

**LOCAL GOVERNMENT ADMINISTRATORS
OF THE NORTHWEST TERRITORIES**
Yellowknife, NT

FINANCIAL STATEMENTS
For the year ended March 31, 2013

TABLE OF CONTENTS

	Page
Management's Responsibility for Reporting	
Independent Auditor's Report	
Statement of Financial Position	1
Statement of Changes in Net Assets	2
Statement of Operations	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 9



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Local Government Administrators of the NWT

MANAGEMENT RESPONSIBILITY FOR FINANCIAL REPORTING

Management has prepared the accompanying financial statements, and is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. 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 system 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.

The public accounting firm of Avery, Cooper & Co., Certified General Accountants 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.

Grant Hood
President
Local Government Administrators of the NWT

June 26, 2013



VERY, COOPER & CO.
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INDEPENDENT AUDITOR'S REPORT

To the Members of
Local Government Administrators of the Northwest Territories

We have audited the accompanying financial statements of Local Government Administrators of the Northwest Territories, 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 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

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 Association'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 Association'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 Local Government Administrators of the Northwest Territories as at March 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



INDEPENDENT AUDITOR'S REPORT, continued

Comparative Information

Without modifying our opinion, we draw attention to note 3 to the financial statements which describes that Local Government Administrators of the Northwest Territories adopted Canadian accounting standards for not-for-profit organizations 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 statements 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

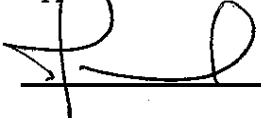
June 26, 2013

**LOCAL GOVERNMENT ADMINISTRATORS
OF THE NORTHWEST TERRITORIES**

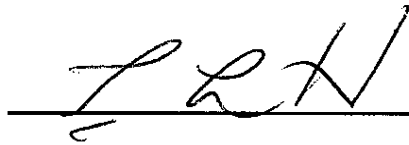
STATEMENT OF FINANCIAL POSITION
March 31, 2013

	March 31, 2013	March 31, 2012	April 1, 2011
ASSETS			
CURRENT			
Cash	\$ 239,982	\$ 57,148	\$ 94,282
Term deposits	-	202,386	200,114
Accounts receivable (note 4)	6,460	7,384	28,833
Prepaid expenses	9,789	13,295	-
	<u>256,231</u>	<u>280,213</u>	<u>323,229</u>
CAPITAL ASSETS (note 5)	<u>4,142</u>	<u>17,894</u>	<u>25,169</u>
	<u>\$ 260,373</u>	<u>\$ 298,107</u>	<u>\$ 348,398</u>
LIABILITIES			
CURRENT			
Wages and benefits payable	\$ 7,502	\$ 4,553	\$ -
Trade payables and accruals	12,005	9,622	8,295
Deferred revenue (note 6)	154,986	204,869	234,641
	<u>174,493</u>	<u>219,044</u>	<u>242,936</u>
CONTINGENT LIABILITY (note 7)			
NET ASSETS			
RESERVE per page 2	25,000	25,000	20,000
ACCUMULATED SURPLUS per page 2	<u>60,880</u>	<u>54,063</u>	<u>85,462</u>
	<u>85,880</u>	<u>79,063</u>	<u>105,462</u>
	<u>\$ 260,373</u>	<u>\$ 298,107</u>	<u>\$ 348,398</u>

Approved:



Director



Director

**LOCAL GOVERNMENT ADMINISTRATORS
OF THE NORTHWEST TERRITORIES**

STATEMENT OF CHANGES IN NET ASSETS
For the year ended March 31, 2013

	2013		
	Total	Accumulated Surplus	Reserve
BALANCE, opening	\$ 79,063	\$ 54,063	\$ 25,000
Excess (deficiency) of revenues over expenses	6,817	6,817	-
BALANCE, closing	\$ 85,880	\$ 60,880	\$ 25,000
	2012		
	Total	Accumulated Surplus	Reserve
BALANCE, opening	\$ 105,462	\$ 85,462	\$ 20,000
Deficiency of revenues over expenses	(26,399)	(26,399)	-
Transfer to reserve (note 8)	-	(5,000)	5,000
BALANCE, closing	\$ 79,063	\$ 54,063	\$ 25,000

