actual</b>
<b>Funding</b>		
Government of Northwest Territories - Department of Health and Social Services	<b>\$ 3,200,000</b>	<b>\$ 3,200,000</b>
<b>Expenditures</b>		
Travel	<b>3,200,000</b>	<b>3,200,000</b>
<b>Surplus</b>	<b>\$ -</b>	<b>\$ -</b>

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## Schedule of Contributions (continued)

THSSI - Physician Staffing Model, Dialysis Program, Physician Resident Program (HSS01-000000-1883)

For the year ended March 31,

2013

	(Unaudited) Budget	Actual
<b>Funding</b>		
Government of Northwest Territories - Department of		
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
	<b>764,000</b>	<b>764,000</b>
<b>Expenditures</b>		
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
<b>Surplus</b>	<b>\$ -</b>	<b>\$ -</b>

See scope limitation in the Independent Auditors' Report.

Stanton Territorial Health Authority

Schedule of Reserves

	Surplus / Deficit Reserve		Leave and Termination Benefits Reserve		Special Projects Reserve		Total
	2013	2012	2013	2012	2013	2012	
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, 2013**

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# Yellowknife Health and Social Services Authority

## Financial Statements

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March 31, 2013

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**YELLOWKNIFE**  
Health and Social Services Authority  
Serving Dettah, Fort Resolution, Lutsel K'e, Ndilo and Yellowknife

## Management's Responsibility for Financial Reporting

June 25, 2013

To Minister of Health and Social Services  
Government of the Northwest Territories

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

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*"A caring community working together to achieve physical, mental, spiritual and emotional well-being."*

Jan Stirling Centre

Box 608, Yellowknife, NT X1A 2N5

Phone (867) 873-7276 Executive Office Fax (867) 873-0161 Finance & Administration Fax (867) 873-0289

or visit our website: [www.yhssa.org](http://www.yhssa.org)

## Management Discussion and Analysis

March 31, 2013

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 programs;
- 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 vision of healthy people, healthy family and healthy communities, the Executive of YHSSA works under 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 Ndilo and Dettah, 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 services to the residents of the region including Healthy Living, Diabetes Education, Home and Community Care, Public Health, Primary Care Clinics and Health Centres.

Under the Social Services umbrella, YHSSA provides Child Protection, Adoption, Family Violence, Foster Care, Mental Health and Addictions Counseling for Children, Youth and Adults.



The Authority has a dedicated work force of approximately 180 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, 2013, YHSSA incurred an operating deficit of (\$81,461) prior to adjustment for unfunded liabilities of \$138,591 and one time supplementary funding to cover the net operating deficit of (\$19,300) for 2011-12. The net result from operations after accounting for these adjustments is an operating surplus of \$38,130.

The net surplus will reduce the net accumulated operating deficit to (\$241,362) at March 31, 2013. When combined with the funded and unfunded employee long term benefits, as well as the reserves, the Authority's accumulated deficit at March 31, 2013 is (\$2,455,104).

YHSSA has been successful in balancing its budget, during a time of fiscal restraint in the health and social services system. However, as we continue to prioritize client care, we anticipate increased challenges in balancing our budget as we move forward into future fiscal years. 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 Territorial Health Authority in Yellowknife. The current funding model does not include funding for coverage of leave and a number of benefits included in the recently approved contract negotiated with the NWT Medical Association.
2. YHSSA received a passive restraint target reduction in the amount of \$275,000 during the 2012-13 fiscal year. This type of initiative is expected to continue as well but specific target reduction amounts have yet to be determined for 2013-14.
3. 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.
4. Demands for and reduced costs in foster care services experienced over the past two fiscal years are not projected to continue based on current and projected case loads.
5. Realignment of and new 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.
6. Limited availability for staff housing options in communities is creating challenges in the recruitment and retention of allied Health and Social Services staff for our authority.

Our authority has seen great growth and expansion and integration of services over the past number of years and expectations are this trend will continue in the coming years.

YHSSA's major success has been the continued effective and reliable provision of health and social services programs for our regional communities, including, child and family services, community mental health and adult services, health centre and social programs services in small communities, home and community care, primary health care clinic services, public health. In the provision of these services we have maintained significant partnerships with Stanton Territorial Health Authority, the Department of Health and Social Services, our non-government stakeholders and other departments, boards and agencies.

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The Authority will remain committed to 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,

A handwritten signature in blue ink, appearing to read 'P. Gard', with a large, stylized flourish at the end.

Paul Gard, CGA  
Director, Finance and Administration  
Yellowknife Health and Social Services Authority

## **Independent Auditor's Report**

### **To the Minister of Health and Social Services Government of the Northwest Territories**

We have audited the accompanying financial statements of the Yellowknife Health and Social Services Authority as at March 31, 2013, 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.

#### *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, employee and payroll-related liabilities, employee leave and termination benefits, net financial debt, and accumulated deficit.

**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 Yellowknife Health and Social Services Authority as at March 31, 2013, and its financial operations, and changes in financial position for the year then ended in accordance with 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, 2013, 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 25, 2013


*MacKay LLP*  
Chartered Accountants

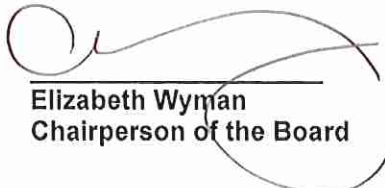
## Yellowknife Health and Social Services Authority

## Statement of Financial Position

As at March 31,	2013	2012
<b>Financial Assets</b>		
Cash	\$ 1,774,305	\$ 1,546,155
Restricted cash (Note 4)	122,768	153,135
Accounts receivable (Note 5)	2,054,033	1,644,677
	<b>3,951,106</b>	<b>3,343,967</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 4,040,096	\$ 3,367,322
Employee and payroll-related liabilities	489,249	495,490
Deferred revenue (Note 6)	43,329	43,329
Employee leave and termination benefits (Note 7)	2,337,429	2,198,839
<b>Total liabilities</b>	<b>6,910,103</b>	<b>6,104,980</b>
<b>Net Financial Debt</b>	<b>\$ (2,958,997)</b>	<b>\$ (2,761,013)</b>
<b>Non- Financial Assets</b>		
Prepaid expenses (Note 8)	503,893	387,370
Accumulated Deficit (Note 9)	\$ (2,455,104)	\$ (2,373,643)
Contingent Liabilities (Note 10)		
Contractual Obligations (Note 11)		

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,	2013		2012
	(unaudited) Budget	Actual	Actual
<b>REVENUE</b>			
Operating advances from the GNWT (Schedule A)	\$ 44,840,000	\$ 44,840,000	\$ 43,710,000
Out of territory revenue	825,000	671,850	964,993
Patient services	2,167,990	2,023,945	2,405,375
Other recoveries (Schedule B)	154,733	246,410	788,630
Other revenues (Schedule C)	3,800,969	3,813,344	3,974,641
Non-insured recoveries and expenses (Schedule E)	-	27,815	25,685
Investment revenue	50,000	73,212	81,889
	<b>51,838,692</b>	<b>51,696,576</b>	<b>51,951,213</b>
<b>EXPENDITURES</b>			
Administrative and support services (Schedule D)	5,280,568	5,270,446	5,393,907
Ambulatory care services (Schedule D)	16,024,257	16,722,501	17,108,022
Community health services (Schedule D)	8,391,626	8,487,655	8,308,540
Social services (Schedule D)	22,142,241	21,269,620	21,176,660
Non-insured recoveries and expenses (Schedule E)	-	27,815	25,685
	<b>51,838,692</b>	<b>51,778,037</b>	<b>52,012,814</b>
<b>OPERATING DEFICIT</b>	-	<b>(81,461)</b>	<b>(61,601)</b>
<b>UNFUNDED ITEM</b>			
Change in employee leave and termination benefits	-	<b>138,591</b>	42,290
<b>SURPLUS (DEFICIT) BEFORE THE FOLLOWING</b>	-	<b>57,130</b>	<b>(19,311)</b>
Prior year deficit funded in 2013	-	<b>(19,000)</b>	-
Rent expense - GNWT assets provided at no cost (note 12)	-	<b>535,192</b>	239,772
Grant-in-kind - GNWT assets provided at no cost (note 12)	-	<b>(535,192)</b>	<b>(239,772)</b>
<b>SURPLUS (DEFICIT)</b>	<b>\$ -</b>	<b>\$ 38,130</b>	<b>\$ (19,311)</b>
<b>OPENING ACCUMULATED SURPLUS (DEFICIT)</b>	<b>\$ -</b>	<b>\$ (2,373,643)</b>	<b>\$ (2,312,042)</b>
<b>CLOSING ACCUMULATED SURPLUS (DEFICIT)</b>	<b>\$ -</b>	<b>\$ (2,455,104)</b>	<b>\$ (2,373,643)</b>

## Yellowknife Health and Social Services Authority

## Statement of Change in Net Financial Debt

For the year ended March 31,	2013		2012	
	(unaudited) Budget	Actual	Actual	
Annual operating deficit	\$ -	\$ (81,461)	\$	(61,601)
Change in prepaid expenses	-	(116,523)	-	(94,326)
<b>INCREASE IN NET FINANCIAL DEBT</b>	-	(197,984)	-	(155,927)
<b>NET FINANCIAL DEBT, BEGINNING OF YEAR</b>	-	(2,761,013)	-	(2,605,086)
<b>NET FINANCIAL DEBT, END OF YEAR</b>	\$ -	\$ (2,958,997)	\$	(2,761,013)

## Yellowknife Health and Social Services Authority

## Statement of Cash Flows

For the year ended March 31,	2013	2012
<b>Net inflow (outflow) of cash related to the following activities:</b>		
<b>Operating transactions</b>		
Operating deficit	\$ (81,461)	\$ (61,601)
<b>Non-cash charges to operations</b>		
Accounts receivable	(409,356)	102,715
Prepaid expenses	(116,523)	(94,326)
Accounts payable and accrued liabilities	672,774	(1,347,299)
Employee and payroll-related liabilities	(6,241)	(14,668)
Deferred revenue	-	(46,680)
Employee leave and termination benefits	138,590	42,291
<b>Cash provided by operating transactions</b>	<b>197,783</b>	<b>(1,419,568)</b>
<b>Increase (decrease) in cash and restricted cash during the year</b>	<b>197,783</b>	<b>(1,419,568)</b>
<b>Cash and restricted cash, beginning of year</b>	<b>1,699,290</b>	<b>3,118,858</b>
<b>Cash and restricted cash, end of year</b>	<b>\$ 1,897,073</b>	<b>\$ 1,699,290</b>
<b>Represented by</b>		
Cash	\$ 1,774,305	\$ 1,546,155
Restricted cash	122,768	153,135
	<b>\$ 1,897,073</b>	<b>\$ 1,699,290</b>



## Yellowknife Health and Social Services Authority

## Statement of Expenses by Object

For the year ended March 31,	2013	2013	2012
	(Unaudited) Budget	Actual	Actual
<b>Expenditures</b>			
Grants and contributions			
Adult services	\$ 490,000	\$ 490,000	\$ 487,443
Community social services	370,000	345,026	345,026
Community wellness	200,000	200,000	200,000
Dementia care	3,565,000	3,565,000	3,502,998
Early intervention	250,000	247,368	250,000
Family violence shelter	669,000	668,923	668,923
Long-term care	2,979,223	2,979,223	2,805,223
Other	531,859	519,679	781,513
Withdrawal management	441,001	433,559	432,000
	9,496,083	9,448,778	9,473,126
Compensation			
Purchased services - fee for service	1,100,000	1,106,910	1,145,670
Purchased services - locum	665,300	2,321,234	2,058,465
Purchased services - management & operations	147,119	52,283	100,227
Purchased services - unit producing	102,400	132,251	98,374
Salaries/wages - management & operations	2,000,259	2,070,707	2,402,633
Salaries/wages - physicians	8,847,261	7,633,034	8,039,341
Salaries/wages - unit producing	16,462,603	16,557,534	15,836,053
	29,324,942	29,873,953	29,680,763
Operations and Maintenance			
Advertising and promotion	63,062	75,168	80,689
Drugs and vaccines	272,800	364,995	419,708
Foster care	2,850,931	2,257,638	2,535,282
Groceries	79,903	103,956	108,991
Insurance	72,900	41,636	94,382
Maintenance	96,400	13,211	20,038
Medical supplies	204,378	169,070	179,469
Minor capital	391,555	413,721	535,104
Office and admin supplies	602,495	560,854	513,552
Professional development initiatives	25,000	-	20,123
Professional services	164,780	200,324	199,659
Referred out and contracted services	4,711,630	4,643,987	4,590,121
Rent - equipment	169,300	213,188	193,545
Rent - land and buildings	2,446,392	2,578,788	2,537,569
Training and development	378,461	248,466	286,267
Travel	435,180	462,487	460,021
Utilities	-	21,080	17,362
Vehicle operations and maintenance	52,500	82,913	74,601
	13,017,667	12,451,482	12,866,483
Valuation Allowance			
Bad debts (recovery)	-	(23,991)	(33,243)
Non-insured expenses	-	27,815	25,685
<b>Total Expenditures</b>	<b>\$ 51,838,692</b>	<b>\$ 51,778,037</b>	<b>\$ 52,012,814</b>

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# Yellowknife Health and Social Services Authority

## Notes to Financial Statements

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March 31, 2013

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### 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.

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# Yellowknife Health and Social Services Authority

## Notes to Financial Statements

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March 31, 2013

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### 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) 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.

#### (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 Services Administration in Inuvik

Other revenue is recognized when the service is performed or the goods are provided.

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# Yellowknife Health and Social Services Authority

## Notes to Financial Statements

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March 31, 2013

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### 2. Summary of Significant Accounting Policies (continued)

#### (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. Excess expenditures are funded by the non-governmental organizations and do not impact the accompanying financial statements.

#### (k) 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.

#### (l) 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 transactions 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, restricted and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, employee and payroll-related liabilities, foundation donations, and contributions repayable.

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# Yellowknife Health and Social Services Authority

## Notes to Financial Statements

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March 31, 2013

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### 2. Summary of Significant Accounting Policies (continued)

#### (l) Financial Instruments (continued)

##### 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 net income.

#### (m) Measurement uncertainty

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

### 3. Changes in Accounting Policies

The Authority adopted the following new accounting policies:

#### Government Transfers

On 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

On 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.

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# Yellowknife Health and Social Services Authority

## Notes to Financial Statements

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March 31, 2013

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### 4. Restricted Cash - Reserves

	2013	2012
Donation Reserve	\$ 60,925	\$ 64,938
Termination Benefit Reserve	61,843	88,197
	<b>\$ 122,768</b>	<b>\$ 153,135</b>

---

### 5. Accounts Receivables

			2013	2012
	Gross	AFDA	Net	Net
Beaufort-Delta Health and Social Services	\$ 7,980	\$ -	\$ 7,980	\$ 9,039
Dehcho Health and Social Services	2,658	-	2,658	-
Government of the Northwest Territories	1,670,576	-	\$ 1,670,576	\$ 1,046,944
Government of Nunavut	192,839	-	192,839	218,932
Stanton Territorial Health Authority	9,073	-	9,073	2,045
Other	191,712	(20,805)	170,907	367,717
	<b>2,074,838</b>	<b>(20,805)</b>	<b>\$ 2,054,033</b>	<b>\$ 1,644,677</b>

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### 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.

