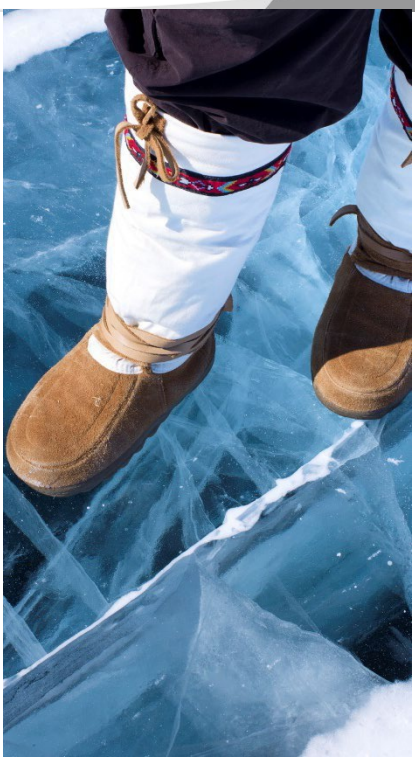
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# 2024-2025

# PUBLIC ACCOUNTS

## SECTION I

## CONSOLIDATED FINANCIAL STATEMENTS

Government of
Northwest Territories

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# PUBLIC ACCOUNTS

# OF THE

# GOVERNMENT OF THE NORTHWEST TERRITORIES

# FOR THE YEAR ENDED MARCH 31, 2025

## SECTION I

## CONSOLIDATED FINANCIAL STATEMENTS

HONOURABLE CAROLINE WAWZONEK

Minister of Finance

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Government of
Northwest Territories

November 14, 2025

**THE HONOURABLE GERALD W. KISOUN**
**COMMISSIONER OF THE NORTHWEST TERRITORIES**

I have the honour to present the Public Accounts of the Northwest Territories in accordance with Sections 37 through 43 of the *Northwest Territories Act (Canada)*, S.C. 2014, c.2, s.2, and Sections 34 through 35 of the *Financial Administration Act*, S.N.W.T. 2015, c.13, for the fiscal year ended March 31, 2025.

Honourable Caroline Wawzonek
Minister of Finance

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# Public Accounts of the Government of the Northwest Territories

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Government of Northwest Territories
Gouvernement des Territoires du Nord-Ouest

November 14, 2025

**RESPONSIBILITY FOR FINANCIAL REPORTING**

The preparation of the consolidated financial statements of the Government of the Northwest Territories (the Government), and related information contained in the Public Accounts, is the responsibility of the Government through the Office of the Comptroller General.

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS). Where PSAS permits alternative accounting methods, management has chosen those that are most appropriate. Where required, management's best estimates and judgement have been applied in the preparation of these consolidated financial statements.

The Government fulfills its accounting and reporting responsibilities, through the Office of the Comptroller General, by maintaining systems of financial management and internal control. The systems are continually enhanced and modified to provide timely and accurate information, to safeguard and control the Government's assets, and to ensure that all transactions are in accordance with the Northwest Territories Act and regulations, and the Financial Administration Act of the Northwest Territories and regulations.

The Auditor General of Canada performs an annual audit on the consolidated financial statements in order to express an opinion as to whether the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Government, the consolidated results of its operations, its consolidated remeasurement gains and losses, consolidated changes in its net debt, and its consolidated cash flows for the year in accordance with PSAS. During the course of the audit, she also examines transactions that came to her notice, to ensure they are, in all material respects, within the statutory powers of the Government and those organizations included in the consolidated financial statements.

Sincerely

Julie Mujcin, CPA, CGA, MFAcc
Comptroller General

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Office of the Auditor General of Canada
Bureau du vérificateur général du Canada

# INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of the Northwest Territories

## Report on the Audit of the Consolidated Financial Statements

*Opinion*

We have audited the consolidated financial statements of the Government of the Northwest Territories and its controlled entities (the Group), which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of operations and accumulated operating surplus, consolidated statement of change in net debt, consolidated statement of remeasurement gains and losses and consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2025, and the consolidated results of its operations, its consolidated remeasurement gains and losses, consolidated changes in its net debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other Information*

Management is responsible for the other information. The other information comprises the information included in Section I of the Public Accounts 2024-2025, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision, and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Compliance with Specified Authorities**

*Opinion*

In conjunction with the audit of the consolidated financial statements, we have audited transactions of the Government of the Northwest Territories and its controlled entities coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the *Northwest Territories Act* and regulations, the *Financial Administration Act* of the Northwest Territories and regulations, and the specific operating authorities disclosed in Note 1(a) to the consolidated financial statements.

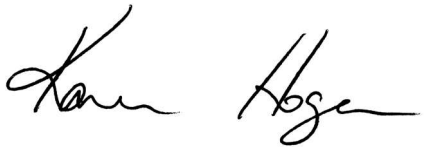
In our opinion, the transactions of the Government of the Northwest Territories and its controlled entities that came to our notice during the audit of the consolidated financial statements have complied, in all material respects, with the specified authorities referred to above.

*Responsibilities of Management for Compliance with Specified Authorities*

Management is responsible for the Government of the Northwest Territories and its controlled entities' compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Government of the Northwest Territories and its controlled entities to comply with the specified authorities.

*Auditor's Responsibilities for the Audit of Compliance with Specified Authorities*

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the consolidated financial statements are in compliance with the specified authorities referred to above.



Karen Hogan, FCPA
Auditor General of Canada

Ottawa, Canada
14 November 2025

# Government of the Northwest Territories

## Consolidated Statement of Financial Position

As at March 31, 2025 (thousands of dollars)

| | 2025 $ | 2024 $ |
|---|---|---|
| **Financial assets** | | |
| Cash and cash equivalents *(note 4)* | 185,126 | 223,144 |
| Portfolio investments *(note 6)* | 183,168 | 178,043 |
| Due from the Government of Canada *(note 14)* | 170,556 | 166,376 |
| Accounts receivable *(note 7)* | 208,101 | 120,938 |
| Inventories for resale | 52,736 | 53,038 |
| Loans receivable *(note 8)* | 63,471 | 67,792 |
| Pension assets *(note 17)* | 20,046 | 26,369 |
| | **883,204** | **835,700** |
| **Liabilities** | | |
| Short term loans *(note 9)* | 762,962 | 613,155 |
| Accounts payable and accrued liabilities *(note* 10) | 502,684 | 495,327 |
| Deferred revenue *(note 11)* | 191,148 | 200,512 |
| Environmental liabilities *(note 12)* | 89,547 | 91,523 |
| Liabilities for sewage lagoons and solid waste sites *(note 13)* | 22,220 | 22,539 |
| Asset retirement obligations *(note 13)* | 133,668 | 133,138 |
| Due to the Government of Canada *(note 14)* | 33,537 | 38,409 |
| Capital lease obligations (*note 15*) | 25,715 | 15,139 |
| Long-term debt *(note 15)* | 620,232 | 624,886 |
| Liabilities under public private partnerships *(note 16)* | 246,079 | 254,045 |
| Pension liabilities *(note 17)* | 44,506 | 44,078 |
| Other employee future benefits and compensated absences *(note 18)* | 46,903 | 45,411 |
| | **2,719,201** | **2,578,162** |
| **Net debt** | **(1,835,997)** | **(1,742,462)** |
| **Non-financial assets** | | |
| Tangible capital assets *(schedule A)* | 4,212,777 | 4,087,559 |
| Purchased intangible assets (*note 3*) | 15,173 | - |
| Inventories held for use | 29,201 | 28,759 |
| Prepaid expenses | 22,277 | 21,452 |
| | **4,279,428** | **4,137,770** |
| **Accumulated surplus** | **2,443,431** | **2,395,308** |
| **Accumulated surplus is comprised of:** | | |
| Accumulated operating surplus | 2,438,028 | 2,391,737 |
| Accumulated remeasurement gains | 5,403 | 3,571 |
| **Accumulated surplus** | **2,443,431** | **2,395,308** |

Contractual obligations and rights, guarantees and contingencies *(notes 20 and 21)*

**Approved by:**

Caroline Wawzonek
Minister of Finance

Julie Mujcin, CPA, CGA, MFAcc
Comptroller General

*The accompanying notes and schedules are an integral part of the consolidated financial statements.*

## Government of the Northwest Territories

### Consolidated Statement of Operations and Accumulated Operating Surplus

For the year ended March 31, 2025 (thousands of dollars)

| | 2025 Budget (Note 1(b)) $ | 2025 Actual $ | 2024 Actual $ |
|---|---|---|---|
| **Revenues** | | | |
| Grant from the Government of Canada *(note 2(p))* | 1,701,645 | 1,699,357 | 1,610,836 |
| Transfer payments *(note 22)* | 533,421 | 554,763 | 646,077 |
| | **2,235,066** | **2,254,120** | **2,256,913** |
| Taxation, non-renewable resource and general revenues | | | |
| Corporate and personal income taxes *(note 22)* | 183,457 | 183,853 | 201,072 |
| Other taxes *(note 22)* | 183,044 | 163,415 | 163,771 |
| General *(note 23)* | 155,973 | 186,703 | 113,755 |
| Income from portfolio investments | 2,540 | 3,401 | 10,074 |
| Non-renewable resource revenues *(note 23)* | 31,007 | (4,492) | 3,143 |
| Sales *(note 23)* | 170,206 | 186,894 | 176,700 |
| Recoveries *(note 23)* | 43,594 | 65,886 | 51,808 |
| | **769,821** | **785,660** | **720,323** |
| Recoveries of prior years' expenses | 3,000 | 43,780 | 22,721 |
| | **3,007,887** | **3,083,560** | **2,999,957** |
| **Expenses (schedule B)** ***(note 24)*** | | | |
| Environment and Economic Development | 209,631 | 256,221 | 322,606 |
| Infrastructure | 537,659 | 556,340 | 540,529 |
| Education | 454,571 | 484,312 | 461,269 |
| Health and Social Services | 777,616 | 880,421 | 786,149 |
| Housing | 109,807 | 122,445 | 113,618 |
| Justice | 148,867 | 159,472 | 146,435 |
| General Government | 488,271 | 550,839 | 620,104 |
| Legislative Assembly and Statutory Offices | 26,275 | 27,219 | 26,077 |
| | **2,752,697** | **3,037,269** | **3,016,787** |
| **Annual operating surplus (deficit)** | **255,190** | **46,291** | **(16,830)** |
| **Accumulated operating surplus at beginning of year** | **2,391,737** | **2,391,737** | **2,408,567** |
| **Accumulated operating surplus at end of year** | **2,646,927** | **2,438,028** | **2,391,737** |

*The accompanying notes and schedules are an integral part of the consolidated financial statements.*

## Government of the Northwest Territories

### Consolidated Statement of Change in Net Debt

For the year ended March 31, 2025 (thousands of dollars)

| | 2025 Budget | 2025 Actual | 2024 Actual |
|---|---|---|---|
| | $ | $ | $ |
| **Net debt at beginning of year** | **(1,742,462)** | **(1,742,462)** | **(1,599,183)** |
| Items affecting net debt: | | | |
| Annual operating surplus (deficit) | 255,190 | 46,291 | (16,830) |
| Acquisition of tangible capital assets *(schedule A)* | (352,742) | (309,205) | (303,170) |
| Amortization of tangible capital assets *(schedule A)* | 185,073 | 180,091 | 168,426 |
| Acquisition of purchased intangible assets | - | (15,236) | - |
| Amortization of purchased intangible assets | - | 63 | - |
| Revaluation of asset retirement obligations *(schedule A)* | - | (2,920) | 3,762 |
| Loss (gain) on disposal of tangible capital assets | 2,840 | 6,804 | 5,136 |
| Proceeds on disposal of tangible capital assets | - | 12 | 13 |
| | 90,361 | (94,100) | (142,663) |
| Consumption of inventories held for use | 9,200 | 31,818 | 33,395 |
| Purchase of inventories held for use | (9,200) | (32,260) | (34,342) |
| Change in prepaid expenses | - | (825) | (2,337) |
| | - | (1,267) | (3,284) |
| **Decrease (increase) in net debt excluding net remeasurement gains (losses)** | **90,361** | **(95,367)** | **(145,947)** |
| **Net remeasurement gains (losses)** | **-** | **1,832** | **2,668** |
| **Decrease (increase) in net debt** | **90,361** | **(93,535)** | **(143,279)** |
| **Net debt at end of year** | **(1,652,101)** | **(1,835,997)** | **(1,742,462)** |

*The accompanying notes and schedules are an integral part of the consolidated financial statements.*

## Government of the Northwest Territories

### Consolidated Statement of Remeasurement Gains and Losses

For the year ended March 31, 2025 (thousands of dollars)

| | 2025 Actual | 2024 Actual |
|---|---|---|
| | $ | $ |
| **Accumulated remeasurement gains at beginning of year** | **3,571** | **903** |
| Unrealized gain (loss) attributable to: | | |
| Portfolio investments | | |
| Equity instruments quoted in an active market | 1,701 | 1,802 |
| Financial instruments designated at fair value | 335 | 341 |
| Amount reclassified to the Consolidated Statement of Operations and Accumulated Operating Surplus | | |
| Portfolio investments | | |
| Financial instruments designated at fair value | (204) | 525 |
| Net remeasurement gains (losses) for the year | **1,832** | **2,668** |
| **Accumulated remeasurement gains (losses) at end of year** | **5,403** | **3,571** |

*The accompanying notes and schedules are an integral part of the consolidated financial statements.*

## Government of the Northwest Territories

### Consolidated Statement of Cash Flow

For the year ended March 31, 2025 (thousands of dollars)

| | 2025 | 2024 |
|---|---|---|
| | $ | $ |
| **Cash and cash equivalents provided by (used for)** | | |
| **Operating transactions** | | |
| Annual operating surplus (deficit)* | 46,291 | (16,830) |
| Items not affecting cash and cash equivalents: | | |
| Change in valuation allowances | 4,252 | 5,923 |
| Loss on disposal of tangible capital assets | 6,804 | 5,136 |
| Amortization of tangible capital assets | 180,091 | 168,426 |
| Amortization of purchased intangible assets | 63 | - |
| Revaluation of asset retirement obligations on surplus | (6,769) | (4,799) |
| Revaluation of environmental liabilities | (109) | 29,500 |
| Revaluation of liabilities for sewage lagoons and solid waste sites | (1,080) | (4,150) |
| Change from pension assets accruals | 8,899 | 1,057 |
| Change from pension liabilities accruals | 3,580 | 6,458 |
| Revaluation of other employee future benefits and compensated absences | (4,172) | 447 |
| Inflation adjustment on real return bonds | 4,931 | 5,085 |
| Accretion expense | 5,131 | 5,162 |
| | 247,912 | 201,415 |
| Changes in non-cash assets and liabilities: | | |
| Change in due from the Government of Canada | (4,180) | 23,011 |
| Change in due to the Government of Canada | (4,872) | (28,692) |
| Change in accounts receivable | (87,554) | 7,380 |
| Change in inventories for resale | 302 | (3,355) |
| Change in accounts payable and accrued liabilities | 81 | 59,139 |
| Change in environmental liabilities | (1,867) | (7,182) |
| Change in liabilities for sewage lagoons and solid waste sites | - | 4,346 |
| Change in asset retirement obligations | 191 | (2,829) |
| Change in deferred revenue | (9,364) | 1,320 |
| Change in pension assets | (2,576) | (3,776) |
| Change in pension liabilities | (3,152) | (6,049) |
| Change in other employee future benefits and compensated absences | 5,664 | (787) |
| Change in inventories held for use | (442) | (947) |
| Change in prepaid expenses | (825) | (2,337) |
| **Cash and cash equivalents provided by (used for) operating transactions** | **139,318** | **240,657** |

**Continued on next page**

*Total interest paid during the year $69,363 (2024 - $67,318).
Total interest received during the year $18,716 (2024 - $18,653).

*The accompanying notes and schedules are an integral part of the consolidated financial statements.*

## Consolidated Statement of Cash Flow (continued)

For the year ended March 31, 2025 (thousands of dollars)

| | 2025 | 2024 |
|---|---|---|
| | $ | $ |
| **Subtotal carried forward from previous page** | **139,318** | **240,657** |
| **Investing transactions** | | |
| Disposition of portfolio investments | 42,584 | 20,065 |
| Acquisition of portfolio investments | (45,878) | (33,046) |
| Loans receivable receipts | 10,579 | 8,463 |
| Loans receivable advanced | (10,119) | (8,646) |
| **Cash and cash equivalents provided by (used for) investing transactions** | **(2,834)** | **(13,164)** |
| **Capital transactions** | | |
| Acquisition of tangible capital assets | (291,076) | (314,157) |
| Acquisition of purchased intangible assets | (15,236) | - |
| Proceeds of disposition of tangible capital assets | 12 | 13 |
| **Cash and cash equivalents provided by (used for) capital transactions** | **(306,300)** | **(314,144)** |
| **Financing transactions** | | |
| Net proceeds from short term loans | 149,807 | 126,349 |
| Repayment of capital lease obligations | (458) | (406) |
| Acquisition of long-term debt | - | 75,000 |
| Repayment of long-term debt | (9,585) | (9,466) |
| Repayment of liabilities under public private partnerships | (7,966) | (8,127) |
| **Cash and cash equivalents provided by (used for) financing activities** | **131,798** | **183,350** |
| **Increase (decrease) in cash and cash equivalents** | **(38,018)** | **96,699** |
| **Cash and cash equivalents at beginning of year** | **223,144** | **126,445** |
| **Cash and cash equivalents at end of year** | **185,126** | **223,144** |

*The accompanying notes and schedules are an integral part of the consolidated financial statements.*

## 1. AUTHORITY AND OPERATIONS

### (a) Authority and reporting entity

The Government of the Northwest Territories (the Government) operates under the authority of the *Northwest Territories Act* (Canada). The Government has an elected Legislative Assembly which authorizes all disbursements, advances, loans, and investments unless specifically authorized by statute.

The consolidated financial statements have been prepared in accordance with the *Northwest Territories Act* (Canada) and the *Financial Administration Act* of the Northwest Territories. The consolidated financial statements present summary information and serve as a means for the Government to show its accountability for the resources, obligations, and financial affairs for which it is responsible. The following lists the organizations comprising the Government reporting entity, which are fully consolidated in the financial statements, and their specific operating authority.

*Education Act*
- Beaufort Delta Divisional Education Council
- Commission scolaire francophone Territoires du Nord-Ouest
- Dehcho Divisional Education Council
- Dettah District Education Authority
- Ndìlo District Education Authority
- Sahtu Divisional Education Council
- South Slave Divisional Education Council
- Yellowknife Public Denominational District Education Authority (Yellowknife Catholic Schools)
- Yellowknife District No.1 Education Authority

*Aurora College Act*
- Aurora College

*Hospital Insurance and Health and Social Services Administration Act*
- Hay River Health and Social Services Authority
- Northwest Territories Health and Social Services Authority

*Tlicho Community Services Agency Act*
- Tlicho Community Services Agency

Prosper NWT Act (previously *Northwest Territories Business Development and Investment Corporation Act*)
- Prosper NWT (previously Northwest Territories Business Development and Investment Corporation)

*Housing Northwest Territories Act*
- Housing Northwest Territories

*Human Rights Act*
- Northwest Territories Human Rights Commission

*Northwest Territories Societies Act*
- Arctic Energy Alliance

*Status of Women Council Act*
- Status of Women Council of the Northwest Territories

*Northwest Territories Heritage Fund Act*
- Northwest Territories Heritage Fund

*Northwest Territories Waters Act*
- Inuvialuit Water Board

*Northwest Territories Hydro Corporation Act*
- Northwest Territories Hydro Corporation (NT Hydro)

*Northwest Territories Surface Rights Board Act*
- Northwest Territories Surface Rights Board

## 1. AUTHORITY AND OPERATIONS (continued)

### (a) Authority and reporting entity (continued)

All organizations included in the Government reporting entity have a March 31 fiscal year-end with the exception of Aurora College, Divisional Education Councils and District Education Authorities, which have a fiscal year-end of June 30. Transactions of these educational organizations that have occurred during the period to March 31, 2025, and that significantly affect the consolidation have been recorded. Revolving funds are incorporated directly into the Government's accounts while trust assets administered by the Government on behalf of other parties *(note 19)* are excluded from the Government reporting entity. Revolving Funds are segments of the Government that are engaged in commercial activities, with undefined and non-lapsing expense authority.

### (b) Budget

Canadian public sector accounting standards require a comparison of the results of operations and changes in net financial assets (debt) for the year with those originally planned. The consolidated budget figures presented are the appropriations approved by the Legislative Assembly combined with the approved budgets for the consolidated entities, both adjusted to eliminate budgeted inter-entity revenues and expenses. They represent the Government's original consolidated fiscal plan for the year and do not reflect supplementary appropriations.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards as issued by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

### (a) Measurement uncertainty

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues, and expenses reported in the consolidated financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the consolidated financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these consolidated statements, the Government believes the estimates and assumptions to be reasonable.

The provision for environmental liabilities is subject to a high degree of measurement uncertainty because the extent of contamination and the timing and cost of remediation cannot be reliably estimated in all circumstances. The degree of measurement uncertainty resulting from the estimation of the provision cannot be reasonably determined.

The provision for asset retirement obligations is subject to a high degree of measurement uncertainty because the timing and cost of asset retirement cannot be reliably estimated in all circumstances. The degree of measurement uncertainty resulting from the estimation of the provision cannot be reasonably determined.

The estimate of expected revenues from the tobacco litigation settlement between the three major tobacco companies and the government is subject to a high degree of measurement uncertainty because the annual contribution component is dependent on available cash flow from future after-tax net income of these companies over an extended period of twenty years or more. The degree of measurement uncertainty from the estimation of the revenues cannot be reasonably determined.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (b) Cash and cash equivalents

Cash is comprised of cash on hand and bank account balances. Cash equivalents are comprised of short-term highly liquid investments that are readily convertible to cash with a maturity date of 90 days or less from the date of acquisition.

### (c) Portfolio investments

Portfolio investments in equities quoted in an active market as well as certain other investments whose performance is managed and reported on a fair value basis are recorded at fair value. Other investments are recorded at cost and amortized cost.

### (d) Restricted assets

Restricted assets result from external restrictions imposed by an agreement with an external party, or through legislation of another government, that specify the purpose or purposes for which resources are to be used. Externally restricted inflows are recognized as revenue in the Government's consolidated financial statements in the period in which the resources are used for the purpose or purposes specified. An externally restricted inflow received before this criterion has been met is reported as a liability until the resources are used for the purpose or purposes specified.

### (e) Inventories

Inventories for resale consist mainly of bulk fuels, liquor products, and arts and crafts. Bulk fuels are valued at the lower of weighted average cost and net realizable value. Liquor products are valued at the lower of cost and net realizable value.

Inventories held for use primarily consist of materials and supplies, lubricants, critical spare parts, and fuel and are recorded at cost as determined using the weighted average cost method. Impairment of these inventories, when recognized, result in write-downs to net replacement value. The remaining inventories held for use (including housing materials and supplies, and hospital supplies) are valued at the lower of cost, determined on a first in, first out basis, and net replacement value.

### (f) Loans receivable

Loans receivable are stated at the lower of cost and net recoverable value. Valuation allowances, determined on an individual basis, are based on past events, current conditions and all circumstances known at the date of the preparation of the consolidated financial statements and are adjusted annually to reflect the current circumstances by recording write downs or recoveries, as appropriate. Write-downs are recognized when the loans have been deemed uncollectable. Recoveries are recorded when loans previously written down are subsequently collected. Interest revenue is recorded on an accrual basis. Interest revenue is not accrued when the collectability of either principal or interest is not reasonably assured.

### (g) Contractual rights and contingent assets

The Government enters into contracts that are significant in relation to its current financial position or that will materially affect future revenues. Contractual rights pertain to rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future when the terms of contracts or agreements are met. The nature, extent and timing of contractual rights are disclosed in the notes to the consolidated financial statements.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (g) Contractual rights and contingent assets (continued)

The contingent assets of the Government are potential assets which may become actual assets when one or more future events occurs or fails to occur. If the confirming future event is considered likely and is quantifiable, a contingent asset is disclosed.

### (h) Tangible capital assets and leases

Tangible capital assets are non-financial assets whose useful life extends beyond the fiscal year and are intended to be used on an ongoing basis for delivering programs and services. Tangible capital assets are recorded at cost, or where actual cost is not available, estimated current replacement cost, discounted back to the acquisition date. Costs include contracted services, materials and supplies, direct labour, attributable overhead costs, and directly attributable interest. Capitalization of interest ceases when no construction or development is taking place or when a tangible capital asset is ready for use in producing goods or delivering services. Assets, when placed in service, are amortized on a straight-line basis over their estimated useful lives as follows:

| Asset category | Amortization period |
|---|---|
| Land | Not amortized |
| Computers | 10 years or less |
| Equipment | |
| Barges and ferries | 75 years or less |
| Other equipment | 40 years or less |
| Roads and Bridges | 75 years or less |
| Buildings and Leasehold Improvements | Buildings - 40 years or less; Leasehold Improvements - the lesser of useful life or remaining lease term |
| Infrastructure and Other | 40 years or less except for Electric power plants 100 years or less |

The estimate of the useful life of tangible capital assets is reviewed on a regular basis and revised where appropriate on a prospective basis. The remaining unamortized portion of a tangible capital asset may be extended beyond its original estimated useful life when the appropriateness of such a change can be clearly demonstrated.

Write-downs and write-offs of tangible capital assets are recognized whenever significant events and changes in circumstances and use suggest that the asset can no longer contribute to program or service delivery at the level previously anticipated. A write-down is recognized when a reduction in the value of the asset can be objectively measured. A write-off is recognized when the asset is destroyed, stolen, lost, or obsolete to the Government.

Tangible capital assets under construction or development are recorded as work in progress with no amortization until the asset is placed in service. Capital lease agreements are recorded as a liability and a corresponding asset based on the present value of the minimum lease payments, excluding executory costs. The present value is based on the lower of the implicit rate or the Government's borrowing rate at the time the obligation is incurred. Operating leases are charged to expenses.

All works of art, historical treasures and items inherited by right of the Crown, such as Crown lands, forests, water, and mineral resources are not recognized in these consolidated financial statements.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (i) Purchased intangible assets

Purchased intangible assets represent non-monetary economic resources that are identifiable without physical substance acquired through an arm's length exchange transaction. Purchased intangible assets are recorded at cost less accumulated amortization and, if necessary, impairment losses. Purchased intangible assets have a finite useful life and are amortized on a straight-line basis over their useful life of 20 years.

### (j) Environmental liabilities

Environmental liabilities are recognized for contaminated sites, as a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized when all of the following criteria are satisfied: an environmental standard exists, contamination exceeds the environmental standard, the Government is directly responsible or accepts responsibility, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. The liability reflects the Government's best estimate of the amount required to remediate the sites to the current minimum standard for its use prior to contamination, discounted using the Government's cost of borrowing for maturity dates that coincide with the expected cash flows.

Environmental liabilities consist of the estimated costs related to the management and remediation of environmentally contaminated sites, including costs such as those for future site assessments, development of remedial action plans, resources to perform remediation activities, land farms and monitoring. All costs associated with the remediation, monitoring, and post-closing of the site are estimated and accrued. Where estimates are not readily available from third party analyses, an estimation methodology is used to record a liability when sufficient information is available. The methodology used is based on costs or estimates for sites of similar size and contamination when the Government is obligated, or is likely obligated, to incur such costs. If the likelihood of a future event that would confirm the Government's responsibility to incur these costs is not determinable, or in the event it is not possible to determine if future economic benefits will be given up, or if a confirming future event is likely but an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the consolidated financial statements and no liability is accrued. The environmental liabilities for contaminated sites are reassessed on an annual basis.

### (k) Asset retirement obligations and liabilities for sewage lagoons and solid waste sites

Asset retirement obligations (ARO) are recognized where there is a legal obligation to retire a tangible capital asset and are based on management's best estimate of the future expenditures required to settle the legal obligations to the extent that they can be reasonably estimated and are calculated based on the estimated future cash flows necessary to discharge the legal obligations, discounted using the Government's cost of borrowing for maturity dates that coincide with the expected cash flows.

The estimated ARO is recorded as a liability with a corresponding increase to tangible capital assets. The liability for AROs is increased annually for the passage of time by calculating accretion on the liability based on the discount rates implicit in the initial measurement. Changes in the obligation resulting from revisions to the timing or amount of the estimated undiscounted cash flows or revisions to the discount rate are recognized as an increase or decrease in the related carrying amount of the related tangible capital asset.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (k) Asset retirement obligations and liabilities for sewage lagoons and solid waste sites (continued)

The Government has a liability relating to restoration of sewage lagoons and solid waste sites that are located on Commissioner's land and where the obligation is communicated to the operators of the sites. These liabilities are not ARO as they do not relate to tangible capital assets controlled by the Government. They are measured in accordance with the policies the Government uses to measure ARO because they are similar in nature. Costs associated with these liabilities are expensed in the year they are incurred. Revisions in estimated cash flows that result in a reduction or increase of the liability are recorded as either recoveries or losses in the year the change takes place.

### (l) Liabilities under Public Private Partnerships

The Government may, as an alternative to traditional forms of procurement governed by the Government's Contract Regulations, enter into public private partnership (P3) agreements with the private sector to procure services and public infrastructure when: there is appropriate risk sharing between the Government and the private sector partners; the agreement extends beyond the initial capital construction of the project, and; the arrangement results in a clear net benefit to the Government as opposed to being merely neutral in comparison with standard procurement processes.

The Government accounts for P3 projects in accordance with the substance of the underlying agreements. P3 projects are recognized where the Government controls the purpose and use of the infrastructure, access to the future economic benefits and exposure to risks of the infrastructure asset, and significant residual interest in the infrastructure, if any, at the end of the P3's term. In circumstances where the Government is determined to bear the risks and rewards of an asset under construction, the resulting tangible capital asset and the corresponding liability are recognized over time as the construction progresses and control is transferred to the Government. The tangible capital asset (classified as work in progress) and the corresponding liability are recorded based on the estimated percentage of completion. In circumstances where the Government does not bear the risks and rewards of the asset until substantial completion the future associated agreement is disclosed.

The tangible capital asset value is the total of progress payments made during construction and the net present value of the future payments, discounted using the imputed interest rate for the agreement. Capital expenditures may occur throughout the project or at the capital in-service date. When available for use, the P3 tangible capital assets are amortized over their estimated useful lives. A liability, recognized in relation to a P3 agreement is initially measured at the same amount as the related capital asset, reduced for any consideration previously provided to the private sector partner. P3 liabilities are subsequently measured at amortized cost using the effective interest rate method in accordance with the financial liability model.

Service fees may occur throughout the project or when the project is operational; these fees will include both a service and operational component. The operating and service costs, that are clearly identified in the agreements, are expensed as they are incurred. All payments are adjusted to reflect performance standards or inflation as outlined in the specific agreement and penalties may be deducted for sub-standard performance.

### (m) Financial instruments

Financial instruments are any contracts that give rise to financial assets of one entity and financial liabilities or equity instruments of another entity.

The Government's financial instruments consist of cash and cash equivalents, portfolio investments, accounts receivable, loans receivable, due from the Government of Canada, short term loans, accounts payable and accrued liabilities, due to the Government of Canada, long term debt and liabilities under public private partnerships.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (m) Financial instruments (continued)

Portfolio investments in equities quoted in an active market and certain other investments are measured at fair value. All other financial instruments are measured at cost or amortized cost. The Government classifies fair value measurements using a hierarchy with the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3 – inputs for the asset or liability that are not based on observable market data.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the Consolidated Statement of Remeasurement Gains and Losses. Upon settlement, a cumulative gain or loss is reclassified from the Consolidated Statement of Remeasurement Gains and Losses and recognized in the Consolidated Statement of Operations and Accumulated Operating Surplus. Interest and dividends attributable to financial instruments are reported in the Statement of Operations and Accumulated Operating Surplus. For financial instruments measured at amortized cost, the effective interest rate method is used to determine interest revenue or expense.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the Consolidated Statement of Operations and Accumulated Operating Surplus.

### (n) Pensions and other employee future benefits and compensated absences

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Government's contributions are charged as an expense on a current year basis and represent the total pension obligations. The Government is not required under present legislation to make contributions with respect to any actuarial deficiencies of the Public Service Pension Plan.

Pension benefits are reported on an actuarial basis. This is done to determine the current value of future entitlement and uses various estimates. When actual experience varies from estimates or when actuarial assumptions change, the adjustments are amortized on a straight-line basis over the estimated average remaining service lives of the contributors. Recognition of actuarial gains and losses commences in the year following the effective date of the related actuarial valuations. In addition, immediate recognition of a previously unrecognized net actuarial gain or loss may be required upon a plan amendment, curtailment, or settlement.

Under the terms and conditions of employment, government employees may earn non-pension benefits for resignation, retirement, and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment. Eligibility is based on a variety of factors including place of hire, date employment commenced, and reason for termination. Benefit entitlements are paid upon resignation, retirement, or death of an employee. The expected cost of providing these benefits is recognized as employees render service. Termination benefits are also recorded when employees are identified for lay-off. Compensated absences include sick, special, parental, and maternity leave. Accumulating non-vesting sick and special leave are recognized in the period the employee provides service, whereas parental and maternity leave are event driven and are recognized when the leave commences. An actuarial valuation of the cost of these benefits (except maternity and parental leave) has been prepared using data provided by management and assumptions based on management's best estimates.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (o) Contractual obligations and contingent liabilities

The Government enters into contracts that are significant in relation to its current financial position or that will materially affect future expenses. Contractual obligations pertain to funding commitments for operating, commercial and residential leases, and capital projects. Contractual obligations are obligations of a government to others that will become liabilities in the future when the terms of those contracts or agreements are met. The nature, extent and timing of contractual obligations are disclosed in the notes to the consolidated financial statements.

The contingent liabilities of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the confirming future event is considered likely and is quantifiable, an estimated liability is accrued. If the occurrence of the confirming future event is likely but the amount of the liability cannot be reasonably estimated or if the occurrence of the confirming future event is not determinable, the contingent liability is disclosed but is not accrued.

### (p) Grant from the Government of Canada

The Grant from the Government of Canada is recognized as revenue when entitlement for the transfer occurs. Under the *Federal-Provincial Fiscal Arrangements Act* (Canada), the Grant from the Government of Canada is based on the Territorial Formula Financing calculated as the Gross Expenditure Base, offset by eligible revenues, which are based on a three-year moving average, lagged two years, of representative revenue bases at national average tax rates. Population growth rates and growth in provincial/local government spending are variables used to determine the growth in the Gross Expenditure Base. The Grant is calculated once for each fiscal year and is not revised, with all payments flowing to the Government prior to the end of the fiscal year.

### (q) Transfer payments

Government transfers are recognized as revenue in the period in which the events giving rise to the transfer occurred, as long as the transfer is authorized, eligibility criteria have been met, stipulations that give rise to a liability have been satisfied and a reasonable estimate of the amount can be made. Transfers received before these criteria are fully met are recorded as deferred revenue.

### (r) Taxation revenues

Corporate and Personal Income tax revenue are recognized on an accrual basis, net of any tax concessions. Income tax is calculated net of tax deductions and credits allowed under the *Income Tax Act* (Northwest Territories). If an expense provides a financial benefit other than a relief of taxes, it is classified as a transfer made through the tax system. If an expense provides tax relief to a taxpayer and relates to revenue, this expense is considered a tax concession and is netted against tax revenues. Taxes, under the *Income Tax Act* (Northwest Territories), are collected by the Government of Canada on behalf of the Government under a tax collection agreement. The Government of Canada remits Personal Income taxes monthly throughout the year and Corporate Income tax monthly over a six month period beginning in February. Payments are based on Canada's Department of Finance's estimates for the taxation year, which are periodically adjusted until the income tax assessments or reassessments for that year are final. Income tax estimates, determined by the Government of Canada, combine actual assessments with an estimate that assumes that previous years' income tax allocations will be sustained and are subject to revisions in future years. Differences between current estimates and future actual amounts can be significant. Any such differences are recognized when the actual tax assessments are finalized.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (r) Taxation revenues (continued)

Fuel, carbon, tobacco, payroll and property taxes are levied under the authority of the *Petroleum Products and Carbon Tax Act*, the *Tobacco Tax Act*, the *Payroll Tax Act*, and the *Property Assessment and Taxation Act*, respectively. Fuel, carbon and tobacco tax revenues are recognized on an accrual basis, based on statements received from collectors. Payroll tax is recognized on an accrual basis, based on payroll tax revenues of the prior year. Property tax and school levies are recognized on an accrual basis based on assessments of the prior year. Adjustments arising from reassessments are recorded in revenue in the year they are finalized.

### (s) Sales, general, non-renewable resource and recoveries revenues

Other revenues from non-exchange transactions

Non-exchange transactions are transactions where there is no direct transfer of goods or services to a payor. The Government recognizes certain regulatory revenue from non-exchange transactions when the Government has the authority to claim or retain an inflow of economic resources, and identifies a past transaction or event that gives rise to an asset. The Government records revenue from these transactions at realizable value, which is generally the amount of cash or cash equivalents received or receivable.

Other revenues from exchange transactions

Exchange transactions are transactions where goods or services are provided to a payor for consideration. These transactions include performance obligations for the Government arising directly from a payment or promise of consideration by a payor. For each performance obligation, the Government evaluates whether the performance obligation is satisfied over a period of time or at a point in time and recognizes the revenue when the performance obligation is satisfied. Where a performance obligation is satisfied over time, the Government measures its progress of satisfying the performance obligation considering the characteristics of the goods or services being provided and the pattern of benefit to the payor.

*Sale of goods*

The Government sells the following types of goods to payors in exchange for consideration: liquor and cannabis products, petroleum products, power (electricity), and arts and crafts. The Government recognizes revenue from sale of goods at a point in time when the control of the good is transferred to the payor and the payor has control of the benefits associated with the goods. Sale of power (electricity) is recognized as electricity is delivered because of continuous transfer of control to the customer.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (s) Sales, general, non-renewable resource and recoveries revenues (continued)

Other revenues from exchange transactions (continued)

*Rendering of services*

The Government renders services to payors and recognizes revenue from the rendering of each distinct service when, or as, the Government satisfies a performance obligation by providing the promised service to a payor. The Government has the following significant revenue streams from the rendering of services:

| Revenue streams and performance obligations | Timing of satisfaction of the performance obligation |
|---|---|
| Sales | |
| Marine Transportation Services: cargo and fuel delivery, shipyard services, and other services. | Cargo and fuel delivery and shipyard services are recorded at a point in time when the delivery or service is complete. |
| General | |
| Rental and lease: includes provision of accommodations such as residential housing and student accommodations. | Recorded over a period of time in accordance with the agreement. |
| Other: various miscellaneous services including contract work, lottery revenue, tuition fees, and telecom revenue. | Certain miscellaneous services are recorded at a point in time; other services are required to be recorded over time. |
| Regulatory revenue: registration fees, toll revenue, licenses, and permits (excluding non-renewable resource revenue). | Excluding rights to access which are recorded over time, regulatory revenue is recorded at a point in time. |
| Non-renewable resource revenue | |
| Mineral, oil and gas royalties: granting access to a non-renewable resource. | At a point in time as resources are extracted. |
| Licenses, leases and other fees: granting of rights and providing access relating to prospecting, claims, and extraction. | Leases are recorded over time. Licenses and other fees are recorded at a point in time. |
| Quarry fees: providing the gravel and/or other granular material. | At a point in time. |
| Recoveries | |
| Provision of medical and other services on behalf of other governments and third parties under various cost recovery arrangements. | At a point in time once the service is provided. |

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (s) Sales, general, non-renewable resource and recoveries revenues (continued)

Variable consideration

If the consideration in a contract includes a variable amount, the Government estimates the amount of consideration to which it will be entitled in exchange for satisfying the performance obligation. The variable consideration is estimated at contract inception using either the expected value method or the most likely amount, based on which method estimates the most relevant and representationally faithful amount given the circumstances.

If the consideration in an arrangement is sales-based or usage-based and dependent on the actions of the payor, such as in the case of the minerals, oil and gas royalties, the amount of revenues earned is uncertain until a future event such as the sale or usage occurs. As the future event in a sales-based or usage-based arrangement is uncertain and outside of the Governments' control, revenue is recognized when the performance obligation of the Government is satisfied and when the Government can confirm that the sale or usage by the payor is completed.

Significant concessionary terms

When the Government offers a significant concession, such as lengthy payment terms to a payor, compared to a similar transaction, all or a significant portion of the transaction price is in the nature of a concession (grant) and the transaction price is adjusted to reflect the amount expected to be earned. The transaction price is measured using the best estimate based on the terms of the transaction at each reporting date.

### (t) Expenses

Grants and contributions expenses are recognized as long as the grant or contribution is authorized, and all eligibility criteria have been met. Grants and contributions include transfer payments paid through programs to individuals, and to provide major transfer funding for communities under community government funding arrangements. Payments to individuals include payments for children's benefits, income support or income supplement. Assistance is based on age, family status, income, and employment criteria. Other transfer payments are provided to conduct research, to establish new jobs through support for training and to promote educational, health and cultural activities. All expenses are recognized on an accrual basis.

### (u) Recoveries of prior years' expenses

Recoveries of prior years' expenses and reversal of prior years' expense accruals in excess of actual expenditures are reported separately from other revenues on the Consolidated Statement of Operations and Accumulated Operating Surplus. Pursuant to the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenses.

### (v) Foreign currency translation

Foreign currency transactions are translated into Canadian dollars using rates in effect at the time the transactions were entered into. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using exchange rates at year-end. Unrealized gains and losses arising from translation are recognized in the Consolidated Statement of Remeasurement Gains and Losses and are reclassified to the Consolidated Statement of Operations and Accumulated Operating Surplus when settled.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (w) Segmented information

The Government reports on segments on the basis of relationships of its operations with similar entities. Segmented information is disclosed in Schedule B. Segments are identified by the nature of an entity's operations and the accountability relationship that a group of similar entities has with the Government. There are no significant allocations of revenues or expenses between segments.

Government departments are identified as one segment to reflect the direct accountability relationship for financial reporting and budgeting between departments, their respective Ministers, and the Legislative Assembly.

Other Public Agencies within the Government Reporting Entity represent another segment. These agencies are typically associated with a particular Government department and have a formalized reporting relationship to that department. For example, Health and Social Services Authorities have an accountability relationship to the Minister of Health and Social Services as well as to their respective board members. Other Public Agencies also includes agencies that report directly to a Minister responsible for their operations. For example, Housing Northwest Territories and Northwest Territories Hydro Corporation have Ministers specifically assigned to their operations. The agencies in this segment assist the Government in delivering its programs and services and in achieving its priorities.

### (x) Future accounting changes

Effective April 1, 2026, the Government will be required to adopt the new *Conceptual Framework for Financial Reporting in the Public Sector*. Earlier adoption of the new framework is permitted. The Government is currently assessing the impact of this section on the consolidated financial statements.

Effective April 1, 2026, the Government will be required to adopt PS 1202 Financial Statement Presentation. The standard sets out general and specific requirements for the presentation of information in financial statements. The financial statement presentation principles are based on the concepts in the Conceptual Framework. Earlier adoption is permitted if the *Conceptual Framework for Financial Reporting in the Public Sector* is early adopted. The Government is currently assessing the impact of this standard on the consolidated financial statements.

## 3. ACQUISITION OF HAY RIVER FRANCHISE

On March 1, 2025, the Government completed their acquisition of the Hay River franchise, including electricity distribution and backup generation assets and other related assets and liabilities.

The Government acquired the following assets and assumed liabilities:

| | |
|---|---|
| Original purchase price | $ 28,255 |
| Less: Allocation of original purchase price | |
| Tangible capital assets | 12,317 |
| Accounts receivable | 460 |
| Inventory | 279 |
| Accounts payable and accrued liabilities | (37) |
| | 13,019 |
| Total purchased intangible asset | 15,236 |
| Subsequent adjustments to the original purchase price | |
| Accounts receivable | 875 |
| Inventory | (35) |
| | 840 |
| Adjusted purchase price | $ 29,095 |

$28,255 of the adjusted purchase price was transferred on the closing date of March 1, 2025, the remaining portion is still owning at March 31, 2025.

As a result of the acquisition, the Government capitalized, within the tangible capital assets ($11,525 to Infrastructure and Other for electric power plants and transmission and distribution assets, and $792 to Buildings and Leasehold Improvements), related overhead costs and transfer costs of $591, and increased the asset retirement obligation related to purchased buildings for $212.

The portion allocated to purchased intangible assets includes the Government's exclusive franchise rights to distribute electricity with the Town of Hay River for 15 years with an automatic 5-year extension assuming neither party has provided notice of non-extension.

## 4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are made of the following:

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Cash | 169,439 | 222,987 |
| Cash equivalents | 15,687 | 157 |
| | 185,126 | 223,144 |

## 5. DESIGNATED AND RESTRICTED ASSETS

### (a) Restricted assets

Restricted assets include funds remitted to the Government, that are restricted for use in the Yellowknife Airport Capital Program, pursuant to the *Memorandum of Agreement* between the Government and Signatory Air Carriers. Restricted assets for Yellowknife Airport Improvement Fees at March 31, 2025 is $16,235 (2024 - $8,370) and is included in cash and cash equivalents with a corresponding liability in deferred revenue.

### (b) Designated assets

Designated assets are included in cash and cash equivalents (note 4) as well as in portfolio investments (note 6).

Pursuant to the *Student Financial Assistance Act*, the assets of the Student Loan Fund are to be used to provide financial assistance to post-secondary students that meet eligibility criteria as prescribed in its regulations.

Pursuant to the *Northwest Territories Heritage Fund Ac*t, the assets of the Heritage Fund are to be used to ensure that the future generations of people of the Northwest Territories benefit from on-going economic development, including the development of non-renewable resources.

Pursuant to the *Waste Reduction and Recovery Act*, the assets of the Environment Fund are to be used for purposes specified in the act including programs with respect to the reduction and recovery of waste.

Portfolio investments, while forming part of the Consolidated Revenue Fund, are designated for the purpose of meeting the obligations of the Legislative Assembly Supplemental Retiring Allowance Pension Plan (note 17). Supplementary Retiring Allowance Regulations restrict the investments to those permitted under the *Pension Benefits Standards Act.* The remainder consists of investments held by public agencies listed in note 1(a).

Pursuant to the *Prosper NWT Act*, and its Regulations, Prosper NWT is required to establish a Loan and Investments Fund for its lending and investing activities. The regulations specify that a Loans and Bonds Fund will be used to record the lending operations. Prosper NWT is required to use a Venture Investment Fund to record the venture investment operations. Furthermore, Prosper NWT is obligated to maintain a Capital Fund and Subsidy Fund.

In addition to these funds, Prosper NWT is required, to establish a Capital Reserve Fund and a Venture Reserve Fund, respectively. Prosper NWT will continue to deposit to these reserve funds an amount equal to 10% of each capital or venture investment made. Prosper NWT may use these reserve funds for further investment or financing for its subsidiaries and venture investments through approved drawdowns.

Pursuant to the *Land Titles Act*, the assets of the Land Titles Assurance Fund are to be used to compensate owners for certain financial losses they incur due to real estate fraud or omissions and errors of the land registration system.

The Government has a fund for retiring the bond that is due in September 2051 (note 15). Annual contributions of cash from the Government will be invested in equities and fixed income securities. The portfolio is externally managed.

Other designated assets will be used for various specified purposes.

## 5. DESIGNATED AND RESTRICTED ASSETS (continued)

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| ***Student Financial Assistance Act*** | | |
| Student Loan Fund: | | |
| Authorized limit for loans receivable | 45,000 | 45,000 |
| Less: Loans receivable balance (*note* 8) | (44,484) | (41,444) |
| Funds designated for new loans | **516** | **3,556** |
| ***Northwest Territories Heritage Fund Act*** | | |
| Heritage Fund: | | |
| Heritage Fund net assets | **52,495** | **49,686** |
| ***Waste Reduction and Recovery Act*** | | |
| Environment Fund: | | |
| Beverage Container Program net assets | **9,441** | **9,501** |
| ***Pension Benefits Standard Act*** | | |
| Portfolio Investments, including cash and cash equivalents, for the Legislative Assembly Supplementary Retiring Allowance (*note 17*) | **45,635** | **44,220** |
| ***Prosper NWT Act*** | | |
| Loan and Investment Funds | **6,996** | **9,538** |
| ***Land Titles Act*** | | |
| Land Titles Assurance Fund net assets | **6,673** | **6,103** |
| **Investments for repayment of bond** | | |
| Portfolio investments including cash and cash equivalents | **19,189** | **14,205** |
| **Other** | | |
| Cash and cash equivalents | **433** | **392** |
| | **141,378** | **137,201** |

## 6. PORTFOLIO INVESTMENTS

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Cost and amortized cost | 145,735 | 144,862 |
| Fair valued | 37,433 | 33,181 |
| **Total portfolio investments** | **183,168** | **178,043** |

Portfolio investments recorded at cost and amortized cost are comprised of the following:

| | 2025<br>Cost<br>$ | 2025<br>Market Value<br>$ | 2024<br>Cost<br>$ | 2024<br>Market Value<br>$ |
|---|---|---|---|---|
| Guaranteed Investment Certificates | 62,795 | 63,058 | 45,882 | 45,691 |
| Bonds | 79,606 | 77,876 | 95,683 | 90,214 |
| Equities not quoted in an active market and other financial instruments | 3,334 | 3,334 | 3,297 | 3,297 |
| | **145,735** | **144,268** | 144,862 | 139,202 |

Portfolio investments recorded at fair value are comprised of the following:

| | 2025<br>Level 1<br>$ | Level 2<br>$ | Level 3<br>$ | Total<br>$ |
|---|---|---|---|---|
| Other instruments designated at fair value | | | | |
| Interest bearing securities | - | 8,640 | - | 8,640 |
| Equities quoted in an active market | | | | |
| Pooled investments - Canadian | 10,126 | - | - | 10,126 |
| Pooled investments - Global | 18,667 | - | - | 18,667 |
| | **28,793** | **8,640** | **-** | **37,433** |

| | 2024<br>Level 1<br>$ | Level 2<br>$ | Level 3<br>$ | Total<br>$ |
|---|---|---|---|---|
| Other instruments designated at fair value | | | | |
| Interest bearing securities | - | 6,615 | - | 6,615 |
| Equities quoted in an active market | | | | |
| Pooled investments - Canadian | 9,102 | - | - | 9,102 |
| Pooled investments - Global | 17,464 | - | - | 17,464 |
| | **26,566** | **6,615** | **-** | **33,181** |

## 7. ACCOUNTS RECEIVABLE

| | Accounts Receivable $ | Allowance for Doubtful Accounts $ | Net 2025 $ | Net 2024 $ |
|---|---|---|---|---|
| General[1] | 199,872 | (46,437) | 153,435 | 68,990 |
| Utilities | 15,962 | (280) | 15,682 | 13,323 |
| Non-renewable resource revenue | 819 | - | 819 | 6,610 |
| Government of Nunavut | 18,962 | - | 18,962 | 11,074 |
| Health related costs due from third parties | 18,590 | (7,296) | 11,294 | 9,596 |
| Revolving fund sales | 7,166 | (32) | 7,134 | 10,124 |
| Workers' Safety and Compensation Commission | 775 | - | 775 | 1,221 |
| | **262,146** | **(54,045)** | **208,101** | **120,938** |

[1] In March 2025, the Ontario Superior Court approved a $32.5 billion tobacco settlement, of which $24.7 billion is payable to the provinces and territories. The Northwest Territories' share is 0.7269 percent plus interest, or approximately $185 million. The distribution of the proceeds included an upfront payment of $47 million received in August 2025 and $138 million in future annual installments. There is significant uncertainty in the estimated revenue and receivable, due to the uncertainty of the collectability and timing of the full amounts as stipulated in the settlement agreement. Tobacco settlement accounts receivable and revenue of $83.7 million is based on the value of estimated future payments and includes a credit risk adjustment. Actual revenue could vary significantly from the estimate.

## 8. LOANS RECEIVABLE

| | 2025 $ | 2024 $ |
|---|---|---|
| Prosper NWT loans to businesses receivable over a maximum of 25 years, secured by real property, heavy equipment and general security agreements; bearing fixed interest between 1.75% and 11.20%, (2024 - between 1.75% and 11.00%) before valuation allowance of $3,696 (2024 - $3,745). | 38,786 | 43,793 |
| Students Loan Fund loans due in installments to 2045, bearing fixed interest between 0.00% and 11.75%, (2024 - between 0.00% and 10.00%) unsecured, before valuation allowance and loan remissions of $19,012 (2024 - $16,958). | 44,484 | 41,444 |
| Housing Northwest Territories mortgages and loans to individuals receivable over a maximum of 25 years, some of which are unsecured and others are secured by registered charges against real property bearing fixed interest between 0.00% and 10.50%, (2024 - between 0.00% and 10.50%) before valuation allowance of $5,999 (2024 - $6,683). | 8,908 | 9,941 |
| | **92,178** | **95,178** |
| Valuation allowances | (28,707) | (27,386) |
| | **63,471** | **67,792** |

Interest earned on loans receivable during the year is $2,549 (2024 - $2,823).

## 9. SHORT TERM LOANS

Based upon operational needs, the Government may enter into short term borrowing arrangements with its banks. Short term loans of $762,962 (2024 - $613,155) incurred interest at a weighted average year-end rate of 3.70% (2024 - 5.85%). Interest expense on short term loans included in operations and maintenance expenses is $24,706 (2024 - $21,494).

## 10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | 2025 $ | 2024 $ |
|---|---|---|
| Trade | 361,414 | 356,938 |
| Employee and payroll-related liabilities | 124,075 | 118,579 |
| Other liabilities | 16,555 | 15,469 |
| Accrued interest | 49 | 459 |
| Government of Nunavut | 431 | 666 |
| Workers' Safety and Compensation Commission | 160 | 3,216 |
| | **502,684** | **495,327** |

## 11. DEFERRED REVENUE

| | 2024 Balance $ | Increases $ | Decreases $ | 2025 Balance $ |
|---|---|---|---|---|
| **Government Transfers:** | | | | |
| Government of Canada | 28,921 | 58,678 | (49,067) | 38,532 |
| Government of Canada Agencies | | | | |
| Canadian Heritage | - | 42 | (22) | 20 |
| Canadian Mortgage and Housing Corporation | 24,555 | - | (4,441) | 20,114 |
| Canadian Northern Economic Development Agency | 2,447 | - | (2,269) | 178 |
| Crown - Indigenous Relations and Northern Affairs Canada | 27,268 | 8,360 | (13,637) | 21,991 |
| Department of National Defence | 29,841 | 30,095 | (30,051) | 29,885 |
| Employment and Social Development Canada | - | 24,353 | (18,300) | 6,053 |
| Environment and Climate Change | 2,046 | 971 | (1,796) | 1,221 |
| Health Canada | 19,346 | 22,277 | (25,031) | 16,592 |
| Indigenous Services Canada | 9,007 | 33,548 | (28,190) | 14,365 |
| Infrastructure Canada | 8,416 | - | (8,008) | 408 |
| Ministry of Finance | 4,660 | 4,527 | (4,660) | 4,527 |
| Natural Resources Canada | 90 | - | (90) | - |
| Natural Sciences and Engineering Research Canada | 492 | 305 | - | 797 |
| Parks Canada | 55 | 51 | (68) | 38 |
| Public Health Agency of Canada | 3,556 | 411 | (1,041) | 2,926 |
| Social Sciences and Humanities Research Council of Canada | 77 | - | (77) | - |
| Transport Canada | 5,651 | 8,971 | (12,346) | 2,276 |
| Wage and Gender Equality Canada | - | 2,462 | (2,165) | 297 |
| Bilateral Water Management Agreements | 2,921 | 340 | (564) | 2,697 |
| Government of Nunavut | 369 | 14 | (369) | 14 |
| | 169,718 | 195,405 | (202,192) | 162,931 |
| **Taxation:** | | | | |
| Large emitters carbon tax | 7,568 | - | (3,781) | 3,787 |
| **Other:** | | | | |
| General | 7,054 | 3,365 | (5,706) | 4,713 |
| Non-renewable resources | 3,002 | 632 | (152) | 3,482 |
| Restricted assets (note 5) | 8,370 | 8,286 | (421) | 16,235 |
| Ventura | 4,800 | - | (4,800) | - |
| | 23,226 | 12,283 | (11,079) | 24,430 |
| | **200,512** | **207,688** | **(217,052)** | **191,148** |

## 12. ENVIRONMENTAL LIABILITIES

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which the Government is responsible. The Government has identified 233 (2024 - 231) sites as potentially requiring environmental remediation at March 31.

| Type of Site | 2024 Liability | New Sites in 2025 | Change in Estimate | Remediation Expenditures | Revision in Estimated Cash Flows | 2025 Liability | Number of Sites |
|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | |
| Abandoned mines[1] | 32,843 | - | - | (646) | (4,002) | 28,195 | 8 |
| Landfills[2] | 4,520 | - | 747 | (860) | (72) | 4,335 | 31 |
| Abandoned infrastructure and schools[3] | 23,376 | - | 592 | (621) | 1,387 | 24,734 | 80 |
| Airports, airport strips or reserves[4] | 3,068 | 1,200 | 79 | (37) | (407) | 3,903 | 31 |
| Sewage lagoons[5] | 1,957 | - | | - | (44) | 1,913 | 28 |
| Fuel tanks and resupply lines[2] | 1,831 | - | - | (10) | (39) | 1,782 | 12 |
| Abandoned lots and maintenance facilities[3] | 23,928 | 94 | 1,762 | (987) | (112) | 24,685 | 43 |
| Total | **91,523** | **1,294** | **3,180** | **(3,161)** | **(3,289)** | **89,547** | **233** |

Possible types of contamination identified under each type of site include the following:
[1] metals, hydrocarbons, asbestos, wood/metal debris, waste rock, old mine buildings, lead paint;
[2] hydrocarbons, glycol, metals;
[3] hydrocarbons, petroleum products;
[4] hydrocarbons, vehicle lubricants, asbestos, glycol;
[5] metals, e.coli, total coliforms.

The carrying amount of the liability is based on total expected undiscounted expenditures of $166,295 (2024 - $181,264) and the weighted average discount rate of 4.49% (2024 - 4.86%). The undiscounted cash flows are expected to be incurred between 1 to 65 years (2024 - between 1 to 67 years) and are expected to be settled between 2026 to 2090 (2024 - between 2025 to 2092).

There were 5 (2024 - 4) sites closed or derecognized during the fiscal year as they were either remediated or no longer meet all the criteria required to record a liability for contaminated sites. No sites were transferred to liabilities for sewage lagoons and solid waste sites (2024 - 0).

Included in the 233 (2024 - 231) sites, there are 64 (2024 - 65) sites where no liability has been recognized. The contamination is not likely to affect public health and safety, cause damage, or otherwise impair the quality of the surrounding environment and there is likely no need for action unless new information becomes available indicating greater concerns, in which case, the site will be re-examined. These sites will continue to be monitored as part of the Government's ongoing environmental protection program.

## 13. ASSET RETIREMENT OBLIGATIONS AND LIABILITIES FOR SEWAGE LAGOONS AND SOLID WASTE SITES

### Asset retirement obligations

Asset retirement obligations consist primarily of remediation costs related to disposing of asbestos and other hazardous materials in government owned buildings.

| Type of Asset | 2024 Liability $ | Accretion Expense $ | New Liabilities Incurred $ | Remediation Expenditures $ | Revisions in Estimated Cash Flows $ | 2025 Liability $ |
|---|---|---|---|---|---|---|
| Buildings | 132,006 | 4,334 | 212 | - | (4,020) | 132,532 |
| Infrastructure | 1,132 | 36 | (10) | (11) | (11) | 1,136 |
| | 133,138 | 4,370 | 202 | (11) | (4,031) | 133,668 |

The carrying amount of the obligation is based on total expected undiscounted expenditures of $217,103 (2024 - $219,555) and the weighted average discount rate of 4.58% (2024 - 4.57%). The undiscounted cash flows are expected to be incurred between 1 to 49 years (2024 - between 1 to 59 years) and are expected to be settled between 2026 to 2075 (2024 - between 2025 to 2084).

The additions to tangible capital assets are amortized on a straight line basis over the remaining useful life of the related asset(s).

### Liabilities for sewage lagoons and solid waste sites

The Government has a liability relating to sewage lagoons and solid waste sites that are on Commissioner's land and for which the assumed liability has been communicated to the site operators. The liability consists of the following:

| Liability | 2024 Liability $ | Accretion Expense $ | New Liabilities Incurred $ | Remediation Expenditures $ | Revisions in Estimated Cash Flows $ | 2025 Liability $ |
|---|---|---|---|---|---|---|
| Sewage lagoons | 2,764 | 127 | - | - | (122) | 2,769 |
| Solid waste sites | 19,775 | 634 | - | - | (958) | 19,451 |
| | 22,539 | 761 | - | - | (1,080) | 22,220 |

The carrying amount of the obligation is based on total expected undiscounted expenditures of $126,397 (2024 - $127,869) and the weighted average discount rate of 4.47% (2024 - 4.58%). The undiscounted cash flows are expected to be incurred between 23 to 86 years (2024 - 2 to 86 years) and are expected to be settled between 2047 to 2111 (2024 - 2025 to 2111).

## 14. DUE TO (FROM) THE GOVERNMENT OF CANADA

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| **Due from the Government of Canada** | | |
| Transfer payments and recoveries receivables | (170,556) | (166,376) |
| | **(170,556)** | **(166,376)** |
| **Due to the Government of Canada** | | |
| Excess income tax advanced | 8,193 | 16,007 |
| Miscellaneous payables | 25,344 | 22,402 |
| | **33,537** | **38,409** |
| | **(137,019)** | **(127,967)** |

## 15. LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Loans due to Canada Mortgage and Housing Corporation, repayable in annual installments until the year 2033, bearing interest at a rate of 6.97% (2024 - 6.97%), unsecured. | 2,323 | 2,888 |
| Mortgages payable to Canada Mortgage and Housing Corporation for three third party loans under the Social Housing Agreement, maturing in 2026 and 2027, bearing interest at rates between 0.68% and 1.01% (2024 - between 0.68% and 1.01%), unsecured. | 252 | 398 |
| Canada Mortgage and Housing Corporation mortgage repaid in June 2024. | - | 22 |
| Bond, due September 29, 2051, bearing interest at 2.20% (2024 - 2.20%) payable semi-annually, unsecured. | 180,022 | 180,022 |
| Debentures, due 2026 to 2053, bearing interest between 3.82% and 6.00% (2024 - between 3.82% and 6.00%), unsecured. | 165,000 | 165,000 |
| Amortizing Debentures, due 2032 to 2047, bearing interest between 3.98% and 6.42% (2024 - between 3.98% and 6.42%), unsecured. | 91,148 | 94,692 |
| Deh Cho Bridge: Real return senior bonds with accrued inflation adjustment, maturing June 1, 2046, redeemable at the option of the issuer, bearing interest at 3.17% (2024 - 3.17%) payable semi-annually, unsecured. | 184,518 | 185,021 |
| | **623,263** | **628,043** |
| Unamortized premium, discount and issuance costs | (3,031) | (3,157) |
| **Total long-term debt** | **620,232** | **624,886** |
| **Capital lease obligations** | **25,715** | **15,139** |
| **Total long-term debt and capital lease obligations** | **645,947** | **640,025** |

## 15. LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS (continued)

Long-term debt principal repayments due in each fiscal year for the next five years and thereafter are as follows:

| | $ |
|---|---|
| 2026 | 23,228 |
| 2027 | 8,469 |
| 2028 | 8,599 |
| 2029 | 33,788 |
| 2030 | 9,259 |
| 2031 and beyond | 539,920 |
| | **623,263** |

Interest expense on long-term debt, included in operations and maintenance expenses, is $27,847 (2024 - $28,170).

Interest expenses related to capital lease obligations for the year is $2,177 (2024 - $1,251), at an implicit average interest rate of 9.60% to 10.44% (2024 - 9.60%). Capital lease obligations (expiring in 2061) are based upon contractual minimum lease obligations for the leases in effect as of March 31, 2025.

### Debt Authority

The Government has the authority to borrow, pursuant to subsection 28(4) of the *Northwest Territories Act* (Canada), within a borrowing limit authorized by the Government of Canada.

The Government borrowing limit was increased to $3,100,000 by Order in Council PC 2025-0176, dated February 25, 2025.

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Short term loans (note 9) | 762,962 | 613,155 |
| Long-term debt (note 15) | 623,263 | 628,043 |
| Capital lease obligations (note 15) | 25,715 | 15,139 |
| Guarantees (note 21(a)) | 3,748 | 4,581 |
| | **1,415,688** | **1,260,918** |
| Authorized borrowing limit | 3,100,000 | 1,800,000 |
| **Available borrowing capacity before the following:** | **1,684,312** | **539,082** |
| Liabilities under Public Private Partnerships (note 16) | 246,079 | 254,045 |
| **Available Borrowing capacity** | **1,438,233** | **285,037** |

## 16. LIABILITIES UNDER PUBLIC PRIVATE PARTNERSHIPS

**a)** The Government has entered into contracts for the design, build, operation and maintenance of the Mackenzie Valley Fibre Link; the design, build, and maintenance of the Stanton Territorial Hospital Renewal, and the design, build and maintenance of the Tlicho All Season Road.

The details of the contracts under P3s are as follows:

| Project | Partner | Date contract entered into | Actual completion date | Interest rate |
|---|---|---|---|---|
| Stanton Territorial Hospital Renewal | Boreal Health Partnership | September 2015 | November 2018 | 5.36% |
| Mackenzie Valley Fibre Link | Northern Lights General Partnership | October 2014 | June 2017 | 6.52% |
| Tlicho All Season Road | North Star Infrastructure GP | February 2019 | November 2021 | 6.53% |

**b)** The P3 liabilities are:

| | 2024 $ | Interest $ | Payments $ | 2025 $ | Repayment date |
|---|---|---|---|---|---|
| Stanton Territorial Hospital Renewal | 120,150 | 6,440 | (9,606) | 116,984 | 2049 |
| Mackenzie Valley Fibre Link | 64,000 | 4,200 | (7,500) | 60,700 | 2037 |
| Tlicho All Season Road | 69,895 | 4,616 | (6,116) | 68,395 | 2047 |
| **Total** | **254,045** | **15,256** | **(23,222)** | **246,079** | |

Estimated payments for each of the next five years and thereafter to meet P3 principal repayments are:

| | $ |
|---|---|
| 2026 | 8,000 |
| 2027 | 8,800 |
| 2028 | 9,600 |
| 2029 | 9,800 |
| 2030 | 10,100 |
| 2031 and beyond | 199,779 |
| | **246,079** |

## 16. LIABILITIES UNDER PUBLIC PRIVATE PARTNERSHIPS (continued)

**c)** The loan payments for P3s are fixed, equal monthly payments except for the loan payments for the Tlicho All Season Road, which are adjusted for inflation annually. Total P3 interest expense for the year is $15,256 (2024 - $15,730).

**d)** The P3 partners operate and maintain the P3 assets until the repayment date at which time operational responsibility will revert to the Government.

The Government's operating and maintenance payments for the Stanton Territorial Hospital Renewal Project for 2025 were $13,777 (2024 - $12,610). The service payments are subject to an annual adjustment based on an inflation index factor and a benchmarking exercise every six years.

The Government's operating and maintenance payments for the Mackenzie Valley Fibre Link for 2025 were $4,097 (2024 - $4,037). The service payments are subject to an inflation index factor and certain deductions based on the terms of the agreement.

The Government's operating and maintenance payments for the Tlicho All Season Road project for 2025 were $5,655 (2024 - $5,401). The service payments are subject to an annual adjustment based on the terms of the agreement including an inflation index factor.

**e)** Tangible capital assets, commitments, and contractual rights related to P3 projects are included in note 20 and schedule A.

## 17. PENSIONS

### a) Plans' description

The Government administers Regular Pension Plans for Members of the Legislative Assembly (MLAs), Territorial Court Judges, Employees of the Hay River Health and Social Services Authority and the Employees, Superintendent and Assistant Superintendents of the Yellowknife Catholic Schools. These Regular Pension Plans are contributory defined benefit registered pension plans and are pre-funded (Regular Funded). The funds related to these plans are administered by independent trust companies.

In addition to the Regular Pension Plans listed above, the Government administers Supplemental Pension Plans for the MLAs, Territorial Court Judges and Superintendent and Assistant Superintendents of the Yellowknife Catholic Schools that are non-contributory defined benefit pension plans and are non-funded (Supplemental Non Funded). The Government has designated assets for the purposes of meeting the obligations of the MLA Supplemental Pension Plan (note 5). The Supplemental Pension Plan for the Yellowknife Catholic Schools Superintendents and Assistant Superintendents is not funded until the employee terminates their employment from Yellowknife Catholic Schools.

The Government is liable for all benefits. All Plans provide death benefits to spouses and eligible dependents. All Plans are indexed. Plan assets consist of Canadian and foreign equities, and Canadian fixed income securities, and bonds.

Benefits provided under all Plans are based on years of service and pensionable earnings. Plan benefits generally accrue as a percentage of a number of years of best average pensionable earnings.

