

**The Northwest Territories Human Rights Commission**

**Financial Statements**

**March 31, 2013**

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## The Northwest Territories Human Rights Commission

### **Financial Statements**

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**March 31, 2013**

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## Independent Auditors' Report

### To the Commissioners of The Northwest Territories Human Rights Commission

We have audited the accompanying financial statement of The Northwest Territories Human Rights Commission, which comprise the statement of financial position as at March 31, 2013, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Public Sector Accounting Standards for Not-for-Profits, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

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

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

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

#### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Northwest Territories Human Rights Commission as at March 31, 2013 and the results of its operations and cash flows for the year then ended in accordance with Public Sector Accounting Standards for Not-for-Profit Organizations.

#### *Report on Other Legal and Regulatory Requirements*

We further report in accordance with the *Financial Administration Act* of the Northwest Territories that, in our opinion, proper books of account have been kept by the Commission, the financial statements are in agreement therewith, and the transactions that have come under my notice have, in all material respects, been in accordance with the *Financial Administration Act*.

**MacKay LLP**  
Chartered Accountants

Yellowknife, Northwest Territories  
June 24, 2013

## The Northwest Territories Human Rights Commission

### Statement of Operations

For the year ended March 31,	2013	2012
<b>Revenue</b>		
Government of the Northwest Territories		
- Operating grant	\$ 250,000	\$ 250,000
- Expense reimbursement (Note 6)	(29,340)	(13,000)
Interest and other revenue	320	-
Registration revenue	1,250	450
	<b>222,230</b>	<b>237,450</b>
<b>Expenses</b>		
Accounting	7,556	6,565
Advertising and promotion	10,450	16,143
Bank charges	341	189
Benefits and pension	2,056	1,548
Catering	3,351	1,442
Contracts - administration	1,170	-
Events	7,458	8,138
Honorarium - chairperson	34,710	49,760
Honorarium - commission members	39,650	40,559
Legal expenses	68,180	81,822
Office supplies	520	627
Postal and courier	216	158
Printing	3,521	3,676
Professional development	1,860	1,470
Telephone	416	825
Travel - chair of commission	7,369	19,581
Travel - commission members	4,422	12,279
Travel - staff	-	11,360
Website	13,720	3,300
	<b>206,966</b>	<b>259,442</b>
<b>Excess revenue (expenses)</b>	<b>\$ 15,264</b>	<b>\$ (21,992)</b>

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**The Northwest Territories Human Rights Commission**

**Statement of Changes in Net Assets**

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**For the year ended March 31,**

**2013**

**2012**

	<b>General Fund</b>	<b>Total</b>	<b>Total</b>
<b>Balance, beginning of year</b>	<b>\$ 42,153</b>	<b>\$ 42,153</b>	<b>\$ 72,239</b>
<b>Excess revenue (expenses)</b>	<b>15,264</b>	<b>15,264</b>	<b>(21,994)</b>
<b>Transfer of assets to Government of Northwest Territories (Note 5)</b>	<b>-</b>	<b>-</b>	<b>(8,092)</b>
<b>Balance, end of year</b>	<b>\$ 57,417</b>	<b>\$ 57,417</b>	<b>\$ 42,153</b>

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## The Northwest Territories Human Rights Commission

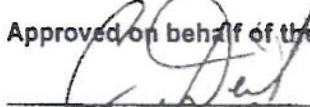
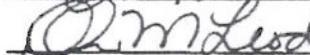
### Statement of Financial Position

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As at	March 31, 2013	March 31, 2012	April 1, 2011
<b>Assets</b>			
<b>Current</b>			
Cash	\$ 39,641	\$ 57,958	\$ 68,689
Accounts receivable	28,202	300	100
Prepaid expenses	745	1,544	2,995
	<b>\$ 68,588</b>	<b>\$ 59,802</b>	<b>71,784</b>
<b>Liabilities</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	\$ 11,171	\$ 17,649	7,637
<b>Net Assets</b>			
General Fund	57,417	42,153	64,147
	<b>\$ 68,588</b>	<b>\$ 59,802</b>	<b>\$ 71,784</b>

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Approved on behalf of the NWT Human Rights Commission

 Chairperson  
 Director

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## The Northwest Territories Human Rights Commission

### **Statement of Cash Flows**

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<u>For the year ended March 31,</u>	<u>2013</u>	<u>2012</u>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess revenues (expenses)	\$ 15,264	\$ (21,992)
Change in non-cash operating working capital		
Accounts receivable	(27,902)	(200)
Prepaid expenses	801	1,450
Accounts payable and accrued liabilities	(6,478)	10,012
<b>Change in cash</b>	<b>(18,315)</b>	<b>(10,731)</b>
<b>Cash, opening</b>	<b>57,958</b>	<b>68,689</b>
<b>Cash, closing</b>	<b>\$ 39,641</b>	<b>\$ 57,958</b>

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## The Northwest Territories Human Rights Commission

### Notes to Financial Statements

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**March 31, 2013**

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#### **1. Nature of Operations**

The Northwest Territories Human Rights Commission (the "Commission") was established to promote human rights through education and advocacy and to provide a complaint process. The Commission was established by the *Human Rights Act* of the Northwest Territories which came into effect on July 1, 2004. The Commission is exempt from income taxes and GST on the basis that they are an entity of the Government of the Northwest Territories.