	2013	2012
<b>Government of Northwest Territories - DHSS</b>		
Professional Development Initiative	\$ 43,329	\$ 43,329

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# Yellowknife Health and Social Services Authority

## Notes to Financial Statements

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March 31, 2013

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### 7. 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.

	2013	2012
Removal	\$ 760,905	\$ 648,678
Termination	538,643	497,936
Leave	1,037,881	1,052,225
	<b>\$ 2,337,429</b>	<b>\$ 2,198,839</b>

---

### 8. Prepaid Expenses

	2013	2012
Leases	\$ 4,400	\$ 4,400
Other	90,000	97,833
Physician signing bonus	409,493	285,137
	<b>\$ 503,893</b>	<b>\$ 387,370</b>

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### 9. Accumulated Deficit

	2013	2012
Donations Reserve	\$ 60,925	\$ 64,938
Leave and Termination Fund	(2,275,585)	(2,110,641)
Operating Fund	(302,287)	(416,137)
Severance Reserve	61,843	88,197
	<b>\$ (2,455,104)</b>	<b>\$ (2,373,643)</b>

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# Yellowknife Health and Social Services Authority

## Notes to Financial Statements

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March 31, 2013

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### 10. Contingent Liabilities

In common with many health authorities, claims are made against the Authority and its staff. As of March 31, 2013, 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.

### 11. 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	2014	2015 and thereafter	Total
Commercial and Residential Leases	2019	\$ 128,703	\$ 174,199	\$ 302,902
Equipment leases	2015	99,218	103,870	203,088
<b>Total</b>		<b>\$ 227,921</b>	<b>\$ 278,069</b>	<b>\$ 505,990</b>

### 12. GNWT Assets Provided at No Cost

	Cost	Accumulated Amortization	2013 Net Book Value	2012 Net Book Value
Buildings	\$ 5,715,699	\$(4,495,067)	\$ 1,220,632	\$ 1,449,587
Leasehold improvements	5,266,452	(724,137)	4,542,315	4,805,637
Medical equipment	643,727	(118,017)	525,710	568,626
	<b>\$11,625,878</b>	<b>\$(5,337,221)</b>	<b>\$ 6,288,657</b>	<b>\$ 6,823,850</b>

Rent expense for 2013 is \$535,192 (2012: \$239,772) with an offsetting grant-in-kind.



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# Yellowknife Health and Social Services Authority

## Notes to Financial Statements

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March 31, 2013

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### 13. 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.

### 14. Comparative Figures

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

### 15. 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.

### 16. 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.

### 17. 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. 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 minimized the concentration of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that the Authority will encounter difficulty in meeting obligations associated with financial liabilities. The Authority is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Authority reduces its exposure to liquidity risk by monitoring budgets and cash flows.

## Yellowknife Health and Social Services Authority

## Schedule of Operating Advances from the GNWT

For the year ended March 31,	2013		2012
	(unaudited) Budget	Actual	Actual
Administration services	\$ 2,397,000	\$ 2,597,692	\$ 2,256,692
Authority social service delivery	4,580,000	4,547,494	4,547,494
Capital under \$50,000	45,000	45,000	45,000
Community wellness programs	1,316,000	1,278,203	1,275,203
Family violence programs	665,000	665,000	665,000
Foster care	3,195,000	3,195,000	3,195,000
Health centres	4,473,000	4,332,326	4,404,326
Homecare	1,994,000	1,974,852	1,876,852
Intervention services	537,000	534,000	444,000
Physicians services	13,557,000	13,580,433	13,165,433
Prevention and promotion	35,000	35,000	35,000
Prior year deficit funding	-	19,000	-
Residential care - alcohol and drug programs	850,000	816,000	816,000
Residential care - children	1,452,000	1,484,000	1,484,000
Residential care - elderly and handicapped	9,744,000	9,736,000	9,500,000
	<b>\$ 44,840,000</b>	<b>\$ 44,840,000</b>	<b>\$ 43,710,000</b>

## Yellowknife Health and Social Services Authority

## Schedule of Other Recoveries for Direct Charges for Services

For the year ended March 31,	2013		2012
	(unaudited) Budget	Actual	Actual
<b>Other recoveries from Third Parties</b>			
12050 - Drugs and Vaccines	\$ 90,000	\$ 98,040	\$ 106,215
12070 - Housing Rentals	19,600	13,600	14,250
12080 - Other Miscellaneous	15,000	42,520	255,291
12220 - Other Revenue	-	4,694	347,835
12060 - Parking Rentals	30,133	30,775	28,500
12010 - Physician chargeback	-	51,496	36,539
12031 - Meals on Wheels	-	5,285	-
	<b>\$ 154,733</b>	<b>\$ 246,410</b>	<b>\$ 788,630</b>

## Yellowknife Health and Social Services Authority

## Schedule of Other Revenues

For the year ended March 31,	2013		2012
	(unaudited) Budget	Actual	Actual
<b>Other Revenues from the GNWT</b>			
11019 - Department of Health and Social Service	2,931,857	\$ 2,940,880	\$ 2,924,350
11020 - GNWT Other Departments	-	(25,486)	75,716
11021 - Admin fees - GNWT - Department of Health and Social Services	31,003	32,080	44,180
	<b>2,962,860</b>	<b>2,947,474</b>	<b>3,044,246</b>
<b>Other Revenues from the third party</b>			
11018 - Health and Social Services - Revenue from Other Boards	669,800	679,289	649,693
11030 - Federal Government Revenue	-	4,254	80,462
11035 - Revenue from Non Government Entities	126,309	166,327	151,524
14000 - Donations	-	-	450
14020 - Donations/Bequests	-	-	17,720
17060 - DI Surplus Revenue	-	-	30,546
17000 - Revenue from other funds (inter fund transfers)	25,000	-	-
11090 - Other payment source	17,000	16,000	-
	<b>838,109</b>	<b>865,870</b>	<b>930,395</b>
	<b>\$ 3,800,969</b>	<b>\$ 3,813,344</b>	<b>\$ 3,974,641</b>

SCHEDULE D

Yellowknife Health and Social Services Authority

Schedule of Expenses by Functional Centre

For the year ended March 31, 2013

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	\$ -	-	\$ 1,958,440	\$ 1,838,062	\$ 3,322,128	\$ 3,473,981	\$ -	\$ (41,597)	\$ 5,280,568	\$ 5,270,446
713 Ambulatory care services	-	-	2,265,441	2,188,036	13,758,816	14,516,859	-	17,606	16,024,257	16,722,501
715 Community health services	58,500	58,500	948,591	1,084,056	7,384,535	7,345,099	-	-	8,391,626	8,487,655
716 Social services	9,437,583	9,390,278	7,845,195	7,341,328	4,859,463	4,538,014	-	-	22,142,241	21,269,620
Total	\$ 9,496,083	\$ 9,448,778	\$ 13,017,667	\$ 12,451,482	\$ 29,324,942	\$ 29,873,953	\$ -	\$ (23,991)	\$ 51,838,692	\$ 51,750,222

**Yellowknife Health and Social Services Authority**

**Schedule of Non-Insured Recoveries and Expenses**

For the year ended March 31,	2013		2012
	(unaudited) Budget	Actual	Actual
<b>Recoveries</b>			
Dental travel recoveries	\$ -	\$ 27,815	\$ 25,685
<b>Expenses</b>			
Dental travel	-	27,815	25,685
<b>Excess of Recoveries</b>	\$ -	\$ -	\$ -

**Yellowknife Health and Social Services Authority**

**Other Contributions  
Primary Physician Care - Behchoko, Gameti, Whati and Wekweeti**

**For the year ended March 31, 2013**

	(unaudited) Budget	Actual
<b>Revenue</b>		
Tli'cho Community Services Agency	\$ 665,300	\$ 665,304
<b>Expenses</b>		
Compensation	665,300	665,304
<b>Excess of Revenue</b>	\$ -	\$ -

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,	2013	
	(unaudited) Budget	Actual
<b>Revenue</b>		
Department of Health & Social Services:		
Nurse practitioners	\$ 112,220	\$ 112,220
Physicians	553,000	553,000
Resident support	53,000	53,000
	<b>718,220</b>	<b>718,220</b>
<b>Expenses</b>		
Compensation	665,220	674,535
Rent	45,000	45,000
Sundry	8,000	8,000
	<b>718,220</b>	<b>727,535</b>
<b>Excess of Revenue (expenditures)</b>	<b>\$ -</b>	<b>\$ (9,315)</b>

See scope limitation in the Independent Auditors' Report.



## Yellowknife Health and Social Services Authority

Other Contributions (continued)  
Healthy Family Program (HSS01-1842)

For the year ended March 31,

2013

	(unaudited) Budget	Actual
<b>Revenue</b>		
Department of Health & Social Services - program	\$ 381,434	\$ 374,247
Department of Health & Social Services - admin fee	11,566	18,753
Other	-	5,693
	<b>393,000</b>	<b>398,693</b>
<b>Expenses</b>		
Compensation	348,234	350,271
Equipment	14,800	11,608
Referred out services	7,800	7,566
Sundry	7,500	8,635
Supplies	3,100	2,328
	<b>381,434</b>	<b>380,408</b>
<b>Operating surplus (deficit)</b>	<b>11,566</b>	<b>18,285</b>
<b>Administrative expense allocation</b>	<b>11,566</b>	<b>-</b>
<b>Excess of Revenue</b>	<b>\$ -</b>	<b>\$ 18,285</b>

See scope limitation in the Independent Auditors' Report.

## Yellowknife Health and Social Services Authority

Other Contributions (continued)  
 Homecare Enhancement Yellowknife (HSS01-1634)

For the year ended March 31,	2013	
	(unaudited) Budget	Actual
<b>Revenue</b>		
Department of Health & Social Services	\$ 731,837	\$ 731,837
<b>Expenses</b>		
Compensation	699,852	699,852
Equipment	22,607	22,607
Sundry	9,378	9,378
	<b>731,837</b>	<b>731,837</b>
<b>Excess of Revenue</b>	<b>\$ -</b>	<b>\$ -</b>

See scope limitation in the Independent Auditors' Report.

## Yellowknife Health and Social Services Authority

Other Contributions (continued)  
Respite Services for Persons With Disabilities (HSS01-1740)

For the year ended March 31,	2013	
	(unaudited) Budget	Actual
<b>Revenue</b>		
Department of Health & Social Services	\$ 250,000	\$ 250,000
<b>Expenses</b>		
Compensation	250,000	250,000
<b>Excess of Revenue</b>	\$ -	\$ -

See scope limitation in the Independent Auditors' Report.

**Yellowknife Health and Social Services Authority**

**Schedule of Reserves**

	Surplus / Deficit Reserve		Leave and Termination Benefits Reserve		Donations Reserve		Total
	2013	2012	2013	2012	2013	2012	
March 31,							
Balance, beginning of year	\$ -	\$ -	\$ 88,198	\$ 94,034	\$ 64,937	\$ 51,519	\$ 145,553
Transfer from (to) operating fund	-	-	(26,355)	(5,836)	(4,012)	13,418	7,582
Balance, end of year	\$ -	\$ -	\$ 61,843	\$ 88,198	\$ 60,925	\$ 64,937	\$ 153,135

**Financial Statements of  
Tlicho Community Services Agency  
Behchoko, NT**

**For the year ended March 31, 2013**

# Tlichó Community Services Agency

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TLICHO COMMUNITY SERVICES AGENCY

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The Ministers 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 Department of Education, Culture and Employment, Government of the Northwest Territories.



Tlicho Community Services Agency

Behchoko, NT

June 28, 2013



# VERY, COOPER & CO.

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

## INDEPENDENT AUDITORS' REPORT

To the Ministers of Health and Social Services and Education 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, 2013, 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 J.

### *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, 2013 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 28, 2013

**Tlcho Community Services Agency  
Statement of Financial Position**

As at March 31, 2013

	March 31, 2013	March 31, 2012
<b>Financial Assets</b>		
Cash	2,557,577	713,181
Accounts Receivable	537,195	2,122,470
Allowance for doubtful accounts	(11,386)	(21,946)
Accounts Receivable - GNWT (Note 3)	480,795	473,935
Receivable from Wekweti School	14,790	13,177
Receivable from Whati School	19,764	66,631
	<b>3,598,735</b>	<b>3,367,447</b>
<b>Liabilities</b>		
Accounts Payable - General	226,065	220,003
Accounts Payable - GNWT	105,053	321,717
Wages and Benefits Payable - GNWT	511,038	545,330
Employee Remittance - Payable	(41)	11,251
Employee Leave and Termination Benefits (Note 4)	1,590,176	1,440,277
Deferred Revenue (Note 5)	167,977	225,131
Payable to Gameti School	63,975	61,520
Payable to Wekweti School	-	-
Payable to Behchoko Schools	99,160	84,780
	2,763,403	2,910,009
<b>Net Financial Assets (Debt)</b>	835,332	457,439
<b>Non Financial Assets</b>		
Prepaid Expenses	17,743	-
Tangible Capital Assets	148,558	-
	166,301	-
<b>Accumulated Surplus (Deficit)</b>	1,001,633	457,439

Approved:

  
 \_\_\_\_\_ Chairperson  
  
 \_\_\_\_\_ Chief Executive Officer

**Tlicho Community Services Agency  
Statement of Operations  
For the year ended March 31, 2013**

	<b>Budget (Unaudited)</b>	<b>Actual 2013</b>	<b>Actual 2012</b>
<b>Revenue</b>			
Health & Social Services - per page 5	12,805,642	13,421,835	12,454,939
Education - per page 6	14,777,979	16,108,190	15,872,382
Other Operations - per page 7	769,000	819,832	4,294,741
	<b>28,352,621</b>	<b>30,349,856</b>	<b>32,622,062</b>
<b>Expenditure</b>			
Health & Social Services - Compensation	9,156,745	10,188,223	9,631,156
Health & Social Services - Other	3,648,897	3,195,801	2,935,592
Total Health and Social Services - per page 5	<b>12,805,642</b>	<b>13,384,024</b>	<b>12,566,749</b>
Education - Compensation	13,030,292	12,981,453	12,668,816
Education - Other	2,276,070	2,649,979	2,455,603
Total Education - per page 6	<b>15,306,362</b>	<b>15,631,432</b>	<b>15,124,419</b>
Other Operations - Compensation	215,000	215,000	1,971,654
Other Operations - Other	554,000	575,206	2,299,227
Total Other Operations - per page 7	<b>769,000</b>	<b>790,206</b>	<b>4,270,880</b>
	<b>28,881,004</b>	<b>29,805,662</b>	<b>31,962,048</b>
<b>Operating Surplus / (Deficit)</b>	<b>- 528,383</b>	<b>544,194</b>	<b>660,014</b>
Unfunded Items			
Change in employee leave and termination benefits	-	23,599	84,259
Surplus / (Deficit) Before the Following			<b>744,273</b>
Tangible Capital Assets - Rent Expense (Note 11)		144,188	187,449
Grant-In-Kind - GNWT Assets Provided at no cost	-	144,188	(187,449)
Surplus / (Deficit) After Unfunded Items		<b>520,595</b>	<b>744,273</b>

**Tlicho Community Services Agency  
Health and Social Services  
Statement of Operations  
For the year ended March 31, 2013**