## 17. PENSIONS (continued)

### a) Plans' description (continued)

The remaining government employees participate in Canada's Public Service Pension Plan (PSPP). The PSPP provides benefits based on the number of years of pensionable service to a maximum of 35 years. Benefits are determined by a formula set out in the legislation; they are not based on the financial status of the pension plan. The basic benefit formula is 2 percent per year of pensionable service multiplied by the average of the best five consecutive years of earnings.

The public service pension plan was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to age 65 for new members joining the plan on or after January 1, 2013. For members with start dates before January 1, 2013, the normal retirement age remains age 60. Furthermore, contributions rates for current service for all members of the public service increased to an employer: employee cost sharing of 50:50 in 2017.

Other benefits include survivor pensions, minimum benefits in the event of death, unreduced early retirement pensions, and disability pensions.

### b) Pension liabilities (assets)

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Accrued benefit asset | | |
| Legislative Assembly Retiring Allowance Plan | (6,657) | (5,718) |
| Hay River Health and Social Services Pension Plan | (13,389) | (20,651) |
| | (20,046) | (26,369) |
| Accrued benefit liability | | |
| Judges Registered Pension Plan | 625 | 658 |
| Judges Supplemental Pension Plan | 11,204 | 10,862 |
| Legislative Assembly Supplemental Retiring Allowance Plan | 32,514 | 32,390 |
| Yellowknife Catholic School Registered Pension Plan | - | - |
| Yellowknife Catholic School Supplemental Pension Plan | 163 | 168 |
| | 44,506 | 44,078 |
| Total net (benefit) liability | **24,460** | **17,709** |

## 17. PENSIONS (continued)

### b) Pension liabilities (assets) (continued)

| | Legislative Assembly Retiring Allowance Plan $ | Legislative Assembly Supplemental Retiring Allowance Plan $ | Judges Registered Pension Plan $ | Judges Supplemental Pension Plan $ | Yellowknife Catholic School Registered Pension Plan $ | Yellowknife Catholic School Supplemental Pension Plan $ | Hay River Health and Social Services Pension Plan $ | 2025 Total $ |
|---|---|---|---|---|---|---|---|---|
| Accrued benefit obligation | 19,873 | 33,053 | 8,205 | 11,025 | 28,307 | 40 | 68,156 | 168,659 |
| Pension fund assets - market related value | (25,743) | - | (7,786) | - | (26,677) | - | (81,545) | (141,751) |
| Unamortized actuarial gains (losses) | (787) | (539) | 206 | 179 | (1,630) | 123 | (7,289) | (9,737) |
| Impairment on value of accrued pension asset | - | - | - | - | - | - | 7,289 | 7,289 |
| **Pension liabilities (assets)** | **(6,657)** | **32,514** | **625** | **11,204** | **-** | **163** | **(13,389)** | **24,460** |

| | Legislative Assembly Retiring Allowance Plan $ | Legislative Assembly Supplemental Retiring Allowance Plan $ | Judges Registered Pension Plan $ | Judges Supplemental Pension Plan $ | Yellowknife Catholic School Registered Pension Plan $ | Yellowknife Catholic School Supplemental Pension Plan $ | Hay River Health and Social Services Pension Plan $ | 2024 Total $ |
|---|---|---|---|---|---|---|---|---|
| Accrued benefit obligation | 18,142 | 30,843 | 8,024 | 10,570 | 27,385 | 37 | 63,429 | 158,430 |
| Pension fund assets - market related value | (24,846) | - | (7,730) | - | (27,299) | - | (84,080) | (143,955) |
| Unamortized actuarial gains (losses) | 986 | 1,547 | 364 | 292 | (86) | 131 | (1,413) | 1,821 |
| Impairment on value of accrued pension asset | - | - | - | - | - | - | 1,413 | 1,413 |
| **Pension liabilities (assets)** | **(5,718)** | **32,390** | **658** | **10,862** | **-** | **168** | **(20,651)** | **17,709** |

## 17. PENSIONS (continued)

### c) Change in pension liabilities (assets)

| | Legislative Assembly Retiring Allowance Plan $ | Legislative Assembly Supplemental Retiring Allowance Plan $ | Judges Registered Pension Plan $ | Judges Supplemental Pension Plan $ | Yellowknife Catholic School Registered Pension Plan $ | Yellowknife Catholic School Supplemental Pension Plan $ | Hay River Health and Social Services Pension Plan $ | 2025 Total $ | 2024 Total $ |
|---|---|---|---|---|---|---|---|---|---|
| **Opening balance** | **(5,718)** | **32,390** | **658** | **10,862** | **-** | **168** | **(20,651)** | **17,709** | **20,019** |
| Change from cash items: | | | | | | | | | |
| Contributions from plan members | (228) | - | (80) | - | (274) | - | (1,492) | (2,074) | (3,237) |
| Contributions from Government | (856) | - | (103) | - | (303) | - | - | (1,262) | (4,397) |
| Benefit payments to plan members | (1,211) | (1,840) | (483) | (552) | (932) | - | (2,519) | (7,537) | (9,002) |
| Drawdown from plan assets | 1,211 | - | 483 | - | 932 | - | 2,519 | 5,145 | 6,811 |
| **Change from cash items** | **(1,084)** | **(1,840)** | **(183)** | **(552)** | **(577)** | **-** | **(1,492)** | **(5,728)** | **(9,825)** |
| Change from accrual items: | | | | | | | | | |
| Current period cost | 775 | 781 | 292 | 510 | 434 | 1 | 3,401 | 6,194 | 8,164 |
| Amortization of actuarial (gains) losses | (293) | (414) | (159) | (112) | 30 | (8) | 553 | (403) | (1,037) |
| Change in valuation allowances | - | - | - | - | 485 | - | - | 485 | 313 |
| Interest on average accrued benefit obligation | 952 | 1,597 | 373 | 496 | 1,340 | 2 | 3,478 | 8,238 | 8,128 |
| Reduction in impairment of pension asset | - | - | - | - | - | - | 5,876 | 5,876 | (539) |
| Expected return on average plan assets | (1,289) | - | (356) | - | (1,712) | - | (4,554) | (7,911) | (7,514) |
| **Change from accrual items** | **145** | **1,964** | **150** | **894** | **577** | **(5)** | **8,754** | **12,479** | **7,515** |
| **Ending balance** | **(6,657)** | **32,514** | **625** | **11,204** | **-** | **163** | **(13,389)** | **24,460** | **17,709** |

## 17. PENSIONS (continued)

### d) Pension expense

The components of pension expense include current period benefit cost, amortization of actuarial net (gains)/losses and interest on average accrued benefit obligation net of the expected return on average plan assets, change in valuation allowance and contributions from plan members. The total expense is $4,528 (2024 - $8,034). The interest cost on the accrued benefit obligation is determined by applying the discount rate determined at the beginning of the period to the average value of the accrued benefit obligation for the period. The expected return on plan assets is determined by applying the assumed rate of return on plan assets to the average market-related value of assets for the period. The difference between the expected and actual return on plan assets is a gain of $13,981 (2024 - loss of $285).

In addition to the above, the Government contributed $71,084 (2024 - $61,205) to the Public Service Pension Plan. The employees' contributions to this plan were $68,828 (2024 - $59,651).

### e) Changes to pension plans in the year

There have been no plan amendments, plan settlements and curtailments or temporary deviations from the plan in 2025.

### f) Valuation methods and assumptions used in valuing pension assets and liabilities

The following reflects the date of valuation for each plan for accounting purposes:

| Pension Plan | Last Actuarial Valuation Accounting Date | Last Extrapolation Date | Next Valuation Date |
|---|---|---|---|
| Legislative Assembly Retiring Allowance Plan | April 1, 2024 | January 31, 2025 | April 1, 2028 |
| Judges Registered Plan | April 1, 2022 | January 1, 2025 | April 1, 2025 |
| Retirement Plan for Employees of the Hay River Health and Social Services Authority | January 1, 2025 | March 31, 2025 | January 1, 2026 |
| Retirement Plan for Employees of the Yellowknife Catholic Schools | June 30, 2024 | June 30, 2024 | June 30, 2026 |

*Liability valuation method*

The actuarial valuations were performed using the projected accrued benefit method. The valuations are based on a number of actuarial assumptions about matters such as mortality, service, withdrawal, earnings and interest rates. The assumptions are based on the Government's best estimates of expected long-term rates and short-term forecasts.

## 17. PENSIONS (continued)

### f) Valuation methods and assumptions used in valuing pension assets and liabilities (continued)

*Asset valuation method*

The asset valuation method for all the plans is generally market-related value. The market value of the pension assets is $151,169 (2024 - $151,109).

*Actuarial gains and losses*

Actuarial gains and losses occur when actual experience varies from estimates or when actuarial assumptions change. The adjustments needed are amortized on a straight-line basis over the estimated average remaining service lives of the contributors.

| *Actuarial assumptions* | Yellowknife Catholic Schools' plans | Hay River H&SS Authority plan | MLAs' plans | Judges' plans |
|---|---|---|---|---|
| Expected rate of return on plan assets | 4.88% | 5.94% | 4.40% | 4.70% |
| Rate of compensation increase | 2.00% | 7.30% | 2.00% | 3.00% |
| Annual inflation rate | 2.00% | 2.00% | 2.00% | 2.00% |
| Discount rate | 4.90% | 5.45% | 5.20% | 4.70% |

## 18. OTHER EMPLOYEE FUTURE BENEFITS AND COMPENSATED ABSENCES

In addition to pension benefits, the Government provides severance (resignation and retirement), removal and compensated absence (sick, special, maternity and parental leave) benefits to its employees. The benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

Severance benefits are paid to the Government's employees based on the type of termination (e.g. resignation versus retirement) and appropriate combinations that include inputs such as when the employee was hired, the rate of pay, the number of years of continuous employment and age and the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being location of hire, employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology.

Compensated absence benefits generally accrue as employees render service and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include but are not limited to employee or dependent illness and death of an immediate family member. Benefits that accrue under compensated absence benefits, excluding maternity and parental leave, were actuarially valued using the expected utilization methodology. Non-accruing benefits include maternity and parental leave and are recognized when leave commences.

### Valuation results

The most recent actuarial valuation was completed as at February 12, 2025 and the results were extrapolated to March 31, 2025. The effective date of the next actuarial valuation is March 31, 2028. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the consolidated Government.

| | Severance and Removal $ | Compensated Absences $ | 2025 $ | 2024 $ |
|---|---|---|---|---|
| **Changes in Obligation** | | | | |
| Accrued benefit obligations, beginning of year | 36,229 | 9,019 | 45,248 | 45,210 |
| Current period benefit cost | 2,440 | 714 | 3,154 | 3,152 |
| Interest accrued | 1,902 | 493 | 2,395 | 2,177 |
| Benefits payments | (6,506) | (799) | (7,305) | (5,051) |
| Plan amendments | 30 | (1) | 29 | - |
| Actuarial (gains)/losses | 7,759 | (2,619) | 5,140 | (240) |
| Accrued benefit obligations end of year | 41,854 | 6,807 | 48,661 | 45,248 |
| Unamortized net actuarial gain/(loss) | (12,824) | (525) | (13,349) | (9,177) |
| **Net future liability** | **29,030** | **6,282** | **35,312** | **36,071** |
| Other employee future benefits | 8,228 | - | 8,228 | 6,563 |
| Other compensated absences | - | 3,363 | 3,363 | 2,777 |
| **Total other employee future benefits and compensated absences** | **37,258** | **9,645** | **46,903** | **45,411** |

## 18. OTHER EMPLOYEE FUTURE BENEFITS AND COMPENSATED ABSENCES (continued)

| | Severance and Removal $ | Compensated Absences $ | 2025 $ | 2024 $ |
|---|---|---|---|---|
| **Benefits Expense** | | | | |
| Current period benefit cost | 2,440 | 714 | 3,154 | 3,152 |
| Interest accrued | 1,902 | 493 | 2,395 | 2,177 |
| Plan amendments | 30 | (1) | 29 | - |
| Amortization of actuarial (gain)/loss | (442) | 1,407 | 965 | 209 |
| | **3,930** | **2,613** | **6,543** | **5,538** |

The discount rate used to determine the accrued benefit obligation is an average of 4.3% (2024 - 5.3%). The expected payments during the next five fiscal years are:

| | Severance and Removal $ | Compensated Absences $ | Total $ |
|---|---|---|---|
| **2026** | 6,340 | 731 | 7,071 |
| **2027** | 4,864 | 572 | 5,436 |
| **2028** | 4,769 | 576 | 5,345 |
| **2029** | 4,636 | 615 | 5,251 |
| **2030** | 4,629 | 641 | 5,270 |
| | **25,238** | **3,135** | **28,373** |

## 19. TRUST ASSETS UNDER ADMINISTRATION

The Government administers trust assets on behalf of third parties, which are not included in the reported Government assets and liabilities. These consist of cash and term deposits of $77,973 (2024 - $118,791) for the following:

- Environmental agreements
- Land use permits
- Public Trustee funds
- Water licenses

In addition to the trust assets under administration, the Government holds cash and bank guarantees in the form of letters of credit and surety bonds in the amount of $729,350 (2024 - $794,689) for the following:

- Environmental agreements
- Land use permits
- Leases
- Office of the Regulator of Oil and Gas Operations
- Water licenses

## 20. CONTRACTUAL OBLIGATIONS AND RIGHTS

The Government has entered into agreements for, or is contractually committed to, the following payments subsequent to March 31, 2025:

| | Expiry Date | 2026 $ | 2027 $ | 2028 $ | 2029 $ | 2030 $ | 2031+ $ | Total $ |
|---|---|---|---|---|---|---|---|---|
| Operational commitments | 2048 | 226,109 | 104,954 | 44,631 | 27,560 | 1,593 | 3,756 | 408,603 |
| RCMP policing agreement | 2032 | 66,107 | 66,590 | 66,704 | 66,821 | 66,942 | 134,135 | 467,299 |
| Commercial leases | 2052 | 121,847 | 76,314 | 64,088 | 20,473 | 15,160 | 140,598 | 438,480 |
| Equipment leases | 2030 | 1,007 | 558 | 284 | 68 | 4 | - | 1,921 |
| TCAs in progress at year end | 2030 | 218,195 | 33,261 | 3,833 | 348 | 257 | - | 255,894 |
| P3 Operational commitments | 2049 | 21,709 | 21,773 | 22,003 | 22,868 | 23,778 | 435,487 | 547,618 |
| | | **654,974** | **303,450** | **201,543** | **138,138** | **107,734** | **713,976** | **2,119,815** |

Included within Commercial leases is a lease commitment of $3,757 per year over 30 years that began on November 21, 2021 that is subject to a CPI adjustment every five years. The adjustment will be equal to the average percentage increase or decrease in the CPI index over the preceding five years. As part of this lease commitment, the Government has a contractual right equal to annual profit sharing of 50% of the net income generated by the lessor less annual payments of $528.

Included within P3 Operational commitments is an agreement with an annual commitment of approximately $3,000 per year until 2049, which is subject to an inflation benchmarking exercise every 6 years.

The Government has entered into agreements for, or is contractually entitled to, the following receipts subsequent to March 31, 2025:

| | Expiry Date | 2026 $ | 2027 $ | 2028 $ | 2029 $ | 2030 $ | 2031+ $ | Total $ |
|---|---|---|---|---|---|---|---|---|
| Transfer payments | 2034 | 354,948 | 273,627 | 168,212 | 112,940 | 49,833 | 85,660 | 1,045,220 |
| Regulatory revenue | 2027 | 300 | 300 | - | - | - | - | 600 |
| Lease revenue | 2054 | 8,436 | 7,014 | 6,650 | 6,554 | 6,006 | 71,871 | 106,531 |
| License revenue | 2051 | 589 | 418 | 335 | 278 | 141 | 260 | 2,021 |
| Other | 2039 | 58,304 | 39,398 | 36,336 | 5,159 | 4,693 | 12,254 | 156,144 |
| | | **422,577** | **320,757** | **211,533** | **124,931** | **60,673** | **170,045** | **1,310,516** |

## 21. GUARANTEES AND CONTINGENCIES

### (a) Guarantees

The Government has guaranteed residential housing loans to banks totaling $115 (2024 - $151) and indemnified Canada Mortgage and Housing Corporation for third party loans totaling $1,405 (2024 - $2,178). In addition, the Government has provided a guarantee to the Canadian Blood Agency and Canadian Blood Services to cover a share of potential claims made by users of the national blood supply. The Government's percentage is limited to the ratio of the Northwest Territories' population to the Canadian population.

Prosper NWT has one (2024 - one) outstanding loan to a Northern Community Futures organization totaling $228 (2024 - $252). Loans provided may be assigned to the Prosper NWT when impaired. If assigned, the Prosper NWT would then write-off the Northern Community Futures organization loan balance and would attempt to recuperate its loss. In 2025, no accounts were assigned to Prosper NWT (2024 - nil).

Prosper NWT has one (2024 - one) outstanding irrevocable standby letter of credit totaling $2,000 (2024 - $2,000) that will expire in fiscal 2026. Payment by Prosper NWT is due from these letters in the event that the applicants are in default of the underlying debt. To the extent that Prosper NWT has to pay out to third parties as a result of these agreements, these payments will be owed to Prosper NWT by the applicants. Each letter of credit is secured by promissory note, general security agreement, guarantee or collateral mortgage. During the year, no payments were made (2024 - nil).

### (b) Contingent liabilities

#### Contingency for contaminated sites

The Government has identified various sites where contamination or other environmental liabilities exist and the level of contamination is either known or unknown at this time. In addition to the environmental liabilities described in Note 12, there may be other instances of contamination that have not yet been identified for which the Government may be obligated to incur remediation costs. No liability has been recognized for these instances of contamination as the Government's obligation to incur these costs are undeterminable at this time.

#### Contingency for asset retirement obligations

In addition to the asset retirement obligations described in Note 13, there may be other assets with unidentified retirement obligations that have not yet been identified for which the Government may be obligated to incur retirement costs. No liability has been recognized for these asset retirement obligations as the Government's obligation to incur these costs are undeterminable at this time.

## 21. GUARANTEES AND CONTINGENCIES (continued)

### (c) Claims and litigation

There are a number of pending and threatened claims and litigation against the Government. In certain cases, pursuant to agreements negotiated prior to the division of the territories, the Governments of the Northwest Territories and Nunavut will jointly defend the suits. The cost of defending these actions and any damages that may eventually be awarded will be shared by the Governments 55.66% and 44.34%, respectively.

The Government has recorded a provision of $2,686 (2024 - $2,226) in accounts payable and accrued liabilities for any claim or litigation where it is likely that there will be a future payment and a reasonable estimate of the loss can be made. The provision is based upon estimates determined by the Government's legal experts' experience or case law in similar circumstances.

At year-end, the Government estimated the total claimed amount for which the outcome is not determinable at $119,599 (2024 - $132,607). No provision for such claims has been made in these consolidated financial statements as it is not determinable that any future event will confirm that a liability has been incurred as at March 31, 2025.

The nature of these claims are as follows:

- Contract disputes
- Damage to persons or property
- Matters of Indigenous rights
- Negligence
- Property access disputes
- Sexual assault claims
- Other matters

## 22. TRANSFER PAYMENTS, CORPORATE AND PERSONAL INCOME TAXES AND OTHER TAXES

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Transfer payments | | |
| Capital transfers | 47,165 | 75,469 |
| Canada Health and Social Transfer Reform Fund | 74,334 | 74,788 |
| Federal cost shared | 356,158 | 396,454 |
| Other | 77,106 | 99,366 |
| | **554,763** | **646,077** |
| Corporate and personal income taxes | | |
| Corporate income tax | 44,919 | 76,775 |
| Personal income tax | 138,934 | 124,297 |
| | **183,853** | **201,072** |
| Other taxes | | |
| Cannabis | 1,952 | 1,049 |
| Carbon | 29,648 | 33,595 |
| Fuel | 19,134 | 20,716 |
| Tobacco | 9,631 | 11,723 |
| Payroll | 58,243 | 51,477 |
| Property and school levies | 37,935 | 38,079 |
| Insurance | 6,872 | 7,132 |
| | **163,415** | **163,771** |

## 23. SALES, GENERAL, NON-RENEWABLE RESOURCE AND RECOVERIES REVENUE

The table below discloses the nature and amounts of revenue transactions with or without performance obligations:

| | Exchange $ | Non-Exchange $ | Other[1] $ | 2025 $ | 2024 $ |
|---|---|---|---|---|---|
| **Sales** | | | | | |
| Liquor and cannabis products | 64,150 | - | - | 64,150 | 59,134 |
| Petroleum Products | 17,868 | - | - | 17,868 | 16,272 |
| Marine Transportation Services | 11,881 | - | - | 11,881 | 19,514 |
| Power | 92,223 | - | - | 92,223 | 81,229 |
| Arts and crafts | 772 | - | - | 772 | 551 |
| | **186,894** | **-** | **-** | **186,894** | **176,700** |
| **General** | | | | | |
| Other | 32,525 | 83,726 | (3,868) | 112,383 | 38,739 |
| Rental and lease | 21,624 | - | - | 21,624 | 21,048 |
| Interest income | - | - | 15,031 | 15,031 | 14,899 |
| Gain on disposition of assets | - | - | 507 | 507 | - |
| Regulatory revenue | 32,059 | 4,965 | - | 37,024 | 38,733 |
| Grants in kind | - | - | 134 | 134 | 336 |
| | **86,208** | **88,691** | **11,804** | **186,703** | **113,755** |
| **Non-renewable resource revenues** | | | | | |
| Minerals, oil and gas royalties[2] | (6,548) | - | - | (6,548) | - |
| Licenses, rental and other fees | 1,954 | - | - | 1,954 | 3,078 |
| Quarry fees | 102 | - | - | 102 | 65 |
| | **(4,492)** | **-** | **-** | **(4,492)** | **3,143** |
| **Recoveries** | **65,886** | **-** | **-** | **65,886** | **51,808** |

[1] Other refers to all categories of revenues not under the Public Sector Revenue Accounting Standard PS 3400.

[2] In each fiscal year, the minerals, oil and gas royalties that are recorded include a portion that are based on estimates as the actual amounts for the last 3 months are not known until the following year. In the current year, those estimates from the prior year are reversed and the actual amounts that are received are recorded. When the estimate is higher than the actual amount received, it results in a negative calculation in revenue.

*Unsatisfied or partially satisfied performance obligations*

Unsatisfied or partially satisfied performance obligations existing as at March 31, 2025 relate primarily to situations where funds have been collected from a payor in advance of the Government fully satisfying a performance obligation in an exchange transaction. The Government recognized a corresponding liability for unsatisfied or partially satisfied performance obligations under PS 3400 within Deferred Revenue in the amounts of $4,713 and $3,482 as at March 31, 2025 (*note 11*) (2024 - $7,054 and $3,002).

## 24. EXPENSES

Expenses of various Government departments, its territorial corporations and other public agencies are aggregated in the Consolidated Statement of Operations and Accumulated Operating Surplus as follows:

| | |
|---|---|
| Environment and Economic Development | Department of Environment and Climate Change<br>Department of Industry, Tourism and Investment<br>Prosper NWT<br>Northwest Territories Heritage Fund<br>Arctic Energy Alliance<br>Inuvialuit Water Board<br>Northwest Territories Surface Rights Board |
| Infrastructure | Department of Infrastructure<br>Northwest Territories Hydro Corporation |
| Education | Department of Education, Culture and Employment<br>Aurora College<br>All Divisional Education Councils in the NWT<br>All District Education Authorities in the NWT<br>Tlicho Community Services Agency (education portion) |
| Health and Social Services | Department of Health and Social Services<br>All Health and Social Services Authorities in the NWT<br>Tlicho Community Services Agency (health portion)<br>Status of Women Council of the Northwest Territories |
| Housing | Housing Northwest Territories |
| Justice | Department of Justice |
| General Government | Department of Executive and Indigenous Affairs<br>Department of Finance<br>Department of Municipal and Community Affairs |
| Legislative Assembly and Statutory Offices | Legislative Assembly<br>Northwest Territories Human Rights Commission |

## 25. FINANCIAL RISK MANAGEMENT

The Government is exposed to credit risk, interest rate risk, liquidity risk, and price risk from its financial instruments. Reasonably expected changes in the relevant risk variables for price risk are not expected to have a material impact on operating results or remeasurement gains and losses. Qualitative analysis of the significant risks from the Government's financial instruments is provided by type of risk below.

### a) Credit risk

Credit risk is the risk of financial loss to the Government if a debtor or counterparty to a financial instrument fails to meet its payment obligations. The Government is exposed to this risk relating to its cash and cash equivalents, portfolio investments, accounts receivable, loans receivable, due from the Government of Canada, and loan guarantees.

The Government holds substantially all of its cash in accounts with federally regulated chartered banks.

The Government manages its credit risk in portfolio investments by following established regulations and policies that restrict what financial instruments can be invested in.

Credit risk related to accounts receivable is mitigated by controls over accounts in arrears to achieve ultimate collection, policies in place for debt collection and reviewing balances along with aging information.

Credit risk associated with the Student Loan fund is mitigated by placing limits on available types of funding and providing incentives to encourage repayment. Default payments are assigned to the Government's collection program and the borrower is registered with a Canada Revenue Agency setoff program to redirect tax returns and other government credits to repayment of the loan. Other loans receivable relate to loans provided to businesses and individuals. All loans to businesses and most loans to individuals require security. Unsecured loans to individuals are capped. Credit risks associated with other loans receivable are mitigated by continued monitoring to ensure prompt response to any financial difficulties customers may encounter.

Credit risk associated with the amounts due from the Government of Canada are considered minimal and are mitigated through regular reviews of the contribution agreements and milestone reports with the program directors to ensure that the amounts recorded as receivable are based on eligible reimbursements.

The Government has determined that accounts receivable and loans receivable include amounts that are past due and considered to be impaired. Allowances recorded to reflect the impairments are disclosed in Notes 7 and 8 respectively.

Credit risk associated with guarantees is mitigated by controls over the extension of the guarantees, limiting guarantees to components of the Government Reporting Entity and by continued monitoring of those entities to ensure prompt response to any financial difficulties those entities might encounter.

The aging information for the Government's accounts receivable that are past due and not impaired is as follows:

| | 31-60 days | 61-90 days | Over 90 days | Total |
|---|---|---|---|---|
| Accounts receivables | 6,965 | 8,508 | 54,363 | **69,836** |

The Government establishes an allowance for doubtful accounts that reflects the estimated impairment of accounts receivable. The allowance amount is determined by the Government's knowledge of the financial condition of customers, the aging of accounts receivable, current business conditions and historical experience.

## 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

### a) Credit risk (continued)

The Government's maximum exposure to credit risk at March 31, 2025 is as follows:

| | $ |
|---|---|
| Cash and cash equivalents | 185,126 |
| Portfolio investments, excluding equities | 151,041 |
| Due from the Government of Canada | 170,556 |
| Accounts receivable | 208,101 |
| Loans receivable | 63,471 |

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to manage credit risk.

### b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Government has exposure to interest rate risk on its portfolio investments, loans receivable, short term loans, long term debt, and liabilities under public private partnerships. The Government mitigates its interest rate risk in portfolio investments through diversification of asset class allocations and security selection within equity products. For other financial instruments, the Government focuses its efforts on maintaining predictable future cash flows.

Interest rate risk associated with the Student Loan Fund fluctuates only for students who do not return to the Northwest Territories after their studies as the rate is calculated as 1% below the Bank of Canada’s prime business rate as of January of the applicable year. The interest rate for all other students is 0%. Interest rates and prime lending rates are monitored and adjusted accordingly. The interest rate for the majority of other loans receivable are fixed over set periods of time and does not pose a significant risk that cash flows will vary unpredictably.

The Government is primarily exposed to interest rate risk on its short term loans. The Government manages its risk on short term loans by entering into borrowing agreements with interest rates fixed for specified intervals. The interest rate is fixed for the intervals based on a benchmark lending rate plus a margin. This arrangement allows the Government to have a predictable cash outflow for the interval. A one percent increase (decrease) in the benchmark lending rate throughout the year would have increased (decreased) interest expenses for the year by approximately $5,362.

The Government manages its risks on long-term debt and liabilities under public private partnerships by entering into borrowing agreements that have fixed interest rates so that the future cash outflows are predictable.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to manage interest rate risk.

## 25. FINANCIAL RISK MANAGEMENT (CONTINUED)

### c) Liquidity risk

Liquidity risk is the risk that the Government will not be able to meet all cash outflow obligations as they come due. The Government is exposed to liquidity risk on its short term loans, accounts payables and accrued liabilities, due to the Government of Canada, long term debt, liabilities under public private partnerships and loan guarantees.

The Government mitigates this risk by monitoring its cash activities and expected outflows through budgeting and forecasting daily cash inflows and outflows from operating, investing, capital, and financing activities, and maintaining an adequate amount of cash to cover unexpected cash outflows. The forecast for each business day is revised daily for actual flows, analysis of current trends, and historical patterns. The Government expects to meet its obligations from operating cash flows, proceeds from financial assets and through its borrowing plan.

There have been no significant changes from the previous year in the exposure to risks or policies, procedures, and methods used to manage liquidity risk.

Expected contractual maturities for financial liabilities are disclosed in the table below.

| Undiscounted cash flows of financial liabilities | Less than one year or on demand $ | Later than one year and less than five years $ | Later than 5 years $ | Total $ |
|---|---|---|---|---|
| Short-term loans | 762,962 | - | - | **762,962** |
| Accounts payable and accrued liabilities | 502,684 | - | - | **502,684** |
| Due to the Government of Canada | 33,537 | - | - | **33,537** |
| Capital lease obligations | 2,807 | 10,914 | 57,794 | **71,515** |
| Long term debt | 44,787 | 155,038 | 797,799 | **997,624** |
| Liabilities under Public Private Partnerships | 22,819 | 92,012 | 312,355 | **427,186** |
| **Total** | **1,369,596** | **257,964** | **1,167,948** | **2,795,508** |

### d) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate unfavourably with changes in market prices. The Government is exposed to price risk with its portfolio investments. The Government manages this risk through diversification of asset class allocations and security selection within equity products.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to manage price risk.

## 26. OVEREXPENDITURE

During the year, 3 departments (2024 - 1) exceeded their operations vote and 1 department (2024 - 1) exceeded their capital vote.

Overexpenditure of a vote contravenes subsection 71 of the *Financial Administration Act* which states that "No person shall incur an expenditure that causes the amount of the appropriation set out in the Estimates for a department to be exceeded."

The voted items that were over expended in the current year are as follows:

| | |
|---|---|
| Department of Finance (operations) | $8,148 |
| Department of Health and Social Services (operations) | $5,480 |
| Department of Legislative Assembly and Statutory Offices (operations) | $180 |
| Department of Municipal and Community Affairs (capital) | $6 |

These overexpenditures are deemed a supplementary appropriation in accordance with section 77 of the *Financial Administration Act* S.N.W.T 2015 which states that "Where the charging of expenditures to an appropriation would cause the appropriation to be exceeded, the Comptroller General may, at the end of a fiscal year, record the amount by which the liability exceeds the appropriation as a deemed appropriation for that fiscal year".

In addition to the deemed appropriations above, in October 2025 the Legislative Assembly approved Supplementary Estimates Operations Expenditures and Borrowing Authorization No. 3 in which the Department of Health and Social Services was approved $27,512 in additional authorizations for the fiscal year ending March 2025.

## Consolidated Schedule of Tangible Capital Assets

for the year ended March 31, (All figures in thousands of dollars)

| | Land[5] | Building and Leasehold Improvements[1] | Infrastructure and Other[1,2] | Roads and Bridges | Equipment[1,3] | Computers | Work in Progress[4] | 2025 | 2024 |
|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| **Cost of tangible capital assets** | | | | | | | | | |
| Opening balance | 28,177 | 2,492,803 | 1,054,820 | 2,113,082 | 362,784 | 168,746 | 507,237 | 6,727,649 | 6,453,306 |
| Transfers | 305 | 139,607 | 136,109 | 54,092 | 18,901 | 7,193 | (356,207) | - | - |
| Acquisitions | - | 6,235 | - | - | 1,476 | - | 301,494 | 309,205 | 303,170 |
| Write-downs | - | (168) | (120) | - | (107) | - | - | (395) | (10,238) |
| Revaluation of asset retirement obligations | - | 2,920 | - | - | - | - | - | 2,920 | (3,762) |
| Disposals | - | (11,129) | (6,238) | - | (3,097) | (2,225) | - | (22,689) | (14,827) |
| Closing balance | 28,482 | 2,630,268 | 1,184,571 | 2,167,174 | 379,957 | 173,714 | 452,524 | 7,016,690 | 6,727,649 |
| **Accumulated amortization** | | | | | | | | | |
| Opening balance | - | (1,130,740) | (413,545) | (763,376) | (195,952) | (136,477) | - | (2,640,090) | (2,491,580) |
| Amortization expense | - | (65,763) | (29,178) | (58,722) | (19,558) | (6,870) | - | (180,091) | (168,426) |
| Write-downs | - | 168 | 120 | - | 107 | - | - | 395 | 10,238 |
| Disposals | - | 5,571 | 5,360 | - | 2,730 | 2,212 | - | 15,873 | 9,678 |
| Closing balance | - | (1,190,764) | (437,243) | (822,098) | (212,673) | (141,135) | - | (2,803,913) | (2,640,090) |
| **Net book value** | **28,482** | **1,439,504** | **747,328** | **1,345,076** | **167,284** | **32,579** | **452,524** | **4,212,777** | **4,087,559** |

1 Included in buildings and leasehold improvements, infrastructure and other, and equipment are assets under capital lease cost $43,632 (2024 - $32,597); accumulated amortization, $14,799 (2024 - $13,901); net book value, $28,833 (2024 - $18,696).

2 Includes airstrips, aprons, fuel distribution systems, park improvements, aircraft, water/sewer works, fences, signs, transmission and distribution systems and electric power plants.

3 Includes ferries and barges.

4 Not included in acquisitions of tangible capital assets on the consolidated statement of cash flow are non-cash items of $18,129 (2024 - $2,826).

5 Land with cost and net book value of $0, market value $4,671 (2024 - $2,575) was contributed to third parties.

# Government of the Northwest Territories

Schedule B

## Consolidated Schedule of Segmented Information

for the year ended March 31,

(All figures in thousands of dollars)

| | Departments[1] $ | Other Public Agencies[2] $ | Total for All Segments $ | Adjustments[3] $ | 2025 $ | 2024 $ |
|---|---|---|---|---|---|---|
| **Revenues** | | | | | | |
| Grant from the Government of Canada | 1,699,357 | - | 1,699,357 | - | 1,699,357 | 1,610,836 |
| Transfer payments | 477,658 | 77,105 | 554,763 | - | 554,763 | 646,077 |
| | **2,177,015** | **77,105** | **2,254,120** | **-** | **2,254,120** | **2,256,913** |
| Taxation, non-renewable resource and general revenues | | | | | | |
| Corporate and personal income taxes | 183,853 | - | 183,853 | - | 183,853 | 201,072 |
| Other taxes | 152,549 | 11,579 | 164,128 | (713) | 163,415 | 163,771 |
| General | 162,031 | 1,084,371 | 1,246,402 | (1,059,699) | 186,703 | 113,755 |
| Income from portfolio investments | 146 | 3,255 | 3,401 | - | 3,401 | 10,074 |
| Non-renewable resource revenues | (4,492) | - | (4,492) | - | (4,492) | 3,143 |
| Sales | 140,713 | 121,738 | 262,451 | (75,557) | 186,894 | 176,700 |
| Recoveries | 38,212 | 28,037 | 66,249 | (363) | 65,886 | 51,808 |
| | **673,012** | **1,248,980** | **1,921,992** | **(1,136,332)** | **785,660** | **720,323** |
| Recoveries of prior years' expenses | 44,941 | - | 44,941 | (1,161) | 43,780 | 22,721 |
| | **2,894,968** | **1,326,085** | **4,221,053** | **(1,137,493)** | **3,083,560** | **2,999,957** |
| **Expenses** | | | | | | |
| Grants and contributions | 1,304,988 | 34,549 | 1,339,537 | (945,340) | 394,197 | 393,827 |
| Operations and maintenance | 862,184 | 528,896 | 1,391,080 | (192,364) | 1,198,716 | 1,321,212 |
| Compensation and benefits | 540,978 | 715,571 | 1,256,549 | (138) | 1,256,411 | 1,126,154 |
| Valuation allowances | 6,972 | 819 | 7,791 | - | 7,791 | 7,168 |
| Amortization of tangible capital assets and purchased intangible assets | 135,725 | 44,385 | 180,110 | 44 | 180,154 | 168,426 |
| | **2,850,847** | **1,324,220** | **4,175,067** | **(1,137,798)** | **3,037,269** | **3,016,787** |
| **Annual Operating surplus (deficit)** | **44,121** | **1,865** | **45,986** | **305** | **46,291** | **(16,830)** |

1 Departments consist of all those listed in Note 24 that begin with the word "Department" and the Legislative Assembly.

2 Public agencies consist of those listed in Note 24 other than Departments and the Legislative Assembly.

3 Includes adjustments to eliminate inter-entity balances and other adjustments to comply with Canadian public sector accounting standards of consolidated financial statements; for example, contributions by departments to boards and agencies are shown under grants and contributions expense under the "Departments" column. The amounts received by the applicable board or agency (e.g. Health and Social Services Authority, Divisional Education Council) are shown under general revenue in the "Other Public Agencies" column. These amounts are eliminated upon consolidation to avoid double counting.

# GOVERNMENT OF THE NORTHWEST TERRITORIES

# FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

## FOR THE YEAR ENDED
## MARCH 31, 2025

HONOURABLE CAROLINE WAWZONEK
Minister of Finance

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# EXECUTIVE SUMMARY

The consolidated results of operations for the fiscal year ended March 31, 2025, and the consolidated financial position as at March 31, 2025 are summarized below:

Consolidated Results of Operations

| (in $000s) | Budget 2025 | Actual to Budget % | Actual 2025 | Actual to Prior % | Actual 2024 |
|---|---|---|---|---|---|
| Total Revenues | $3,007,887 | + 2.5% | $3,083,560 | + 2.8% | $2,999,957 |
| Total Expenses | $2,752,697 | + 10.3% | $3,037,269 | + 0.7% | $3,016,787 |
| Annual Operating Surplus (Deficit) | $255,190 | - 81.9% | $46,291 | + 375.1% | ($16,830) |

*Note: Budget adjustments approved during the fiscal year are not reflected in the Public Accounts as the original approved budget is presented in accordance with Canadian Public Sector Accounting Standards (PSAS), see next page for discussion on approved budget adjustments.*

The 2024-25 consolidated financial statements report an actual annual operating surplus of $46.3 million, which is $208.9 million or 81.9% lower than budgeted. The annual operating surplus is $63.1 million or 375.1% higher than the prior year.

- The increase in actual revenues is mainly due to a higher grant from Canada because of the Gross Expenditure Base increase, increased general revenue relating to the tobacco settlement (one-time entry), increased personal incomes taxes from increased taxable incomes, recoveries from prior years' expenses, and increased power sales. These increases were partially offset by lower revenues from transfer payments, corporate taxes, non-renewable resources and income from portfolio investments.

- The increase in actual expenses is mainly due to the impact of the new collective bargaining agreements across departments and agencies which included higher salary rates, increased health care costs, increased borrowing costs and increased program expenses as a result of new federal funding agreements. These were offset by lower wildfire suppression costs compared to the 2023-24 wildfire season.

Consolidated Financial Position

| (in $000s) | Actual 2025 | Actual to Prior Year % | Actual 2024 |
|---|---|---|---|
| Financial Assets | $883,204 | + 5.7% | $835,700 |
| Less: Liabilities | $2,719,201 | + 5.5% | $2,578,162 |
| Net Debt | ($1,835,997) | + 5.4% | ($1,742,462) |
| Non-Financial Assets | $4,279,428 | + 3.4% | $4,137,770 |
| Accumulated Surplus | $2,443,431 | + 2.0% | $2,395,308 |

- The Government is in a net debt position of $1.8 billion. In 2024-25, short term loans increased by $149.8 million and accounts payable increased by $7.4 million as a result of increased operational costs. All these factors contributed to the increase in net debt. Combined with other changes in financial assets and liabilities, net debt increased by $93.5 million during the 2024-25 fiscal year.

- Non-Financial Assets increased by $141.7 million or 3.4% over the prior year. In 2024-25, the Government acquired $309.2 million in tangible capital assets, of which $79.5 million consisted of various community health centres, schools, campground shelter & equipment, firefighting aircraft, vehicles and information systems & equipment; $71.9 million consisted of NT Hydro Corporation's power generating and distribution assets and equipment; $51.4 million consisted of various road and bridges; $34.3 million consisted of Housing NWT's public, homeownership rental and market rental units and $33.5 million on Inuvik Runway Project. The remaining spend of $38.6 million related to various smaller capital projects.

The 2024-25 Consolidated Financial Statements report an actual annual operating surplus of $46.3 million, which is $172.4 million better than the revised budget deficit of $126.1 million as shown and explained below:

| (in $000s) | Budget 2025 | | | Actual 2025 | Actual 2024 |
|---|---|---|---|---|---|
| | Original Budget | Supplemental Appropriations | Revised Budget | | |
| Total Revenues | $3,007,887 | $0 | $3,007,887 | $3,083,560 | $2,999,957 |
| Total Expenses | $2,752,697 | $381,305 | $3,134,002 | $3,037,269 | $3,016,787 |
| Annual Operating Surplus (Deficit) | $255,190 | ($381,305) | ($126,115) | $46,291 | ($16,830) |

*Note: Budget adjustments, which are approved through supplementary appropriations, should be considered before any conclusions are drawn with respect to operational results as budget adjustments made during the fiscal year typically reflect new information that is not known at the time the original budget is approved.*

- There were no changes to the revenue budget through the supplementary appropriation process.

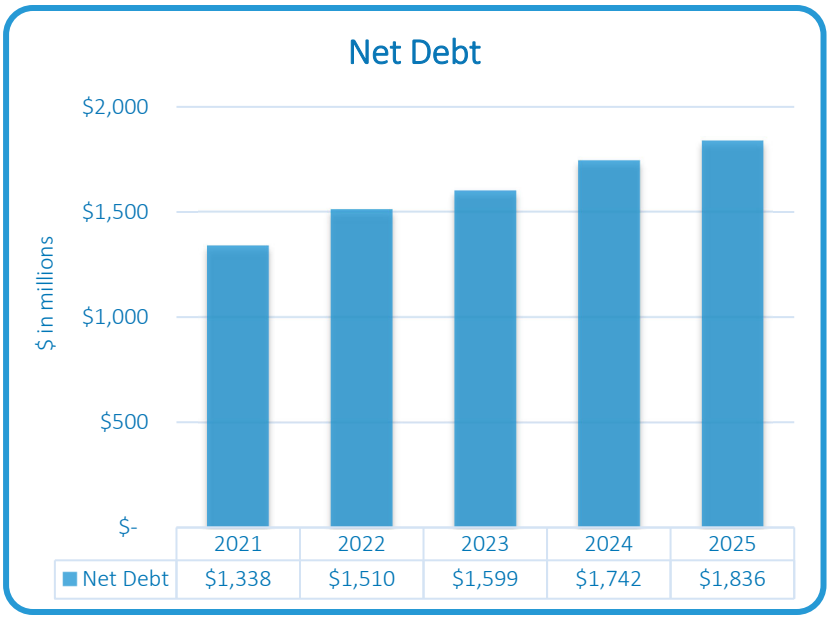
- Total consolidated actual expenses in 2024-25 are $3.0 billion. This is $96.7 million lower than the revised expense budget. The revised expense budget was increased to address the impact of the collective bargaining agreement, increased health care costs, supplemental funding for fire suppression activities, increased funding for community government infrastructure projects under the Investing in Canada Infrastructure Plan, and funding agreements from the Government of Canada that were signed after the main estimates process.

# FINANCIAL REVIEW

## Net Debt

At the end of the 2024-25 fiscal year, the Government is in a net debt position as liabilities exceeded financial assets. This increase is primarily attributable to an increase in short term loans and accounts payable and accrued liabilities, which was partially offset by the increases in financial assets due to accounts receivable for the tobacco settlement. The change in net debt is shown on the Consolidated Statement of Change in Net Debt within **Section I** of the Public Accounts.

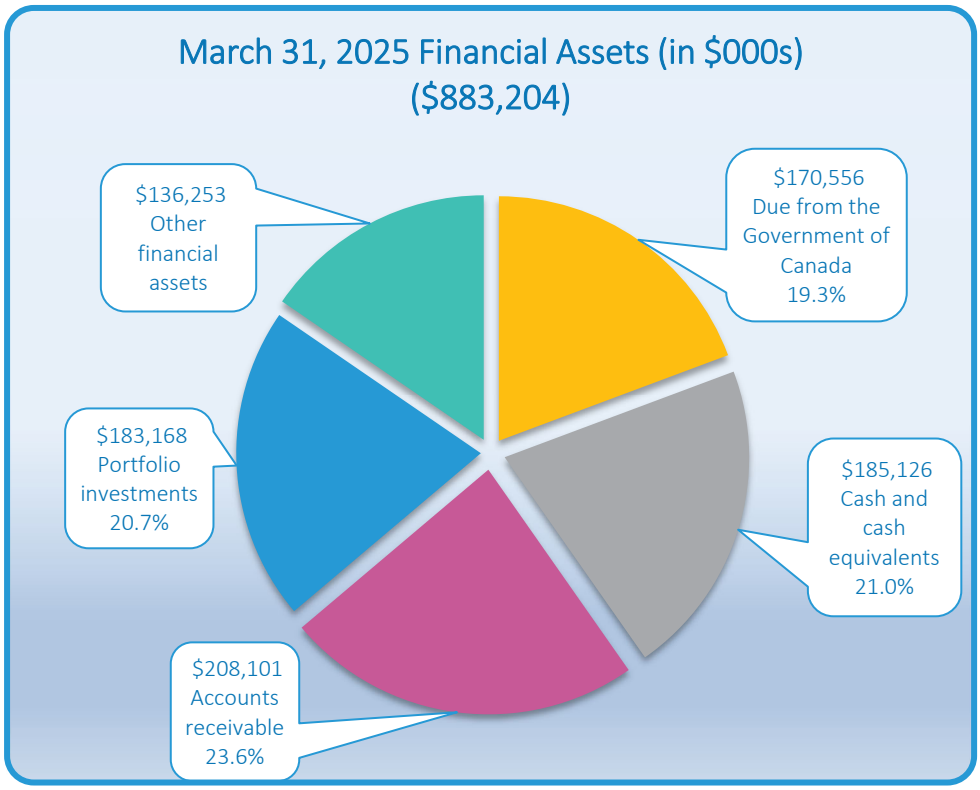
The graph below illustrates the Government's net debt position at the end of each of the last five fiscal years.




Net debt represents the obligations that must be recovered through either future revenues or future service reductions.

## Financial Assets

Financial assets represent the amount of resources available to the Government that can be converted to cash to meet obligations or fund operations.




*The above graph illustrates the composition of the Government's financial assets. Other financial assets include loans receivable $63,471; pension assets $20,046; and inventories for resale $52,736.*

21.0% of the Government's financial assets are cash and cash equivalents. The 79.0% balance of the financial assets, varying from short-term investments and inventory for resale to loans receivable, is convertible to cash and will, over time, contribute to the Government's ability to discharge its liabilities.

## Cash and Cash Equivalents

Cash and cash equivalents are used to meet operational expenses, reduce liabilities and to pay for the Government's investment in infrastructure. The cash and cash equivalents position of the Government reported in the Public Accounts includes the funds held by the GNWT and agencies that comprise the Government Reporting Entity (GRE).

The Consolidated Statement of Cash Flow report reconciles how cash and cash equivalents during the fiscal year were used as summarized below:

| (in $000s) | Actual 2025 | Actual 2024 |
|---|---|---|
| Cash and cash equivalents provided by (used for): | | |
| Operating transactions | $139,318 | $240,657 |
| Investing transactions | ($2,834) | ($13,164) |
| Capital transactions | ($306,300) | ($314,144) |
| Financing transactions | $131,798 | $183,350 |
| Increase (decrease) in cash and cash equivalents | **($38,018)** | **$96,699** |
| Cash and cash equivalents at the beginning of year | $223,144 | $126,445 |
| Cash and cash equivalents at the end of year | **$185,126** | **$223,144** |

More detail is available on the Statement of Cash Flows within **Section I** of the Public Accounts.

### What do these different categories mean?

- Operating transactions include the cash receipts and payments arising from the normal operations of the government. This includes cash receipts from taxation, transfer payments from the Government of Canada, bill payments to suppliers, and payments to and on behalf of employees.
- Investing transactions include amounts we put into investments for pension plans and to pay back one of the government's bonds
- Capital transactions include acquisitions and disposal of tangible and purchased intangible assets during the period.
- Financing transactions include cash proceeds from debt issues or cash out for repayments, repayment of capital leases obligations, funding from public private sector and repayment of the liabilities.

## Portfolio Investments

Portfolio investments represent funds that the Government has set aside and invested in accordance with the investment policies and regulations with an investment mix as follows:

| (in $000s) | Cost 2025 | Market 2025 |
|---|---|---|
| Guaranteed Investment Certificates | $62,795 | $63,058 |
| Bonds | $79,606 | $77,876 |
| Other | $3,334 | $3,334 |
| Total | $145,735 | $144,268 |

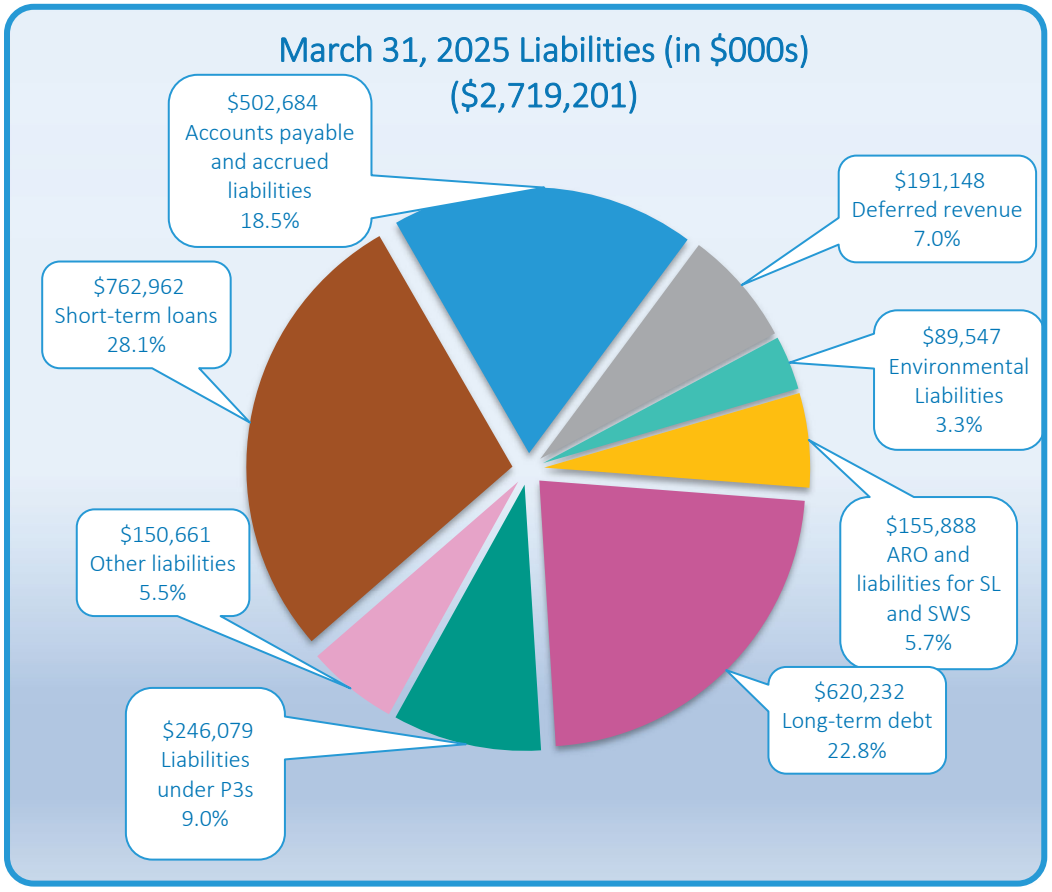
The cost is what the Government actually spent on the investments, whereas the market value is what it is worth at the end of the fiscal year.

## Due from the Government of Canada

Typically, these are amounts the Government will be receiving at some point in the future from the Government of Canada. The balances outstanding at the end of the year include government transfer holdbacks and receivables, amounts for corporate and personal income taxes, and amounts claimed by the Government for services rendered to or on behalf of Canada.

## Liabilities

Liabilities are obligations the Government has to third parties that will result in a future outflow of resources. The graph below illustrates the composition of the Government's liabilities.




*Other liabilities of $150,661 is comprised of: due to the Government of Canada $33,537; other employee future benefits $46,903; pension liabilities $44,506; and capital lease obligations $25,715.*

The Government presently has $883.2 million in financial assets available to discharge liabilities of $2.7 billion. The gap between the Government's financial assets and its liabilities, also referred to as net debt, indicates that some of its future revenues will be required to meet these obligations.

## Short-Term Loans

The Government uses short-term borrowing arrangements with financial institutions as one of the sources to fund operational and capital expenditures. The amount of borrowing varies throughout the year based on the timing of collecting cash and making payments. The Government's authority to borrow is established by the Government's Borrowing Plan.

## Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities include obligations to pay for goods and services acquired prior to year-end. This amount increased slightly by $7.4 million (a 1.5% increase) from $495.3 million in 2023-24 to $502.7 million in 2024-25, mainly due to rising operational costs.

## Deferred Revenues

The Government receives funding from the Government of Canada and other third parties for specific projects that can be operational or infrastructure projects. Sometimes this money is received in advance of the project. In that case, the Government initially records these amounts as deferred revenue and as eligible expenses are incurred, the Government then moves those amounts out of deferred revenue to revenue. Deferred revenue is classified as a liability because these amounts would be considered repayable until the terms of the agreements are met by the Government.

| (in $000s) | Balance 2024 | Increases | Decreases | Balance 2025 |
|---|---|---|---|---|
| Government Transfers | $169,718 | $195,405 | ($202,192) | $162,931 |
| Large emitters carbon tax | $7,568 | $0 | ($3,781) | $3,787 |
| Other | $23,226 | $12,283 | ($11,079) | $24,430 |
| **Total** | **$200,512** | **$207,688** | **($217,052)** | **$191,148** |

## Environmental Liabilities

The nature of the Government's programs and services can result in costs associated with remediation of any site contamination that occurred because of government operations. In addition, the liability may include contaminated sites where the Government does not own the site but has accepted responsibility. These costs make up the Environmental Liabilities amount disclosed within Section I of the Public Accounts (note 12). A summary of the Government's policy with respect to Environmental Liabilities can be found within Section I of the Public Accounts (note 2(j)).

The process used by the Government to record a contaminated site and assign a value to it is based upon Public Sector Accounting Standards, as well as responsible stewardship and includes the following considerations:

- To determine whether the level of contamination exceeds an authoritative environmental standard. If the investigation determines that an environmental standard has been exceeded, then the site is included within the Government's inventory of contaminated sites
- The site must be non-operating or have a high priority due to risk to human health or property.
- The Government must first determine the appropriate action to be taken for remediation, monitoring (pre and post), risk management, or a combination of these actions. The liability is assigned based on the action determined.
- The Government's best estimates of the action to be taken is based upon further assessments performed by third parties or based on similar remediation experiences that the Government can rely upon.
- If no basis exists to estimate the full remediation cost, the value of the liability recognized is limited to the known costs to be incurred for the next steps.

Where the costs of remediation may be shared with a third party, such as Canada, only the Government's share of the remediation costs has been recorded. The Government works to address required remediation of contaminated sites in a systematic approach that considers risk, available resources, coordination of efforts and a short summer season.

At 2024-25 year end, the environmental liability balance decreased to $89.5 million compared to $91.5 million in 2023-24. The changes in the liability amount included:

- Decrease of $3.3 million due to revision in estimated cashflows
- The liability reduced by $3.2 million for remediation expenditures on work completed
- Increase in new sites of $1.3 million
- Increase in liability for changes in estimates of $3.2 million

Summary table by type of site:

| *Environmental Liabilities* | *Number of Sites 2024* | *New in 2025* | *Closed in 2025** | *Number of Sites 2025* |
|---|---|---|---|---|
| Abandoned Mines | 8 | | | 8 |
| Landfills | 31 | | | 31 |
| Abandoned Infrastructure and schools | 80 | | | 80 |
| Airports, airport strips or reserves | 25 | 6 | | 31 |
| Sewage Lagoons | 28 | | | 28 |
| Fuel tanks and resupply lines | 12 | | | 12 |
| Abandoned lots and maintenance facilities | 47 | 1 | (5) | 43 |

* *Include sites that closed or no longer meet the criteria to record a liability for contaminated sites.*

The Government's Environmental Liabilities Dashboard is an interactive online mapping tool that the public can use to see the types of sites that are under the responsibility of the Government. It can be found at: *https://www.gov.nt.ca/ecc/en/services/contaminated-site*

## Asset Retirement Obligation and Liabilities for Sewage Lagoons and Solid Waste Sites

The Government is required to record Asset Retirement Obligations (ARO), which are the costs the Government expects to incur to retire a tangible capital asset when there is a legal obligation to do so.

The main features of ARO are identified below:

- An asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset,
- Asset retirement costs associated with a tangible capital asset controlled by the entity increase the carrying amount of the related tangible capital asset (or a component thereof) and are expensed in a rational and systematic manner,
- Asset retirement costs associated with an asset no longer in productive use are expensed,
- Measurement of a liability for an ARO results in an expense, depending on the nature of the re-measurement and whether the asset remains in productive use and
- A present value technique is the method with which the liability is estimated.

At March 31, 2025, the ARO liabilities consisted of the following:

| *(in $000s)* | *Actual 2024* | *Actual 2025* | *Description of 2025 Liabilities* |
|---|---|---|---|
| **Government owned assets** | | | |
| Buildings | $132,006 | $132,532 | Undiscounted expenditures of $217,103 to be settled between 2026 to 2075. |
| Infrastructure | $1,132 | $1,136 | |
| **Total** | **$133,138** | **$133,668** | |
| | | | |
| **Assumed liability** | | | |
| Sewage Lagoons | $2,764 | $2,769 | Undiscounted expenditures of $126,397 to be settled between 2047 and 2111. |
| Solid Waste Sites | $19,775 | $19,451 | |
| **Total** | **$22,539** | **$22,220** | |

Further details on the Government's AROs can be found within **Section I** of the Public Accounts (note 13).

# Public Private Partnerships

Public Private Partnerships (P3) are a means for a government to enter into agreements between the public and private sectors as a means of funding capital projects. P3 Projects are a long-term approach to procuring public infrastructure where the private sector assumes a transfer of the risks in terms of financing and construction, from design and planning to long-term maintenance/operations. Operations and maintenance provided by the partner cease at the repayment date, at which time operational responsibility reverts to the Government.

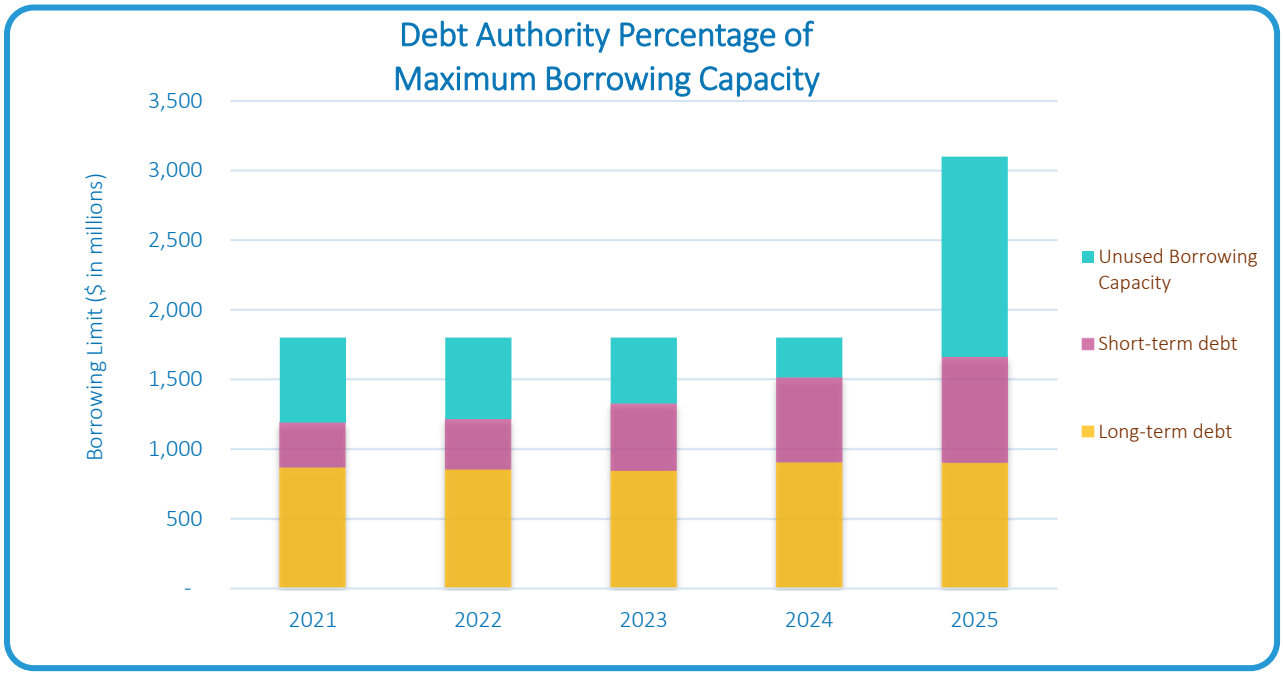
| *P3 Project (in $000s)* | Mackenzie Valley Fibre Link | Stanton Territorial Hospital Renewal | Tłı̨chǫ All Season Road |
|---|---|---|---|
| *Project Description* | 1,154 km of high-speed fiber optic telecommunications cable from McGill Lake to Inuvik, NWT | 280,000 square foot tertiary level facility in Yellowknife | 97 km all-weather access road from Highway 3 to Whati, NWT |
| Partner | Northern Lights General Partnership | Boreal Health Partnership | North Star Infrastructure GP |
| Contract signing date | October, 2014 | September, 2015 | February, 2019 |
| Substantial completion date/in-service date | June, 2017 | November, 2018 | November, 2021 |
| Annual interest rate | 6.52% | 5.36% | 6.53% |
| Fiscal Year when Repayment Ends | 2037 | 2049 | 2047 |
| GNWT Liability at Mar 31, 2024 | $64,000 | $120,150 | $69,895 |
| GNWT Liability at Mar 31, 2025 | $60,700 | $116,984 | $68,395 |
| Tangible capital asset cost | $122,786 | $321,211 | $211,466 |
| Interest expense for the 2024-25 | $4,200 | $6,440 | $4,616 |
| Annual operation and maintenance payments* | $4,097 | $13,777 | $5,655 |
| Total remaining operational commitments to the end of the agreement* | $60,082 | $354,502 | $133,034 |

** Amounts may be subject to inflationary increases.*

# Long Term Debt

The Fiscal Responsibility Policy holds the Government accountable for its level of borrowing with the establishment of performance measures for debt management that ensure the total debt of the Government does not exceed the capacity of the Government to repay the debt as it becomes due. The current Capital Plan includes projects under the Government's P3 policy or projects that will be fully funded by the Government's revenues.

Consolidated debt, for purposes of the territorial borrowing limit, includes borrowings of all Government organizations that are included within the Consolidated Public Accounts. The borrowing limit is currently $3.1 billion, established pursuant to subsection 28(4) of the *Northwest Territories Act.* Additional detail is reflected within **Section I** of the Public Accounts (note 15).




*Note: The GNWT at consolidation is not in an overdraft position, however the non-consolidated statements include overdraft.*

Unused borrowing capacity is the difference between the amount of the federally imposed borrowing limit (the maximum the Government can borrow) less all the outstanding borrowings the Government currently holds. The major increase from the prior year was the increase in the Federal borrowing limit that occurred in March 2025, increasing the limit from $1.8 billion to $3.1 billion.

## Non-Financial Assets

Non-financial Assets represent resources that the Government can use to provide services in the future. These consist primarily of tangible capital assets (schools, hospitals, road, etc.) as well as purchased intangible assets, inventories held for use (fuel) and prepaid expenses. Non-financial Assets held by the Government are disclosed in the Consolidated Statement of Financial Position of **Section I** of the Public Accounts.

## Tangible Capital Assets

Tangible capital assets (TCAs) are assets that have a service life of greater than a year. They are a non-financial asset and are amortized based on their estimated useful life. The initial cost less the amortization equals that asset's 'net book value'. This value is calculated to represent what this asset is worth today.

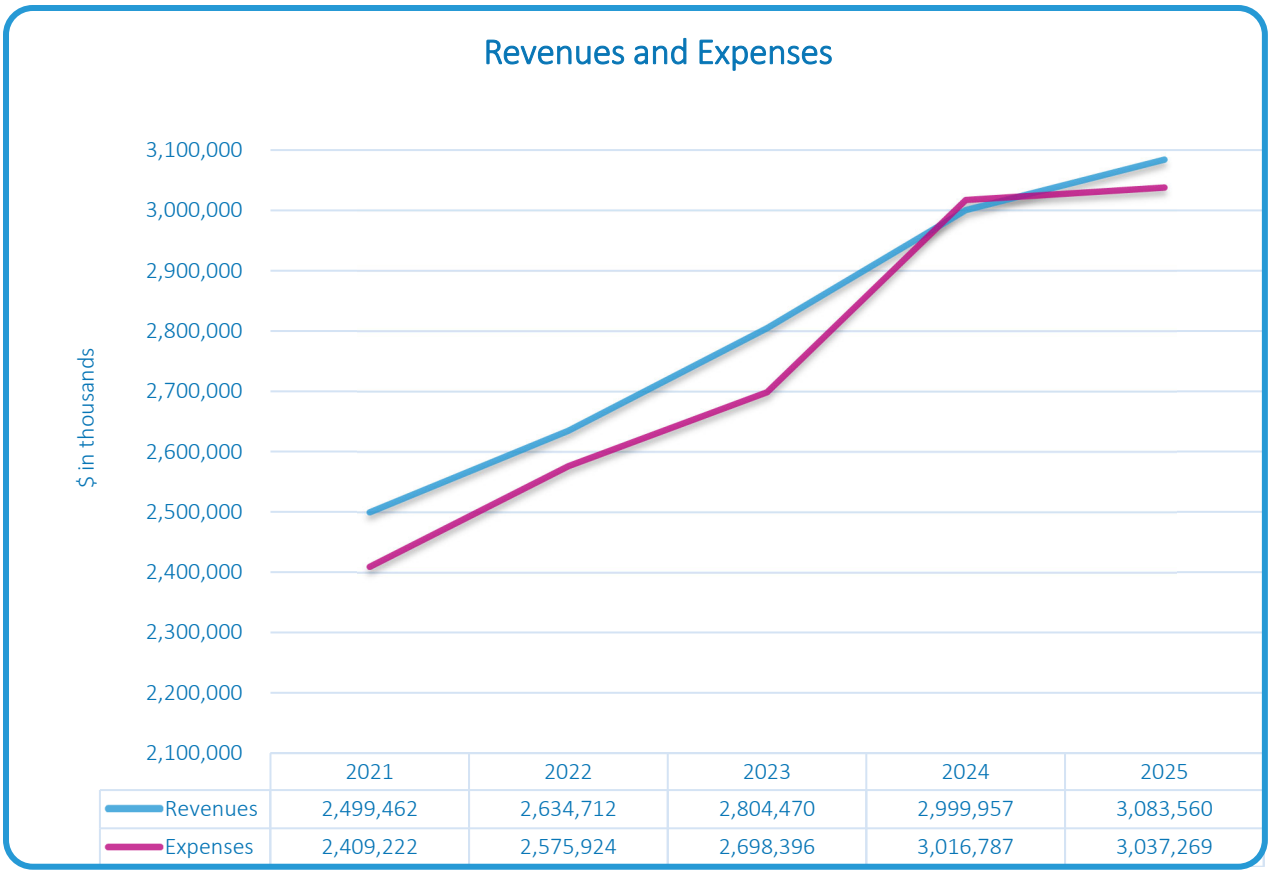
The net book value of TCAs recognized by the government has steadily increased over the last five years indicating that the government has been acquiring new or replacing existing TCAs.

