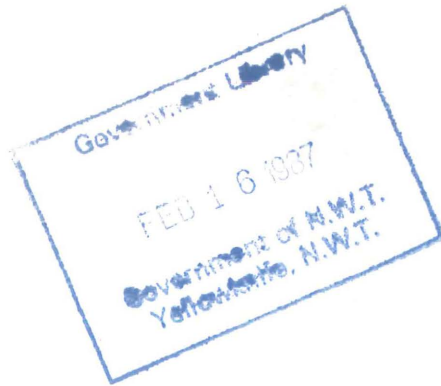


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FEB 13 1987



Report to the Chairman,
Management and Services Board,
on the examination of the
accounts and financial statements of the
LEGISLATIVE ASSEMBLY RETIRING
ALLOWANCES FUND
(Northwest Territories)
for the year ended March 31, 1986



AUDITOR GENERAL OF CANADA

VÉRIFICATEUR GÉNÉRAL DU CANADA

AUDITOR'S REPORT

The Chairman
Management and Services Board

I have examined the statement of net assets available for allowances and benefits of the Legislative Assembly Retiring Allowances Fund (Northwest Territories) as at March 31, 1986 and the statement of changes in net assets available for allowances and benefits for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the net assets of the Fund available for allowances and benefits as at March 31, 1986 and the changes in its net assets for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Further, in my opinion, proper books of account have been kept and the transactions of the Fund that have come under my notice have, in all significant respects, been in accordance with the Legislative Assembly Retiring Allowances Act.

A handwritten signature in black ink, appearing to read 'Ray Dubois'.

Raymond Dubois, C.A.
Deputy Auditor General
for the Auditor General of Canada

Ottawa, Canada
August 15, 1986 except for Note 4
for which the date is October 2, 1986



LEGISLATIVE ASSEMBLY RETIRING ALLOWANCES FUND
(Northwest Territories)

Statement of Net Assets
Available for Allowances and Benefits
as at March 31, 1986

	<u>1986</u>	<u>1985</u>
ASSETS		
Contributions receivable	\$ 99,269	\$ 94,703
Investments at market value (Note 3)	<u>2,847,922</u>	<u>1,900,745</u>
	2,947,191	1,995,448
LIABILITIES		
Accounts payable	<u>16,818</u>	<u>-</u>
NET ASSETS AVAILABLE FOR ALLOWANCES AND BENEFITS	<u><u>\$ 2,930,373</u></u>	<u><u>\$ 1,995,448</u></u>

Approved on behalf of the
Management and Services Board:



Chairman, Management and Services Board



Secretary, Management and Services Board

LEGISLATIVE ASSEMBLY RETIRING ALLOWANCES FUND
(Northwest Territories)

Statement of Changes in Net Assets
Available for Allowances and Benefits
for the year ended March 31, 1986

	<u>1986</u>	<u>1985</u>
Additions		
Contributions		
Government	\$ 399,051	\$ 385,200
Members - voluntary	32,401	18,536
Income from investments	179,562	134,809
Unrealized gains on investments	<u>374,941</u>	<u>161,492</u>
	<u>985,955</u>	<u>699,977</u>
Deductions		
Pension benefits	20,806	5,941
Investment management fees	15,329	10,894
Administration and actuarial fees	<u>14,895</u>	<u>14,987</u>
	<u>51,030</u>	<u>31,822</u>
Net additions to assets	934,925	668,155
Net assets available for allowances and benefits:		
At beginning of the year	<u>1,995,448</u>	<u>1,327,293</u>
At end of the year	<u>\$ 2,930,373</u>	<u>\$ 1,995,448</u>

LEGISLATIVE ASSEMBLY RETIRING ALLOWANCES FUND
(Northwest Territories)

Notes to Financial Statements
March 31, 1986

1. Authority and operations

The Fund was established pursuant to the Legislative Assembly Retiring Allowances Act and is administered by the Management and Services Board.

The Act provides retiring allowances on a non-contributory, defined benefit, basis to Members of the Legislative Assembly of the Northwest Territories who have been Members at any time since March 10, 1975, the date of the first fully elected Legislative Assembly.

The Fund is a registered pension plan under the Income Tax Act and is, therefore, exempt from income taxes.

2. Accounting policies

These financial statements have been prepared by management in accordance with generally accepted accounting principles considered to be appropriate in the circumstances, applied on a basis consistent with that of the preceding year. The more significant accounting policies are described below.

Financial statements

The financial statements include only the net assets of the Fund and represent the equity of the Fund available for allowances and benefits. They do not include the liabilities to individual members of the Fund and do not purport to reflect the adequacy of the net assets to meet the liabilities, which are determined from time to time by actuarial valuation.

Investments

Investments, both Canadian and foreign, are valued at market based on the closing quotations as at the last business day of the year, expressed in Canadian funds.

Unrealized gains and losses on investments

Unrealized gains and losses arising from changes in market value of investments during the year are reflected in the statement of changes in net assets available for allowances and benefits.

Income from investments

Income from investments includes gains and losses realized on the disposition of investments.

Contributions

The Government contributes such amounts as are necessary to fund the non-contributory benefits to be paid to members of the Fund, on an actuarial basis, and to meet the costs of managing investments, administration and actuarial fees. Members may also contribute for current and past service on a voluntary basis.

3. Investments

The assets of the Fund are held and managed by Confederation Life Insurance Company and are invested in Confederation Life Group Pension Pooled Funds. The market value and cost at year end were as follows:

	<u>1986</u>	<u>1985</u>
Market value	\$ 2,847,922	\$ 1,900,745
Cost	2,346,066	1,773,830

The investment manager has full discretion with regard to management of the asset mix of the portfolio. Rate of return criteria are applied in evaluating the performance of the investment manager.

4. Actuarial valuation

The Pension Benefits Standard Act requires an actuarial review at intervals not exceeding three years. A valuation of the Fund by the actuary as at April 1, 1986 indicated a pension liability of \$2,402,963 and surplus of \$276,482, based on the mean of the cost and market values of the Fund.