	<b>Budget (Unaudited)</b>	<b>Actual 2013</b>	<b>Actual 2012</b>
<b>Revenue</b>			
Territorial Operating Advance (Schedule A)	11,888,017	12,193,030	11,408,481
Other Recoveries (Schedule B)	60,000	72,447	61,657
Other Revenues (Schedule C)	75,000	92,113	91,656
Non-Insured Recoveries (Schedule G)	150,000	235,975	161,500
Contribution Agreements (Schedule J)	632,625	798,976	714,591
Investment Revenue	-	29,294	17,053
	<b>12,805,642</b>	<b>13,421,835</b>	<b>12,454,939</b>
<b>Expenses</b>			
Administration (Schedule D)	1,695,287	1,613,786	1,601,601
Hospital Services (Schedule E)	710,000	733,030	701,481
Regional Services (Schedule F)	9,617,730	10,000,391	9,387,555
Non-Insured Services (Schedule G)	150,000	235,975	161,500
Contribution Agreements (Schedule J)	632,625	800,842	714,612
	<b>12,805,642</b>	<b>13,384,024</b>	<b>12,566,749</b>
<b>Operating Surplus / (Deficit)</b>	<b>-</b>	<b>37,810</b>	<b>(111,810)</b>
Unfunded Items			
Change in employee leave and termination benefits	-	<b>23,599</b>	<b>84,259</b>
Surplus / (Deficit) Before the Following		14,211	(27,551)
Tangible Capital Assists - Rent Expense (Note 11)		144,188	187,449
Grant-In-Kind - GNWT Assets Provided at no cost	-	144,188	(187,449)
Surplus / (Deficit) After Unfunded Items		<b>\$ 14,211</b>	<b>\$ (27,551)</b>

**Tlicho Community Services Agency  
Education  
Statement of Operations  
For the year ended March 31, 2013**

	<b>Budget (Unaudited)</b>	<b>Actual 2013</b>	<b>Actual 2012</b>
<b>OPERATING FUND - REVENUE</b>			
Government of the Northwest Territories			
Regular Contribution	\$ 14,777,979	\$ 15,223,632	15,241,972
Aboriginal Languages	-	-	-
	<u>14,777,979</u>	<u>15,223,632</u>	<u>15,241,972</u>
<b>BOARD GENERATED FUNDS</b>			
Other contributions and miscellaneous		84,100	77,929
Investment income		29,294	17,053
Projects Revenue (Schedule L.1)		771,164	535,428
	<u>-</u>	<u>884,557</u>	<u>630,410</u>
<b>TOTAL OPERATING REVENUE</b>	<u><b>14,777,979</b></u>	<u><b>16,108,190</b></u>	<u><b>15,872,382</b></u>
<b>OPERATING FUND EXPENSES - per schedule L</b>			
School Programs	9,912,605	9,512,713	9,616,672
Inclusive Schooling	2,784,707	2,617,647	2,418,519
Operations and Maintenance	122,000	206,909	103,348
Administration	1,198,871	1,162,010	1,251,490
Aboriginal Language/Cultural Programs	1,288,179	1,357,167	1,217,295
Projects Expenditures (Schedule L.1)	-	774,986	517,095
<b>TOTAL EXPENSE</b>	<u><b>15,306,362</b></u>	<u><b>15,631,432</b></u>	<u><b>15,124,419</b></u>
<b>EXCESS REVENUE</b>	<u><b>- 528,383</b></u>	<u><b>476,758</b></u>	<u><b>747,963</b></u>

**Tlich Community Services Agency  
Other Operations  
Statement of Operations  
For the year ended March 31, 2013**

<b>Revenue</b>	<b>Budget (Unaudited)</b>	<b>Actual 2013</b>	<b>Actual 2012</b>
Interest Revenue		-	17,053
Other Revenue		19,486	23,852
Recoveries Housing	300,000	365,239	349,962
Contribution Agreements (Schedule M)	469,000	435,107	922,079
Contribution Agreements (Schedule N)			2,981,794
	<b>769,000</b>	<b>819,832</b>	<b>4,294,741</b>
<b>Expenses</b>			
General Administrative Expenditures			5,500
Leased Property - Housing	300,000	355,099	297,512
Contribution Agreements (Schedule M)	469,000	435,107	925,557
Contribution Agreements (Schedule N)			3,020,311
Bad Debt Expense			22,000
	<b>769,000</b>	<b>790,206</b>	<b>4,270,880</b>
<b>Operating Surplus / (Deficit)</b>	<b>-</b>	<b>29,625</b>	<b>23,861</b>



**Tlicho Community Services Agency  
Statement of Changes in Net Financial Resources  
For the year ended March 31, 2013**

	2013	2012
Annual Surplus Deficit	544,194	660,014
Acquisition of Prepays	(17,743)	
Acquisition of Tangible Capital Assets	(148,558)	
Repayment of Prior year Management Surplus		(280,692)
<b>(Increase)/Decrease in net Debt</b>	<u>377,893</u>	<u>379,322</u>
Opening Net Financial Resources	457,440	78,118
Closing Net Financial Resources	<u><b>835,332</b></u>	<u><b>457,440</b></u>
Accumulated Surplus		
<b><u>Health and Social Services</u></b>		
Opening- Health and Social Services	(595,333)	(202,831)
Repayment of Prior year Management Surplus		(280,692)
Current years' surplus (deficit) per page 3	<u>37,810</u>	<u>(111,810)</u>
Closing	<u>(557,523)</u>	<u>(595,333)</u>
<b><u>Education</u></b>		
Opening - Education	1,084,822	336,859
Current years' surplus per page 4	<u>476,758</u>	<u>747,963</u>
Closing	<u>1,561,580</u>	<u>1,084,822</u>
<b><u>General</u></b>		
Opening - Other	(32,049)	(55,910)
Current years' surplus (deficit) per page 5	<u>29,625</u>	<u>23,861</u>
Closing	<u>(2,424)</u>	<u>(32,049)</u>
Total Accumulated Surplus by Program	<u><u>1,001,633</u></u>	<u><u>457,440</u></u>

**Tlicho Community Services Agency**  
**Statement of Cash Flow**  
**For the year ended March 31, 2013**

	<u>2013</u>	<u>2012</u>
<b>Operating Surplus</b>	544,194	660,014
Repayment of Prior year Surplus - GNWT - Dept. of H. & S.S.	-	(280,692)
(Increase) Decrease in Accounts Receivable	1,613,109	(1,033,989)
Increase (Decrease) in Accounts Payable	(262,214)	84,632
Increase (Decrease) in Wages and Benefits Payable	115,607	217,189
<b>Net Cash from Operations</b>	<u><b>2,010,695</b></u>	<u><b>(352,846)</b></u>
<b>FINANCING</b>		
Cash Provided by Financing Transactions	-	-
<b>INVESTING</b>		
Cash Provided by Investing Transactions	(166,301)	-
<b>Increase (decrease) in cash and cash equivalents</b>	<b>1,844,394</b>	<b>(352,846)</b>
<b>Cash and Short Term Investments, beginning of year</b>	<u><b>713,181</b></u>	<u><b>1,066,028</b></u>
<b>Cash and Short Term Investments, end of year</b>	<u><u><b>2,557,577</b></u></u>	<u><u><b>713,181</b></u></u>

**Tlicho Community Services Agency**  
**Notes to the Financial Statements**  
**March 31, 2011**

**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 and as directed by the GNWT Department of Health and Social Services and the Department of Education. 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. 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, 2013 the Authority had an accumulated Deficit of \$557,523.

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.

**Tlicho Community Services Agency**  
**Notes to the Financial Statements**  
**March 31, 2011**

**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.

f) 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. Assets purchased with capital funding are recorded in the records of the GNWT. The amortization expense is recorded with an offsetting amount as Grant in Kind Revenue, representing the use of the assets that are owned by the GNWT. Assets over \$50,000 purchased from operational or other funds are capitalized and recorded in the Agency records.

**NOTE 3. ACCOUNTS RECEIVABLE GNWT**

Invoice/JV Number	Amount	Description
<b>Dept. Invoices</b>		
6458	844	Face to Face Dec/12
6486	220	Nursing Leadership Forum
6487	2,456	2013 Elders In Motion Train.
6489	174	Chronic Disease Wkshop
6490	2,106	Diabetes Pilot Wkshp
6491	639	Quality Improvement Course
6488	150	Employment Physical Exam
6500	794	Adoption Training in Yk
6501	1,195	CHR Training Mar 8-15/13
6502	219	Nursing Leadership Forum
6508	956	Palliative Care, Face to Face
6499	1,350	Out-Patient Services
6492	29,850	Feb/13 Ambulance Services
6493	35,550	Mar/13 Ambulance Services
6514	9,580	Dental Services - NIHB
6510	671	AEZC Focus Group Mtg
6516	95	Northern Images Invoice
6475	689	Sharing Circle
6485	3,653	Powerschool Training
6511	2,871	Kindergarten Mtg
6498	242	TE Recovery
<b>Contribution Agreements</b>		
	5,250	2013 Drop the Pop
HSS01-0000001945	64,500	2012/13 THSSI Behchoko NP
HSS01-0000001882	54,000	2012/13 THSSI Gameti CHN
HSS01-0000001882	10,577	2012/13 CHN in Behchoko
HSS01-0000001966	29,012	2012/13 CHN Dev. Prgm-L.mantla
HSS01-0000001863	1,151	2012/13 Tlicho Tobacco Educ.
HSS01-0000001975	222,000	2012/13 HSS Final Cashflow
<b>Total</b>	<b>480,795</b>	

**Tlcho Community Services Agency**  
**Notes to the Financial Statements**  
**March 31, 2011**

**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	2013	2012
Removal	\$ 290,686	\$ 214,288	504,974	469,626
Termination	674,587	93,636	768,223	659,362
Leave	80,680	236,299	316,979	311,288
	<u>\$ 1,045,953</u>	<u>\$ 544,223</u>	<u>\$ 1,590,176</u>	<u>\$ 1,440,277</u>

**NOTE 5. DEFERRED REVENUE**

	2013	2012
Audio Visual Suite	-	15,000
Tlcho Government PCW Program	39,293	2,778
Mezi Snack for Learning	-	-
CJBS Snack for Learning	-	930
EMES BHP Culture	37,612	-
Alexis Arrowmaker School Snack for learning	-	309
CJBS - BHP Culture	-	47,489
CJBS - Soccer	-	10,109
Alexis Arrowmaker School - BHP Culture	-	46,076
JWGS - Fundraising	6,591	-
Alexis Arrowmaker School Healthy Snack Program	2,014	-
Mezi Health Snack Program	2,951	11,377
Mezi Mentorship	23,466	39,249
JWGS - Ottawa	-	7,000
JWGS Health Snack Program	3,428	710
EMES Health Snack Program	9,577	14,561
EMES EBS Program	-	2731.26
EMES Misc Account	4,854	-
Mezi BHP Culture	38,191	26,812
	<u>167,977</u>	<u>225,131</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, 2011**

**NOTE 6. COMMITMENTS**

The Agency is committed to the following rental/lease payments for the next five years:

	Residential Housing	Equipment	Total
2014	274,800	57,387	332,187
2015	242,800	58,855	301,655
2016	236,400	53,353	289,753
2017	236,400	26,576	262,976
2018	236,400		236,400
	1,226,800	196,171	\$ 1,422,971

**NOTE 7. OPERATING SURPLUS - EDUCATION**

For management purposes, the Department of Education recalculates surplus as shown below.

	2013	2012
Surplus - Education as reported on statement of Financial Position Page 3	\$ 476,758	\$ 1,084,822
Infrastructure (Deficit) L-2	99,374	8,399
Termination and ultimate removal benefits (Note 4)	965,273	797,654
	\$ 1,541,405	\$ 1,890,875

**NOTE 8. 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, 2011**

**NOTE 9. 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 2012 (unaudited)	Net book Value 2012 (unaudited)
Buildings	\$ 4,018,175	\$ 2,640,045	\$ 1,378,130	\$ 1,499,018
Leasehold	252,800	138,724	114,076	126,635
Mobile Equipment	161,169	60,025	101,144	111,885
<b>Total</b>	<b>\$ 4,432,144</b>	<b>\$ 2,838,794</b>	<b>\$ 1,593,350</b>	<b>\$ 1,737,538</b>

The TCA information was provided by the Government of the Northwest Territories.

Amortization expense 2012 - 2013 144,188 (2011 - 2012 \$187,449)

**NOTE 10. TANGIBLE CAPITAL ASSETS - OTHER**

	Rate	Cost	Accumulated Amortization	Net book Value 2012	Net book Value 2012
Vehicles	7 years	\$ 173,318	\$ 24,760	\$ 148,558	\$ -

**NOTE 11. EXPENSE BY OBJECT**

	2013	2012
Compensation	\$ 23,384,676	\$ 24,271,626
Other	6,420,986	7,690,423
	<b>29,805,662</b>	<b>\$ 31,962,049</b>

**Tlcho Community Services Agency  
Health and Social Services  
Schedule A  
Schedule of Territorial Operating Advances  
For the year ended March 31, 2013**

	<b>Budget 2013</b>	<b>Actual 2013</b>	<b>Actual 2012</b>
H&SS - Authority Administration	880,000	1,002,000	852,000
Authority - Capital (under \$50,000)	13,000	13,000	13,000
Health Centers	5,030,000	5,133,000	4,783,000
Authority Social Service Delivery	2,064,000	2,090,000	1,979,000
Ambulance - Additional	413,000	421,000	394,000
Protective Services	11,000	11,000	11,000
Physician Services	710,000	733,030	701,481
Foster Care	754,000	754,000	754,000
Residential Care - Elderly & Persons with Disabilities	1,286,017	1,300,000	1,189,000
Family Violence	24,000	24,000	24,000
Community Wellness Programs	34,000	34,000	34,000
Homecare	643,000	652,000	625,000
Health Promotion	26,000	26,000	26,000
Dynacare			23,000
<b>Total Funding</b>	<b>11,888,017</b>	<b>12,193,030</b>	<b>11,408,481</b>



**Tlcho Community Services Agency  
 Health and Social Services  
 Schedule B  
 Schedule of Other Recoveries  
 For the year ended March 31, 2013**

	<b>2013 Budget (unaudited)</b>	<b>2013 Actual</b>	<b>2012 Actual</b>
Housing - JESH	-	72,447	61,657
	<u>\$ -</u>	<u>\$ 72,447</u>	<u>\$ 61,657</u>

**Tlcho Community Services Agency**  
**Health and Social Services**  
**Schedule C**  
**Schedule of Other Revenues**  
**For the year ended March 31, 2013**

	<b>2013 <u>Budget</u></b>	<b>2013 Actual</b>	<b>2012 Actual</b>
Misc. Revenue		92,113	91,656
Administration Fees		-	-
		<b>\$ 92,113</b>	<b>\$ 91,656</b>
		<b>\$ 92,113</b>	<b>\$ 91,656</b>

**Tlicho Community Services Agency  
Health and Social Services  
Schedule D  
Schedule of Administration Expenses  
For the year ended March 31, 2013**