The table below summarizes the major asset acquisitions during the year:

| *(in $000s)* | Acquisitions during the year |
|---|---|
| Community health & wellness centres, field support offices, schools, campground shelter & equipment, information systems and equipment | $79,508 |
| NT Hydro Corporation's power generating and distribution assets and equipment | $71,933 |
| Various road and bridges | $51,348 |
| Housing NWT's public, homeownership rental and market rental units | $34,249 |
| Inuvik Runway Project | $33,535 |
| Other capital projects | $38,632 |
| **Total** | **$309,205** |

## Revenues and Expenses

Revenues increased by $83.6 million (a 2.8% increase) from $3.0 billion in 2023-24 to $3.1 billion in 2024-25 mainly due to a higher Territorial Formula Financing grant from Canada because of an increase in the Gross Expenditure Base, increased personal income taxes, and increased general revenue as a result of the tobacco litigation settlement.




| | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Revenues | 2,499,462 | 2,634,712 | 2,804,470 | 2,999,957 | 3,083,560 |
| Expenses | 2,409,222 | 2,575,924 | 2,698,396 | 3,016,787 | 3,037,269 |

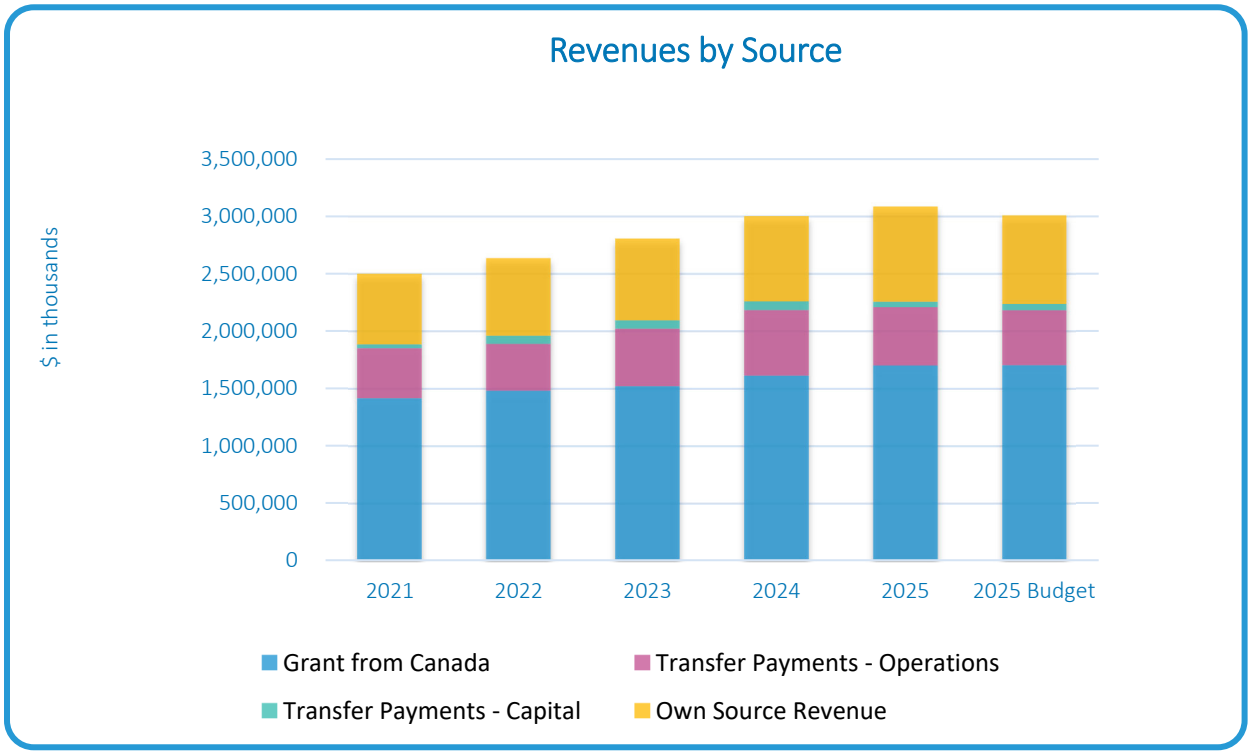
Total expenses increased by $20.5 million (a 0.7% increase) from $3.02 billion in 2023-24 to $3.04 billion in 2024-25. The biggest increases were in Health and Social Services, Infrastructure, Education, and Justice.

# FINANCIAL COMPARISONS AND VARIANCES

## Revenues Variance Analysis

The Government funds programs and services through a combination of transfers from the federal government and own-source revenues (including non-renewable resource revenues).

Total revenue in 2024-25 is $3.1 billion, an increase of $75.7 million or 2.5% from the original budget. This increase is mainly due to increased transfer payments; personal incomes taxes; power sales, recoveries of prior year and own source revenue.



| Revenue (in $000s) | | 2024 Actual | 2025 Budget | 2025 Actual | Explanation |
|---|---|---|---|---|---|
| Transfers from Canada | Territorial Formula Financing Grant | $1,610,836 | $1,701,645 | $1,699,357 | The increase in actuals is due to a higher Gross Expenditure base as well as the reductions in other source revenues being substituted by the grant. |
| | Transfer Payments | $646,077 | $533,421 | $554,763 | The budget and actuals were lower in 2025 due to a decrease in federal transfers for the 2023 wildfire season and capital transfers for the Inuvik Airport Runway construction in the prior year. The actuals were higher than budget due to new funding agreements signed after the main estimates process. |
| Own Source Revenues | Corporate & personal Income taxes | $201,072 | $183,457 | $183,853 | The budget is based on conservative estimates of taxable incomes. Amounts can be difficult to predict based on a small number of corporate returns, timing of returns and adjustments made for prior years allowed for under federal legislation. |
| | Other taxes | $163,771 | $183,044 | $163,415 | Budget 2025 is higher than prior year actuals due to increase in carbon tax rates. Actual 2025 is lower than budget mainly due to the accounting treatment of carbon tax rebates (rebates netted against carbon tax revenue for accounting purposes). |
| | General | $113,755 | $155,973 | $186,703 | Actual 2025 than prior year actuals and budget mainly due to revenue from the tobacco litigation settlement. |
| | Income from portfolio investments | $10,074 | $2,540 | $3,401 | Amounts can be difficult to predict due to increase in market volatility driven by rising interest rates and inflationary pressures. |
| | Non-renewable resources | $3,143 | $31,007 | ($4,492) | Budget estimate expected an improvement in global commodity prices at the time the budget is set; actual results are much lower as both commodity prices and volumes sold decreased. The 2024 estimate at year end was higher than the actual amount received during 2025, resulting in a negative revenue calculation. |
| | Sales | $176,700 | $170,206 | $186,894 | Sales are higher than budget and actuals due to NTPC power sales, including rate increases due to higher operational costs; partly offset by lower Marine Transportation sales as a result of fewer shipments due to low water levels. |

| | | | | | |
|---|---|---|---|---|---|
| | Recoveries | $51,808 | $43,594 | $65,886 | The increase in actuals from prior year and budget is due to higher health cost recoveries for NTHSSA (Increase in Reciprocal Billing - Hospital Services to non-NWT residents and other third-party recoveries). |
| | Recoveries of prior years' expenses | $22,721 | $3,000 | $43,780 | Budget is set low as RPYE is not expected to be significant. Actual was due to recovery in the estimates for environmental liabilities, asset retirement obligation, and solid waste sites and sewage lagoons due to the change in discount rate. In addition, there was a recovery from MACA's Community Public Infrastructure program. |

*Note: based on Government reporting entity at consolidated level and original approved budget tabled October 30, 2024.*

## Types of Government Revenues

*The Territorial Formula Financing Grant* is an annual formula-based calculation based on a three-year moving average of data, which includes a two-year lag, to fill the fiscal gap between the Government's expenditure needs and its ability to raise revenues. The NWT's Grant equals the difference between its Gross Expenditure Base and a measure of revenue capacity known as eligible revenues. The Gross Expenditure Base is an estimate of the expenditure requirements of the Government, which considers the higher costs and needs in the NWT to deliver public services of similar quality to those in the provinces. The Gross Expenditure Base is increased annually by the growth in Territorial and local government spending and the growth in the NWT population relative to the growth in the Canadian population. Eligible revenues are calculated by determining what the Government could have raised in revenues at national average tax rates and reducing that amount by a 30 per cent Economic Development incentive. The resource revenue offset reduces the amount of the grant by 50 per cent of resource revenues, lagged by two years.

*Transfer payments* are recognized as revenue in the period during which the transfer is authorized, and eligibility criteria are met, except when and to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. This is another significant factor that contributes to revenues being unpredictable. For large projects funded by capital transfer payments, this causes revenue to be higher than it would normally be as expenditures related to this are capital in nature and revenues are therefore recognized before the asset is put into use. The impact on operational expenses will be over future years as the asset is amortized.

*Corporate and personal income tax* revenues derive from individual taxpayers, who are required to file their income tax returns by April 30$^{th}$ annually and corporate taxpayers file six months after the corporation fiscal year end for. To counter this delay, for a given tax year, the Government receives advance payments from Canada based on the federal estimate of the territorial tax to be collected by Canada Revenue Agency for that year.

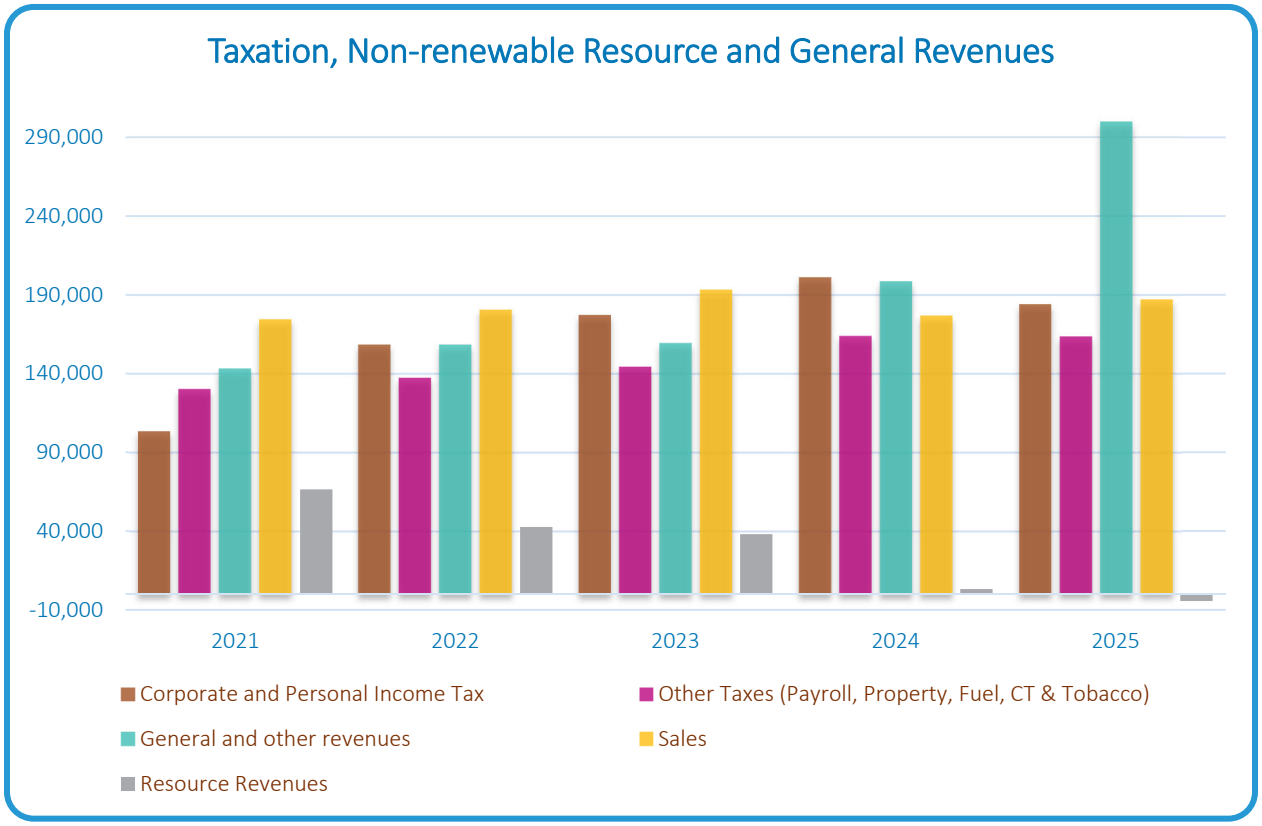
After taxpayers file their income taxes, the actual territorial taxes collected are compared against the advance payments the Government received in the previous year. If the taxes collected exceed the advance payments, the Government receives an extra payment for the difference. Conversely, if the taxes collected are less than the advance payments, the Government returns the difference to Canada.

*Other Taxes* revenues include cannabis tax, carbon tax, fuel tax, tobacco tax, payroll tax, property tax and school levies, insurance tax, and vaping products tax.

*General* revenues include rental and lease, interest income, gain on disposition of assets, regulatory revenue, grants in kind and other miscellaneous items. During the year, $83.7 million was recognized as revenue from the Tobacco settlement

Income from Portfolio Investments includes interest earned and other income on guaranteed investment certificates, bonds, equity investments, and other financial instruments.

*Non-renewable resource* revenues are subject to volatility and fluctuate annually based on production and global commodity prices. In addition, non-renewable resource revenues are generated as the resources are extracted and are therefore finite. In 2024-25, there was a reduction in royalties due to significant drop in rough diamond demand and price.



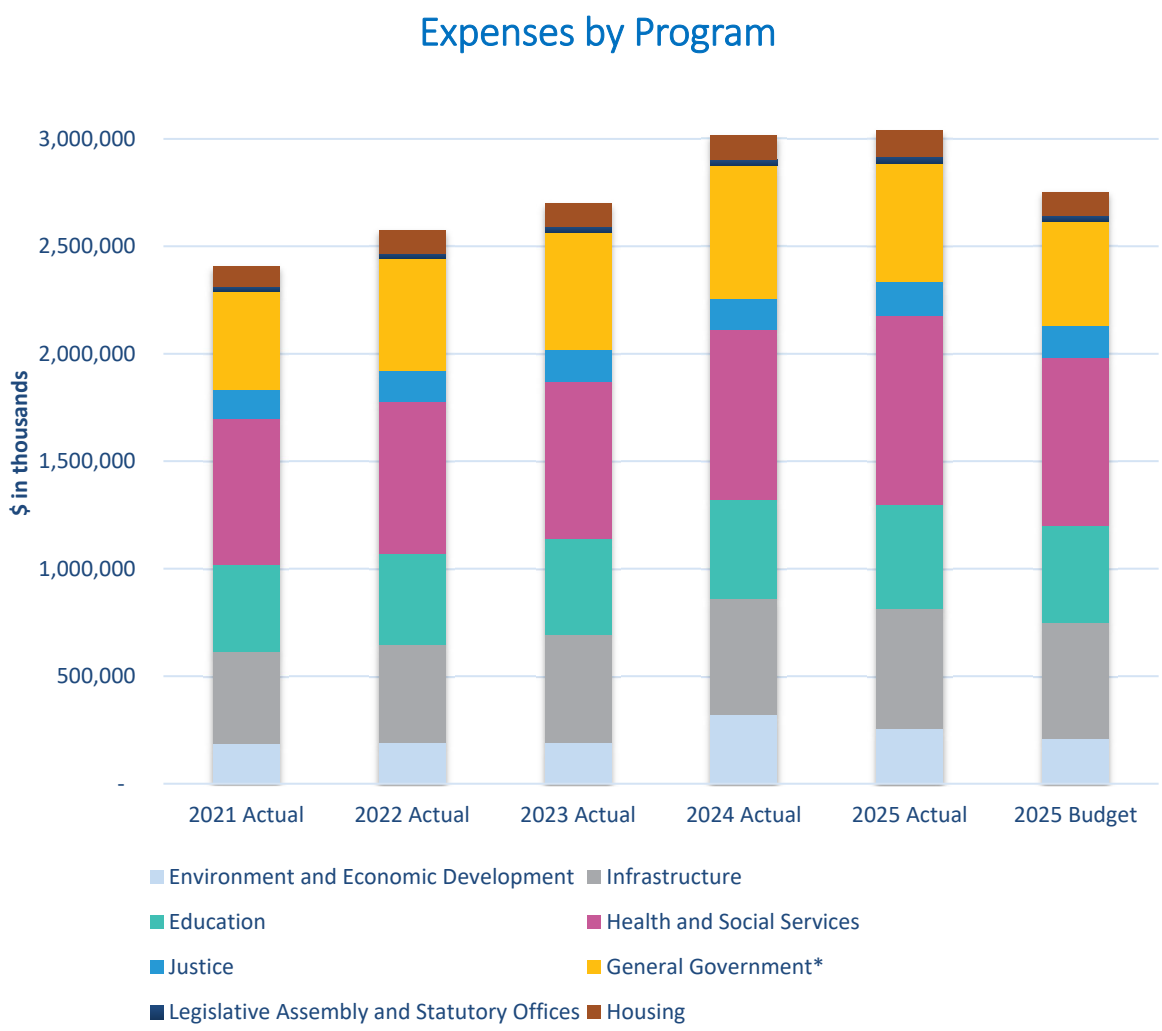
Resource revenues include all mineral revenues, oil and gas revenues and water revenues generated in the NWT but exclude royalty revenues that are part of land claim agreements. The resources revenues generated in the NWT and reported in the Public Accounts are taken into account in the calculation of the Territorial Formula Financing Grant payments from Canada to the Government.

*Sales* revenues include sales of products and services from liquor, cannabis, fuel and petroleum products, cargo delivery services, shipyard services, sale of power, and art and crafts.

*Recoveries* revenues include provision of medical and other services on behalf of other governments and other third parties under various cost recovery agreements.

*Recoveries of Prior Year Expenses* revenues include over-accruals and adjustments of expenses from the previous fiscal year.

## Expense Variance Analysis by Program




Total expenses were $3.0 billion in 2024-2025. This represents an increase of $20.0 million, or 0.7% over the prior year. The biggest increases were in Health and Social Services, Infrastructure, Education, Housing, and Justice.

| Type of Expenses by Program (in $000s) | 2024 Actual | 2025 Budget | 2025 Actual | Explanation |
|---|---|---|---|---|
| Environment & Economic Development | $322,606 | $209,631 | $256,221 | The decrease in budget and actuals is mainly due to the lower wildfire season costs in 2024-25 than 2023-24. The increase in actuals from budget in 2025 is due to collective agreement increases and higher fire suppression costs, and federal cost sharing agreements signed after main estimates process. |
| Infrastructure | $540,529 | $537,659 | $556,340 | The increase in budget and actuals is mainly due to collective bargaining increases, higher utility costs, and repair costs for Deh Cho bridge cables. |
| Education | $461,269 | $454,571 | $484,312 | The increase in actuals is due to increased compensation and benefits expenses across school boards and departmental staff for collective bargaining increases; increased costs for the student financial assistance program; and increased expenses driven by increased funding. |
| Health & Social Services | $786,149 | $777,616 | $880,421 | The increase in actuals is mainly due to collective bargaining increases and various additional funding received after the main estimates process through the supplementary appropriation process. There was higher utilization of out of territory services for services and supplemental health benefits program; and higher medical travel and locum services. |
| Housing | $113,618 | $109,807 | $122,445 | The increase in actuals compared to budget and prior year is mainly due to higher amortization for new assets brought into service, increased compensation and benefits expenses from collective agreement increases, and increased operational expenses for heating fuel and preventative maintenance work. |
| Justice | $146,435 | $148,867 | $159,472 | The increase in actuals and budget is mainly due to compensation costs for collective agreement increases, the closure of the Fort Smith Correctional Centre Men's unit, increased court case volume and increased court travel. |
| General Government | $620,104 | $488,271 | $550,839 | The decrease in actuals is due to higher natural disaster assistance costs in 2023-24 than 2024-25. The increase in budget is due to collective agreement increases, increased interest costs, increased legal expenses, |
| Legislative Assembly & Statutory Offices | $26,077 | $26,275 | $27,219 | The actual increase from 2024 to 2025 is a result of filling vacant positions and annual increases. The increase from budget is due to higher compensation due to collection agreement increases. |

*Note: For details of the program categories above see Note 24* ***Section I****, Public Accounts.*

## Expense Variance Analysis by Object

| Type of Expenses by Object (in $000s) | 2024 Actual | 2025 Budget | 2025 Actual | Explanation |
|---|---|---|---|---|
| Grants & contributions | $393,827 | $380,150 | $394,197 | The 2024 actuals were higher than budget due to program uptake for various contribution funding and evacuation support payments. The 2025 actual contributions were higher than budget due to federal funding agreements signed after the main estimates process. |
| Operations & maintenance | $1,321,212 | $1,152,348 | $1,198,716 | The Government budget had expectations of decreased costs due to lower natural disaster costs compared to 2023-24 wildfire activity; actual results were higher than budget as a result of wildfire costs, borrowing costs, legal expenses, and increases in costs associated with health and social services program costs, increased utility costs, and inflationary increases. |
| Compensation & benefits | $1,126,154 | $1,035,125 | $1,256,411 | The Government budget for compensation is based on funded positions; actual results are higher in 2023-24 for addressing the 2023 wildfires; and higher in 2024-25 due to collective bargaining increases and unfunded positions. |
| Valuation allowance | $7,168 | $0 | $7,791 | The Government does not budget for this amount. Valuation allowances represent amounts owing to the Government that classified as likely not to be collected on. When this happens, the amounts are expensed as a loss. The Government, however, continues to collect on these amounts until they are forgiven by the Financial Management Board in accordance with the *Financial Administration Act*. |
| Amortization of TCAs and Purchased Intangible Assets | $168,426 | $185,074 | $180,154 | The Government estimates this amount based on timing of assets going into service. |

*Note: The above comparisons to budget are based on original approved budget and do not include supplementary appropriations/or approved budget adjustments. Budget is based on Government reporting entity at consolidated level and original approved budget tabled October 30, 2024. (www.ntlegislativeassembly.ca/tabled-documents/2024-2025-consolidated-budget)*

# INDICATORS OF FINANCIAL CONDITION

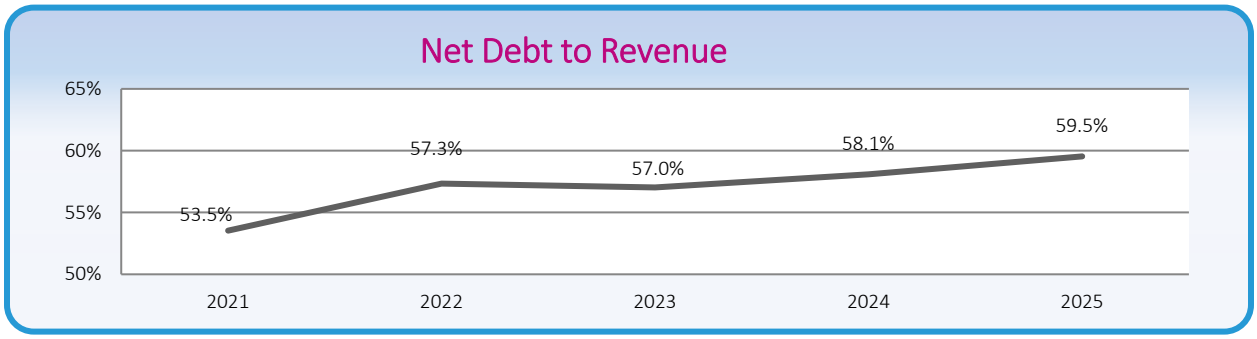
Financial condition describes a government's ability to meet its financial obligations with respect to its service commitments to the public and commitments to employees, creditors, and others.

The following assessment of the Government's financial condition considers three elements: sustainability, vulnerability, and flexibility. The elements show how the Government's fiscal health measures up in the context of the overall economic and financial environment.

*Sustainability:* the degree to which a government can maintain programs and meet creditor requirements without increasing the debt burden on the Government.

- At the end of the 2024-25 fiscal year the Government has a net debt position of $1.84 billion compared to net debt of $1.74 billion at the end of the prior fiscal year. The net debt represents 59.6% of revenue.

The graph below shows that Government's net debt to revenue has increased from 58.1% in 2023-24 to 59.5% in 2024-25 mainly due to the acquisition of tangible capital assets.



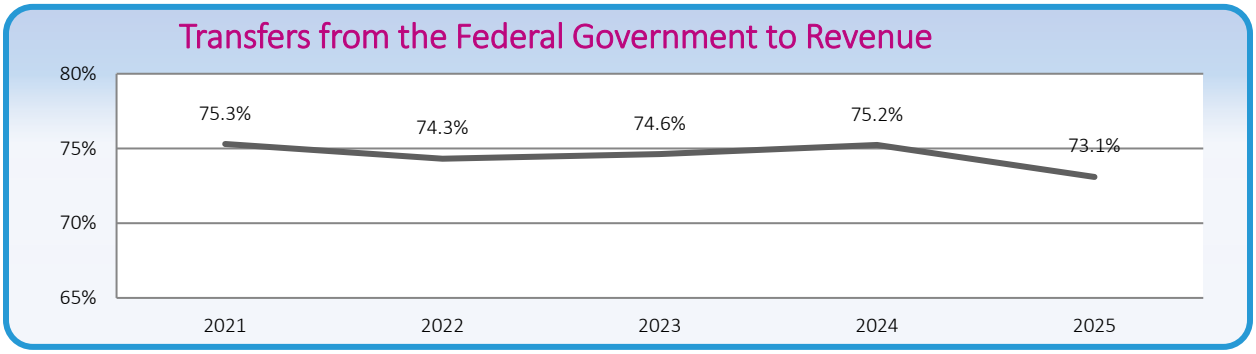

*Net debt to revenue is an indicator of the Government's ability to service the debt burden, where a decreasing ratio is a positive indicator that the rate of increase in net debt is lower than the rate of increase in revenue. A lower net debt to revenue ratio indicates higher sustainability, as a higher revenue base can service a higher net debt burden.*

*Vulnerability:* the degree to which a government depends on, and therefore vulnerable to, sources of funding outside its control or influence, both domestic and international.

- The Government's largest source of revenue is the grant and transfer payments from Canada which represent 73.1% of revenue for the current year. The formula determining the Territorial Formula Financing Grant is established under federal legislation that is renewed every five years.

- Since Territorial Formula Financing responds to changes in own source revenues and the Government mostly relies on relatively stable funding from Canada, the Government is less vulnerable to economic shocks than provinces.

The graph below shows that total revenue from federal government transfers has decreased from 75.2% in 2023-24 to 73.1% in 2024-25.




*An increasing ratio typically reflects that the Government is more reliant on transfers from Canada to fund its programs.*

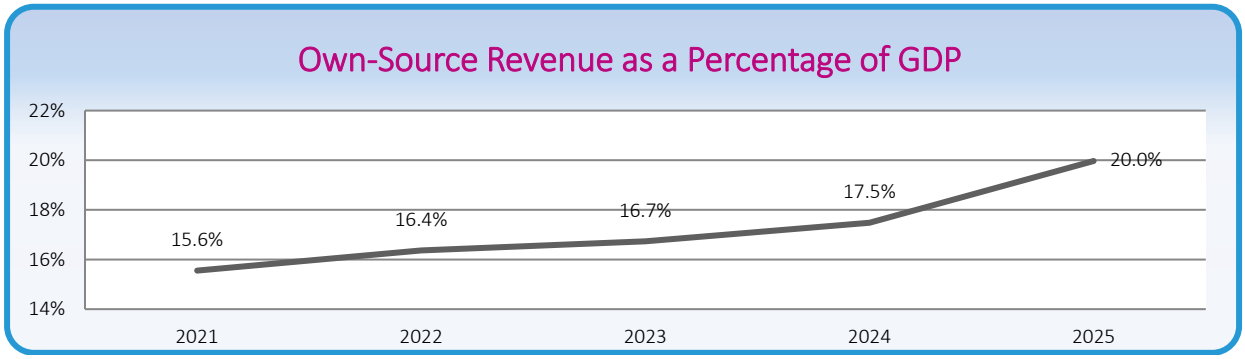
*Flexibility:* the degree to which a government can increase its financial resources to respond to rising commitments, by either expanding its revenues, or increasing its debt burden.

- At March 31, 2025, the Government has a federally imposed borrowing limit of $3.1 billion. The limit on the borrowing capacity precludes the use of debt to increase financial resources beyond the debt limit; however, an increase in debt would, at best, provide short-term flexibility.

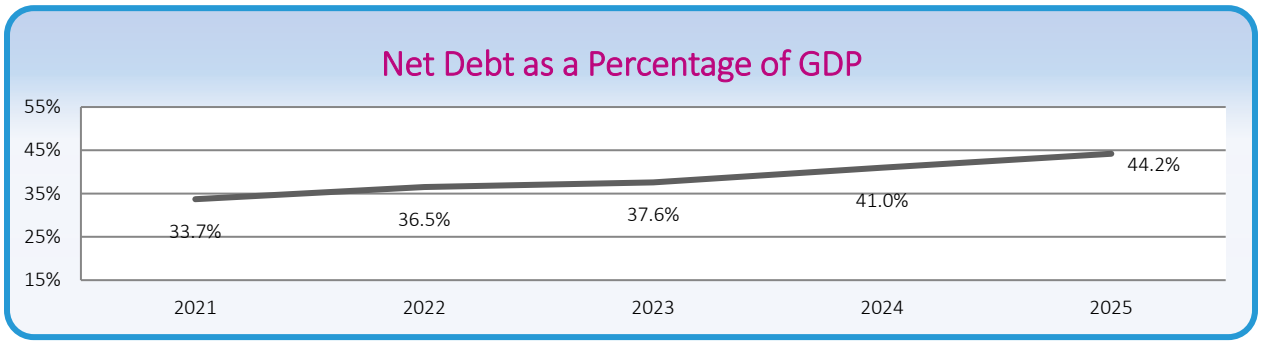
- The Government relies on federal transfers for 73.1% of its total revenues, of which 55.1% comes from the Territorial Formula Financing Grant.

- The Government's own-source revenues, (net of -$4.5 million in non-renewable resource revenues), increased to 27.0% of total revenue in 2023-24 (24.7% - 2023-24). The Government has limited flexibility to increase taxes due to a small tax base.

The total own-source revenue to GDP ratio shows the Government's revenues relative to the size of the economy.




The graph below shows that net debt for the Government increased as a percentage of GDP from 41.0% in 2023-24 to 44.2% in 2024-25. The increase in this ratio is mainly due to new short-term borrowing to fund capital expenditures and operational expenditures due to inflationary increased costs.




*Net debt as a percentage of the GDP is a measure of debt growth in relation to economic growth, where economic growth exceeds the growth rate of public debt. A decreasing ratio reflects a consistent improvement in financial position.*

The Government has limited flexibility to raise new revenues due in part to a small tax base and continues to depend on federal transfers to fund the majority of its expenditures. The Government must be careful to manage its operations expenditures so that it can invest in infrastructure without incurring more debt.

Below are several key indicators for the last ten years:

### *NWT Key Economic Indicators, 2015 to 2024*

| Indicator | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| Real GDP (Chained $) | 1.0 | -1.1 | 3.6 | 1.3 | -6.1 | -10.5 | 6.3 | 2.9 | -0.1 | -1.1 |
| Employment Rate (July 1) | 0.0 | -2.9 | -2.7 | 1.2 | 4.1 | -11.7 | 15.3 | 3.6 | -6.9 | 3.8 |
| NWT consumer price index | 1.1 | 1.4 | 1.6 | 2.3 | 1.9 | 0.7 | 3.4 | 6.8 | 3.3 | 1.9 |
| Population (July 1) | 44,247 | 44,624 | 44,656 | 44,536 | 44,442 | 44,504 | 44,579 | 44,631 | 44,614 | 45,527 |
| Population growth | 0.9 | 0.9 | 0.1 | -0.3 | -0.2 | 0.1 | 0.2 | 0.1 | 0.0 | 1.4 |

*(% change unless otherwise noted)*
*Source: https://www.statsnwt.ca*

*Gross Domestic Product (GDP):* growth rate is also an important indicator of the economic performance of a country, province, or territory. GDP is the final value of the goods and services produced within the geographic boundaries of a jurisdiction during a specified period of time, normally a year.

For the Northwest Territories (NWT), Statistics Canada estimated GDP is $4.20 billion for 2024 (the latest year for which data is available), which represents a 1.1% decrease relative to 2023. The mining, oil and gas industry decreased by 10.8% between 2023 and 2024.

### *Canada, Provinces and Territories GDP Comparison*

Real GDP at Basic Prices, calendar years 2023 and 2024
Millions of Chained (2017) Dollars*

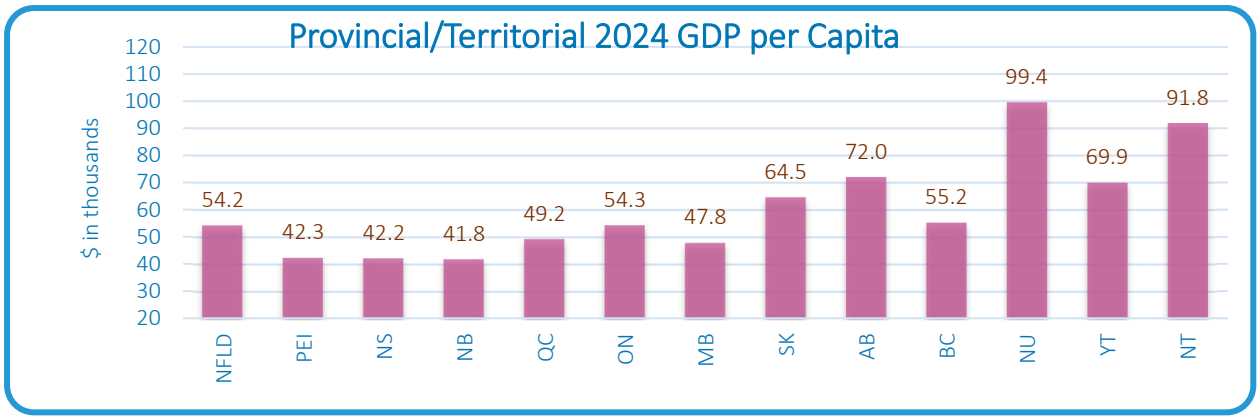
| | 2024 | 2023 | Percent (%) Change |
|---|---|---|---|
| Canada | 2,267,118 | 2,230,034 | 1.7 |
| Northwest Territories | 4,153 | 4,200 | -1.1 |
| Nunavut | 4,117 | 3,832 | 7.5 |
| Yukon | 3,326 | 3,439 | -3.3 |
| British Columbia | 313,137 | 309,420 | 1.2 |
| Alberta | 353,297 | 344,149 | 2.7 |
| Saskatchewan | 80,519 | 77,896 | 3.4 |
| Manitoba | 71,272 | 70,528 | 1.1 |
| Ontario | 876,620 | 865,860 | 1.2 |
| Quebec | 442,866 | 437,231 | 1.3 |
| New Brunswick | 35,837 | 35,207 | 1.8 |
| Nova Scotia | 45,645 | 44,453 | 2.7 |
| Prince Edward Island | 7,605 | 7,339 | 3.6 |
| Newfoundland and Labrador | 29,645 | 28,953 | 2.4 |

*Source: Statistics Canada (2024) Gross domestic product (GDP) at basic prices, by industry, provinces, and territories.*

**Note: Chained dollars is a method of adjusting real dollar amounts for inflation over time, to allow the comparison of figures from different years. Data will not sum to totals since chained dollars are not additive.*

### *Provincial and Territorial - GDP Per Capita Comparison*

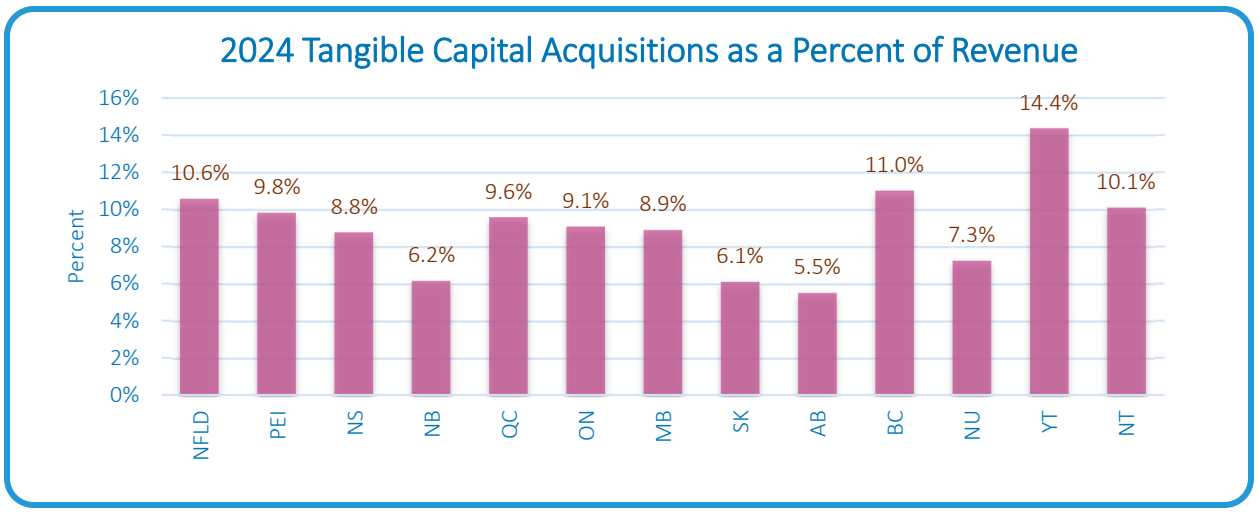
The NWT currently has the second highest GDP per capita in Canada. This is an important indicator to note when considering GDP statistics as it shows that while the NWT has a relatively small population our GDP per capita is large by comparison. The NWT economy is less developed compared to provinces, with resource extraction a dominant sector. Mining has a high value of production, and the sector is capital intensive.




*Statistics Canada. Population estimates July 1, 2024, and GDP Gross domestic product (GDP) at basic prices, by industry, Provinces, and Territories is calendar 2024.*

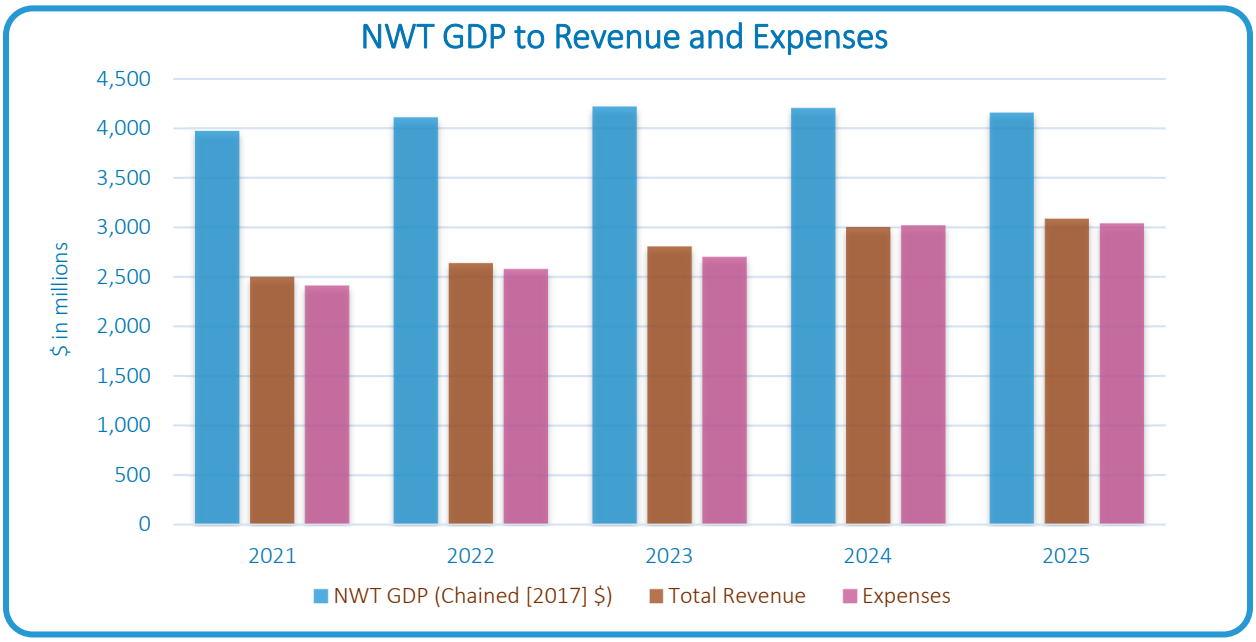
### *Provincial Comparisons – TCA Acquisitions as Percentage of Revenue Comparison*

In 2024, at 10.1%, the Government has the fourth highest percentage of revenue invested in infrastructure compared to other Territories and Provinces.




*Figures calculated based on fiscal 2023-24 Provincial/Territorial Public Accounts of the various senior governments.*

## *NWT GDP, Revenues and Expenses Comparison*




*Note: NWT GDP is based on a calendar year, while the balance of the information is based on the fiscal year end (March 31 of the following year).*

## RISKS AND UNCERTAINTIES

The Government is subject to risks and uncertainties that arise from variables which the Government cannot directly control. These risks and uncertainties include:

- Changes in economic factors such as economic growth or decline, commodity and non-renewable resource prices, inflation, interest rates, population change, personal income and retail sales,
- Exposure to interest rate risk, credit risk, and liquidity risk,
- Changes in transfers from the federal government,
- Utilization of government services,
- Other unforeseen developments including unusual weather patterns and natural and other disasters,
- Criminal or malicious attacks, both cyber and physical in nature, potentially resulting in business interruption, privacy breach and loss of, or damage to, information, facilities, and equipment,
- Factors that could hinder the safe delivery of products and services, and
- Outcomes from litigation, arbitration, and negotiations with third parties.

The Government uses information from banks and private industry when developing the underlying assumptions for fiscal forecasts during budget development and when updating the underlying assumptions throughout the fiscal year.

# FISCAL RESPONSIBILITY POLICY

The Government's Fiscal Responsibility Policy (FRP) is a tool to guide responsible borrowing and debt management. The policy statement for the Government's FRP is:

> *The Government of the Northwest Territories is committed to responsible spending that manages expenditure growth so that resources are available to make necessary infrastructure investments required to support the goals and priorities of each Legislative Assembly in a manner that ensures long-term fiscal sustainability. The Government is committed to plan for and realize sufficient operating surpluses to finance annual infrastructure investments and meet debt servicing payments on any amounts borrowed.*
>
> *The Government is committed to prudent borrowing and debt management and will not incur debt to a level where debt servicing payments are outside the provisions of this policy.*

*Source: Fiscal Responsibility Policy 15.03, updated April 1, 2023*
*https://www.fin.gov.nt.ca/en/resources/fiscal-responsibility-policy*

## Compliance with Fiscal Responsibility Policy

The FRP sections 6(3) and 6(5) provide specific borrowing guidelines for the Government, excluding its boards and agencies, to support responsible fiscal management.

The Policy states that the Government, on a non-consolidated basis, will restrict infrastructure investments, excluding P3 projects, as follows:

a) A minimum of fifty per cent (50%) from the operating surpluses generated within the *non-consolidated* Public Accounts; and
b) A maximum of fifty percent (50%) from government debt.

The Policy also limits *non-consolidated* debt service payments (principal and interest) to five per cent (5%) of total non-consolidated annual revenues.

## Evaluation

The provisions of the Fiscal Responsibility Policy have been met for fiscal year 2024-25:

- The infrastructure investments, excluding P3, met the required 50% minimum operating surplus generated from the non-consolidated Public Accounts.
- Non-consolidated debt servicing costs are 2.45% of the non-consolidated revenue, which is less than the 5.0% limit.

## *Fiscal Responsibility Policy Compliance*

(All calculations based on the **Public Accounts, Section II –** Non-consolidated Financial Statements)

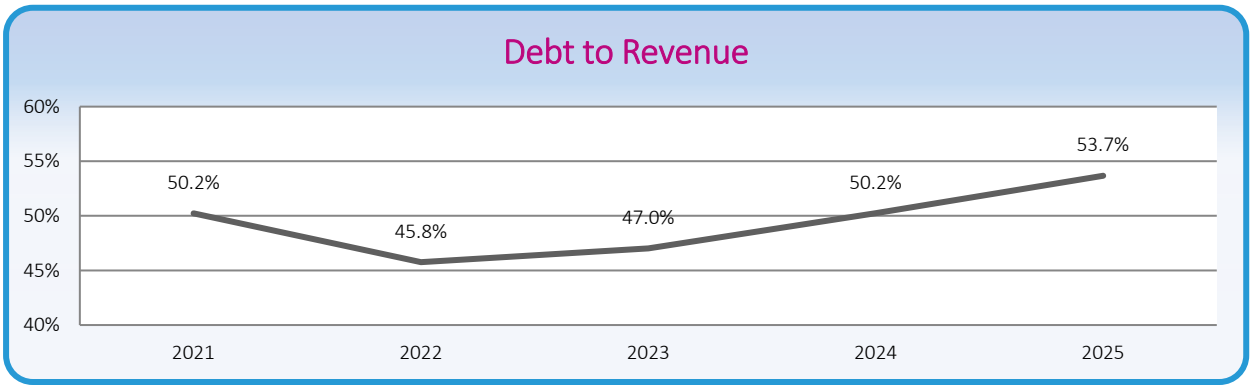
| | 2025 | 2024 |
|---|---|---|
| | ($ in Millions) | |
| ***Policy Provision 6(5)(a)- Debt Servicing Payments*** | | |
| Revenues (Public Accounts, Section II, Schedule A) | 2,692 | 2,611 |
| *Maximum Debt Servicing Payments- 5% of Revenues* | 135 | 131 |
| Debt Servicing Payments | | |
| Short-Term Interest Expense (Public Accounts, Section II, note 8) | 22 | 20 |
| Bond (Public Accounts, Section II, note 14) | 4 | 4 |
| Deh Cho Bridge (Public Accounts, Section II, note 14) | 16 | 16 |
| Capital Lease Obligations (Public Accounts, Section II, note 14) | 1 | - |
| P3 Debt Servicing (Public Accounts, Section II, note 15) | 23 | 24 |
| Total Debt Servicing Payments | 66 | 64 |
| ***Actual Debt Servicing Payments as a % of Revenues*** | **2.45%** | **2.45%** |
| ***Provision 6(3)- Infrastructure Financing*** | | |
| Capital Acquisitions (Public Accounts, Section II, Schedule 4) | 185 | 174 |
| *Cash Required for Infrastructure Investment Expenditures* | 185 | 174 |
| Operating Cash Required | | |
| Minimum cash required from operating surplus (50% of Acquisitions less out of scope items) | 93 | 87 |
| *Total Operating Cash Requirement* | 93 | 87 |
| Operating Cash Available | | |
| Operating (Deficit) Surplus (Public Accounts, Section II, Statement of Operations) | 44 | (8) |
| Add Non-Cash Item - Amortization (Public Accounts, Section II, Statement of Cash Flow) | 136 | 132 |
| *Total Operating Cash Available* | 180 | 124 |
| ***Net Cash Surplus for Infrastructure Investment*** | ***87*** | ***37*** |

## Performance Measures under the Fiscal Responsibility Policy

The FRP establishes debt management performance measures which are to be assessed for consideration annually in the Public Accounts. The measures are required to be evaluated on a ***consolidated basis*** to ensure consideration is given to debt affordability of the entire GRE. The following section discloses this commitment to reporting on the performance measures from section 6(7) of the FRP.

### *1. Debt to Revenue Ratio*

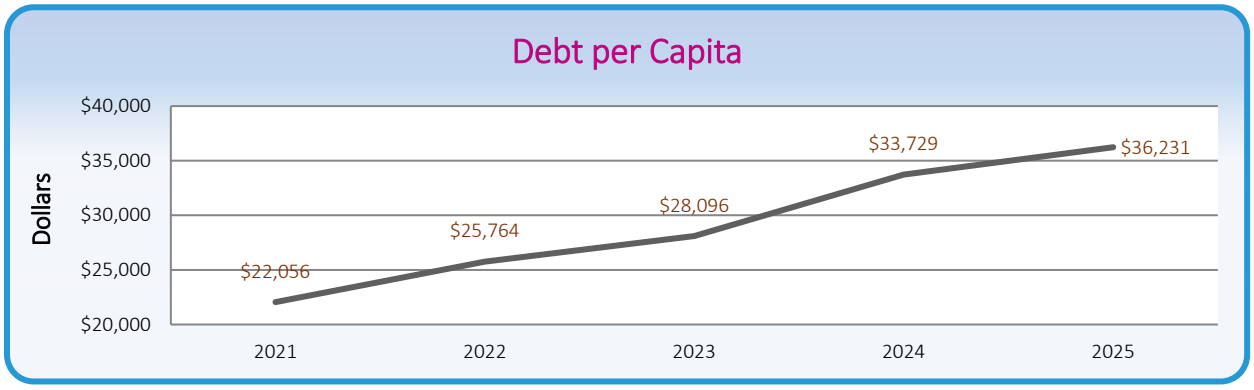
The Government's debt to total revenue has increased from 50.2% in 2023-24 to 53.7% in 2024-25 because mainly due to increased short-term borrowing.




*Debt to total revenue is an indicator of the Government's ability to service the debt burden, where a decreasing ratio is a positive indicator that the rate of increase in debt is lower than the rate of increase in revenue. A lower debt to revenue ratio indicates higher sustainability, as a higher revenue base can service a higher debt burden.*

### *2. Debt per Capita Ratio*

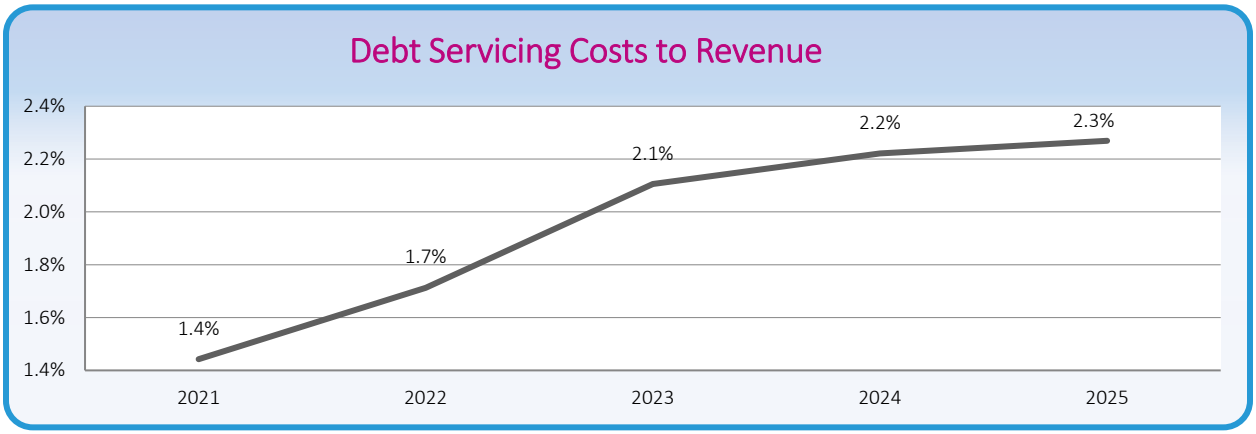
Debt per capita increased 7.4%; from $33,729 in 2023-24 to $36,231 in 2024-25. The debt per capita burden increased because high borrowing growth exceeded low population growth.




*Debt per capita represents the debt relative to the population. An increase in this ratio indicates the debt burden per person has increased, while a decrease means the debt burden has declined.*

## 3. Debt Servicing Costs as a percent of Revenue

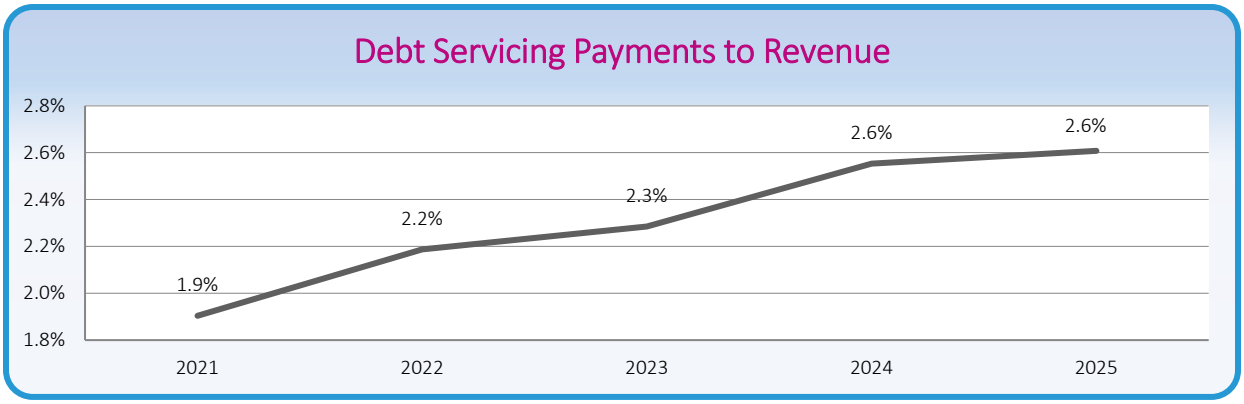
The Government's debt servicing costs compared to total revenue has increased from 2.2% in 2023-24 to 2.3% in 2024-25 due to higher interest on the short-term borrowing, partly offset by increased revenues.




*Debt servicing costs (interest) as a percentage of total revenue is a measure of the extent that Government revenues are being applied to debt charges, rather than to programs and services. A lower ratio indicates increased affordability.*

## 4. Debt Servicing Payments as a percent of Revenue

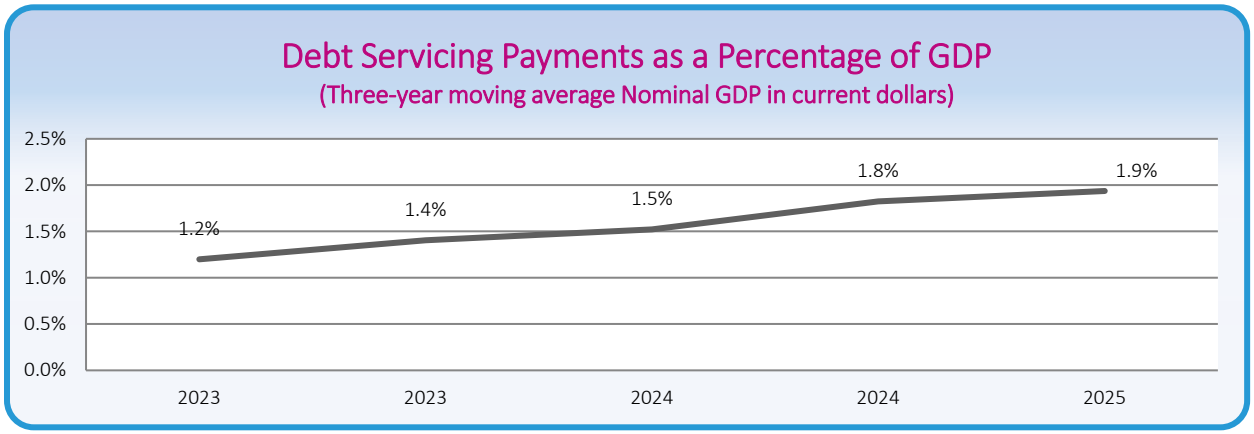
The Government's debt servicing payments compared to total revenue has remained the same at 2.6% from 2023-24 to 2024-25. This is mainly due to increased interest on short term borrowing; offset by increasing revenues.




*The ratio of debt servicing payments (interest and principal) to total revenue measures the extent that the Government revenues are being applied to debt repayment, rather than to programs and services. A higher debt servicing payments ratio indicates decreased affordability.*

## 5. Debt Servicing Payments as a percent of three-year moving GDP average

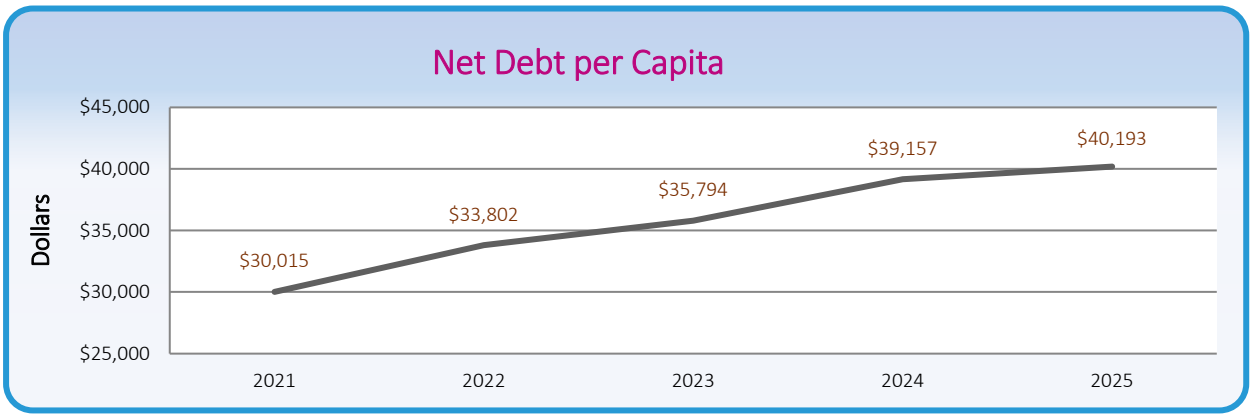
Debt servicing payments as a percentage of GDP for the Northwest Territories increased slightly from 1.8% in 2023-24 to 1.9%, in 2024-25 mainly due to increased interest on short term borrowing.




*Debt servicing payments (interest and principal) as a percent of a three-year average Northwest Territories GDP is a measure of debt payments in relation to economic growth. An increasing ratio reflects a deterioration in financial position, while a decrease reflects improvements in the financial position.*

## 6. Net Debt per Capita Ratio

The Northwest Territories net debt per capita has increased by $1,036 per person from $39,157 in 2024-25 to $40,193 in 2024-25.




*Net debt per capita represents the net debt relative to the population. An increase in this ratio means the debt burden per person has worsened, while a decrease means the debt burden has improved.*

## *7. Credit rating*

The Government had a long-term credit rating of Aa1 from Moody's Investors Service since 2007. In March 2022, this rating was downgraded to Aa2 (stable). The downgrade reflects an evaluation of the territorial economic risks and the flexibility of the Government to respond to those risks given increasing debt levels and existing expenditure pressures.

The Aa2 long term credit rating is the third highest rating available from Moody's from its 10-level investment grades scale for long-term investments.

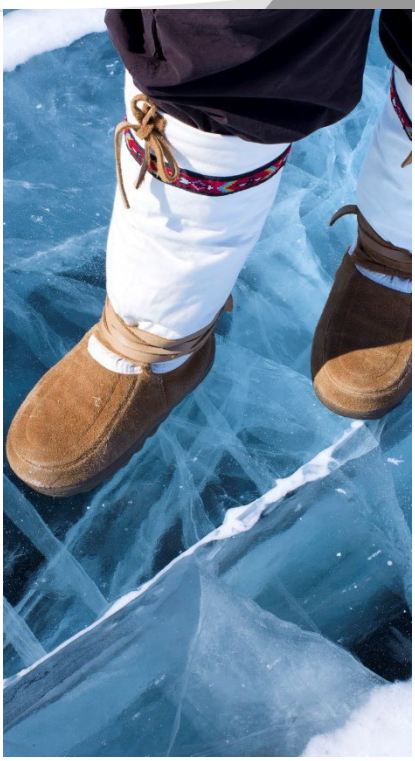
APPENDIX A

# COMPLETION OF ENTITIES CONSOLIDATED WITHIN THE PUBLIC ACCOUNTS

Section 32 of the Financial Administration Act establishes the requirements for the preparation of the annual reports of the components of the GRE. The following table lists the consolidated entities and completion date of their audited financial statements, which is a component of the annual report:

| | Due Date | Extension Due Date | Completion Date |
|---|---|---|---|
| **Entities with June 30 year ends** | | | |
| Aurora College | 28-Sep-2024 | 27-Nov-2024 | 21-Nov-2024 |
| Beaufort Delta Divisional Education Council | 28-Sep-2024 | 27-Nov-2024 | 27-Sep-2024 |
| Commission scolaire francophone Territoires du Nord-Ouest | 28-Sep-2024 | | 25-Sep-2024 |
| Dehcho Divisional Education Council | 28-Sep-2024 | | 27-Sep-2024 |
| Dettah District Education Authority | 28-Sep-2024 | | 25-Sep-2024 |
| Ndilo District Education Authority | 28-Sep-2024 | | 27-Sep-2024 |
| Sahtu Divisional Education Council | 28-Sep-2024 | | 10-Sep-2024 |
| South Slave Divisional Education Council | 28-Sep-2024 | 27-Nov-2024 | 21-Sep-2024 |
| Yellowknife Catholic Schools | 28-Sep-2024 | | 26-Sep-2024 |
| Yellowknife District No.1 Education Authority | 28-Sep-2024 | | 25-Sep-2024 |
| | | | |
| **Entities with March 31 year ends** | | | |
| Arctic Energy Alliance | 29-Jun-2025 | | 10-Jun-2025 |
| Hay River Health and Social Services Authority | 29-Jun-2025 | 28-Aug-2025 | 31-Jul-2025 |
| Housing Northwest Territories | 29-Jun-2025 | 28-Aug-2025 | 25-Aug-2025 |
| Inuvialuit Water Board | 29-Jun-2025 | | 19-Jun-2025 |
| Northwest Territories Health and Social Services Authority | 29-Jun-2025 | 28-Aug-2025 | 13-Aug-2025 |
| Northwest Territories Human Rights Commission | 29-Jun-2025 | | 20-Jun-2025 |
| Northwest Territories Heritage Fund | 29-Jun-2025 | 28-Aug-2025 | 7-Aug-2025 |
| Northwest Territories Hydro Corporation | 29-Jun-2025 | 28-Aug-2025 | 28-Oct-2025 |
| Northwest Territories Surface Rights Board | 29-Jun-2025 | | 25-Jun-2025 |
| Prosper NWT | 29-Jun-2025 | 28-Aug-2025 | 25-Aug-2025 |
| Status of Women Council of the Northwest Territories | 29-Jun-2025 | 28-Aug-2025 | 26-Jun-2025 |
| Tłı̨chǫ Community Services Agency | 29-Jun-2025 | 28-Aug-2025 | 30-Jun-2025 |



# 2024-2025

# PUBLIC ACCOUNTS

## SECTION II

## NON-CONSOLIDATED FINANCIAL STATEMENTS

Government of
Northwest Territories

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# PUBLIC ACCOUNTS

# OF THE

# GOVERNMENT OF THE NORTHWEST TERRITORIES

# FOR THE YEAR ENDED MARCH 31, 2025

## SECTION II

## NON-CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

HONOURABLE CAROLINE WAWZONEK

Minister of Finance

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## Government of the Northwest Territories

### Non-Consolidated Statement of Financial Position (unaudited)

as at March 31, 2025 (thousands of dollars)

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| **Financial assets** | | |
| Cash and cash equivalents *(note 3)* | - | 26,530 |
| Portfolio investments *(note 5)* | 64,824 | 52,668 |
| Accounts receivable *(note 6)* | 601,855 | 487,909 |
| Due from the Government of Canada *(note 11)* | 157,578 | 163,109 |
| Inventories held for resale | 52,489 | 52,767 |
| Loans receivable *(note 7)* | 76,063 | 85,555 |
| Pension assets *(note 16)* | 6,657 | 5,718 |
| | **959,466** | **874,256** |
| **Liabilities** | | |
| Bank overdraft *(note 3)* | 18,582 | - |
| Short-term loans *(note 8)* | 661,034 | 574,189 |
| Accounts payable and accrued liabilities *(note 9)* | 472,910 | 457,190 |
| Deferred revenue *(note 10)* | 152,054 | 160,515 |
| Due to the Government of Canada *(note 11)* | 29,468 | 35,273 |
| Environmental liabilities *(note 12)* | 72,052 | 75,132 |
| Liabilities for sewage lagoons and solid waste sites *(note 13)* | 22,220 | 22,539 |
| Asset retirement obligations *(note 13)* | 76,934 | 78,761 |
| Long-term debt *(note 14)* | 362,280 | 362,732 |
| Capital lease obligations *(note 14)* | 10,981 | - |
| Liabilities under public private partnerships *(note 15)* | 246,079 | 254,045 |
| Pension liabilities *(note 16)* | 44,343 | 43,910 |
| Other employee future benefits and compensated absences *(note 17)* | 21,540 | 20,572 |
| | **2,190,477** | **2,084,858** |
| **Net Debt** | **(1,231,011)** | **(1,210,602)** |
| **Non-financial assets** | | |
| Tangible capital assets *(schedule C)* | 3,111,448 | 3,047,473 |
| Inventories held for use | 2,597 | 2,638 |
| Prepaid expenses | 15,201 | 13,721 |
| | **3,129,246** | **3,063,832** |
| **Accumulated surplus** | **1,898,235** | **1,853,230** |
| **Accumulated surplus is comprised of:** | | |
| Accumulated operating surplus | 1,895,508 | 1,851,585 |
| Accumulated remeasurement gains | 2,727 | 1,645 |
| **Accumulated surplus** | **1,898,235** | **1,853,230** |

Contractual obligations and rights, guarantees and contingencies *(notes 20 and 21)*

Approved by:

Caroline Wawzonek
Minister of Finance

Julie Mujcin, CPA, CGA, MFAcc
Comptroller General

*The accompanying notes and Schedules A, B and C are an integral part of these non-consolidated financial statements.*

## Government of the Northwest Territories

### Non-Consolidated Statement of Operations and Accumulated Operating Surplus (unaudited)

for the year ended March 31, 2025 (thousands of dollars)

| | 2025 Budget (Note 1(b)) | 2025 Actual | 2024 Actual |
|---|---|---|---|
| | $ | $ | $ |
| **Revenues** | | | |
| Revenues by source (*schedule A*) | 2,655,675 | 2,692,107 | 2,611,424 |
| Recoveries of prior years' expenses *(schedule 3)* | 3,000 | 44,941 | 24,405 |
| | **2,658,675** | **2,737,048** | **2,635,829** |
| **Expenses** *(schedule B)* | | | |
| Environment and Economic Development | 195,587 | 244,076 | 307,329 |
| Infrastructure | 331,525 | 399,401 | 345,886 |
| Education | 375,131 | 405,778 | 388,737 |
| Health and Social Services | 691,338 | 809,594 | 723,475 |
| Housing | 76,303 | 82,412 | 84,701 |
| Justice | 148,867 | 159,483 | 146,458 |
| General Government | 489,754 | 565,489 | 621,076 |
| Legislative Assembly and Statutory Offices | 26,275 | 27,160 | 26,076 |
| | **2,334,780** | **2,693,393** | **2,643,738** |
| **Annual operating surplus (deficit) before the following** | **323,895** | **43,655** | **(7,909)** |
| Petroleum Products Stabilization Fund net profit for the year *(note 18)* | - | 268 | 312 |
| **Annual operating surplus (deficit)** | **323,895** | **43,923** | **(7,597)** |
| **Accumulated operating surplus at beginning of year** | **1,851,585** | **1,851,585** | **1,859,182** |
| **Accumulated operating surplus at end of year** | **2,175,480** | **1,895,508** | **1,851,585** |

*The accompanying notes and Schedules A, B and C are an integral part of these non-consolidated financial statements.*

## Non-Consolidated Statement of Change in Net Debt (unaudited)

for the year ended March 31, 2025 (thousands of dollars)

| | 2025 Budget (Note 1(b)) | 2025 Actual | 2024 Actual |
|---|---|---|---|
| | $ | $ | $ |
| **Net debt at beginning of year** | **(1,210,602)** | **(1,210,602)** | **(1,158,438)** |
| Items affecting net financial resources: | | | |
| Annual operating surplus (deficit) | 323,895 | 43,923 | (7,597) |
| Change in tangible capital assets, net book value *(schedule C)* | (132,709) | (63,975) | (41,194) |
| Change in inventories held for use | - | 42 | 437 |
| Change in prepaid expenses | - | (1,481) | (4,614) |
| **Decrease (increase) in net debt excluding net remeasurement gains** | 191,186 | (21,491) | (52,968) |
| **Net remeasurement gains** | - | 1,082 | 804 |
| **Decrease (increase) in net debt** | 191,186 | (20,409) | (52,164) |
| **Net debt at end of year** | **(1,019,416)** | **(1,231,011)** | **(1,210,602)** |

*The accompanying notes and Schedules A, B and C are an integral part of these non-consolidated financial statements.*

## Government of the Northwest Territories

### Non-Consolidated Statement of Remeasurement Gains and Losses (unaudited)

for the year ended March 31, 2025 (thousands of dollars)

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| **Accumulated remeasurement gains at beginning of year** | **1,645** | **841** |
| Unrealized gain (loss) attributable to: | | |
| Portfolio investments | | |
| Equity instruments quoted in an active market | 1,082 | 804 |
| Net remeasurement gains for the year | **1,082** | **804** |
| **Accumulated remeasurement gains at end of year** | **2,727** | **1,645** |

*The accompanying notes and Schedules A, B and C are an integral part of these non-consolidated financial statements.*

## Government of the Northwest Territories

### Non-Consolidated Statement of Cash Flow (unaudited)

for the year ended March 31, 2025 (thousands of dollars)

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| **Cash and cash equivalents provided by (used for)** | | |
| **Operating transactions** | | |
| Annual operating surplus (deficit)* | 43,923 | (7,597) |
| Items not affecting cash and cash equivalents: | | |
| Provision for bad debts and forgivable loans | 961 | 2,268 |
| Recoveries of forgivable loans | 2,054 | 184 |
| Amortization of tangible capital assets | 135,724 | 131,604 |
| Accretion expense | 2,705 | 1,809 |
| | 185,367 | 128,268 |
| Changes in non-cash assets and liabilities: | | |
| Change in due to (from) Canada | (274) | (13,894) |
| Change in other financial assets | (115,846) | (33,537) |
| Change in other financial liabilities | 5,285 | 45,376 |
| Change in prepaid expenses | (1,480) | (4,618) |
| Change in inventories held for use | 42 | 439 |
| Change in inventories for resale | 278 | (3,425) |
| **Cash and cash equivalents provided by operating transactions** | **73,372** | **118,609** |
| **Investing transactions** | | |
| Designated cash and investments purchased | (15,516) | (11,686) |
| Designated cash and investments sold | 4,442 | 11,239 |
| Net loans receivable receipts (disbursements) | 7,438 | 413 |
| **Cash and cash equivalents used for investing transactions** | **(3,636)** | **(34)** |
| **Capital transactions** | | |
| Acquisition of tangible capital assets | (194,855) | (173,902) |
| Disposal of tangible capital assets (net) | 1,633 | (1,112) |
| **Cash and cash equivalents used for capital transactions** | **(193,222)** | **(175,014)** |
| **Financing transactions** | | |
| Acquisition (repayment) of short-term financing | 86,845 | 141,855 |
| Repayment of capital lease obligations | (53) | - |
| Acquisition (repayment) of long-term financing | (8,418) | (8,178) |
| **Cash and cash equivalents provided by financing activities** | **78,374** | **133,677** |
| **Increase (decrease) in cash and cash equivalents** | **(45,112)** | **77,238** |
| Cash and cash equivalents at beginning of year | 26,530 | (50,708) |
| **Cash and cash equivalents at end of year** | **(18,582)** | **26,530** |

* Interest paid during the year $48,094 (2024 - $45,848). Interest received during the year $8,391 (2024 - $7,839).

