



Help. Anytime. Anywhere.

Annual Report
2016–2017

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MESSAGE FROM THE NL911 BOARD CHAIR

On behalf of the Board of Directors of the NL911 Bureau Inc. (NL911), I am pleased to present the NL911 Annual Report for the 2016–17 fiscal year in accordance with the Emergency 911 Act. This report outlines NL911’s achievements from April 1, 2016 to March 31, 2017, in operating the province-wide emergency 911 telephone service.

With a focus on developing and operating the 911 service in an effective and efficient manner, NL911 has worked hard to ensure consistent administration and operation of the province-wide emergency 911 telephone service. Key stakeholders in the 911 industry have assisted the organization in its efforts to strive for best practice, to implement education and awareness strategies and to assist with plans for a more advanced Enhanced 911 (E911) service and eventually a Next Generation 911 (NG911) service. NL911 looks forward to continued support from these valued partners in meeting the goals and objectives of developing and operating 911 as the primary emergency number to call in Newfoundland and Labrador.

As we move into a new year, NL911 will strive to improve existing programs and service to ensure residents and those visiting Newfoundland and Labrador are provided with the best possible emergency 911 telephone service available.

As the acting Chair of the Board, my signature below is indicative of the Board’s overall accountability for the results reported within the NL911 2016–17 Annual Report.



Sherry Butt
Chair (Acting)
NL911 Board of Directors

OVERVIEW

The NL911 Bureau Inc. (NL911), a not-for-profit corporation, was formally established in March 2015 and operates under the *Emergency 911 Act* (the *Act*) and the *Emergency 911 Fee Regulations* (the *Regulations*). Through the *Act*, NL911 is responsible for establishing the number “911” as the primary emergency telephone number for use throughout Newfoundland and Labrador and to develop, establish, and operate an emergency 911 telephone service. The *Regulations* ensure that a fee is remitted by the telecommunication providers each month to the NL911 Fund from all telephone line subscribers in Newfoundland and Labrador. This fund provides NL911 the ability to operate and improve the province-wide emergency 911 telephone service.

The NL911 office is located at 57 Old Pennywell Road, St. John’s. As of March 31, 2017, NL911 had a complement of five staff members, four females and one male, who provide overall direction, administration, quality control, and advancement of the province-wide emergency 911 telephone service. The answering and transferring of 911 calls to Emergency Service Providers (ESPs) has been contracted to two Public Safety Answering Points (PSAPs); one located in St. John’s and the other in Corner Brook.

GOVERNANCE

As per the *Act*, the NL911 Board of Directors (the Board), consists of a maximum of nine members appointed by the Lieutenant-Governor in Council, including the following:

- One member of the board of directors of Municipalities Newfoundland and Labrador (MNL);
- One representative from each primary PSAP (St. John’s and Corner Brook);
- The Executive Director of the NL 911 Bureau Inc. by virtue of his or her office; and,
- At least one director to be a resident of Labrador.

The Board provides direction to the Executive Director to carry out the activities of NL911 and is responsible and accountable for the business affairs of the organization.

As of March 31, 2017, the Board consists of the below listed members:

The appointment of the Chair is pending the process established by the *Independent Appointments Commission Act*.

NL911 BOARD OF DIRECTORS

Position	Board Member	Service Expiry
Chair	Vacant	Not Applicable
Vice-Chair Person (Acting Chair)	Sherry Butt	January 22, 2019
Member	Marlene Coffey	January 22, 2019
Member/St. John’s PSAP	Sherry Colford	January 22, 2018
Member/Corner Brook PSAP	Todd Flynn	June 27, 2020
Member	Keith Keating	January 22, 2019
Member	Richard Murphy	January 22, 2018
Member/MNL	Karen Oldford	June 27, 2020
Member/NL911 Executive Director	Kerry Power	Not Applicable

OPERATIONS AND FINANCE

The Emergency 911 Fee Regulations established a \$0.75 monthly fee which is applied to every landline and mobile telephone account in the province. This fee is collected by individual telephone service providers, who retain \$0.07 administration for each fee they collect. The remaining \$0.68 is remitted to the NL911 Fund on a monthly basis.

Telecommunications service providers may also deduct from the amount owing to NL911 an amount equal to the rate of bad debts experienced by the provider. This bad debt amount protects the telecommunications provider from owing fees to NL911 that they are unable to collect when customers do not pay their telephone bill.

Section 24.4 (a) of the *Act* outlines how the NL911 Fund is used to develop, establish, operate, and improve the province-wide emergency 911 telephone service. The fund is not considered public money for the purpose of the *Financial Administration Act* and NL911 may use the fund only for operating and improving the emergency 911 telephone service and paying for costs associated with administering the fund.