	<b>Compensation 2013 Actual</b>	<b>Other Expense 2013 Actual</b>	<b>Total Expense 2013 Actual</b>
<b><u>711 - Administration and Support Services</u></b>			
Health Administration	\$ 120,887	\$ -	\$ 120,887
ISDM Coordination	-	-	-
Ambulance Services	592,193	46,225	638,419
Executive	92,294	71,076	163,370
Human Resources	50,555	151,234	201,789
Systems	-	43,155	43,155
Finance	216,145	20,890	237,035
Trustees	60,454	29,316	89,770
Corporate Services	98,142	8,827	106,968
Capital	-	12,394	12,394
	<b>\$ 1,230,670</b>	<b>\$ 383,116</b>	<b>\$ 1,613,786</b>

	<b>Compensation 2012 Actual</b>	<b>Other Expense 2012 Actual</b>	<b>Total Expense 2012 Actual</b>
<b><u>711 - Administration and Support Services</u></b>			
Health Administration	\$ 23,610	\$ -	\$ 23,610
ISDM Coordination	-	-	-
Ambulance Services	579,508	42,833	622,341
Executive	246,611	58,952	305,563
Human Resources	30,626	91,819	122,445
Systems	73,638	67,090	140,728
Finance	224,678	31,393	256,072
Trustees	45,740	-	45,740
Corporate Services	52,732	32,370	85,102
Capital	-	-	-
	<b>\$ 1,277,143</b>	<b>\$ 324,458</b>	<b>\$ 1,601,601</b>

**Tlcho Community Services Agency**  
**Health and Social Services**  
**Schedule E**  
**Schedule of Hospital Expenses**  
**For the year ended March 31, 2013**

	<b>Compensation 2013 Actual</b>	<b>Other Expense 2013 Actual</b>	<b>Total 2013 Actual</b>
<b><u>713 - Ambulatory Care Services</u></b>			
Physicians	\$ 706,304	\$ 26,726	\$ 733,030

	<b>Compensation 2012 Actual</b>	<b>Other Expense 2012 Actual</b>	<b>Total 2012 Actual</b>
<b><u>713 - Ambulatory Care Services</u></b>			
Physicians	\$ 686,864	\$ 14,617	\$ 701,481

**Tlicho Community Services Agency  
Health and Social Services  
Schedule F  
Schedule of Regional Expenses  
For the year ended March 31, 2013**

	<b>Compensation 2013 Actual</b>	<b>Other Expense 2013 Actual</b>	<b>Total Expense 2013 Actual</b>
	<b>Compensation</b>	<b>Other Expense</b>	<b>Total Expense</b>
<b><u>715 - Community Health Services</u></b>			
Community Health Centers	\$ 3,431,584	\$ 1,241,228	\$ 4,672,811
Community Home Care	539,929	15,234	555,164
Health Promotions	-	-	-
Dental Therapy	116,714	21,094	137,808
	<u>4,088,227</u>	<u>1,277,556</u>	<u>5,365,783</u>

**716 - Community Social Services**

Jimmy Erasmus Senior's Home	1,364,749	109,433	1,474,182
Social Program Support	1,394,372	177,483	1,571,855
Mental Health & Addictions	504,037	61,512	565,549
Supported Independent Living	-	110,008	110,008
Family Violence	-	6,389	6,389
Intervention Services	-	2,635	2,635
Foster Care	-	903,990	903,990
Tobacco Education			
	<u>3,263,158</u>	<u>1,371,450</u>	<u>4,634,608</u>
	<u>\$ 7,351,385</u>	<u>\$ 2,649,006</u>	<u>\$ 10,000,391</u>

	<b>Compensation 2012 Actual</b>	<b>Other Expense 2012 Actual</b>	<b>Total Expense 2012 Actual</b>
--	---	--	--

**715 - Community Health Services**

Community Health Centers	\$ 3,263,647	\$ 1,300,632	\$ 4,564,279
Community Home Care	600,417	51,439	651,856
Health Promotions	-	6,308	6,308
Dental Therapy	192,928	10,388	203,316
	<u>4,056,992</u>	<u>1,368,767</u>	<u>5,425,759</u>

**716 - Community Social Services**

Jimmy Erasmus Senior's Home	1,477,124	127,905	1,605,029
Social Program Support	826,107	225,176	1,051,283
Mental Health & Addictions	435,554	62,338	497,892
Supported Independent Living	-	109,469	109,469
Family Violence	-	2,043	2,043
Intervention Services	-	17,601	17,601
Foster Care	-	678,478	678,478
Tobacco Education			
	<u>2,738,785</u>	<u>1,223,010</u>	<u>3,961,796</u>
	<u>\$ 6,795,777</u>	<u>\$ 2,591,777</u>	<u>\$ 9,387,555</u>

**Tlichon Community Services Agency  
Health and Social Services  
Schedule G  
Schedule of Non-Insured Recoveries and Expenses  
For the year ended March 31, 2013**

	<u>2013 Budget</u>	<u>2013 Actual</u>	<u>2012 Actual</u>
Recoveries	<u>150,000</u>	<u>235,975</u>	<u>161,500</u>
Expenses			
Transportation	150,000	235,975	161,500
	<u>150,000</u>	<u>235,975</u>	<u>161,500</u>
Net Expense	<u>-</u>	<u>-</u>	<u>-</u>

**Tlicho Community Services Agency  
Health and Social Services - Contribution Agreements  
Schedule J  
Other Health Contributions  
For the year ended March 31, 2013**

		<u>2013</u>	<u>2012</u>
		<u>Actual</u>	<u>Actual</u>
<b>Contribution Agreement Revenue</b>			
Children's Oral Health	Schedule J-1	26,318	27,962
Ambulance Training Program	Schedule J-2	52,400	-
STI Awareness	Schedule J-3	-	30,000
THAF	Schedule J-4	237,000	237,000
Enhanced Home Care / Adult Day Respite - (HSS01-0000001174)	Schedule J-5	395,625	407,518
Tlicho Tobacco Education	Schedule J-6	1,860	-
PDI Group	Schedule J-7	-	12,111
CHNDP - Program - NP	Schedule J-8	10,577	-
CHNDP - Program - CHN	Schedule J-9	75,196	-
		<u><b>798,976</b></u>	<u><b>714,591</b></u>
 <b>Contribution Agreement Expenses</b>			
Children's Oral Health	Schedule J-1	26,326	27,962
Ambulance Training Program	Schedule J-2	54,367	-
STI Awareness	Schedule J-3	-	30,000
THAF	Schedule J-4	237,000	237,000
Enhanced Home Care / Adult Day Respite - (HSS01-0000001174)	Schedule J-5	395,625	407,538
PDI Funding	Schedule J-6	1,771	-
PDI Group	Schedule J-7	-	12,111
CHNDP - Program	Schedule J-8	10,557	-
NWT Diabetes Capacity	Schedule J-9	75,196	-
		<u><b>800,842</b></u>	<u><b>714,612</b></u>
<b>Excess Funding over Expense</b>		<u><b>(1,866)</b></u>	<u><b>(21)</b></u>

**Tlicho Community Services Agency**  
**Schedule J-1**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Children's Oral Health - (NS1000039 A-01)**  
**Government of Canada**  
**For the year ended March 31, 2013**

	<b>2013</b> <b><u>Budget</u></b>	<b>2013</b> <b><u>Actual</u></b>	<b>2012</b> <b><u>Actual</u></b>
<b>Funding</b>			
Government of Canada	26,318.00	26,318	25,843
Government of Canada - A/R	-	-	2,119
	<u>-</u>	<u>26,318</u>	<u>27,962</u>
<b>Expenses</b>			
Salaries and Benefits	-	22,030	23,920
Travel	-	1,904	1,500
Admin Fee	-	2,393	2,542
	<u>-</u>	<u>26,326</u>	<u>27,962</u>
<b>Excess Funding over Expense</b>	<b>-</b>	<b>-</b>	<b>8</b>
	<u><u>-</u></u>	<u><u>8</u></u>	<u><u>-</u></u>



**Tlich Community Services Agency**  
**Schedule J-2**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Ambulance Training Program**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
Tlich Government Funding	-	51,000	-
Tlich Government Funding Receivable	-	1,400	-
	-	<b>52,400</b>	-
<b>Expenses</b>			
Compensation	-	-	-
Materials and Supplies	-	-	-
Training & Development	-	54,367	-
Contract Services	-	-	-
	-	<b>54,367</b>	-
<b>Excess Funding over Expense</b>	-	1,966.91	-

**Tlcho Community Services Agency**  
**Schedule J-3**  
**Schedule of Detailed Contribution Funding and Expenses**  
**STI Awareness - (6963-11-2008/7750019)**  
**Federal**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
Government of Canada	-	-	28,500
Government of Canada - Receivable	-	-	1,500
Contribution Repayable	-	-	30,000
	-	-	<b>30,000</b>
<b>Expenses</b>			
Salaries & Benefits	-	-	17,362
Supplies	-	-	5,136
Training and Development	-	-	-
Travel	-	-	5,102
Contract Services	-	-	2,400
	-	-	<b>30,000</b>
<b>Excess Funding over Expense</b>	-	-	-

**Tlichó Community Services Agency**  
**Schedule J-4**  
**Schedule of Detailed Contribution Funding and Expenses**  
**THAF**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Accreditation and Quality Improvement</b>			
<b>Funding</b>			
GNWT	-	118,500	209,711
Contributions Repayable		-	
A/R Receivable	-	118,500	27,289
	-	237,000	<b>237,000</b>
<b>Expenses</b>			
Salaries	-	237,000	<b>237,000</b>
	-	-	-
<b>Excess Funding over Expense</b>	-	-	-

**Tlicho Community Services Agency**  
**Schedule J-5**  
**Schedule of Detailed Contribution Funding and Expense**  
**Home and Community Care Enhancement - (HSS01-0000001174)**  
**Health & Social Services - GNWT**  
**For the year ended March 31, 2013**

<b>Enhanced Home Care</b>	<b>2013</b> <b><u>Budget</u></b>	<b>2013</b> <b><u>Actual</u></b>	<b>2012</b> <b><u>Actual</u></b>
<b>Funding</b>			
GNWT - Department of Health & Social Services	395,625	395,625	197,825
Contributions Repayable	-	-	-
A/R GNWT	-	-	209,694
	<u>395,625</u>	<u>395,625</u>	<u>407,518</u>
<b>Regional Home Care</b>			
Salaries	355,625	355,625	359,584
Materials and Supplies	4,000	6,597	5,630
Gasoline	3,000	3,545	2,081
Food	8,000	5,448	2,626
Vehicle Maintenance	3,500	1,545	5,414
Medical and Surgical Supplies	4,000	3,882	2,671
Delivery and Courier	2,500	1,508	1,422
Telephone			
Training and Development			
Travel	6,000	11,502	23,966
License Fees			
Equipment Maintenance	1,000	682	1,571
Minor Equipment	3,000	2,852	1,217
Contract Services	5,000	2,440	1,356
<b>Total Regional Home Care</b>	<u>395,625</u>	<u>395,625</u>	<u>407,538</u>
<b>Excess Funding over Expense</b>	<u>-</u>	<u>-</u>	<u>20</u>

**Tlicho Community Services Agency**  
**Schedule J-6**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Tlicho Tobacco Education**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
GNWT		1,859.75	-
<b>Expenses</b>			
Materials and Supplies	-	1,771.19	-
<b>Excess Funding over Expense</b>		89	

**Tlicho Community Services Agency**  
**Schedule J-7**  
**Schedule of Detailed Contribution Funding and Expenses**  
**PDI Group**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
GNWT	-	-	-
GNWT - transfer from (to) Deferred Revenue	-	-	12,111
	-	-	<u>12,111</u>
<b>Expenses</b>			
Training	-	-	12,111
	-	-	<u>12,111</u>
<b>Excess Funding over Expense</b>	-	-	<u>-</u>

**Tlicho Community Services Agency**  
**Schedule J-8**  
**Schedule of Detailed Contribution Funding and Expenses**  
**CHNDP Program - NP**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
GNWT	-	-	-
GNWT - A/R	-	10,577	-
GNWT - A/P	-	-	-
	-	<b>10,577</b>	-
<b>Expenses</b>			
Salaries & Benefits	-	-	-
License Fee	-	-	-
Training and Development	-	10,557	-
Travel	-	-	-
	-	<b>10,557</b>	-
<b>Excess Funding over Expense</b>		-	

**Tlicho Community Services Agency**  
**Schedule J-9**  
**Schedule of Detailed Contribution Funding and Expenses**  
**CHNDP Program - CHN**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
GNWT	-	46,184	-
GNWT (A/R)	-	29,012	-
GNWT Contribution (Repayable)	-	-	-
	-	<u>75,196</u>	-
<b>Expenses</b>			
Salaries & Benefits	-	47,113	-
Materials & Supplies	-	27,270	-
Travel	-	-	-
Dues & Fees	-	812	-
	-	<u>75,196</u>	-
<b>Excess Funding over Expense</b>	-	-	-



**Tlcho Community Services Agency  
Health and Social Services  
Schedule K  
Health Schedule of Reserves  
For the year ended March 31, 2013**

	Surplus/Deficit		Leave & Termination		Special Projects Reserve		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, 2013**

	School Programs	Inclusive Schooling	Infrastructure	Administration	Aboriginal Languages	Other Projects	Totals
<b>Salaries</b>							
Teachers	\$ 6,625,425	\$ 423,788			\$ 623,924		7,673,137
Inst Asst.		1,087,494			230,510		1,318,004
Non-Inst Staff	1,779,057	874,102		788,996	201,992	44,362	3,688,509
Brd Honoraria				40,117			40,117
<b>Employee Benefits</b>							
Benefits/Allow Leave & Term.	78,064	1,084	206,909	47,475	45,521		379,053
							-
<b>Services Purchased / Contracted</b>							-
Prof & Tech Serv							-
Amortization	24,760						24,760
Postage/Communication	57,095			41,236	1,224		99,555
Utilities							-
Travel/Training	56,023	52,671		114,318	69,367	35,539	327,917
Student Travel						62,485	62,485
Advert/Prntg/Publishing	6,616			-	3,086		9,702
Main/Repair	3,027			2,902	-		5,930
Rentals/Leases	72,191			5,878	2,535		80,604
Vehicle Expense	109,387			819	15,253		125,459
Equipment Maintenance							-
Other	9,747			25,772	50		35,569
Contributed Services	-	-		-			-
Contracted Services	69,806	112,259		54,334	91,750	116,907	445,056
Renovations							-
Home Boarding Allowance	90,198						90,198
<b>Materials / Supplies / Freight</b>							
Materials	484,498	64,678		28,730	70,059	367,047	1,015,011
Furniture and Equipment	5,932	1,333		9,486	974	148,646	166,370
Freight	40,887	238		1,947	923		43,995
<b>Total Expense</b>	<b>9,512,713</b>	<b>2,617,647</b>	<b>206,909</b>	<b>1,162,010</b>	<b>1,357,167</b>	<b>774,986</b>	<b>15,631,432</b>

**Tlicho Community Services Agency  
Education - Contribution Agreements  
Schedule L.1  
Other Education Contributions  
For the year ended March 31, 2013**