*The accompanying notes and Schedules A, B and C are an integral part of these non-consolidated financial statements.*

## 1. AUTHORITY, OPERATIONS AND REPORTING ENTITY

### (a) Authority and reporting entity

The Government of the Northwest Territories (the Government) operates under the authority of the *Northwest Territories Act* (Canada). The Government has an elected Legislative Assembly which authorizes all disbursements, advances, loans and investments unless specifically authorized by statute.

The Government prepares consolidated financial statements. They are presented in Section I of the Public Accounts and provide an accounting of the full nature and extent of the financial affairs and resources for which the Government is responsible. The reporting entity is defined in those statements. These financial statements have been prepared on a non-consolidated basis to show the operating results of the Government separate from the entities included in the consolidated financial statements.

These financial statements include the assets, liabilities and operating results of the Government and its revolving funds. Revolving funds are established by the Government to provide the required working capital to deliver goods and services to the general public and to Government departments.

The following related Territorial Crown Corporations, boards and agencies are included in these statements only to the extent of the Government's contributions to, or revenues from them:

Arctic Energy Alliance
Aurora College
Divisional Educational Councils and District Education Authorities
Health and Social Services Authorities
Housing Northwest Territories
Inuvialuit Water Board
Northwest Territories Heritage Fund
Northwest Territories Human Rights Commission
Northwest Territories Hydro Corporation
Northwest Territories Surface Rights Board
Prosper NWT (previously Northwest Territories Business Development and Investment Corporation)
Status of Women Council of the Northwest Territories
Tlicho Community Services Agency

### (b) Budget

Canadian public sector accounting standards require a comparison of the results of operations and changes in net financial assets (debt) for the year with those originally planned. The main estimates are the appropriations approved by the Legislative Assembly. They represent the Government's original fiscal plan for the year and do not reflect Supplementary Appropriations.

The following table reconciles the Main Estimates for 2024-2025 as tabled in the Legislative Assembly to the budget figures in the Statement of Operations and Accumulated Operating Surplus.

## 1. AUTHORITY, OPERATIONS AND REPORTING ENTITY (continued)

### (b) Budget (continued)

| | 2025 Main Estimates as Tabled $ | Projects on Behalf of Third Parties Adjustment[1] $ | Carbon Tax Adjustment[2] $ | Housing Northwest Territories Adjustment[3] $ | 2025 Budget as Presented $ |
|---|---|---|---|---|---|
| **Revenues** | | | | | |
| Revenues by source | 2,629,584 | 54,576 | (28,485) | - | 2,655,675 |
| Recoveries of prior years' expenses | 3,000 | - | - | - | 3,000 |
| | **2,632,584** | **54,576** | **(28,485)** | **-** | **2,658,675** |
| **Expenses** | | | | | |
| Environment and Economic Development | 189,597 | 5,990 | - | - | 195,587 |
| Infrastructure | 331,447 | 78 | - | - | 331,525 |
| Education | 374,989 | 142 | - | - | 375,131 |
| Health and Social Services | 644,228 | 47,110 | - | - | 691,338 |
| Housing | - | - | - | 76,303 | 76,303 |
| Justice | 148,586 | 281 | - | - | 148,867 |
| General Government | 593,567 | 975 | (28,485) | (76,303) | 489,754 |
| Legislative Assembly and Statutory Offices | 26,275 | - | - | - | 26,275 |
| | **2,308,689** | **54,576** | **(28,485)** | **-** | **2,334,780** |
| **Annual operating surplus before the following** | **323,895** | **-** | **-** | **-** | **323,895** |
| Projects on behalf of third parties | | | | | |
| Expenses | (54,576) | 54,576 | - | - | - |
| Recoveries | 54,576 | (54,576) | - | - | - |
| **Annual operating surplus** | **323,895** | **-** | **-** | **-** | **323,895** |

[1] The Government undertakes projects for the Government of Canada, the Government of Nunavut and others. These recoveries and expenses were presented separately in the tabled Main Estimates below the annual operating surplus. Within the Non-consolidated Statement of Operations and Accumulated Operating Surplus, the recoveries for projects on behalf of third parties are classified as transfer payment revenues, general revenues or recoveries based on the nature of the contract. Related expenses have been classified with the appropriate department's expense.

[2] Gross basis accounting was used to budget revenue and offsetting expenses relating to rebates for heating fuel, diesel for generation and large emitters in the tabled Main Estimates. Within the Non-consolidated Statement of Operations and Accumulated Operating Surplus these amounts are instead presented on a net basis to better reflect their nature.

[3] Contributions to Housing Northwest Territories were included under General Government in the tabled Main Estimates. This line item has been disaggregated in order to present Housing expenses separately from General Government.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### (a) Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these statements, the Government believes the estimates and assumptions to be reasonable.

The provision for environmental liabilities is subject to a high degree of measurement uncertainty because the extent of contamination and the timing and cost of remediation cannot be reliably estimated in all circumstances. The degree of measurement uncertainty resulting from the estimation of the provision cannot be reasonably determined.
The provision for asset retirement obligations is subject to a high degree of measurement uncertainty because the timing and cost of asset retirement cannot be reliably estimated in all circumstances. The degree of measurement uncertainty resulting from the estimation of the provision cannot be reasonably determined.

The estimate of expected revenues from the tobacco litigation settlement between the three major tobacco companies and the government is subject to a high degree of measurement uncertainty because the annual contribution component is dependent on available cash flow from future after-tax net income of these companies over an extended period of twenty years or more. The degree of measurement uncertainty from the estimation of the revenues cannot be reasonably determined.

### (b) Cash and cash equivalents

Cash is comprised of cash on hand and bank account balances. Cash equivalents are comprised of short-term highly liquid investments that are readily convertible to cash with a maturity date of 90 days or less from the date of acquisition.

### (c) Portfolio investments

Portfolio investments in equities quoted in an active market as well as certain other investments whose performance is managed and reported on a fair value basis are recorded at fair value. Other investments are recorded at cost and amortized cost.

### (d) Restricted assets

Restricted assets result from external restrictions imposed by an agreement with an external party, or through legislation of another government, that specify the purpose or purposes for which resources are to be used. Externally restricted inflows are recognized as revenue in a government's financial statements in the period in which the resources are used for the purpose or purposes specified. An externally restricted inflow received before this criterion has been met is reported as a liability until the resources are used for the purpose or purposes specified.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (e) Inventories

Inventories for resale consist mainly of bulk fuels and liquor products. Bulk fuels are valued at the lower of weighted average cost and net realizable value. Liquor products are valued at the lower of cost and net realizable value.

Inventories held for use are valued at the lower of cost, determined on a first in, first out basis and net replacement value. Impairments, when recognized, result in write-downs to net replacement value.

### (f) Loans receivable

Loans receivable are stated at the lower of cost and net recoverable value. Valuation allowances, determined on an individual basis, are based on past events, current conditions and all circumstances known at the date of the preparation of the financial statements and are adjusted annually to reflect the current circumstances by recording write downs or recoveries, as appropriate. Write downs are recognized when the assets have been deemed unrealizable and or uncollectable. Recoveries are recorded when loans previously written down are subsequently collected. Interest revenue is recorded on an accrual basis. Interest revenue is not accrued when the collectability of either principal or interest is not reasonably assured.

### (g) Tangible capital assets and leases

Tangible capital assets are non-financial assets whose useful life extends beyond the fiscal year and are intended to be used on an ongoing basis for delivering programs and services. Tangible capital assets (TCA) are recorded at cost (including qualifying interest expense), or where actual cost is not available, estimated current replacement cost discounted back to the acquisition date. Costs include contracted services, materials and supplies, direct labour, attributable overhead costs, and directly attributable interest. Capitalization of interest ceases when no construction or development is taking place or when a tangible capital asset is ready for use in producing goods or services. Assets, when placed in service are amortized on a straight line basis over their estimated useful life as follows:

| Asset category | Amortization period |
|---|---|
| Land | Not amortized |
| Infrastructure and Other | 40 years or less |
| Computers | 10 years or less |
| Equipment | |
| Barges and ferries | 75 years or less |
| Other equipment | 40 years or less |
| Roads and bridges | 75 years or less |
| Buildings and Leasehold improvements | Buildings - 40 years or less; leasehold improvements - lesser of useful life or remaining lease term |

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (g) Tangible capital assets and leases (continued)

The estimate of the useful life of tangible capital assets is reviewed on a regular basis and revised where appropriate on a prospective basis. The remaining unamortized portion of a tangible capital asset may be extended beyond its original estimated useful life when the appropriateness of such a change can be clearly demonstrated.

Write-downs and write-offs of tangible capital assets are recognized whenever significant events and changes in circumstances and use suggest that the asset can no longer contribute to program or service delivery at the level previously anticipated. A write-down is recognized when a reduction in the value of the asset can be objectively measured. A write-off is recognized when the asset is destroyed, stolen, lost, or obsolete to the Government.

Tangible capital assets under construction or development are recorded as work in progress with no amortization until the asset is placed in service. Capital lease agreements are recorded as a liability and a corresponding asset based on the present value of the minimum lease payments, excluding executory costs. The present value is based on the lower of the implicit rate or the Government's borrowing rate at the time the obligation is incurred. Operating leases are charged to expenses.

All works of art, historical treasures, and items inherited by right of Crown, such as Crown lands, forests, water and mineral resources are not recognized in these financial statements.

### (h) Contractual rights and contingent assets

The Government enters into contracts that are significant in relation to its current financial position or that will materially affect future revenues. Contractual rights pertain to rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future when the terms of contracts or agreements are met. The nature, extent and timing of contractual rights are disclosed in the notes to these financial statements.

The contingent assets of the Government are potential assets which may become actual assets when one or more future events occurs or fails to occur. If the confirming future event is considered likely and is quantifiable, a contingent asset is disclosed.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (i) Environmental liabilities

Environmental liabilities are recognized for contaminated sites, as a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized when all of the following criteria are satisfied: an environmental standard exists, contamination exceeds the environmental standard, the Government is directly responsible or accepts responsibility, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. The liability reflects the Government's best estimate of the amount required to remediate the sites to the current minimum standard for its use prior to contamination, discounted using the Government's cost of borrowing for maturity dates that coincide with the expected cash flows.

Environmental liabilities consist of the estimated costs related to the management and remediation of environmentally contaminated sites, including costs such as those for future site assessments, development of remedial action plans, resources to perform remediation activities, land farms and monitoring. All costs associated with the remediation, monitoring and post-closing of the site are estimated and accrued. Where estimates are not readily available from third party analyses, an estimation methodology is used to record a liability when sufficient information is available. The methodology used is based on costs or estimates for sites of similar size and contamination when the Government is obligated, or is likely obligated, to incur such costs. If the likelihood of a future event that would confirm the Government's responsibility to incur these costs is not determinable, or in the event it is not possible to determine if future economic benefits will be given up, or if a confirming future event is likely but an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements and no liability is accrued. The environmental liabilities for contaminated sites are reassessed on an annual basis.

### (j) Asset retirement obligations and liabilities for sewage lagoons and solid waste sites

Asset retirement obligations (ARO) are recognized where there is a legal obligation to retire a tangible capital asset and are based on management's best estimate of the future expenditures required to settle the legal obligations to the extent that they can be reasonably estimated and are calculated based on the estimated future cash flows necessary to discharge the legal obligations, discounted using the Government's cost of borrowing for maturity dates that coincide with the expected cash flows.

The estimated ARO is recorded as a liability with a corresponding increase to tangible capital assets. The liability for AROs is increased annually for the passage of time by calculating accretion on the liability based on the discount rates implicit in the initial measurement. Changes in the obligation resulting from revisions to the timing or amount of the estimated undiscounted cash flows or revisions to the discount rate are recognized as an increase or decrease in the related carrying amount of the related tangible capital asset.

The Government has a liability relating to restoration of sewage lagoons and solid waste sites that are located on Commissioner's land and where the obligation is communicated to the operators of the sites. These liabilities are not ARO as they do not relate to tangible capital assets controlled by the Government. They are measured in accordance with the policies the Government uses to measure ARO because they are similar in nature. Costs associated with these liabilities are expensed in the year they are incurred. Revisions in estimated cash flows that result in a reduction or increase of the liability are recorded as either recoveries or losses in the year the change takes place.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (k) Liabilities under Public-Private Partnerships

The Government may, as an alternative to traditional forms of procurement governed by the Government's Contract Regulations, enter into public private partnership (P3) agreements with the private sector to procure services and public infrastructure when: there is appropriate risk sharing between the Government and the private sector partners; the agreement extends beyond the initial capital construction of the project, and; the arrangement results in a clear net benefit to the Government as opposed to being merely neutral in comparison with standard procurement processes.

The Government accounts for P3 projects in accordance with the substance of the underlying agreements. P3 projects are recognized where the Government controls the purpose and use of the infrastructure, access to the future economic benefits and exposure to risks of the infrastructure asset, and significant residual interest in the infrastructure, if any, at the end of the P3's term. In circumstances where the Government is determined to bear the risks and rewards of an asset under construction, the resulting tangible capital asset and the corresponding liability are recognized over time as the construction progresses and control is transferred to the Government. The tangible capital asset (classified as work in progress) and the corresponding liability are recorded based on the estimated percentage of completion. In circumstances where the Government does not bear the risks and rewards of the asset until substantial completion the future associated agreement is disclosed.

The tangible capital asset value is the total of progress payments made during construction and the net present value of the future payments, discounted using the imputed interest rate for the agreement. Capital expenditures may occur throughout the project or at the capital in-service date. When available for use, the P3 tangible capital assets are amortized over their estimated useful lives. A liability, recognized in relation to a P3 agreement is initially measured at the same amount as the related tangible capital asset, reduced for any consideration previously provided to the private sector partner. P3 liabilities are subsequently measured at amortized cost using the effective interest method in accordance with the financial liability model.

Service fees may occur throughout the project or when the project is operational; these fees will include both a service and operational component. The operating and service costs, that are clearly identified in the agreements, are expensed as they are incurred. All payments are adjusted to reflect performance standards or inflation as outlined in the specific agreement and penalties may be deducted for sub-standard performance.

### (l) Financial Instruments

Financial instruments are any contracts that give rise to financial assets of one entity and financial liabilities or equity instruments of another entity.

The Government's financial instruments consist of cash and cash equivalents, portfolio investments, accounts receivable, loans receivable, due from the Government of Canada, short term loans, accounts payable and accrued liabilities, due to the Government of Canada, long term debt and liabilities under public private partnerships.

Portfolio investments in equities quoted in an active market and certain other investments are measured at fair value. All other financial instruments are measured at cost or amortized cost. The Government classifies fair value measurements using a hierarchy with the following levels:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3 – inputs for the asset or liability that are not based on observable market data.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (l) Financial instruments (continued)

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the Non-consolidated Statement of Remeasurement Gains and Losses. Upon settlement, a cumulative gain or loss is reclassified from the Non-consolidated Statement of Remeasurement Gains and Losses and recognized in the Non-consolidated Statement of Operations and Accumulated Operating Surplus. Interest and dividends attributable to financial instruments are reported in the Non-consolidated Statement of Operations and Accumulated Operating Surplus. For financial instruments measured at amortized cost, the effective interest rate method is used to determine interest revenue or expense.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the Non-Consolidated Statement of Operations and Accumulated Operating Surplus.

### (m) Pensions and other employee future benefits and compensated absences

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Government's contributions are charged as an expense on a current year basis and represent the total pension obligations. The Government is not required under present legislation to make contributions with respect to any actuarial deficiencies of the Public Service Pension Plan.

Pension benefits to Members of the Legislative Assembly and judges are reported on an actuarial basis. This is done to determine the current value of future entitlement and uses various estimates. When actual experience varies from estimates, or when actuarial assumptions change, the adjustments are amortized on a straight line basis over the estimated average remaining service lives of the contributors. Recognition of actuarial gains and losses commences in the year following the effective date of the related actuarial valuations. In addition, immediate recognition of a previously unrecognized net actuarial gain or loss may be required upon a plan amendment, curtailment or settlement.

Under the terms and conditions of employment, government employees may earn non-pension benefits for resignation, retirement and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment. Eligibility is based on variety of factors including place of hire, date employment commenced, and the reason for termination. Benefit entitlements are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service. Termination benefits are also recorded when employees are identified for lay-off. Compensated absences include sick, special, parental and maternity leave. Accumulating non-vesting sick and special leave are recognized in the period the employee provides service, whereas parental and maternity leave are event driven and are recognized when the leave commences. An actuarial valuation of the cost of these benefits (except maternity and parental leave) has been prepared using data provided by management and assumptions based on management's best estimates.

### (n) Contractual obligations and contingent liabilities

The Government enters into contracts that are significant in relation to its current financial position or that will materially affect future expenses. Contractual obligations pertain to funding commitments for operating, commercial and residential leases, and capital projects. Contractual obligations are obligations of a government to others that will become liabilities in the future when the terms of those contracts or agreements are met. The nature, extent and timing of contractual obligations are disclosed in the notes to the non-consolidated financial statements.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (n) Contractual obligations and contingent liabilities (continued)

The contingent liabilities of the Government are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the confirming future event is considered likely and is quantifiable, an estimated liability is accrued. If the occurrence of the confirming future event is likely but the amount of the liability cannot be reasonably estimated or if the occurrence of the confirming future event is not determinable, the contingent liability is disclosed but is not accrued.

### (o) Grant from the Government of Canada

The Grant from the Government of Canada is recognized as revenue when entitlement for the transfer occurs. Under the *Federal-Provincial Fiscal Arrangements Act* (Canada), the Grant from the Government of Canada is calculated based on Territorial Formula Financing as the Gross Expenditure Base, offset by eligible revenues, which are based on a three-year moving average, lagged two years, of representative revenue bases at national average tax rates. Population growth rates and growth in provincial/local government spending are variables used to determine the growth in the Gross Expenditure Base. The Grant is calculated once for each fiscal year and is not revised, with all payments flowing to the Government prior to the end of the fiscal year.

### (p) Transfer payments

Government transfers are recognized as revenue in the period in which the events giving rise to the transfer occurred, as long as the transfer is authorized, eligibility criteria have been met, stipulations that give rise to a liability have been satisfied and a reasonable estimate of the amount can be made. Transfers received before these criteria are fully met are recorded as deferred revenue.

### (q) Taxation revenues

Corporate and Personal Income tax revenue are recognized on an accrual basis, net of any tax concessions. Income tax is calculated net of tax deductions and credits allowed under the *Income Tax Act* (Northwest Territories). If an expense provides a financial benefit other than a relief of taxes, it is classified as a transfer made through the tax system. If an expense provides tax relief to a taxpayer and relates to revenue, this expense is considered a tax concession and is netted against tax revenues. Taxes, under the *Income Tax Act* (Northwest Territories), are collected by the Government of Canada on behalf of the Government under a tax collection agreement. The Government of Canada remits Personal Income taxes monthly throughout the year and Corporate Income tax monthly over a six month period beginning in February. Payments are based on Canada's Department of Finance's estimates for the taxation year, which are periodically adjusted until the income tax assessments or reassessments for that year are final. Income tax estimates, determined by the Government of Canada, combine actual assessments with an estimate that assumes that previous years' income tax allocations will be sustained and are subject to revisions in future years. Differences between current estimates and future actual amounts can be significant. Any such differences are recognized when the actual tax assessments are finalized.

Fuel, carbon, tobacco, payroll and property taxes are levied under the authority of the *Petroleum Products and Carbon Tax Act*, the *Tobacco Tax Act*, the *Payroll Tax Act*, and the *Property Assessment and Taxation Act*, respectively. Fuel, carbon and tobacco tax revenues are recognized on an accrual basis, based on statements received from collectors. Payroll tax is recognized on an accrual basis, based on payroll tax revenues of the prior year. Property tax and school levies are recognized on an accrual basis based on assessments of the prior year. Adjustments arising from reassessments are recorded in revenue in the year they are finalized. All other revenues are recognized on an accrual basis.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (r) Sales, general, non-renewable resource and recoveries revenues

Other revenues from non-exchange transactions

Non-exchange transactions are transactions or events where there is no direct transfer of goods or services to a payor. The Government recognizes certain regulatory revenue from non-exchange transaction when the Government has the authority to claim or retain an inflow of economic resources, and identifies a past transaction or event that gives rise to an asset. The Government records revenue from these transactions at realizable value, which is generally the amount of cash or cash equivalents received or receivable.

Other revenues from exchange transactions

Exchange transactions are transactions where goods or services are provided to a payor for consideration. These transactions include performance obligations for the Government arising directly from a payment or promise of consideration by a payor. For each performance obligation, the Government evaluates whether the performance obligation is satisfied over a period of time or at a point in time and recognizes the revenue when the performance obligation is satisfied. Where a performance obligation is satisfied over time, the Government measures its progress of satisfying the performance obligation considering the characteristics of the goods or services being provided and the pattern of benefit to the payor.

*Sale of goods (net revolving fund revenue)*
The Government sells the following types of goods to payors in exchange for consideration: liquor and cannabis products and petroleum products. The Government recognizes revenue from sale of goods at a point in time when the control of the good is transferred to the payor and the payor has control of the benefits associated with the goods.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (r) Sales, general, non-renewable resource and recoveries revenues (continued)

Other revenues from exchange transactions (continued)

*Rendering of services*

The Government renders services to payors and recognizes revenue from the rendering of each distinct service when, or as, the Government satisfies a performance obligation by providing the promised service to a payor. The Government has the following significant revenue streams from the rendering of services:

| Revenue streams and performance obligations | Timing of satisfaction of the performance obligation |
|---|---|
| General | |
| Lease: includes provision of accommodations such as residential housing and student accommodations. | Recorded over a period of time in accordance with the agreement. |
| Other: includes provision of services on behalf of other governments and third parties under various cost recovery arrangements; various miscellaneous services including contract work, lottery revenue, and telecom revenue. | Certain miscellaneous services are recorded at a point in time; other services are required to be recorded over time. |
| Regulatory revenue: registration fees, toll revenue, licenses, and permits (excluding non-renewable resource revenue). | Excluding rights to access which are recorded over time, regulatory revenue is recorded at a point in time. |
| Net revolving fund revenue: cargo and fuel delivery, shipyard services, and other services. | Cargo and fuel delivery and shipyard services are recorded at a point in time when the delivery or service is complete. |
| Non-renewable resource revenue | |
| Mineral, oil and gas royalties: granting access to a non-renewable resource. | At a point in time as resources are extracted. |
| Licenses, leases and other fees: granting of rights and providing access relating to prospecting, claims, and extraction. | Leases are recorded over time. Licenses and other fees are recorded at a point in time. |
| Quarry fees: providing the gravel and/or other granular material. | At a point in time. |

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (r) Sales, general, non-renewable resource and recoveries revenues (continued)

Variable consideration

If the consideration in a contract includes a variable amount, the Government estimates the amount of consideration to which it will be entitled in exchange for satisfying the performance obligation. The variable consideration is estimated at contract inception using either the expected value method or the most likely amount, based on which method estimates the most relevant and representationally faithful amount given the circumstances.

If the consideration in an arrangement is sales-based or usage-based and dependent on the actions of the payor, such as in the case of the minerals, oil and gas royalties, the amount of revenues earned is uncertain until a future event such as the sale or usage occurs. As the future event in a sales-based or usage-based arrangement is uncertain and outside of the Governments' control, revenue is recognized when the performance obligation of the Government is satisfied and when the Government can confirm that the sale or usage by the payor is completed.

Significant concessionary terms

When the Government offers a significant concession, such as lengthy payment terms to a payor, compared to a similar transaction, all or a significant portion of the transaction price is in the nature of a concession (grant) and the transaction price is adjusted to reflect the amount expected to be earned. The transaction price is measured using the best estimate based on the terms of the transaction at each reporting date.

### (s) Expenses

Grants and contributions are recognized as long as the grant or contribution is authorized and eligibility criteria have been met. Grants and contributions include transfer payments paid through programs to individuals, and to provide major transfer funding for communities under community government funding arrangements. Payments to individuals include payments for children's benefits, income support or income supplement. Assistance is based on age, family status, income, and employment criteria. Other transfer payments are provided to conduct research, to establish new jobs through support for training and to promote educational, health and cultural activities. All other expenses are recognized on an accrual basis.

### (t) Recoveries of prior years' expenses

Recoveries of prior years' expenses and reversals of prior years' expense accruals in excess of actual expenditures are reported separately from other revenues on the Non-consolidated Statement of Operations and Accumulated Operating Surplus. Pursuant to the *Financial Administration Act*, these recoveries cannot be used to increase the amount appropriated for current year expenses.

### (u) Foreign currency translation

Foreign currency transactions are translated into Canadian dollars using rates in effect at the time the transactions were entered into. Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using exchange rates at year-end. Unrealized gains and losses arising from translation are recognized in the Non-consolidated Statement of Remeasurement Gains and Losses and are reclassified to the Non-consolidated Statement of Operations and Accumulated Operating Surplus when settled.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (v) Projects on behalf of third parties

The Government undertakes projects for the Government of Canada, the Government of Nunavut and others. Where the agreement allows, the Government receives accountable advances and any unexpended balances remaining at year-end are recorded as liabilities in accounts payable and accrued liabilities, due to the Government of Canada or deferred revenue, as applicable. Revenues, including transfer payments and general revenues, are accrued when expenses as allowed under the project contract, exceed advances, and are recorded as receivables in accounts receivable or due from the Government of Canada, as applicable.

### (w) Future accounting changes

Effective April 1, 2026, the Government will be required to adopt the new *Conceptual Framework for Financial Reporting in the Public Sector*. Earlier adoption of the new framework is permitted. The Government is currently assessing the impact of this section on the non-consolidated financial statements.

Effective April 1, 2026, the Government will be required to adopt PS 1202 Financial Statement Presentation. The standard sets out general and specific requirements for the presentation of information in financial statements. The financial statement presentation principles are based on the concepts in the Conceptual Framework. Earlier adoption is permitted if the *Conceptual Framework for Financial Reporting in the Public Sector* is early adopted. The Government is currently assessing the impact of this standard on the non-consolidated financial statements.

## 3. CASH AND CASH EQUIVALENTS

### (a) Investment pool

Surplus (deficit) in cash and cash equivalents of the Government is pooled with the surplus cash (deficit) of certain Territorial Crown Corporations, and other public agencies to create an investment pool.

When the Government has a deficit in cash and cash equivalents, the Government accesses overdraft facilities provided by two chartered banks. The overdraft limits are negotiated over the year based on the forecasted cash flows and borrowing requirements of the Government. The lines of credit are secured by the Consolidated Revenue Fund of the Government and have no fixed repayment terms.

Interest is only charged when there is a net overdraft balance of the Government and its investment pool participants. As at March 31, 2025, the investment pool had no net overdraft balance (2024 - nil).

The investment pool had an average portfolio yield range for the year of 5.38% - 5.52% (2024 was 4.93% - 5.57%). In 2025, the Government received interest on short-term investments of $596 (2024 - $2,570).

### (b) Investment pool

As at March 31, 2025, the Government's share in the investment pool was a deficit of $18,582 (2024 - surplus of $26,530).

The Government's cash position related to the investment pool carried interest at an average rate of 6.29% (2024 - 7.08%).

## 4. RESTRICTED ASSETS AND DESIGNATED ASSETS

### (a) Restricted Assets

In July 2017, the Government entered into a Memorandum of Agreement with the Signatory Air Carriers for the collection of the Yellowknife Airport Improvement Fee (YKAIF) from Yellowknife originating passengers and remittance of these fees to the Government. The YKAIF revenues are used to pay for capital development of certain facilities at the Yellowknife Airport. Restricted assets at March 31, 2025 is $16,401 (2024 - $8,370) and a corresponding liability is included in deferred revenue (note 10).

### (b) Designated Assets

Designated assets are included in cash and cash equivalents (note 3) as well as in portfolio investments (note 5).

Pursuant to the *Student Financial Assistance Act*, the assets of the Students Loan Fund are to be used to provide financial assistance to post-secondary students that meet certain eligibility criteria as prescribed in its regulations.

Pursuant to the *Waste Reduction and Recovery Act*, the assets of the Environment Fund are to be used for purposes specified in the *Waste Reduction and Recovery Act* including programs with respect to the reduction and recovery of waste.

Pursuant to the *Land Titles Act*, the assets of the Land Titles Assurance Fund are to be used to compensate owners for certain financial losses they incur due to real estate fraud or omissions and errors of the land registration system.

The Government has a fund for retiring the bond that is due in September 2051 (note 14). Annual contributions of cash from the GNWT will be invested in equities and fixed income securities. The portfolio is externally managed.

Portfolio investments, while forming part of the Consolidated Revenue Fund, are designated for the purpose of meeting the obligations of the Legislative Assembly Supplemental Retiring Allowance Pension Plan (note 16). Supplementary Retiring Allowance Regulations restrict the investments to those permitted under the *Pension Benefits Standards Act*.

## 4. RESTRICTED ASSETS AND DESIGNATED ASSETS (continued)

### (b) Designated Assets (continued)

The Government has the following assets which are designated for specific purposes under legislation and regulations as follows:

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Student loan fund: | | |
| Authorized limit for loans receivable | 45,000 | 45,000 |
| Less: Loans receivable balance | (44,484) | (41,444) |
| Funds designated for new loans | 516 | 3,556 |
| Environment Fund: | | |
| Beverage Container Program net assets | 9,441 | 9,501 |
| Land Titles Assurance Fund: | | |
| Land Titles net assets | 6,673 | 6,103 |
| **Total designed assets in cash and cash equivalents** | **16,630** | 19,160 |
| Designated for repayment of bond | 19,189 | 14,205 |
| Designated for the Legislative Assembly Supplementary Retiring Allowance Pension Plan | 45,635 | 44,220 |
| **Total designated assets in cash and portfolio investments** | **64,824** | 58,425 |
| **Total designated assets** | **81,454** | 77,585 |

## 5. PORTFOLIO INVESTMENTS

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Cost and amortized Cost | 41,452 | 31,147 |
| Fair valued | 23,372 | 21,521 |
| **Total portfolio investments** | **64,824** | **52,668** |

Portfolio investments recorded at cost and amortized cost are comprised of the following:

| | 2025<br>Cost<br>$ | 2025<br>Market Value<br>$ | 2024<br>Cost<br>$ | 2024<br>Market Value<br>$ |
|---|---|---|---|---|
| Bonds | 41,452 | 39,867 | 31,147 | 27,852 |
| | **41,452** | **39,867** | **31,147** | **27,852** |

Portfolio investments recorded at fair value are comprised of the following:

| | 2025 | | | |
|---|---|---|---|---|
| | Level 1<br>$ | Level 2<br>$ | Level 3<br>$ | Total<br>$ |
| Other instruments designated at fair value | | | | |
| Interest bearing securities | - | 1,728 | - | 1,728 |
| Equities quoted in an active market | | | | |
| Pooled investments - Canadian | 8,778 | - | - | 8,778 |
| Pooled investments - Global | 12,866 | - | - | 12,866 |
| | **21,644** | **1,728** | **-** | **23,372** |

| | 2024 | | | |
|---|---|---|---|---|
| | Level 1<br>$ | Level 2<br>$ | Level 3<br>$ | Total<br>$ |
| Other instruments designated at fair value | | | | |
| Interest bearing securities | - | 1,600 | - | 1,600 |
| Equities quoted in an active market | | | | |
| Pooled investments - Canadian | 7,902 | - | - | 7,902 |
| Pooled investments - Global | 12,019 | - | - | 12,019 |
| | **19,921** | **1,600** | **-** | **21,521** |

## 6. ACCOUNTS RECEIVABLE

| | Accounts Receivable $ | Allowance for Doubtful Accounts $ | Net 2025 $ | Net 2024 $ |
|---|---|---|---|---|
| General[1] | 153,036 | (33,096) | 119,940 | 51,368 |
| Government of Nunavut | 14,558 | - | 14,558 | 7,541 |
| Revolving fund sales | 14,703 | - | 14,703 | 53,051 |
| Non-renewable resource revenue | 819 | - | 819 | 6,610 |
| Workers' Safety Compensation Commission | 175 | - | 175 | 331 |
| | 183,291 | (33,096) | 150,195 | 118,901 |
| Receivables from related parties: | | | | |
| Divisional Education Councils and District Education Authorities | 20,423 | - | 20,423 | 13,237 |
| Health and Social Services Authorities | 392,248 | - | 392,248 | 330,736 |
| Prosper NWT | 733 | - | 733 | 584 |
| Housing Northwest Territories | 9,285 | - | 9,285 | 4,230 |
| Tlicho Community Services Agency | 14,865 | - | 14,865 | 10,778 |
| Northwest Territories Hydro Corporation | 6,194 | - | 6,194 | 5,965 |
| Aurora College | 7,171 | - | 7,171 | 3,065 |
| Inuvialuit Water Board | 133 | - | 133 | 325 |
| Arctic Energy Alliance | 608 | - | 608 | 81 |
| NWT Surface Rights Board | - | - | - | 7 |
| | 451,660 | - | 451,660 | 369,008 |
| | **634,951** | **(33,096)** | **601,855** | **487,909** |

[1] In March 2025, the Ontario Superior Court approved a $32.5 billion tobacco settlement, of which $24.7 billion is payable to the provinces and territories. The Northwest Territories' share is 0.7269 percent plus interest, or approximately $185 million. The distribution of the proceeds included an upfront payment of $47 million received in August 2025 and $138 million in future annual installments. There is significant uncertainty in the estimated revenue and receivable, due to the uncertainty of the collectability and timing of the full amounts as stipulated in the settlement agreement. Tobacco settlement accounts receivable and revenue of $83.7 million is based on the value of estimated future payments and includes a credit risk adjustment. Actual revenue could vary significantly from the estimate.

During the year, no accounts receivable (2024 - $0) were written off and $212 (2024 - $1,053) were forgiven.

## 7. LOANS RECEIVABLE

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Working capital advances to Prosper NWT. The term is indeterminate with the option to repay any portion of principal on any interest payment date. Interest is calculated at selected Government of Canada three-year bond rates at the end of each month. | 15,014 | 24,377 |
| Students Loan Fund loans due in installments to 2045, bearing fixed interest between 0.00% and 11.75%, unsecured. | 44,484 | 41,444 |
| Yellowknife Catholic School Board advance, repaid during the year. | - | 93 |
| Northwest Territories Power Corporation loan, unsecured, repayable in semi-annual installments of $922, bearing fixed interest at 2.265%. | 35,577 | 36,599 |
| | **95,075** | **102,513** |
| Valuation allowance - Student Loan Fund | (19,012) | (16,958) |
| | **76,063** | **85,555** |

During the year, $1,808 in student loans (2024 - $1,982) was remised with proper authority.

Interest earned on loans receivable during the year is $1,807 (2024 - $2,118).

## 8. SHORT-TERM LOANS

Based upon operational needs, the Government may enter into short term borrowing arrangements with its banks. Short term loans of $661,034 (2024 - $574,189) incurred interest at the weighted average year-end rate of 4.71% (2024 - 5.35%). Interest paid is $22,009 (2024 - $20,224).

The short-term borrowing limit under the *Appropriation Act* as at March 31, 2025 is $700,000 (2024 - $563,797).

## 9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Trade | 276,027 | 272,956 |
| Government of Nunavut | 431 | 666 |
| Employee and payroll-related liabilities | 83,968 | 79,620 |
| Other liabilities | 2,298 | 3,287 |
| Non-renewable resource sharing | - | 3,186 |
| Workers' Safety and Compensation Commission (Northwest Territories and Nunavut) | 21 | 2,941 |
| | **362,745** | **362,656** |
| Payables to related parties: | | |
| Arctic Energy Alliance | 50 | 1,427 |
| Aurora College | 1,851 | 3,946 |
| Divisional Education Councils and District Education Authorities | 5,120 | 4,135 |
| Health and Social Services Authorities | 93,281 | 79,284 |
| Prosper NWT | 262 | 2 |
| Status of Women Council of the Northwest Territories | 20 | 20 |
| Housing Northwest Territories | 3,990 | 1,385 |
| Northwest Territories Hydro Corporation | 1,912 | 2,183 |
| Tlicho Community Services Agency | 3,670 | 2,122 |
| Northwest Territories Human Rights Commission | 9 | 30 |
| | **110,165** | **94,534** |
| | **472,910** | **457,190** |

## 10. DEFERRED REVENUE

| | 2024 Balance $ | Increases $ | Decreases $ | 2025 Balance $ |
|---|---|---|---|---|
| **Government Transfers:** | | | | |
| Government of Canada | 28,694 | 58,480 | (49,066) | 38,108 |
| Government of Canada Agencies | | | | |
| Canadian Heritage | - | 42 | (22) | 20 |
| Canadian Northern Economic Development Agency | 2,037 | - | (1,858) | 179 |
| Crown - Indigenous Relations and Northern Affairs Canada | 26,919 | 8,360 | (13,329) | 21,950 |
| Department of National Defence | 29,843 | 30,095 | (30,051) | 29,887 |
| Economic and Social Development Canada | - | 23,805 | (18,300) | 5,505 |
| Environment and Climate Change | 2,046 | 971 | (1,796) | 1,221 |
| Health Canada | 19,346 | 22,277 | (25,030) | 16,593 |
| Infrastructure Canada | 8,416 | - | (8,007) | 409 |
| Ministry of Finance | 4,660 | 4,527 | (4,660) | 4,527 |
| Parks Canada | 55 | 51 | (68) | 38 |
| Public Health Agency of Canada | 3,556 | 411 | (1,040) | 2,927 |
| Transport Canada | 5,650 | 8,971 | (12,345) | 2,276 |
| Women and Gender Equality Canada | - | 2,431 | (2,165) | 266 |
| Bilateral Water Management Agreements | 2,921 | 340 | (564) | 2,697 |
| Government of Nunavut | 368 | - | (368) | - |
| | 134,511 | 160,761 | (168,669) | 126,603 |
| **Taxation:** | | | | |
| Large emitters carbon tax | 7,568 | - | (3,781) | 3,787 |
| **Other:** | | | | |
| General | 2,264 | 1,412 | (1,728) | 1,948 |
| Non-renewable resources | 3,002 | 516 | (36) | 3,482 |
| Restricted assets (note 4(b)) | 8,370 | 8,286 | (422) | 16,234 |
| Ventura | 4,800 | - | (4,800) | - |
| | 18,436 | 10,214 | (6,986) | 21,664 |
| | **160,515** | **170,975** | **(179,436)** | **152,054** |

## 11. DUE TO (FROM) THE GOVERNMENT OF CANADA

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Due from Canada: | | |
| Transfer payments and recoveries receivables | (157,578) | (163,109) |
| Due to Canada: | | |
| Advances for projects on behalf of the Government of Canada | 7 | - |
| Excess income tax advanced | 8,193 | 16,007 |
| Miscellaneous payables | 21,268 | 19,266 |
| | 29,468 | 35,273 |
| | (128,110) | (127,836) |

## 12. ENVIRONMENTAL LIABILITIES

The Government recognizes that there are costs related to the remediation of environmentally contaminated sites for which the Government is responsible. The Government has identified 197 (2024 - 191) sites as potentially requiring environmental remediation at March 31.

| Type of Site | 2024 Liability $ | New Sites in 2025 $ | Change in Estimate $ | Remediation Expenditures $ | Revision in Estimated Cash Flows $ | 2025 Liability $ | Number of Sites |
|---|---|---|---|---|---|---|---|
| Abandoned mines[1] | 32,842 | - | - | (646) | (4,002) | 28,194 | 8 |
| Landfills[2] | 4,521 | - | 747 | (860) | (72) | 4,336 | 31 |
| Abandoned infrastructure and schools[3] | 23,145 | - | 592 | (621) | 1,387 | 24,503 | 78 |
| Airports, airport strips or reserves[4] | 3,069 | 1,200 | 79 | (37) | (407) | 3,904 | 31 |
| Sewage lagoons[5] | 1,958 | - | | - | (44) | 1,914 | 28 |
| Fuel tanks and resupply lines[3] | 1,831 | - | - | (10) | (39) | 1,782 | 12 |
| Abandoned lots and maintenance facilities[3] | 7,766 | - | - | (235) | (112) | 7,419 | 9 |
| Total environmental liabilities | **75,132** | **1,200** | **1,418** | **(2,409)** | **(3,289)** | **72,052** | **197** |

Possible types of contamination identified under each type of site include the following:

[1] metals, hydrocarbons, asbestos, wood/metal debris, waste rock, old mine buildings, lead paint;

[2] hydrocarbons, glycol, metals;

[3] hydrocarbons, petroleum products;

[4] hydrocarbons, vehicle lubricants, asbestos, glycol;

[5] metals, e.coli, total coliforms.

One of the sites, Giant Mine, has been formally designated as contaminated under the *Environmental Protection Act* (NWT). In 2005, the Government recorded a liability for its share of the above ground remediation. The remaining balance of the Government's share of the Giant Mine remediation liability at March 31, 2025 is $513 (2024 - $813). There are 6 other abandoned non-operating mine sites that the Government will be remediating in conjunction with Canada based on cost allocations similar to that of Giant Mine.

The carrying amount of the liability is based on total expected undiscounted expenditures of $96,356 (2024 - $110,486) and the weighted average discount rate of 4.47% (2024 - 4.92%). The undiscounted cash flows are expected to be incurred between 10 and 30 years (2024 - 1 and 24 years) and are expected to be settled between 2035 to 2055 (2024 - 2025 and 2048).

No sites were closed or derecognized during the fiscal year (2024 - 0).

## 12. ENVIRONMENTAL LIABILITIES (continued)

6 sites were added during the fiscal year (2024 - 0). No sites were transferred to liabilities for sewage lagoons and solid waste sites (2024 - 0).

Included in the 197 (2024 - 191) sites, the Government has identified 64 (2024 - 66) sites where no liability has been recognized. The contamination is not likely to affect public health and safety, cause damage, or otherwise impair the quality of the surrounding environment and there is likely no need for action unless new information becomes available indicating greater concerns, in which case, the site will be re-examined. These sites will continue to be monitored as part of the Government's ongoing environmental protection program.

## 13. ASSET RETIREMENT OBLIGATIONS AND LIABILITIES FOR SEWAGE LAGOONS AND SOLID WASTE SITES

Asset retirement obligations consist primarily of remediation costs related to disposing of asbestos and other hazardous materials in government owned buildings.

| Type of Asset | 2024 Liability $ | Accretion Expense $ | New Liabilities Incurred $ | Remediation Expenditures $ | Revisions in Estimated Cash Flows $ | 2025 Liability $ |
|---|---|---|---|---|---|---|
| Buildings | 78,761 | 1,944 | - | (3,771) | - | 76,934 |

The carrying amount of the obligation is based on total expected undiscounted expenditures of $111,339 (2024 - $159,763) and the weighted average discount rate of 4.58% (2024 - 4.58%). The undiscounted cash flows are expected to be incurred between 1 to 49 years (2024 - between 1 to 59 years) and are expected to be settled between 2026 to 2075 (2024 - between 2025 to 2084).

The additions to tangible capital assets are amortized on a straight line basis over the remaining useful life of the related asset(s).

### Liabilities for sewage lagoons and solid waste sites

The Government has a liability relating to sewage lagoons and solid waste sites that are on Commissioner's land and for which the assumed liability has been communicated to the site operators. The liability consists of the following:

| Liability | 2024 Liability $ | Accretion Expense $ | New Liabilities Incurred $ | Remediation Expenditures $ | Revisions in Estimated Cash Flows $ | 2025 Liability $ |
|---|---|---|---|---|---|---|
| Sewage lagoons | 2,764 | 127 | - | - | (122) | 2,769 |
| Solid waste sites | 19,775 | 634 | - | - | (958) | 19,451 |
| | 22,539 | 761 | - | - | (1,080) | 22,220 |

The carrying amount of the obligation is based on total expected undiscounted expenditures of $126,397 (2024 - $127,869) and the weighted average discount rate of 4.47% (2024 - 4.58%). The undiscounted cash flows are expected to be incurred between 23 to 86 years (2024 - 2 to 86 years) and are expected to be settled between 2047 to 2111 (2024 - 2025 to 2111).

## 14. LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Canada Mortgage and Housing Corporation mortgage repaid in June 2024. | - | 22 |
| Deh Cho Bridge: Real return senior bonds with accrued inflation adjustment, maturing June 1, 2046, redeemable at the option of the issuer, bearing interest at 3.17% (2024 - 3.17%), payable semi-annually, unsecured. | 184,518 | 185,021 |
| Bond, due in September 2051, bearing interest at 2.20% semi-annually (2024 - 2.20%), unsecured. | 180,022 | 180,022 |
| | **364,540** | **365,065** |
| **Unamortized discount and issuance costs** | (2,260) | (2,333) |
| **Total long-term debt** | **362,280** | **362,732** |
| **Capital lease obligations** | **10,981** | **-** |
| **Total long-term debt and capital lease obligations** | **373,261** | **362,732** |

Long-term debt principal repayments due in each fiscal year for the next five years and thereafter are as follows:

| | $ |
|---|---|
| 2026 | 3,856 |
| 2027 | 4,014 |
| 2028 | 4,178 |
| 2029 | 4,348 |
| 2030 | 4,522 |
| 2031 and beyond | 341,362 |
| | **362,280** |

Interest expense on long-term debt, included in operations and maintenance expenses, is $14,671 (2024 - $14,859).

Interest expenses related to capital lease obligations for the year is $958 (2024 - Nil), at an implicit average interest rate of 10.44% (2024 - Nil). Capital lease obligations (expiring in 2053) are based upon contractual minimum lease obligations for the leases in effect as of March 31, 2025.

## 15. LIABILITIES UNDER PUBLIC PRIVATE PARTNERSHIPS

**(a)** The Government has entered into contracts for the design, build, operation and maintenance of the Mackenzie Valley Fibre Link; the design, build, and maintenance of the Stanton Territorial Hospital Renewal, and the design, build and maintenance of the Tlicho All Season Road.

The details of the contracts under P3s are as follows:

| | Partner | Date contract entered into | Actual completion date | Interest rate |
|---|---|---|---|---|
| Stanton Territorial Hospital Renewal | Boreal Health Partnership | September 2015 | November 2018 | 5.36% |
| Mackenzie Valley Fibre Link | Northern Lights General Partnership | October 2014 | June 2017 | 6.52% |
| Tlicho All Season Road | North Star Infrastructure GP | February 2019 | November 2021 | 6.53% |

**(b)** The P3 liabilities are:

| | 2024 $ | Interest $ | Payments $ | 2025 $ | Repayment date $ |
|---|---|---|---|---|---|
| Stanton Territorial Hospital Renewal | 120,150 | 6,440 | (9,606) | 116,984 | 2049 |
| Mackenzie Valley Fibre Link | 64,000 | 4,200 | (7,500) | 60,700 | 2037 |
| Tlicho All Season Road | 69,895 | 4,616 | (6,116) | 68,395 | 2047 |
| **Total** | **254,045** | **15,256** | **(23,222)** | **246,079** | |

Estimated payments for each of the next five years and thereafter to meet P3 principal repayments are:

| | $ |
|---|---|
| 2026 | 8,000 |
| 2027 | 8,800 |
| 2028 | 9,600 |
| 2029 | 9,800 |
| 2030 | 10,100 |
| 2031 and beyond | 199,779 |
| | **246,079** |

## 15. LIABILITIES UNDER PUBLIC PRIVATE PARTNERSHIPS (continued)

(c) The loan payments for P3s are fixed, equal monthly payments except for the loan payments for the Tlicho All Season Road, which are adjusted for inflation annually. Total P3 interest expense for the year is $15,256 (2024 - $15,730).

(d) The P3 partners operate and maintain the P3 assets until the repayment date at which time operational responsibility will revert to the Government.

The Government's operating and maintenance payments for the Stanton Territorial Hospital Renewal Project for 2025 were $13,777 (2024 - $12,610). The service payments are subject to an annual adjustment based on an inflation index factor and a benchmarking exercise every six years.

The Government's operating and maintenance payments for the Mackenzie Valley Fibre Link for 2025 were $4,097 (2024 - $4,037). The service payments are subject to an inflation index factor and certain deductions based on the terms of the agreement.

The Government's operating and maintenance payments for the Tlicho All Season Road project for 2025 were $5,655 (2024 - $5,401). The service payments are subject to an annual adjustment based on the terms of the agreement including an inflation index factor.

(e) Tangible capital assets, contractual obligations, and contractual rights related to P3 projects are included in note 20 and schedule C.

## 16. PENSIONS

### (a) Plans description

The Government administers Regular Pension Plans for Members of the Legislative Assembly (MLAs) and Territorial Court Judges. These Regular Pension Plans are contributory defined benefit registered pension plans and are pre-funded (Regular Funded). The funds related to these plans are administered by independent trust companies.

In addition to the Regular Pension Plans listed above, the Government administers Supplemental Pension Plans for the MLAs and Territorial Court Judges that are non-contributory defined benefit pension plans and are non-funded (Supplemental Unfunded). The Government has designated assets for the purposes of meeting the obligations of the MLA Supplemental Pension Plan (note 3(b)).

The Government is liable for all benefits. All Plans provide death benefits to spouses and eligible dependents. All Plans are indexed. Plan assets consist of Canadian and foreign equities, and Canadian fixed income securities, bonds and mortgages.

Benefits provided under all Plans are based on years of service and pensionable earnings. Plan benefits generally accrue as a percentage of a number of years of best average pensionable earnings.

The remaining government employees participate in Canada's Public Service Pension Plan (PSPP). The PSPP provides benefits based on the number of years of pensionable service to a maximum of 35 years. Benefits are determined by a formula set out in the legislation; they are not based on the financial status of the pension plan. The basic benefit formula is 2 percent per year of pensionable service multiplied by the average of the best five consecutive years of earnings.

## 16. PENSIONS (continued)

### (a) Plans description (continued)

The public service pension plan was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to age 65 for new members joining the plan on or after January 1, 2013. For members with start dates before January 1, 2013, the normal retirement age remains age 60. Furthermore, contributions rates for current service for all members of the public service increased to an employer: employee cost sharing of 50:50 in 2017.

Other benefits include survivor pensions, minimum benefits in the event of death, unreduced early retirement pensions, and disability pensions.

### (b) Pension liabilities (assets)

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Accrued benefit asset | | |
| Legislative Assembly Retiring Allowance Plan | (6,657) | (5,718) |
| Accrued benefit liability | | |
| Judges Pension Plan | 625 | 658 |
| Judges Supplemental Pension Plan | 11,204 | 10,862 |
| Legislative Assembly Supplemental Retiring Allowance Plan | 32,514 | 32,390 |
| | 44,343 | 43,910 |
| Total net (benefit) liability | **37,686** | **38,192** |

16. PENSIONS (continued)

(c) Change in pension liabilities (assets)

| | 2025 Legislative Assembly Retiring Allowance Plan $ | 2025 Legislative Assembly Supplemental Retiring Allowance Plan $ | 2025 Judges Registered Pension Plan $ | 2025 Judges Supplemental Pension Plan $ | 2025 Total $ |
|---|---|---|---|---|---|
| Accrued benefit obligation | 19,873 | 33,053 | 8,205 | 11,025 | 72,156 |
| Pension fund assets - market related value | (25,743) | - | (7,786) | - | (33,529) |
| Unamortized actuarial gains | (787) | (539) | 206 | 179 | (941) |
| **Pension liabilities (assets)** | **(6,657)** | **32,514** | **625** | **11,204** | **37,686** |

| | 2024 Legislative Assembly Retiring Allowance Plan $ | 2024 Legislative Assembly Supplemental Retiring Allowance Plan $ | 2024 Judges Registered Pension Plan $ | 2024 Judges Supplemental Pension Plan $ | 2024 Total $ |
|---|---|---|---|---|---|
| Accrued benefit obligation | 18,142 | 30,843 | 8,024 | 10,570 | 67,579 |
| Pension fund assets - market related value | (24,846) | - | (7,730) | - | (32,576) |
| Unamortized actuarial gains | 986 | 1,547 | 364 | 292 | 3,189 |
| **Pension liabilities (assets)** | **(5,718)** | **32,390** | **658** | **10,862** | **38,192** |

16. PENSIONS (continued)

(c) Change in pension liabilities (assets) (continued)

| | 2025<br>Legislative Assembly Retiring Allowance Plan<br>$ | 2025<br>Legislative Assembly Supplemental Retiring Allowance Plan<br>$ | 2025<br>Judges Registered Pension Plan<br>$ | 2025<br>Judges Supplemental Pension Plan<br>$ | 2025<br>Total<br>$ |
|---|---|---|---|---|---|
| **Opening balance** | **(5,718)** | **32,390** | **658** | **10,862** | **38,192** |
| Change to pension liabilities (assets) from cash items: | | | | | |
| Contributions from plan members | (228) | - | (80) | - | (308) |
| Contributions from Government | (856) | - | (103) | - | (959) |
| Benefit payment to plan members | (1,211) | (1,840) | (483) | (552) | (4,086) |
| Drawdown from plan assets | 1,211 | - | 483 | - | 1,694 |
| **Net change to pension assets from cash items** | **(1,084)** | **(1,840)** | **(183)** | **(552)** | **(3,659)** |
| Change to pension liabilities (assets) from accrual items: | | | | | |
| Current period benefit cost | 775 | 781 | 292 | 510 | 2,358 |
| Amortization of actuarial gains | (293) | (414) | (158) | (112) | (977) |
| Interest on average accrued benefit obligation | 952 | 1,597 | 373 | 496 | 3,418 |
| Expected return on average plan assets | (1,289) | - | (357) | - | (1,646) |
| **Net change to pension liabilities from accrual items** | **145** | **1,964** | **150** | **894** | **3,153** |
| **Ending balance** | **(6,657)** | **32,514** | **625** | **11,204** | **37,686** |

16. PENSIONS (continued)

(c) Change in pension liabilities (assets) (continued)

| | 2024<br>Legislative Assembly Retiring Allowance Plan<br>$ | 2024<br>Legislative Assembly Supplemental Retiring Allowance Plan<br>$ | 2024<br>Judges Registered Pension Plan<br>$ | 2024<br>Judges Supplemental Pension Plan<br>$ | 2024<br>Total<br>$ |
|---|---|---|---|---|---|
| **Opening balance** | **(4,434)** | **32,276** | **699** | **10,554** | **39,095** |
| Change to pension liability (asset) from cash items: | | | | | |
| Contributions from plan members | (223) | - | (78) | - | (301) |
| Contributions from Government | (856) | - | (94) | - | (950) |
| Benefit payment to plan members | (2,143) | (1,647) | (477) | (544) | (4,811) |
| Drawdown from plan assets | 2,143 | - | 477 | - | 2,620 |
| **Net change to pension assets from cash items** | **(1,079)** | **(1,647)** | **(172)** | **(544)** | **(3,442)** |
| Change to pension liability (asset) from accrual items: | | | | | |
| Current period benefit cost | 768 | 780 | 279 | 487 | 2,314 |
| Amortization of actuarial (gains) losses | (645) | (584) | (159) | (111) | (1,499) |
| Interest on average accrued benefit obligation | 950 | 1,565 | 365 | 476 | 3,356 |
| Expected return on plan assets | (1,278) | - | (354) | - | (1,632) |
| **Net change to pension liabilities from accrual items** | **(205)** | **1,761** | **131** | **852** | **2,539** |
| **Ending balance** | **(5,718)** | **32,390** | **658** | **10,862** | **38,192** |

## 16. PENSIONS (continued)

### (d) Pension expense

The components of pension expense include current period benefit cost, amortization of actuarial net (gains)/losses and interest on average accrued benefit obligation net of the expected return on average plan assets and contributions from plan members. The total pension expense is $2,845 (2024 - $2,239). The interest cost on the accrued benefit obligation is determined by applying the discount rate determined at the beginning of the period to the average value of the accrued benefit obligation for the period. The expected return on plan assets is determined by applying the assumed rate of return on plan assets to the average market-related value of assets for the period. The difference between the expected and the actual return on plan assets is a gain of $3,152 (2024 - $480).

In addition to the above, the Government contributed $37,239 (2024 - $32,494) to the Public Service Superannuation Plan. The employees' contributions to this plan were $35,307 (2024 - $31,116).

### (e) Changes to pension plans in the year

There have been no plan amendments, plan settlements and curtailments or temporary deviations from the plan in 2025 (no changes in 2024).

## 16. PENSIONS (continued)

### (f) Valuation methods and assumptions used in valuing pension assets and liabilities

The following reflects the date of valuation for each plan for accounting purposes:

| Pension Plan | Last Actuarial Valuation Accounting Date | Last Extrapolation Date | Next Valuation Date |
|---|---|---|---|
| Legislative Assembly Retiring Allowance Plan | April 1, 2024 | January 31, 2025 | April 1, 2028 |
| Judges Registered Plan | April 1, 2022 | January 1, 2025 | April 1, 2025 |

*Liability valuation method*

The actuarial valuations were performed using the projected accrued benefit method. The valuations are based on a number of actuarial assumptions about matters such as mortality, service, withdrawal, earnings and interest rates. The assumptions are based on the Government's best estimates of expected long-term rates and short-term forecasts.

*Asset valuation method*

The asset valuation method, for the MLA's plans is equal to a smoothed market value which spreads the difference between the actual and expected investment income over a four year period and is then adjusted for payments due to, and payable from, the pension plan. The fair market value of the MLA's regular plan is $26,280 (2024 - $23,921). The asset valuation method for the Judges' plans is market value. The market value of the Judges' regular plan is $8,364 (2024 - $8,475).

*Actuarial gains and losses*

Actuarial gains and losses occur when actual experience varies from estimates or when actuarial assumptions change. The adjustments needed are amortized on a straight line basis over the estimated average remaining service lives of the contributors. The estimated average remaining service lives of the contributors is 2.5 years (2024 - 3.5 years) for the MLA's plans and 2.1 years (2024 - 3.1 years) for the Judges' plans.

*Actuarial assumptions*

| | Judges' plans | MLAs' plans |
|---|---|---|
| Expected rate of return on plan assets | 4.70% | 4.40% |
| Rate of compensation increase | 3.00% | 2.00% |
| Annual inflation rate | 2.00% | 2.00% |
| Annual interest rate | 4.70% | 5.20% |

*Retirement assumptions*

- Members of Legislative Assembly may retire at the earliest of age 60, thirty years of service or when age plus service equals 80.
- Judges may retire at the earlier of age 60 or when age plus service equals 80.

## 17. OTHER EMPLOYEE FUTURE BENEFITS AND COMPENSATED ABSENCES

In addition to pension benefits, the Government provides severance (resignation and retirement), removal and compensated absence (sick, special, maternity and parental leave) benefits to its employees. The benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

Severance benefits are paid to the Government's employees based on the type of termination (e.g. resignation versus retirement) and appropriate combinations that include inputs such as when the employee is hired, the rate of pay, the number of years of continuous employment, age and if the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being location of hire, employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology.

Compensated absence benefits generally accrue as employees render service and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include but are not limited to employee or dependent illness and death of an immediate family member. Benefits that accrue under compensated absence benefits, excluding maternity and parental leave, were actuarially valued using the expected utilization methodology. Non-accruing benefits include maternity and parental leave and are recognized when the leave commences.

### Valuation results

The most recent actuarial valuation was completed as at February 12, 2025 and the results were extrapolated to March 31, 2025. The effective date of the next actuarial valuation is March 31, 2028. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the Government.

| | Severance and Removal $ | Compensated Absences $ | 2025 $ | 2024 $ |
|---|---|---|---|---|
| **Changes in Obligation** | | | | |
| Accrued benefit obligations, beginning of year | 15,163 | 4,544 | 19,707 | 20,417 |
| Benefits earned | 830 | 335 | 1,165 | 1,201 |
| Interest | 794 | 248 | 1,042 | 984 |
| Benefits paid | (3,013) | (401) | (3,414) | (2,194) |
| Actuarial (gains)/losses | 3,329 | (1,538) | 1,791 | (702) |
| Accrued benefit obligations, end of year | 17,103 | 3,188 | 20,291 | 19,706 |
| Unamortized net actuarial gain/(loss) | (5,734) | 73 | (5,661) | (4,536) |
| **Net future liability** | **11,369** | **3,261** | **14,630** | **15,170** |
| Other employee future benefits | 5,176 | - | 5,176 | 4,306 |
| Other compensated absences | - | 1,734 | 1,734 | 1,096 |
| **Total other employee future benefits and compensated absences** | **16,545** | **4,995** | **21,540** | **20,572** |

## 17. OTHER EMPLOYEE FUTURE BENEFITS AND COMPENSATED ABSENCES (continued)

| | Severance and Removal $ | Compensated Absences $ | 2025 $ | 2024 $ |
|---|---|---|---|---|
| **Benefits Expense** | | | | |
| Benefits earned | 830 | 335 | 1,165 | 1,201 |
| Implicit interest | 794 | 248 | 1,042 | 984 |
| Amortization of actuarial (gain)/loss | 15 | 652 | 667 | 505 |
| | **1,639** | **1,235** | **2,874** | **2,690** |

The discount rate used to determine the accrued benefit obligation is an average of 4.3% (2024 - 5.3%). The expected payments during the next five fiscal years are:

| | Severance and Removal $ | Compensated Absences $ | Total $ |
|---|---|---|---|
| 2026 | 2,457 | 338 | 2,795 |
| 2027 | 1,882 | 263 | 2,145 |
| 2028 | 1,842 | 266 | 2,108 |
| 2029 | 1,723 | 282 | 2,005 |
| 2030 | 1,725 | 291 | 2,016 |
| | **9,629** | **1,440** | **11,069** |

## 18. PETROLEUM PRODUCTS STABILIZATION FUND

The Petroleum Products Stabilization Fund is included in the accumulated operating surplus. The purpose of the Fund is to stabilize the prices of petroleum products purchased, sold and distributed by the Government. The annual net profit or loss of the Petroleum Products Revolving Fund is charged to the Stabilization Fund. The accumulated operating surplus or deficit balance in the fund cannot exceed $3,000 (2024 - $3,000).

| | 2025 $ | 2024 $ |
|---|---|---|
| Deficit at beginning of the year | (2,050) | (2,362) |
| Add: Petroleum Products Stabilization Fund Net profit for the year | 268 | 312 |
| **Deficit at end of the year** | **(1,782)** | **(2,050)** |

## 19. TRUST ASSETS UNDER ADMINISTRATION

The Government administers trust assets of $76,982 (2024 - $117,814) on behalf of third parties, which are not included in the reported Government assets and liabilities. These consist of cash, term deposits, investments, real estate, and other sundry assets.

In addition to the trust assets under administration, the Government holds cash and bank guarantees in the form of letters of credit and surety bonds in the amount of $722,787 (2024 - $794,689). The majority of these guarantees are held against land use permits, environmental agreements and water licenses issued to regulate the use of water and the deposit of waste.

## 20. CONTRACTUAL OBLIGATIONS AND RIGHTS

The Government has entered into agreements for, or is contractually committed to the following expenses that will be incurred subsequent to March 31, 2025:

| | Expiry Date | 2026 $ | 2027 $ | 2028 $ | 2029 $ | 2030 $ | 2031+ $ | Total $ |
|---|---|---|---|---|---|---|---|---|
| Operational commitments | 2048 | 203,516 | 103,101 | 44,540 | 27,508 | 1,541 | 3,600 | 383,806 |
| RCMP policing agreement | 2032 | 66,107 | 66,590 | 66,704 | 66,821 | 66,942 | 134,135 | 467,299 |
| Commercial leases | 2052 | 22,465 | 18,341 | 16,147 | 14,053 | 11,785 | 135,376 | 218,167 |
| Equipment leases | 2030 | 366 | 230 | 105 | 15 | 2 | - | 718 |
| TCAs in progress at year end | 2030 | 142,985 | 33,261 | 3,833 | 348 | 257 | - | 180,684 |
| P3 Operational commitments | 2049 | 21,709 | 21,773 | 22,003 | 22,868 | 23,778 | 435,487 | 547,618 |
| | | **457,148** | **243,296** | **153,332** | **131,613** | **104,305** | **708,598** | **1,798,292** |

Included within Commercial leases is a lease commitment of $3,500 per year over 30 years that began on November 21, 2021 that is subject to a CPI adjustment every five years. The adjustment will be equal to the average percentage increase or decrease in the CPI index over the preceding five years. As part of this lease commitment, the Government has a contractual right equal to annual profit sharing of 50% of the net income generated by the lessor less annual payments of $528.

Included within P3 Operational commitments is an agreement with an annual commitment of approximately $3,000 per year until 2049, which is subject to an inflation benchmarking exercise every 6 years.

The Government has 2 (2024 - 2) cost recovery service agreements with the Government of Nunavut (GNU) for the provision of various corporate and program delivery services. The expenses for and costs recovered from these projects are estimated at $115 for the fiscal year ended 2025 (2024 - $251). The Government has an agreement with the GNU for the delivery and chargeback of health services for eligible Nunavut residents. The agreement with the GNU has no firm cost recovery amounts or end dates.

The Government has entered into agreements for, or is contractually entitled to, the following receipts subsequent to March 31, 2025:

| | Expiry Date | 2026 $ | 2027 $ | 2028 $ | 2029 $ | 2030 $ | 2031+ $ | Total $ |
|---|---|---|---|---|---|---|---|---|
| Transfer Payments | 2034 | 347,953 | 266,667 | 168,212 | 112,940 | 49,833 | 85,660 | 1,031,265 |
| Regulatory Revenue | 2027 | 300 | 300 | - | - | - | - | 600 |
| Lease Revenue | 2054 | 6,017 | 4,802 | 4,492 | 4,395 | 4,252 | 49,785 | 73,743 |
| Licence Revenue | 2051 | 589 | 418 | 335 | 278 | 141 | 260 | 2,021 |
| Other | 2031 | 243 | 242 | 242 | 242 | 242 | 242 | 1,453 |
| | | **355,102** | **272,429** | **173,281** | **117,855** | **54,468** | **135,947** | **1,109,082** |

## 21. GUARANTEES AND CONTINGENCIES

### (a) Guarantees

The Government is contingently liable for the following guarantees:

| | 2025<br>$ |
|---|---|
| Debentures issued by the Northwest Territories Power Corporation: | |
| maturing July 11, 2025 | 15,000 |
| maturing August 1, 2028 | 25,000 |
| maturing December 18, 2032 | 5,333 |
| maturing December 15, 2034 | 25,000 |
| maturing September 13, 2040 | 35,645 |
| maturing February 17, 2047 | 50,170 |
| maturing November 25, 2052 | 25,000 |
| maturing April 14, 2053 | 75,000 |
| Guaranteed residential housing loans of Housing Northwest Territories | 115 |
| **Total Guarantees** | **256,263** |

The Government has also provided a guarantee to the Canadian Blood Services and Canadian Blood Services Captive Insurance Company Ltd to cover a share of potential claims made by users of the national blood supply. The Government's share is limited to the ratio of the Northwest Territories' population to the Canadian population.

### (b) Contingent liabilities

#### Contingency for contaminated sites

The Government has identified various sites where contamination or other environmental liabilities exist and the level of contamination is either known or unknown at this time. In addition to the environmental liabilities described in note 12, there may be other instances of contamination that have not yet been identified for which the Government may be obligated to incur remediation costs. No liability has been recognized for these instances of contamination as the Government's obligation to incur these costs are undeterminable at this time.

#### Contingency for asset retirement obligations

In addition to the asset retirement obligations described in Note 13, there may be other assets with unidentified retirement obligations that have not yet been identified for which the Government may be obligated to incur retirement costs. No liability has been recognized for these asset retirement obligations as the Government's obligation to incur these costs are undeterminable at this time.

