

NORTHWEST TERRITORIES HERITAGE FUND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2016

(unaudited)

Northwest Territory Heritage Fund

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

These accompanying financial statements of the Northwest Territories Heritage Fund ("the Fund") have been prepared by management in accordance with Canadian public sector accounting standards. Management is responsible for the integrity and objectivity of the data in these financial statements and, where appropriate, the financial statements include estimates based on careful consideration of the information available to management.

Management maintains financial and management systems and practices which are designed to provide reasonable assurance that transactions are properly authorized and recorded, assets are safeguarded, proper books of account are maintained, reliable financial information is available on a timely basis, and the Fund complies with the relevant authorities and policies approved by the Financial Management Board. Management also recognizes its responsibility for conducting the Fund's affairs in accordance with the requirements of applicable laws and for maintaining the standards of conduct that are appropriate for a public agency of the Government of the Northwest Territories.

On behalf of the Northwest Territories Heritage Fund



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

Yellowknife, Northwest Territories
June 10, 2016

Northwest Territories Heritage Fund
Statement of Financial Position (unaudited)

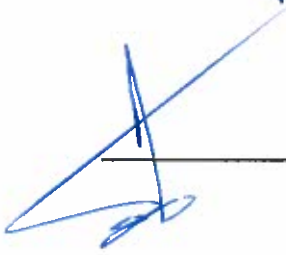
as at March 31, 2016

	2016 \$	2015 \$
Financial assets:		
Cash (Note 3)	5,520,492	764,843
Accounts Receivable	4,923	779
	<u>5,525,415</u>	<u>765,662</u>
Liabilities	-	-
Net financial assets	<u>5,525,415</u>	<u>765,662</u>
Accumulated surplus	<u>5,525,415</u>	<u>765,662</u>

Approved:



Robert C. McLeod
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, 2016

	2016 \$	2015 \$
Net financial assets, beginning of year	765,622	506,033
Items affecting net financial assets:		
Annual surplus	4,759,793	259,589
Net financial assets, end of year	5,525,415	765,622

Northwest Territories Heritage Fund

Statement of Operations and Accumulated Surplus (unaudited)

for the year ended March 31, 2016

	2016 Budget \$	2016 Actual \$	2015 Actual \$
Revenues:			
Interest	25,000	37,583	9,589
Contribution from GNWT	7,600,000	4,722,210	250,000
	7,625,000	4,759,793	259,589
Expenses	-	-	-
Annual surplus	7,625,000	4,759,793	259,589
Accumulated surplus, beginning of year	765,622	765,622	506,033
Accumulated surplus, end of year	8,390,622	5,525,415	765,622

Northwest Territories Heritage Fund

Statement of Cash Flow (unaudited)

for the year ended March 31, 2016

	2016 \$	2015 \$
Cash provided by (used in) Operating transactions		
Annual surplus for the year	4,759,793	259,589
Changes in non-cash assets and liabilities:		
Increase in accounts receivable	(4,144)	(264)
Increase in cash	4,755,649	259,325
Cash, beginning of year	764,843	505,518
Cash, end of year	5,520,492	764,843

Northwest Territories Heritage Fund

Notes to Financial Statements (unaudited)

March 31, 2016

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 the Government's approved investment principles. The Fund is not subjected to taxation under the *Income Tax Act* of Canada.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

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

(b) Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances and short-term highly liquid investments that are readily convertible to cash with an original maturity date of 90 days or less.

(c) Interest income

Interest income is recognized when earned.

3. Cash and cash equivalents

The Fund's cash balances are held in a trust account. The Fund's yield for the year ended March 31, 2016 was 1.13% (2015 - 1.25%). Investments made by the Fund are subject to the Investment Regulations of the *Financial Administration Act*.

4. Financial Instruments

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