The \$0.75 fee facilitates the operation of the emergency 911 telephone service, as well as the development and implementation of Enhanced 911 (E911) and Next Generation 911 (NG911). E911 is a form of 911 service that automatically provides the PSAP with the caller's phone number and location information. NG911 is an Internet Protocol (IP)-based 911 service that enables the public to transmit text, images, video and data to the 911 PSAP.

NL911 expenditures for the reporting period were \$2,304,472, associated with developing, establishing, operating and improving the emergency 911 telephone service, the operations of the corporation and paying for costs associated with administering the fund. NL911 revenues for the reporting period were \$5,624,888. For detailed financial information for the fiscal year ended March 31, 2017, please see Appendix I – Financial Statements.

PARTNERSHIPS

NL911's day-to-day operations could not be achieved without the participation and cooperation of its partners. NL911 maintains partnerships with municipalities, ESPs, PSAPs, telecommunications service providers, and provincial government departments as well as local organizations, in order to develop, establish, and operate the 911 emergency telephone service. Within this reporting period the following opportunities provided by our partners were identified as integral to the continued support for NL911 education and awareness initiatives:

- Speaking and advertisement opportunities with the Newfoundland and Labrador Association of Fire Services (NLAFS) provided direct education to their members and allowed them the opportunity to provide feedback on the service.
- Learn Not to Burn Program (LNTB) Coordinator directly promoted the benefits of the emergency 911 telephone service to students and schools visited across Newfoundland and Labrador.
- Regional Health Agencies assisted with distributing NL911 brochures to their area hospitals and medical clinics.
- Speaking opportunities and trade shows with Municipalities Newfoundland and Labrador (MNL) and the Professional Municipal Administrators (PMA), allowed municipal members an opportunity to provide direct feedback on the 911 service.

- Speaking opportunities and trade shows with Community and Private Ambulance Operators Associations, allowed ambulance operators an opportunity to provide direct feedback on the 911 service.
- The Autism Society provided 911 educational items to Emergency Service Personnel to distribute to families affected by autism in communities across the province.
- The Department of Municipal Affairs and Environment provides support, guidance and assistance to NL911 and also works closely with other provincial government departments and agencies, including NL Stats Agency and Health and Community Services, to assist with planning for future enhancements to the service.

All of these stakeholders have shared commitments and partnerships with NL911 that have helped shape the emergency 911 telephone service.

NL911'S DAY-TO-DAY OPERATIONS COULD NOT BE ACHIEVED WITHOUT THE PARTICIPATION AND COOPERATION OF ITS PARTNERS.

REPORT ON ACTIVITIES

In the second year of operating the province-wide emergency 911 telephone service, NL911 continued to meet operational, developmental, and public engagement goals. Partnerships with municipalities, ESPs, PSAPs, telecommunications service providers, Provincial Government departments as well as local organizations, continue to assist NL911 in fulfilling the corporation's mandate of providing an efficient

and effective emergency 911 telephone service. These partnerships also support the strategic directions of the Department of Municipal Affairs and Environment, specifically by supporting Safe and Sustainable Municipalities, Communities, and Regions.

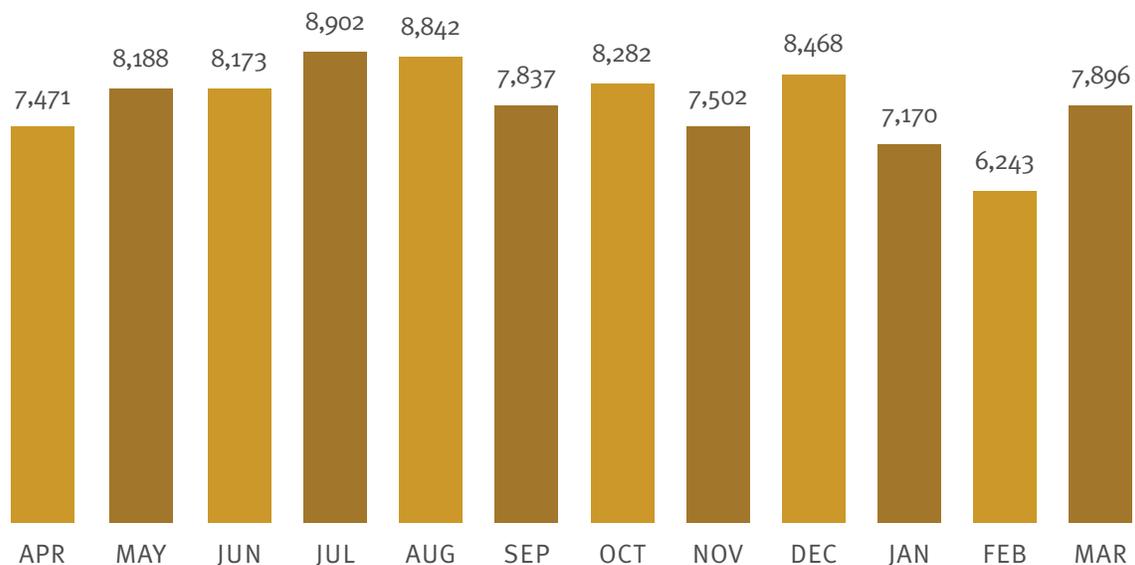
The following are the activities that NL911 accomplished during this reporting period.