## 21. GUARANTEES AND CONTINGENCIES (continued)

### (c) Claims and litigation

There are a number of claims and pending and threatened litigation cases outstanding against the Government. In certain cases, pursuant to agreements negotiated prior to the division of the territories, the Governments of the Northwest Territories and Nunavut will jointly defend the suits. The cost of defending these actions and any damages that may eventually be awarded will be shared by the Governments 55.66% and 44.34%, respectively.

The Government has recorded a provision of $1,836 (2024 - $2,226) in accounts payable and accrued liabilities for any claim or litigation where it is likely that there will be a future payment and a reasonable estimate of the loss can be made. The provision is based upon estimates determined by the Government's legal experts' experience or case law in similar circumstances.

At year-end, the Government estimated the total claimed amount for which the outcome is not determinable at $96,276 (2024 - $105,047). No provision for such claims has been made in these non-consolidated financial statements as it is not determinable that any future event will confirm that a liability has been incurred as at March 31, 2025.

The nature of these claims are as follows:

- Contract disputes
- Damage to persons or property
- Matters of Indigenous rights
- Negligence
- Property access disputes
- Sexual assault claims
- Other matters

## 22. GENERAL AND NON-RENEWABLE RESOURCE REVENUE

The table below discloses the nature and amounts of revenue transactions with or without performance obligations:

| | Exchange[1] $ | Non-exchange $ | Other $ | 2025 $ | 2024 $ |
|---|---|---|---|---|---|
| Non-renewable resource revenue | | | | | |
| Minerals, oil and gas royalties[2] | (6,548) | - | - | (6,548) | (2,587) |
| Licenses, rental and other fees | 1,954 | - | - | 1,954 | 3,078 |
| Quarry fees | 102 | - | - | 102 | 65 |
| | **(4,492)** | **-** | **-** | **(4,492)** | **556** |
| General | | | | | |
| Other | 41,541 | 83,726 | - | 125,267 | 32,240 |
| Lease | 6,192 | - | - | 6,192 | 4,674 |
| Interest revenue | - | - | 2,390 | 2,390 | 1,708 |
| Gains on disposition of assets | - | - | 507 | 507 | 1 |
| Revolving Funds net revenue | 20,479 | - | - | 20,479 | 25,432 |
| Regulatory revenue | 29,114 | 103 | - | 29,217 | 28,615 |
| Investment income (loss) | - | - | (390) | (390) | 6,866 |
| Grants in kind | - | - | 134 | 134 | 336 |
| | **97,326** | **83,829** | **2,641** | **183,796** | **99,872** |

[1] Other refers to all categories of revenues not under the Public Sector Revenue Accounting Standard PS 3400.

[2] In each fiscal year, the minerals, oil and gas royalties that are recorded include a portion that are based on estimates as the actual amounts for the last 3 months are not known until the following year. In the current year, those estimates from the prior year are reversed and the actual amounts that are received are recorded. When the estimate is higher than the actual amount received, it results in a negative calculation in revenue.

*Unsatisfied or partially satisfied performance obligations*

Unsatisfied or partially satisfied performance obligations existing as at March 31, 2025 relate primarily to situations where funds have been collected from a payor in advance of the Government fully satisfying a performance obligation in an exchange transaction. The Government recognized a corresponding liability for unsatisfied or partially satisfied performance obligations under PS 3400 within Deferred Revenue in the amounts of $1,948 and $3,482 as at March 31, 2025 (*note 10*) (2024 - $2,264 and $3,002).

## 23. RELATED PARTIES

Transactions with related parties and balances at year-end, not disclosed elsewhere in the financial statements, are disclosed in this note. During the year the Government provided grants and contributions to the following related parties:

| | 2025<br>$ | 2024<br>$ |
|---|---|---|
| Arctic Energy Alliance | 2,905 | 7,819 |
| Aurora College | 39,450 | 45,944 |
| Inuvialuit Water Board | 939 | 839 |
| Divisional Education Councils and District Education Authorities | 166,304 | 159,792 |
| Health and Social Services Authorities | 490,455 | 447,447 |
| Northwest Territories Hydro Corporation | 89,651 | 31,010 |
| Tlicho Community Services Agency | 46,516 | 41,963 |
| Prosper NWT | 1,788 | 2,072 |
| Northwest Territories Heritage Fund | 482 | 3,163 |
| Housing Northwest Territories | 83,648 | 86,057 |
| Northwest Territories Human Rights Commission | 210 | 181 |
| Northwest Territories Surface Rights Board | 362 | 349 |
| Status of Women Council of the Northwest Territories | 591 | 524 |
| | **923,301** | **827,160** |

The Government funds communities, boards and agencies and other organizations offering services to the public. These organizations operate independently of normal Government operations. The Government may be held responsible for any liabilities or deficits on behalf of related boards and agencies. An estimate of the potential liability, if any, cannot be determined.

Under agreements with related boards and agencies, the Government provides services at cost or for a service fee where direct costs cannot be determined. The fees charged for indirect costs are not necessarily the cost of providing those services. Services provided includes personnel, payroll, financial, procurement, accommodation, buildings and works, utilities, legal and interpretation services.

## 24. FINANCIAL RISK MANAGEMENT

The Government is exposed to credit risk, interest rate risk, liquidity risk, and price risk from its financial instruments. Reasonably expected changes in the relevant risk variables for interest rate risk and price risk are not expected to have a material impact on operating results or remeasurement gains and losses. Qualitative analysis of the significant risks from the Government's financial instruments is provided by type of risk below.

### a) Credit Risk

Credit risk is the risk of financial loss to the Government if a debtor or counterparty to a financial instrument fails to meet its payment obligations. The Government is exposed to this risk relating to its cash and cash equivalents, portfolio investments, accounts receivable, loans receivable, due from the Government of Canada, and loan guarantees.

The Government holds substantially all of its cash in accounts with federally regulated chartered banks.

The Government manages its credit risk in portfolio investments by following established regulations and policies that restrict what financial instruments can be invested in.

Credit risk related to accounts receivable is mitigated by controls over accounts in arrears to achieve ultimate collection, policies in place for debt collection and reviewing balances along with aging information.

Credit risk associated with the Student Loan fund is mitigated by placing limits on available types of funding and providing incentives to encourage repayment. Default payments are assigned to the Government's collection program and the borrower is registered with a Canada Revenue Agency setoff program to redirect tax returns and other government credits to repayment of the loan. Other loans receivable relate to loans provided to businesses and individuals. All loans to businesses and most loans to individuals require security. Unsecured loans to individuals are capped. Credit risks associated with other loans receivable are mitigated by continued monitoring to ensure prompt response to any financial difficulties customers may encounter.

Credit risk associated with the amounts due from the Government of Canada are considered minimal and are mitigated through regular reviews of the contribution agreements and milestone reports with the program directors to ensure that the amounts recorded as receivable are based on eligible reimbursements.

The Government has determined that accounts receivable and loans receivable include amounts that are past due and considered to be impaired. Allowances recorded to reflect the impairments are disclosed in Notes 6 and 7 respectively.

Credit risk associated with guarantees is mitigated by controls over the extension of the guarantees, limiting guarantees to components of the Government Reporting Entity and by continued monitoring of those entities to ensure prompt response to any financial difficulties those entities might encounter.

The aging information for the Government's accounts receivable that are past due and not impaired is as follows:

| | 31-60 days | 61-90 days | Over 90 days | Total |
|---|---|---|---|---|
| Accounts receivables | 2,029 | 4,655 | 38,190 | **44,874** |

The Government establishes an allowance for doubtful accounts that reflects the estimated impairment of accounts receivable. The allowance amount is determined by the Government's knowledge of the financial condition of customers, the aging of accounts receivable, current business conditions and historical experience.

## 24. FINANCIAL RISK MANAGEMENT (CONTINUED)

### a) Credit Risk (continued)

The Government's maximum exposure to credit risk at March 31,2025 is as follows:

| | $ |
|---|---|
| Portfolio investments, excluding equities | 43,180 |
| Due from the Government of Canada | 157,578 |
| Accounts receivable | 601,855 |
| Loans receivable | 76,063 |

There have been no significant changes from the previous year in the exposure to risk nor policies, procedures and methods used to manage credit risk.

### b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Government has exposure to interest rate risk on its portfolio investments, loans receivable, short term loans, long term debt, and liabilities under public private partnerships. The Government mitigates its interest rate risk in portfolio investments through diversification of asset class allocations and security selection within equity products. For other financial instruments, the Government focuses its efforts on maintaining predictable future cash flows.

Interest rate risk associated with the Student Loan Fund fluctuates only for students who do not return to the Northwest Territories after their studies as the rate is calculated as 1% below the Bank of Canada’s prime business rate as of January of the applicable year. The interest rate for all other students is 0%. Interest rates and prime lending rates are monitored and adjusted accordingly. The interest rate for the majority of other loans receivable are fixed over set periods of time and does not pose a significant risk that cash flows will vary unpredictably.

The Government is primarily exposed to interest rate risk on its short term loans. The Government manages its risk on short term loans by entering into borrowing agreements with interest rates fixed for specified intervals. The interest rate is fixed for the intervals based on a benchmark lending rate plus a margin. This arrangement allows the Government to have a predictable cash outflow for the interval. A one per cent increase (decrease) in the bank's prime lending rate could increase (decrease) interest expense on short term loans by approximately $4,343.

The Government manages its risks on long-term debt and liabilities under public private partnerships by entering into borrowing agreements that have fixed interest rates so that the future cash outflows are predictable.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to manage interest rate risk.

## 24. FINANCIAL RISK MANAGEMENT (CONTINUED)

### c) Liquidity risk

Liquidity risk is the risk that the Government will not be able to meet all cash outflow obligations as they come due. The Government is exposed to liquidity risk on its short term loans, accounts payables and accrued liabilities, due to the Government of Canada, long term debt, liabilities under public private partnerships and loan guarantees.

The Government mitigates this risk by monitoring its cash activities and expected outflows through budgeting and forecasting daily cash inflows and outflows from operating, investing, capital, and financing activities, and maintaining an adequate amount of cash to cover unexpected cash outflows. The forecast for each business day is revised daily for actual flows, analysis of current trends, and historical patterns. The Government expects to meet its obligations from operating cash flows, proceeds from financial assets and through its borrowing plan.

There have been no significant changes from the previous year in the exposure to risks or policies, procedures, and methods used to manage liquidity risk.

Expected contractual maturities for financial liabilities are disclosed in the table below.

| Undiscounted cash flows of financial liabilities | Less than one year or on demand | Later than one year and less than five years | Later than 5 years | Total |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Short-term loans | 661,034 | - | - | **661,034** |
| Accounts payable and accrued liabilities | 472,910 | - | - | **472,910** |
| Due to the Government of Canada | 29,468 | - | - | **29,468** |
| Long term debt | 13,687 | 55,600 | 486,291 | **555,578** |
| Capital lease obligations | 1,214 | 4,856 | 27,715 | **33,785** |
| Liabilities under Public Private Partnerships | 22,819 | 92,012 | 312,355 | **427,186** |
| **Total** | **1,201,132** | **152,468** | **826,361** | **2,179,961** |

### d) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate unfavourably with changes in market prices. The Government is exposed to price risk with its portfolio investments. The Government manages this risk through diversification of asset class allocations and security selection within equity products.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to manage price risk.

## 25. OVEREXPENDITURE

During the year, 3 departments (2024 - 1) exceeded their current operations vote and 1 department (2024 - 1) exceeded their current capital vote.

Overexpenditure of a vote contravenes subsection 71 of the *Financial Administration Act* which states that "No person shall incur an expenditure that causes the amount of the appropriation set out in the Estimates for a department to be exceeded."

The voted items that were over expended in the current year are as follows:

| | |
|---|---|
| Department of Finance (operations) | $8,148 |
| Department of Health and Social Services (operations) | $5,480 |
| Department of Legislative Assembly and Statutory Offices (operations) | $180 |
| Department of Municipal and Community Affairs (capital) | $6 |

These overexpenditures are deemed a supplementary appropriation in accordance with section 77 of the *Financial Administration Act* S.N.W.T 2015 which states that "Where the charging of expenditures to an appropriation would cause the appropriation to be exceeded, the Comptroller General may, at the end of a fiscal year, record the amount by which the liability exceeds the appropriation as a deemed appropriation for that fiscal year."

In addition to the deemed appropriations above, in October 2025 the Legislative Assembly approved Supplementary Estimates Operations Expenditures and Borrowing Authorization No. 3 in which the Department of Health and Social Services was approved $27,512 in additional authorizations for the fiscal year ending March 2025.

## 26. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

## Government of the Northwest Territories

### Non-Consolidated Schedule of Revenues by Source (unaudited)
### Schedule A

for the year ended March 31, 2025 (thousands of dollars)

| | 2025 Main Estimates (Note 1(b)) $ | 2025 Actual $ | 2024 Actual $ |
|---|---|---|---|
| Revenue from the Government of Canada | | | |
| Grant | 1,699,357 | 1,699,357 | 1,610,836 |
| Transfer payments | 412,393 | 477,045 | 546,100 |
| | 2,111,750 | 2,176,402 | 2,156,936 |
| Taxation | | | |
| Corporate income tax | 55,609 | 44,919 | 76,775 |
| Personal income tax | 127,848 | 138,934 | 124,297 |
| | 183,457 | 183,853 | 201,072 |
| Other taxes | | | |
| Cannabis | 1,090 | 1,952 | 1,049 |
| Carbon | 78,249 | 29,648 | 33,595 |
| Fuel | 20,486 | 19,134 | 20,716 |
| Tobacco and vaping products | 14,887 | 9,631 | 11,723 |
| Payroll | 50,847 | 58,243 | 51,477 |
| Property | 28,843 | 27,068 | 27,296 |
| Insurance | 5,610 | 6,872 | 7,132 |
| | 200,012 | 152,548 | 152,988 |
| Non-renewable resource revenue | | | |
| Minerals, oil and gas royalties | 26,801 | (6,548) | (2,587) |
| Licenses, rental and other fees | 4,001 | 1,954 | 3,078 |
| Quarry fees | 205 | 102 | 65 |
| | 31,007 | (4,492) | 556 |
| General | | | |
| Sundry and other | 43,373 | 125,267 | 32,251 |
| Lease | 4,722 | 6,192 | 4,663 |
| Interest revenue | 340 | 2,390 | 1,708 |
| Gains on disposition of assets | - | 507 | 1 |
| Revolving Funds net revenue | 24,628 | 20,479 | 25,432 |
| Regulatory revenue | 28,507 | 29,217 | 28,615 |
| Investment income (loss) | 1,788 | (390) | 6,866 |
| Grants in kind | - | 134 | 336 |
| | 103,358 | 183,796 | 99,872 |
| Total Revenues | 2,629,584 | 2,692,107 | 2,611,424 |

## Government of the Northwest Territories

### Non-Consolidated Schedule of Expenses (unaudited) — Schedule B

for the year ended March 31, 2025 — (thousands of dollars)

| | Main Estimates *(note 1b)* | Compensation and Benefits | Grants and Contributions* | Valuation Allowances | Other | Amortization | 2025 Total Expenses | 2024 Total Expenses |
|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ |
| Legislative Assembly | 26,275 | 18,758 | 210 | 2 | 7,560 | 630 | 27,160 | 26,076 |
| Executive and Indigenous Affairs | 24,253 | 23,424 | 4,994 | - | 3,327 | - | 31,745 | 27,117 |
| Finance | 358,407 | 114,576 | 184,612 | 336 | 86,398 | 9,428 | 395,350 | 379,384 |
| Municipal and Community Affairs | 210,907 | 21,277 | 169,481 | 144 | 29,833 | 71 | 220,806 | 299,276 |
| Infrastructure | 331,447 | 75,782 | 65,200 | 179 | 187,433 | 70,807 | 399,401 | 345,886 |
| Health and Social Services | 644,228 | 36,943 | 542,095 | (12) | 207,475 | 23,093 | 809,594 | 723,475 |
| Justice | 148,586 | 71,177 | 5,652 | 32 | 79,293 | 3,329 | 159,483 | 146,458 |
| Education, Culture and Employment | 374,989 | 43,911 | 291,938 | 5,317 | 48,842 | 15,770 | 405,778 | 388,737 |
| Environment and Climate Change | 126,205 | 72,601 | 17,285 | 122 | 84,331 | 4,161 | 178,500 | 241,838 |
| Industry, Tourism and Investment | 63,392 | 29,115 | 18,273 | 852 | 15,474 | 1,862 | 65,576 | 65,491 |
| | **2,308,689** | **507,564** | **1,299,740** | **6,972** | **749,966** | **129,151** | **2,693,393** | |
| **Prior Year Totals** | **2,272,901** | **447,683** | **1,181,523** | **5,938** | **884,043** | **124,551** | | **2,643,738** |

* Grants and contributions are comprised of amounts from Schedules 5 and 6, plus any amounts included within Schedule 10 that were expended via a grant or contribution.

# Government of the Northwest Territories

## Non-Consolidated Schedule of Tangible Capital Assets (unaudited) — Schedule C

### As at March 31, 2025 — (thousands of dollars)

| | Land[4] $ | Buildings and Leasehold Improvements[1] $ | Infrastructure and Other[2] $ | Roads and Bridges $ | Equipment[1,3] $ | Computers $ | Work in Progress $ | 2025 $ | 2024 $ |
|---|---|---|---|---|---|---|---|---|---|
| **Cost of tangible capital assets** | | | | | | | | | |
| Opening balance | 5,859 | 1,722,941 | 369,509 | 2,113,085 | 297,685 | 148,224 | 359,953 | 5,017,256 | 4,860,453 |
| Transfers | - | 86,792 | 31,226 | 54,092 | 17,351 | 4,349 | (193,810) | - | - |
| Acquisitions | - | 6,235 | - | - | - | - | 195,174 | 201,409 | 175,449 |
| Revaluation of asset retirement obligations | - | (78) | - | - | - | - | - | (78) | (3,762) |
| Write-downs | - | (168) | (120) | - | (107) | - | - | (395) | (10,238) |
| Disposals | - | (6,159) | - | - | (1,894) | (1,392) | - | (9,445) | (4,646) |
| Closing balance | 5,859 | 1,809,563 | 400,615 | 2,167,177 | 313,035 | 151,181 | 361,317 | 5,208,747 | 5,017,256 |
| **Accumulated amortization** | | | | | | | | | |
| Opening balance | - | (764,692) | (169,922) | (763,377) | (151,311) | (120,480) | - | (1,969,782) | (1,854,175) |
| Amortization expense | - | (43,921) | (11,150) | (58,722) | (16,518) | (5,413) | - | (135,724) | (131,604) |
| Write-downs | - | 168 | 120 | - | 107 | - | | 395 | 10,238 |
| Disposals | - | 4,531 | - | - | 1,889 | 1,392 | - | 7,812 | 5,758 |
| Closing balance | - | (803,914) | (180,952) | (822,099) | (165,833) | (124,501) | - | (2,097,299) | (1,969,783) |
| **Net book value** | **5,859** | **1,005,649** | **219,663** | **1,345,078** | **147,202** | **26,680** | **361,317** | **3,111,448** | **3,047,473** |

[1] Included in buildings, leasehold improvements and equipment are assets under capital leases: cost, $14,945 (2024 - $3,910); accumulated amortization, $2,773 (2024 - $2,354); net book value, $12,172 (2024 - $1,556).

[2] Includes airstrips, aprons, fuel distribution systems, park improvements, aircraft, water/sewer works, fences, and signs.

[3] Includes ferries and barges.

[4] Land with cost and net book value of $0, market value $4,671 (2024 - $2,575) was contributed to third parties.

| Change in net book value of tangible capital assets | 2025 $ | 2024 $ |
|---|---|---|
| Assets transferred from work in progress | 200,045 | 68,141 |
| Disposals/write-downs/adjustments | (1,710) | (2,651) |
| Amortization | (135,724) | (131,604) |
| Increase (decrease) in work in progress | 1,364 | 107,308 |
| **Increase** | **63,975** | **41,194** |

# Government of the Northwest Territories

## Non-Consolidated Schedule of Revenues by Department (unaudited) — Schedule 1

for the year ended March 31, 2025 — (thousands of dollars)

| | Main Estimates $ | Projects on Behalf of Others $ | Increases (Decreases) $ | Revised Estimates $ | Actual Revenues $ | Over (Under) Budget $ |
|---|---|---|---|---|---|---|
| **Legislative Assembly** | | | | | | |
| Service and miscellaneous | 5 | - | - | 5 | 2 | (3) |
| Lease | 10 | - | - | 10 | 10 | - |
| Regulatory revenue | - | - | - | - | 4 | 4 |
| Investment income (loss) | - | - | - | - | (390) | (390) |
| | **15** | **-** | **-** | **15** | **(374)** | **(389)** |
| **Executive and Indigenous Affairs** | | | | | | |
| Transfer Payments | | | | | | |
| Federal cost shared | 2,288 | - | 3,313 | 5,601 | 5,095 | (506) |
| General Revenue | | | | | | |
| Regulatory revenue | - | 975 | - | 975 | - | (975) |
| Service and miscellaneous | - | - | - | - | - | - |
| | **2,288** | **975** | **3,313** | **6,576** | **5,095** | **(1,481)** |
| **Industry, Tourism and Investment** | | | | | | |
| Transfer Payments | | | | | | |
| Federal cost shared | 1,283 | 90 | 1,316 | 2,689 | 1,714 | (975) |
| Non-renewable Resources Revenue | | | | | | |
| Licences, rental, and other fees | 4,001 | - | - | 4,001 | 1,944 | (2,057) |
| Minerals, oil and gas royalties | 26,801 | - | (25,150) | 1,651 | (6,548) | (8,199) |
| | 30,802 | - | (25,150) | 5,652 | (4,604) | (10,256) |
| General Revenues | | | | | | |
| Regulatory revenue | 1,313 | - | (111) | 1,202 | 2,443 | 1,241 |
| Programs | 28 | - | 218 | 246 | 245 | (1) |
| Service and miscellaneous | 1,632 | - | (389) | 1,243 | 215 | (1,028) |
| | **2,973** | **-** | **(282)** | **2,691** | **2,903** | **212** |
| | **35,058** | **90** | **(24,116)** | **11,032** | **13** | **(11,019)** |

## Non-Consolidated Schedule of Revenues by Department (unaudited) Schedule 1 (continued)

for the year ended March 31, 2025 (thousands of dollars)

| | Main Estimates $ | Projects on Behalf of Others $ | Increases (Decreases) $ | Revised Estimates $ | Actual Revenues $ | Over (under) Estimates $ |
|---|---|---|---|---|---|---|
| **Environment and Climate Change** | | | | | | |
| Transfer Payments | | | | | | |
| Federal cost shared | 15,053 | 5,900 | 9,604 | 30,557 | 24,213 | (6,344) |
| Provincial/Territorial cost shared | 300 | - | - | 300 | - | (300) |
| Capital transfers | - | - | - | - | 5,213 | 5,213 |
| | 15,353 | 5,900 | 9,604 | 30,857 | 29,426 | (1,431) |
| Non-renewable Resource Revenue | | | | | | |
| Licences, rental, and other fees | 55 | - | - | 55 | 10 | (45) |
| Quarry Royalties | 150 | - | - | 150 | 102 | (48) |
| | 205 | - | - | 205 | 112 | (93) |
| General Revenue | | | | | | |
| Program | - | - | - | - | 1,166 | 1,166 |
| Regulatory revenue | 1,183 | - | - | 1,183 | 1,399 | 216 |
| Service and miscellaneous | 2,032 | - | - | 2,032 | 869 | (1,163) |
| Lease | 3,066 | - | - | 3,066 | 3,382 | 316 |
| | 6,281 | - | - | 6,281 | 6,816 | 535 |
| | **21,839** | **5,900** | **9,604** | **37,343** | **36,354** | **(989)** |

## Non-Consolidated Schedule of Revenues by Department (unaudited) Schedule 1 (continued)

for the year ended March 31, 2025 (thousands of dollars)

| | Main Estimates $ | Projects on Behalf of Others $ | Increases (Decreases) $ | Revised Estimates $ | Actual Revenues $ | Over (under) Estimates $ |
|---|---|---|---|---|---|---|
| **Finance** | | | | | | |
| Grant from Government of Canada | 1,699,357 | - | - | 1,699,357 | 1,699,357 | - |
| Transfer Payments | | | | | | |
| Federal cost shared | 9,554 | - | - | 9,554 | 17,519 | 7,965 |
| Canada Health Transfer | 57,087 | - | - | 57,087 | 56,117 | (970) |
| Canada Social Transfer | 18,534 | - | - | 18,534 | 18,217 | (317) |
| | 85,175 | - | - | 85,175 | 91,853 | 6,678 |
| Taxation | | | | | | |
| Corporate | 55,609 | - | - | 55,609 | 44,919 | (10,690) |
| Personal | 127,848 | - | - | 127,848 | 138,934 | 11,086 |
| Fuel | 20,486 | - | - | 20,486 | 19,134 | (1,352) |
| Tobacco | 14,635 | - | - | 14,635 | 9,628 | (5,007) |
| Cannabis | 1,090 | - | - | 1,090 | 1,952 | 862 |
| Carbon | 78,249 | - | - | 78,249 | 29,648 | (48,601) |
| Payroll | 50,847 | - | - | 50,847 | 58,243 | 7,396 |
| Property | 28,843 | - | - | 28,843 | 27,068 | (1,775) |
| Insurance | 5,610 | - | - | 5,610 | 6,872 | 1,262 |
| Vaping Products | 252 | - | - | 252 | 3 | (249) |
| | 383,469 | - | - | 383,469 | 336,401 | (47,068) |
| General Revenues | | | | | | |
| Service and miscellaneous | 2,000 | - | - | 2,000 | 86,091 | 84,091 |
| Program | 60 | - | - | 60 | 1,884 | 1,824 |
| Revolving fund net revenue | 24,233 | - | - | 24,233 | 22,684 | (1,549) |
| Interest income | - | - | - | - | 1,504 | 1,504 |
| Investment income | 400 | - | - | 400 | - | (400) |
| Regulatory revenue | 600 | - | - | 600 | 835 | 235 |
| | 27,293 | - | - | 27,293 | 112,998 | 85,705 |
| | **2,195,294** | **-** | **-** | **2,195,294** | **2,240,609** | **45,315** |
| **Municipal and Community Affairs** | | | | | | |
| Transfer Payments | | | | | | |
| Federal cost shared | 32,201 | - | 982 | 33,183 | 41,750 | 8,567 |
| General Revenues | | | | | | |
| Regulatory revenue | 1,892 | - | - | 1,892 | 1,170 | (722) |
| Service and miscellaneous | 6 | - | - | 6 | (689) | (695) |
| | **1,898** | **-** | **-** | **1,898** | **481** | **(1,417)** |
| | **34,099** | **-** | **982** | **35,081** | **42,231** | **7,150** |

| | Main Estimates $ | Projects on Behalf of Others $ | Increases (Decreases) $ | Revised Estimates $ | Actual Revenues $ | Over(Under) Estimates $ |
|---|---|---|---|---|---|---|
| **Justice** | | | | | | |
| Transfer Payments | | | | | | |
| Federal cost shared | 8,926 | - | 1,399 | 10,325 | 12,295 | 1,970 |
| General Revenue | | | | | | |
| Service and miscellaneous | - | - | - | - | 1 | 1 |
| Program | 965 | 281 | - | 1,246 | 1,524 | 278 |
| Regulatory revenue | 8,641 | - | - | 8,641 | 8,576 | (65) |
| | 9,606 | 281 | - | 9,887 | 10,101 | 214 |
| | **18,532** | **281** | **1,399** | **20,212** | **22,396** | **2,184** |
| **Infrastructure** | | | | | | |
| Transfer Payments | | | | | | |
| Federal cost shared | 83,696 | 78 | (2,015) | 81,759 | 49,674 | (32,085) |
| Capital transfers | 54,444 | - | (14,019) | 40,425 | 36,099 | (4,326) |
| | 138,140 | 78 | (16,034) | 122,184 | 85,773 | (36,411) |
| General Revenues | | | | | | |
| Service and miscellaneous | 11,735 | - | - | 11,735 | 4,368 | (7,367) |
| Lease | 1,646 | - | - | 1,646 | 2,800 | 1,154 |
| Program | 9,003 | - | - | 9,003 | 7,875 | (1,128) |
| Interest revenue | 1,388 | - | - | 1,388 | 517 | (871) |
| Regulatory revenue | 13,959 | - | - | 13,959 | 14,248 | 289 |
| Revolving funds net revenue | 395 | - | - | 395 | (2,205) | (2,600) |
| | 38,126 | - | - | 38,126 | 27,603 | (10,523) |
| | **176,266** | **78** | **(16,034)** | **160,310** | **113,376** | **(46,934)** |
| **Health and Social Services** | | | | | | |
| Transfer Payments | | | | | | |
| Federal cost shared | 85,412 | 47,110 | 5,403 | 137,925 | 148,426 | 10,501 |
| Capital transfers | - | - | 3,175 | 3,175 | 5,853 | 2,678 |
| | 85,412 | 47,110 | 8,578 | 141,100 | 154,279 | 13,179 |
| General Revenues | | | | | | |
| Program | 15,900 | - | 1,278 | 17,178 | 21,193 | 4,015 |
| Grants in kind | - | - | - | - | 134 | 134 |
| Regulatory revenue | 576 | - | - | 576 | 478 | (98) |
| Service and miscellaneous | - | - | - | - | 1,014 | 1,014 |
| | **16,476** | **-** | **1,278** | **17,754** | **22,819** | **5,065** |
| | **101,888** | **47,110** | **9,856** | **158,854** | **177,098** | **18,244** |

## Non-Consolidated Schedule of Revenues by Department (unaudited) — Schedule 1 (continued)

for the year ended March 31, 2025 — (thousands of dollars)

| | Main Estimates $ | Projects on Behalf of Others $ | Increases (Decreases) $ | Revised Estimates $ | Actual Revenues $ | Over(Under) Estimates $ |
|---|---|---|---|---|---|---|
| **Education, Culture and Employment** | | | | | | |
| Transfer Payments | | | | | | |
| Federal cost shared | 43,915 | 142 | 7,891 | 51,948 | 54,860 | 2,912 |
| General Revenue | | | | | | |
| Service and miscellaneous | 7 | - | - | 7 | 16 | 9 |
| Interest income | 340 | - | - | 340 | 369 | 29 |
| Regulatory revenue | 43 | - | - | 43 | 64 | 21 |
| | 390 | - | - | 390 | 449 | 59 |
| | **44,305** | **142** | **7,891** | **52,338** | **55,309** | **2,971** |
| **Total revenues by department** | **2,629,584** | **54,576** | **(7,105)** | **2,677,055** | **2,692,107** | **15,052** |

## Non-Consolidated Schedule of Expenses by Department (unaudited) Schedule 2

for the year ended March 31, 2025 (thousands of dollars)

| | Main Estimates $ | Supplementary Estimates $ | Transfers $ | Total Appropriation $ | Operating Fund Expenses* $ | Under(Over) Appropriation $ |
|---|---|---|---|---|---|---|
| **Legislative Assembly** | | | | | | |
| Office of the Clerk | 10,408 | 442 | - | 10,850 | 12,147 | (1,297) |
| Expenses on Behalf of Members | 10,512 | - | - | 10,512 | 9,722 | 790 |
| Office of the Chief Electoral Officer | 582 | 31 | - | 613 | 702 | (89) |
| Statutory Offices | 4,221 | 224 | - | 4,445 | 3,886 | 559 |
| Office of the Speaker | 552 | 8 | - | 560 | 703 | (143) |
| | 26,275 | 705 | - | 26,980 | 27,160 | (180) |
| **Executive and Indigenous Affairs** | | | | | | |
| Executive Council Offices | 3,951 | 306 | - | 4,257 | 4,914 | (657) |
| Directorate | 9,457 | 6,260 | - | 15,717 | 14,121 | 1,596 |
| Cabinet Support | 2,260 | 172 | - | 2,432 | 2,719 | (287) |
| Indigenous and Intergovernmental Affairs | 7,168 | 461 | - | 7,629 | 7,870 | (241) |
| Corporate Communications | 1,417 | 105 | - | 1,522 | 1,236 | 286 |
| | 24,253 | 7,304 | - | 31,557 | 30,860 | 697 |
| **Industry, Tourism and Investment** | | | | | | |
| Economic Diversification and Business Support | 20,897 | 2,594 | - | 23,491 | 19,938 | 3,553 |
| Corporate Management | 9,579 | 555 | - | 10,134 | 10,129 | 5 |
| Tourism and Parks | 17,226 | 475 | 789 | 18,490 | 18,069 | 421 |
| Minerals and Petroleum Resources | 15,690 | 2,141 | - | 17,831 | 17,439 | 392 |
| | 63,392 | 5,765 | 789 | 69,946 | 65,575 | 4,371 |

* Operating fund expenses are expenses per the Statement of Operations less the expenses relating to project on behalf of third parties (Schedule 10).

Non-Consolidated Schedule of Expenses by Department (unaudited) Schedule 2 (continued)

For the year ended March 31, 2025 (thousands of dollars)

| | Main Estimates $ | Supplementary Estimates $ | Transfers $ | Total Appropriation $ | Operating Fund Expenses* $ | Under(Over) Appropriation $ |
|---|---|---|---|---|---|---|
| **Environment and Climate Change** | | | | | | |
| Policy and Strategic Planning | 13,332 | 3,203 | 217 | 16,752 | 12,739 | 4,013 |
| Wildlife and Forest Management | 63,178 | 44,789 | 666 | 108,633 | 107,048 | 1,585 |
| Corporate Management | 10,329 | 1,426 | 8 | 11,763 | 14,081 | (2,318) |
| Regional Operations | 7,212 | - | 119 | 7,331 | 5,838 | 1,493 |
| Environmental Stewardship and Climate Change | 21,815 | 3,592 | (151) | 25,256 | 23,577 | 1,679 |
| Regulatory Assessments and Authorizations | 10,339 | 907 | (859) | 10,387 | 9,428 | 959 |
| | 126,205 | 53,917 | - | 180,122 | 172,711 | 7,411 |
| **Finance** | | | | | | |
| Directorate | 113,351 | 18,460 | - | 131,811 | 136,149 | (4,338) |
| Management Board Secretariat | 107,733 | 389 | - | 108,122 | 77,175 | 30,947 |
| Office of the Comptroller General | 91,458 | 7,601 | - | 99,059 | 132,880 | (33,821) |
| Office of the Chief Information Officer | 23,731 | 1,033 | - | 24,764 | 25,098 | (334) |
| Human Resources | 22,134 | 1,312 | - | 23,446 | 24,048 | (602) |
| | 358,407 | 28,795 | - | 387,202 | 395,350 | (8,148) |
| **Municipal and Community Affairs** | | | | | | |
| Regional Operations | 136,430 | 640 | 600 | 137,670 | 136,639 | 1,031 |
| Community Operations | 24,299 | 51,629 | - | 75,928 | 18,343 | 57,585 |
| Directorate | 4,157 | 304 | - | 4,461 | 6,007 | (1,546) |
| Emergency Management | 29,902 | 70 | - | 29,972 | 27,486 | 2,486 |
| Community Government Learning and Development | 2,565 | 95 | - | 2,660 | 2,592 | 68 |
| Community Governance | 2,136 | 1,321 | (600) | 2,857 | 2,342 | 515 |
| Sport, Recreation and Youth | 8,459 | 561 | - | 9,020 | 8,579 | 441 |
| Public Safety | 2,959 | 199 | - | 3,158 | 3,179 | (21) |
| | 210,907 | 54,819 | - | 265,726 | 205,167 | 60,559 |

* Operating fund expenses are expenses per the Statement of Operations less the expenses relating to project on behalf of third parties (Schedule 10).

## Non-Consolidated Schedule of Expenses by Department (unaudited) Schedule 2 (continued)

for the year ended March 31, 2025 (thousands of dollars)

| | Main Estimates $ | Supplementary Estimates $ | Transfers $ | Total Appropriation $ | Operating Fund Expenses* $ | Under(Over) Appropriation $ |
|---|---|---|---|---|---|---|
| **Justice** | | | | | | |
| Corrections | 36,757 | 5,322 | 73 | 42,152 | 42,795 | (643) |
| Policing Services | 61,067 | 5,303 | - | 66,370 | 60,783 | 5,587 |
| Court Services | 15,765 | 844 | - | 16,609 | 16,737 | (128) |
| Services to Government | 14,336 | 875 | 74 | 15,285 | 15,635 | (350) |
| Legal Aid Services | 7,645 | 521 | - | 8,166 | 8,446 | (280) |
| Services to the Public | 5,027 | 419 | - | 5,446 | 6,008 | (562) |
| Community Justice | 6,759 | 1,547 | - | 8,306 | 7,717 | 589 |
| Office of the Regulator of Oil and Gas Operations | 1,230 | 57 | - | 1,287 | 1,101 | 186 |
| | 148,586 | 14,888 | 147 | 163,621 | 159,222 | 4,399 |
| **Health and Social Services** | | | | | | |
| Administration and Support Services | 58,109 | 5,268 | 110 | 63,487 | 68,116 | (4,629) |
| Health and Social Programs | 384,586 | 43,300 | (617) | 427,269 | 440,671 | (13,402) |
| Long Term and Continuing Care Services | 72,657 | 8,157 | 194 | 81,008 | 79,182 | 1,826 |
| Out of Territory Services | 93,555 | 33,877 | - | 127,432 | 127,432 | - |
| Supplementary Health Benefits | 35,321 | 5,611 | 313 | 41,245 | 30,520 | 10,725 |
| | 644,228 | 96,213 | - | 740,441 | 745,921 | (5,480) |
| **Education, Culture and Employment** | | | | | | |
| Corporate Management | 12,456 | 643 | - | 13,099 | 13,879 | (780) |
| Languages and Culture | 17,396 | 1,157 | - | 18,553 | 18,339 | 214 |
| Early Learning | 25,396 | 8,685 | - | 34,081 | 30,051 | 4,030 |
| Income Security | 66,360 | 729 | - | 67,089 | 67,112 | (23) |
| Labour Development and Standards | 16,857 | 1,981 | - | 18,838 | 17,998 | 840 |
| Education | 236,524 | 21,026 | (70) | 257,480 | 258,241 | (761) |
| | 374,989 | 34,221 | (70) | 409,140 | 405,620 | 3,520 |

* Operating fund expenses are expenses per the Statement of Operations less the expenses relating to project on behalf of third parties (Schedule 10).

## Non-Consolidated Schedule of Expenses by Department (unaudited) Schedule 2 (continued)

for the year ended March 31, 2025 (thousands of dollars)

| | Main Estimates $ | Supplementary Estimates $ | Transfers $ | Total Appropriation $ | Operating Fund Expenses* $ | Under(Over) Appropriation $ |
|---|---|---|---|---|---|---|
| **Infrastructure** | | | | | | |
| Corporate Management | 8,614 | 334 | - | 8,948 | 10,752 | (1,804) |
| Asset Management | 26,075 | 9,583 | 7 | 35,665 | 33,527 | 2,138 |
| Programs and Services | 14,575 | 18,991 | 1,397 | 34,963 | 34,206 | 757 |
| Regional Operations | 250,525 | 17,798 | (1,465) | 266,858 | 271,088 | (4,230) |
| Energy and Strategic Initiatives | 31,658 | 37,972 | 68 | 69,698 | 48,801 | 20,897 |
| | 331,447 | 84,678 | 7 | 416,132 | 398,374 | 17,758 |
| **Total expenses by department** | **2,308,689** | **381,305** | **873** | **2,690,867** | **2,605,960** | **84,907** |

* Operating fund expenses are expenses per the Statement of Operations less the expenses relating to project on behalf of third parties (Schedule 10).

## Government of the Northwest Territories

### Non-Consolidated Schedule of Recoveries of Prior Years' Expenses (unaudited) — Schedule 3

for the year ended March 31, 2025 — (thousands of dollars)

| DEPARTMENT | Over-Accruals $ | Other Recoveries $ | Total $ |
|---|---|---|---|
| Executive and Indigenous Affairs | 204 | 388 | 592 |
| Finance | 345 | 13,975 | 14,320 |
| Municipal and Community Affairs | 14,352 | 779 | 15,131 |
| Infrastructure | 552 | 3,039 | 3,591 |
| Health and Social Services | 2,310 | 3,034 | 5,344 |
| Justice | 919 | 279 | 1,198 |
| Education, Culture and Employment | 727 | 1,908 | 2,635 |
| Environment and Climate Change | 347 | 972 | 1,319 |
| Industry, Tourism and Investment | 254 | 557 | 811 |
| | **20,010** | **24,931** | **44,941** |

## Government of the Northwest Territories

### Non-Consolidated Schedule of Summary of Capital Expenditures (unaudited) — Schedule 4

for the year ended March 31, 2025 — (thousands of dollars)

| DEPARTMENT | Main Estimates $ | Supplementary Estimates $ | Transfer to Operations & Maintenance Expenditures* $ | Transfer from Department of Infrastructure $ | Total Appropriation $ | Actual Expenditure $ | Under(Over) Appropriation $ |
|---|---|---|---|---|---|---|---|
| Legislative Assembly | 105 | - | - | - | 105 | 105 | - |
| Finance | 3,847 | 24,357 | - | - | 28,204 | 25,509 | 2,695 |
| Municipal and Community Affairs | 166 | 80 | - | - | 246 | 252 | (6) |
| Infrastructure | 176,779 | (3,064) | (7) | (861) | 172,847 | 105,275 | 67,572 |
| Health and Social Services | 57,590 | 9,356 | - | 346 | 67,292 | 33,761 | 33,531 |
| Justice | 887 | 1,879 | (147) | 69 | 2,688 | 910 | 1,778 |
| Education, Culture and Employment | 3,590 | 16,776 | - | 404 | 20,770 | 8,617 | 12,153 |
| Environment and Climate Change | 21,078 | 1,271 | - | 42 | 22,391 | 7,024 | 15,367 |
| Industry, Tourism and Investment | 4,428 | 3,634 | (789) | - | 7,273 | 3,696 | 3,577 |
| | **268,470** | **54,289** | **(943)** | **-** | **321,816** | **185,149** | **136,667** |

Projects completed by the Department of Infrastructure on behalf of other departments are reported as expenditures under the owner department, when completed, to better reflect investments in departmental programs.

***** $943 of the budget associated with Infrastructure Investment classified as non-capital in nature has been transferred to operations.

## Government of the Northwest Territories

### Non-Consolidated Schedule of Grants (unaudited) — Schedule 5

for the year ended March 31, 2025 — (thousands of dollars)

| | Main Estimates $ | Supplementary Estimates $ | Transfers $ | Total Appropriation $ | Actual Expenditures $ | (Over)Under Appropriation $ |
|---|---|---|---|---|---|---|
| **Executive and Indigenous Affairs** | | | | | | |
| Aboriginal Intergovernmental Meetings Fund | - | - | - | - | - | - |
| Arctic Inspiration Prize | 100 | - | - | 100 | 100 | - |
| Core Funding to Métis Locals | 225 | - | - | 225 | 164 | 61 |
| Gender Equity Grant | 50 | - | - | 50 | 40 | 10 |
| Indigenous Intergovernmental Meetings Fund | 300 | - | - | 300 | 600 | (300) |
| K'atl'odeeche First Nation Claim | - | - | - | - | 5 | (5) |
| National Action Plan to End Gender Based Violence | 1,648 | - | (1,639) | 9 | 2 | 7 |
| Red Cross | - | - | - | - | 5 | (5) |
| Special Events - Indigenous Organizations | 50 | - | - | 50 | 116 | (66) |
| Women's Initiatives | 50 | - | - | 50 | 55 | (5) |
| | **2,423** | **-** | **(1,639)** | **784** | **1,087** | **(303)** |
| **Infrastructure** | | | | | | |
| Deh Cho Bridge Opportunities | 200 | - | - | 200 | 200 | - |
| Fuel Services Division Grant | - | 1,397 | - | 1,397 | 1,397 | - |
| Marine Transportation Grant | - | 16,960 | - | 16,960 | 15,912 | 1,048 |
| Yellowknife Airport Grant | - | - | - | - | 2,999 | (2,999) |
| | **200** | **18,357** | **-** | **18,557** | **20,508** | **(1,951)** |
| **Finance** | | | | | | |
| Carbon Tax Offset | 47,803 | - | - | 47,803 | 20,894 | 26,909 |
| Cost of Living Tax Credit | 22,150 | - | - | 22,150 | 27,566 | (5,416) |
| Emergency Evacuation Relief Program | - | - | - | - | 212 | (212) |
| NWT Child Benefit | 2,200 | - | - | 2,200 | 1,972 | 228 |
| NWT Power Corporation | 30,000 | 12,000 | - | 42,000 | 42,000 | - |
| Town of Norman Wells - Food Bank Donation | - | - | - | - | 20 | (20) |
| | **102,153** | **12,000** | **-** | **114,153** | **92,664** | **21,489** |

| | Main Estimates $ | Supplementary Estimates $ | Transfers $ | Total Appropriation $ | Actual Expenditures $ | (Over)Under Appropriation $ |
|---|---|---|---|---|---|---|
| **Municipal and Community Affairs** | | | | | | |
| Community Government Funding | 56,637 | - | - | 56,637 | 56,637 | - |
| Community Mandate Funding | - | - | - | - | 127 | (127) |
| Deline Self-Government | 3,699 | 258 | - | 3,957 | 3,957 | - |
| Designated Authority Additional Grant-in-Lieu of Taxes | 15,029 | - | - | 15,029 | 14,510 | 519 |
| High Performance Athlete Grant | 50 | - | - | 50 | 50 | - |
| New Deal Taxation Revenue Program | - | 600 | - | 600 | 639 | (39) |
| Senior Citizens and Disabled Persons Property Tax Relief | 1,232 | - | - | 1,232 | 1,253 | (21) |
| | **76,647** | **858** | **-** | **77,505** | **77,173** | **332** |
| **Environment and Climate Change** | | | | | | |
| Disaster Compensation | 225 | - | - | 225 | 46 | 179 |
| Fire Damage Compensation | 100 | - | - | 100 | 227 | (127) |
| Fur Price Program | 605 | - | 350 | 955 | 164 | 791 |
| | **930** | **-** | **350** | **1,280** | **437** | **843** |
| **Health and Social Services** | | | | | | |
| Anti-Poverty Fund | - | - | - | - | 102 | (102) |
| Health Promotion Strategic Fund | - | - | - | - | 272 | (272) |
| Inuvialuit Social Development Program | - | - | - | - | 105 | (105) |
| Medical Professional Development | 41 | (41) | - | - | - | - |
| Northern Wellness Initiatives | - | - | - | - | - | - |
| | **41** | **(41)** | **-** | **-** | **479** | **(479)** |
| **Justice** | | | | | | |
| Food Bank Donation - Town of Norman Wells | - | - | - | - | 15 | (15) |
| National Justice Issues | 9 | - | - | 9 | 10 | (1) |
| | **9** | **-** | **-** | **9** | **25** | **(16)** |

## Non-Consolidated Schedule of Grants (unaudited) — Schedule 5 (continued)

for the year ended March 31, 2025 — (thousands of dollars)

| | Main Estimates $ | Supplementary Estimates $ | Transfers $ | Total Appropriation $ | Actual Expenditures $ | (Over)Under Appropriation $ |
|---|---|---|---|---|---|---|
| **Education, Culture and Employment** | | | | | | |
| Arts and Indigenous Organization Grant | 155 | 130 | - | 285 | 284 | 1 |
| Early Childhood Program Grants | - | - | - | - | 8 | (8) |
| Early Childhood Program Operator Subsidy | - | - | - | - | - | - |
| Early Childhood Scholarship | 150 | - | - | 150 | 184 | (34) |
| French Language Broadcasting | 10 | - | - | 10 | 10 | - |
| Indigenous Languages Broadcasting | 98 | - | - | 98 | 98 | - |
| Indigenous Scholarships | 80 | - | - | 80 | 50 | 30 |
| Labour Market Development Agreement | 1,543 | - | - | 1,543 | 1,256 | 287 |
| Medium Arts Project Grant | 350 | - | - | 350 | 289 | 61 |
| Senior Home Heating Subsidy | 2,192 | - | - | 2,192 | 1,957 | 235 |
| Small Arts Project Grant | 150 | - | - | 150 | 150 | - |
| Student Financial Assistance | 13,534 | - | - | 13,534 | 15,130 | (1,596) |
| Supporting Child Inclusion and Participation | 82 | - | - | 82 | 20 | 62 |
| Thank You for Making a Difference | 30 | - | - | 30 | 30 | - |
| Trades and Occupations Wage Subsidy | 922 | - | - | 922 | 794 | 128 |
| Workforce Development Agreement | 931 | - | - | 931 | 475 | 456 |
| French First and Second Language | - | - | - | - | 30 | (30) |
| | **20,227** | **130** | **-** | **20,357** | **20,765** | **(408)** |
| **Industry, Tourism and Investment** | | | | | | |
| Tourism and Parks | **-** | **-** | **-** | **-** | **487** | **(487)** |
| **Total** | **202,630** | **31,304** | **(1,289)** | **232,645** | **213,625** | **19,020** |

Land with cost and net book value of $0, market value $4,671 (2024 - $2,576) was contributed to third parties.

## Government of the Northwest Territories

### Non-Consolidated Schedule of Contributions (unaudited) Schedule 6

for the year ended March 31, 2025 (thousands of dollars)

| | Main Estimates $ | Supplementary Estimates $ | Transfers $ | Total Appropriation $ | Actual Expenditures $ | (Over)Under Appropriation $ |
|---|---|---|---|---|---|---|
| **Legislative Assembly** | | | | | | |
| Human Rights Commission Core Funding | 180 | - | - | 180 | 210 | (30) |
| **Executive and Indigenous Affairs** | | | | | | |
| National Action Plan to End Gender Based Violence | - | 632 | 1,963 | 2,595 | 2,417 | 178 |
| Native Women's Association | 476 | - | - | 476 | 476 | - |
| NWT Wrap Around Services | - | 175 | - | 175 | - | 175 |
| Status of Women Council | 444 | - | - | 444 | 512 | (68) |
| Strategic Approach to Homelessness | - | 1,142 | - | 1,142 | 477 | 665 |
| Tlegohli Got'ine Self Government | - | - | - | - | 26 | (26) |
| | 920 | 1,949 | 1,963 | 4,832 | 3,908 | 924 |
| **Finance** | | | | | | |
| Net Fiscal Benefit Transfer to Aboriginal Parties | 7,900 | - | - | 7,900 | 87 | 7,813 |
| Northwest Territories Heritage Fund | 6,100 | - | - | 6,100 | 482 | 5,618 |
| Housing Northwest Territories Core Funding | 76,303 | 6,109 | - | 82,412 | 82,412 | - |
| Territorial Power Subsidy Program | 7,153 | - | - | 7,153 | 8,966 | (1,813) |
| | 97,456 | 6,109 | - | 103,565 | 91,947 | 11,618 |

| | Main Estimates $ | Supplementary Estimates $ | Transfers $ | Total Appropriation $ | Actual Expenditures $ | (Over)Under Appropriation $ |
|---|---|---|---|---|---|---|
| **Municipal and Community Affairs** | | | | | | |
| Advancing Local Government Administrators Program | 565 | - | - | 565 | 460 | 105 |
| Annual Non-Government Organization Stabilization Fund | 700 | - | - | 700 | 700 | - |
| Canadian Sport Policy Implementation | 272 | - | - | 272 | 533 | (261) |
| Children and Youth Resiliency Program | 450 | - | - | 450 | 435 | 15 |
| Community Governments: | | | | | | |
| Assistance | - | - | - | - | 20 | (20) |
| Capital Formula Funding | 22,201 | 51,460 | - | 73,661 | 15,863 | 57,798 |
| Community Financial Services | - | - | - | - | 10 | (10) |
| Community Public Infrastructure | 32,379 | - | - | 32,379 | 32,379 | - |
| Get Active NWT | 100 | - | - | 100 | 100 | - |
| Ground Ambulance and Highway Rescue | 185 | - | - | 185 | 185 | - |
| Healthy Choices Initiative | 765 | - | - | 765 | 765 | - |
| Partners Contribution - Assessment Services | 125 | - | - | 125 | 125 | - |
| Partners Contributions | 460 | - | - | 460 | 460 | - |
| Recreation Funding | 1,275 | - | - | 1,275 | 1,287 | (12) |
| Regional Youth Sport Events | 650 | - | - | 650 | 590 | 60 |
| Volunteer Contributions | - | - | - | - | 37 | (37) |
| Water and Waste Services Funding | 21,958 | - | - | 21,958 | 21,960 | (2) |
| Youth Centres | 500 | - | - | 500 | 500 | - |
| Youth Contribution Programs | 225 | - | - | 225 | 209 | 16 |
| Youth Corps - Regional Operations | 825 | - | - | 825 | 805 | 20 |
| | **83,635** | **51,460** | **-** | **135,095** | **77,423** | **57,672** |

| | Main Estimates $ | Supplementary Estimates $ | Transfers $ | Total Appropriation $ | Actual Expenditures $ | (Over)Under Appropriation $ |
|---|---|---|---|---|---|---|
| **Health and Social Services** | | | | | | |
| Anti-Poverty Fund | 1,750 | - | - | 1,750 | 1,622 | 128 |
| Child and Family Services | 222 | - | - | 222 | 250 | (28) |
| Community Based Suicide Prevention | 795 | - | - | 795 | 740 | 55 |
| Community Cooler and Cleaner Airspaces | - | 165 | - | 165 | 156 | 9 |
| Disabilities Fund | 229 | - | - | 229 | 227 | 2 |
| Early Childhood Development | 349 | - | (97) | 252 | 447 | (195) |
| Family Violence Prevention | 1,361 | 645 | (130) | 1,876 | 1,859 | 17 |
| First Nations and Inuit Home and Community Care Fund | - | - | - | - | 102 | (102) |
| French Language Services | 970 | - | - | 970 | 970 | - |
| Health and Social Services Authority Funding | 460,469 | 55,890 | 489 | 516,848 | 514,742 | 2,106 |
| Health Promotion Strategic Fund | 589 | - | (104) | 485 | 281 | 204 |
| Healthy Choices Fund | 418 | - | - | 418 | 425 | (7) |
| Healthy Family Program | 292 | - | - | 292 | 292 | - |
| Mental Health and Addictions Programs | 125 | - | - | 125 | 142 | (17) |
| Mental Health and Addictions Recovery Fund | 3,055 | - | - | 3,055 | 2,693 | 362 |
| Mental Wellness and Addictions Recovery Capacity Building Fund | 100 | - | - | 100 | 158 | (58) |
| Northern Wellness Initiatives | 8,743 | - | - | 8,743 | 9,264 | (521) |
| Respite Fund | 480 | - | - | 480 | 480 | - |
| Seniors Fund | 310 | - | - | 310 | 196 | 114 |
| Tlicho Cultural Coordinator | 35 | - | - | 35 | - | 35 |
| | **480,292** | **56,700** | **158** | **537,150** | **535,046** | **2,104** |

| | Main Estimates $ | Supplementary Estimates $ | Transfers $ | Total Appropriation $ | Actual Expenditures $ | (Over)Under Appropriation $ |
|---|---|---|---|---|---|---|
| **Environment and Climate Change** | | | | | | |
| Adaptation Plan | 25 | - | - | 25 | - | 25 |
| Barren Ground Caribou - Drivers of Population Trend | 650 | - | - | 650 | 651 | (1) |
| Caribou Monitoring | 79 | - | - | 79 | 115 | (36) |
| Climate Change Community Adaptation | 353 | - | - | 353 | 812 | (459) |
| Conservation Planning | 215 | 430 | (350) | 295 | 212 | 83 |
| Cumulative Impact Monitoring Program | 1,751 | - | - | 1,751 | 1,567 | 184 |
| Disease Contaminants | 16 | - | - | 16 | 16 | - |
| FireSmart Program | - | 135 | - | 135 | 402 | (267) |
| Industry Development | 25 | - | - | 25 | 77 | (52) |
| Interim Resource Management Assistance Program | 1,655 | - | - | 1,655 | 1,860 | (205) |
| Inuvialuit Water Board | 939 | - | 49 | 988 | 939 | 49 |
| Mackenzie River Basin Board | 40 | - | - | 40 | 33 | 7 |
| Modelling and Remote Sensing | 65 | - | - | 65 | - | 65 |
| Monitoring and Range Planning | 41 | - | - | 41 | 322 | (281) |
| Nature Fund Protected Areas | 568 | 385 | - | 953 | 1,030 | (77) |
| Northwest Territories Surface Rights Board | 328 | - | 34 | 362 | 362 | - |
| Stewardship Program | 210 | - | - | 210 | 172 | 38 |
| Supporting Integrated Resource Management Systems | 75 | - | - | 75 | - | 75 |
| Supporting Land Use Planning Initiatives | 265 | - | - | 265 | 138 | 127 |
| Supporting Sustainable Land Use Management | 90 | - | - | 90 | - | 90 |
| Sustainable Livelihoods | 2,451 | - | - | 2,451 | 2,540 | (89) |
| Traditional Knowledge | 65 | - | (20) | 45 | - | 45 |
| Transboundary Waters | 285 | 900 | - | 1,185 | 560 | 625 |
| Water Research and Monitoring | 346 | 101 | - | 447 | 614 | (167) |
| Wildfire Research Support | 25 | - | - | 25 | - | 25 |
| Wildfire Risk Management Plan | 75 | - | 20 | 95 | - | 95 |
| Wildlife Management Boards | 78 | - | - | 78 | 78 | - |
| | **10,715** | **1,951** | **(267)** | **12,399** | **12,500** | **(101)** |

| | Main Estimates $ | Supplementary Estimates $ | Transfers $ | Total Appropriation $ | Actual Expenditures $ | (Over)Under Appropriation $ |
|---|---|---|---|---|---|---|
| **Industry, Tourism and Investment** | | | | | | |
| Advance the Knowledge Economy | 100 | - | - | 100 | 100 | - |
| Commercial Fisheries | 450 | - | - | 450 | 87 | 363 |
| Community Futures | 690 | - | - | 690 | 610 | 80 |
| Community Tourism Coordinators | 200 | - | - | 200 | 200 | - |
| Community Tourism Infrastructure | 300 | - | - | 300 | 293 | 7 |
| Community Transfers Initiative | 1,622 | - | - | 1,622 | 1,382 | 240 |
| Convention Bureau | 100 | - | - | 100 | 100 | - |
| Film Industry Rebate Program | 500 | - | - | 500 | 640 | (140) |
| Funding for Businesses and Communities Impacted by Barge | - | 1,800 | - | 1,800 | 160 | 1,640 |
| Indigenous Mineral Development Support Program | 100 | - | - | 100 | 155 | (55) |
| Mineral Resources Act Implementation | - | - | - | - | 74 | (74) |
| Mining Incentive Program | 1,500 | - | - | 1,500 | 1,477 | 23 |
| Northern Food Development Program | 425 | - | - | 425 | 385 | 40 |
| Northwest Territories Chamber of Mines | 55 | - | - | 55 | - | 55 |
| NWT Film and Media Sector | 280 | - | - | 280 | 340 | (60) |
| Prospector Training | 80 | - | - | 80 | 144 | (64) |
| Prosper NWT | 1,579 | 209 | - | 1,788 | 1,788 | - |
| Scientific Collaborative Research Projects | 150 | 127 | - | 277 | 406 | (129) |
| Support for Entrepreneur and Economic Development | 3,491 | - | - | 3,491 | 2,713 | 778 |
| Sustainable Canadian Agricultural Partnership | 1,521 | - | - | 1,521 | 1,289 | 232 |
| Tourism Industry Funding | 3,656 | - | - | 3,656 | 3,656 | - |
| Tourism Product Diversification Program | 1,200 | - | - | 1,200 | 1,206 | (6) |
| Tourism Skills Development | 50 | - | - | 50 | 93 | (43) |
| Various Contributions Directorate | - | - | - | - | 20 | (20) |
| Various Contributions Economic Diversification | - | - | - | - | 178 | (178) |
| Various Contributions Minerals and Petroleum Resources | - | - | - | - | 37 | (37) |
| Various Contributions Tourism and Parks | - | - | - | - | 92 | (92) |
| Visitor Information Centres | 296 | - | - | 296 | 161 | 135 |
| | **18,345** | **2,136** | **-** | **20,481** | **17,786** | **2,695** |
| **Justice** | | | | | | |
| Community Justice Committees and Projects | 2,149 | 1,028 | - | 3,177 | 2,701 | 476 |
| Men's Healing Program | 589 | 32 | - | 621 | 653 | (32) |
| Offender Reintegration | 179 | - | - | 179 | - | 179 |
| Victims Assistance Support Projects | 2,298 | 25 | - | 2,323 | 2,166 | 157 |
| YWCA of Yellowknife | 107 | - | - | 107 | 107 | - |
| | **5,322** | **1,085** | **-** | **6,407** | **5,627** | **780** |

| | Main Estimates $ | Supplementary Estimates $ | Transfers $ | Total Appropriation $ | Actual Expenditures $ | (Over)Under Appropriation $ |
|---|---|---|---|---|---|---|
| **Infrastructure** | | | | | | |
| Alternative and Renewable Energy Research | 70 | - | - | 70 | 90 | (20) |
| Alternative Energy Technologies Program | 200 | - | - | 200 | 200 | - |
| Arctic Energy Alliance Core Funding | 1,496 | - | - | 1,496 | 1,496 | - |
| Biomass Energy Program | 100 | - | - | 100 | 100 | - |
| Business Support Programs | 300 | - | - | 300 | 300 | - |
| Commercial Energy Conservation and Efficiency Program | 200 | - | - | 200 | 200 | - |
| Community Access Program | - | 1,500 | - | 1,500 | 1,340 | 160 |
| Community Renewable Energy Program | 100 | - | - | 100 | 100 | - |
| Electric Vehicle Charging Stations | 360 | - | - | 360 | 360 | - |
| Energy Action Plan: | | | | | | |
| Community Energy Planning | 50 | - | - | 50 | 50 | - |
| Electric Vehicles Fast Charger Corridor | 30 | - | - | 30 | - | 30 |
| Electric Vehicles Rebate Program | 153 | - | - | 153 | 100 | 53 |
| Low Income Program to Address Energy Poverty | 200 | - | - | 200 | 200 | - |
| Energy Efficiency Incentive Program | 200 | - | - | 200 | 200 | - |
| Energy Rating Services Support Program | 150 | - | - | 150 | 150 | - |
| Fuel Services Gasoline Resupply | - | 1,500 | - | 1,500 | 1,500 | - |
| Implementation of the Tlicho Caribou Harvest and Monitoring | - | - | - | - | 174 | (174) |
| Infrastructure Contributions: | | | | | | |
| Investing in Canada Infrastructure Program | 22,500 | 36,000 | - | 58,500 | 37,984 | 20,516 |
| NWT Energy Corporation - Lease Agreement | 96 | - | - | 96 | 98 | (2) |
| Wrigley Support | - | - | - | - | 49 | (49) |
| | **26,205** | **39,000** | **-** | **65,205** | **44,691** | **20,514** |

| | Main Estimates $ | Supplementary Estimates $ | Transfers $ | Total Appropriation $ | Actual Expenditures $ | (Over)Under Appropriation $ |
|---|---|---|---|---|---|---|
| **Education, Culture and Employment** | | | | | | |
| Arts Organizations Operating Funding | 321 | - | - | 321 | 321 | - |
| Aurora College Funding | 32,925 | 1,793 | - | 34,718 | 35,900 | (1,182) |
| Aurora College Transformation Initiatives | 581 | 500 | - | 1,081 | 1,081 | - |
| Building Skills 4 Success in the NWT | - | 100 | - | 100 | 100 | - |
| Center Based Programs - Dedicated Funding | 10,012 | 3,500 | - | 13,512 | 12,716 | 796 |
| Center Based Programs - Flexible Funding | 2,473 | - | - | 2,473 | 2,423 | 50 |
| Community Library Services | 839 | - | - | 839 | 840 | (1) |
| Cultural Organizations | 433 | - | - | 433 | 433 | - |
| Early Childhood Child Care Fee Reduction Subsidy | 2,570 | - | - | 2,570 | 2,387 | 183 |
| Early Childhood Infrastructure Fund | 1,000 | 4,924 | - | 5,924 | 3,110 | 2,814 |
| Early Childhood Program Sustainability Funding | 1,714 | - | - | 1,714 | 1,990 | (276) |
| Education Authority Funding | 166,088 | 11,632 | - | 177,720 | 176,649 | 1,071 |
| Education Renewal and Innovation | - | - | - | - | 66 | (66) |
| Family Day Home Operational Funding | 1,600 | - | - | 1,600 | 1,438 | 162 |
| Francophone Affairs | 159 | 12 | - | 171 | 176 | (5) |
| Healthy Food for Learning | 650 | - | - | 650 | 650 | - |
| Heritage Centres | 602 | - | - | 602 | 601 | 1 |
| Indigenous Languages | 5,360 | - | - | 5,360 | 5,199 | 161 |
| Indigenous Languages Broadcasting | 549 | - | - | 549 | 878 | (329) |
| Infrastructure Contributions: | | | | | | |
| Junior Kindergarten to Grade 12 School Services | - | 513 | (170) | 343 | 310 | 33 |
| Labour Development and Advanced Education | - | 3,182 | 100 | 3,282 | 1,359 | 1,923 |
| Labour Market Development Agreement | 883 | 338 | - | 1,221 | 1,550 | (329) |
| Large Arts Project Funding | 450 | - | - | 450 | 452 | (2) |
| Literacy Funding | 2,256 | - | - | 2,256 | 2,335 | (79) |
| Minority Language Education and Second Language Instruction (French) | 3,825 | - | - | 3,825 | 7,084 | (3,259) |
| National School Food Program | - | 2,269 | - | 2,269 | 572 | 1,697 |
| Northern Distance Learning | 1,255 | - | - | 1,255 | 1,292 | (37) |
| Northern Youth Abroad | 102 | - | - | 102 | 102 | - |
| NWT Teachers' Association Professional Development Fund | 2,019 | 14 | - | 2,033 | 2,032 | 1 |
| Other Early Learning Supports | 230 | - | - | 230 | 180 | 50 |
| Other Post Secondary Contributions | - | - | - | - | 700 | (700) |
| Skills Canada | 70 | - | - | 70 | 70 | - |
| Small Community Employment | 3,000 | 1,000 | - | 4,000 | 3,803 | 197 |
| Supporting Child Inclusion and Participation | 1,618 | - | - | 1,618 | 1,567 | 51 |
| Tlicho Cultural Coordinator | 35 | - | - | 35 | - | 35 |
| Workforce Development Agreement | 796 | - | - | 796 | 807 | (11) |
| | **244,415** | **29,777** | **(70)** | **274,122** | **271,173** | **2,949** |
| **Total** | **967,485** | **190,167** | **1,784** | **1,159,436** | **1,060,311** | **99,125** |

## SPECIAL WARRANTS

There were no Special Warrants for the fiscal year ended March 31, 2025.

## Non-Consolidated Schedule of Inter-activity Transfers Exceeding $250,000 (Unaudited) Schedule 8

for the year ended March 31, 2025 (thousands of dollars)

| | Transfer to (from) $ | Explanation |
|---|---|---|
| **OPERATIONS AND MAINTENANCE** | | |
| **Environmental and Climate Change** | | |
| Policy and Strategic Planning | (474) | Transfer of salaries budget (due to appropriation allocation error) from Policy and Strategic Planning to Corporate Management |
| Corporate Management | 474 | |
| Corporate Management | (666) | Transfer of salaries budget (retroactive pay for casual and seasonal fire fighters) from Corporate Management to Wildlife and Forest Management. |
| Wildlife and Forest Management | 666 | |
| **Health and Social Services** | | |
| Health and Social Programs | (617) | Transfer of budget from Health and Social Programs to Supplementary Health Benefits for medical travel funding, to Long Term and Continuing Care Services for supportive living respite services and collective agreement increases, and to Administrative and Support Services for TSC chargebacks costs and collective agreement increases. These are offset by transfers to Health and Social Programs from Long Term and Continuing Care Services for an adjustment to the restoring balance allocation, and from Administrative and Support Services for the department-wide compensation balancing adjustment. |
| Administrative and Support Services | 110 | |
| Long Term and Continuing Care Services | 194 | |
| Supplementary Health Benefits | 313 | |
| **Infrastructure** | | |
| Regional Operations | (1,397) | Transfer of the budget for the gasoline resupply in Fort Good Hope and arctic coast communities from Regional Operations to Programs and Services activity where the project is administered. |
| Programs and Services | 1,397 | |

| | Transfer to (from) $ | Explanation |
|---|---|---|
| **INFRASTRUCTURE EXPENDITURES** | | |
| **Environmental and Climate Change** | | |
| Regional Operations | (1,014) | Accounting adjustment (no change in ownership or management) to transfer capital projects from Regional Operations to Wildlife and Forest Management. |
| Wildlife and Forest Management | 1,014 | |
| **Industry, Tourism and Investment** | | |
| Tourism and Parks | (509) | Transfer of funding from the Tourism and Parks small capital projects to the Economic Diversification and Business Support budget for the Hay River Fish Processing Plant project. |
| Economic Diversification and Business Support | 509 | |
| **Infrastructure** | | |
| Energy and Strategic Initiatives | (2,227) | Transfer of the Prohibition Creek Access Road, Mobile Heavy Equipment purchases, and the Dental Suites Ventilation Upgrades project budgets to Asset Management where the projects will be administered. |
| Programs and Services | (974) | |
| Asset Management | 3,201 | |
| **Justice** | | |
| Court Services | (300) | Transfer of the Specialized Courts/Integrated Case Management Tenant Improvement funding to the North Slave Correctional Complex Backup Servers and South Mackenzie Correctional Centre Communications projects due to Integrated Case Management transferring to Executive and Indigenous Affairs (EIA), and the program requirements changing under the mandate of EIA, along with the urgency of the Corrections projects. |
| Corrections | 300 | |

## ACCOUNTS RECEIVABLE WRITTEN OFF

No amounts were written off during the fiscal year ended March 31, 2025.