		<b><u>2013</u></b>	<b><u>2012</u></b>
		<b><u>Actual</u></b>	<b><u>Actual</u></b>
<b>Contribution Agreement Revenue</b>			
Aboriginal Language	Schedule L-1	60,000	60,000
Take a Kid Trapping CJBS	Schedule L-3	8,000	8,000
Take a Kid Trapping EMES	Schedule L-4	8,000	8,000
Take a Kid Trapping MEZI	Schedule L-5	8,000	8,000
Food First Foundation JWGS	Schedule L-6	3,049	-
Snack Program EMES	Schedule L-7	6,023	11,772
Snack Program MEZI	Schedule L-8	3,100	9,946
Snack Program JWGS	Schedule L-9	4,357	2,274
Snack Program AAS	Schedule L-10	1,695	3,831
Snack Program CJBS (Elem)	Schedule L-11	2,930	270
Snack Program CJBHS	Schedule L-12	16,400	13,368
Active After School CJBS	Schedule L-13	5,000	4,500
Active After School MEZI	Schedule L-14	12,300	12,400
Active After School AAS	Schedule L-15	-	12,415
Mentorship Program MEZI	Schedule L-16	65,783	5,751
Take a Kid Trapping JWGS	Schedule L-17	8,000	8,000
Miscellaneous	Schedule L-18	354,325	167,761
Public Library Services CJBS	Schedule L-19	38,000	38,000
Public Library Services MEZI	Schedule L-20	38,000	38,000
Public Library Services JWGS	Schedule L-21	38,000	38,000
Library Set-up MEZI	Schedule L-22	-	27,000
Nutrition & Food MEZI	Schedule L-23	-	9,003
Drop the Pop	Schedule L-24	10,000	8,138
Active After School JWGS	Schedule L-25	12,300	18,000
Active After School EMES	Schedule L-26	12,300	19,000
Youth Contribution CJBS	Schedule L-27	4,000	4,000
ALCIP	Schedule L-28	31,500	-
Take a Kid Harvesting CJBS	Schedule L-29	8,000	-
Take a Kid Harvesting EMES	Schedule L-30	8,000	-
Milk for a Month	Schedule L-31	4,102	-
		<b><u>771,164</u></b>	<b><u>535,428</u></b>

**Contribution Agreement Expenditures**

Aboriginal Language	Schedule L-1	60,000	60,007
Take a Kid Trapping CJBS	Schedule L-3	8,000	7,993
Take a Kid Trapping EMES	Schedule L-4	7,999	8,000
Take a Kid Trapping MEZI	Schedule L-5	8,000	8,001
Food First Foundation JWGS	Schedule L-6	3,049	-
Snack Program EMES	Schedule L-7	6,023	11,489
Snack Program MEZI	Schedule L-8	3,162	9,334
Snack Program JWGS	Schedule L-9	4,357	2,274
Snack Program AAS	Schedule L-10	1,695	3,680
Snack Program CJBS (Elem)	Schedule L-11	2,965	270
Snack Program CJBHS	Schedule L-12	16,357	13,351
Active After School CJBS	Schedule L-13	5,000	4,500
Active After School MEZI	Schedule L-14	13,135	12,452
Active After School AAS	Schedule L-15	-	12,413
Mentorship Program MEZI	Schedule L-16	65,783	5,751
Take a Kid Trapping JWGS	Schedule L-17	8,075	7,997
Miscellaneous	Schedule L-18	361,582	149,747
Public Library Services CJBS	Schedule L-19	37,898	38,016
Public Library Services MEZI	Schedule L-20	38,970	38,113
Public Library Services JWGS	Schedule L-21	38,017	38,050
Library Set-up MEZI	Schedule L-22	-	27,292
Nutrition & Food MEZI	Schedule L-23	-	9,003
Drop the Pop	Schedule L-24	10,118	8,306
Active After School JWGS	Schedule L-25	12,205	18,023
Active After School EMES	Schedule L-26	12,261	19,031
Youth Contribution CJBS	Schedule L-27	4,000	4,000
ALCIP	Schedule L-28	26,276	-
Take a Kid Harvesting CJBS	Schedule L-29	8,013	-
Take a Kid Harvesting EMES	Schedule L-30	8,000	-
Milk for a Month	Schedule L-31	4,048	-
		<b>774,986</b>	<b>517,094</b>
<b>Excess Funding over Expenditures</b>		<b>(3,822)</b>	<b>18,334</b>

**Tlicho Community Services Agency  
Schedule L-1  
Schedule of Specific Program - Aboriginal Languages  
For the year ended March 31, 2013**

	<b><u>2013</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
	<b><u>Budget</u></b>	<b><u>Actual</u></b>	<b><u>Actual</u></b>
<b>Funding</b>			
GNWT Contributions	-	<b>60,000</b>	<b>60,000</b>
<b>Expenses</b>			
Materials & Supplies	-	51,180	12,812
Training & Development	-	2,090	5,780
Travel	-	330	19,422
Contract Services	-	6,400	21,992
	-	<b>60,000</b>	<b>60,007</b>
<b>Excess Funding over Expense</b>	-	-	<b>(7)</b>

**Tlicho Community Services Agency**  
**L-2**  
**Schedule of Specific Program - Education Infrastructure**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Personnel Infrastructure</b>			
<b>Funding</b>			
GNWT Regular Contribution	-	85,941	94,949
Funding Adjustment			
	<u>-</u>	<u>85,941</u>	<u>94,949</u>
<b>Expenses</b>			
Staffing:			
Advertising	-	-	-
Hiring Expenses	-	-	-
Employee Benefits:			
Removal In/Transfer	-	136,549	49,207
Ultimate Removal	-	-	-
Medical Travel Assistance	-	-	-
Dental Premiums	-	-	-
Family Assistance Program	-	-	-
WCB	-	48,766	54,141
Total Expenses	<u>-</u>	<u>185,316</u>	<u>103,348</u>
Surplus (Deficit)	<u>-</u>	<u>(99,374)</u>	<u>(8,399)</u>
<b>Utilities and Leases</b>			
<b>Funding</b>			
GNWT Regular Contribution	-	-	-
Total Funding	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenses</b>			
Utilities:			
Fuel	-	-	-
Electricity	-	-	-
Water/Sewer	-	-	-
Boiler Maintenance	-	-	-
Total Expenses	<u>-</u>	<u>-</u>	<u>-</u>
Surplus (Deficit)	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess Funding over Expense</b>	<u>-</u>	<u>(99,374)</u>	<u>(8,399)</u>

**Tlich 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, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
GNWT	-	8,000	8,000
		<u>8,000</u>	<u>8,000</u>
<b>Expenses</b>			
Materials & Supplies	-	-	2,893
Contract Services	-	8,000	5,100
	<u>-</u>	<u>8,000</u>	<u>7,993</u>
<b>Excess Funding over Expenses</b>	<u>-</u>	<u>-</u>	<u>7</u>

**Tlichho 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, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
GNWT	-	8,000	8,000
GNWT (Deferred)		-	-
	-	<b>8,000</b>	<b>8,000</b>
<b>Expenses</b>			
Materials & Supplies	-	7,999	
Contract Services	-	-	8,000
	-	<b>7,999</b>	<b>8,000</b>
<b>Excess Funding over Expense</b>	-	<b>1</b>	-



**Tlicho Community Services Agency**  
**Schedule L-5**  
**Schedule of Detailed Contribution Funding and Expense**  
**Take a Kid Trapping Program - MEZI**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
GNWT	-	8,000	8,000
GNWT (Deferred)		-	-
	-	<b>8,000</b>	<b>8,000</b>
<b>Expenses</b>			
Materials & Supplies	-	-	401
Contract Services	-	8,000	7,600
	-	<b>8,000</b>	<b>8,001</b>
<b>Excess Funding over Expense</b>	-	-	<b>(1)</b>

**Tlich Community Services Agency**  
**Schedule L-6**  
**Schedule of Detailed Contribution Funding and Expense**  
**Food First Foundation - JWGS**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
Food First Foundation	-	4,066	-
Food First Foundation (Deferred)	-	1,512	-
Food First Foundation (Deferred)		(2,529)	
	-	<b>3,049</b>	-
<b>Expenses</b>			
Materials & Supplies	-	3,049	-
Minor Equipment	-	-	-
	-	<b>3,049</b>	-
<b>Excess Funding over Expense</b>	-	-	-

**Tlicho Community Services Agency**  
**Schedule L-7**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Snack Program - EMES**  
**For the year ended March 31, 2013**

	<b>2013</b>	<b>2013</b>	<b>2012</b>
	<b><u>Budget</u></b>	<b><u>Actual</u></b>	<b><u>Actual</u></b>
<b>Funding</b>			
First Food Foundation	-	-	-
First Food Foundation (Deferred)	-	-	3,154
Food First Foundation NWT	-	-	-
Breakfast for Learning	-	15,600	4,700
Breakfast for Learning (Deferred)	-	(9,577)	3,918
	<hr/>	<hr/>	<hr/>
	-	<b>6,023</b>	<b>11,772</b>
<b>Expenses</b>			
Materials & Supplies	-	6,023	11,489
Contract Services	-	-	-
	<hr/>	<hr/>	<hr/>
	-	<b>6,023</b>	<b>11,489</b>
<b>Excess Funding over Expense</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	-	-	<b>283</b>

**Tlicho Community Services Agency**  
**Schedule L-8**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Snack Program - MEZI**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
First Food Foundation	-	-	-
Other	-	-	-
Breakfast for Learning	-	3,100	5,000
Breakfast for Learning (Deferred)	-	-	4,946
	-	3,100	9,946
<b>Expense</b>			
Materials & Supplies	-	3,162	9,334
Contract Services	-	-	-
	-	<b>3,162</b>	<b>9,334</b>
<b>Excess Funding over Expense</b>	-	<b>(62)</b>	<b>612</b>

**Tlicho Community Services Agency**  
**Schedule L-9**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Snack Program - JWGS**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
Food First Foundation	-	-	1,512
Food First Foundation (Deferred) SEE SCHEDULE L-6	-	-	(1,512)
Breakfast for Learning	-	3,280	1,620
Breakfast for Learning ( Deferred)	-	710	(710)
Breakfast for Learning (Deferred)	-	1,266	1,364
Breakfast for Learning (Deferred)	-	(899)	
	-	<u>4,357</u>	<u>2,274</u>
<b>Expenses</b>			
Materials & Supplies	-	4,357	2,274
Minor Equipment	-	-	-
	-	<u>4,357</u>	<u>2,274</u>
<b>Excess Funding over Expense</b>	-	-	-

**Tlicho Community Services Agency**  
**Schedule L-10**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Snack Program - Alexis Arrowmaker School**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
First Food Foundation	-	-	-
First Food Foundation (Deferred)	-	-	-
First Food Foundation (Deferred)	-	-	940
Breakfast for Learning	-	3,400	1,200
Breakfast for Learning (Deferred)	-	309	(309)
Breakfast for Learning (Deferred)	-	(2,014)	2,000
	<hr/>	<hr/>	<hr/>
	-	<b>1,695</b>	<b>3,831</b>
<b>Expenses</b>			
Materials & Supplies	-	1,695	3,680
Minor Equipment	-	-	-
	<hr/>	<hr/>	<hr/>
	-	<b>1,695</b>	<b>3,680</b>
<b>Excess Funding over Expense</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	-	-	<b>151</b>

**Tlicho Community Services Agency**  
**Schedule L-11**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Snack Program - Chief Jimmy Bruneau School (Elementary)**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
First Food Foundation	-	-	-
First Food Foundation (Deferred)	-	-	-
Breakfast for Learning	-	2,000	1,200
Breakfast for Learning (Deferred)	-	930	(930)
	<hr/>	<hr/>	<hr/>
	-	<b>2,930</b>	<b>270</b>
 <b>Expense</b>			
Materials & Supplies	-	2,965	270
	<hr/>	<hr/>	<hr/>
	-	<b>2,965</b>	<b>270</b>
 <b>Excess Funding over Expense</b>			
	<hr/>	<hr/>	<hr/>
	-	<b>(35)</b>	-

**Tlich Community Services Agency**  
**Schedule L-12**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Snack Program - Chief Jimmy Bruneau High School**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
First Food Foundation	-	-	-
Breakfast for Learning	-	16,400	6,700
Breakfast for Learning (Deferred)	-	-	6,668
	<hr/>	<hr/>	<hr/>
	-	<b>16,400</b>	<b>13,368</b>
<b>Expenses</b>			
Materials & Supplies	-	16,357	13,351
Minor Equipment	-	-	-
	<hr/>	<hr/>	<hr/>
	-	<b>16,357</b>	<b>13,351</b>
<b>Excess Funding over Expense</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	-	<b>43</b>	<b>17</b>



**Tlicho Community Services Agency**  
**Schedule L-13**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Active After School Program - Chief Jimmy Bruneau High School**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
GNWT North Slave Region MACA	-	5,000	4,500
	-	<b>5,000</b>	<b>4,500</b>
<b>Expenses</b>			
Materials & Supplies	-	-	969
Minor Equipment	-	5,000	3,531
	-	<b>5,000</b>	<b>4,500</b>
<b>Excess Funding over Expense</b>	-	-	-

**Tlcho Community Services Agency**  
**Schedule L-14**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Active After School Program - MEZI Community School**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
GNWT North Slave Region MACA		12,300	-
NWT Sport & Recreation Council	-	-	12,400
	<u>-</u>	<u>12,300</u>	<u>12,400</u>
<b>Expenses</b>			
Materials & Supplies	-	13,135	1,293
Minor Equipment	-	-	11,159
	<u>-</u>	<u>13,135</u>	<u>12,452</u>
<b>Excess Funding over Expenses</b>	<u>-</u>	<u>(835)</u>	<u>(52)</u>

**Tlicho Community Services Agency**  
**Schedule L-15**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Active After School Program - Alexis Arrowmaker School**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
NWT Sport & Recreation Council	-	-	-
Deferred Revenue	-	-	12,415
	<hr/>	<hr/>	<hr/>
	-	-	<b>12,415</b>
<b>Expenses</b>			
Materials & Supplies	-	-	8,340
Contract Services	-	-	4,073
	<hr/>	<hr/>	<hr/>
	-	-	<b>12,413</b>
<b>Excess Funding over Expense</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	-	-	<b>2</b>

**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, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
GNWT	-	50,000	45,000
GNWT (Deferred)	-	39,249	(39,249)
GNWT (Deferred)		(23,466)	
	-	<u>65,783</u>	<u>5,751</u>
<b>Expenses</b>			
Materials & Supplies		24,898	-
Travel	-	31,222	5,751
Contract Services		9,663	-
	-	<u>65,783</u>	<u>5,751</u>
<b>Excess Funding over Expense</b>	-	-	-

**Tlicho Community Services Agency**  
**Schedule L-17**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Take a Kid Trapping Program - Jean Wetrade Gameti School**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
GNWT	-	8,000	8,000
	-	<b>8,000</b>	<b>8,000</b>
<b>Expenses</b>			
Materials & Supplies	-	2,825	3,326
Vehicle Expense	-	-	-
Contract Services	-	5,250	4,671
	-	<b>8,075</b>	<b>7,997</b>
<b>Excess Funding over Expense</b>	-	<b>(75)</b>	<b>3</b>