NL911 SERVICE STATISTICS

NL911 has identified the following relevant statistics in relation to the usage of the emergency 911 telephone service provided in the province from April 2016 to March 2017.

TOTAL 911 Calls per Month APRIL 2016 to MARCH 2017

Chart 1

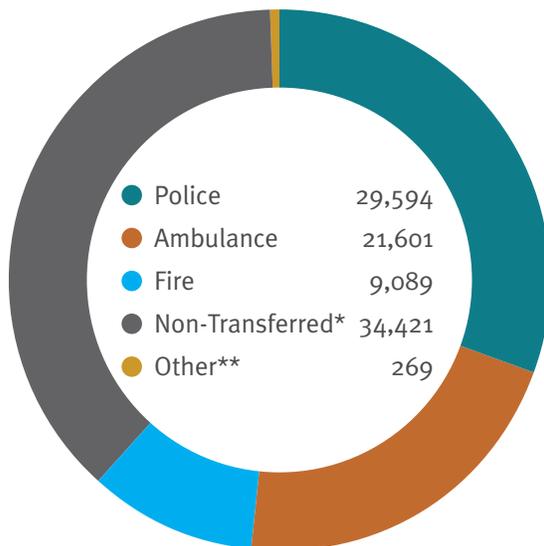


NL911 PSAPs handled 94,974 calls from April 1, 2016–March 31, 2017 (Chart 1), a slight increase (2%) over the last reporting period;

The following distribution of 911 calls received (Chart 2) are identified by the ESP they are transferred to (i.e. police, fire, ambulance, other**), as well as those calls that were not transferred to any ESP for response.

TOTAL 911 calls by agency of priority APRIL 2016 to MARCH 2017

Chart 2



* Non-Transferred: Non-emergency calls or calls that were not transferred to another agency.

** Other: Transferred calls to the Joint Rescue Coordination Centre (JRCC), Canadian Coast Guard, Crisis Line, Forestry, Parks Canada, and Poison Control.

Compared to the last reporting period, NL911 experienced a slight increase in the volume of calls to police (4%), as well as an increase in calls for an ambulance (9%). Slight decreases were identified in the volume of calls for fire response (3%), all other agencies (3%), as well as the non-transferred call volume (2%).

During this reporting period, NL911 handled 34,421 non-transferred calls, which accounts for 36% of the total volume of 911 calls received. Although there was a slight decrease from the previous reporting period in the number of non-transferred calls handled, this category remains NL911’s largest type of call received.

Non-transferred calls are identified as not emergency-related and/or calls that are not transferred to an ESP for response. The types of calls that are captured under this category include, but are not limited to; accidental calls (such as pocket dials from cell phones), hang ups, requests for information, child playing with phone, etc. Almost half (49%) of the non-transferred call volume received are identified as hang ups.

Due to the nature of 911 calls, it is expected that volumes will fluctuate. NL911 continues to review 911 call data reports to identify public education and awareness initiatives and ways to support the efficiency of the emergency response system as a whole.

NL911 OPERATIONS

Through coordinated efforts by all staff, the following was accomplished to meet the operational goals that meet the legislative requirements as outlined in the *Act* and *Regulations*:

- Standard Operating Policies and Procedures (SOPPs) were created and existing SOPPS reviewed to ensure administration and operation of the emergency 911 telephone service is delivered in a consistent and effective manner that aligns with legislative requirements of the corporation;
- Quality control measures were completed regularly to ensure 911 computer system data maintenance is accurate and 911 Call Takers are following established policies and protocols;
- Business continuity review was completed with emergency evacuation and technical redundancy testing to ensure redundancy of the 911 service;
- A service agreement with Language Line Solutions services was established to provide 911 callers and Call Takers with on demand telephone interpretation for over 240 languages; and,
- The first NL911 Annual General Meeting (AGM) was held on November 28, 2016, in St. John's, to present highlights from the first year of providing emergency 911 telephone service to Newfoundland and Labrador.

The success of these initiatives has ensured the continued quality operations of the emergency 911 telephone service throughout Newfoundland and Labrador.

FIRE DEPARTMENTS WITH MEDICAL NOTICE – MULTI-AGENCY NOTIFICATION

Communication among ESPs is vital for effective and efficient emergency response. The multi-agency notification process requires 911 Call Takers to transfer callers to the agency responsible for dispatching resources for the emergency being reported, as well as notify other pertinent agencies who may have to respond to an emergency reported in their area. This process is dependent on the type of emergency being reported and it remains the agencies' responsibility to dispatch any/all resources they may need — fire/police/ambulance/etc.

