

**Report to the Commissioner of the
Northwest Territories
on the examination of the accounts
and financial statements of the**

**PUBLIC TRUSTEE FOR THE
NORTHWEST TERRITORIES**

For the Year Ended March 31, 2016

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The Public Trustee for the Northwest Territories is responsible for the preparation, integrity and objectivity of the financial statements. The financial statements have been prepared in accordance with the Public Trustee Act. Where appropriate, the preparation of financial information contained in this report includes estimates and judgements based on careful consideration of information available to management.

The Public Trustee for the Northwest Territories has developed and maintained books of account, records, financial and management controls and management practices. These are designed to provide reasonable assurance as to the reliability of financial information in accordance with the Public Trustee Act.

It is the responsibility of the auditors to provide an independent, objective audit for the purpose of expressing their opinion on the financial statements.

Public Trustee for the Northwest Territories

May 25, 2016

Brian J. Asmundson



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Certified General Accountants

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To the Commissioner

Report on the Financial Statements

We have audited the accompanying financial statements of the Office of the Public Trustee for the Northwest Territories, which comprise the Balance Sheet as at March 31, 2016, and the Statement of Operations, and the Statement Changes in Estate & Trust Fund Balance for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the *Public Trustee Act* of the Northwest Territories ("the Act"), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements of the Office of the Public Trustee for the Northwest Territories for the year ended March 31, 2016 are prepared, in all material respects, in accordance with the Act.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Office of the Public Trustee for the Northwest Territories to meet the requirements of the Act referred to above. As a result, the financial statements may not be suitable for another purpose.

Report on Other Legal and Regulatory Requirements

We further report that in our opinion, proper books of account have been kept by the Public Trustee, the financial statements are in agreement therewith and the transactions that have come under our notice have, in all significant respects, been within the statutory powers of the Public Trustee.

Avery Cooper & Co. Ltd.

Avery Cooper & Co. Ltd.
Certified General Accountants

Yellowknife, NT
May 25, 2016

**PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES
ESTATE & TRUST FUND**

BALANCE SHEET

March 31, 2016

ASSETS

	<u>2016</u>	<u>2015</u>
Cash (Note 3)	\$5,605,479	\$6,133,658
Other assets at nominal value	<u>1</u>	<u>1</u>
	<u>\$5,605,480</u>	<u>\$6,133,659</u>

NET ASSETS

Undistributed Common Fund earnings per Statement II (Note 4)	\$ 26,741	\$ 34,308
Public Trustee Management Fund (Note 6)	30,643	24,997
Estate & Trust Fund per Statement III (Note 5)	<u>5,548,096</u>	<u>6,074,354</u>
	<u>\$5,605,480</u>	<u>\$6,133,659</u>

APPROVED:



Public Trustee for the Northwest Territories

See the accompanying notes.

STATEMENT II

**PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES
ESTATE & TRUST FUND**

STATEMENT OF OPERATIONS
For the year ended March 31, 2016

	<u>2016</u>	<u>2015</u>
Undistributed Common Fund earnings, opening	<u>\$ 34,308</u>	<u>\$ 38,053</u>
Add		
Common Fund earnings	<u>60,034</u>	<u>65,765</u>
Less		
Interest paid to estates and trusts (Statement III)	52,204	53,522
Excess interest paid to the Government of the Northwest Territories	-	113
Transfers to Public Trustee Management Fund (Note 6)	<u>15,397</u>	<u>15,875</u>
	<u>67,601</u>	<u>69,510</u>
Increase (decrease) in Undistributed Common Fund earnings balance	<u>(7,567)</u>	<u>(3,745)</u>
Undistributed Common Fund earnings, closing	<u>\$ 26,741</u>	<u>\$ 34,308</u>

See the accompanying notes.

**PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES
ESTATE & TRUST FUND**

STATEMENT OF CHANGES IN ESTATE & TRUST FUND BALANCE

For the year ended March 31, 2016

	<u>2016</u>	<u>2015</u>
Estate & trust funds provided:		
Estate and trust assets received	\$ 1,372,084	\$ 1,553,477
Common Fund interest paid to estates and trusts (Statement II)	<u>52,204</u>	<u>53,522</u>
	<u>1,424,288</u>	<u>1,606,999</u>
Estate & trust funds applied:		
Payments to beneficiaries	955,805	978,067
Disbursements made on behalf of estates and trusts	861,862	663,522
Administration fees (Note 2c)	124,957	106,950
GST on Administration fees	6,248	5,346
Court fees	<u>1,674</u>	<u>1,547</u>
	<u>1,950,546</u>	<u>1,755,432</u>
Decrease in Estate & Trust Fund balance	(526,258)	(148,433)
Estate & Trust Fund balance, opening	<u>6,074,354</u>	<u>6,222,787</u>
Estate & Trust Fund balance, closing	<u>\$ 5,548,096</u>	<u>\$ 6,074,354</u>

See the accompanying notes.

PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

NOTE 1 AUTHORITY

The Public Trustee operates under the authority of the *Public Trustee Act*, Revised Statutes of the Northwest Territories 1988, Chapter P-19 as amended.

NOTE 2 BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the significant accounting policies set out below to comply with the *Public Trustee Act*. The basis of accounting used in these financial statements materially differs from Canadian public sector accounting standards because estate and trust funds provided and applied, and Common Fund earnings distributions otherwise accrued at year end, are not included until paid. Estate & Trust Fund assets other than cash have been recorded at nominal value. Significant accounting policies are as follows:

- a) These financial statements have been prepared on the cash basis of accounting except as otherwise stated.
- b) All Estate & Trust Fund assets other than cash, which include business interests, mortgages, stocks, bonds, term deposits, real estate and other assets, are carried at a nominal value of one dollar (\$1).
- c) Expenditures for the operation of the Public Trustee are paid from the Consolidated Revenue Fund of the Government of the Northwest Territories and, except for \$124,957 (2015 - \$107,063) paid to the Consolidated Revenue Fund as administration fees and the transfer of interest earned, are not reflected in these financial statements. Management fees paid to the Public Trustee out of the excess interest earned by the Common Fund are credited to the Public Trustee Management Fund.

NOTE 3 CASH IN BANK

The Office of the Public Trustee is a member of the Government of the Northwest Territories investment pool.

The Government of the Northwest Territories consolidates and invests the cash balances of all investment pool participants in money market securities. The monies for these investments flow out of the Government of the Northwest Territories main revenue account and accordingly do not affect the cash balances of the participants. Investment pool revenues are prorated and paid to participants weekly.

PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

NOTE 4 UNDISTRIBUTED COMMON FUND EARNINGS

Common Fund earnings are distributed half-yearly, on April 30th and October 31st each year, as interest paid to estates and trusts, and excess interest paid to the Government of the Northwest Territories.

Interest earned on the Common Fund is utilized to pay prescribed interest on estates and trusts, and any deficiency between the aggregate amounts of sums invested in the Common Fund and the actual value of the investments of the Common Fund. Where the interest earned on investment of the Common Fund exceeds the amount required to make these payments and management fees paid to the Public Trustee, the excess is paid to the Consolidated Revenue Fund of the Government of the Northwest Territories.

The balance of Undistributed Common Fund earnings represents the cumulative earnings of the Common Fund between November 1st and March 31st which will be distributed on April 30th of the next fiscal year.

NOTE 5 ESTATE & TRUST FUND

The Estate & Trust Fund reflects all known assets of the estates and trusts administered by the Public Trustee. The Estate & Trust Fund is comprised of the following amounts:

	<u>2016</u>	<u>2015</u>
Common Fund	\$5,548,095	\$6,074,353
Other assets, at nominal value	<u>1</u>	<u>1</u>
	<u>\$5,548,096</u>	<u>\$6,074,354</u>

PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2016

NOTE 6 PUBLIC TRUSTEE MANAGEMENT FUND

The change during the year in the Public Trustee Management Fund is as follows:

	<u>2016</u>	<u>2015</u>
Public Trustee Management Fund balance, opening	\$24,997	\$18,872
Add		
Management fees paid to the Public Trustee out of the excess interest earned	15,396	15,875
Less		
Costs incurred in respect of the annual audit	<u>(9,750)</u>	<u>(9,750)</u>
Public Trustee Management Fund balance, closing	<u>\$30,643</u>	<u>\$24,997</u>

NOTE 7 FINANCIAL INSTRUMENTS

The financial instruments of the Fund consist of cash, undistributed Common Fund earnings, and the Common Fund. It is management's opinion that the Public Trustee is not exposed to significant interest rate, currency, market, credit or liquidity risks and that the fair value of these financial instruments approximates their carrying value.