**Tlicho Community Services Agency**  
**Schedule L-18**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Miscellaneous**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
CJBS Miscellaneous	-	15,434	10,109
CJBS Misc-Soccer (Deferred)	-	10,109	(10,109)
CJBS Cultural Program (BHP Billiton)	-	-	50,000
CJBS Cultural Program (BHP Billiton) Deferred	-	47,489	(47,489)
CJBS Cultural Program (BHP Billiton) Deferred	-	-	8,700
CJBS ADI Snack (TCSA Transfer)	-	-	18,864
MEZI Miscellaneous	-	2,405	1,690
MEZI Fundraising	-	3,750	23,295
MEZI Cultural Program (BHP Billiton)	-	50,000	50,000
MEZI Cultural Program (BHP Billiton) Deferred	-	26,812	(26,812)
MEZI Cultural Program (BHP Billiton) Deferred	-	(38,191)	-
MEZI ADI Snack (TCSA Transfer)	-	-	12,600
MEZI ADI Snack (TCSA Transfer) Deferred	-	11,377	(11,377)
MEZI ADI Snack (Tlicho Gov't)	-	5,000	-
MEZI ADI Snack (Tlicho Gov't) Deferred	-	(2,951)	-
JWGS Miscellaneous	-	-	21,650
JWGS Fundraising	-	6,591	-
JWGS Fundraising (Deferred)	-	(6,591)	-
JWGS Misc-Ottawa trip (Deferred)	-	7,000	(7,000)
JWGS Cultural Program (BHP Billiton)	-	77,127	22,873
JWGS Cultural Program (De Beers)	-	5,000	-
EMES Miscellaneous	-	5,353	6,610
EMES Miscellaneous (Deferred)	-	(4,854)	-
EMES Cultural Program (BHP Billiton)	-	100,000	10,000
EMES Cultural Program (BHP Billiton) Deferred	-	(37,612)	-
EMES BFI Snack (TCSA Transfer)	-	-	10,000
EMES BFI Snack (TCSA Transfer) Deferred	-	2,731	(2,731)
EMES BFI Snack (Tlicho Government)	-	7,500	-
EMES ADI Snack (TCSA Transfer)	-	-	22,880
EMES ADI Snack (TCSA Transfer) Deferred	-	14,561	(14,561)
Wekweti Miscellaneous	-	4,375	403
Wekweeti Cultural Program (BHP Billiton)	-	-	50,000
Wekweeti Cultural Program (BHP Billiton) Deferred	-	41,535	(46,076)
Wekweeti Cultural Program (BHP Billiton) Deferred	-	-	8,943
Wekweeti BFI Snack (TCSA Transfer)	-	-	5,300
Wekweeti Active After School (NWT Rec & Park)	-	375	-
	-	<b>354,325</b>	<b>167,761</b>
<b>Expenses</b>			
CJBS Miscellaneous	-	24,105	-
CJBS Cultural Program (BHP Billiton)	-	50,000	11,214
CJBS ADI Snack (TCSA Transfer)	-	-	18,872
MEZI Miscellaneous	-	406	-
MEZI Fundraising	-	12,491	19,758
MEZI Cultural Program (BHP Billiton)	-	38,621	23,188
MEZI ADI Snack (TCSA Transfer)	-	13,426	1,223
JWGS Miscellaneous	-	8,750	8,321
JWGS Cultural Program (BHP Billiton)	-	82,166	22,873
EMES Miscellaneous	-	498	5,754
EMES Cultural Program (BHP Billiton)	-	62,388	9,997
EMES BFI Snack (TCSA Transfer)	-	9,019	7,513
EMES ADI Snack (TCSA Transfer)	-	13,607	8,319
Wekweti Miscellaneous	-	4,043	-
Wekweeti Cultural Program (BHP Billiton)	-	41,599	12,715
Wekweeti BFI Snack (TCSA Transfer)	-	-	-
Wekweeti Active After School (NWT Rec & Park)	-	464	-
	-	<b>361,582</b>	<b>149,747</b>
<b>Excess Funding over Expense</b>	-	<b>(7,257)</b>	<b>18,014</b>

**Tlicho Community Services Agency**  
**Schedule L-19**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Public Library Services - Chief Jimmy Bruneau School**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
GNWT ECE	-	38,000	38,000
	-	<b>38,000</b>	<b>38,000</b>
<b>Expenses</b>			
Salaries & Benefits	-	37,898	38,016
Minor Equipment	-	-	-
Contract Services	-	-	-
	-	<b>37,898</b>	<b>38,016</b>
<b>Excess Funding over Expense</b>	-	<b>102</b>	<b>(16)</b>

**Tlcho Community Services Agency**  
**Schedule L-20**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Public Library Services - MEZI Community School**  
**For the year ended March 31, 2013**

	<b>2013</b>	<b>2013</b>	<b>2012</b>
	<b><u>Budget</u></b>	<b><u>Actual</u></b>	<b><u>Actual</u></b>
<b>Funding</b>			
GNWT ECE	-	38,000	38,000
	-	<b>38,000</b>	<b>38,000</b>
<b>Expenses</b>			
Salaries & Benefits	-	6,464	27,782
Materials & Supplies	-	22,015	10,331
Contract Services	-	10,491	-
	-	<b>38,970</b>	<b>38,113</b>
<b>Excess Funding over Expense</b>	-	<b>(970)</b>	<b>(113)</b>



**Tlcho Community Services Agency**  
**Schedule L-21**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Public Library Services - Jean Wetrade Gameti School**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
GNWT ECE	-	38,000	38,000
	-	<b>38,000</b>	<b>38,000</b>
<b>Expenses</b>			
Materials & Supplies	-	30,425	34,713
Contract Services	-	7,592	3,338
	-	<b>38,017</b>	<b>38,050</b>
<b>Excess Funding over Expense</b>	-	<b>(17)</b>	<b>(50)</b>

**Tlcho Community Services Agency**  
**Schedule L-22**  
**Schedule of Detailed Contribution Funding and Expenditures**  
**Set-up Library - MEZI Community School**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
GNWT ECE	-	-	27,000
	-	-	<u>27,000</u>
<b>Expenditures</b>			
Materials & Supplies	-	-	27,292
Contract Services	-	-	-
	-	-	<u>27,292</u>
<b>Excess Funding over Expense</b>	-	-	<u>(292)</u>

**Tlcho Community Services Agency**  
**Schedule L-23**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Food and Nutrition - MEZI Community School**  
**For the year ended March 31, 2013**

	<b>2013</b> <b><u>Budget</u></b>	<b>2013</b> <b><u>Actual</u></b>	<b>2012</b> <b><u>Actual</u></b>
<b>Funding</b>			
GNWT HSS	-	-	9,969
GNWT HSS Payable	-	-	966
	<hr/>	<hr/>	<b>9,003</b>
<b>Expenses</b>			
Materials & Supplies	-	-	4,014
Dues & Fees	-	-	475
Minor Equipment	-	-	4,514
Contract Services	-	-	-
	<hr/>	<hr/>	<b>9,003</b>
<b>Excess Funding over Expense</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Tlcho Community Services Agency**  
**Schedule L-24**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Drop the Pop**  
**For the year ended March 31, 2013**

	<b><u>2013</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
	<b><u>Budget</u></b>	<b><u>Actual</u></b>	<b><u>Actual</u></b>
<b>Funding</b>			
GNWT HSS - CJBS		2,500	2,100
GNWT HSS - MEZI		2,000	
GNWT HSS - JWGS		1,500	1,050
GNWT HSS - EMES		2,500	1,838
GNWT HSS - Wekweeti		1,500	3,150
GNWT HSS - Admin Fee		-	-
	<b>-</b>	<b>10,000</b>	<b>8,138</b>
<b>Expenses</b>			
Materials & Supplies - CJBS	-	2,415	2,205
Materials & Supplies - MEZI	-	2,013	-
Materials & Supplies - JWGS	-	1,510	1,077
Materials & Supplies - EMES	-	2,513	1,862
Materials & Supplies - Wekweti	-	1,667	3,161
	<b>-</b>	<b>10,118</b>	<b>8,306</b>
<b>Excess Funding over Expense</b>	<b>-</b>	<b>(118)</b>	<b>(168)</b>

**Tlicho Community Services Agency**  
**Schedule L-25**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Active After School Program - Jean Wetrade Gameti School**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
GNWT North Slave Region MACA	-	12,300	18,000
	-	<b>12,300</b>	<b>18,000</b>
<b>Expenses</b>			
Materials & Supplies	-	12,205	15,455
Minor Equipment	-	-	2,568
	-	<b>12,205</b>	<b>18,023</b>
<b>Excess Funding over Expense</b>	-	95	(23)

**Tlcho Community Services Agency**  
**Schedule L-26**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Active After School Program - Elizabeth Mackenzie Elementary School**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
GNWT North Slave Region MACA	-	12,300	19,000
	-	<b>12,300</b>	<b>19,000</b>
<b>Expenses</b>			
Minor Equipment	-	12,261	17,641
Contract Services	-	-	1,391
	-	<b>12,261</b>	<b>19,031</b>
<b>Excess Funding over Expense</b>	-	<b>39</b>	<b>(31)</b>

**Tlicho Community Services Agency**  
**Schedule L-27**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Youth Contribution - Chief Jimmy Bruneau School**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
GNWT, MACA	-	4,000	4,000
	-	<b>4,000</b>	<b>4,000</b>
<b>Expenses</b>			
Travel	-	4,000	4,000
Minor Equipment	-	-	-
	-	<b>4,000</b>	<b>4,000</b>
<b>Excess Funding over Expense</b>	-	-	-

**Tlcho Community Services Agency**  
**Schedule L-28**  
**Schedule of Detailed Contribution Funding and Expenses**  
**ALCIP - Aurora College**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
Aurora College	-	31,500	-
	-	<b>31,500</b>	-
<b>Expenses</b>			
Travel	-	-	-
Training & Development	-	26,276	-
	-	<b>26,276</b>	-
<b>Excess Funding over Expense</b>	-	<b>5,224</b>	-



**Tlicho Community Services Agency**  
**Schedule L-29**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Take a Kid Harvesting Program - Chief Jimmy Briuneau School**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
GNWT ITI	-	8,000	-
	-	<b>8,000</b>	-
<b>Expenses</b>			
Materials & Supplies	-	8,013	-
Minor Equipment	-	-	-
Contract Services	-	-	-
	-	<b>8,013</b>	-
<b>Excess Funding over Expense</b>	-	<b>(13)</b>	-

**Tlicho Community Services Agency**  
**Schedule L-30**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Take a Kid Harvesting Program - Elizabeth Mackenzie Elementary School**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
GNWT ITI	-	8,000	-
	-	<b>8,000</b>	-
<b>Expenses</b>			
Materials & Supplies	-	8,000	-
Minor Equipment	-	-	-
Contract Services	-	-	-
	-	<b>8,000</b>	-
<b>Excess Funding over Expense</b>	-	-	-

**Tlcho Community Services Agency**  
**Schedule L-31**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Milk for a Month**  
**For the year ended March 31, 2013**

	<b><u>2013</u></b> <b><u>Budget</u></b>	<b><u>2013</u></b> <b><u>Actual</u></b>	<b><u>2012</u></b> <b><u>Actual</u></b>
<b>Funding</b>			
GNWT HSS/Food First Foundation - MEZI		3,416	-
GNWT HSS/Food First Foundation - JWGS		-	-
GNWT HSS/Food First Foundation - Wekweti		686	-
	-	<b>4,102</b>	-
<b>Expenses</b>			
Materials & Supplies - MEZI	-	3,366	-
Materials & Supplies - JWGS	-	-	-
Materials & Supplies - Wekweti	-	682	-
	-	<b>4,048</b>	-
<b>Excess Funding over Expense</b>	-	<b>54</b>	-

**Tlicho Community Services Agency**  
**Schedule M**  
**Other Contributions**  
**For the year ended March 31, 2013**

		<b>2013</b>	<b>2012</b>
		<b><u>Actual</u></b>	<b><u>Actual</u></b>
<b>Contribution Agreement Revenue</b>			
FAST	Schedule M-1	-	10,000
Tlicho Yati Ohchi Project	Schedule M-2	15,000	-
Language Nest	Schedule M-3	-	107,597
Tlicho Language Plan	Schedule M-4	-	243,000
Tlicho Literacy Program	Schedule M-5	-	30,000
Personal Support Worker Program - GNWT	Schedule M-6	105,400	-
Community Action Plan for Children	Schedule M-7	-	60,000
Aboriginal Head Start	Schedule M-8	-	196,355
STI - CHR	Schedule M-9	-	100,000
Healthy Families Program	Schedule M-10	-	149,366
On the Land Healing Program	Schedule M-11	-	25,761
Personal Support Worker Program - Tlicho Government	Schedule M-12	289,707	-
Building Collaborative Team - CIHR	Schedule M-13	25,000	-
		<b><u>435,107</u></b>	<b><u>922,079</u></b>
<b>Contribution Agreement Expenses</b>			
FAST	Schedule M-1	-	10,000
Tlicho Yati Ohchi Project	Schedule M-2	15,000	-
Language Nest	Schedule M-3	-	107,597
Tlicho Language Plan	Schedule M-4	-	243,000
Tlicho Literacy Program	Schedule M-5	-	30,000
Personal Support Worker Program - GNWT	Schedule M-6	105,400	-
Community Action Plan for Children	Schedule M-7	-	60,000
Aboriginal Head Start	Schedule M-8	-	196,355
STI - CHR	Schedule M-9	-	103,478
Healthy Families Program	Schedule M-10	-	149,366
On the Land Healing Program	Schedule M-11	-	25,761
Personal Support Worker Program - Tlicho Government	Schedule M-12	289,707	-
Building Collaborative Team - CIHR	Schedule M-13	25,000	-
		<b><u>435,107</u></b>	<b><u>925,557</u></b>
<b>Excess Funding over Expense</b>		<b><u>(0)</u></b>	<b><u>(3,478)</u></b>

**Tlich Community Services Agency**  
**Schedule M-1**  
**Schedule of Detailed Contribution Funding and Expenses**  
**FAST**  
**For the year ended March 31, 2013**

<b>Funding</b>	<b>2013 <u>Budget</u> (unaudited)</b>	<b>2013 <u>Actual</u></b>	<b>2012 <u>Actual</u></b>
Native Women's Association	-	-	8,500
Native Women's Association A/R	-	-	1,500
	<hr/>	<hr/>	<hr/> <b>10,000</b>
<b>Expenses</b>			
Salaries & Benefits	-	-	8,543
Regional Travel	-	-	481
Supplies	-	-	976
Training and Development	-	-	-
Food/Snacks	-	-	-
Minor Equipment	-	-	-
Delivery & Courier	-	-	-
Total Expenditures	<hr/>	<hr/>	<hr/> <b>10,000</b>
<b>Excess Funding over Expense</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/> <b>-</b>