During this reporting period, NL911 collaborated with the Department of Municipal Affairs and Environment (MAE) Fire Services Division and Emergency Services Division, on a project which refined the multi-agency notification process for reported medical emergencies in the Corner Brook/Bay of Islands region. With consideration of a number of unique factors including but not limited to; geography, distance from ambulance services and past level of service provided by the Royal Newfoundland Constabulary (RNC) in the area, communities in the region were offered a process whereby a notice is provided by NL911 to their fire department for all medical calls received in their service area. This notice is in addition to any calls they would already receive from the ambulance providers through their existing process for requesting assistance.

NL911 implemented the 'Fire Departments with Medical Notice' process effective July 4, 2016, for all Corner Brook/Bay of Islands region communities who responded they wanted to avail of the offered service. NL911 adjusted the call taking and multi-agency notification process to capture additional information not currently captured within the existing 911 call taking process, such as the exact location (i.e. civic address) and information relayed to the medical response agency.

NL911 agreed to implement the 'Fire Departments with Medical Notice' process as a pilot project with a review to take place after one year of providing the service. This review will identify any impacts this process has had on the 911 service and NL911's ability to continue the process and/or offer the same service to other regions of Newfoundland and Labrador. A detailed report analyzing the impacts of this process to 911 service will be submitted to the Board for review.

CALL TAKING PROCESS

The NL911 Call Taking process requires that 911 Call Takers answer all 911 calls with the statement, "911, do you need police, fire, or ambulance?" As per feedback received from ESPs related to the level of detail obtained through this statement, NL911 agreed to implement a six (6) month trial period whereby the 911 Call Takers in the Corner Brook PSAP would answer all 911 calls with the statement, "911, what's the nature of your emergency?" This change took effect February 6, 2017.

A detailed report analyzing any impacts this new statement has had on the 911 service will be submitted to the Board for review after the six month trial period. Changes related to future answer statements for both PSAPs will be determined based on Board review and approval.

EDUCATION AND AWARENESS INITIATIVES

NL911 focused efforts on engaging and educating our stakeholders, as well as continuing to provide the public with education and awareness on the benefits of the province-wide emergency 911 telephone service. The following education and awareness initiatives were completed during this reporting period:

- NL911 website development
- Brochure distribution to Health Agencies
- Stakeholder engagement
- 911 Emergency Decals Project
- Media campaign development
- Partnerships supporting 911 service

EDUCATION AND AWARENESS WILL CONTINUE TO BE A FOCUS FOR NL911, FROM INITIAL EDUCATION ON THE AVAILABILITY OF THE SERVICE AND TARGETED CAMPAIGNS FOR PROPER 911 SERVICE USAGE.

NL911 WEBSITE DEVELOPMENT

NL911 launched a new website: www.nl911.ca on January 25, 2017. The new website provides NL911 with the ability to communicate directly to the public to educate them on how the 911 service operates throughout Newfoundland and Labrador, as well as provide details related to the corporation, current initiatives, presentations, reports, legislation, and partnerships. Contact information is also supplied on the website to encourage anyone with questions related to the province-wide emergency 911 telephone service to communicate directly with NL911 staff.

STAKEHOLDER ENGAGEMENT

NL911 relies on the support of ESPs and municipalities to assist with promoting and educating the public on the benefits of the province-wide emergency 911 telephone service. In early 2017, NL911 hosted ten (10) in-person stakeholder engagement meetings across Newfoundland and Labrador to discuss the province-wide emergency 911 telephone service and to gather stakeholder feedback. These stakeholder engagement meetings included representatives from police, fire and ambulance services, as well as municipal representatives and local Members of the House of Assembly (MHAs).

Overall, the NL911 stakeholder engagement initiatives proved to be a vital step in not only learning about 911 service issues across the province, but also enhancing NL911's relationship and communication with stakeholders.

911 EMERGENCY DECALS PROJECT

In order to increase public awareness of the 911 service, NL911 developed a 911 Emergency Decal Project Plan to provide "911 Emergency" decals to fire departments that do not currently have 911 displayed on their emergency response vehicles. Fire departments displaying 911 service on their emergency response vehicles will identify themselves as NL911 partners and by association assist with building trust and confidence in the 911 service in their jurisdictions.

A notice was sent to all municipalities and fire departments across the province on March 30, 2017, identifying the decal options available and instructions for how to order. Decals requested by municipalities will be ordered in bulk on a quarterly basis.