## FORGIVENESS OF DEBT OVER $500

The total debts forgiven over $500 during the fiscal year ended March 31, 2025 was $206,872.

| | $ |
|---|---|
| Baron, Marie Geraldine | 598 |
| Beaulieu, Denise Rose | 680 |
| Beaulieu, Robert Paul | 3,899 |
| Belanger, Rene Jr. | 1,242 |
| Berland, Cynthia | 3,050 |
| Bouchard, Cole | 1,757 |
| Bourke, Rickey | 2,733 |
| Bush Tea Resources | 2,169 |
| Cardinal, Jennifer | 3,540 |
| Carpenter, Glenda Roberta Ann | 1,200 |
| Cavanagh, Jeff | 22,021 |
| Chocolate, Narcisse | 677 |
| Coleman, Kenneth Bruce | 5,989 |
| Colosimo, James William | 1,395 |
| Comeau, Camilla Arianna | 850 |
| Discovery Air | 10,000 |
| Foliot-Abel, Tawm Joseph | 700 |
| Froment, Teresinnaq | 1,599 |
| Henkel, Jackson Estate Of | 3,720 |
| Horesay, Pamela | 4,563 |
| Jonasson, Laurice Daylle | 7,870 |
| K & A Services | 1,163 |
| Kalinek, Samantha | 1,441 |
| Kasteel Construction And Coatings Inc. | 5,337 |
| Klengenberg, Alvira | 1,452 |
| Larabie, Dianne Theresa | 5,241 |
| Lawson, Emily Jane | 2,543 |
| Loon Air Inc | 21,148 |
| McCarron, Brenda | 5,374 |
| Menacho, Helen | 3,888 |
| Mitchell, Wayne Patrick | 1,063 |
| Moosenose, Adrian Dennis Lee | 1,948 |
| Nayally, Sally Edith | 5,000 |
| Neyelle, Isabel Kayla | 597 |
| Nitsiza, Norma Ann Mary | 5,695 |
| Oketch, Richard | 3,196 |
| Osmond, Kevin C. | 3,316 |
| Rabesca, Shirley Ann | 5,925 |
| Raymond, Ernest Brian | 887 |

| | |
|---|---|
| Reindeer, Wayne Colin | 15,505 |
| Retfalvi, David Leslie | 2,435 |
| Ruben, Donna Lee | 774 |
| Selamio, Judy Ruth | 885 |
| Selamio, Steven Danny | 1,448 |
| Singh, Naweta Lee | 1,454 |
| True North Petroleums Ltd. | 7,269 |
| Tsiigehtchic Tourism Society | 15,121 |
| Vermillion, John | 1,995 |
| Wolki, Frances Marilyn | 800 |
| Yusuf, Farah | 3,720 |
| **Total Forgiveness over $500** | **206,872** |

## FORGIVENESS OF DEBT UNDER $500

The total debts forgiven under $500 during the fiscal year ended March 31, 2025 was $4,684.

| | |
|---|---|
| Charlo, Roberta Rose | 77 |
| Cockney, Flora | 314 |
| Comeau, Camilla Arianna | 490 |
| Concierge YZF Inc. | 263 |
| Gale, Judith Ann | 500 |
| Grandjambe, Edwin John Michel | 16 |
| Hope, Jimmy D | 200 |
| Jonasson, Laurice Daylle | 375 |
| Kongayona, Crystal | 497 |
| Lafferty, Michel | 25 |
| Minoza, Rosemary | 480 |
| Nerysoo, Ashlyne Chasity Jayde | 3 |
| Oloakyok, Sandra | 443 |
| Raymond, Ernest S. | 486 |
| Squirrel, Stanley | 45 |
| Stewart, Sharon Rita | 19 |
| Thrasher, Tommy | 451 |
| **Total Forgiveness under $500** | **4,684** |

## REMISSION OF STUDENT LOANS

The total student loans remised during the fiscal year ended March 31, 2025 was $1,807,885.

## REMISSION OF TAXES AND PENALTY

No amounts were remised during the fiscal year ended March 31, 2025.

## Government of the Northwest Territories

### Non-Consolidated Schedule of Projects on behalf of Others - Expenditures Recovered (unaudited)

Schedule 10

for the year ended March 31, 2025

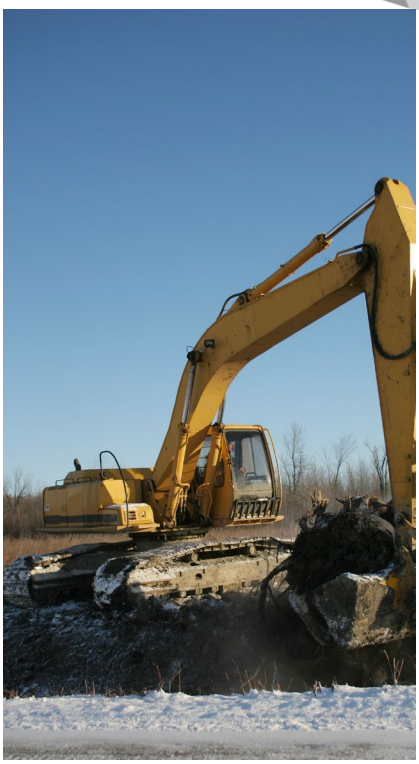
| | $ |
|---|---|
| **Executive and Indigenous Affairs** | |
| Gwich'in Land Claim Implementation | 179,467 |
| Inuvialuit Land Claim Implementation | 223,935 |
| Sahtu Land Claim Implementation | 133,186 |
| Tlicho Land Claim Implementation | 348,049 |
| | **884,637** |
| **Municipal and Community Affairs** | |
| Designated Authority Council Training | 23,572 |
| Gas Tax | 15,615,106 |
| | **15,638,678** |
| **Infrastructure** | |
| Gwich'in Land Claim Implementation | 5,813 |
| Sahtu Land Claim Implementation | 5,812 |
| Tlicho Land Claim Implementation | 36,512 |
| Western Arctic Research Centre Warehouse Expansion - Inuvik | 978,587 |
| | **1,026,724** |
| **Justice** | |
| Court-ordered Counsel | 36,578 |
| Estates Clerk | 159,047 |
| Gwich'in Land Claim Implementation | 330 |
| Sahtu Land Claim Implementation | 32,560 |
| Tlicho Land Claim Implementation | 32,120 |
| | **260,635** |
| **Health and Social Services** | |
| Federal-Provincial-Territorial Co-chair for Ministers Responsible for Social Services Forum | 248,680 |
| Non-insured Health Benefits | 61,519,031 |
| Non-insured Health Benefits - Dental | 170,130 |
| Northern Wellness Funding | 1,706,623 |
| Pan-Territorial Health Investment Fund eMental Health | 30,016 |
| | **63,674,480** |

## Non-Consolidated Schedule of Projects on Behalf of Others - Expenditures Recovered (unaudited)

Schedule 10 (continued)

for the year ended March 31, 2025

| | $ |
|---|---|
| **Education, Culture and Employment** | |
| Gwich'in Land Claim Implementation | 29,512 |
| Sahtu Land Claim Implementation | 28,839 |
| Tlicho Land Claim Implementation | 98,535 |
| | **156,886** |
| **Environment and Climate Change** | |
| Gwich'in Land Claim Implementation | 18,048 |
| Inuvialuit Implementation Funding | 5,575,650 |
| Sahtu Land Claim Implementation | 151,311 |
| Tlicho Agreement Implementation Funding | 43,896 |
| | **5,788,905** |
| **Industry, Tourism and Investment** | |
| Sahtu Land Claim Implementation | 1,320 |
| | **1,320** |
| **Total** | **87,432,265** |






2024-2025

# PUBLIC ACCOUNTS

## SECTION III

## SUPPLEMENTARY FINANCIAL STATEMENTS - OTHER ENTITIES

Government of
Northwest Territories

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# PUBLIC ACCOUNTS

# OF THE

# GOVERNMENT OF THE NORTHWEST TERRITORIES

# FOR THE YEAR ENDED MARCH 31, 2025

## SECTION III

## SUPPLEMENTARY FINANCIAL STATEMENTS

## OTHER ENTITIES

**HONOURABLE CAROLINE WAWZONEK**

**Minister of Finance**

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**Public Accounts of the**
**Government of the Northwest Territories**

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Aurora College
Housing Northwest Territories
Inuvialuit Water Board
Northwest Territories Heritage Fund
Northwest Territories Human Rights Commission
Northwest Territories Hydro Corporation
Northwest Territories Surface Rights Board
Prosper NWT
Status of Women Council of the Northwest Territories

**Revolving Funds**

Fuel Services Division
Fur Marketing Service Revolving Fund
Marine Transportation Services
Northwest Territories Liquor & Cannabis Commission
Northwest Territories Liquor Licensing Board and Liquor Enforcement
Public Stores Revolving
Yellowknife Airport Revolving Fund

**Special Purpose Funds**

Environment Fund
Legislative Assembly Retiring Allowance Fund
Physical Activity, Sport and Recreation Fund
Students Loan Fund
Territorial Court Judges Registered Pension Plan Fund
The Natural Resources Conservation Trust Fund
The Public Trustee for the Northwest Territories

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# ARCTIC ENERGY ALLIANCE

**Yellowknife, NT**

## FINANCIAL STATEMENTS

**For the year ended March 31, 2025**

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## MANAGEMENT'S RESPONSIBILITY FOR REPORTING

The accompanying financial statements have been prepared by management which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with Canadian public sector accounting standards applicable for government 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 systems 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 Board's management recognizes its responsibility for conducting the Board's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate.

The accounting firm of Avery Cooper & Co. Ltd., Chartered Professional Accountants, annually provides an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards.



Mark Heyck
Executive Director

June 10, 2025

AVERY COOPER & CO. LTD.
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# INDEPENDENT AUDITOR'S REPORT

To the members of
Arctic Energy Alliance

*Opinion*
We have audited the financial statements of Arctic Energy Alliance (the "Society"), which comprise the Statement of Financial Position as at March 31, 2025, and the Statements of Operations, Changes in Net Assets and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Basis for Opinion*
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other Information*
Management is responsible for the other information. The other information comprises:
- The Annual Report, but does not include the financial statements and our auditor's report thereon.

The Annual Report has been made available to us before the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*
Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Avery Cooper & Co. Ltd.
Chartered Professional Accountants
Yellowknife, NT

June 10, 2025

# ARCTIC ENERGY ALLIANCE

## STATEMENT OF FINANCIAL POSITION
March 31, 2025

### ASSETS

| | 2025 | 2024 |
|---|---|---|
| **CURRENT** | | |
| Cash | $ 2,044,943 | $ 1,133,528 |
| Short term investments (note 3) | 91,487 | 94,122 |
| Accounts receivable (note 4) | 327,042 | 1,353,593 |
| Government remittances receivable (note 5) | 9,730 | 7,981 |
| | 2,473,202 | 2,589,224 |
| **TANGIBLE CAPITAL ASSETS (note 6)** | 86,403 | 127,936 |
| | $ 2,559,605 | $ 2,717,160 |

### LIABILITIES

| | | |
|---|---|---|
| **CURRENT** | | |
| Trade payables and accruals (note 7) | $ 137,418 | $ 164,523 |
| Wages and benefits payable | 90,334 | 44,914 |
| Deferred revenue (note 8) | 119,006 | 50,000 |
| Government remittances payable (note 5) | 33,106 | 59,785 |
| Contributions payable (note 9) | 608,028 | 256,028 |
| | 987,892 | 575,250 |
| **DEFERRED GOVERNMENT ASSISTANCE (note 10)** | 42,866 | 54,307 |
| | 1,030,758 | 629,557 |

### NET ASSETS

| | | |
|---|---|---|
| **ACCUMULATED SURPLUS per page 3** | 287,687 | 886,271 |
| **RESERVES per page 3** | 1,205,622 | 1,135,703 |
| **INVESTED IN TANGIBLE CAPITAL ASSETS per page 3** | 35,538 | 65,629 |
| | 1,528,847 | 2,087,603 |
| | $ 2,559,605 | $ 2,717,160 |

Approved:

_____ Director

_____ Director

See accompanying notes

# ARCTIC ENERGY ALLIANCE

## STATEMENT OF OPERATIONS
For the year ended March 31, 2025

| | (note 14) 2025 Budget | 2025 Actual | 2024 Actual |
|---|---|---|---|
| **REVENUES** | | | |
| Contributions from GNWT | $ 2,849,000 | $ 2,866,914 | $ 6,107,496 |
| Contributions from Canada | - | 370,494 | 27,000 |
| Membership fees | 227,500 | 227,500 | 227,500 |
| Other source income | 28,000 | 80,664 | 281,058 |
| Interest income | 64,000 | 39,574 | 127,989 |
| | 3,168,500 | 3,585,146 | 6,771,043 |
| **EXPENSES** | | | |
| Advertising and promotion | 65,600 | 28,604 | 95,037 |
| Amortization | 12,494 | 41,533 | 28,476 |
| Bad debts recovered | - | (2,738) | (35,820) |
| Consulting fees | 220,338 | 256,209 | 291,864 |
| Equipment rental | 3,280 | 3,278 | 3,278 |
| Facility rental and tradeshow fees | 17,770 | 10,689 | 13,980 |
| Fees and dues | 47,065 | 16,240 | 18,720 |
| Hospitality | 38,450 | 25,060 | 18,232 |
| Insurance | 17,000 | 16,814 | 16,543 |
| Interest and bank charges | 4,000 | 4,983 | 3,750 |
| Office and general | 60,604 | 72,011 | 107,557 |
| Professional development | 38,175 | 30,258 | 22,870 |
| Professional fees | 33,000 | 41,979 | 35,946 |
| Rebates | 642,663 | 618,608 | 2,807,479 |
| Rent and utilities | 197,631 | 194,437 | 194,856 |
| Telephone, Internet and Website | 52,296 | 54,300 | 51,659 |
| Travel and accommodation | 189,948 | 194,442 | 284,464 |
| Wages and benefits | 2,417,410 | 2,537,195 | 2,466,992 |
| | 4,057,724 | 4,143,902 | 6,425,883 |
| **(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES** | $ (889,224) | $ (558,756) | $ 345,160 |

# ARCTIC ENERGY ALLIANCE

## STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2025

| | 2025 | | | |
|---|---|---|---|---|
| | Accumulated Surplus | Reserves | Invested in Tangible Capital Assets | Total |
| **BALANCE, opening** | $ 886,271 | $ 1,135,703 | $ 65,629 | $ 2,087,603 |
| Deficiency of revenues over expenses | (558,756) | - | - | (558,756) |
| Transfer to reserves (note 18) | (69,919) | 69,919 | - | - |
| Amortization of tangible capital assets | 41,532 | - | (41,532) | - |
| Amortization of deferred government assistance | (11,441) | - | 11,441 | - |
| **BALANCE, closing** | $ 287,687 | $ 1,205,622 | $ 35,538 | $ 1,528,847 |

| | 2024 | | | |
|---|---|---|---|---|
| | Accumulated Surplus | Reserves | Invested in Tangible Capital Assets | Total |
| **BALANCE, opening** | $ 699,774 | $ 1,012,813 | $ 29,856 | $ 1,742,443 |
| Excess of revenues over expenses | 345,160 | - | - | 345,160 |
| Transfer to reserves (note 18) | (122,890) | 122,890 | - | - |
| Purchase of tangible capital assets | (110,364) | - | 110,364 | - |
| Amortization of tangible capital assets | 28,476 | - | (28,476) | - |
| Amortization of deferred government assistance | (7,559) | - | 7,559 | - |
| Deferred government assistance additions | 53,674 | - | (53,674) | - |
| **BALANCE, closing** | $ 886,271 | $ 1,135,703 | $ 65,629 | $ 2,087,603 |

# ARCTIC ENERGY ALLIANCE

## STATEMENT OF CASH FLOWS
For the year ended March 31, 2025

| | 2025 | 2024 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES (note 19)** | | |
| **Cash received from:** | | |
| GNWT contributions | $ 3,887,837 | $ 5,258,000 |
| Canada contributions | 492,200 | 97,162 |
| Other source income | 344,500 | 231,487 |
| Membership fees | 227,500 | 227,500 |
| Interest income | 80,664 | 127,989 |
| | 5,032,701 | 5,942,138 |
| **Cash paid for:** | | |
| Contributions repaid | - | 729,682 |
| Materials and services | 1,602,832 | 3,897,021 |
| Wages and benefits | 2,518,454 | 2,459,793 |
| | 4,121,286 | 7,086,496 |
| | 911,415 | (1,144,358) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | |
| Purchase of tangible capital assets | - | (110,364) |
| Redemption of short-term investments | 90,000 | 90,000 |
| Purchase of short-term investments | (90,000) | (90,000) |
| | - | (110,364) |
| **INCREASE (DECREASE) IN CASH** | 911,415 | (1,254,722) |
| **CASH, opening** | 1,133,528 | 2,388,250 |
| **CASH, closing** | $ 2,044,943 | $ 1,133,528 |

# ARCTIC ENERGY ALLIANCE

## NOTES TO THE FINANCIAL STATEMENTS
March 31, 2025

## 1. NATURE OF OPERATIONS

Arctic Energy Alliance (the "Society") is a government not-for-profit organization of the Government of the Northwest Territories ("GNWT") and was incorporated July 29, 1997, under the *Societies Act* of the Northwest Territories. As a public service entity, the Society's function is to support the objectives of the GNWT by promoting awareness and conservation of energy and utility use and to identify, promote, and implement opportunities to reduce energy and utility costs in the Northwest Territories.

The Society is exempt from income tax under paragraph 149(1)(*c*) of the *Income Tax Act* (Canada). The Society is economically dependent on funding received from the GNWT.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The Society follows accounting principles generally accepted in Canada in preparing its financial statements. The significant accounting policies used are as follows:

### (a) Cash equivalents

The Society considers all investments with maturities of three months or less and bank loans with no fixed terms of repayment to be cash equivalents.

### (b) Financial instruments

The Society measures all its financial assets and financial liabilities at amortized cost.

### (c) Tangible capital assets

Tangible capital assets are recorded at cost. The Society provides for amortization using the following methods at rates designed to amortize the cost of the tangible 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 | 60% Declining balance |
| Computer software | 5 years Straight-line |
| Heating equipment | 20 years Straight-line |
| Office equipment | 40% Declining balance |

Amortization of leasehold improvements is recorded over the term of the lease.

The Society considers capital expenditures with individual items costing $10,000 or more to be tangible capital assets.

## 2. SIGNIFICANT ACCOUNTING POLICIES, continued

### (d) Revenue recognition

The Society 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 and the amount can be reasonably estimated and collection is reasonably assured.

The Society recognizes revenue from customers upon completion of customer orders and/or completion of services. Estimated losses, if any, are recorded when they become apparent.

Contributions of materials and services are recognized in the financial statements at fair value at the date of contribution, but only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations, and would otherwise have been purchased.

Interest income that is not externally restricted is recognized in the Statement of Operations when earned.

### (e) Government assistance

Restricted contributions for the purchase of tangible capital assets that will be amortized are accounted for as deferred government assistance and recognized as revenue on the same basis as the amortization expense related to the acquired tangible capital assets.

### (f) Allocated expenses

The Society allocates certain general support 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. Wages and benefits expenses are allocated to programs, as applicable, based on actual hours worked.

### (g) Measurement uncertainty

The preparation of financial statements in conformity with Canadian public sector accounting standards applicable to government 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. These estimates are reviewed periodically, and as adjustments become necessary they are reported in the period in which they become known.

Significant estimates include the determination of the useful lives of tangible capital assets, credit losses, and asset retirement obligations, the allocation of administrative expenses to programs, and the allocation of certain wages and benefits expenses to programs.

## 3. SHORT TERM INVESTMENTS

Short term investments consist of guaranteed investment certificates (GICs) held with the Bank of Nova Scotia as detailed below:

| | 2025 | 2024 |
|---|---|---|
| 4.75% interest, non-redeemable, matured October 21, 2024 | $ - | $ 90,000 |
| 3.70% interest, Long Term Non Redeemable, matures October 21, 2026 | 90,000 | - |
| Accrued interest | 1,487 | 4,122 |
| | $ 91,487 | $ 94,122 |

## 4. ACCOUNTS RECEIVABLE

| | 2025 | 2024 |
|---|---|---|
| Contributions receivable: | | |
| Government of Northwest Territories | $ 325,880 | $ 1,346,804 |
| Government of Canada | - | 2,700 |
| Total contributions receivable | 325,880 | 1,349,504 |
| Members | - | 10,000 |
| Other | 10,632 | 34,793 |
| Allowance for doubtful accounts | (9,470) | (40,704) |
| | $ 327,042 | $ 1,353,593 |

## 5. GOVERNMENT REMITTANCES

| | 2025 | 2024 |
|---|---|---|
| Goods & Services Tax rebates receivable | $ 9,730 | $ 7,981 |

| | 2025 | 2024 |
|---|---|---|
| Payroll remittances payable | $ 29,667 | $ 53,714 |
| Related parties: | | |
| GNWT Finance - NWT Payroll Tax payable | 3,439 | 6,071 |
| | $ 33,106 | $ 59,785 |

## 6. TANGIBLE CAPITAL ASSETS

| | 2025 | | | 2024 |
|---|---|---|---|---|
| | Cost | Accumulated amortization | Net | Net |
| Computer equipment | $ 36,010 | $ 36,010 | $ - | $ - |
| Computer software | 79,898 | 42,327 | 37,571 | 48,306 |
| Heating equipment | 36,242 | 21,851 | 14,391 | 16,203 |
| Leasehold improvements | 113,248 | 79,402 | 33,846 | 62,435 |
| Office equipment | 48,452 | 47,857 | 595 | 992 |
| | $ 313,850 | $ 227,447 | $ 86,403 | $ 127,936 |

Net assets invested in tangible capital assets as at March 31, 2025, are as follows:

| | 2025 | 2024 |
|---|---|---|
| Tangible capital assets | $ 86,403 | $ 127,936 |
| Asset retirement obligation (note 7) | (8,000) | (8,000) |
| Deferred government assistance (note 10) | (42,865) | (54,307) |
| Net assets invested in tangible capital assets per page 3 | $ 35,538 | $ 65,629 |

## 7. TRADE PAYABLES AND ACCRUALS

| | 2025 | 2024 |
|---|---|---|
| Accrued liabilities | | |
| Pellet boiler asset retirement obligation | $ 8,000 | $ 8,000 |
| Other | 78,548 | 56,988 |
| | 86,548 | 64,988 |
| Trade payables | 50,870 | 99,535 |
| | $ 137,418 | $ 164,523 |

## 8. DEFERRED REVENUE

During the year, the Society entered into contribution agreements with the GNWT's Departments of Infrastructure (INF), Education, Culture and Employment (ECE), and Industry, Tourism and Investment (ITI), and the Government of Canada. Contribution agreements stipulate that any unexpended funds must be repaid on demand.

Deferred revenue represents unspent restricted contributions for which the related expenses will not be recognized until a later period. Changes in deferred revenue balances during the year are summarized below and detailed in Schedule I.

| | 2025 | 2024 |
|---|---|---|
| Restricted contributions balance, opening | $ 50,000 | $ - |
| Receipts | 3,031,814 | 5,092,300 |
| Funding receivable | 324,600 | 1,348,223 |
| Transfer to funding repayable | - | (256,028) |
| Funding expended | (3,287,408) | (6,184,495) |
| Restricted contributions balance, closing | 119,006 | - |
| Membership fees received in advance: GNWT-ECC | - | 50,000 |
| Deferred revenue, closing | $ 119,006 | $ 50,000 |

## 9. CONTRIBUTIONS PAYABLE

| | Balance opening | Unexpended | Repaid | Reversed | Balance Closing |
|---|---|---|---|---|---|
| GNWT - Infrastructure | | | | | |
| Core and Energy Programs | $ 256,028 | $ 352,000 | $ - | $ - | $ 608,028 |

## 10. DEFERRED GOVERNMENT ASSISTANCE

| | | | 2025 | 2024 |
|---|---|---|---|---|
| | Capital contributions | Accumulated amortization | Net | Net |
| GNWT-ENR - Alternative Energy Technology: Wood pellet boiler | $ 14,121 | $ 8,826 | $ 5,295 | $ 6,001 |
| GNWT-ENR - Energy Efficiency Incentive Program: Database | 14,853 | 14,853 | - | - |
| EnergyGuide Rating Service (ERS) Program Databse | 53,673 | 16,102 | 37,571 | 48,306 |
| | $ 82,647 | $ 39,781 | $ 42,866 | $ 54,307 |

## 11. RESERVES

During the year, Arctic Energy Alliance transferred $69,919 (2024 - $122,890) from the unrestricted net assets to meet its capital management objectives as described in Note 18. The reserves at March 31, 2025 of $1,205,622 (2024 - $1,135,703) represent the minimum required net assets to support the reserves. These internally restricted reserves are not available for unrestricted purposes without approval of the Board of Directors.

The Society continually monitors net financial assets to measure the future revenues required to pay for past transactions and events, and the extent to which the costs of services provided in the year have been met by the revenues recognized in the year. Net financial assets at year end represents the difference between the Society's financial assets and its liabilities.

Changes in net financial assets during the year are as follows:

## 11. RESERVES, continued

| | 2025 Budget | 2025 Actual | 2024 Actual |
|---|---|---|---|
| (Deficiency) Excess of revenues over expenses per page 2 | $ (889,224) | $ (558,756) | $ 345,160 |
| | - | - | - |
| Amortization of tangible capital assets | 12,494 | 41,533 | 28,476 |
| Purchase of tangible capital assets | - | - | (110,364) |
| Amortization - deferred government assistance | - | (11,441) | (7,559) |
| Deferred government assistance additions | - | - | 53,674 |
| Increase (decrease) in net financial assets | (876,730) | (528,664) | 309,387 |
| Net financial assets, opening | 2,013,974 | 2,013,974 | 1,704,587 |
| Net financial assets, closing (note 18) | $ 1,137,244 | $ 1,485,310 | $ 2,013,974 |

## 12. MEMBERSHIP FEES

Membership fees revenue for the year consist of the following:

| | 2025 | 2024 |
|---|---|---|
| Government of Northwest Territories (GNWT) | $ 150,000 | $ 150,000 |
| GNWT - Crown Corporations | 67,500 | 67,500 |
| Other | 10,000 | 10,000 |
| | $ 227,500 | $ 227,500 |

Included in membership fees are amounts from the following related parties:

| | 2025 | 2024 |
|---|---|---|
| GNWT: | | |
| Department of Environment and Climate Change | $ 50,000 | $ 50,000 |
| Department of Infrastructure | 50,000 | 50,000 |
| Department of Municipal and Community Affairs | 50,000 | 50,000 |
| | 150,000 | 150,000 |
| GNWT - Crown Corporations: | | |
| Northwest Territories Housing Corporation | 50,000 | 50,000 |
| Northwest Territories Power Corporation | 5,000 | 5,000 |
| Public Utilities Board of the Northwest Territories | 12,500 | 12,500 |
| | 67,500 | 67,500 |
| | $ 217,500 | $ 217,500 |

## 13. SUBSEQUENT EVENTS

Subsequent to year-end, the Society had the following events:

Contractual rights

- Entered into a contribution agreement with GNWT, Department of Infrastructure, for 2025-2026 core and energy programs funding for a maximum of $2,696,000.

## 14. BUDGET

The 2025 budget amounts on the Statement of Operations are presented for information purposes only and are unaudited. The budget was approved by the Board of Directors on June 18, 2024.

The approved budget is prepared on a modified cash basis which differs from budget amounts reported in the financial statements, which are prepared in accordance with Canadian public sector accounting standards applicable to government not-for-profit organizations on the full accrual basis of accounting. There were no significant differences during the current year.

## 15. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash, accounts receivable, GIC investment, trade payables and accruals, contributions repayable, and wages and benefits payable. Unless otherwise noted, it is management's opinion that the Society 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.

## 16. COMMITMENTS

The Society has entered into operating leases for office space for the Yellowknife, Fort Simpson, and Norman Wells offices, expiring between June 30, 2025 and August 31, 2026 and office equipment expiring August 18, 2025. Future minimum lease payments are as follows.

| | Office Space | Office Equipment | Total |
|---|---|---|---|
| 2026 | $ 96,075 | $ 1,600 | $ 97,675 |
| 2027 | 87,790 | - | 87,790 |
| | $ 183,865 | $ 1,600 | $ 185,465 |

During the year, included in other source income revenue are in-kind contributions with a total fair value of $nil (2024 - $143,087). These services are in connection with the Natural Resources Canada - Clean Energy in Rural and Remote Communities (CERRC) Program, which ended last year.

## 17. CONTRACTUAL RIGHTS

The Society signed multi-year contribution agreements with the Department of Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC), and with Northland Utilities (Yellowknife) Ltd. Maximum contributions remaining under the agreements are as follows:

| | Responsible Energy Approach for Community Heat and Electricity (REACHE) - CIRNAC | Cold Climate Air Source Heat Pump Project - Northland Utilities | Total |
|---|---|---|---|
| 2025-2026 | $ 500 | $ 10,000 | $ 10,500 |

## 18. CAPITAL MANAGEMENT

In managing capital, the Society focuses on liquid resources available for operations. The Society's objective is to have sufficient liquid resources to continue operating despite adverse financial events and to provide it with the flexibility to take advantage of opportunities that will advance its purpose.

The Society manages funding risk by establishing internally restricted net assets. Funding risk may result from an inability to obtain government funding in a timely manner during contribution agreement negotiations. The need for sufficient liquid resources is considered in the preparation of an annual budget and in the monitoring of cash flows and actual operating results compared to budget.

At March 31, 2025, the Society has met its objectives of having sufficient liquid resources to meet its current obligations. The Society's net financial assets at March 31, 2025, are as follows:

| | 2025 | 2024 |
|---|---|---|
| Accumulated surplus | $ 287,687 | $ 886,271 |
| Reserves | 1,205,622 | 1,135,703 |
| Invested in tangible capital assets | 35,538 | 65,629 |
| Net assets per page 3 | 1,528,847 | 2,087,603 |
| Tangible capital assets | 86,403 | 127,936 |
| Deferred government assistance | (42,866) | (54,307) |
| | 43,537 | 73,629 |
| Net financial assets (note 11) | $ 1,485,310 | $ 2,013,974 |

## 18. CAPITAL MANAGEMENT, continued

The Society's three internally restricted reserves and changes therein are as follows:

Operating Reserve - To support the minimum required net assets of at least three months of operating costs.

Credit Card Reserve - To secure the Society's credit card limit funded by short term investments as described in Note 3.

Contingency Reserve - To set aside funds for contingencies which may arise. This reserve reached the maximum cap of $70,000 and no more annual transfers are being recorded until the cap is increased or some of the balance is used.

| | Opening Balance | Transfers | Closing Balance |
|---|---|---|---|
| Operating Reserve | $ 975,703 | $ 69,919 | $ 1,045,622 |
| Credit Card Reserve | 90,000 | - | 90,000 |
| Contingency Reserve | 70,000 | - | 70,000 |
| | $ 1,135,703 | $ 69,919 | $ 1,205,622 |

## 19. SUPPLEMENTAL CASH FLOW INFORMATION

A reconciliation of the excess of revenues over expenses during the year to cash flows from (used for) operating activities is as follows:

| | 2025 | 2024 |
|---|---|---|
| Excess of revenues over expenses per page 2 | $ (558,756) | $ 345,160 |
| Items not affecting cash: | | |
| Amortization of tangible capital assets | 41,533 | 28,476 |
| Amortization of deferred government assistance | (11,441) | (7,559) |
| Increase in deferred government assistance | - | 53,673 |
| Change in accrued interest from GICs | (3,909) | (4,243) |
| Interest income received relating to short-term investments | 6,545 | 2,340 |
| Bad debts (recovered) | (2,738) | (35,820) |
| | (528,766) | 382,027 |
| Net change in non-cash operating working capital accounts: | | |
| Decrease (increase) in accounts receivable | 1,029,288 | (987,801) |
| (Increase) decrease in GST receivable | (1,749) | 12,643 |
| Increase in wages and benefits payable | 45,420 | 23,816 |
| Decrease in government remittances payable | (26,679) | (16,616) |
| (Decrease) increase in trade payables and accruals | (27,105) | 20,750 |
| Increase (decrease) in contribution repayable | 352,000 | (579,177) |
| Increase in deferred revenue | 69,006 | - |
| | 1,440,181 | (1,526,385) |
| Cash flows from (used for) operating activitiesper page 4 | $ 911,415 | $ (1,144,358) |

## 20. RELATED PARTIES

The Society is related in terms of common ownership to all Government of Northwest Territories created departments, territorial corporations and public agencies. The Society enters into transactions with these entities in the normal course of operations and on normal trade terms applicable to all parties. The Workers' Safety and Compensation Commission is significantly influenced by the GNWT. The amounts due to and from related parties are unsecured, non-interest bearing and due on demand.

Transactions with related parties during the year and balances at year end, not disclosed elsewhere in the financial statements, are disclosed in this note.

**20. RELATED PARTIES, continued**

| | 2025 | 2024 |
|---|---|---|
| Expenses | | |
| Aurora College: Professional development | $ 700 | $ 600 |
| Workers' Safety and Compensation Commission | 16,736 | 21,661 |
| GNWT - Infrastructure: Fees, dues, and licence | - | 108 |
| | $ 17,436 | $ 22,369 |
| Payables to related parties: | | |
| Workers' Safety and Compensation Commission | $ - | $ 6,272 |
| Receivables from related parties: | | |
| GNWT - Infrastructure | $ 325,880 | $ 1,346,804 |

**ARCTIC ENERGY ALLIANCE**

**Schedule I**

**SCHEDULE OF DEFERRED REVENUE**

For the year ended March 31, 2025

| Program | Opening balance | Cash funding received | Funding Receivable | Repayments | Transfers | Total funding available | Funding expended | Closing balance |
|---|---|---|---|---|---|---|---|---|
| **CONTRIBUTIONS** | | | | | | | | |
| **GOVERNMENT OF CANADA** | | | | | | | | |
| **Crown-Indigenous Relations & Northern Affairs Canada (CIRNAC)** | | | | | | | | |
| Responsible Energy Approach for Community Heat and Electricity (REACHE) | - | 489,500 | - | - | - | 489,500 | 370,494 | 119,006 |
| **GOVERNMENT OF NORTHWEST TERRITORIES (GNWT)** | | | | | | | | |
| **Department of Infrastructure - Core and Program Funding** | | | | | | | | |
| Core Funding | - | 1,221,400 | 274,600 | - | (155,031) | 1,340,969 | 1,340,969 | - |
| Alternative Energy Technologies Program (AETP) | - | 300,000 | - | - | (21,948) | 278,052 | 278,052 | - |
| Energy Rating Services Support Program (ERS) | - | 150,000 | - | - | 86,851 | 236,851 | 236,851 | - |
| Energy Efficiency Incentive Program (EEIP) | - | 200,000 | - | - | 18,447 | 218,447 | 218,447 | - |
| Biomass Energy | | 100,000 | - | - | - | 100,000 | 100,000 | - |
| Commercial Energy Conservation & Efficiency Program (CECEP) | | 200,000 | - | - | (31,800) | 168,200 | 168,200 | - |
| Community Government Retrofits (CGERP) | | - | - | - | 32,928 | 32,928 | 32,928 | - |
| Cold Climate Air Source Heat Pump Project | | - | - | - | 84,358 | 84,358 | 84,358 | - |
| Community Energy Planning | | - | 50,000 | - | - | 50,000 | 50,000 | - |
| Electric Transportation | - | 100,000 | - | - | 15,099 | 115,099 | 115,099 | - |
| Reducing Energy Poverty | - | 200,000 | - | - | (28,903) | 171,097 | 171,097 | - |
| Total INF | - | 2,471,400 | 324,600 | - | - | 2,796,000 | 2,796,000 | - |
| **Department of Education, Culture and Employment (ECE)** | | | | | | | | |
| Firewood Access - Norman Wells | - | 21,120 | - | - | - | 21,120 | 21,120 | - |
| Firewood Access - Sahtu | - | 37,694 | - | - | - | 37,694 | 37,694 | - |
| Total ECE | - | 58,814 | - | - | - | 58,814 | 58,814 | - |
| **Department of Industry, Tourism and Investment(ITI)** | | | | | | | | |
| Firewood Access | - | 2,100 | - | - | - | 2,100 | 2,100 | - |

| Program | Opening balance | Cash funding received | Funding Receivable | Repayments | Transfers | Total funding available | Funding expended | Closing balance |
|---|---|---|---|---|---|---|---|---|
| **Housing NWT** | | | | | | | | |
| Biomass Energy | - | 10,000 | - | - | - | 10,000 | 10,000 | - |
| Total GNWT | - | 2,542,314 | 324,600 | - | - | 2,866,914 | 2,866,914 | - |
| **Other Revenue** | | | | | | | | |
| Membership fee received in advance from ECC | 50,000 | - | - | - | - | 50,000 | 50,000 | - |
| Total contributions (note 8) | 50,000 | 3,031,814 | 324,600 | - | - | 3,406,414 | 3,287,407 | 119,006 |

**ARCTIC ENERGY ALLIANCE**
**SCHEDULE OF CORE FUNDING AND ENERGY PROGRAMS**
For the year ended March 31, 2025

**Schedule II**

| | Total | Core Funding | Alternative Energy Technologies Program (AETP) | Energy Rating Services Support Program | Biomass Energy |
|---|---|---|---|---|---|
| **REVENUES** | | | | | |
| Contributions from GNWT | $ 2,866,914 | 1,340,969 | 278,052 | 236,851 | 110,000 |
| Contributions from Canada | 370,494 | 148,370 | - | - | 13,543 |
| Membership fees | 227,500 | 227,500 | - | - | - |
| Other source income | 69,223 | 15,091 | - | 28,600 | - |
| Interest income | 39,574 | 39,574 | - | - | - |
| | 3,573,704 | 1,771,504 | 278,052 | 265,451 | 123,543 |
| **EXPENSES** | | | | | |
| Advertising and promotion | 28,604 | 17,468 | - | - | 3,347 |
| Amortization | - | - | - | - | - |
| Bad debts (recovered) | (2,738) | (2,738) | - | - | - |
| Consulting fees | 256,209 | 30,296 | 1,388 | 41,439 | 20,700 |
| Equipment rental | 3,278 | 3,278 | - | - | - |
| Facility rental and tradeshow fees | 10,689 | 8,127 | - | - | 1,087 |
| Fees and dues | 16,240 | 16,020 | - | - | - |
| Hospitality | 25,060 | 17,134 | - | - | 2,033 |
| Insurance | 16,814 | 16,814 | - | - | - |
| Interest and bank charges | 4,983 | 4,983 | - | - | - |
| Office and general | 72,011 | 46,798 | - | 110 | - |
| Professional development | 30,258 | 30,258 | - | - | - |
| Professional fees | 41,979 | 41,979 | - | - | - |
| Rebates | 618,608 | (14,689) | 235,040 | - | - |
| Rent and utilities | 194,437 | 194,437 | - | - | - |
| Telephone, internet and website | 54,300 | 54,300 | - | - | - |
| Travel and accommodation | 194,442 | 86,878 | - | 8,158 | 11,090 |
| Wages and benefits | 2,537,195 | 1,748,826 | 41,623 | 215,745 | 85,286 |
| | 4,102,369 | 2,300,168 | 278,052 | 265,451 | 123,543 |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES** | (528,665) | (528,665) | - | - | - |
| **TRANSFERS** | | | | | |
| Amortization of tangible capital assets | (41,533) | (41,533) | - | - | - |
| Amortization of government assistance | 11,441 | 11,441 | - | - | - |
| | (30,092) | (30,092) | - | - | - |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES** | $ (558,756) | $ (558,756) | $ - | $ - | $ - |

See accompanying notes.

**ARCTIC ENERGY ALLIANCE**
**SCHEDULE OF CORE FUNDING AND ENERGY PROGRAMS**
For the year ended March 31, 2025

**Schedule II**

| | Commercial Energy Conservation & Efficiency Program (CECEP) | Community Government Retrofits (CGERP) | Cold Climate Air Source Heat Pumps | Energy Efficiency Incentive Program (EEIP) | Electric Transport (ET) | Community Energy Planning (CEP) |
|---|---|---|---|---|---|---|
| **REVENUES** | | | | | | |
| Contributions from GNWT | 168,200 | 32,928 | 84,358 | 218,447 | 115,099 | 50,000 |
| Contributions from Canada | - | | 39,320 | - | - | 128,526 |
| Membership fees | - | | - | - | - | - |
| Other source income | - | 13,032 | 10,000 | - | - | - |
| Interest income | - | - | - | - | - | - |
| | 168,200 | 45,960 | 133,678 | 218,447 | 115,099 | 178,526 |
| **EXPENSES** | | | | | | |
| Advertising and promotion | - | - | - | 372 | - | 1,223 |
| Amortization | - | - | - | - | - | - |
| Bad debts (recovered) | - | - | - | - | - | - |
| Consulting fees | - | - | 82,968 | - | - | 34,062 |
| Equipment rental | - | - | - | - | - | - |
| Facility rental and tradeshow fees | | - | - | - | - | - |
| Fees and dues | - | - | - | - | - | 220 |
| Hospitality | - | - | - | - | - | 2,705 |
| Insurance | - | - | - | - | - | - |
| Interest and bank charges | - | - | - | - | - | - |
| Office and general | - | - | 2,794 | - | - | - |
| Professional development | - | - | - | - | - | - |
| Professional fees | - | - | - | - | - | - |
| Rebates | 114,048 | - | - | 176,209 | 101,500 | - |
| Rent and utilities | - | - | - | - | - | - |
| Telephone, internet and website | - | - | - | - | - | - |
| Travel and accommodation | - | - | 6,216 | - | - | 22,478 |
| Wages and benefits | 54,152 | 45,960 | 41,699 | 41,865 | 13,599 | 117,837 |
| | 168,200 | 45,960 | 133,678 | 218,447 | 115,099 | 178,526 |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES** | - | - | - | - | - | - |
| **TRANSFERS** | | | | | | |
| Amortization of tangible capital assets | - | - | - | - | - | - |
| Amortization of government assistance | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES** | $ - | $ - | $ - | $ - | $ - | $ - |

See accompanying notes.

**ARCTIC ENERGY ALLIANCE**
**SCHEDULE OF CORE FUNDING AND ENERGY PROGRAMS**
For the year ended March 31, 2025

| | Reducing Energy Poverty (REP) |
|---|---|
| **REVENUES** | |
| Contributions from GNWT | 232,011 |
| Contributions from Canada | 40,735 |
| Membership fees | - |
| Other source income | 2,500 |
| Interest income | - |
| | 275,246 |
| **EXPENSES** | |
| Advertising and promotion | 6,193 |
| Amortization | - |
| Bad debts (recovered) | - |
| Consulting fees | 45,356 |
| Equipment rental | - |
| Facility rental and tradeshow fees | 1,475 |
| Fees and dues | - |
| Hospitality | 3,188 |
| Insurance | - |
| Interest and bank charges | - |
| Office and general | 22,310 |
| Professional development | - |
| Professional fees | - |
| Rebates | 6,500 |
| Rent and utilities | - |
| Telephone, internet and website | - |
| Travel and accommodation | 59,621 |
| Wages and benefits | 130,603 |
| | 275,246 |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES** | - |
| **TRANSFERS** | |
| Amortization of tangible capital assets | - |
| Amortization of government assistance | - |
| | - |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES** | $ - |

See accompanying notes.

AURORA COLLEGE

# AUDITED FINANCIAL STATEMENTS

AS OF JUNE 30, 2024

## AURORA COLLEGE

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the Aurora College (the “College") and all information in this annual report are the responsibility of the College's management and have been reviewed and approved by the Board of Governors. The financial statements have been prepared in accordance with Canadian public sector accounting standards and include some amounts that are necessarily based on management’s best estimates and judgment. Financial information presented elsewhere in the annual report is consistent with that contained in the financial statements.

In discharging its responsibility for financial reporting, management maintains and relies on financial and management control systems and practices which are designed to provide reasonable assurance that transactions are authorized and recorded, proper records are maintained, assets are safeguarded, and the College complies with applicable laws. These controls and practices ensure the orderly conduct of business, the timely preparation of reliable financial information and adherence to the College's statutory requirements and policies.

The Board of Governors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board of Governors meets regularly with management and the external auditors. The external auditors also have full and free access to the Board of Governors.

The College's external auditor, the Auditor General of Canada, audits the financial statements and issues her report thereon to the Minister of Education, Culture and Employment, Government of the Northwest Territories.



Angela James
President



Celestine Starling
Director of Finance/Chief Financial Officer

Fort Smith, Canada
November 21, 2024

Office of the Auditor General of Canada | Bureau du vérificateur général du Canada

## INDEPENDENT AUDITOR'S REPORT

To the Minister of Education, Culture and Employment

### Report on the Audit of the Financial Statements

*Opinion*

We have audited the financial statements of Aurora College (the College), which comprise the statement of financial position as at 30 June 2024, and the statement of operations and accumulated surplus, statement of change in net financial assets and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the College as at 30 June 2024, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to

be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the College or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the College's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 College's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the College's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the College to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Compliance with Specified Authorities**

*Opinion*

In conjunction with the audit of the financial statements, we have audited transactions of Aurora College coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the *Financial Administration Act* of the Northwest Territories and regulations, the *Aurora College Act* and regulations, the *Post-Secondary Education Act* and regulations, and the by-laws of Aurora College.

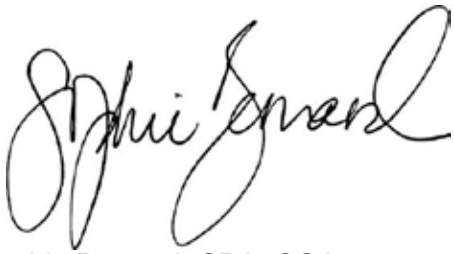
In our opinion, the transactions of Aurora College that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Aurora College Act*, we report that, in our opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year. In addition, in our opinion, proper books of account have been kept by Aurora College and the financial statements are in agreement therewith.

*Responsibilities of Management for Compliance with Specified Authorities*

Management is responsible for Aurora College's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable Aurora College to comply with the specified authorities.

*Auditor's Responsibilities for the Audit of Compliance with Specified Authorities*

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.



Sophie Bernard, CPA, CGA
Principal
for the Auditor General of Canada

Vancouver, Canada
21 November 2024

**AURORA COLLEGE**
**STATEMENT OF FINANCIAL POSITION**
**as at June 30, 2024**
(in thousands of dollars)

| | 2024 | 2023 |
|---|---|---|
| **Financial assets** | | |
| Cash | $ 17,110 | $ 20,322 |
| Accounts receivable (Note 4) | 4,045 | 3,534 |
| Inventories for sale | 139 | 115 |
| | **21,294** | **23,971** |
| **Liabilities** | | |
| Accounts payable and accrued liabilities (Note 14a and 18) | 1,872 | 1,832 |
| Payroll liabilities (Notes 14a and 17) | 2,197 | 2,109 |
| Unearned revenue (Note 16) | 3,042 | 7,064 |
| Due to the Government of the Northwest Territories (Note 10) | 6,056 | 5,796 |
| Employee future benefits (Note 5) | 1,495 | 1,451 |
| Professional development fund (Note 6) | 3,667 | 3,572 |
| | **18,329** | **21,824** |
| **Net financial assets** | **2,965** | **2,147** |
| **Non-financial assets** | | |
| Prepaid expenses | 750 | 720 |
| Tangible capital assets (Note 7) | 9,945 | 8,681 |
| | **10,695** | **9,401** |
| **Accumulated surplus** (Note 8) | **$ 13,660** | **$ 11,548** |

Contractual obligations and contingent liability (Note 12)
Contractual rights (Note 13)

The accompanying notes and schedule are an integral part of these financial statements.

Approved by the Board:

Joe Handley
Chairperson of the Board

Grant Hood
Acting Chairperson of the Audit & Finance Committee

**AURORA COLLEGE**
**STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**
**for the year ended June 30, 2024**
(in thousands of dollars)

| | 2024 Budget | 2024 Actual | 2023 Actual |
|---|---|---|---|
| **Revenues (Schedule A)** | | | |
| Government of the Northwest Territories revenues (Note 9) | $ 48,981 | $ 51,455 | $ 47,127 |
| Project income | | | |
| Other third party | 4,643 | 2,470 | 3,120 |
| Government of Canada | 6,325 | 2,449 | 3,875 |
| Own Source revenues | | | |
| Tuition fees | 1,955 | 2,368 | 2,274 |
| Interest income | 200 | 1,078 | 856 |
| Recoveries and other | 760 | 896 | 775 |
| Room and board | 1,010 | 813 | 1,004 |
| Western Arctic Research Centre expansion (Note 19b) | - | 2,263 | 1,542 |
| | 63,874 | 63,792 | 60,573 |
| **Expenses (Schedule A)** | | | |
| Education and training | 21,573 | 21,610 | 21,447 |
| Student services | 12,611 | 12,169 | 11,810 |
| Pooled services | 7,865 | 10,734 | 9,976 |
| Community and extensions | 11,883 | 8,215 | 9,520 |
| Aurora Research Institute | 8,515 | 6,441 | 6,483 |
| Financial and accounting services | 2,499 | 2,511 | 2,224 |
| | 64,946 | 61,680 | 61,460 |
| **Annual (deficit) surplus** | **(1,072)** | **2,112** | **(887)** |
| **Accumulated surplus at beginning of year** | 11,548 | 11,548 | 12,435 |
| **Accumulated surplus at end of year** | **$ 10,476** | **$ 13,660** | **$ 11,548** |

The accompanying notes and schedule are an integral part of the financial statements.

**AURORA COLLEGE**
**STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**
**for the year ended June 30, 2024**
(in thousands of dollars)

| | 2024 Budget | 2024 Actual | 2023 Actual |
|---|---|---|---|
| **Annual (deficit) surplus** | $ (1,072) | $ 2,112 | $ (887) |
| Acquisition of tangible capital assets | (7,075) | (2,791) | (4,804) |
| Disposal of tangible capital assets | - | 13 | - |
| Amortization of tangible capital assets | 1,700 | 1,514 | 1,921 |
| | (5,375) | (1,264) | (2,883) |
| Decrease (increase) in prepaid expenses | - | (30) | (12) |
| **(Decrease) increase in net financial assets** | (6,447) | 818 | (3,782) |
| **Net financial assets at beginning of year** | 2,147 | 2,147 | 5,929 |
| **Net financial assets (debt) at end of year** | **$ (4,300)** | **$ 2,965** | **$ 2,147** |

The accompanying notes and schedule are an integral part of the financial statements.

**AURORA COLLEGE**
**STATEMENT OF CASH FLOW**
**for the year ended June 30, 2024**
(in thousands of dollars)

| | 2024 | 2023 |
|---|---|---|
| **Operating transactions** | | |
| Cash received from: | | |
| Government of the Northwest Territories | $ 38,588 | $ 40,163 |
| Students and other third parties | 7,635 | 9,653 |
| Government of Canada | 3,493 | 7,249 |
| Interest | 1,078 | 856 |
| Cash paid for/to: | | |
| Compensation and benefits | (37,558) | (36,682) |
| Suppliers | (15,990) | (15,878) |
| **Cash (used for) provided by operating transactions** | **(2,754)** | **5,361** |
| **Capital transactions** | | |
| Acquisition of tangible capital assets | (458) | (4,013) |
| **Cash used for capital transactions** | **(458)** | **(4,013)** |
| **(Decrease) increase in cash** | **(3,212)** | **1,348** |
| **Cash at beginning of year** | 20,322 | 18,974 |
| **Cash at end of year** | **$ 17,110** | **$ 20,322** |

The accompanying notes and schedule are an integral part of the financial statements.

**AURORA COLLEGE**
**Notes to the Financial Statements**
**June 30, 2024**

## 1. AUTHORITY AND MANDATE

### a) Authority and purpose

Aurora College ("College") was established under the *Aurora College Act* and is named as a territorial corporation under the *Financial Administration Act* of the Northwest Territories. The College is exempt from income taxes.

The College is a multi-campus institution designed to provide a wide variety of educational services to adult learners of the Northwest Territories (NWT). The programs are directed specifically to the northern environment and the needs of individual northerners, the workforce and northern communities. To accomplish this, courses and services are delivered at campuses and communities throughout the NWT. Through the work of the Aurora Research Institute, the College is also responsible for research activities in the NWT.

### b) Transfers from the Government of the Northwest Territories

The College receives monthly transfers from the Government of the Northwest Territories ("Government") based on appropriations consistent with the Government's Main Estimates and adjusted for supplementary appropriations. The transfers are to be utilized for the administration and delivery of the College's adult and post-secondary education programs in the NWT. The College is allowed to retain all surpluses and is responsible for all deficits.

The College is economically dependent upon the transfers received from the Government for its ongoing operations.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards ("PSAS").

The following is a summary of the significant accounting policies.

### a) Measurement uncertainty

The preparation of financial statements in accordance with PSAS requires the College to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these statements, the College believes the estimates and assumptions to be reasonable. Some of the more significant management estimates relate to the allowance for doubtful accounts, employee future benefits, amortization, and revenue accruals.

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### b) Cash

Cash is comprised of bank account balances, net of outstanding cheques.

### c) Tangible capital assets

Tangible capital assets transferred to the College when it was established were recorded at their estimated fair market value. Subsequent acquisitions are recorded at cost. Tangible capital assets are amortized over their estimated remaining useful lives on a straight-line basis at the following annual rates:

| | |
|---|---|
| Mobile equipment | 3 to 20 years |
| Building additions and renovations | 20 years |
| Furniture and equipment | 2 to 10 years |
| Leasehold improvements | lesser of useful life or lease term (3 to 12 years) |

Work in progress costs are capitalized as incurred. Tangible capital assets under construction or development are recorded as work in progress with no amortization until the asset is placed in service.

### d) Employee future benefits

#### i) Pension benefits

All eligible employees participate in the Public Service Pension Plan (the "Plan") administered by the Government of Canada. The College's contributions reflect the full cost as employer. This amount is currently based on a multiple of an employee's required contributions and may change over time depending on the experience of the Plan. The College's contributions are expensed during the year in which the services are rendered and represent the total pension obligation of the College. The College is not required under present legislation to make contributions with respect to actuarial deficiencies of the Plan.

#### ii) Severance, removal and compensated absences

Under the terms and conditions of employment, employees may earn non-pension benefits for resignation, retirement and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment.

Eligibility is based on variety of factors including place of hire, date employment commenced, and reason for termination. Benefit entitlements are paid upon resignation, retirement or death of an employee. Termination benefits are also recorded when employees are identified for lay-off. Compensated absences include sick, special, parental and maternity leave. Accumulating non-vesting sick and special leave are recognized in the period the employee provides service, whereas parental and maternity leave are event

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

driven and are recognized when the leave commences. An actuarial valuation of the cost of these benefits (except maternity and parental leave) has been prepared using data provided by management and assumptions based on management's best estimates.

### e) Government transfers

Government transfers are recognized as revenue when the funding is authorized and all eligibility criteria are met, except to the extent that funding stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as unearned revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized as the stipulation liabilities are settled.

The College receives its appropriations on a monthly basis from the Government, as the College has a different fiscal year. These transfers are recognized as revenue in the period in which the funding relates once all eligibility criteria have been met and it has been authorized.

### f) Other revenues

*Other revenues from non-exchange transactions*
Non-exchange transactions are transactions or events where there is no direct transfer of goods and services to a payor. The College recognizes recovery revenues which include fees, fines, etc., in a non-exchange transaction when the College has the authority to claim or retain an inflow of economic resources and identifies a past transaction or event that gives rise to an asset. The College records revenues from these transactions at realizable value, which is generally the amount of cash received or receivable.

*Other revenues from exchange transactions*
Revenues from transactions with performance obligations occur when there is an enforceable promise to transfer goods and services directly to a payor in return for promised consideration. These revenues are recognized when control of the benefits associated with the goods or services have transferred and there is no unfulfilled performance obligation.

Own source revenues include tuition fees, room and board and recoveries and other with a performance obligation. Tuition fees and room and board transactions consist of single performance obligations that are satisfied over time.
Tuition fees are recognized when the services are substantially provided, or the products delivered. Tuition fees received in advance of courses being delivered are considered unearned and recognized when the courses are delivered.
Room and board revenues are recognized when the services are provided in accordance with the terms of the rental agreements.
Recoveries and other pertain to recoveries from book sales, parking stalls, laundry, etc. These transactions mainly consist of a single performance obligation that is satisfied at a

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

point in time. These recoveries are recognized when or as the goods or services are delivered.

Project income revenues that do not meet the definition of a government transfer are recognized by the College for the provision of education and research services to private companies, federal and territorial government departments, agencies, and corporations through contractual arrangements. They may involve single or multiple performance obligations depending on the agreement. Where a performance obligation is satisfied over time, the College measures its progress of satisfying the performance obligation considering the characteristic of the services being provided and the terms of delivery included in the contractual arrangement. Where consideration is received from a payor prior to the provision of goods or services, these amounts are initially included in unearned revenue provided the definition of a liability is met. They are subsequently recognized as revenue as performance obligations are met.

### g) Interest Income

Interest income is recognized on an accrual basis.

### h) Contract services

Contract services acquired by the College include printing services, food service contracts, instruction contracts, leases and rental agreements. These amounts are recognized as expenses in the year the services are rendered.

### i) Contingent liabilities

A contingent liability is a potential liability which may become an actual liability when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued, and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

### j) Prepaid expenses

Payment made prior to the related services being rendered are recorded as a prepaid expense. Prepaid expenses are recognized as an expense or tangible capital asset as the related services are rendered.

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### k) Funds and reserves

Certain amounts, as approved by the Board of Governors, are set aside as reserves in accumulated surplus for future operating and capital purposes. Transfers to and from funds and reserves are recorded when approved.

### l) Financial instruments

Financial instruments are identified by financial asset and financial liability classifications.

The College's financial assets include cash and accounts receivable which are both measured at cost. Financial liabilities include accounts payable and accrued liabilities, payroll liabilities, due to Government and professional development fund which are all measured at cost.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the Statement of Operations and Accumulated Surplus. The allowance for doubtful accounts is based on management's best estimate of probable losses. The allowance is calculated based on a percentage of specific aged receivables where management believes an impairment has occurred. The allowance is shown as a reduction to accounts receivable. Management recommends write-offs of student accounts that are deemed uncollectible. Student and other receivable write-offs are submitted to the Board of Governors for approval.

### m) Budget

Canadian public sector accounting standards require a government organization to present in its financial statements a comparison of the results of operations and changes in net financial assets for the period with those originally planned. The budgeted figures represent the College's original fiscal plan for the year approved by the College's Board of Governors and do not reflect any subsequent adjustments made during the course of the year.

### n) Related party transactions

Canadian public sector accounting standards require a government organization to disclose related party and inter-entity transactions. The College is related to all Government departments, territorial corporations and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. Related party transactions other than inter-entity transactions are recorded at the exchange amount.

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions are recorded on a gross basis and are measured at the carrying amount,

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

except for the following: when inter-entity transactions are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length, or where costs provided are recovered, they are measured at the exchange amount.

The College receives certain services provided by the Government without charge (Note 11). The Government's cost for these services, measured at the carrying amount are recognized as an expense with an offsetting credit to Services received without charge revenues in order to reflect the cost of the College's operations in its financial statements. Services received without charge that cannot be reliably measured are not recognized.

### o) Inventories for sale

Inventories for sale consist of finished goods and are carried at the lower of cost and net realizable value, with cost being determined on a first in, first out basis.

### p) Accounts receivable

Accounts receivable are recorded at cost. A valuation allowance is recorded when the collection of a receivable is considered doubtful.

### q) Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include trade payables and liabilities. These liabilities are valued at cost.

### r) Western Arctic Research Centre expansion

The College receives cash and goods in-kind as part of the Western Arctic Research Centre (WARC) expansion project. The Government builds the WARC expansion on behalf of the College. The College has assessed that it controls the asset as it is built.

Where a cash or tangible capital asset transfer is provided by a federal or territorial government department, agency, or corporation, or other third party, the College recognizes the transfer as revenue once the eligibility criteria are met and the payments are authorized, except to the extent that transfers give rise to an obligation that meets the definition of a liability.

The College recognizes an asset arising from a transfer when it gains control of the resources that meet the definition of an asset, it is expected that the inflow of resources will occur, and their value can be reliably measured. Where a tangible capital asset transfer is provided by the Government for no consideration, the College recognizes the asset as the work in progress costs are incurred, consistent with its policy for tangible capital assets in Note 2c).

## 3. FUTURE ACCOUNTING CHANGES AND ADOPTION OF NEW ACCOUNTING STANDARD

### Future accounting changes

Effective July 1, 2026, the College will be required to adopt the new *Conceptual Framework for Financial Reporting in the Public Sector*. Earlier adoption of the new framework is allowed. The College is currently assessing the impact of this standard on the financial statements.

Effective July 1, 2026, the College will be required to adopt PS 1202 Financial Statement Presentation. The standard sets out general and specific requirements for the presentation of information in financial statements. The financial statement presentation principles are based on the concepts in the Conceptual Framework. Earlier adoption is permitted if the *Conceptual Framework for Financial Reporting in the Public Sector* is early adopted. The College is currently assessing the impact of this standard on the financial statements.

### Adoption of new accounting standard

Effective July 1, 2023, the College adopted Canadian Public Sector Accounting Standard PS 3400, Revenue ("PS 3400"). This section sets out general guidance for how entities recognize, measure, present and disclose revenue. Under the new standard, there are two categories of transactions – exchange and non-exchange. If the transaction gives rise to one or more performance obligations, it is an exchange transaction. If no performance obligations are present, it is a non-exchange transaction. There are two approaches to recognizing revenue with performance obligations: at a point in time or over a period of time. This determination is made based on when a performance obligation is satisfied. PS 3400 has been applied prospectively to these financial statements and, as permitted by the transitional provisions, prior periods were not restated. The adoption of this standard had no recognition or measurement impact but resulted in additional disclosures as described in Note 2f).

## 4. ACCOUNTS RECEIVABLE

| | 2024 | | | 2023 |
|---|---|---|---|---|
| | (in thousands) | | | |
| | Accounts Receivable | Allowance | Net | Net |
| Government of the Northwest Territories | $ 3,094 | $ - | $ 3,094 | $ 1,246 |
| Other | 756 | 173 | 583 | 1,831 |
| Government of Canada | 252 | - | 252 | 320 |
| Students | 657 | 541 | 116 | 137 |
| | $ 4,759 | $ 714 | $ 4,045 | $ 3,534 |

## 5. EMPLOYEE FUTURE BENEFITS

### a) Pension benefits

The College and all eligible employees contribute to the Public Service Pension Plan (the "Plan"), a multi-employer contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the College. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The general contribution effective at year end was $1.02 (2023 - $1.02) for every dollar contributed by the employee, and $4.63 (2023 - $5.29) for every dollar contributed by the employee for the portion of the employee's salary above $202,000 (2023 - $196,200).

The Public Service Pension Plan was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to age 65 for new members joining the plan on or after January 1, 2013. For members with start dates before January 1, 2013, the normal retirement age remains 60. For new employees who are participating in the Plan on or after January 1, 2013, the College contributes $1.00 (2023 - $1.00) for every dollar contributed by the employee, and $4.63 (2023 - $5.29) for every dollar contributed by the employee for the portion of the employee's salary above $202,000 (2023 - $196,200).

The College's and employees' contributions to the Plan for the year were as follows:

| | 2024 | 2023 |
|---|---|---|
| | (in thousands) | |
| College's contributions | $ 2,462 | $ 2,488 |
| Employees' contributions | 2,453 | 2,479 |
| | $ 4,915 | $ 4,967 |

### b) Severance, removal and compensated absences

The College provides severance (resignation and retirement), removal and compensated absence (sick, special, maternity and parental leave) benefits to its employees. The benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

Severance benefits are paid to the College's employees based on the type of termination (e.g., resignation versus retirement) and appropriate combinations that include inputs such as when the employee was hired, the rate of pay, the number of years of continuous employment and age and the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being location of hire, employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology.

## 5. EMPLOYEE FUTURE BENEFITS (continued)

Compensated absence benefits generally accrue as employees render service and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include, but are not limited to employee or dependent illness, mortality and death of an immediate family member. Non-accruing benefits include maternity and parental leave. Benefits that accrue under compensated absence benefits were actuarially valued using the expected utilization methodology.

*Valuation results*

The actuarial valuation was completed as at February 11, 2022. The results were extrapolated to June 30, 2024. The effective date of the next actuarial valuation is June 30, 2025. The liabilities are actuarially determined as the present value of the accrued benefits at June 30, 2024. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the College.

| Changes in Obligation | Severance and Removal | Compensated Absences | 2024 | 2023 |
|---|---|---|---|---|
| | | | (in thousands) | |
| Accrued benefit obligation, beginning of year | $985 | $356 | $1,341 | $1,370 |
| Current service cost | 49 | 30 | 79 | 83 |
| Interest cost | 48 | 18 | 66 | 57 |
| Benefits paid | (42) | (25) | (67) | (69) |
| Actuarial gain | (79) | (15) | (94) | (100) |
| Accrued benefit obligation, end of year | 961 | 364 | 1,325 | 1,341 |
| Unamortized net actuarial loss | 53 | 117 | 170 | 110 |
| **Accrued benefit liability** | **$ 1,014** | **$ 481** | **$ 1,495** | **$ 1,451** |

| Benefits Expense | Severance and Removal | Compensated Absences | 2024 | 2023 |
|---|---|---|---|---|
| | | | (in thousands) | |
| Current service cost | $49 | $30 | $79 | $83 |
| Interest cost | 47 | 18 | 65 | 57 |
| Amortization of net actuarial gain | (20) | (13) | (33) | (23) |
| **Total** | **$76** | **$35** | **$111** | **$117** |

## 5. EMPLOYEE FUTURE BENEFITS (continued)

*Assumptions*

| | June 30, 2024 | June 30,2023 |
|---|---|---|
| Discount Rate | 5.3% per annum | 4.8% per annum |
| Rate of compensation increase | 2.0% per annum | 2.0% per annum |
| Inflation rate (removal benefits) | Nil | Nil |
| Mortality | CPM 2014 Public Mortality Table with MI-2017 improvement scale | CPM 2014 Public Mortality Table with MI-2017 improvement scale |

The expected payments during the next five fiscal years are:

| | Severance and Removal | Compensated Absences | Total |
|---|---|---|---|
| | (in thousands) | | |
| 2025 | $ 94 | $ 23 | $ 117 |
| 2026 | 104 | 27 | 131 |
| 2027 | 118 | 31 | 149 |
| 2028 | 120 | 36 | 156 |
| 2029 | 129 | 46 | 175 |
| **Total** | **$ 565** | **$ 163** | **$ 728** |

## 6. PROFESSIONAL DEVELOPMENT FUND

Under collective agreements, the College is required annually to make contributions to the professional development fund, in the amount of a) 3% of eligible instructor's salaries, and b) $1,500 for each eligible instructor. Contributions made to the professional development fund are recorded as an expense in the Statement of Operations and Accumulated Surplus.