**Tlicho Community Services Agency**  
**Schedule M-2**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Tlicho Yati Ohchi Project**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
Tlicho Government		15,000	
		-	-
		<b>15,000</b>	<b>-</b>
<b>Expenses</b>			
Materials and Supplies		6,600	
Telephone			
Supplies			
Rent and Utilities			
Travel			
Food/Snacks			
Contract Services			
Equipment Maintenance			
Contract Services		8,400	
Training & Development			
		<b>15,000</b>	<b>-</b>
<b>Excess Funding over Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Tlcho Community Services Agency**  
**Schedule M-3**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Language Nest**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u> (unaudited)	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
GNWT	-	-	137,700
GNWT - Contributions Repayable	-	-	(30,103)
GNWT - AR	-	-	-
	<hr/>	<hr/>	<b>107,597</b>
<b>Expenses</b>			
Salary & Benefits	-	-	68,949
Materials and supplies	-	-	17,872
Delivery & Courier	-	-	-
Education Supplies Text	-	-	-
Travel & Training	-	-	7,475
Contract Services	-	-	11,300
Equipment Rental	-	-	2,000
Equipment Maintenance	-	-	-
	<hr/>	<hr/>	<b>107,597</b>
<b>Excess Funding over Expense</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Tlicho Community Services Agency**  
**Schedule M-4**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Tlicho Language Plan**  
**For the year ended March 31, 2013**

	<b>2013</b> <b><u>Budget</u></b> (unaudited)	<b>2013</b> <b><u>Actual</u></b>	<b>2012</b> <b><u>Actual</u></b>
<b>Funding</b>			
GNWT	-	-	243,000
GNWT -AR	-	-	-
	-	-	<b>243,000</b>
<b>Expenses</b>			
Salaries - Program Staff	-	-	71,270
Materials and Supplies	-	-	22,947
Travel / Training	-	-	87,777
Minor Equipment	-	-	-
Contract Services	-	-	7,269
Contributed Services	-	-	43,680
Telephone	-	-	-
Educational Supplies	-	-	7,556
Promotional Materials	-	-	2,500
	-	-	<b>243,000</b>
Total Expenses	-	-	<b>243,000</b>
<b>Excess Funding over Expense</b>	-	-	-



**Tlicho Community Services Agency**  
**Schedule M-5**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Tlicho Literacy Program**  
**For the year ended March 31, 2013**

<b>Funding</b>	<b>2013</b> <b><u>Budget</u></b> (unaudited)	<b>2013</b> <b><u>Actual</u></b>	<b>2012</b> <b><u>Actual</u></b>
GNWT	-	-	30,000
GNWT -AR	-	-	-
	-	-	<b>30,000</b>
<b>Expenses</b>			
Salaries - Program Staff			
Materials and Supplies	-	-	6,065
Contract Services	-	-	20,902
Contributed Services	-	-	-
Travel / Training	-	-	3,034
Total Expenditures	-	-	<b>30,000</b>
<b>Excess Funding over Expenses</b>	-	-	-

**Tlcho Community Services Agency**  
**Schedule M-6**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Personal Support Worker Program - GNWT**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
GNWT	-	105,400	-
<b>Expenses</b>			
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	
<b>Excess Funding over Expense</b>	-	-	-

**Tlicho Community Services Agency**  
**Schedule M-7**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Community Action Plan for Children**  
**For the year ended March 31, 2013**

<b>Funding</b>	<b>2013 <u>Budget</u> (unaudited)</b>	<b>2013 <u>Actual</u></b>	<b>2012 <u>Actual</u></b>
Government of Canada	-	-	60,000
<b>Expenses</b>			
Salary	-	-	49,639
Staff and Professional Development	-	-	3,000
Rent, Utilities, Telephone	-	-	
Travel	-	-	2,361
Materials, Supplies, Freight	-	-	3,500
Audit	-	-	
Minor Equipment	-	-	
Other	-	-	1,500
Evaluation	-	-	
	-	-	<b>60,000</b>
<b>Excess Funding over Expense</b>	-	-	-

**Tlicho Community Services Agency**  
**Schedule M-8**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Aboriginal Head Start**  
**For the year ended March 31, 2013**

	<b>2013</b> <b><u>Budget</u></b> (unaudited)	<b>2013</b> <b><u>Actual</u></b>	<b>2012</b> <b><u>Actual</u></b>
<b>Funding</b>			
Government of Canada	-	-	186,537
Government of Canada - A/R	-	-	9,818
	<hr/>	<hr/>	<b>196,355</b>
<b>Expenses</b>			
Salaries & Benefits	-	-	172,543
Supplies & Freight	-	-	8,355
Utilities & Rent	-	-	-
Regional Travel	-	-	4,540
Training & Development	-	-	5,000
Contract Services	-	-	-
Contributed Services	-	-	5,000
Equipment	-	-	917
Evaluation	<hr/>	<hr/>	<b>196,355</b>
<b>Excess Funding over Expense</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Tlicho Community Services Agency**  
**Schedule M-9**  
**Schedule of Detailed Contribution Funding and Expenses**  
**STI - CHR**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
Program Funding	-	-	100,000
	<hr/>		
<b>Expenses</b>			
Salaries & Benefits	-	-	45,752
Materials & Supplies	-	-	5,696
Gasoline	-	-	302
Public Relations	-	-	585
Food	-	-	2,585
Delivery & Courier	-	-	1,775
Training & Development	-	-	24,403
Staff Duty Travel	-	-	18,300
Contractor Travel	-	-	
Contract Services	-	-	4,080
	<hr/>		
	-	-	103,478
<b>Excess Funding over Expense</b>	-	-	(3,478)
	<hr/> <hr/>		

**Tlcho Community Services Agency**  
**Schedule M-10**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Healthy Families Program - HSS01-0000000882**  
**For the year ended March 31, 2013**

	<b>2013</b> <b><u>Budget</u></b> (unaudited)	<b>2013</b> <b><u>Actual</u></b>	<b>2012</b> <b><u>Actual</u></b>
<b>Funding</b>			
GNWT - Department of Health & Social Service	-	-	77,600
GNWT - Receivable	-	-	77,600
	-	-	155,199
Less Unused Portion of Contrib. Agreement	-	-	(5,833)
	-	-	<b>149,366</b>
<b>Expenses</b>			
Salaries & Benefits	-	-	104,340
Material & Supplies	-	-	4,180
Gasoline	-	-	48
food	-	-	3,000
Promotional Materials	-	-	1,253
Staff and Professional Development	-	-	2,235
Delivery & Courier	-	-	
Contract Admin and Support Services	-	-	7,500
Travel	-	-	8,661
Equipment Maintenance	-	-	273
Minor Equipment Parts	-	-	
Minor Equipment	-	-	2,500
Ref Out Diagnostic / Therapeutic	-	-	
Rental / Utilities	-	-	3,539
Telephone / Internet	-	-	4,448
Admin Fee 5%	-	-	7,390
	-	-	<b>149,366</b>
<b>Excess Funding over Expenses</b>	-	-	-

**Tlicho Community Services Agency**  
**Schedule M-11**  
**Schedule of Detailed Contribution Funding and Expenses**  
**On the Land Healing Program**  
**For the year ended March 31, 2013**

<b>Funding</b>	<b>2013</b> <b><u>Budget</u></b> (unaudited)	<b>2013</b> <b><u>Actual</u></b>	<b>2012</b> <b><u>Actual</u></b>
GNWT	-	-	44,008
GNWT -AP	-	-	(18,248)
	-	-	<b>25,761</b>
<b>Expenses</b>			
Salaries - Program Staff			
Materials and Supplies	-	-	2,668
Equipment Rental	-	-	10,990
Contract Services	-	-	12,103
Travel / Training			
	-	-	<b>25,761</b>
<b>Excess Funding over Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Tlicho Community Services Agency**  
**Schedule M-12**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Personal Support Program**  
**For the year ended March 31, 2013**

<b>Funding</b>	<b>2013</b> <b><u>Budget</u></b> (unaudited)	<b>2013</b> <b><u>Actual</u></b>	<b>2012</b> <b><u>Actual</u></b>
Tlicho Government	-	329,000	-
Transfer to deferred	-	(39,293)	-
	-	<b>289,707</b>	-
<b>Expenses</b>			
Salary and Benefits		195,000	
Materials and Supplies		54,029	
Telephone/ fax / internet	-	538	-
Student Travel		257	-
Removal Costs		9,521	
Student Support Services		29,623	
Office Equipment and Furniture		739	
Total	-	<b>289,707</b>	-
<b>Excess Funding over Expense</b>	-	-	-



**Tlcho Community Services Agency**  
**Schedule M-13**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Building Collaborative Team - CIHR**  
**For the year ended March 31, 2013**

	<b>2013</b> <b><u>Budget</u></b> (unaudited)	<b>2013</b> <b><u>Actual</u></b>	<b>2012</b> <b><u>Actual</u></b>
<b>Funding</b>			
Revenue	-	25,000	
	-	-	
	-	<b>25,000</b>	
<b>Expenses</b>			
Travel / Training	-	25,000	
Total Expenditures	-	<b>25,000</b>	
<b>Excess Funding over Expenses</b>	-	-	

**Tlicho Community Services Agency**  
**Schedule N**  
**Tlicho Government Contributions**  
**For the year ended March 31, 2013**

		<u>2013</u>		<u>2013</u>		<u>2012</u>
		<u>Budget</u>		<u>Actual</u>		<u>Actual</u>
<b>Contribution Agreement Revenue</b>						
<b>Early Childhood Programs:</b>						
First Nation Childcare						
CJBS Day Care	Schedule N-1	\$ -		\$ -		\$ 279,785
Tlicho Day Care	Schedule N-2	-		-		49,214
Whati Community Day Care	Schedule N-3	-		-		73,755
Johnny Arrowmaker Day Care (Gameti)	Schedule N-4	-		-		115,097
Gameti Early Intervention Pre-School	Schedule N-5	-		-		70,000
Wekweti Preschool	Schedule N-6	-		-		26,171
Healthy Children	Schedule N-7	-		-		23,045
AHS O&M	Schedule N-8	-		-		203,637
<b>Total Early Childhood Program Revenue</b>	Schedule N-9	-		-		<b>849,156</b>
<b>Health &amp; Social Services Programs:</b>						
Brighter Futures						
Canada Prenatal Nutrition Program	Schedule N-10	-		-		493,626
National Native Alcohol & Drug Abuse Program	Schedule N-11	-		-		167,708
Aboriginal Diabetes Initiative	Schedule N-12	-		-		46,134
Fetal Alcohol Spectrum Disorder	Schedule N-13	-		-		187,599
National Aboriginal Youth Suicide Prevention Strategy	Schedule N-14	-		-		52,953
<b>Total Health &amp; Social Services Program Revenue</b>	Schedule N-15	-		-		<b>1,016,146</b>
<b>Other Programs:</b>						
Tlicho Government Contribution to Social Programs						
Tlicho Scholarship	Schedule N-16	-		-		676,685
ISA Cultural Coordinator	Schedule N-17	-		-		200,000
IT Tech Services	Schedule N-18	-		-		208,157
Tlicho Government Literacy Program	Schedule N-19	-		-		21,100
<b>Total Other Program Revenue</b>	Schedule N-20	-		-		<b>10,550</b>
		-		-		1,116,492
<b>Total Tlicho Government Contribution Agreement Revenue</b>		<b>\$ -</b>		<b>\$ -</b>		<b>\$ 2,981,794</b>

## Contribution Agreement Expenses

### Early Childhood Programs:

First Nation Childcare				279,785
CJBS Day Care	Schedule N-1	-	-	49,214
Tlicho Day Care	Schedule N-2	-	-	73,755
Whati Community Day Care	Schedule N-3	-	-	115,097
Johnny Arrowmaker Day Care (Gameti)	Schedule N-4	-	-	70,000
Gameti Early Intervention Pre-School	Schedule N-5	-	-	26,171
Wekweti Preschool	Schedule N-6	-	-	23,045
Healthy Children's Initiative	Schedule N-7	-	-	203,637
AHS O&M	Schedule N-8	-	-	8,453
<b>Total Early Childhood Program Expenses</b>	Schedule N-9	-	-	<b>849,156</b>

### Health & Social Services Programs:

Brighter Futures				
Canada Prenatal Nutrition Program	Schedule N-10	-	-	493,626
National Native Alcohol & Drug Abuse Program	Schedule N-11	-	-	167,708
Aboriginal Diabetes Initiative	Schedule N-12	-	-	46,134
Fetal Alcohol Spectrum Disorder	Schedule N-13	-	-	187,599
National Aboriginal Youth Suicide Prevention Strategy	Schedule N-14	-	-	52,953
<b>Total Health &amp; Social Services Program Expenses</b>	Schedule N-15	-	-	<b>68,126</b>
		-	-	<b>1,016,147</b>

### Other Programs:

Tlicho Scholarship				
Tlicho Government Contribution to Social Programs	Schedule N-16	-	-	676,685
ISA Cultural Coordinator	Schedule N-17	-	-	238,516
IT Tech Services	Schedule N-18	-	-	208,157
Tlicho Government Literacy Program	Schedule N-21	-	-	21,100
<b>Total Other Program Expenses</b>	Schedule N-22	-	-	<b>10,550</b>
		-	-	1,155,008

### Total Tlicho Government Contribution Agreement Expenses

- - 3,020,311

### Excess Funding Over Expenses

\$ - \$ - \$ (38,517)

**Tlicho Community Services Agency**  
**Schedule N-1**  
**Schedule of Detailed Contribution Funding and Expenses**  
**First Nation Child Care**  
**For the year ended March 31, 2013**

	<b>2013</b> <b><u>Budget</u></b> (unaudited)	<b>2013</b> <b><u>Actual</u></b>	<b>2012</b> <b><u>Actual</u></b>
<b>Funding</b>			
Tlicho Government	-	-	69,947
Tlicho Government (AR)	-	-	209,838
	<hr/>	<hr/>	<hr/> <b>279,785</b>
<b>Expenses</b>			
Salaries & Benefits	-	-	241,878
Supplies	-	-	8,589
Training and Development	-	-	4,424
Regional Travel	-	-	15,292
Food/Snacks	-	-	1,746
Equipment Maintenance	-	-	-
Contract Services	-	-	7,855
Delivery & Courier	-	-	-
Total Expenditure	<hr/>	<hr/>	<hr/> <b>279,785</b>
<b>Excess Funding over Expenses</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/> <b>-</b>

**Tlich Community Services Agency**  
**Schedule N-2**  
**Schedule of Detailed Contribution Funding and Expenses**  
**CJBS Daycare**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
Tlich Government	-	-	-
Fees	-	-	-
Tlich Government (AR)	-	-	49,214
	-	-	<b>49,214</b>
<b>Expenses</b>			
Salaries & Benefits	-	-	32,912
Regional Travel	-	-	1,524
Supplies	-	-	4,480
Training and Development	-	-	2,128
Food/Snacks	-	-	7,570
Contract Service	-	-	600
Equipment Maintenance	-	-	-
Total Expenses	-	-	<b>49,214</b>
<b>Excess Funding over Expense</b>	-	-	-

**Tlichho Community Services Agency**  
**Schedule N-3**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Tli Cho Daycare**  
**For the year ended March 31, 2013**

	<b>2013</b> <b><u>Budget</u></b> (unaudited)	<b>2013</b> <b><u>Actual</u></b>	<b>2012</b> <b><u>Actual</u></b>
<b>Funding</b>			
Tlichho Government	-	-	-
Fees	-	-	-
Tlichho Government (AR)	-	-	73,755
	<hr/>	<hr/>	<hr/>
	-	-	<b>73,755</b>
<b>Expenses</b>			
Salaries & Benefits	-	-	39,657
Telephone	-	-	-
Supplies	-	-	4,583
Rent and Utilities	-	-	10,995
Travel	-	-	3,663
Training & Development	-	-	635
Food/Snacks	-	-	6,030
Contract Services	-	-	-
Equipment Maintenance	-	-	203
Contract Services	-	-	7,989
	<hr/>	<hr/>	<hr/>
	-	-	<b>73,755</b>
<b>Excess Funding over Expense</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	-	-	-