MEDIA CAMPAIGN DEVELOPMENT

NL911 developed a media campaign with its marketing and communications agency of record, NATIONAL Public Relations, in the winter of 2017. The media campaign was developed with the intent to start after the stakeholder engagement meetings were completed. This was to ensure the stakeholders were educated and supportive of the 911 service in their regions. Efforts to educate the public need to be supported by the local ESPs and municipalities in each region to encourage the public trust and confidence in the emergency 911 telephone service and enhance the effectiveness of the media campaign.

The developed media campaign identified a targeted approach to educating the general public of Newfoundland and Labrador with a television commercial, radio ads, and digital content on local websites. The media campaign is scheduled to start in the spring of 2017.

ENHANCED 911 (E911) SERVICE

An objective of NL911 is to ensure the 911 service is flexible and responsive to changing technologies. The NL911 fund is to be used for not only the operations of the 911 service, but also to make improvements by funding the development and implementation of an upgraded 911 service.

NL911 identified that NG911 is not yet available in Canada, but E911 is available. Developing an E911 service will provide greater efficiencies and effectiveness in 911 call handling that will be beneficial to the provincial 911 service. E911 service automatically supplies the caller's phone number and location information direct to the 911 Call Takers whereas in the current Basic 911 service, the phone number and location information has to be obtained from the caller (or by call trace). The E911 service will allow the 911 Call Taker to not have to rely on the caller for vital information needed to assist.

AN OBJECTIVE OF NL911 IS TO ENSURE THE 911 SERVICE IS FLEXIBLE AND RESPONSIVE TO CHANGING TECHNOLOGIES.

Approval for NL911 to proceed with implementing an Enhanced 911 service was provided by the Board in February 2017. The following work related to this initiative has been completed during this reporting period:

- A NL911 Enhanced 911 (E911) Project Plan was developed to identify general requirements and timelines for implementing an E911 service that has the flexibility to support NG911 in the future.
- The telecommunications service provider was notified that NL911 is ready to proceed with developing the E911 service.
- Initial meetings were held with the telecommunications service provider to identify the infrastructure needed, the costs involved and to develop a project plan that identifies the timelines related.
- Research to determine the best 911 computer system that supports E911 and NG911 service.
- Meetings held with key stakeholders to determine civic addressing partnerships for data collection and maintenance.

Developing an E911 service with the capacity to support NG911 technology will require additional infrastructure, Geographical Information System (GIS) upgrades, telecommunication provider data and civic addressing data.

OPPORTUNITIES AND CHALLENGES

NL911 has made great progress during this reporting period in establishing, operating, and enhancing the province-wide emergency 911 telephone service. The next step for NL911 is to improve the current service by implementing an E911 service that will support NG911 service in the future. E911 will provide opportunities for making the 911 emergency service more efficient in the following ways:

- The 911 Call Taker will not have to rely on the caller to determine the phone number and location of the caller. E911 will automatically display the phone number and civic address location for land lines and longitude/latitude coordinates for cell phones.
- Dropped calls and no voice calls will still supply the phone number and location information to the 911 Call Taker eliminating the need to complete a call trace. Call tracing adds critical time to an emergency response.
- E911 and NG911 call taking services will allow PSAPs to send the caller's name, number and location information to other E911 and NG911 compatible dispatch systems used by ESPs. This data can assist ESPs with dispatching efficiency as they will not have to rely on a caller to determine location information.

There are continued opportunities to engage stakeholders and provide public education on the benefits of the province-wide emergency 911 telephone service.

The challenges associated with public education include:

- Stakeholders understanding the NL911 role in the emergency response system so they can promote the emergency 911 telephone service in their communities.
- Ensuring the public is aware of the availability of an emergency 911 telephone service and how it works.
- Building public trust in the emergency 911 telephone service so residents of, and visitors to, Newfoundland and Labrador will use the service when needed.

NL911 PLANS TO CONTINUE STAKEHOLDER ENGAGEMENT AND PUBLIC EDUCATION AND AWARENESS INITIATIVES IN 2017 WITH TARGETED MESSAGING TO ADDRESS THE CHALLENGES IDENTIFIED.

NL911 has a focus on advancing the efficiency and effectiveness of the emergency 911 telephone service for the province. With the assistance of the Provincial Government, as well as all partners and stakeholders, NL911 will continue to assist with saving lives and reducing property damage by having “911” as the primary emergency telephone number to be called throughout Newfoundland and Labrador.

APPENDIX I

FINANCIAL STATEMENTS

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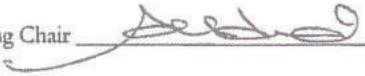
Statement of responsibility

The accompanying financial statements are the responsibility of the management of the NL 911 Bureau Inc. ("NL 911") and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The Board of Directors met with management and its external auditors to review a draft of the financial statements and to discuss any significant financial reporting or internal control matters prior to their approval of the finalized financial statements.

Grant Thornton LLP, as the NL 911's appointed external auditors, have audited the financial statements. The auditors' report is addressed to the Directors of NL 911 and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the financial statements are free of material misstatement and present fairly the financial position and results of the NL 911 in accordance with Canadian public sector accounting standards.