**LOCAL GOVERNMENT ADMINISTRATORS
OF THE NORTHWEST TERRITORIES**

STATEMENT OF OPERATIONS
For the year ended March 31, 2013

	2013	2012
REVENUES		
Government of the Northwest Territories	\$ 324,883	\$ 313,845
AGM sponsorships & Registrations	14,142	9,400
Membership dues	8,875	9,350
Interest income	2,215	2,272
	350,115	334,867
EXPENSES		
Advertising & Promotion	951	2,925
Amortization	7,907	9,273
Annual general meeting	1,311	9,899
Auditor fees	8,000	9,237
Bank charges	861	319
Bookkeeping fees	2,874	4,734
Bursaries	-	4,996
Insurance	886	874
Membership fees	463	758
Office supplies and other	6,529	3,823
Professional development	453	-
Rent	8,310	9,239
Salaries & Benefits	122,415	126,738
Special Projects - External (note 11)	144,883	133,845
Special Projects - Internal	231	-
Telephone	2,739	2,688
Travel - Board	17,188	26,866
Travel - CAMA Conference	8,301	8,690
Travel - Executive Director	1,308	4,769
Website	1,144	1,593
	336,754	361,266
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	13,361	(26,399)
OTHER EXPENSES		
Loss on disposal of capital assets	2,739	-
Write-down of capital assets	3,805	-
	6,544	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 6,817	\$ (26,399)

**LOCAL GOVERNMENT ADMINISTRATORS
OF THE NORTHWEST TERRITORIES**

STATEMENT OF CASH FLOWS
For the year ended March 31, 2013

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from the Government of the Northwest Territories	\$ 275,000	\$ 307,573
Cash receipts from sponsorships and registrations	14,499	9,400
Cash receipts from members	9,375	9,500
Cash receipts from GST rebates	-	5,158
Cash paid for salaries and benefits	(189,717)	(148,750)
Cash paid for materials and services	(129,866)	(218,017)
	<u>(20,709)</u>	<u>(35,136)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of term deposits	-	(201,815)
Redemption of term deposits	204,243	201,815
Purchase of capital assets	(700)	(1,998)
	<u>203,543</u>	<u>(1,998)</u>
INCREASE (DECREASE) IN CASH	182,834	(37,134)
CASH, opening	<u>57,148</u>	<u>94,282</u>
CASH, closing	<u><u>\$ 239,982</u></u>	<u><u>\$ 57,148</u></u>

LOCAL GOVERNMENT ADMINISTRATORS OF THE NORTHWEST TERRITORIES

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2013

1. NATURE OF OPERATIONS

Local Government Administrators of the Northwest Territories is a not-for-profit organization incorporated under the Societies Act of the Northwest Territories and is exempt for income tax purposes under Section 149(l) of the Income tax Act. The Association was formed to enhance the standards of local government administration in the Northwest Territories through education and career development programs and to create awareness of the Community Officers' role in the communities.

The Association is economically dependent on the Government of the Northwest Territories for contribution funding for administration support.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

(a) Cash equivalents

Cash equivalents consist of short term investments with an initial maturity of three months or less.

(b) Capital assets

Capital assets are recorded at cost. The Association provides for amortization using the following methods at rates designed to amortize the cost of the capital assets over their estimated useful lives. One half of the year's amortization is recorded in the year of acquisition. No amortization is recorded in the year of disposal. The annual amortization rates and methods are as follows:

Computer equipment	55% Declining balance
Furniture & fixtures	20% Declining balance
Web site development	5 years Straight-line

(c) Revenue recognition

The Association 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 ultimate collection is reasonably assured.

Membership fees are recognized as revenue when received or receivable.

Investment income is recognized when earned.

Other revenue is recorded when it is earned.

LOCAL GOVERNMENT ADMINISTRATORS OF THE NORTHWEST TERRITORIES

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Contributed services

Contributed services of volunteers are not recognized in the financial statements, because of the difficulty in determining the fair value of contributed services. The Association has elected not to recognize contributed materials and services in the financial statements.

(e) Allocated expenses

The Association allocates certain of its common expenses by identifying the appropriate basis of allocating each component of expense, and applies that basis consistently each year in accordance with applicable contribution agreements. In particular, rent expense is allocated to programs based on square footage. Salaries and benefits relating to the Executive Director are not allocated.

(f) Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 reporting period. Actual results could differ from those estimates. Significant estimates include the determination of the useful lives of capital assets, and the allocation of administrative expenses to programs.

3. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING

Effective April 1, 2012, the Association elected to apply the standards in Part III of the CICA Accounting Handbook for not-for-profit organizations in accordance with Canadian Accounting Standards for Not-for-profit organizations (ASNPO).