**Tlicho Community Services Agency**  
**Schedule N-4**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Whati Community Day Care**  
**For the year ended March 31, 2013**

	<b>2013</b> <b><u>Budget</u></b> (unaudited)	<b>2013</b> <b><u>Actual</u></b>	<b>2012</b> <b><u>Actual</u></b>
<b>Funding</b>			
Tlicho Government	-	-	-
Tlicho Government (AR)	-	-	115,097
	<b>-</b>	<b>-</b>	<b>115,097</b>
<b>Expenses</b>			
Salaries & Benefits	-	-	50,470
Materials & Supplies & Freight	-	-	6,008
Food/Snacks	-	-	-
Delivery & Courier			
Telephone			
Training & Development	-	-	2,338
Regional Travel	-	-	7,420
Rent	-	-	40,900
Minor Equipment		-	1,021
Contract Services	-	-	6,940
Total Expenditure	<b>-</b>	<b>-</b>	<b>115,097</b>
<b>Excess Funding over Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Tlicho Community Services Agency**  
**Schedule N-5**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Johnny Arrowmaker Day Care**  
**For the year ended March 31, 2013**

	<b>2013</b> <b><u>Budget</u></b> (unaudited)	<b>2013</b> <b><u>Actual</u></b>	<b>2012</b> <b><u>Actual</u></b>
<b>Funding</b>			
Tlicho Government	-	-	-
Tlicho Government (AR)	-	-	70,000
	<hr/>	<hr/>	<hr/>
	-	-	<b>70,000</b>
<b>Expenses</b>			
Salaries & Benefits	-	-	51,325
Materials & Supplies & Freight	-	-	4,131
House Keeping Supplies	-	-	-
Rent / Utilities / Telephone	-	-	8,546
Food/Snacks	-	-	-
Delivery & Courier	-	-	-
Training & Development	-	-	635
Regional Travel	-	-	5,363
Repair Damaged Property	-	-	-
Contract Services	-	-	-
Total Expenditure	<hr/>	<hr/>	<hr/>
	-	-	<b>70,000</b>
<b>Excess Funding over Expense</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	-	-	-



**Tlichu Community Services Agency**  
**Schedule N-6**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Gameti Early Intervention Pre-School**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u> (unaudited)	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
Tlichu Government	-	-	-
Tlichu Government (AR)	-	-	26,171
	<hr/>	<hr/>	<hr/>
	-	-	<b>26,171</b>
<b>Expenses</b>			
Salaries & Benefits	-	-	17,289
Materials Supplies Freight	-	-	3,234
Rent / Utilities / Telephone	-	-	2,959
Training and Development	-	-	635
Food	-	-	-
Travel	-	-	1,654
Contract Services	-	-	400
Total Expenditure	<hr/>	<hr/>	<hr/>
	-	-	<b>26,171</b>
<b>Excess Funding over Expense</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	-	-	-

**Tlicho Community Services Agency**  
**Schedule N-7**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Wekweti Day Care**  
**For the year ended March 31, 2013**

	<b>2013</b> <b><u>Budget</u></b> (unaudited)	<b>2013</b> <b><u>Actual</u></b>	<b>2012</b> <b><u>Actual</u></b>
<b>Funding</b>			
Tlicho Government	-	-	-
Tlicho Government (AR)	-	-	23,045
Fees	-	-	-
	<hr/>	<hr/>	<hr/>
	-	-	<b>23,045</b>
<b>Expenses</b>			
Salaries & Benefits	-	-	15,936
Materials & Supplies	-	-	3,980
Food	-	-	-
Contract Services	-	-	-
Training & Development	-	-	-
Travel	-	-	3,129
	<hr/>	<hr/>	<hr/>
	-	-	<b>23,045</b>
<b>Excess Funding over Expense</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	-	-	-

**Tlicho Community Services Agency**  
**Schedule N-8**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Healthy Children's Initiative**  
**For the year ended March 31, 2013**

	<b>2013</b> <b><u>Budget</u></b> (unaudited)	<b>2013</b> <b><u>Actual</u></b>	<b>2012</b> <b><u>Actual</u></b>
<b>Funding</b>			
Tlicho Government	-	-	-
Tlicho Government (AR)	-	-	203,637
	<hr/>	<hr/>	<hr/> <b>203,637</b>
<b>Expenses</b>			
Salary & Benefit	-	-	194,626
Materials and Supplies	-	-	4,011
Healthy Snacks	-	-	-
Contributed Services	-	-	-
Training and Development	-	-	2,000
Travel	-	-	2,000
Contract Services	-	-	1,000
Utilities	-	-	-
	<hr/>	<hr/>	<hr/> <b>203,637</b>
<b>Excess Funding over Expense</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Tlich Community Services Agency**  
**Schedule N-9**  
**Schedule of Detailed Contribution Funding and Expenses**  
**AHS O&M**  
**For the year ended March 31, 2013**

	<b>2013</b> <b><u>Budget</u></b> (unaudited)	<b>2013</b> <b><u>Actual</u></b>	<b>2012</b> <b><u>Actual</u></b>
<b>Funding</b>			
Tlich Government	-	-	-
Tlich Government (AR)	-	-	8,453
	<hr/>	<hr/>	<hr/>
	-	-	<b>8,453</b>
 <b>Expenses</b>			
Salaries & Benefits	-	-	-
Materials & Supplies	-	-	5,000
Food	-	-	933
Training & Development	-	-	-
Travel	-	-	-
Contract Services	-	-	2,520
	<hr/>	<hr/>	<hr/>
	-	-	<b>8,453</b>
 <b>Excess Funding over Expense</b>			
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	-	-	-

**Tlich Community Services Agency**  
**Schedule N-10**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Brighter Futures**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u> (unaudited)	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
Tlich Government	-	-	246,813
Tlich Government (AR)	-	-	246,813
Tlich Government - Payable by TCSA	-	-	-
	<hr/>	<hr/>	<b>493,626</b>
<b>Expenses</b>			
Salaries & Benefits	-	-	229,815
Materials & Supplies	-	-	28,184
Food/Snacks	-	-	16,579
Training and Development	-	-	11,155
Client Travel	-	-	41,556
Travel	-	-	8,218
Registration fees	-	-	-
Contractor Travel	-	-	13,165
Rental Lease Equipment	-	-	-
Dues and Fees	-	-	995
Contract Services	-	-	103,955
Contributed Services	-	-	40,004
Total Expenses	<hr/>	<hr/>	<b>493,626</b>
<b>Excess Funding over Expense</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Tlicho Community Services Agency**  
**Schedule N-11**  
**Schedule of Detailed Contribution Funding and Expense**  
**Canadian Prenatal Nutrition Program**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u> (unaudited)	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
Tlicho Government	-	-	-
Tlicho Government (AR)	-	-	83,854
Tlicho Government - Payable by TCSA	-	-	83,854
	<u>-</u>	<u>-</u>	<u>167,708</u>
<b>Expenses</b>			
Salaries & Benefits	-	-	75,604
Materials & Supplies	-	-	16,375
Promotional Materials	-	-	-
Fuel Oil	-	-	1,561
Electricity	-	-	890
Water / Sewer	-	-	1,075
Gasoline	-	-	-
Food	-	-	46,424
Telephone	-	-	-
Training & Development	-	-	6,088
Travel	-	-	10,457
Rental	-	-	-
Rental / Lease Equipment	-	-	273
Minor Equipment	-	-	-
Equipment Maintenance	-	-	-
Contributed Services	-	-	-
Contract Services	-	-	8,962
Total Expense	<u>-</u>	<u>-</u>	<u>167,708</u>
<b>Excess Funding over Expense</b>	<u>-</u>	<u>-</u>	<u>-</u>

**Tlicho Community Services Agency**  
**Schedule N-12**  
**Schedule of Detailed Contribution Funding and Expenses**  
**National Native Alcohol & Drug Abuse Program**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u> (unaudited)	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
Tlicho Government	-	-	23,067
Tlicho Government (AR)	-	-	23,067
	<hr/>	<hr/>	<b>46,134</b>
<b>Expenses</b>			
Salaries & Benefits	-	-	23,640
Materials & Supplies	-	-	12,163
Food/Snacks	-	-	2,315
Training and Development	-	-	-
Client Travel	-	-	-
Travel	-	-	1,715
Rental Lease Equipment	-	-	-
Contractor Travel	-	-	-
Contract Services	-	-	6,300
Total Expenses	<hr/>	<hr/>	<b>46,134</b>
<b>Excess Funding over Expense</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Tlicho Community Services Agency**  
**Schedule N-13**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Aboriginal Diabetes Initiative**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u> (unaudited)	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
Tlicho Government	-	-	-
Tlicho Government (AR)	-	-	93,799
Tlicho Government - Payable by TCSA	-	-	93,800
	<hr/>	<hr/>	<hr/>
	-	-	<b>187,599</b>
<b>Expenses</b>			
Salaries & Benefits	-	-	51,346
Materials & Supplies	-	-	48,314
Promotional Materials	-	-	-
Food	-	-	43,772
Educational Text	-	-	-
Delivery & Courier	-	-	-
Training and Development	-	-	13,423
Travel	-	-	21,785
Minor Equipment	-	-	-
Contract Services	-	-	8,959
Contributed Services	-	-	-
Total Expenses	<hr/>	<hr/>	<hr/>
	-	-	<b>187,599</b>
<b>Excess Funding over Expense</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	-	-	-



**Tlich Community Services Agency**  
**Schedule N-14**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Fetal Alcohol Spectrum Disorder**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u> (unaudited)	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
Tlich Government	-	-	26,477
Tlich Government (AR)	-	-	26,476
Tlich Government - Payable by TCSA	-	-	-
	<hr/>	<hr/>	<b>52,953</b>
<b>Expenses</b>			
Salaries & Benefits	-	-	20,797
Materials & Supplies	-	-	4,906
Food	-	-	2,000
Training and Development	-	-	5,500
Client Travel	-	-	4,500
Travel	-	-	6,000
Contractor Travel	-	-	2,500
Contract Services	-	-	6,750
Total Expense	<hr/>	<hr/>	<b>52,953</b>
<b>Excess Funding over Expense</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Tlicho Community Services Agency**  
**Schedule N-15**  
**Schedule of Detailed Contribution Funding and Expenses**  
**National Aboriginal Youth Suicide Prevention Strategy**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u> (unaudited)	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
Tlicho Government	-	-	34,063
Tlicho Government (AR)	-	-	34,063
	<hr/>	<hr/>	<hr/> <b>68,126</b>
<b>Expenses</b>			
Salaries & Benefits	-	-	37,114
Materials & Supplies	-	-	6,751
Food	-	-	2,250
Travel	-	-	4,862
Client Travel	-	-	-
Contractor Travel	-	-	5,000
Contract Services	-	-	12,150
Contributed Service	-	-	-
Total Expenses	<hr/>	<hr/>	<hr/> <b>68,126</b>
<b>Excess Funding over Expense</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/> <b>-</b>

**Tlicho Community Services Agency**  
**Schedule N-16**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Scholarship**  
**For the year ended March 31, 2013**

<b>Funding</b>	<b>2013 <u>Budget</u> (unaudited)</b>	<b>2013 <u>Actual</u></b>	<b>2012 <u>Actual</u></b>
Tlicho Government	-	-	400,000
Tlicho Government - A/R	-	-	276,685
BHP	-	-	-
Tlicho Government - Payable by TCSA	-	-	-
	<hr/>	<hr/>	<b>676,685</b>
<b>Expenses</b>			
Board Honoraria	-	-	-
Board Travel	-	-	-
Contract Services	-	-	-
Salaries - Program Staff	-	-	-
Materials and Supplies	-	-	360
Delivery/Courier	-	-	178
Travel	-	-	19,845
Advertising	-	-	-
Dues & Fees	-	-	11,951
Telephone	-	-	-
Allowances	-	-	538,020
Contributed Services	-	-	106,331
Total Expenses	<hr/>	<hr/>	<b>676,685</b>
<b>Excess Funding over Expenses</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Tlichu Community Services Agency**  
**Schedule N-17**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Tlichu Government Contribution to Social Programs**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u> (unaudited)	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
Tlichu Government	-	-	100,000
Tlichu Government (AR)	-	-	100,000
Tlichu Government - Payable by TCSA	-	-	-
	<hr/>	<hr/>	<b>200,000</b>
<b>Expenses</b>			
Salaries & Benefits	-	-	185,609
Materials & Supplies	-	-	6,433
Equipment Maintenance	-	-	-
Food	-	-	200
Regional Travel	-	-	24,330
Telephone	-	-	-
Rent	-	-	3,900
Contract Services	-	-	18,045
Contributed Services	-	-	-
Renovations	-	-	-
Utilities	-	-	-
Total Expenses	<hr/>	<hr/>	<b>238,516</b>
<b>Excess Funding over Expenses</b>	<hr/>	<hr/>	<b>(38,516)</b>

**Tlicho Community Services Agency**  
**Schedule N-18**  
**Schedule of Detailed Contribution Funding and Expenses**  
**ISA Cultural Coordinator**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u>	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
Tlicho Government	-	-	111,863
Tlicho Government (Recoverable)	-	-	96,294
	-	-	<b>208,157</b>
<b>Expenses</b>			
Salaries and Benefits	-	-	182,849
Materials Supplies Freight	-	-	1,327
Training & Development	-	-	-
Staff Duty Travel	-	-	7,833
Rent & Utilities	-	-	-
Dues & Fees	-	-	2,428
Fees and Payments	-	-	-
Minor Equipment	-	-	768
Contract Services	-	-	12,952
Misc Expense	-	-	-
Total Expenses	-	-	208,157
<b>Excess Funding over Expenses</b>	-	-	-

**Tlicho Community Services Agency**  
**Schedule N-19**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Tlicho Government Language Program**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u> (unaudited)	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
Tlicho Government	-	-	21,100
Tlicho Government (AR)			
	<hr/>	<hr/>	<hr/>
	-	-	<b>21,100</b>
<b>Expenses</b>			
Salaries & Benefits	-	-	-
Material and Supplies	-	-	685
Food	-	-	669
Contract services	-	-	19,746
Total Expenses	<hr/>	<hr/>	<hr/>
	-	-	<b>21,100</b>
<b>Excess Funding over Expense</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	-	-	-

**Tlichu Community Services Agency**  
**Schedule N-20**  
**Schedule of Detailed Contribution Funding and Expenses**  
**Tlichu Government Literacy Program**  
**For the year ended March 31, 2013**

	<u>2013</u> <u>Budget</u> (unaudited)	<u>2013</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<b>Funding</b>			
Tlichu Government	-	-	10,550
Tlichu Government (AR)	-	-	-
	<hr/>	<hr/>	<hr/>
	-	-	<b>10,550</b>
<b>Expenses</b>			
Salaries & Benefits	-	-	-
Material and Supplies	-	-	-
Food	-	-	-
Contract services	-	-	10,550
Total Expenses	<hr/>	<hr/>	<hr/>
	-	-	<b>10,550</b>
<b>Excess Funding over Expenses</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	-	-	-