 Acting Chair  Director

Independent auditor's report

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To the Directors of the

NL 911 Bureau Inc.

We have audited the accompanying financial statements of NL 911 Bureau Inc. ("NL 911"), which comprise the statements of financial position as at March 31, 2017, and the statements of operations and change in net financial assets, net financial 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 Canadian public sector accounting standards, 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 NL 911'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 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 NL 911 Bureau Inc. as at March 31, 2017, and the results of its operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

St. John's, Canada

June 16, 2017



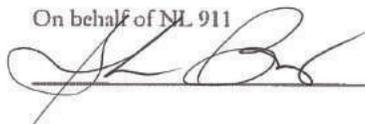
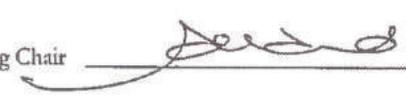
Chartered Professional Accountants

NL 911 Bureau Inc.
Statement of Financial Position

March 31	2017	2016
Financial assets		
Cash and cash equivalents	\$ 5,170,693	\$ 2,051,565
Receivables (Note 3)	<u>884,886</u>	<u>547,824</u>
	<u>6,055,579</u>	<u>2,599,389</u>
Liabilities		
Payables and accruals (Note 4)	<u>852,013</u>	<u>763,523</u>
Net financial assets	<u>5,203,566</u>	<u>1,835,866</u>
Non-financial assets		
Tangible capital assets (Page 12)	117,828	161,689
Prepays	<u>30,449</u>	<u>33,872</u>
	<u>148,277</u>	<u>195,561</u>
Accumulated surplus	<u>\$ 5,351,843</u>	<u>\$ 2,031,427</u>

Commitment (Note 5)

On behalf of NL 911

 Acting Chair  Director

See accompanying notes and schedules to the financial statements.

NL 911 Bureau Inc.

Statement of Operations and Change in Accumulated Surplus

Year ended March 31	(Note 7)		
	Budget 2017	Actual 2017	Actual 2016
Revenue			
Fees	\$ 6,114,969	\$ 6,226,873	\$ 6,137,732
Billing and collection charges	(570,730)	(578,873)	(571,528)
Allowance for bad debts incurred by telecom providers (Note 6)	<u>(56,605)</u>	<u>(48,110)</u>	<u>(52,416)</u>
	5,487,634	5,599,890	5,513,788
Interest income	-	24,289	13,975
Other income	<u>-</u>	<u>709</u>	<u>-</u>
	<u>5,487,634</u>	<u>5,624,888</u>	<u>5,527,763</u>
Expenses (Page 13)			
Public Safety Answering Point centres Management, administration, and operations	1,616,679	1,596,186	1,498,012
	<u>1,969,928</u>	<u>708,286</u>	<u>793,595</u>
	<u>3,586,607</u>	<u>2,304,472</u>	<u>2,291,607</u>
Annual surplus	<u>1,901,027</u>	<u>3,320,416</u>	<u>3,236,156</u>
Accumulated surplus (deficit), beginning of year	<u>2,031,427</u>	<u>2,031,427</u>	<u>(1,204,729)</u>
Accumulated surplus, end of year	<u>\$ 3,932,454</u>	<u>\$ 5,351,843</u>	<u>\$ 2,031,427</u>

See accompanying notes and schedules to the financial statements.

NL 911 Bureau Inc.
Statement of Net Financial Assets

Year ended March 31	(Note 7) Budget 2017	Actual 2017	Actual 2016
Annual surplus	\$ 1,901,027	\$ 3,320,416	\$ 3,236,156
Acquisition of tangible capital assets	-	(3,819)	(36,958)
Amortization of tangible capital assets	47,000	47,680	61,030
Decrease (increase) in prepaids	-	3,423	(33,872)
Increase in net financial assets	1,948,027	3,367,700	3,226,356
Net financial assets (debt), beginning of year	1,835,865	1,835,865	(1,390,491)
Net financial assets, end of year	\$ 3,783,892	\$ 5,203,565	\$ 1,835,865

See accompanying notes and schedules to the financial statements.

NL 911 Bureau Inc.
Statement of Cash Flows

Year ended March 31	2017	2016
Increase (decrease) in cash and cash equivalents		
Operating		
Annual surplus	\$ 3,320,416	\$ 3,236,156
Change in non-cash items		
Amortization of capital assets	47,680	61,030
Change in non-cash operating working capital		
Receivables	(337,062)	(178,941)
Payables and accruals	88,490	459,124
Prepays	3,423	(33,872)
Cash provided by operating transactions	<u>3,122,947</u>	<u>3,543,497</u>
Capital		
Purchase of tangible capital assets	<u>(3,819)</u>	<u>(36,958)</u>
Financing		
Repayment of Fire and Emergency Services - Newfoundland and Labrador	<u>-</u>	<u>(2,254,004)</u>
Net increase in cash and cash equivalents	3,119,128	1,252,535
Cash and cash equivalents, beginning of year	<u>2,051,565</u>	<u>799,030</u>
Cash and cash equivalents, end of year	<u>\$ 5,170,693</u>	<u>\$ 2,051,565</u>

See accompanying notes and schedules to the financial statements.