The professional development fund represents accumulated annual provisions for professional development activities, less accumulated eligible professional development expenses. The College expects to settle the obligation based on future eligible expense claims.

| | 2024 | 2023 |
|---|---|---|
| | (in thousands) | |
| Professional development fund, beginning of year | $ 3,572 | $ 3,238 |
| Contributions | 617 | 617 |
| Professional development paid during the year | (522) | (283) |
| Professional development fund, end of year | $ 3,667 | $ 3,572 |

## 7. TANGIBLE CAPITAL ASSETS

| (in thousands) | Mobile equipment | Building additions and renovations | Furniture and equipment | Leasehold improvements | Work in progress | 2024 Total | 2023 Total |
|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | |
| Opening balance | $ 6,308 | $ 1,991 | $ 11,117 | $ 1,924 | $ 3,970 | $ 25,310 | $ 20,587 |
| Additions | 133 | - | 325 | - | 2,333 | 2,791 | 4,804 |
| Disposals | - | - | (353) | (53) | - | (406) | (81) |
| Closing balance | 6,441 | 1,991 | 11,089 | 1,871 | 6,303 | 27,695 | 25,310 |
| **Accumulated amortization** | | | | | | | |
| Opening balance | 4,417 | 1,991 | 8,655 | 1,566 | - | 16,629 | 14,789 |
| Amortization | 362 | - | 1,072 | 80 | - | 1,514 | 1,921 |
| Disposals | - | - | (340) | (53) | - | (393) | (81) |
| Closing balance | 4,779 | 1,991 | 9,387 | 1,593 | - | 17,750 | 16,629 |
| **Net book value** | **$ 1,662** | **$ -** | **$ 1,702** | **$ 278** | **$ 6,303** | **$ 9,945** | **$ 8,681** |

## 8. ACCUMULATED SURPLUS

The accumulated surplus balance includes the net book value of tangible capital assets transferred to the College when it was established and the results of operations since that date. The following appropriations have been made from accumulated surplus:

(in thousands)

| Reserves | Balance, opening July 1, 2023 | Net results of operations | Appropriated | Used in operations | Balance, ending June 30, 2024 |
|---|---|---|---|---|---|
| a) Northern strategic research reserve | $ 625 | $ - | $ - | $ - | $ 625 |
| b) Program delivery | 300 | - | - | (300) | - |
| c) Research & development | 371 | - | 6 | - | 377 |
| d) Restricted donations | 35 | - | - | - | 35 |
| Total reserves | 1,331 | - | 6 | (300) | 1,037 |
| Appropriated | | - | (6) | - | |
| Used in operations | | - | - | 300 | |
| **Operating surplus (deficit)** | **10,217** | **2,112** | **(6)** | **300** | **12,623** |
| **Total accumulated surplus** | **$ 11,548** | **$ 2,112** | $ - | $ - | **$ 13,660** |

## 8. ACCUMULATED SURPLUS (continued)

### a) Northern strategic research reserve

This appropriation was established from the surplus of the Methane Hydrate Research project to set funds aside for strategic research conducted in the north which will benefit northerners.

### b) Program delivery

This appropriation is established to cover program costs contemplated in the annual Programs and Services Proposal prepared by the College, for which Government funding has not been approved. Allocations to and from this appropriation must be approved by the Board of Governors.

### c) Research & development

This appropriation is established to help fund research and development of the Research Associate and Fellowship programs at the Aurora Research Institute (ARI). Annually all unencumbered ARI administration revenue after fulfillment of third party contracts is transferred to this appropriation. Use of the appropriation must be approved by the Research Advisory Council.

### d) Restricted donations

From time to time, the College receives donations from individuals and corporations with conditions attached to them. In order to ensure that the wishes of the contributors are carried out, the donations are transferred to restricted donations until the conditions are met.

## 9. GOVERNMENT OF THE NORTHWEST TERRITORIES REVENUES

| | 2024 | 2023 |
|---|---|---|
| | (in thousands) | |
| Operating transfers | $ 33,536 | $ 33,050 |
| Project income | 11,816 | 7,313 |
| Services received without charge (Note 11) | 6,103 | 6,764 |
| | $ 51,455 | $ 47,127 |

The College received 81% (2023 - 78%) of its revenue in the form of a transfer, project income and services without charge from the Government. The College's continued operations are dependent on these arrangements.

## 10. RELATED PARTIES

The College has Government receivables from project income and the base funding transfer disclosed in Note 9. In addition, the Government transfers tuition revenue, the value of which is $426,000 (2023 - $211,000) and this is recognized on the Statement of Operations and Accumulated Surplus within Tuition fees. The College also owes funds to the Government from administrative agreements for facility operating and utility costs, employee benefits, payroll, and other expenses. The transactions giving rise to these balances are recorded at the exchange amount.

| | 2024 | 2023 |
|---|---|---|
| | (in thousands) | |
| Due from Government of the Northwest Territories (Note 4) | $ 3,094 | $ 1,246 |
| Due to the Government of the Northwest Territories | | |
| Liability for payroll services provided | $ 4,944 | $ 4,838 |
| Other & Repayable program advances | $ 1,112 | $ 958 |
| Total amount due to Government of the Northwest Territories | $ 6,056 | $ 5,796 |

The above liabilities are non-interest bearing and payable on demand.

### Expenses

The employees of the College are paid by the Government. The College reimbursed the Government for payroll expenses paid (Schedule A) of $37,915,000 during 2024 (2023 - $36,626,000) which are recorded at the exchange amount.

Under the terms of administrative agreements, the Government charges for certain support

**10. RELATED PARTIES (continued)**

services provided to the College. The College reimbursed the Government $1,256,000 (2023 – $3,830,000) for facility operating and utility costs, employee benefits and other expenses which are recorded at the exchange amounts in these statements. The College reimbursed the Government $650,000 (2023 - $1,805,000) for costs to transform to a polytechnic university, which are recorded at the exchange amounts in these statements.

## 11. SERVICES RECEIVED WITHOUT CHARGE

During the year, the College received contract services, building utilities, building leases and repairs and maintenance without charge from the Government.

There are building leases, of two facilities for two campuses, certain housing units and community learning centers, in place between the College and the Government without any rental charges for the use. The cost of the use of these facilities is based on the Government's amortization and accretion expenses for these assets, which is the carrying amount.

In addition, contract services without charge from the Government include insurance and risk management, legal counsel, project management and translation services. These services have been recorded based on the carrying amount confirmed by the Government.

| | 2024 | 2023 |
|---|---|---|
| | (in thousands) | |
| Building utilities | $ 2,487 | $ 2,696 |
| Building leases | 1,973 | 2,083 |
| Repairs and maintenance | 1,261 | 1,638 |
| Contract services | 382 | 347 |
| | $6,103 | $6,764 |

Services that are part of the central agency role of the Government, provided through its shared services division are not tracked. Therefore, the cost cannot be reasonably estimated and they are not recorded in these financial statements. These services include, but are not limited to, construction management, records storage, computer operations, asset disposal, human resource management, payroll processing, medical travel and benefits administration.

## 12. CONTRACTUAL OBLIGATIONS AND CONTINGENT LIABILITY

In addition to facilities provided by the Government, the College has operating leases and service agreements for student accommodation, classroom space, office equipment and other services and is committed to payments as follows:

| | Service agreements | Operating leases |
|---|---|---|
| | (in thousands) | |
| 2025 | $ 483 | $ 4,169 |
| 2026 | 70 | 3,293 |
| 2027 | 51 | 2,917 |
| 2028 | 17 | 2,918 |
| Thereafter | 4 | 12,264 |
| | $ 625 | $ 25,561 |

In the normal course of operations, the College may be subject to legal claims. At year-end, one claim has been made against the College. Management has assessed that the probable resolution of the claim is not determinable. No provision has been made in the financial statements as at June 30, 2024.

## 13. CONTRACTUAL RIGHTS

The College has binding agreements with funding partners to implement programs/projects, and for which the following payments will be received subsequent to June 30, 2024:

| **Funding Partner** | **2024- 2025** | **2026-2031** | **Total** |
|---|---|---|---|
| | (in thousands) | | |
| Government of Canada | $3,353 | $ 966 | $ 4,319 |
| Government of the Northwest Territories | 3,716 | 80 | 3,796 |
| Other | 1,699 | 2,361 | 4,060 |
| | **$ 8,768** | **$3,407** | **$ 12,175** |

## 14. FINANCIAL RISK MANAGEMENT

The College's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, payroll liabilities, due to the Government and the professional development fund, which are all measured at cost. The College has exposure to the following risks from its use of financial instruments:

### (a) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with its financial liabilities. The College manages its liquidity risk by regularly monitoring forecasted and actual cash flows. The College does not believe that it will encounter difficulty in meeting its future obligations associated with its financial liabilities.

| | 0-90 days | 91-365 days | 1 to 2 years | over 2 years |
|---|---|---|---|---|
| | | (in thousands) | | |
| Payroll liabilities | 2,197 | - | - | - |
| Accounts payable and accrued liabilities | 1,868 | 4 | - | - |
| | $ 4,065 | $ 4 | $ - | $ - |

### (b) Credit risk

The College is exposed to credit risk on its cash and accounts receivable.

**Cash**

Credit risk on cash is minimized as these assets are held with a Canadian Chartered bank, the maximum exposure to credit risk is $17,110,000 (2023 - $20,322,000).

**Accounts receivable**

Credit risk on accounts receivable arises from the possibility that the customer fails to meet their obligations. This risk is influenced by the type of debtor and at June 30, 2024, the College's debtors are the Government, the federal government, students, and others.

In order to manage this risk, the College monitors the age of accounts receivable and initiates collection action. Credit exposure is minimized by dealing mostly with creditworthy counterparties such as government agencies and the College also enforces approved collection policies for student accounts. The maximum exposure to credit risk is $4,045,000 (2023 - $3,534,000).

## 14. FINANCIAL RISK MANAGEMENT (continued)

At June 30, 2024, the following accounts receivable were past due but not impaired.

| | 91-365 days | 1 to 2 years | over 2 years |
|---|---|---|---|
| | | (in thousands) | |
| Students | $ 165 | $ 152 | $ 204 |
| Other third parties | 57 | 117 | 103 |
| Government of the Northwest Territories | 42 | 36 | 29 |
| Government of Canada | 4 | - | 44 |
| | $ 268 | $ 305 | $ 380 |

The College establishes an allowance for doubtful accounts that reflects the estimated impairment of accounts receivable. The allowance is based on a percentage of specific amounts and is determined by considering the College's knowledge of the financial condition of customers, the aging of accounts receivable, current business conditions and historical experience.

### (c) Interest rate risk

The College is exposed to interest rate risk in that changes in market interest rates will cause fluctuations in the interest revenue from cash. This risk is not significant due to the short terms to maturity of cash.

Although management monitors exposure to interest rate fluctuations, it does not employ any interest rate management policies to counteract interest rate fluctuations.

## 15. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The fair values of cash, accounts receivable, accounts payable and accrued liabilities, payroll liabilities and due to Government approximate their carrying amounts because of the short term to maturity.

The College is expected to settle the professional development fund in the medium term and the fair value of this liability does not differ significantly from its carrying value.

## 16. UNEARNED REVENUE

Unearned revenues are set aside for specific purposes as required either by legislation, regulation or agreement:

| | Contracts | Tuition | Research funds | 2024 | 2023 |
|---|---|---|---|---|---|
| | | | (in thousands) | | |
| Balance, beginning of year | $ 6,875 | $ 145 | $ 44 | $ 7,064 | $ 2,649 |
| Additions | 7,779 | - | 8 | 7,787 | 20,843 |
| Revenue recognized | (11,638) | (145) | (26) | (11,809) | (16,428) |
| Balance, end of year | $ 3,016 | $ - | $ 26 | $ 3,042 | $ 7,064 |

## 17. PAYROLL LIABILITIES

| | 2024 | 2023 |
|---|---|---|
| | (in thousands) | |
| Vacation leave accrual | $ 1,862 | $ 1,929 |
| Time off in lieu of overtime | 286 | 180 |
| Special leave and salaries accrual | 49 | - |
| | $2,197 | $2,109 |

## 18. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | 2024 | 2023 |
|---|---|---|
| | (in thousands) | |
| Trade accounts payable | $ 1,367 | $ 885 |
| Accrued accounts payable | 479 | 924 |
| Other payables | 26 | 23 |
| | $1,872 | $1,832 |

## 19. TRANSFORMATION

### a) Transformation to a polytechnic university

Aurora College is continuing on the path to transformation towards becoming a polytechnic university. While the development will not be complete by 2025, as was initially forecasted, the College is continuing to work with the Campus Alberta Quality Council (CAQC) on the institutional review and quality assurance processes, and with the Government of the Northwest Territories to determine a sustainable funding model for the polytechnic university.

To date, the College has spent $12,075,000 in operational costs related to the transformation, which includes the completion of a wide range of projects, some of which can be found on the Aurora College Transformation website under the Progress Tracker and Critical Milestone Timeline. Of this cost, $6,605,000 has been funded internally and $5,470,000 has been funded by the Government.

| | 2024 | 2023 | 2019 - 2022 | Total |
|---|---|---|---|---|
| | | (in thousands) | | |
| **Revenues** | | | | |
| Government of the Northwest Territories | $ 4,286 | $ 1,184 | $ - | $ 5,470 |
| **Revenue total** | **4,286** | **1,184** | **-** | **5,470** |
| | | | | |
| **Expenses** | | | | |
| Compensation and benefits | 914 | 1,229 | 6,028 | 8,171 |
| Contract services | 587 | 1,382 | 1,392 | 3,361 |
| Building leases | 105 | - | 7 | 112 |
| Fees and payments | 24 | - | 69 | 93 |
| Materials and supplies | 1 | 27 | 198 | 226 |
| Travel and accommodation | 24 | 6 | 46 | 76 |
| Small equipment | - | 3 | 31 | 34 |
| Communication, postage and freight | - | - | 6 | 6 |
| Repairs and maintenance | - | (14) | 10 | (4) |
| **Expense total** | **1,655** | **2,633** | **7,787** | **12,075** |
| **Aurora College contribution** | **$ 2,631** | **$ (1,449)** | **$ (7,787)** | **$ (6,605)** |

### b) Western Arctic Research Centre expansion project

Also related to transformation is the Western Arctic Research Centre expansion project. In partnership with industry leaders, a brand new state of the art warehouse facility is in the

**19. TRANSFORMATION (continued)**

process of being built (Note 7 – Work in progress). This project will place an increased importance on research activity and productivity, as well as technology development in partnership with small businesses and industry. This will create growth opportunities, encourage innovation, and attract new investments in research and technology development to the institution.

**20. SUBSEQUENT EVENT**

**Ratification of Union of Northern Workers (UNW) agreement**

In October 2024, the Government and the UNW ratified a new collective agreement retroactive to April 1, 2023. Management has determined that the portion of anticipated retroactive payments that are relevant to the fiscal periods ending prior to June 30, 2024 is $1,856,000. Management has included an accrual for this amount in the due to the Government liability for payroll services (Note 10) and in compensation expenses. Management has also accrued $1,250,000 in accounts receivable (Note 4) and operating transfers (Note 9).

## 21. SEGMENTED DISCLOSURE

The College is a multi-campus institution designed to provide a wide variety of educational services to adult learners of the Northwest Territories (NWT). For management reporting purposes the College's operations and activities are organized and reported by funds (Schedule A). Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with the budget, strategy and work plan, restrictions or limitations. The College's services are provided by departments and their activities are reported in these funds.

Certain departments that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

**Finance and accounting**
Finance's role is to ensure the long term viability of the College including the preparation and controls over the budgets, financial reporting, the implementation and oversight of financial controls, and management of the cash flows. Finance includes the functioning of the head office and regional offices.

**Pooled services**
This represents College wide expenditures which are required for the global operation. These represent allocation of costs related to professional development, amortization, cost of employee future benefits, and costs for the President's Office. The Office of the President includes services related to the operations of the College, plus communications and public relations. The Office of the President is mandated to manage the daily operations of the College, pursue its missions and vision, and develop and implement a strategic plan to ensure the long term success of the College. Also included in the pooled services are the costs related to the transformation to a polytechnic university.

**Student services**
Student services include Fort Smith, Yellowknife, and Inuvik locations facilities and the registrar and regional admission offices.

**21. SEGMENTED DISCLOSURE (continued)**

**Education and training**
Education and training includes the Vice-President Education and Training, School of Trades, School of Education, School of Business and Leadership, School of Health and Human Services, School of Arts and Science, information systems and technology, and the library.

**Community and extensions**
Community and extensions represents special programs and additional resources provided to the communities through the College. This includes the School of Developmental Studies, the Beaufort Delta region, the Sahtu region, the Dehcho region, the Tlicho region, and the Akaitcho and South Slave region.

**Aurora Research Institute**
Through the work of the Aurora Research Institute, the College is also responsible for conducting and facilitating research activities in the NWT.

## AURORA COLLEGE
## Segmented disclosures
## June 30, 2024

Schedule A

| | Financial and accounting | Pooled services* | Student services | Education and training | Community and extensions | Aurora Research Institute | 2024 Total | 2024 Budget | 2023 Total |
|---|---|---|---|---|---|---|---|---|---|
| **For the year ended June 30, 2024** (in thousands) | | | | | | | | | |
| **Revenues** | | | | | | | | | |
| Government of the Northwest Territories revenues | $2,251 | $ 9,397 | $11,289 | $18,463 | $7,408 | $2,647 | $51,455 | $48,981 | $47,127 |
| Project income | | | | | | | | | |
| Other third party | - | - | 115 | 989 | 192 | 1,174 | 2,470 | 4,643 | 3,120 |
| Government of Canada | - | - | - | 395 | 26 | 2,028 | 2,449 | 6,325 | 3,875 |
| Own Source revenue | | | | | | | | | |
| Tuition fees | - | - | 23 | 1,568 | 777 | - | 2,368 | 1,955 | 2,274 |
| Interest income | 1,078 | - | - | - | - | - | 1,078 | 200 | 856 |
| Recoveries and other | 88 | 146 | 84 | 337 | 23 | 218 | 896 | 760 | 775 |
| Room and board | - | - | 697 | - | - | 116 | 813 | 1,010 | 1,004 |
| Western Arctic Research Centre expansion | - | 2,263 | - | - | - | - | 2,263 | - | 1,542 |
| | **3,417** | **11,806** | **12,208** | **21,752** | **8,426** | **6,183** | **63,792** | **63,874** | **60,573** |
| **Expenses** | | | | | | | | | |
| Compensation and benefits | 2,243 | 5,015 | 5,080 | 13,923 | 7,198 | 4,456 | 37,915 | 36,900 | 36,626 |
| Building leases | - | 111 | 5,589 | 1,973 | 84 | 32 | 7,789 | 8,108 | 7,654 |
| Contract services | 39 | 1,410 | 275 | 467 | 381 | 1,031 | 3,603 | 5,116 | 4,804 |
| Utilities | - | 1 | 106 | 2,514 | 5 | 18 | 2,644 | 2,531 | 2,857 |
| Repairs and maintenance | 2 | 1,261 | 232 | 542 | 8 | 22 | 2,067 | 2,140 | 2,138 |
| Materials and supplies | 26 | 109 | 216 | 1,004 | 133 | 288 | 1,776 | 2,474 | 1,879 |
| Fees and payments | 110 | 905 | 89 | 316 | 84 | 92 | 1,596 | 2,068 | 1,364 |
| Amortization of tangible capital assets | - | 1,514 | - | - | - | - | 1,514 | 1,700 | 1,921 |
| Travel and accommodation | 50 | 212 | 75 | 363 | 224 | 248 | 1,172 | 1,270 | 929 |
| Communication, postage and freight | 7 | 167 | 395 | 31 | 58 | 140 | 798 | 1,074 | 803 |
| Small equipment | 34 | 26 | 107 | 302 | 12 | 105 | 586 | 792 | 308 |
| Professional services | - | 3 | 5 | 175 | 28 | 9 | 220 | 773 | 177 |
| | **2,511** | **10,734** | **12,169** | **21,610** | **8,215** | **6,441** | **61,680** | **64,946** | **61,460** |
| **Annual (deficit) surplus** | **$ 906** | **$ 1,072** | **$ 39** | **$ 142** | **$ 211** | **$ (258)** | **$ 2,112** | **$(1,072)** | **$ (887)** |

*** Pooled Services includes the revenues and expenses for the President's Office and transformation projects.**

# Housing Northwest Territories

# Consolidated Financial Statements

# March 31, 2025

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for preparing these accompanying consolidated financial statements in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the consolidated financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management maintains financial and management control systems and practices designed to provide reasonable assurance that transactions are properly authorized and recorded, proper records are maintained, assets are safeguarded, and Housing NWT complies with applicable laws and regulations. These controls and practices ensure the orderly conduct of business, the preparation of reliable financial information, and adherence to Housing NWT's statutory requirements and policies.

Housing NWT's external auditor, the Auditor General of Canada, conducts an independent audit, in accordance with Canadian generally accepted auditing standards, and expresses her opinion on the consolidated financial statements. Housing NWT's external auditor has full and free access to financial management of Housing NWT.

On behalf of Housing NWT

Erin Kelly, Ph.D.
President and CEO

Jim Martin, FCPA, FCGA, MBA, MA
Vice President
Finance and Infrastructure Services

Yellowknife, Northwest Territories
August 25, 2025

Office of the
Auditor General
of Canada

Bureau du
vérificateur général
du Canada

# INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for Housing Northwest Territories

*Opinion*

We have audited the consolidated financial statements of Housing Northwest Territories and its controlled entities (the Group), which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net financial assets and consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2025, and the consolidated results of its operations, consolidated changes in its net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

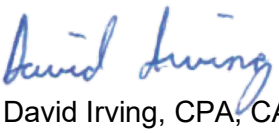
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



David Irving, CPA, CA
Principal
for the Auditor General of Canada

Edmonton, Canada
25 August 2025

# HOUSING NORTHWEST TERRITORIES

## Consolidated Statement of Financial Position
**As at March 31, 2025**
(in thousands)

| | 2025 | 2024 |
|---|---|---|
| **Financial assets** | | |
| Cash and cash equivalents | $ 83,817 | $ 88,415 |
| Portfolio investments (Note 3) | 56,778 | 70,426 |
| Accounts receivable (Note 4) | 25,306 | 11,197 |
| Mortgages and loans receivable (Note 5) | 2,909 | 3,258 |
| | 168,810 | 173,296 |
| **Liabilities** | | |
| Accounts payable and accrued liabilities (Note 6) | 40,249 | 28,706 |
| Deferred revenue (Note 7) | 21,359 | 24,924 |
| Loans and mortgages payable to CMHC (Note 8) | 2,575 | 3,286 |
| Environmental liabilities (Note 10) | 886 | 1,095 |
| Retirement, post-employment, and other leave benefits | 2,199 | 2,268 |
| Asset retirement obligations (Note 9) | 48,778 | 46,931 |
| | 116,046 | 107,210 |
| **Net financial assets** | 52,764 | 66,086 |
| **Non-financial assets** | | |
| Tangible capital assets (Schedule A) | 421,045 | 406,155 |
| Inventories held for use | 2,452 | 2,464 |
| Prepaid expenses | 102 | 74 |
| | 423,599 | 408,693 |
| **Accumulated surplus** | $ 476,363 | $ 474,779 |

Contractual rights, contractual obligations and contingencies (Notes 13, 14 and 15)

Approved by:

Hon. Lucy Kúptana
Minister Responsible for Housing Northwest Territories

Erin Kelly, Ph. D.
President and CEO

The accompanying notes and schedule form an integral part of the consolidated financial statements.

# HOUSING NORTHWEST TERRITORIES

## Consolidated Statement of Operations and Accumulated Surplus
**For the year ended March 31, 2025**
(in thousands)

| | 2025 Budget | 2025 Actual | 2024 Actual |
|---|---|---|---|
| **Revenues** | | | |
| Government funding: | | | |
| Government of the Northwest Territories | $ 76,870 | $ 87,081 | $ 87,046 |
| CMHC (Note 11) | 20,749 | 26,393 | 26,511 |
| CIRNAC (Note 12) | - | - | 30,050 |
| Other grants and transfers | 4,125 | 1,138 | 1,235 |
| | 101,744 | 114,612 | 144,842 |
| Generated revenues: | | | |
| Rental revenue | 12,632 | 14,866 | 13,505 |
| Recoveries from mortgages and loans | 475 | 507 | 258 |
| Income from portfolio investments | 1,940 | 5,819 | 6,195 |
| Other revenue and recoveries | 419 | 1,671 | 2,691 |
| Interest revenue on mortgages and loans | 90 | 62 | 55 |
| | 15,556 | 22,925 | 22,704 |
| | 117,300 | 137,537 | 167,546 |
| **Expenses (Note 16)** | | | |
| Public housing program | 72,283 | 78,933 | 72,714 |
| Unilateral CMHC programs and other programs | 2,638 | 2,325 | 2,588 |
| HELP and market housing | 8,882 | 12,211 | 11,285 |
| Non-residential building operations | 552 | 508 | 473 |
| Rent subsidy program | 2,000 | 808 | 382 |
| Homelessness fund program | 4,819 | 8,408 | 7,339 |
| Homeownership assistance grants | 9,385 | 7,832 | 9,966 |
| Housing operations and support | 20,797 | 24,928 | 22,635 |
| | 121,356 | 135,953 | 127,382 |
| **Annual surplus** | $ (4,056) | $ 1,584 | $ 40,164 |
| **Accumulated surplus, beginning of year** | 474,779 | 474,779 | 434,615 |
| **Accumulated surplus, end of year** | $ 470,723 | $ 476,363 | $ 474,779 |

The accompanying notes and schedule form an integral part of the consolidated financial statements.

# HOUSING NORTHWEST TERRITORIES

## Consolidated Statement of Change in Net Financial Assets
**For the year ended March 31, 2025**
(in thousands)

| | 2025 Budget | 2025 Actual | 2024 Actual |
|---|---|---|---|
| **Net financial assets, beginning of the year** | $ 66,086 | $ 66,086 | $ 56,024 |
| Items affecting net financial assets: | | | |
| Annual surplus | (4,056) | 1,584 | 40,164 |
| Acquisition of tangible capital assets (Schedule A) | (13,470) | (34,574) | (48,962) |
| Amortization of tangible capital assets (Note 16, Schedule A) | 17,230 | 18,757 | 12,809 |
| Loss on disposal of tangible capital assets and write-down | - | 639 | 1,537 |
| Asset retirement cost adjustment (Note 9) | - | 286 | 3,836 |
| Acquisition of inventories held for use | - | (2,338) | (1,987) |
| Consumption of inventories held for use | - | 2,352 | 2,254 |
| Acquisition of prepaid expenses | - | (81) | (51) |
| Consumption of prepaid expenses | - | 53 | 462 |
| Increase (decrease) in net financial assets | (296) | (13,322) | 10,062 |
| **Net financial assets, end of the year** | $ 65,790 | $ 52,764 | $ 66,086 |

The accompanying notes and schedule form an integral part of the consolidated financial statements.

# HOUSING NORTHWEST TERRITORIES

## Consolidated Statement of Cash Flow
**For the year ended March 31, 2025**
(in thousands)

| | 2025 | 2024 |
|---|---|---|
| **Operating transactions** | | |
| Annual surplus | $ 1,584 | $ 40,164 |
| Items not affecting cash: | | |
| Amortization of tangible capital assets | 18,757 | 12,809 |
| Accretion of asset retirement obligations | 2,133 | 2,215 |
| Non-cash other grants and transfers | - | (4,985) |
| Loss on disposal of tangible capital assets and write-down | 639 | 1,539 |
| Non-cash portfolio investment income | (504) | (382) |
| Non-cash mortgage funding adjustments | 146 | 19 |
| Change in valuation allowances | (733) | 368 |
| | 20,438 | 11,583 |
| Change in non-cash assets and liabilities: | | |
| Change in accounts receivable | (14,059) | 5,185 |
| Change in inventories held for use | 11 | 267 |
| Change in prepaid expenses | (28) | 411 |
| Change in accounts payable and accrued liabilities | 5,274 | 882 |
| Change in deferred revenue | (3,565) | 24,598 |
| Change in environmental liabilities | (209) | 128 |
| Change in retirement, post-employment, and other leave benefits | (69) | 71 |
| | (12,645) | 31,542 |
| Cash provided by operating transactions | 9,377 | 83,289 |
| **Capital transactions** | | |
| Acquisition of tangible capital assets | (28,303) | (48,427) |
| Cash used for capital transactions | (28,303) | (48,427) |
| **Financing transactions** | | |
| Repayment of loans payable to CMHC | (711) | (698) |
| Cash used for financing transactions | (711) | (698) |

The accompanying notes and schedule form an integral part of the consolidated financial statements.

# HOUSING NORTHWEST TERRITORIES

## Consolidated Statement of Cash Flow (continued)
**For the year ended March 31, 2025**
(in thousands)

| | 2025 | 2024 |
|---|---|---|
| **Investing transactions** | | |
| Proceeds from sale of portfolio investments | 30,580 | 8,000 |
| Acquisition of portfolio investments | (16,427) | (16,002) |
| Repayments of mortgages and loans receivable | 886 | 505 |
| Cash provided by (used for) investing transactions | 15,039 | (7,497) |
| **Increase (decrease) in cash and cash equivalents** | (4,598) | 26,667 |
| **Cash and cash equivalents at beginning of the year** | 88,415 | 61,748 |
| **Cash and cash equivalents at end of the year** | $ 83,817 | $ 88,415 |

Total interest paid during the year was $197 (2024 - $238).
Total interest received during the year was $4,657 (2024 - $5,813).
Interest received includes interest revenue on mortgages and loans receivable and interest revenue included in income from portfolio investments.

Cash and cash equivalents are comprised of $68,130 (2024 - $88,258) of cash and $15,687 (2024 - $157) of cash equivalents.

The accompanying notes and schedule form an integral part of the consolidated financial statements.

## Notes to Consolidated Financial Statements
**For the year ended March 31, 2025**
(in thousands)

## 1. PURPOSE OF THE ORGANIZATION

(a) Authority and reporting entity

The passing of Bill 56 on April 1, 2023 to the *Northwest Territories Housing Corporation Act* resulted in renaming of that Act as well as the entity, to Housing Northwest Territories ("Housing NWT"). Housing NWT is a territorial corporation, established under the *Housing Northwest Territories Act* (the "Act") and named in Schedule B of the *Financial Administration Act* (FAA) of the Northwest Territories (NWT). Accordingly, Housing NWT operates in accordance with its Act and regulations, the FAA, and any directives issued to it by the Minister responsible for Housing NWT. Housing NWT is exempt from income tax but is subject to Goods and Services Tax.

Housing NWT's mandate is to ensure, where appropriate and necessary, that there is a sufficient supply of affordable, adequate, and suitable housing stock to meet the housing needs of residents in the NWT. Housing NWT works in partnership with the local communities in the NWT to ensure residents have access to housing that supports a healthy, secure, independent, and dignified lifestyle.

(b) Economic dependence

Housing NWT's public housing program is delivered by twenty-four community-based local housing organizations (LHOs). Each LHO has a board of directors, and management and staff who are responsible for the day-to-day activities associated with the delivery of the program in the communities. Agreements are in place between Housing NWT and the LHOs which outline the roles and responsibilities of each party.

Housing NWT and the LHOs are economically dependent upon the Government of the NWT (the "Government") for the funds required to finance the net cost of their operations and capital acquisitions.

(c) Budget

Budgeted figures have been provided for comparison purposes and have been derived from the Main Estimates approved by the Legislative Assembly.

## 2. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards.

The significant accounting policies are as follows:

### (a) Measurement uncertainty

The preparation of the consolidated financial statements in accordance with Canadian public sector accounting standards requires Housing NWT to make estimates and assumptions that affect the amounts of assets, liabilities, revenues and expenses reported in the consolidated financial statements and accompanying notes. By their nature, these estimates are subject to measurement uncertainty. Actual results could differ significantly from the estimates. The more significant management estimates relate to the provision of asset retirement obligations, the valuation of tangible capital assets transfers, revenue recognition, the allowance for impaired mortgages and loans receivable, the allowance for tenant rent receivables, the useful lives of tangible capital assets, and contingencies.

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (b) Reporting entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses, change in net financial assets and cash flows of the reporting entity. The reporting entity is comprised of Housing NWT and the accounts of the following twenty-three LHOs, via consolidation, which are controlled by Housing NWT:

Aklavik Housing Association
Behchokö Kö Gha K'àodèe
Deline Housing Association
Fort Liard Housing Authority
Fort McPherson Housing Association
Fort Providence Housing Association
Fort Resolution Housing Authority
Fort Simpson Housing Authority
Fort Smith Housing Authority
Gameti Housing Authority
Hay River Housing Authority
Inuvik Housing Authority
Lutsel K'e Housing Authority
Norman Wells Housing Authority
Paulatuk Housing Association
Radilih Koe Housing Association
Sachs Harbour Housing Association
Tsiigehtchic Housing Associaton
Tuktoyaktuk Housing Association
Tulita Housing Association
Ulukhaktok Housing Association
Whati Housing Authority
Yellowknife Housing Authority

The Yellowknife Dene First Nation (Housing Division) has been excluded from the reporting entity since it is considered to be part of a separate level of government.

All inter-entity balances and transactions have been eliminated in the preparation of the consolidated financial statements.

### (c) Revenue recognition

#### i) Government transfers

Housing NWT receives funding for operating and capital purposes from the Government.

Housing NWT also receives funding from the Government of Canada for the operation and maintenance of the various public housing programs, the acquisition of public housing and to provide assistance to eligible homeowners and landlords for repair and rehabilitation of properties.

Government transfer revenues are recognized as revenue in the period in which events giving rise to the transfer occurred as long as:

i. the transfer is authorized;
ii. eligibility criteria have been met;
iii. there are no stipulations that give rise to a liability; and,
iv. a reasonable estimate of the amount can be made.

Transfers received before these criteria are fully met are recorded as a liability.

Housing NWT also sometimes receives transfers of housing units from government entities and third parties for a nominal fee, which are recognized as "Other grants and transfers" on the Consolidated Statement of Operations and Accumulated Surplus. Housing NWT records these transfers consistent with its policy for government transfer revenues above at estimated fair value. Where Housing NWT owns or leases the land that housing units are being constructed on, Housing NWT records the assets and the related transfer revenues as the housing units are being built on a percentage of completion basis.

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Revenue recognition (continued)

#### ii) General revenues

Under revenues there are two categories of transactions – exchange and non-exchange. If the transaction gives rise to one or more performance obligations, it is an exchange transaction. If no performance obligations are present, it is a non-exchange transaction. There are two approaches to recognizing revenue with performance obligations: at a point in time or over a period of time. This determination is made based on when a performance obligation is satisfied.

Revenues from transactions with performance obligations occur when there is an enforceable promise to transfer goods or services directly to a payor in return for promised consideration. These revenues are recognized when control of the benefits associated with the goods or services have transferred and there is no unfulfilled performance obligation. Where consideration is received from a payor prior to the provision of goods or services, these amounts are initially included in deferred revenue provided the definition of a liability is met. They are subsequently recognized as revenue as performance obligations are met.

Rental income is comprised of rent charged to tenants for use of a housing unit. The service is provided over the month through use of the housing unit and is a separate performance obligation. Once the term of the month has passed, the performance obligation is fulfilled and the associated rent for that month is recognized as revenue. Amounts collected in advance of the related month are recorded as deferred revenue.

### (d) Programs

#### i) Contributions for public and affordable housing (HELP and market housing programs)

Housing NWT provides income-based subsidies for the rental of housing for residents in need. Housing NWT provides financial, administrative, maintenance, construction and repair to its public and affordable housing units. Housing NWT operates public housing units located in NWT communities.

#### ii) Contributions for unilateral Canada Mortgage and Housing Corporation (CMHC) programs and other programs

Housing NWT provides subsidy assistance to various non-profit housing sponsor groups and co-operatives in accordance with operating agreements, which set out the basis on which eligibility for subsidy assistance will be determined. These expenditures are recognized based on actual or estimated costs incurred by each sponsor group in the year.

#### iii) Homeownership assistance grants

Housing NWT, under section 44(1) of its Act, may make a homeownership assistance grant in the form of a forgivable loan to eligible homeowners on terms and conditions that may be imposed by Housing NWT. The property must remain the principal residence and the annual income must remain below the core need income threshold for the term of the agreement. The conditional grants, which vary in amount depending on the income and/or community of the applicant and are not expected to be repaid unless certain conditions are not met, and expensed in the year the grant is approved. Any recoveries on the conditional grants are recognized in the year the amount is recovered from the recipient.

Housing NWT has not since 2007 provided any new repayable mortgages/loans or loan guarantees to eligible homeowners under its Homeownership Assistance program.

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (e) Cash and cash equivalents

Cash and cash equivalents are comprised of bank account balances net of outstanding cheques and short-term investments that have terms to maturity of less than or equal to 90 days from the date of acquisition. Included in cash are tender and security deposits from contractors on construction projects and rental housing damage deposits held in trust.

### (f) Portfolio investments

Portfolio investments are investments in debt securities of organizations that do not form part of the reporting entity and are accounted for using the amortized cost method.

Investment income is recognized on the accrual basis; premiums and discounts arising on purchase are amortized over the term of the respective investment, and capital gains and losses are recognized when realized. When there has been a loss in value of a portfolio investment that is other than a temporary decline, the investment is written down to recognize the loss.

### (g) Mortgages and loans receivable

The net carrying amount of the mortgages and loans receivable represents the present value of the expected future principal and interest payments to be received, net of the grants provided to the borrowers, any restructuring costs, and the allowance for impairment. Interest income on mortgages and loans receivable is recognized when earned. The effective interest method is used to recognize interest income. Any costs related to a mortgage or loan restructuring are expensed in the year of the restructuring.

Valuation allowances for impaired loans are established by management based on past events, current conditions and all circumstances known at the date of the preparation of the consolidated financial statements and are adjusted annually to reflect the current circumstances by recording write downs or recoveries, as appropriate. Mortgages are classified as impaired when Housing NWT no longer has reasonable assurance of timely collection of the full amount of principal and interest due. The valuation allowance adjusts a mortgage's carrying value to its net recoverable value. Valuation allowance writedowns are recognized when the loans have been deemed uncollectable. Valuation allowance recoveries are recorded when loans previously written down are subsequently collected or when loans revert to a performing status. Interest revenue is not accrued when the collectability of either principal or interest is not reasonably assured.

Borrowers in arrears may choose to settle their obligation with a quit claim. A quit claim is an agreement between the owner of a housing unit and Housing NWT to transfer ownership of the housing unit back to Housing NWT for a nominal fee. The fair value of the housing unit acquired through the quit claims process is determined to be the original purchase price or construction costs (if available) less amortization from the original purchase date to the date the quit claim occurred. This is considered to be a reasonable estimate of the fair value of the assets recovered. Quit claim units are evaluated for suitability for delivery of programs and if suitable are added to tangible capital assets at a value as described above. Where suitability criteria are not met the units are disposed of by sale to a third party or demolished and are written down to their residual value if any.

### (h) Loan guarantees

An obligation and expense is recognized related to a loan guarantee when it is likely that a loss will be incurred, and the amount of the loss can be reasonably estimated. When estimating the amount of contingent loss, management considers the value of any security (properties) which could be sold to cover the loan guarantee. Provisions for losses are reviewed annually.

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (i) Asset retirement obligations

A liability for an asset retirement obligation (ARO) is recognized at the best estimate of the amount required to retire a tangible capital asset at the financial statement date when there is a legal obligation for Housing NWT to incur retirement costs, a past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at year-end. The best estimate of an ARO incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an ARO are expected to occur over extended future periods. The discount rate used reflects Housing NWT's cost of borrowing associated with the estimated number of years to complete the retirement or remediation.

When a liability for an ARO is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset and amortized consistent with the tangible capital asset policy discussed below. An ARO may arise in connection with a tangible capital asset that is not recognized or no longer in productive use. In this case, the asset retirement cost would be expensed.

At each financial reporting date, the carrying amount of the liability is reviewed. Housing NWT recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. Once the related tangible capital asset is no longer in productive use, changes to the liability are recognized as an expense in the period they are incurred. Housing NWT continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when made.

### (j) Tangible capital assets

#### i) Land and buildings

Land and housing units constructed or purchased by Housing NWT are recorded at cost. Housing materials are also recorded at cost and included in work in progress.

Tangible capital assets transfers are recorded at their estimated fair value at the date of contribution.

When Housing NWT enters into lease agreements where the risks and benefits of ownership are transferred to Housing NWT, the public and affordable (HELP and market) housing units are recorded as capital leases. In such cases, the cost of the asset is determined as the discounted net present value of the minimum lease payments and is amortized using the straight-line method over the lease term. Obligations recorded under capital leases are reduced by rental payments net of imputed interest and executory costs.

Housing units are amortized at an annual rate of 5% on a declining balance basis. Amortization begins in the year the housing unit is placed into service. Work in progress is not amortized.

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### ii) Property and equipment

Property and equipment are stated at cost. Amortization is provided using the following methods and annual rates:

| | | |
|---|---|---|
| Warehouses and offices | Declining balance | 5% |
| Office furniture and equipment | Declining balance | 20% |
| Mobile equipment | Declining balance | 20% |
| Software | Straight-line over 10 years | |
| Leasehold improvements | Straight-line over term of lease | |

### (k) Inventories held for use

Inventory held for use consists of materials and supplies to be used for the maintenance or minor modifications of buildings. The inventory is valued on a weighted average basis at the lower of cost and replacement value.

### (l) Employee future benefits

### i) Pension Benefits

### (a) Public Service Pension Plan

All eligible employees of Housing NWT are covered in the Public Service Pension Plan (the "Plan") a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and Housing NWT to cover current service cost. Housing NWT's contributions are charged as an expense on a current year basis and represent the total pension obligations. Housing NWT is not required under present legislation to make contributions with respect to actuarial deficiencies of the Plan.

### (b) Northern Employee Benefits Service (NEBS) Pension Plan

Eligible employees of the following LHOs are covered by the NEBS. This plan is a multi-employer contributory defined benefit plan and accordingly contributions are expensed as incurred. NEBS is a member-owned, not-for-profit corporation that sponsors an insurance and health care benefits plan and a pension plan for public sector employees in the north.

| | |
|---|---|
| Behchokö Kö Gha K'àodèe | Inuvik Housing Authority |
| Deline Housing Association | Lutsel K'e Housing Authority |
| Fort McPherson Housing Association | Radilih Koe Housing Association |
| Fort Resolution Housing Authority | Tulita Housing Association |
| Fort Simpson Housing Authority | Whati Housing Authority |
| Fort Smith Housing Authority | Yellowknife Housing Authority |
| Gameti Housing Authority | |

NEBS establishes contribution rates for participating employers/employees, and contributions are remitted to NEBS on a regular basis throughout the year.

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### Employee future benefits (continued)

#### ii) Retirement, post-employment, and other leave benefits

Under the terms and conditions of employment, government employees may earn non-pension benefits for resignation, retirement and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment. Eligibility is based on a variety of factors including place of hire, date employment commenced, and reason for termination. Benefits entitlements are paid upon resignation, retirement or death of an employee.

The expected cost of providing these benefits is recognized as employees render service. Termination benefits are also recorded when employees are identified for lay-off. Compensated absences including sick, special, parental and maternity leave. Accumulating non-vesting sick and special leave are recognized in the period the employee provides service, whereas parental and maternity leave are event driven and are recognized when the leave commences. An actuarial valuation of the cost of these benefits (except maternity and parental leave) has been prepared using data provided by management and assumptions based on management's best estimates.

### (m) Environmental liabilities

Contaminated sites are a result of contamination that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

i. an environmental standard exists;
ii. contamination exceeds the environmental standard;
iii. Housing NWT is directly responsible or accepts responsibility;
iv. it is expected that future economic benefits will be given up; and
v. a reasonable estimate of the amount can be made.

### (n) Related party transactions

Housing NWT is related to all Government of the Northwest Territories departments, territorial corporations and public agencies, and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Housing NWT. Significant transactions with related parties and balances at year-end are disclosed separately in the consolidated financial statements and notes thereto.

#### i) Inter-entity transactions

Inter-entity transactions are transactions between commonly controlled entities. Inter-entity transactions are recorded on a gross basis and are measured at the carrying amount, except for the following: when inter-entity transactions are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length, or where costs provided are recovered, they are measured at the exchange amount.

#### ii) Other related party transactions

Related party transactions, other than inter-entity transactions, are recorded at the exchange amount.

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### iii) Services provided without charge

Housing NWT receives services provided by the Government without charge which include legal, human resource and other services. Housing NWT does not recognize any amounts related to these services.

## 3. PORTFOLIO INVESTMENTS

| | 2025 | 2024 |
|---|---|---|
| Marketable securities (fair value $57,033; 2024 - $69,483) | $ 56,778 | $ 70,426 |

## 4. ACCOUNTS RECEIVABLE

| | 2025 | 2024 |
|---|---|---|
| Tenant rents receivable, before allowance of $10,240 (2024 - $10,061) | 13,819 | 13,363 |
| Trade accounts receivable, before allowance of $1,157 (2024 - $1,386) | $ 7,948 | $ 6,399 |
| | 21,767 | 19,762 |
| Less allowance for doubtful accounts | (11,397) | (11,447) |
| | 10,370 | 8,315 |
| Receivables from CMHC | 10,576 | 997 |
| Other receivables from Government of Canada | 110 | 60 |
| Receivables from related parties: | | |
| Government of the Northwest Territories | 4,250 | 1,825 |
| | $ 25,306 | $ 11,197 |

Tenant rents receivable of $1,330 (2024 - $761) were forgiven during the year.
Trade accounts receivable include GST receivable of $5,193 (2024 - $4,125).

## 5. MORTGAGES AND LOANS RECEIVABLE

| | 2025 | 2024 |
|---|---|---|
| Housing NWT's mortgages and loans to individuals are receivable over a maximum of 25 years, some of which are unsecured and others are secured by registered charges against real property, bearing fixed interest rates between 0.00% and 10.50% (2024 - 0.00% and 10.50%). | $ 8,908 | $ 9,941 |
| Less allowance for impaired mortgages and loans receivable | (5,999) | (6,683) |
| | $ 2,909 | $ 3,258 |

There were 20 accounts forgiven in the current year totaling $1,195 (2024 - 33 accounts totalling $1,235).

Of the accounts forgiven, 15 accounts totalling $882 (2024 - 29 accounts totalling $997) are related to forgivable loans that were expensed in prior years.

## 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | 2025 | 2024 |
|---|---|---|
| Trade payables | $ 19,199 | $ 14,323 |
| Contractor holdbacks | 4,527 | 3,657 |
| Wages and employee benefits | 2,833 | 2,463 |
| Damage deposits | 2,588 | 2,553 |
| Tender and security deposits | 381 | 591 |
| Accrued interest | 51 | 51 |
| Payables to related parties: | | |
| Government of the Northwest Territories | 10,670 | 5,068 |
| | $ 40,249 | $ 28,706 |

## 7. DEFERRED REVENUE

Deferred revenue of $21,359 (2024 - $24,924) is mainly comprised of CMHC Rapid Housing Initiative (RHI) - project stream to build a 50 unit apartment building in amount of $16,420 (2024 - $19,141), CMHC Rapid Housing Initiative (RHI) - city stream to repair a 36 unit apartment building in amount of $3,695 (2024 - $4,885), City of Yellowknife funding for housing Addictions Recovery Program (THARP) in the amount of $0 (2024-$529) and Climate Change Preparedness funding to be used to complete a Climate Change Risk Assessment of Housing NWT's assets in the amount of $270 (2024 - $0)

## 8. LOANS AND MORTGAGES PAYABLE TO CMHC

| | 2025 | | | 2024 |
|---|---|---|---|---|
| | Debt balance | CMHC funded portion | Net debt balance | Net debt balance |
| Mortgages payable to CMHC (NHA Section 79 debt), repayable in monthly or quarterly installments, maturing from 2026 to 2039, at interest rates from 7.63% to 19.00% (2024 - 7.63% to 19.00%). | $ 16,768 | $ (16,768) | $ - | $ - |
| Loans payable to CMHC (NHA Section 82 debt), repayable in annual installments until the year 2033, bearing interest of 6.97% (2024 - 6.97%). These loans are guaranteed by the Government. | 5,226 | (2,903) | 2,323 | 2,888 |
| Mortgages payable to CMHC for housing projects acquired from third parties in accordance with the provisions of the SHA related to third party loans, maturing in 2026 and 2027, at interest rates from 0.68% to 1.01%, (2024 - 0.68% to 1.01%). | 252 | - | 252 | 398 |
| | $ 22,246 | $ (19,671) | $ 2,575 | $ 3,286 |

Under the terms of the 1999 Social Housing Agreement (SHA), CMHC originally provided funding to Housing NWT to build public housing assets in the form of long-term mortgages payable to CMHC (referred to as *National Housing Act* (NHA) Section 79 debt under the SHA) and loans payable to CMHC (referred to as NHA Section 82 debt under the SHA). Under the SHA, CMHC also agreed to provide additional funding to Housing NWT to reduce 100% of the NHA Section 79 debt and to reduce by 5/9th the NHA Section 82 debt, and to fund the related interest repayments that Housing NWT would make each year to CMHC. This additional funding receivable from CMHC and the related payments due by Housing NWT each year on the long-term debt payable to CMHC are offset, resulting in no exchange of cash between Housing NWT and CMHC.

Had CMHC not funded the repayments of the debt principal and interests payable to CMHC, Housing NWT would have incurred additional interest expense of $2,496 (2024 - $2,647) and would have made additional principal debt repayments to CMHC of $1,586 (2024 - $1,519).

The above mortgages and loans payable to CMHC are not secured.

## 8. LOANS AND MORTGAGES PAYABLE TO CMHC (continued)

Principal repayments and interest requirements over the life of the outstanding loans are as follows:

| | Principal | Interest | Total |
|---|---|---|---|
| 2026 | $ 695 | $ 166 | $ 861 |
| 2027 | 638 | 126 | 764 |
| 2028 | 458 | 88 | 546 |
| 2029 | 324 | 56 | 380 |
| 2030 -2033 | 460 | 66 | 526 |
| | $ 2,575 | $ 502 | $ 3,077 |

## 9. ASSET RETIREMENT OBLIGATIONS

AROs include estimated remediation costs to remove asbestos and lead from buildings. The amount recognized is the net present value of estimated future expenditures required to fund the decommissioning of the assets. The obligation is calculated using the current estimated costs to retire the asset inflated to the estimated retirement date and discounted to current present value. The retirement obligation is being provided for over the accreted value from the initial obligation to the end of the useful life of the asset. Future retirement expenditures will be charged against the accumulated liability as incurred.

Following is a summary of the key assumptions upon which the carrying amount of the ARO is based:

- Total expected future cash flows - $90,683 (2024 - $90,773)
- Expected timing of payments of the cash flow - asset removal and/or site remediation is expected to occur between 2026 and 2054 (2024 - 2026 and 2054) with the majority occuring after 2038 (2024 - 2038).
- The discount rate is the year-end cost of borrowing of 4.57% (2024 - 4.57%).
- The inflation rate is based on the Bank of Canada's targeted inflation rate of 2.00% (2024 - 2.00%).

This provision is highly sensitive to the discount rate and inflation rate used.

- A 1% increase in the discount rate would decrease the obligation by $5,394
- A 1% decrease in the discount rate would increase the obligation by $6,326
- A 1% increase in the inflation rate would increase the obligation by $6,431
- A 1% decrease in the inflation rate would decrease the obligation by $5,567

Following is a summary of the ARO:

| | 2025 | 2024 |
|---|---|---|
| Opening Balance | $ 46,931 | $ 48,552 |
| Accretion expense | 2,133 | 2,215 |
| Valuation adjustment | (286) | (3,836) |
| Balance, end of year | $ 48,778 | $ 46,931 |

The valuation adjustment is comprised of:

- $46 (2024 - $0) decrease due to 2% increase in remediation costs.
- $0 (2024 - $4,401) decrease due to no change (2024: - 0.65%) in discount rate.
- $240 decrease (2024 - $73) due to the disposition of assets where no remediation was required and the liability is now extinguished.
- $0 increase (2024 - $638) due to new liabilities incurred through acquisitions of buildings.

## 10. ENVIRONMENTAL LIABILITIES

Housing NWT has identified twelve fuel spill sites and no other contaminated sites (2024 - fourteen fuel spill sites and no other contaminated sites) for which an environmental liability has been recorded. There were three sites (2024 - one site) that closed during the fiscal year. One new sites (2024 - two) were identified during the year. The liability is calculated as costs remaining to remediate the sites to the required environmental standard. The estimated amount of recoveries is nil (2024 - nil). Housing NWT has not identified any sites where an environmental liability may exist but no liability has been recorded.

## 11. FUNDING FROM CMHC

| | 2025 | 2024 |
|---|---|---|
| Funding from CMHC recognized as government funding under the: | | |
| SHA: | | |
| Contributions for public housing rental subsidies | $ 6,332 | $ 6,861 |
| Contributions to non-profit housing sponsor groups and cooperatives | 2,442 | 3,251 |
| Repairs, maintenance and other costs | 4,321 | 1,909 |
| Rapid Housing Initiative | 2,722 | 1,660 |
| Aspen Building | - | 4,160 |
| Bilateral Agreement | 10,526 | 8,670 |
| Other | 50 | - |
| | 26,393 | 26,511 |

Under the terms of the SHA, Housing NWT assumed full responsibility for the management of various public housing programs specified in the SHA. CMHC provides annual funding to Housing NWT to manage these programs. The SHA and the funding expire in 2039 (Note 13).

On April 1, 2018, Housing NWT signed the Bilateral Agreement under the 2017 NHS. Funding under this agreement is provided to increase access to housing, reduce housing needs, and achieve better housing solutions. An action plan for the 3 year period 2023-2026 has been developed, within the Bilateral Agreement parameters, with a priority of focusing on maintaining or increasing social housing stock, replacing existing housing stock, and providing homeownership repair programs. The Bilateral Agreement funding expires in 2028 (Note 13).

## 12. FUNDING FROM CROWN-INDIGENOUS RELATIONS AND NORTHERN AFFAIRS CANADA (CIRNAC)

On May 10, 2023, Housing NWT signed the CIRNAC Agreements with the Government of Canada to provide one-time funding in the amount of $0 (2024 - $30,050). Funding under these agreements are provided to assist with financing of expenditures related to infrastructure including housing needs.

## 13. CONTRACTUAL RIGHTS

| | Expiry Date | 2026 | 2027 | 2028 | 2029 | 2030+ | Total |
|---|---|---|---|---|---|---|---|
| CMHC SHA | 2039 | $ 8,394 | $ 7,346 | $ 5,753 | $ 4,376 | $ 16,388 | $ 42,257 |
| CMHC Bilateral | 2028 | 13,327 | 14,786 | 16,177 | - | - | 44,290 |
| RCMP Lease | 2044 | 1,754 | 1,754 | 1,754 | 1,754 | 23,840 | 30,856 |
| Other Lease | 2030 | 542 | 335 | 280 | 281 | - | 1,438 |
| | | $ 24,017 | $ 24,221 | $ 23,964 | $ 6,411 | $ 40,228 | $118,841 |

## 14. CONTRACTUAL OBLIGATIONS

Housing NWT leases office space and rents supplemental public housing units and is committed to basic rental payments. The leases contain escalation clauses for operating costs and property taxes, which may cause the payments to exceed the basic rental. Also included in the 2026 contractual obligations are capital construction commitments for housing construction projects with contracts signed prior to year-end.

| | Expiry Date | 2026 | 2027 | 2028 | 2029 | 2030+ | Total |
|---|---|---|---|---|---|---|---|
| Lease | 2040 | $ 3,665 | $ 2,961 | $ 2,798 | $ 1,555 | $ 1,241 | $ 12,220 |
| Construction | 2026 | 65,960 | - | - | - | - | 65,960 |
| | | $ 69,625 | $ 2,961 | $ 2,798 | $ 1,555 | $ 1,241 | $ 78,180 |

## 15. CONTINGENCIES

Housing NWT provided guarantees to banks in financing certain new or renovated residential housing construction. As at March 31, 2025 a total of four (2024 - five) loan guarantees were in effect, and the outstanding balance of loans guaranteed was $115 (2024 - $151). All of these loans are secured by registered charges against real property. The period covered by these guarantees extends up to 2028 (2024 - 2028).

Under the terms of the SHA with CMHC, Housing NWT is responsible for the administration of a number of loans to third parties, where CMHC is the lender or insurer of these loans. The agreement provides that Housing NWT shall indemnify and reimburse CMHC for and save it harmless from all losses, cost and expenses related to these loans. The outstanding balance of these third party loans as at March 31, 2025 was $1,405 (2024 - $2,178). The period covered by these related loans extends up to 2029.

The outstanding balances represent the maximum amount of future loan principal payments under the guarantees and indemnities. In the event of default by the borrowers, the lenders could request payment from Housing NWT. The obligation under loan guarantees as at March 31, 2025 is nil (2024 - nil).

Housing NWT has various pending legal matters the outcome of which is not determinable. In the opinion of management, these matters are not expected to have a material effect on Housing NWT's financial position or results of operations. To avoid prejudicing ongoing legal matters no further information is disclosed.

## 16. EXPENSES BY OBJECT

| | 2025 | 2024 |
|---|---|---|
| Amortization | $ 18,757 | $ 12,809 |
| Accretion of AROs | 2,133 | 2,215 |
| Compensation and benefits | 36,764 | 34,419 |
| Computer costs | 55 | 57 |
| Contract services | 8,619 | 8,141 |
| Controllable assets | 374 | 352 |
| Fees and payments | 276 | 372 |
| Grants and contributions | 17,465 | 18,268 |
| Interest on long-term debt | 197 | 238 |
| Loss on disposal of tangible capital assets | 639 | 1,539 |
| Materials and supplies | 3,965 | 4,099 |
| Minor modernization and improvements | 5,581 | 4,512 |
| Other expenses | 1,917 | 1,906 |
| Property taxes and land leases | 2,894 | 2,706 |
| Purchased services | 724 | 587 |
| Rental leasing | 4,072 | 4,152 |
| Travel | 688 | 944 |
| Utilities | 30,833 | 30,066 |
| | $ 135,953 | $ 127,382 |

### Public Service Pension Plan

Total employer contributions to the Public Service Pension Plan of $1,643 (2024 - $1,431) and to the NEBS of $398 (2024 - $514) were recognized as an expense in the current year. Total employee contributions were $1,496 and $398 respectively (2024 - $1,319 and $515).

## 17. FINANCIAL RISK MANAGEMENT

Housing NWT's financial instruments consist of cash and cash equivalents, portfolio investments, accounts receivable, mortgages and loans receivable, accounts payable and accrued liabilities, and loans payable to CMHC and are measured at amortized cost. Housing NWT has exposure to the following risks from its use of financial instruments:

## 17. FINANCIAL RISK MANAGEMENT (continued)

### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities or cash outflow obligations as they come due. Housing NWT manages its liquidity risk by maintaining adequate cash balances and investing in money market instruments. These instruments are readily convertible into known amounts of cash. Housing NWT does not believe that it will encounter difficulty in meeting its future obligations associated with its financial liabilities. The table below shows when various financial liabilities mature.

| Financial Liabilities | Up to 1 year | 1 to 5 years | Over 5 years | Total |
|---|---|---|---|---|
| Accounts payable and accrued liabilities | $ 40,249 | $ - | $ - | $ 40,249 |
| Loans and mortgages payable to CMHC | 861 | 1,918 | 298 | 3,077 |
| Total financial liabilities | $ 41,110 | $ 1,918 | $ 298 | $ 43,326 |

### 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. Housing NWT is exposed to credit risk on its cash and cash equivalents, portfolio investments, accounts receivable and mortgages and loans receivable.

Housing NWT manages its credit risk on cash and cash equivalents and portfolio investments by dealing only with reputable and credit worthy financial institutions. The maximum exposure to credit risk held in cash and cash equivalents and portfolio investments is $140,595 (2024 - $158,841).

In order to manage credit risk on accounts receivable, Housing NWT actively monitors the age of accounts receivable and initiates collection action. The maximum exposure to credit risk in accounts receivable is $25,306 (2024 - $11,197). $14,936 of the accounts receivable (2024 - $2,882) is receivable from governments and government entities. These balances are not considered to be a credit risk.

In order to manage credit risk on mortgages and loans receivable, Housing NWT actively monitors mortgage and loan payments and works with borrowers to develop payment plans to resolve outstanding arrears issues. The maximum exposure to credit risk in mortgage and loans receivable is $2,909 (2024 - $3,258).

As at March 31, 2025, $800 (2024 - $890) of the impaired mortgages and loans are secured by homes Housing NWT has the ability to sell or use in its operations in order to satisfy borrowers' commitments. The fair value of the security is not readily determinable.

As at March 31, 2025, the following financial assets were past due but not impaired:

| Financial assets | 30 to 60 | 61 to 90 | 90+ | **Total** |
|---|---|---|---|---|
| Tenants rent receivable | $ 272 | $ 297 | $ 2,468 | $ 3,037 |
| Trade accounts receivable | 2 | - | 259 | 261 |
| Mortgages and loans receivable | 173 | 81 | 2,124 | 2,378 |

## 17. FINANCIAL RISK MANAGEMENT (continued)

### Market risk

Housing NWT does not face cash flow interest rate risk on its loans payable to the CMHC because these interest rates are fixed for the full term of the loans. Because Housing NWT accounts for these loans at amortized cost, a change in interest rates would not affect the consolidated statement of operations and accumulated surplus with respect to these loans payable.

## 18. RELATED PARTY TRANSACTIONS

Housing NWT enters into transactions with related parties in the normal course of business under terms and conditions similar to those with unrelated parties. Balances receivable and payable resulting from transactions that Housing NWT had with related parties during the year are disclosed in Notes 4 and 6.

| | 2025 | 2024 |
|---|---|---|
| **Related party expenses** | | |
| Arctic Energy Alliance | $ 50 | $ 50 |
| Aurora College | - | 10 |
| Fuel Services Division | 4,172 | 4,278 |
| Government of the Northwest Territories Departments | 3,364 | 4,345 |
| Northwest Territories Power Corporation | 7,568 | 7,347 |
| | $ 15,154 | $ 16,030 |

## 19. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.

# HOUSING NORTHWEST TERRITORIES

## Consolidated Schedule of Tangible Capital Assets
**As at March 31, 2025**
(in thousands)

**Schedule A**

| | Cost | | | | | Accumulated amortization | | | | Net Book Value (NBV) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Opening balance | Acquisitions | Transfers | Disposal[1] | Closing balance | Opening balance | Amortization | Disposals | Closing balance | 2025 | 2024 |
| **Lands and Housing:** | | | | | | | | | | | |
| Land | $ 13,209 | $ - | $ 248 | $ - | $ 13,457 | $ - | $ - | $ - | $ - | $ 13,457 | $ 13,209 |
| Public Housing | 462,135 | - | 41,437 | (752) | 502,820 | 220,797 | 13,051 | (502) | 233,346 | 269,474 | 241,338 |
| HELP and market housing | 139,582 | - | 8,953 | (1,126) | 147,409 | 46,637 | 4,839 | (472) | 51,004 | 96,405 | 92,945 |
| Non-residential properties | 6,234 | - | 75 | - | 6,309 | 3,597 | 134 | - | 3,731 | 2,578 | 2,638 |
| Work in Progress | 47,950 | 34,249 | (50,713) | - | 31,486 | - | - | - | - | 31,486 | 47,950 |
| **Sub-total** | 669,110 | 34,249 | - | (1,878) | 701,481 | 271,031 | 18,024 | (974) | 288,081 | 413,400 | 398,080 |
| **Other Property and equipment:** | | | | | | | | | | | |
| Warehouses and offices | 13,502 | - | - | - | 13,502 | 7,423 | 304 | - | 7,727 | 5,775 | 6,079 |
| Mobile equipment | 5,235 | 325 | - | (623) | 4,937 | 3,470 | 381 | (600) | 3,251 | 1,686 | 1,765 |
| Leasehold improvements | 1,739 | - | - | - | 1,739 | 1,636 | 20 | - | 1,656 | 83 | 103 |
| Office furniture and equipment | 6,073 | - | - | - | 6,073 | 5,947 | 25 | - | 5,972 | 101 | 126 |
| Software | 114 | - | - | - | 114 | 111 | 3 | - | 114 | - | 3 |
| **Sub-total** | 26,663 | 325 | - | (623) | 26,365 | 18,587 | 733 | (600) | 18,720 | 7,645 | 8,076 |
| **Total** | $ 695,773 | $ 34,574 | $ - | $ (2,501) | $727,846 | $ 289,618 | $ 18,757 | $ (1,574) | $ 306,801 | $ 421,045 | $ 406,155 |

(1) Included in disposals is the asset retirement cost adjustment of $95 (2024 - $3,778).
(2) Not included in acquisition of tangible capital assets on the Consolidated Statement of Cash flow are non-cash items of $6,269 (2024 - $4,985).
(3) There were no capital leases as at March 31, 2025

# Inuvialuit Water Board

## Financial Statements

## March 31, 2025

## Inuvialuit Water Board

### Financial Statements

**March 31, 2025** **Page**


| | |
|---|---|
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| Statement of Operations and Accumulated Surplus | 6 |
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| Statement of Financial Position | 8 |
| Statement of Cash Flows | 9 |
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## Management's Responsibility for the Financial Statements

**To the Directors of**
**Inuvialuit Water Board**

The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies are described in Note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The Directors of the Board are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Board. The Board reviews internal financial statements on a monthly basis and external audited financial statements yearly. The Board also discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The external auditors, Crowe Mackay LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of the Inuvialuit Water Board and meet when required. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

Mardy Semmler
Executive Director
Inuvialuit Water Board
**June 19, 2025**

**Crowe MacKay LLP**
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Yellowknife, NWT X1A 2N5
Main +1 (867) 920-4404
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www.crowemackay.ca

## Independent Auditors' Report

**To the Directors of**
**Inuvialuit Water Board**

We have audited the accompanying financial statements of the Inuvialuit Water Board, which comprises the statement of financial position as at March 31, 2025, and the statements of operations, accumulated surplus, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Inuvialuit Water Board as at March 31, 2025, 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.

*Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Board’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board’s financial reporting process.

## Independent Auditors' Report (continued)

*Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Board's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Board to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Crowe Mackay LLP

**Yellowknife, Northwest Territories**
**June 19, 2025**

**Chartered Professional Accountants**

## Inuvialuit Water Board

**Statement of Operations and Accumulated Surplus**

| For the year ended March 31, | Budget (Note 12) | 2025 | 2024 |
|---|---|---|---|
| **Revenue** | | | |
| Contributions from GNWT | $ 939,000 | $ 939,000 | $ 939,000 |
| Donation in-kind (Note 12) | 61,693 | 61,693 | 61,693 |
| Other revenue | - | 8,696 | 8,947 |
| **Total revenues before repayable contributions** | - | **1,009,389** | 1,009,640 |
| Repayable contributions (Note 7) | - | (184,714) | (210,663) |
| **Total revenues** | **1,000,693** | **824,675** | 798,977 |
| **Expenses** | | | |
| Advertising | 9,500 | 2,416 | 3,133 |
| Amortization | 10,000 | 11,215 | 11,685 |
| Board review and evaluation | 5,000 | - | - |
| Board travel and training | 27,500 | 9,392 | 15,681 |
| Communications | 54,000 | 41,385 | 46,610 |
| Communication strategy implementation | 35,000 | 6,531 | 10,781 |
| Community capacity initiative | 30,000 | 25,691 | 17,881 |
| Community tour | 10,000 | 6,882 | 3,989 |
| Conferences | 10,000 | 3,475 | 6,345 |
| Equipment maintenance | 27,500 | 627 | 5,384 |
| Equipment rental | 7,000 | 5,805 | 5,812 |
| Honoraria | 74,500 | 74,008 | 78,941 |
| Hospitality | 4,500 | 741 | 2,520 |
| Interest and bank charges | 500 | 116 | 142 |
| Office supplies | 5,000 | 1,273 | 2,551 |
| Postage | 2,000 | 477 | 605 |
| Professional fees | 69,000 | 28,484 | 32,701 |
| Rent (Note 12) | 61,693 | 61,693 | 61,693 |
| Salaries and benefits | 536,000 | 518,126 | 444,062 |
| Staff travel | 13,000 | 19,376 | 12,234 |
| Staff training | 4,000 | 1,475 | 750 |
| Translations | 5,000 | - | - |
| **Total expenses** | **1,000,693** | **819,188** | 763,500 |
| **Loss on disposal of tangible capital assets** | **-** | **-** | 5,349 |
| **Operating surplus** | **-** | **5,487** | 30,128 |
| **Transfer to (from) tangible capital assets** | **-** | **3,212** | (21,181) |
| **Surplus** | **$ -** | **$ 8,699** | $ 8,947 |
| **Accumulated surplus, Balance, at beginning of year** | | **$ 350,198** | $ 320,070 |
| **Operating surplus** | **-** | **5,487** | 30,128 |
| **Accumulated surplus, Balance, at end of year** | | **$ 355,685** | $ 350,198 |

## Inuvialuit Water Board

### Statement of Change in Net Financial Assets

| For the year ended March 31, | Budget (Note 12) | 2025 | 2024 |
|---|---|---|---|
| Operating surplus | **$ -** | **$ 5,487** | $ 30,128 |
| Acquisition of tangible capital assets | - | (8,003) | (38,215) |
| Amortization of tangible capital assets | - | 11,215 | 11,685 |
| Loss on disposal of tangible capital assets | - | - | 5,349 |
| Acquisition of prepaid expenses | - | (8,448) | - |
| **Net change in financial assets** | **-** | **251** | 8,947 |
| **Net financial assets, beginning of year** | **305,280** | **305,280** | 296,333 |
| **Net financial assets, end of year** | **$ 305,280** | **$ 305,531** | $ 305,280 |

## Inuvialuit Water Board

**Statement of Financial Position**

| As at March 31, | 2025 | 2024 |
|---|---|---|
| **Financial Assets** | | |
| Cash | $ 418,983 | $ 690,726 |
| Portfolio investments (Note 4) | 222,977 | 214,282 |
| Accounts receivable (Note 5) | 3,582 | 4,566 |
| | **645,542** | 909,574 |
| **Liabilities** | | |
| Accounts payable and accrued liabilities (Note 6) | 155,297 | 154,189 |
| Repayable contributions (Note 7) | 184,714 | 450,105 |
| | **340,011** | 604,294 |
| **Net financial assets** | **305,531** | 305,280 |
| **Non-Financial Assets** | | |
| Prepaid expenses | 8,448 | - |
| Tangible capital assets (Note 8) | 41,706 | 44,918 |
| | **50,154** | 44,918 |
| **Accumulated surplus** | **$ 355,685** | $ 350,198 |

**Approved on behalf of the Board**

Director

Director

## Inuvialuit Water Board

### Statement of Cash Flows

| For the year ended March 31, | 2025 | 2024 |
|---|---|---|
| **Cash provided by (used in)** | | |
| **Operating activities** | | |
| Operating surplus | $ 5,487 | $ 30,128 |
| Item not affecting cash: | | |
| Amortization of tangible capital assets | 11,215 | 11,685 |
| Loss on disposal of tangible capital assets | - | 5,349 |
| **Changes in non-cash operating working capital** | | |
| Accounts receivable | 984 | - |
| Prepaid expenses | (8,448) | - |
| Accounts payable and accrued liabilities | 1,108 | (27,350) |
| Repayable contributions | (265,391) | 210,664 |
| | **(255,045)** | 230,476 |
| **Investing activities** | | |
| Purchase of portfolio investments | (222,977) | (214,282) |
| Maturity of portfolio investments | 214,282 | 205,352 |
| | **(8,695)** | **(8,930)** |
| **Capital activity** | | |
| Acquisition of tangible capital assets | **(8,003)** | (38,215) |
| **Increase (decrease) in cash** | **(271,743)** | 183,331 |
| **Cash, beginning of year** | **690,726** | 507,395 |
| **Cash, end of year** | **$ 418,983** | $ 690,726 |

## 1. Organization and Jurisdiction

The Inuvialuit Water Board (the "Board") is established under the *Northwest Territories Waters Act* (Canada) and continued under the *Waters Act* (Northwest Territories). The Board monitors and approves water use and disposal of waste in that portion of the Northwest Territories in the Inuvialuit Settlement Region.