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 balance sheet as at April 1, 2011, which is the organization's date of transition.

The Association 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 ASNPO has had no impact on the previously reported assets, liabilities and net assets of the Association, and accordingly, no adjustments have been recorded in the comparative statements of financial position, statement of operations and statement of cash flow. Certain of the organization's presentation and disclosures included in these financial statements reflect the new presentation and disclosure requirements of ASNPO.

**LOCAL GOVERNMENT ADMINISTRATORS
OF THE NORTHWEST TERRITORIES**

NOTES TO THE FINANCIAL STATEMENTS
March 31, 2013

4. ACCOUNTS RECEIVABLE

	2013	2012
Membership	\$ -	\$ 500
Goods and Services Tax rebates	5,883	3,637
Other	577	3,247
	\$ 6,460	\$ 7,384

5. CAPITAL ASSETS

	2013		2012	
Cost	Accumulated amortization	Net	Net	
Computer equipment	\$ 2,698	\$ 1,539	\$ 1,159	\$ 2,021
Furniture & fixtures	10,322	10,322	-	6,923
Web site development	29,833	26,850	2,983	8,950
	\$ 42,853	\$ 38,711	\$ 4,142	\$ 17,894

6. DEFERRED REVENUE

Deferred revenue represents contributions received or receivable related to expenses of future years to be recognized as revenue in the year in which the related expenses are incurred. Changes during the current year in deferred revenue by project are as follows:

	Opening	Contributions	Revenue Recognized	Closing
GNWT MACA:				
Core funding	\$ -	\$ 180,000	\$ 180,000	\$ -
Public Service Capacity	204,869	95,000	144,883	154,986
	\$ 204,869	\$ 275,000	\$ 324,883	\$ 154,986

**LOCAL GOVERNMENT ADMINISTRATORS
OF THE NORTHWEST TERRITORIES**

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2013

6. DEFERRED REVENUE, continued

The Association has contribution agreements with the Government of the Northwest Territories (GNWT) as follows:

- the Department of Municipal and Community Affairs (MACA) to support the Association's Work Plan, and

- the Department of MACA to assist the Operating & Maintenance regarding the Public Service Capacity (PSC) Initiative project.

As at March 31, 2013, future maximum contributions are as follows:

	PSC	Core Funding	Total
2014	\$ 95,000	\$ 180,000	\$ 275,000

7. CONTINGENT LIABILITY

As described in note 6, the Association has entered into contribution agreements with the Government of the Northwest Territories. The terms of the agreements require the Association to refund to the GNWT any money advanced but not expended prior to the termination or expiry of the agreement.

8. RESERVE

Changes in reserves during the year are as follows:

	2013	2012
Reserve from the unrestricted Accumulated Surplus to be used for the Core Operations Travel and Board Meetings	\$ -	\$ 25,000
Less:		
Reduction of reserve returned to unrestricted Accumulated Surplus	-	(20,000)
	-	5,000
Reserve, opening	25,000	20,000
Reserve, closing	\$ 25,000	\$ 25,000

**LOCAL GOVERNMENT ADMINISTRATORS
OF THE NORTHWEST TERRITORIES**

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2013

9. COMMITMENTS

The Association entered into a lease agreement for the premises expiring March 31, 2015. Future minimum rental payments are as follows:

2014	\$	17,220
2015		<u>17,220</u>
	\$	<u>34,440</u>

10. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash, term deposits, accounts receivable, trade accounts and accruals, and wages and benefits payable. Unless otherwise noted, it is management's opinion that the Association 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.

11. ALLOCATION OF EXPENSES TO SPECIAL PROJECTS

Included in Special Projects - External expense totaling \$144,883 (2011 - \$133,845) on the Statement of Operations are expenses incurred during the year for the following:

	<u>2013</u>	<u>2012</u>
PSC:		
Brochure development/production	\$ -	\$ 2,129
Cross-lined job sites	5,125	5,000
LGA Handbook & Workshop	14,396	35,570
Mentorship	-	7,802
Professional Workshops (AGM)	23,923	29,072
Recognition (Awards)	2,863	1,163
Rent	7,893	7,396
Salaries & Benefits - PSC Coordinator	70,251	26,565
Targeted advertising/marketing	<u>20,432</u>	<u>19,148</u>
	<u>\$ 144,883</u>	<u>\$ 133,845</u>