NL 911 Bureau Inc.

Notes to the Financial Statements

March 31, 2017

1. Nature of operations

The NL 911 Bureau Inc. ("NL 911") is a not for profit corporation that was formally established in March 2015, and operates under the *Emergency 911 Act* and the *Emergency 911 Fee Regulations*. NL 911 is responsible for; developing, establishing and operating an emergency 911 telephone service that protects personal information and is efficient, cost-effective and responsive to changing technologies.

NL 911 is funded by a \$0.75 monthly fee which is applied to every landline and mobile telephone account within the province. This fee is collected by the individual telephone service providers, who retain \$0.07 for administration for each fee they collect. The remaining \$0.68 is remitted to the NL 911 Fund on a monthly basis.

NL 911 is exempt from income tax under Section 149 of the Income Tax Act.

2. Summary of significant accounting policies

Basis of presentation

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Standards Board (PSAB) of the Chartered Professional Accountants of Canada and reflect the following significant accounting policies.

Use of estimates

In preparing NL 911's financial statements in conformity with Canadian public sector accounting standards, management is required 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 reported amounts of revenues and expenses during the period. Items requiring the use of significant estimates include the useful life of capital assets, and rates of amortization.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks.

Capital expenditures

Expenditures of a capital nature made by the Public Safety Answering Points (PSAPs) and charged to NL 911 are expensed in NL 911 as the resultant assets are owned and operated by the PSAPs.

NL 911 Bureau Inc.
Notes to the Financial Statements
March 31, 2017

2. Summary of significant accounting policies (cont'd.)

Prepaid expenses

Prepaid expenses include software maintenance contracts, insurance, and rent that NL 911 has paid but the services have not been provided as of year-end.

Tangible capital assets

Tangible capital assets are recorded at cost. Depreciation is provided annually at rates calculated to write off the assets over their estimated useful life as follows:

Office furniture and equipment	30% ^a , declining balance
Computer equipment	55% ^a , declining balance
Computer software	30% ^a , declining balance

Impairment of long lived assets

Long-lived assets are reviewed for impairment upon the occurrence of events or changes in circumstances indicating that the value of the assets may not be recoverable, as measured by comparing their net book value to the estimated undiscounted cash flows generated by their use. The net write downs would be accounted for as expenses in the statement of operations.

Revenue recognition

Revenues from telecom providers are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, based on when remittances from the telecom providers are received or receivable and collection is likely. Interest income is recognized as earned.

Financial instruments

NL 911 considers any contract creating a financial asset, liability, or equity instrument as a financial instrument, except in certain limited circumstances. NL 911 accounts for the following as financial instruments:

- cash and cash equivalents;
- receivables; and
- payables and accruals.

A financial asset or liability is recognized when NL 911 becomes party to contractual provisions of the instrument.

NL 911 initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

NL 911 Bureau Inc.

Notes to the Financial Statements

March 31, 2017

2. Summary of significant accounting policies (cont'd.)

NL 911 subsequently measures its financial assets and financial liabilities at cost or amortized cost.

Financial assets measured at fair value include cash and cash equivalents. Financial assets measured at cost include receivables.

Financial liabilities measured at cost include payables and accruals.

NL 911 removes financial liabilities, or a portion of, when the obligation is discharged, cancelled, or expires.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net annual surplus.

3. Receivables	2017	2016
Remittances due from telecom providers	\$ 867,172	\$ 541,818
Harmonized sales tax receivable	<u>17,714</u>	<u>6,006</u>
	<u>\$ 884,886</u>	<u>\$ 547,824</u>

4. Payables and accruals	2017	2016
Trade	\$ 46,053	\$ 37,737
PSAP's	794,129	711,205
Payroll and vacation pay accruals	<u>11,831</u>	<u>14,581</u>
	<u>\$ 852,013</u>	<u>\$ 763,523</u>

5. Commitment

NL 911 is committed to annual lease payments for office space in each of the next three years as follows: 2018 - \$102,463; 2019 - \$102,463; and 2020 - \$93,924.

6. Allowance for bad debts incurred by telecom providers

Prior to remitting fees to NL 911, each telecom provider may deduct from the gross fees an amount equal to the rate of bad debts experienced by the telecom providers.

NL 911 Bureau Inc.