These financial statements only report the funding and expenditures relating to the contribution funding from the Legislative Assembly of the Northwest Territories. The Legislative Assembly makes expenditures on behalf of the Commission and the expenditures are not included in these financial statements. The salaries for Director, Deputy Director, and staff, rent and office expenses are paid directly by the Legislative Assembly and are not reflected in these financial statements.

#### **2. Accounting Policies**

These financial statements have been prepared in accordance with Public Sector Accounting Standards for Not-for-Profit Organizations (PSA-NPO) as issued by the Public Sector Accounting Board (PSAB). This is the first time that the Commission has prepared its financial statements in accordance with PSA-NPO, having prepared its previous financial statements in accordance with Canadian Generally Accepted Accounting Principles (GAAP). Details of how the transition from GAAP to PSA-NPO has affected the financial statements has been disclosed in Note 3. The financial statements have been prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The following is a summary of the significant accounting policies used by management in the preparation of these financial statements.

##### **(a) Financial Instruments – Recognition and Measurement**

###### **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. The Commission has no financial instruments measured at fair value.

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## **The Northwest Territories Human Rights Commission**

### **Notes to Financial Statements**

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**March 31, 2013**

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#### **2. Accounting Policies (continued)**

##### **(a) Financial Instruments – Recognition and Measurement (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 excess revenue (expenditures).

##### **(b) Fund accounting**

Revenue and expenses for general operating activities are reported in the General Fund.

##### **(c) Revenue recognition**

The Commission follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Funds received and not expended are neither deferred nor repayable to the funding organization.

##### **(d) Use of estimates**

The preparation of financial statements in conformity with Public Sector Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the updated amounts of revenues and expenses during the period. Actual results could differ from those estimates.

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## **The Northwest Territories Human Rights Commission**

### **Notes to Financial Statements**

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**March 31, 2013**

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#### **3. 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 Public Sector Accounting Standards for Not-for-Profit Organizations be applied retrospectively as of the reporting date, which for the Commission is March 31, 2012. However, PS 2125 provides for certain optional exemptions and mandatory exemptions for first time adopters.

##### **Optional Exemptions**

The Commission has elected to apply the exemption and consider the conditions for write-down on capital assets on a prospective basis from the date of transition. As a result, no write-downs of capital assets were recognized. No other optional exemptions were enacted.

##### **Mandatory Exemptions**

The estimates previously made by the Commission under Canadian Generally Accepted Accounting Principles (GAAP) were not revised for the application of PSAS-NPO to reflect any difference in accounting policy or when there is objective evidence that those estimates were in error. As a result the Commission has not used hindsight to revise estimates.

The Commission issued financial statements for the year ended March 31, 2012 using GAAP. The adoption of PSAS-NPO results in no adjustments to the previously reported assets, liabilities, net assets, net income and cash flows.

#### **4. Accounting changes**

##### **Financial Instruments, Section PS 3450 and related amendments to Financial Statement Presentation, Section PS 1200**

On April 1, 2012, the Commission 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 Commission's financial statements.

#### **5. Transfer of Assets**

The equipment that was previously held and recorded in the Commission has been transferred to the Government of Northwest Territories. This has been done to enable the Government of Northwest Territories to consolidate all their tangible capital assets for their reporting purposes.

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## **The Northwest Territories Human Rights Commission**

### **Notes to Financial Statements**

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**March 31, 2013**

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#### **6. Expense Reimbursement**

The Commission gave the Government of Northwest Territories \$56,000 from its funding to pay for travel expenses on behalf of the Commission. At year end, \$26,660 was repayable to the Commission and \$29,340 of the \$56,000 was used for Commission travel. In the prior year, the Government of Northwest Territories paid expenses of \$13,000 on behalf of the Commission.

#### **7. Financial Instruments**

The following sections describe the Commission's financial risk management objectives and policies and the Commission's financial risk exposure.

The Commission does not have formalized financial risk management objectives and policies.

##### **(a) Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Commission is exposed to credit risk however the risk is minimized since the outstanding accounts receivable is due from the Government of Northwest Territories.

##### **(b) Liquidity risk**

Liquidity risk is the risk that the Commission will encounter difficulty in meeting obligations associated with financial liabilities. The Commission is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. The Commission reduces its exposure to liquidity risk by consistently monitoring budgets and cash flows.