Notes to the Financial Statements

March 31, 2017

7. Budget figures

The reconciliation between the Bureau's approved financial plan and the PSAS budget figures used in these statements is disclosed in the Schedule of Reconciliation of the Financial Plan to the Budget.

8. Financial instruments

NL 911's financial instruments consist of cash and cash equivalents, receivables, and payables and accruals.

Risks and concentrations

NL 911 is exposed to various risks through its financial instruments. The following analysis provides a measure of NL 911's risk exposure and concentrations at March 31, 2017.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. NL 911 is exposed to this risk mainly in respect of its payables and accruals in the amount of \$847,106 (2016 - \$752,524). NL 911 reduces its exposure to liquidity risk by monitoring its cash flows and ensuring that it has sufficient cash available to meet its obligations and liabilities. In the opinion of management, the liquidity risk exposure to NL 911 is low and not material.

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfil its payment obligations. NL 911's credit risk is attributable to receivables in the amount of \$867,172 (2016 - \$541,818). As the telecom providers are required to remit fee to NL 911 under the *Emergency 911 Act*, management believes that the credit risk concentration with respect to financial instruments included in receivables is remote.

NL 911 Bureau Inc.
Schedule of Tangible Capital Assets
 Year Ended March 31, 2017

	Office furniture and equipment	Computer equipment	Computer software	2017	2016
Cost					
Cost, beginning of year	\$ 29,613	\$ 9,636	\$ 216,651	\$ 255,900	\$ 218,943
Additions during the year	<u>2,861</u>	<u>653</u>	<u>305</u>	<u>3,819</u>	<u>36,957</u>
Cost, end of year	<u>\$ 32,474</u>	<u>\$ 10,289</u>	<u>\$ 216,956</u>	<u>\$ 259,719</u>	<u>\$ 255,900</u>
Accumulated Amortization					
Accumulated amortization, beginning of year	\$ 4,180	\$ 4,812	\$ 85,219	\$ 94,211	\$ 33,181
Amortization	5,372	2,833	39,475	47,680	61,030
Accumulated amortization end of year	<u>9,552</u>	<u>7,645</u>	<u>124,694</u>	<u>141,891</u>	<u>94,211</u>
Net book value of tangible capital assets	<u>\$ 22,922</u>	<u>\$ 2,644</u>	<u>\$ 92,262</u>	<u>\$ 117,828</u>	<u>\$ 161,689</u>

NL 911 Bureau Inc. Schedule of Expenses

Year ended March 31	2017	2016
Public Safety Answering Point centres		
St. John's	\$ 916,865	\$ 871,344
Corner Brook	<u>679,321</u>	<u>626,668</u>
	\$ 1,596,186	\$ 1,498,012
Management, administration, and operations		
Advertising and public relations	\$ 70,712	\$ 161,515
Amortization	47,680	61,030
Board meetings	4,760	4,530
Communications	14,870	16,483
Computer expense	4,126	3,057
Conferences and training	1,974	1,423
Consulting - IT	21,400	16,000
Insurance	3,579	-
Interest and bank charges	50	170
Meetings	1,943	619
Memberships	917	1,256
Miscellaneous	3,137	562
Office space rental	99,338	89,793
Office supplies and printing	3,299	13,483
Professional fees	31,687	20,364
Salaries and benefits	370,297	379,225
Travel	<u>28,517</u>	<u>24,085</u>
	\$ 708,286	\$ 793,595
Total expenses	\$ 2,304,472	\$ 2,291,607

NL 911 Bureau Inc.
 Schedule of Reconciliation of the Financial Plan to the Budget
 Year ended March 31, 2017

	<u>Financial Plan</u>	<u>Adjustments</u>	<u>PSAS Budget</u>
Revenue			
Fees	\$ 6,114,969	\$ -	\$ 6,114,969
Billing and collection charges	(570,730)	-	(570,730)
Allowance for bad debts incurred by telecom providers (Note 6)	<u>(56,605)</u>	<u>-</u>	<u>(56,605)</u>
	5,487,634	-	5,487,634
Interest income	-	-	-
Other income	<u>-</u>	<u>-</u>	<u>-</u>
	<u>5,487,634</u>	<u>-</u>	<u>5,487,634</u>
Expenses (Page 13)			
Public Safety Answering Point centres	1,616,679	-	1,616,679
Management, administration, and operations	<u>1,922,928</u>	<u>47,000</u>	<u>1,969,928</u>
	<u>3,539,607</u>	<u>47,000</u>	<u>3,586,607</u>
Annual surplus	<u>1,948,027</u>	<u>(47,000)</u>	<u>1,901,027</u>
Accumulated surplus, beginning of year	<u>2,031,427</u>	<u>-</u>	<u>2,031,427</u>
Accumulated surplus, end of year	<u>\$ 3,979,454</u>	<u>\$ (47,000)</u>	<u>\$ 3,932,454</u>



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