The Board is exempt from income tax under paragraph 149(1)(c) of the *Income Tax Act* (Canada).

## 2. Significant Accounting Policies

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 Chartered Professional Accountants of Canada. The following is a summary of the significant accounting policies used by management in preparing these financial statements.

### (a) Financial Instruments

The Board classifies its financial instruments at cost or amortized cost. The Board's accounting policy for this financial instrument category is as follows:

This category includes cash, portfolio investments, accounts payable and accrued liabilities, and repayable contributions. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instruments.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value, with the write-down being recognized in the statement of operations.

### (b) Cash

Cash comprises of cash on hand and demand deposits.

### (c) Tangible Capital Assets

Tangible capital assets are recorded in the Capital Asset Fund at cost. Amortization is recorded in the capital asset fund using the declining balance method at the annual rates set out in Note 8.

### (d) Fund Accounting

The Board uses fund accounting to segregate transactions between the Operating Fund and the Capital Asset Fund. The Operating Fund accounts for the Board's operating and administrative activities. The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to tangible capital assets.

## 2. Accounting Policies (continued)

### (e) Revenue Recognition

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor, and are recognized as revenue when used for the specific purpose. Restricted contributions that must be maintained in perpetuity are recorded as revenue when received or receivable, and are presented as non-financial assets in the statement of financial position.

Donation in kind for rent are recognized as contribution at their estimated fair market value at the date of the donation.

Other revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

### (f) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards 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. Significant accounts subject to measurement uncertainty include allowances for doubtful accounts, and the useful lives of tangible capital assets.

## 3. Future Accounting Standards

### The Conceptual Framework for Reporting in the Public Sector

PSAB's Conceptual Framework for Financial Reporting in the Public Sector replaces the conceptual aspects of Section PS 1000, Financial Statement Concepts, and Section PS 1100, Financial Statement Objectives.

The Conceptual Framework applies to fiscal years beginning on or after April 1, 2026 Earlier adoption is permitted. This Conceptual Framework is to be applied prospectively.

### Financial Statement Presentation, Section PS 1202

Section PS 1202 "Financial Statement Presentation", will replace the existing Financial Statement Presentation section PS 1200. The new standard will relocate the calculation of net financial liabilities (formerly known as 'net debt') to its own statement, introducing two catergories of liabilities: financial and non-financial. The new standard will restructure the statement to present assets, followed by liabilities, followed by net assets or net liabilities.

This section will apply to fiscal years beginning on or after April 1, 2026. Earlier adoption is permitted. PS 1202 will be applied prospectively.

## 4. Portfolio Investments

Portfolio investments include two one-year guaranteed investment certificates with the Canadian Imperial Bank of Commerce. These investments generate interest at a rate of 3.40% (2024 - 4.50%) per annum and mature on November 12, 2025.

## 5. Accounts Receivable

| | **2025** | 2024 |
|---|---|---|
| Goods and Services Tax Rebate | **$ 3,582** | $ 4,566 |

## 6. Accounts Payable and Accrued Liabilities

| | **2025** | 2024 |
|---|---|---|
| Government of the Northwest Territories - wages payable | $ 135,312 | $ 131,784 |
| Accrued liabilities | 18,000 | 16,500 |
| Credit card payable | 1,985 | 5,905 |
| Other accounts payable | - | - |
| | **$ 155,297** | $ 154,189 |

## 7. Repayable Contributions

| | **2025** | 2024 |
|---|---|---|
| Government of the Northwest Territories | | |
| Department of Environment and Climate Change 2022/2023 | $ - | $ 239,442 |
| Department of Environment and Climate Change 2023/2024 | - | 210,663 |
| Department of Environment and Climate Change 2024/2025 | 184,714 | - |
| | **$ 184,714** | $ 450,105 |

## 8. Tangible Capital Assets

| | **Rate** | **Cost** | **Accumulated Amortization** | **2025 Net Book Value** | 2024 Net Book Value |
|---|---|---|---|---|---|
| Furniture and equipment | 20% | $ 27,244 | $ 21,614 | $ 5,630 | $ 7,015 |
| Computer equipment | 30% | 41,882 | 32,570 | 9,312 | 8,936 |
| Website | 5 yrs s/l | 33,455 | 6,691 | 26,764 | 28,967 |
| | | $ 102,581 | $ 60,875 | **$ 41,706** | $ 44,918 |

## 9. Economic Dependence

The Board depends on funding as contributions from the Government of the Northwest Territories ("GNWT"). Management is of the opinion that if the funding were reduced or altered, operations would be significantly affected.

## 10. Commitments

The Board has entered into a contractual arrangement related to its website and for its Xerox fax and printing machine. The total commitment for these contracts is as follows:

| | | |
|---|---|---|
| 2026 | $ | 13,325 |
| 2027 | | 10,494 |
| | **$** | **23,819** |

## 11. Risk Management

The Board is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risk from the Board's financial instruments by type of risk is provided below:

(i) Credit risk

Credit risk is the risk of financial loss to the Board if a debtor fails to make payments of interest and principal when due. The Board is exposed to this risk relating to its cash, portfolio investments and accounts receivable.

Accounts receivable are due from various governments, government agencies and corporations. Credit risk related to accounts receivable is mitigated by internal controls and policies and oversight over arrears for the ultimate collection. Management has determined that no accounts receivable required impairment.

Portfolio investments include government issued certificates and are backed by the Government of Canada. Credit risk related to portfolio investments is mitigated by purchasing low risk portfolio investments such as the guaranteed investment certificate through regulated financial institutions.

The Board's maximum exposure to credit risk is represented by the balance of the financial assets of $645,542 (2024 - $909,574).

(ii) Concentration of credit risk

Concentrations of credit risk is the risk that a customer(s) has a significant portion of the total accounts receivable balance, and thus, there is a higher risk to the Board in the event of a default. The Board does not have a concentration of credit risk.

At March 31, 2025, 100% (2024 - 100%) of the Board's cash and portfolio investments were held within one of Canada's chartered banks who is insured by the Canadian Deposit Insurance Corporation. In the event of default, the Board's cash is insured up to $100,000. This risk has not changed from the prior year.

## 11. Risk Management (continued)

(iii) Liquidity risk

Liquidity risk is the risk that the Board will not meet all cash outflow obligations as they come due. The Board has a liquidity risk in accounts payable and accrued liabilities and repayable contributions of $340,011 (2024 - $604,294). The Board mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining an adequate amount of cash to cover unexpected cash outflows should they arise. All the Board's financial assets and financial liabilities at March 31, 2025, mature within the next eight months.

(iv) Concentration of liquidity risk

Concentrations of liquidity risk is the risk that a vendor has a significant portion of the total payables balance, and thus, there is a higher risk to the Board in the event of a default. At March 31, 2025, the Board has a concentration of liquidity risk as 94.1% (2024 -96.2%) of the balances owing are owed to the Government of the Northwest Territories.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures, and methods used to measure the risk

## 12. Related Party Transactions

During the year, honoraria and travel expenditures were paid to members of the Board of Directors. These expenditures were in the ordinary course of the Board's operations and were measured at the exchange amount.

The Board is controlled by, and regularly transacts with, the Government of the Northwest Territories. Transactions include contribution funding. These transactions were in the normal course of the Board's operations. Transactions were measured at the exchange amount, which is the amount of consideration paid and or agreed to by the related parties.

Donation in-kind related to rent with the Government of the Northwest Territories is a related party transaction without consideration and is based on the estimated fair market value of rent in the region.

## 13. Budget Amounts

The budget figures presented are those approved by the Board on February 12, 2024 .

# NORTHWEST TERRITORIES HERITAGE FUND

## Financial Statements

## For the Year Ended March 31, 2025

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the Northwest Territories Heritage Fund have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of the Northwest Territories Heritage Fund's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Financial Management Board (the "Board") is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility and meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. The Board also considers, for review approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by Metrix Group LLP, in accordance with Canadian public sector accounting standards.



Mandi Bolstad,
Deputy Secretary, Financial Management Board

Yellowknife, Northwest Territories
August 7, 2025

METRIX GROUP LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

# INDEPENDENT AUDITORS' REPORT

To the Members of Northwest Territories Heritage Fund

*Opinion*

We have audited the financial statements of Northwest Territories Heritage Fund (the "Fund"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations and accumulated surplus, statement of remeasurement gains and losses and changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other Information*

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis for the year ended March 31, 2025, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

*(continues)*

going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

*Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

METRIX GROUP LLP

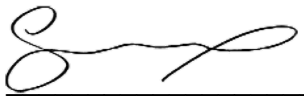
Chartered Professional Accountants

Edmonton, Alberta
August 7, 2025

**NORTHWEST TERRITORIES HERITAGE FUND**
**Statement of Financial Position**
**As at March 31, 2025**

| | 2025 | 2024 |
|---|---|---|
| **FINANCIAL ASSETS** | | |
| Cash | **$ 11,294** | $ 3,662,389 |
| Interest receivable | **319,896** | 252,467 |
| Portfolio investments *(Note 2)* | **52,213,752** | 45,820,257 |
| | **52,544,942** | 49,735,113 |
| **LIABILITIES** | | |
| Accounts payable and accrued liabilities | **49,763** | 49,097 |
| **ACCUMULATED SURPLUS** | **$ 52,495,179** | $ 49,686,016 |
| **ACCUMULATED SURPLUS CONSISTS OF:** | | |
| Accumulated surplus from operations | **$ 49,818,673** | $ 47,760,865 |
| Accumulated remeasurement gains | **2,676,506** | 1,925,151 |
| | **$ 52,495,179** | $ 49,686,016 |

**ON BEHALF OF THE BOARD**



*Chairman of the Financial Management Board*



*Deputy Secretary of the Financial Management Board*

The accompanying notes are an integral part of these financial statements

**NORTHWEST TERRITORIES HERITAGE FUND**
**Statement of Operations and Accumulated Surplus**
**For The Year Ended March 31, 2025**

| | 2025 (Budget) | **2025 (Actual)** | 2024 (Actual) |
|---|---|---|---|
| **REVENUE** | | | |
| Investment income | $ 6,093,000 | **$ 1,704,214** | $ 1,224,772 |
| Contributions from the Government of the Northwest Territories | 2,907,000 | **482,204** | 3,162,821 |
| | 9,000,000 | **2,186,418** | 4,387,593 |
| **EXPENSES** | | | |
| Professional fees | 65,000 | **128,610** | 100,446 |
| **ANNUAL SURPLUS** | 8,935,000 | **2,057,808** | 4,287,147 |
| **ACCUMULATED SURPLUS, BEGINNING OF YEAR** | 47,760,865 | **47,760,865** | 43,473,718 |
| **ACCUMULATED SURPLUS, END OF YEAR** | $ 56,695,865 | **$ 49,818,673** | $ 47,760,865 |

The accompanying notes are an integral part of these financial statements

**NORTHWEST TERRITORIES HERITAGE FUND**
**Statement of Remeasurement Gains and Losses**
**For The Year Ended March 31, 2025**

| | **2025** | 2024 |
|---|---|---|
| **ACCUMULATED REMEASUREMENT GAIN-BEGINNING OF YEAR** | **$ 1,925,151** | $ 62,255 |
| Amounts reclassified to statement of operations: | | |
| Designated at fair value | **(203,520)** | - |
| Unrealized gain (loss) attributed to: | | |
| Quoted in an active market | **619,707** | 997,616 |
| Designated at fair value | **335,168** | 865,280 |
| Net remeasurement for the year | **751,355** | 1,862,896 |
| **ACCUMULATED REMEASUREMENT GAIN - END OF YEAR** | **$ 2,676,506** | $ 1,925,151 |

The accompanying notes are an integral part of these financial statements

**NORTHWEST TERRITORIES HERITAGE FUND**
**Statement of Changes in Net Financial Assets**
**For the Year Ended March 31, 2025**

| | 2025 (Budget) | **2025 (Actual)** | 2024 (Actual) |
|---|---|---|---|
| **ANNUAL SURPLUS** | $ 8,935,000 | **$ 2,057,808** | $ 4,287,147 |
| Increase in accumulated remeasurement gains | - | **751,355** | 1,862,896 |
| **INCREASE IN NET FINANCIAL ASSETS** | 8,935,000 | **2,809,163** | 6,150,043 |
| **NET FINANCIAL ASSETS, BEGINNING OF YEAR** | 49,686,016 | **49,686,016** | 43,535,973 |
| **NET FINANCIAL ASSETS, END OF YEAR** | $ 58,621,016 | **$ 52,495,179** | $ 49,686,016 |

The accompanying notes are an integral part of these financial statements

**NORTHWEST TERRITORIES HERITAGE FUND**
**Statement of Cash Flows**
**For The Year Ended March 31, 2025**

| | 2025 | 2024 |
|---|---|---|
| **OPERATING ACTIVITIES** | | |
| Annual surplus | **$ 2,057,808** | $ 4,287,147 |
| Items not affecting cash: | | |
| Amortization of investment premiums/discounts | **(138,807)** | (52,567) |
| Gain on disposal of investments | **-** | - |
| | **1,919,001** | 4,234,580 |
| Changes in non-cash working capital: | | |
| Interest receivable | **(67,430)** | 20,667 |
| Accounts payable and accrued liabilities | **666** | 13,383 |
| | **(66,764)** | 34,050 |
| | **1,852,237** | 4,268,630 |
| **INVESTING ACTIVITIES** | | |
| Purchase of investments | **(9,085,700)** | (907,309) |
| Proceeds from disposals and redemptions of investments | **3,582,368** | - |
| | **(5,503,332)** | (907,309) |
| **INCREASE (DECREASE) IN CASH FLOWS** | **(3,651,095)** | 3,361,321 |
| **CASH, BEGINNING OF YEAR** | **3,662,389** | 301,068 |
| **CASH, END OF YEAR** | **$ 11,294** | $ 3,662,389 |

The accompanying notes are an integral part of these financial statements

## PURPOSE OF FUND

The Northwest Territories Heritage Fund (the "Fund") was established under the authority of the *Northwest Territories Heritage Fund Act*.

The Fund has been established for the benefit and use of the people of the Northwest Territories. A portion of resource revenues is to be set aside to provide financial resources for the Government of the Northwest Territories (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.

The Fund is not subjected to taxation under the *Income Tax Act of Canada*.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Fund are the representations of management and were prepared in accordance with Canadian public sector accounting standards. The net financial asset model is presented in the financial statements. Net financial assets are measured as the difference between the Fund's financial assets and liabilities as described in the statement of financial position.

Significant aspects of the accounting policies to the Fund are as follows:

*(a) Valuation of financial assets and liabilities*

The Fund's financial assets and liabilities are generally measured as follows.

| Financial Statement Component | Measurement |
|---|---|
| Cash | Cost |
| Portfolio investments | Fair value or amortized cost |
| Interest receivable | Lower of cost and net realizable value |
| Accounts payable and accrued liabilities | Cost |

All financial assets are annually assessed for impairment. If an impairment deemed other-than-temporary is identified, the cost of the financial asset is written down to its realizable value. Any impairment losses are included in income on the statement of operations and accumulated surplus. A write-down of a financial asset to reflect a loss in value is not reversed for a subsequent increase in value.

For financial assets and liabilities measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Transaction costs are expensed as they are incurred.

*(b) Investment income*

Investment income includes dividends interest income, and realized gains or losses on the sale of portfolio investments, as well as revenue distributed by pooled funds (which also includes dividends, interest, and gains and losses).

Realized gains and losses on disposal of portfolio investments are recorded in the Fund's accounts and included in income on the statement of operations and accumulated surplus Realized gains and losses on disposal of portfolio investments are determined on an average cost basis.

Investment income is recorded on the accrual basis, with dividend income recognized as it is declared. Investment income is accrued when there is reasonable assurance as to its measurement and collectability.

*(continues)*

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

*(c) Remeasurement gains and losses*

Accumulated remeasurement gains and losses primarily represent the excess or shortfall of the fair value of the portfolio investments at period end over the cost of the portfolio investments. Changes in accumulated remeasurement gains and losses are recognized in the statement of remeasurement gains and losses. Changes in accumulated remeasurement gains and losses during the period include unrealized increases and decreases in fair value of the portfolio investments and realized gains and losses on sale of the portfolio investments. When the portfolio investments are sold (derecognized), any accumulated unrealized gain or loss associated with the investment becomes realized and is included in net income on the statement of operations and accumulated surplus.

*(d) Government transfers*

Government transfers are transfer of assets from other levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

*(e) Related parties*

Related party transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties, except for certain services and other contributions provided by the Government at no cost. The Fund is related in terms of common ownership to all Government created departments, public agencies and key management personnel. Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Fund.

Services provided at no cost, that are part of the central agency role of the Government and cannot be reasonably estimated are not recorded in these financial statements. These services include, insurance and risk management, legal counsel, records storage, computer operations, and management services.

*(f) Use of estimates*

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

*(g) Future changes in significant accounting policies*

The following summarizes upcoming changes to the Canadian public sector accounting standards. The Fund will continue to assess the impact and prepare for the adoption of these standards.

*(continues)*

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

*i) Financial Statement Presentation*

PS 1202, Financial Statement Presentation, sets out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement principles are based on the concepts in the Conceptual Framework for Financial Reporting in the Public Sector. This standard is applicable to fiscal years beginning on or after April 1, 2026.

## 2. PORTFOLIO INVESTMENTS

| | **2025** | 2024 |
|---|---|---|
| Portfolio investments - amortized cost | **$ 38,153,584** | $ 34,160,603 |
| Portfolio investments - fair valued | **14,060,168** | 11,659,654 |
| | **$ 52,213,752** | $ 45,820,257 |

The composition of portfolio investments measured at amortized cost is as follows:

| | **2025 Cost** | **2025 Market value** | 2024 Cost | 2024 Market value |
|---|---|---|---|---|
| Bonds | **$ 38,153,584** | **$ 38,008,741** | $ 31,918,603 | $ 30,428,963 |
| Canadian papers | - | - | 2,242,000 | 2,242,000 |
| | **$ 38,153,584** | **$ 38,008,741** | $ 34,160,603 | $ 32,670,963 |

Bonds held at year end mature between April 2025 and February 2033 (2024 - December 2024 and February 2033) with effective interest rates of 1.65% to 6.03% (2024 - 1.65% to 4.20%).

The composition of portfolio investments measured at fair value is as follows:

| | **2024** | | | |
|---|---|---|---|---|
| | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Interest bearing securities** | | | | |
| Other debt instruments | $ - | $ 6,911,980 | $ - | $ 6,911,980 |
| **Equities** | | | | |
| Pooled investments - Canadian | 1,347,732 | - | - | 1,347,732 |
| Pooled investments - Global* | 5,800,456 | - | - | 5,800,456 |
| | $ 7,148,188 | $ 6,911,980 | $ - | $ 14,060,168 |

*Global equity includes investments in Canadian markets, equating to 30.9% (2024 - 30.8%) of the pooled investment instrument as at March 31, 2025.

*(continues)*

## 3. PORTFOLIO INVESTMENTS *(continued)*

| | 2023 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Interest bearing securities** | | | | |
| Other debt instruments | $ - | $ 5,015,133 | $ - | $ 5,015,133 |
| **Equities** | | | | |
| Pooled investments - Canadian | 1,199,234 | - | - | 1,199,234 |
| Pooled investments - Global | 5,445,287 | - | - | 5,445,287 |
| | $ 6,644,521 | $ 5,015,133 | $ - | $ 11,659,654 |

The fair value measurements are those derived from:

**Level 1** - Quoted prices in active markets for identical assets.

**Level 2** - Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the assets, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

**Level 3** - Fair value measurements are those derived from valuation techniques that include inputs for the assets that are not based on observable market data (unobservable inputs).

## 4. FINANCIAL RISK MANAGEMENT

The Fund is exposed to various financial risks, including market risk (including currency risk and interest rate risk), credit risk, and liquidity risk through its portfolio investments. To manage these risks, the Fund invests in a diversified portfolio that is guided by the Northwest Territories Heritage Fund regulation. The following analysis provides information about the Fund's risk exposure and concentration as of March 31, 2025.

### Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, its issuer or general market factors affecting all securities. The Fund is exposed to other price risk through its investment in equity instruments and other interest bearing securities.

If equity market indices (S&P/TSX, S&P500, MSCI EAFE and their sectors) declined by 10%, and all other variables are held constant, the potential loss in fair value to the Fund would be approximately 1.37% (2024 - 1.50%). Changes in fair value of portfolio investments are recognized in the statement of remeasurement gains and losses.

To manage this risk, the Fund has policies and procedures in place governing asset mix, diversification, exposure limits, credit quality and performance measurement. The Fund's management of this risk has not changed from the prior year.

All material risks that affect the market value of the Fund's investments in fixed income are adequately explained in credit and interest rate risk below.

*(continues)*

## 4. FINANCIAL RISK MANAGEMENT *(continued)*

### Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund does not hold any financial instruments denominated in a foreign currency. The Fund does not hedge its foreign currency exposure with currency forward contracts or any other type of derivative financial instruments.

### Interest rate risk

Interest rate risk is the risk to the Fund's earnings that arises from the fluctuations in interest rates and the degree of volatility in these rates. The Fund's interest rate risk is low as interest bearing securities held by the Fund have fixed interest rates or are not sensitive to changes in market interest rates and are expected to be held to maturity.

### Credit risk

Counterparty credit risk is the risk of loss arising from the failure of a counterparty, debtor or issuer to fully honour its financial obligations with the Fund. The Fund is exposed to credit risk on debt securities. The Fund has required minimum credit quality standards for issuers to manage this risk. The credit rating distribution of fixed income and other interest bearing securities (based on market value) is as follows:

| | **2025** | 2024 |
|---|---|---|
| Investment Grade (AAA to BBB) | **100 %** | 100 % |
| Non-Investment Grade (BB or lower) | **- %** | - % |
| Unrated | **- %** | - % |
| | **100 %** | 100 % |

### Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with its financial liabilities. As per the enabling legislation of the Fund, no transfers can be authorized from the fund for the first 20 years and transfers may not exceed 5% of the fiscal year end balance of the Fund starting on the first day of the 21st year of the Fund. The Fund has minimal operational expenses and meets its financial liabilities obligations through contributions in-kind from the Government of the Northwest Territories. As a result, the Liquidity risk of the Fund is low.

## 5. BUDGET

Budget figures presented in these financial statements are based on the 2024-2025 Government of Northwest Territories "Main Estimates".

# Northwest Territories Human Rights Commission

## Financial Statements

## March 31, 2025

## Northwest Territories Human Rights Commission

**Financial Statements**

**March 31, 2025** **Page**


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## Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with Canadian Public Sector Accounting Standards for not-for-profit organizations. When 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 systems 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 Commission's management recognizes its responsibility for conducting the Commission's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to charitable foundations.

The auditors annually provide an independent, objective audit for the purpose of expressing an opinion on the financial statements prepared in accordance with Canadian Public Sector Accounting Standards for not-for-profit organizations.

**Northwest Territories Human Rights Commission**



**Executive Director**
**Yellowknife, Northwest Territories**
**June 20, 2025**

**Crowe MacKay LLP**
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# Independent Auditors' Report

**To the Commission Members of Northwest Territories Human Rights Commission**

*Opinion*

We have audited the accompanying financial statement of Northwest Territories Human Rights Commission ("the Commission"), which comprise the statement of financial position as at March 31, 2025, 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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Northwest Territories Human Rights Commission as at March 31, 2025 and the results of its operations, changes in net assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards for not-for-profit organizations.

*Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Commission in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector 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.

In preparing the financial statements, management is responsible for assessing the Commission’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission’s financial reporting process.

## Independent Auditors' Report (continued)

*Auditors's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Commission to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Crowe Mackay LLP

**Yellowknife, Northwest Territories**
**June 20, 2025**

**Chartered Professional Accountants**

## Northwest Territories Human Rights Commission

### Statement of Operations

| For the year ended March 31, | Budget | 2025 | 2024 |
|---|---|---|---|
| **Revenue** | | | |
| Legislative Assembly of the Northwest Territories | | | |
| Operating grant | $ 180,000 | $ 180,000 | $ 180,000 |
| Expense reimbursement (Note 4) | - | (71,308) | (49,826) |
| | **180,000** | **108,692** | 130,174 |
| **Expenses** | | | |
| Accounting | 8,000 | 9,500 | 9,383 |
| Advertising and promotion | 24,400 | 20,217 | 17,656 |
| Benefits and pension | 2,000 | 464 | 436 |
| Contracts - administration (Note 6) | 5,000 | 62,609 | 21,530 |
| Contributions and donations | 12,000 | 1,000 | 997 |
| Events | 24,100 | 7,513 | 6,668 |
| Honorarium - commission chair | 13,300 | 29,277 | 23,693 |
| Honorarium - commission members | 42,000 | 37,075 | 34,023 |
| Legal expenses | 11,000 | 602 | 255 |
| Membership fees | 2,000 | 2,217 | 2,259 |
| Office and administration | 6,200 | 2,032 | 7,150 |
| Professional development | 3,600 | 3,965 | 11,005 |
| Translation & interpretation | - | 1,182 | 539 |
| Travel - commission chair | - | 1,278 | - |
| Travel - commission members | 26,400 | - | - |
| | **180,000** | **178,931** | 135,594 |
| **Excess expenses** | **$ -** | **$ (70,239)** | $ (5,420) |

## Northwest Territories Human Rights Commission

### Statement of Changes in Net Assets

| For the year ended March 31, | 2025 | 2024 |
|---|---|---|
| | **Total** | Total |
| **Balance, beginning of year** | **$ 334,495** | $ 339,915 |
| **Excess expenses** | **(70,239)** | (5,420) |
| **Balance, end of year** | **$ 264,256** | $ 334,495 |

## Northwest Territories Human Rights Commission

### Statement of Financial Position

| As at March 31, | 2025 | 2024 |
|---|---|---|
| **Assets** | | |
| **Current** | | |
| Cash | $ 264,097 | $ 315,072 |
| Due from the Legislative Assembly of the Northwest Territories | 8,692 | 30,174 |
| Prepaid expenses | 700 | 700 |
| | **$ 273,489** | $ 345,946 |
| **Liabilities** | | |
| **Current** | | |
| Accounts payable and accrued liabilities | **$ 9,233** | $ 11,451 |
| **Net Assets** | | |
| General Fund | **264,256** | 334,495 |
| | **$ 273,489** | $ 345,946 |

**Contingency (Note 5)**

**Approved on behalf of NWT Human Rights Commission**

Commission Chair

Commission Member

## Northwest Territories Human Rights Commission

**Statement of Cash Flows**

| For the year ended March 31, | 2025 | 2024 |
|---|---|---|
| **Cash provided by (used in)** | | |
| **Operating activities** | | |
| Excess expenses | $ (70,239) | $ (5,420) |
| Change in non-cash operating working capital | | |
| Due from the Legislative Assembly of the Northwest Territories | 21,482 | (30,054) |
| Prepaid expenses | | 5,380 |
| Accounts payable and accrued liabilities | (2,218) | (6,752) |
| **Increase (decrease) in cash** | **(50,975)** | (36,846) |
| **Cash, opening** | **315,072** | 351,918 |
| **Cash, closing** | **$ 264,097** | $ 315,072 |

## 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 the administration of the complaints 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 ("GNWT").

## 2. Accounting Policies

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards for not-for-profit organizations as issued by the Public Sector Accounting Board ("PSAB"). The following is a summary of the significant accounting policies used by management in the preparation of these financial statements.

### (a) Financial Instruments

The Commission classifies its financial instruments at cost or amortized cost. The Commission's accounting policy for this financial instrument category is as follows:

This category includes cash, due from the Legislative Assembly of the Northwest Territories, and accounts payable and accrued liabilities. They are initially recognized at cost and subsequently measured at amortized cost.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instruments.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the statement of operations.

### (b) Related party transactions

Related party transactions are those transactions with Commission members and others within the Government of the Northwest Territories. These transactions are recorded at the exchange amount agreed upon between parties.

## 2. Accounting Policies (continued)

### (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.

### (d) Measurement uncertainty

The preparation of financial statements in conformity with Canadian 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.

### (e) Contributed services

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

### (f) Tangible capital assets

The GNWT retains ownership of all tangible capital assets (TCA) used by the Commission. The GNWT's financial statements include these TCAs and as such, the Commission has no TCAs recognized in its financial statements.

## 3. Future Accounting Changes

**The Conceptual Framework for Financial Reporting in the Public Sector**

PSAB's Conceptual Framework for Financial Reporting in the Public Sector replaces the conceptual aspects of Section PS 1000, Financial Statement Concepts, and Section PS 1100, Financial Statement Objectives.

The Conceptual Framework applies to fiscal years beginning on or after April 1, 2026 Earlier adoption is permitted. This Conceptual Framework is to be applied prospectively.

## 4. Expense Reimbursement

The Commission gave the Legislative Assembly of the Northwest Territories a portion from its funding to pay for various expenses on behalf of the Commission. The GNWT spent $71,308 on behalf of the Commission and $8,692 is shown as a receivable.

| | Account 5784 Chair travel | Account 5785 Member travel | Account 5786 Staff Travel | Account 5892 Member Fees | Account Misc | **TOTAL 2025** | TOTAL 2024 |
|---|---|---|---|---|---|---|---|
| Administration | $ 1,693 | $ 2,434 | $ - | $ 7,475 | $ 3,081 | **$ 14,683** | $ 9,890 |
| Commission meetings | - | 10,070 | - | 6,425 | 726 | **17,221** | 12,073 |
| Canadian Association of Statutory Human Rights Agencies | 2,889 | - | - | - | - | **2,889** | - |
| Legal | - | - | - | - | - | **-** | 300 |
| Community visits | 3,264 | 5,110 | 7,691 | - | 8,108 | **24,173** | 16,399 |
| Community events | - | - | - | - | 4,819 | **4,819** | 2,864 |
| Publishing | - | - | - | - | 5,680 | **5,680** | 210 |
| Materials | - | - | - | - | 1,843 | **1,843** | 8,090 |
| **Total** | **$ 7,846** | **$ 17,614** | **$ 7,691** | **$ 13,900** | **$24,257** | **$ 71,308** | $ 49,826 |

## 5. Financial Instruments

The Commission is exposed to credit risks from its financial instruments. Qualitative and quantitative analysis of the significant risk from the Commission's financial instruments by type of risk is provided below:

### (a) Credit risk

Credit risk is the risk of financial loss to the Commission if a debtor fails to make payments of interest and principal when due. The Commission is exposed to this risk relating to its, cash and due from the Legislative Assembly of the Northwest Territories.

The Commission has a credit risk in cash $264,097 (2024 - $315,072) as a result of having funds in excess of insurable limit of $100,000 with one financial institution. The Commission mitigates this risk by regularly monitoring its cash balance and only using a bank held within one of Canada's chartered banks.

Credit risk related to amount due from the Legislative Assembly of the Northwest Territories is mitigated by internal controls as well policies and oversight over arrears for ultimate collection. Management has determined that no impairment was required.

The Commission's maximum exposure to credit risk is represented by the financial assets for a total of $272,789 (2024 - $345,246).

### (b) Concentration of credit risk

The Commission does have concentration of credit risk. At March 31, 2025, 100% (2024 - 100%) of the Commission's cash was held within one of Canada's chartered banks. This risk has not changed from the prior year.

### (c) 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 of $9,233 (2024 - $11,449). The Commission reduces its exposure to liquidity risk by consistently monitoring budgets and cash flows. The risk has decreased from prior year.

## 6. Contingency

The Commission has received statements of claim related to matters arising in the ordinary course of operations. These matters are at various stages but their outcome and an estimate of loss, if any, is not determinable. Costs related to these matters, if any, will be recorded when the matters are resolved.

## 7. Contractual obligation

The Commission has entered into a contract with a third party researcher. The contract has an estimated cost of $121,000 and will be completed in fiscal year 2026. To date, $84,139 (2024 - $21,530) of the expense has been recognized for work performed on the contract.

# NORTHWEST TERRITORIES HYDRO CORPORATION
# CONSOLIDATED FINANCIAL STATEMENTS
# MARCH 31, 2025

## NORTHWEST TERRITORIES HYDRO CORPORATION

### Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements were prepared by management in accordance with Canadian public sector accounting standards (PSAS). Where PSAS permits alternative accounting methods, management has chosen those it deems most appropriate in the circumstances. A summary of significant accounting policies are described in Note 2 to the consolidated financial statements. Financial statements include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly in all material respects. Management has prepared financial information presented elsewhere in the annual report and has ensured that it is consistent with that in the consolidated financial statements.

The Northwest Territories Hydro Corporation (NT Hydro) maintains financial and management systems and practices which are designed to provide reasonable assurance that reliable financial and non-financial information is available on a timely basis, that assets are acquired economically, are used to further NT Hydro's objectives, and are protected from loss or unauthorized use, and that NT Hydro acts in accordance with the laws of the Northwest Territories and Canada. Management recognizes its responsibility for conducting NT Hydro's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to an agent of the territorial government. An internal auditor reviews the operation of financial and management systems to promote compliance and to identify changing requirements or needed improvements.

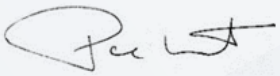
The Auditor General of Canada provides an independent, objective audit for the purpose of expressing her opinion on the consolidated financial statements. She also considers whether the transactions that come to her notice in the course of the audit are, in all significant respects, in accordance with the specified legislation.

The Board of Directors oversees management's responsibilities for financial reporting and reviews and approves the consolidated financial statements. The internal and external auditors have full and free access to the Board.

These consolidated financial statements have been approved by the Board of Directors.



**Cory Strang**
Chief Executive Officer



**Paul Grant**
Chief Financial Officer

Hay River, NT
October 28, 2025

Office of the Auditor General of Canada | Bureau du vérificateur général du Canada

# INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Northwest Territories Hydro Corporation

## Report on the Audit of the Consolidated Financial Statements

*Opinion*

We have audited the consolidated financial statements of the Northwest Territories Hydro Corporation and its controlled entities (the Group), which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net debt and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2025, and the consolidated results of its operations, consolidated changes in its net debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other Information*

Management is responsible for the other information. The other information obtained at the date of this auditor's report is the Management Discussion and Analysis section included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Compliance with Specified Authorities**

*Qualified Opinion*

In conjunction with the audit of the consolidated financial statements, we have audited transactions of the Northwest Territories Hydro Corporation coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the *Financial Administration Act* of the Northwest Territories and regulations, the *Northwest Territories Hydro Corporation Act* and regulations, and the by-laws of the Northwest Territories Hydro Corporation.

In our opinion, except for the matter of non-compliance described in the *Basis for Qualified Opinion* section of our Report on Compliance with Specified Authorities, the transactions of the Northwest Territories Hydro Corporation that came to our notice during the audit of the consolidated financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Northwest Territories Hydro Corporation Act*, we report that, in our opinion, proper books of account have been kept by the Northwest Territories Hydro Corporation and the consolidated financial statements are in agreement therewith.

*Basis for Qualified Opinion*

Subparagraph 32(1)(b)(ii) of the *Financial Administration Act* of the Northwest Territories requires a public agency to submit its annual report to the responsible Minister not later than 90 days after the end of its fiscal year or not later than an additional period, not exceeding 60 days, that the Minister of Finance may allow. The Northwest Territories Hydro Corporation did not meet its extended statutory deadline for submitting its annual report to the responsible Minister for the year ended 31 March 2025.

*Responsibilities of Management for Compliance with Specified Authorities*

Management is responsible for the Northwest Territories Hydro Corporation's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Northwest Territories Hydro Corporation to comply with the specified authorities.

*Auditor's Responsibilities for the Audit of Compliance with Specified Authorities*

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the consolidated financial statements are in compliance with the specified authorities referred to above.



David Irving, CPA, CA
Principal
for the Auditor General of Canada

Edmonton, Canada
28 October 2025

## NORTHWEST TERRITORIES HYDRO CORPORATION

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION
**As at March 31**
***(in thousands of dollars)***

| | 2025 | 2024 |
|---|---|---|
| **Financial assets** | | |
| Cash | $ 596 | $ 866 |
| Revenues receivable (Note 4) | 18,024 | 14,901 |
| Government contributions receivable (Note 20) | 518 | 936 |
| Investment in Aadrii Ltd. | 379 | 415 |
| | **19,517** | **17,118** |
| **Liabilities** | | |
| Operating line of credit (Note 5) | 101,928 | 38,966 |
| Accounts payable and accrued liabilities (Note 6) | 49,010 | 75,817 |
| Debenture debt owing to third parties (Note 7) | 255,377 | 258,868 |
| Debenture debt owing to the GNWT (Note 7) | 35,577 | 36,599 |
| Asset retirement obligations (Note 8) | 6,997 | 6,440 |
| Environmental liabilities (Note 9) | 16,379 | 15,066 |
| Capital lease obligation (Note 10) | 14,734 | 15,139 |
| Other employee future benefits (Note 11) | 2,510 | 2,092 |
| Deferred government contributions (Note 20) | 59 | 8,192 |
| | **482,571** | **457,179** |
| **Net debt** | **(463,054)** | **(440,061)** |
| **Non-financial assets** | | |
| Tangible capital assets (Note 12) | 623,668 | 574,469 |
| Purchased intangible assets (Note 3) | 15,173 | - |
| Inventories (Note 13) | 17,671 | 17,158 |
| Prepaid expenses | 2,355 | 2,261 |
| | **658,867** | **593,888** |
| **Accumulated surplus / equity (Note 14)** | **$ 195,813** | **$ 153,827** |

*Contractual obligations and contingent liabilities (Note 21)*
*Subsequent events (Note 23)*

*The accompanying notes are an integral part of these consolidated financial statements.*

**Approved on behalf of the Board:**



**Judith Goucher, Chair of the Board**



**Leigh-Anne Palter, Vice-Chair of the Board**

## NORTHWEST TERRITORIES HYDRO CORPORATION

### CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
### FOR THE YEAR ENDED MARCH 31
*(in thousands of dollars)*

| | 2025 Budget | 2025 Actual | 2024 Actual |
|---|---|---|---|
| **Revenues** | | | |
| Sale of power (Note 15) | $ 121,984 | $ 120,966 | $ 110,583 |
| Fuel rider revenue | 13,639 | 5,040 | 2,019 |
| Other revenue (Note 16) | 2,515 | 2,581 | 3,597 |
| Interest income (Note 18) | 95 | 102 | 79 |
| Insurance proceeds | - | - | 1,260 |
| Income from investment in Aadrii Ltd. | 60 | 14 | 29 |
| | **138,293** | **128,703** | **117,567** |
| **Expenses (Note 17)** | | | |
| Thermal generation | 128,221 | 112,139 | 115,238 |
| Hydro generation | 25,037 | 21,541 | 21,306 |
| Corporate services | 16,330 | 16,919 | 15,818 |
| Transmission, distribution and retail | 15,346 | 13,621 | 13,226 |
| Purchased power | 4,792 | 3,490 | 3,959 |
| Alternative power generation | 1,545 | 2,459 | 283 |
| | **191,271** | **170,169** | **169,830** |
| **Deficit for the year before government contributions** | **(52,978)** | **(41,466)** | **(52,263)** |
| **Government contributions** | | | |
| Contributions from the Government of the Northwest Territories (Note 19) | 53,983 | 83,452 | 17,013 |
| **Surplus (Deficit) for the year** | **$ 1,005** | **$ 41,986** | **$ (35,250)** |
| Accumulated surplus / equity, beginning of year | **153,827** | **153,827** | **189,077** |
| **Accumulated surplus / equity, end of year** | **$ 154,832** | **$ 195,813** | **$ 153,827** |

*The accompanying notes are an integral part of these consolidated financial statements.*

## NORTHWEST TERRITORIES HYDRO CORPORATION

**CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT**
**For the year ended March 31**
***(in thousands of dollars)***

| | 2025 Budget | 2025 Actual | 2024 Actual |
|---|---|---|---|
| Surplus (deficit) for the year | $ 1,005 | $ 41,986 | $ (35,250) |
| Tangible capital assets | | | |
| Additions (Note 12) | (64,902) | (63,752) | (65,521) |
| Capitalized overhead | (3,500) | (6,239) | (2,402) |
| Capitalized interest (Note 18) | (2,044) | (1,942) | (2,022) |
| Disposals (Note 12) | 2,840 | 958 | 745 |
| Amortization (Note 12) | 25,114 | 21,776 | 19,373 |
| | **(42,492)** | **(49,199)** | **(49,827)** |
| Acquisition of purchased intangible assets | - | (15,236) | - |
| Amortization of purchased intangible assets | - | 63 | - |
| Acquisition of inventories | (9,200) | (20,379) | (20,592) |
| Use of inventories | 9,200 | 19,866 | 17,664 |
| Acquisition of prepaids | (3,500) | (3,625) | (3,810) |
| Use of prepaids | 3,500 | 3,531 | 3,582 |
| | **-** | **(15,780)** | **(3,156)** |
| **Increase in net debt for the year** | **$ (41,487)** | **$ (22,993)** | **$ (88,233)** |
| Net debt, beginning of year | (440,061) | (440,061) | (351,828) |
| **Net debt, end of year** | **$ (481,548)** | **$ (463,054)** | **$ (440,061)** |

*The accompanying notes are an integral part of these consolidated financial statements.*

## NORTHWEST TERRITORIES HYDRO CORPORATION

**CONSOLIDATED STATEMENT OF CASH FLOWS**
**For the year ended March 31**
***(in thousands of dollars)***

| | 2025 | 2024 |
|---|---|---|
| **Cash (used) provided by operating activities** | | |
| Cash receipts from customers | $ 124,307 | $ 117,001 |
| Contributions from the Government of the Northwest Territories | 81,248 | 29,521 |
| Insurance proceeds | - | 1,260 |
| Cash paid to suppliers | (127,001) | (84,311) |
| Cash paid to employees | (35,289) | (29,841) |
| Interest paid | (14,931) | (12,290) |
| Interest received | 112 | 77 |
| | **28,446** | **21,417** |
| **Cash provided by investing activities** | | |
| Distribution from Aadrii Ltd. | 50 | - |
| | **50** | **-** |
| **Cash (used) provided by capital activities** | | |
| Acquisition and development of tangible capital assets | (71,533) | (76,031) |
| Acquisition of purchased intangible assets | (15,236) | - |
| Proceeds on sale of tangible capital assets | 12 | 44 |
| | **(86,757)** | **(75,987)** |
| **Cash (used) provided by financing activities** | | |
| Issuance of debenture debt | - | 75,000 |
| Repayment of capital lease obligation | (405) | (406) |
| Repayment of debenture debt | (4,566) | (4,413) |
| Proceeds from (repayments of) operating line of credit | 62,962 | (15,506) |
| | **57,991** | **54,675** |
| **(Decrease) increase in cash** | **$ (270)** | **$ 105** |
| Cash, beginning of year | 866 | 761 |
| **Cash, end of year** | **$ 596** | **$ 866** |

*The accompanying notes are an integral part of these consolidated financial statements.*

## NORTHWEST TERRITORIES HYDRO CORPORATION

### 1. The Corporation

### a) Authority and corporate information

The Northwest Territories Hydro Corporation (NT Hydro) was established under the *Northwest Territories Hydro Corporation Act.* NT Hydro is a public agency under Schedule B of the *Financial Administration Act* of the Northwest Territories and is exempt from income tax. The Government of the Northwest Territories (GNWT) owns all shares of NT Hydro (Note 14).

NT Hydro's primary asset is its 100% ownership interest in Northwest Territories Power Corporation (NTPC), which owns and operates hydroelectric, diesel, natural gas and photovoltaic generation facilities for the distribution and transmission of utility services to residents and businesses in the Northwest Territories (NWT). NTPC controls one wholly-owned subsidiary, the Northwest Territories Energy Corporation Ltd. (NWTEC). NWTEC, under the authority of the *Northwest Territories Power Corporation Act*, financed the Dogrib Power Corporation in 1996 for the construction of a 4.3 MW hydroelectric facility. In previous years, NWTEC was responsible for the joint operation and shared ownership (50%) in one residual heat project in Fort McPherson, Aadrii Ltd. During the year, NWTEC sold its investment in Aadrii Ltd. to NT Hydro's subsidiary Northwest Territories Energy Corporation (03) Ltd. (NT Energy).

NT Hydro has another subsidiary, the Northwest Territories Energy Corporation (03) Ltd. (NT Energy). NT Energy is unregulated and involved in construction and development of energy related capital projects. NT Energy is also undertaking any work to develop prices and respond to requests for electricity pricing for potential mining operations.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### Note 1. The Corporation (continued)

#### b) Regulated activities

The activities of NTPC are regulated by the Public Utilities Board (PUB) of the Northwest Territories pursuant to the *Public Utilities Act*. The PUB regulates matters covering rates, financing, accounting for regulatory purposes, construction, operation and service area. The PUB reviews the affairs, earnings and accounts of NTPC every year by way of its annual report of finances. As the PUB is a board appointed by the GNWT, and NTPC is a public agency of the GNWT, NTPC and the PUB are related parties.

The PUB uses cost of service regulation to regulate NTPC's earnings on a return on equity basis. The PUB approved a return on equity of 8% which will remain in effect until it is reassessed in the next General Rate Application (GRA) filing (Decision 6-2023). As actual operating conditions will vary from forecast, actual returns achieved may differ from approved returns.

On March 15, 2019, NTPC filed a collection rider application with the PUB to reduce the balance of the regulated Territory-wide Rate Stabilization Fund as a result of high fuel costs as well as reduced access to lower cost generation through purchased power in Norman Wells and liquefied natural gas generation in Inuvik. PUB approved the rider effective May 1, 2019 (Decision 4-2019). The rider ranges between 0.69 cents/kWh to 0.99 cents/kWh for all firm power customers with the exception of Northland Utilities (NWT) Limited. NTPC filed with the PUB in February 2024 an application to increase the fuel rider charged to customers. PUB approved a rider increase of approximately 1.07 cents/kWh (1.01 cents to 1.12 cents) which came into effect May 1, 2024 (Decision 8-2024) which excluded wholesale customers.

NTPC filed with the PUB an application for a rider for the low water event in the snare zone. This rider is required to help NTPC manage the operational costs associated with the low water event. The rider is for 2.34 cents/kWh and was approved by the PUB (Decision 8-2024). The rider came into effect May 1, 2024. The collection of this rider was terminated effective December 1, 2024 (Decision 25-2024).

The PUB directed NTPC to file a GRA application by December 31, 2024 (Decision 1-2024). Due to this decision NTPC filed for interim rate increases on May 9, 2024. Two interim rates were approved by the PUB. The first was for increases of 0.5% in the Snare zone, 0.9% in the Taltson zone, and 12.7% in the Thermal zone effective July 1, 2024. The second was for increases of 5.5% in the Snare zone and 5.5% in the Taltson zone effective December 1, 2024 (Decisions 15 and 25-2024).

On February 7, 2025, NTPC filed for interim rates for Hay River effective March 1, 2025. The interim rates were approved by the PUB (Decision 6-2025). Non-government customers are to be billed at Taltson rates, and government customers are to be billed Fort Smith rates plus 1.96 cents/kWh.

#### c) Economic dependence

NT Hydro has historically been dependent on the GNWT to maintain its operations and meet its liabilities. It is expected that the ongoing operations of NT Hydro will depend on continued financial support from the GNWT.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### 2. Significant accounting policies

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Public Sector Accounting Board (PSAB). The accounting policies set out below have been applied in preparing the consolidated financial statements.

#### a) Basis of consolidation

The consolidated financial statements of NT Hydro consists of the transactions and balances of NT Hydro and its wholly-owned subsidiaries. Inter-entity transactions and balances with the wholly-owned subsidiaries are eliminated upon consolidation. NT Energy's investment in its government business partnership (GBP), Aadrii Ltd., is accounted for under the modified equity method to record its investment, net income and other changes in equity. Inter-entity transactions and balances with the GBP are not eliminated.

The consolidated budget figures presented in these consolidated financial statements were approved by the Board of Directors and include adjustments to eliminate budgeted inter-entity revenues and expenses. The budget figures do not reflect any forecast changes made throughout the year.

#### b) Measurement uncertainty

To prepare these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses, and the disclosure of contingent liabilities. Significant estimates include the estimated useful lives of tangible capital assets, impairment and the value of future economic benefits associated with the tangible capital assets, the provision for other employee future benefits and the provisions for asset retirement obligations and environmental liabilities.

Estimates are based on the best information available at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available.

Measurement uncertainty exists in these consolidated financial statements. Actual results could differ significantly from these estimates.

#### c) Inventories

Inventories are only held for use and consist mainly of materials, supplies, lubricants, critical spare parts and fuel. Inventories are recorded at cost. Cost is determined using the weighted average cost method. Impairments, when recognized, result in a write-down to net realizable value.

## NORTHWEST TERRITORIES HYDRO CORPORATION

**Note 2. Significant accounting policies (continued)**

**d) Financial instruments**

The financial instruments of NT Hydro are classified and measured at amortized cost using the effective interest method and include the following: cash, revenues receivable, government contributions receivable, operating line of credit, accounts payable and accrued liabilities, debenture debt, and capital lease obligation.

Provisions for impairment of revenues receivable and government contributions receivable is established when there is objective evidence that NT Hydro will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or financial reorganization, and default or delinquency in payment are considered indicators that revenues receivable are impaired. The carrying amount of the receivable is reduced through the use of an allowance account, and the amount of the loss is recognized in the consolidated statement of operations and accumulated surplus as bad debt expense. When a receivable is deemed uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognized in the consolidated statement of operations and accumulated surplus.

All financial assets are tested annually for impairment or more frequently if indicators of impairment exist. When these financial assets are impaired, impairment losses are recorded in the consolidated statement of operations and accumulated surplus. Such impairment is not reversed following a subsequent increase in value. Transaction costs, with respect to financial assets and liabilities carried at amortized cost, are added to the initial cost of the acquired financial asset or financial liability.

**e) Tangible capital assets**

Tangible capital assets represent property, plant and equipment and are recorded at historical cost less accumulated amortization and impairment losses. Costs include amounts that are directly related to the acquisition, design, construction, development, improvement and betterment of the assets. Costs include contracted services, materials and supplies, direct labour, attributable overhead costs, capitalized interest directly attributable to construction or development (IDC) and statutory, contractual or legal obligations associated with the retirement of tangible capital assets. Capitalization of interest ceases when no construction or development is taking place or when a tangible capital asset is ready for use.

The IDC rate for 2024-25 was 4.46% (2023-24 – 4.46%). Gains or losses on disposition are included in the consolidated statement of operations and accumulated surplus.

*i) Leased tangible capital assets*

Leases that transfer substantially all of the benefits and risks incidental to ownership of tangible capital assets are accounted for as leased tangible capital assets and a lease liability.

The value of the leased tangible capital asset and lease liability is recorded at the inception of the lease based upon the present value of the minimum lease payments, excluding executory costs.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### Note 2. Significant accounting policies (continued)

*ii) Contributions of tangible capital assets*

Tangible capital assets received as contributions from third parties are recorded as assets and revenue at their fair value at the date of receipt, except in circumstances where fair value cannot reasonably be determined, in which case they are recognized at nominal value.

*iii) Impairment*

When conditions indicate that a tangible capital asset no longer contributes to NT Hydro's ability to provide services, or that the value of the future economic benefits associated with the tangible capital asset is less than its net book value, the carrying value of the tangible capital asset is reduced to reflect that a permanent decline in the value of the asset has occurred. The related expense is recorded in the consolidated statement of operations and accumulated surplus and is not reversed if conditions subsequently change.

*iv) Amortization*

Management has utilized amortization rates approved by the PUB (Decision 6-2023). The cost, less residual value, is amortized over an asset's useful life on a straight-line basis based on the average life of the group. Assets under construction are not amortized until they are ready for their intended productive use. NT Hydro uses amortization studies and other information to assess amortization rates and substantiate amortization rate changes. Amortization rate changes are accounted for on a prospective basis.

Annual amortization rates are as follows:

| | 2025 Rates (%) | 2024 Rates (%) |
|---|---|---|
| Electric power plants | 1.00 – 5.00 | 1.00 – 5.00 |
| Transmission and distribution systems | 1.54 – 6.67 | 1.54 – 6.67 |
| Warehouse equipment, motor vehicles and general facilities | 1.54 – 20.00 | 1.54 – 20.00 |
| Electric power plant under capital lease | 1.00 – 4.35 | 1.00 – 4.35 |

### f) Purchased intangible assets

Purchased intangible assets represent non-monetary economic resources that are identifiable without physical substance acquired through an arm's length exchange transaction. Purchased intangible assets are recorded at cost less accumulated amortization and, if necessary, impairment losses. Purchased intangible assets have a finite useful life and are amortized on a straight-line basis over their useful life of 20 years.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### g) Government contributions

Government contributions are recognized as revenue when the contributions are authorized and all eligibility criteria are met, except to the extent that stipulations of a contribution give rise to an obligation that meets the definition of a liability, in which case the contribution is recorded as a deferred government contribution and subsequently recognized as revenue when the stipulations are met.

### h) Contributions in aid of construction

Certain tangible capital asset additions are made with the assistance of cash contributions from utility customers. These contributions are recorded as other revenues when all restrictions or stipulations imposed have been satisfied, generally when the resources are used for the purposes intended.

### i) Public service pension plan

All eligible employees participate in the Public Service Pension Plan (the Plan), administered by the Government of Canada. The Plan is a multi-employer contributory defined benefit plan established through legislation. NT Hydro's contributions to the Plan are charged as an expense on a current year basis and represent the total pension obligations. NT Hydro is not required under present legislation to make contributions with respect to actuarial deficiencies of the Plan.

### j) Other employee future benefits

The expected cost of providing these benefits is actuarially determined using assumptions based on management's best estimates and is recognized as employees render service. The benefit plans are not funded and thus have no assets, resulting in plan deficits equal to the accrued benefit obligation.

*i) Severance and ultimate removal benefits*

Under the terms and conditions of employment, eligible employees may earn severance and removal benefits based on employee start dates, years of service, final salary and location of hire. The benefits are paid upon resignation, retirement, ultimate removal or death of an employee.

*ii) Sick leave benefits*

NT Hydro provides certain sick leave benefits that are available to be used in future periods when claimed by the employee upon becoming sick. The sick leave benefits accumulate, but do not vest and are not paid out to employees upon resignation, retirement, ultimate removal or death of an employee.

## NORTHWEST TERRITORIES HYDRO CORPORATION

**Note 2. Significant accounting policies (continued)**

### k) Asset retirement obligations

An asset retirement obligation (ARO) liability is recognized at the financial reporting date, when all of the following criteria are met:

- NT Hydro has a legal obligation to incur retirement costs,
- The past transaction or event giving rise to the liability has occurred,
- NT Hydro expects that future economic benefits will be given up, and
- A reasonable estimate of the amount can be made.

The estimate of an ARO incorporates a present value technique. When a liability for an ARO is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset. The liability is based on management's best estimate of retirement and/or abatement cost.

At each financial reporting date, the carrying amount of the liability is reviewed. NT Hydro recognizes period to period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. Once the related tangible capital asset is no longer in productive use, changes to the liability are recognized as an expense in the period they are incurred. NT Hydro continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

### l) Environmental liabilities

A contaminated site is a site where physical, chemical, biological or radiological substances have been introduced in air, soil, water or sediment and have an adverse effect. A liability for remediation of contaminated sites is recognized when all of the following criteria are satisfied: an environmental standard exists, contamination exceeds the environmental standard, NT Hydro is directly responsible or accepts responsibility, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. The liability reflects NT Hydro's best estimate of the amount required to remediate the sites to the current minimum standard for its use prior to contamination.

Environmental liabilities consist of the estimated costs related to the monitoring, maintenance and remediation of environmentally contaminated sites. Environmental liabilities are discounted for the time value of money. NT Hydro reviews its estimates of environmental liabilities on an annual basis.

### m) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using exchange rates at year-end. Foreign currency transactions are translated into Canadian dollars using rates in effect at the time the transactions were entered into. All realized exchange gains and losses are included in surplus for the year according to the activities to which they relate.

## NORTHWEST TERRITORIES HYDRO CORPORATION

**Note 2. Significant accounting policies (continued)**

### n) Revenues

Revenues from transactions with performance obligations occur when there is an enforceable promise to transfer goods or services directly to a payor in return for promised consideration. These revenues are recognised when control of the benefits associated with the goods or services have transferred and there is no unfulfilled performance obligation.

Sales of power and fuel rider revenue consist of a single performance obligation, the customer's utilization of power. Performance obligations are satisfied as electricity is delivered because of the continuous transfer of control to the customer. These revenues are measured based on cyclical meter readings. Sale of power revenues and fuel rider revenues include accruals for electricity sale not yet billed.

Contract work revenue relates to construction contracts with customers. These revenues are recognized over time as performance obligations are fulfilled and are measured based on costs incurred.

Interest is recognized on an accrual basis.

### o) Expenses

Expenses are recognized on an accrual basis.

### p) Contractual obligations and contingent liabilities

The nature of NT Hydro's activities requires contracts that are significant in relation to its current financial position or that will materially affect the level of future expenses. Contractual obligations pertain to funding commitments for operating and capital projects. Contractual obligations are obligations of NT Hydro to others that will become liabilities in the future when the terms of those contracts or agreements are met.

The contingent liabilities of NT Hydro are potential liabilities, which may become actual liabilities when one or more future events occur or fail to occur. If the future event is considered likely to occur and is quantifiable, an estimated liability is accrued. If the occurrence of the confirming future event is likely but the amount of the liability cannot be reasonably estimated, the contingency is disclosed. If the occurrence of the confirming future event is not determinable, the contingency is disclosed.

### q) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess revenues over expenses, provides the change in net debt during the year.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### Note 2. Significant accounting policies (continued)

#### r) Future accounting changes

Effective for periods beginning on or after April 1, 2026, NTPC will be required to adopt the new Conceptual Framework for Financial Reporting in the Public Sector. Earlier adoption of the new framework is permitted. NTPC is currently assessing the impact of this standard on the consolidated financial statements.

Effective for periods beginning on or after April 1, 2026, NTPC will be required to adopt PS 1202 Financial Statement Presentation. The standard sets out general and specific requirements for the presentation of information in financial statements. The financial statement presentation principles are based on the concepts in the Conceptual Framework. Earlier adoption is permitted if the Conceptual Framework for Financial Reporting in the Public Sector is early adopted. NTPC is currently assessing the impact of this standard on the consolidated financial statements.

### 3. Acquisition of Hay River Franchise

On March 1, 2025, NTPC completed the fair value acquisition of the Hay River franchise, including electricity distribution and backup generation assets and other related assets and liabilities. This transaction was executed through two sequential Asset Purchase Agreements (APA): first between Northland Utilities Limited (NUL, operating as Naka Power) and the Town of Hay River, and subsequently between the Town of Hay River and NTPC.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### Note 3. Acquisition of Hay River Franchise (continued)

Under the second agreement, NTPC acquired the following assets and assumed liabilities:

| | |
|---|---|
| Original purchase price | $ 28,255 |
| Less: Allocation of original purchase price | |
| Tangible capital assets | 12,317 |
| Accounts receivable | 460 |
| Inventory | 279 |
| Accounts payable and accrued liabilities | (37) |
| | 13,019 |
| Total purchased intangible asset | 15,236 |
| Subsequent adjustments to the original purchase price | |
| Accounts receivable | 875 |
| Inventory | (35) |
| | 840 |
| Adjusted purchase price | $ 29,095 |

The adjusted purchase price after subsequent adjustments is $29,095, of which $28,255 was transferred on the closing date of March 1, 2025, the remaining portion is still owing to NUL at March 31, 2025.

NTPC acquired certain regulatory deferral accounts, which are not recognized under PSAS. These will be recovered in future rates as approved by the Northwest Territories Public Utility Board (PUB).

As a result of the acquisition, NTPC capitalized, within the tangible capital assets ($5,792 to electric power plants, $5,733 to transmission and distribution and $792 to general facilities), related overhead costs and transfer costs of $591 and increased the asset retirement obligation related to the purchased buildings for $212. It was determined on acquisition that there is no obligation related to environmental liabilities.

The portion allocated to purchased intangible asset includes NTPC's exclusive franchise right to distribute electricity within the Town of Hay River for 15 years with an automatic 5-year extension assuming neither party has provided notice of non-extension.

The final consideration and associated asset values may be subject to further post-closing adjustments as outlined in the APA. These immaterial adjustments will be reflected in NTPC's 2025–26 fiscal year as necessary.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### 4. Revenues receivable

At March 31, 2025, the aging of revenues receivable was as follows:

| | 2025 | | | |
|---|---|---|---|---|
| | **Current (less than 28 days)** | **29-90 days** | **Over 90 days** | **Total** |
| Utility | $ 14,685 | $ 2,097 | $ 464 | $ 17,246 |
| Non-utility | 656 | 105 | 297 | 1,058 |
| Allowance for doubtful accounts | - | - | (280) | (280) |
| | $ 15,341 | $ 2,202 | $ 481 | $ 18,024 |

At March 31, 2024, the aging of revenues receivable was as follows:

| | 2024 | | | |
|---|---|---|---|---|
| | **Current (less than 28 days)** | **29-90 days** | **Over 90 days** | **Total** |
| Utility | $ 12,428 | $ 694 | $ 280 | $ 13,402 |
| Non-utility | 1,458 | 140 | 155 | 1,753 |
| Allowance for doubtful accounts | - | - | (254) | (254) |
| | $ 13,886 | $ 834 | $ 181 | $ 14,901 |

The changes in the allowance for doubtful accounts were as follows:

| | **2025** | **2024** |
|---|---|---|
| Balance, beginning of the year | $ (254) | $ (177) |
| Receivables written off | 51 | 61 |
| Change to allowance | (77) | (138) |
| Balance, end of the year | $ (280) | $ (254) |

Revenues receivable on utility and non-utility accounts are due in 28 and 30 days, respectively. Interest is charged after the due dates at rates in the terms of the service agreement. As at March 31, 2025, NT Hydro provided an allowance for doubtful accounts for the estimated portion of its revenues receivable accounts. Additional disclosures on NT Hydro's exposure and management of credit risk associated with revenues receivable is included in Note 22.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### 5. Operating line of credit

NT Hydro has a $150,000 (2023-24 - $75,000) operating line of credit with its bank with an interest rate of Prime less 0.5%. The operating line of credit allows NT Hydro to borrow using Bankers' Acceptances or other advances directly against the line of credit.

As at March 31, 2025, NT Hydro has borrowed $101,928 (2023-24 - $38,966) against the line of credit.

### 6. Accounts payable and accrued liabilities

The following is a summary of NT Hydro's accounts payable and accrued liabilities:

| | 2025 | 2024 |
|---|---|---|
| Trade payables and accrued liabilities | $ 25,819 | $ 24,097 |
| Payable to GNWT and its related entities (Note 20) | 10,993 | 39,689 |
| Payroll liabilities | 5,023 | 6,403 |
| Other payables | 4,010 | 2,436 |
| Interest payable | 3,165 | 3,192 |
| | $ 49,010 | $ 75,817 |

## NORTHWEST TERRITORIES HYDRO CORPORATION

### 7. Debenture debt

#### a) Owing to third parties

| | 2025 | 2024 |
|---|---|---|
| 3.982% amortizing debenture, due February 17, 2047 repayable semi-annually in blended payments of $1,722 | $ 50,170 | $ 51,575 |
| 5.16% amortizing debenture, due September 13, 2040 repayable semi-annually in blended payments of $1,684 | 35,645 | 37,117 |
| 5.443% debenture – interest payable semi-annually, principal is due August 1, 2028 | 25,000 | 25,000 |
| 5.995% debenture – interest payable semi-annually, principal is due December 15, 2034 | 25,000 | 25,000 |
| 3.818% debenture – interest payable semi-annually, principal is due November 25, 2052 | 25,000 | 25,000 |
| 5% debenture – interest payable semi-annually, principal is due July 11, 2025 | 15,000 | 15,000 |
| 6.42% amortizing debenture, due December 18, 2032 repayable semi-annually. The first semi-annual payment is interest only, the second semi-annual payment is interest plus $667 principal | 5,333 | 6,000 |
| 4.344% debenture – interest payable semi-annually, principal is due April 14, 2053 | 75,000 | 75,000 |
| | $ 256,148 | $ 259,692 |
| Less: unamortized premium, discount and issuance costs | (771) | (824) |
| | $ 255,377 | $ 258,868 |

The GNWT guarantees all third-party debenture debt.

#### b) Owing to the GNWT

| | 2025 | 2024 |
|---|---|---|
| 2.265% amortizing debenture, due September 30, 2050 repayable semi-annually in blended payments of $922 | $ 35,577 | $ 36,599 |

Principal repayments for future years on all debenture debt are as follows:

| 2026 | 2027 | 2028 | 2029 | 2030 | Thereafter | Total |
|---|---|---|---|---|---|---|
| $ 19,721 | $ 4,885 | $ 5,055 | $ 30,235 | $ 5,420 | $226,409 | $ 291,725 |

## NORTHWEST TERRITORIES HYDRO CORPORATION

### 8. Asset retirement obligations

ARO include costs related to the disposal of generating plants on leased land. ARO also includes estimated remediation costs to remove asbestos from NTPC's buildings.

Following is a summary of the key assumptions upon which the carrying amount of the ARO is based:

- Total expected future cash flows - $13,311 (2023-24 - $13,020).
- Expected timing of payments of the cash flow – asset removal and/or site remediation is expected to occur between 1 and 37 years with the majority occurring after 2037.
- The discount rate is the year-end cost of borrowing of 3.94% (2023-24 – 4.34%) for those obligations to be settled in less than 10 years and 4.59% (2023-24 – 4.58%) for those obligations to be settled in 10 years or longer.
- Inflation was assumed to be 2% (2023-24 – 2%).

Following is a summary of the asset retirement obligations:

| | 2025 | 2024 |
|---|---|---|
| Opening balance | $ 6,440 | $ 6,498 |
| Liabilities settled | - | (7) |
| Accretion expense | 262 | 251 |
| Valuation adjustment | 74 | (313) |
| Additions | 221 | 11 |
| Balance, end of year | $ 6,997 | $ 6,440 |

The valuation adjustments relate to changes in discount rates, timing of cash flows and estimated costs to retire assets and remediate asbestos. The valuation adjustments are reflected as changes to the carrying value of the tangible capital assets.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### 9. Environmental liabilities

Environmental protection legislation (Environmental Guideline for Contaminated Site Remediation, Northwest Territories Department of Environment and Natural Resources, 2003) establishes maximum standards for concentrations of petroleum hydrocarbons and other substances in soil to protect environmental quality and human health from the long-term effect of exposure to them. Legislation requires a responsible party to perform remediation activities if the concentrations exceed standard levels. NTPC estimates that it has 22 geographic locations (2023-24 - 22 locations) with multiple sites at each location which have contaminated soil that exceed the accepted maximum standard in the Northwest Territories. NTPC is responsible for remediation of the contaminated site upon sale of the land or termination of the lease.

Management estimates that over 75% of the contamination occurred prior to May 5, 1988 when the Government of Canada controlled Northern Canada Power Commission (NTPC's predecessor company). There is no provision recorded in these consolidated financial statements for a potential recovery from the Government of Canada.

Following is a summary of the key assumptions upon which the carrying amount of the environmental liabilities is based:

- Total expected future cash flows - $70,312 (2023-24 - $69,683).
- Expected timing of payments of the cash flow – asset removal and/or site remediation is expected to occur between 1 and 65 years with the majority occurring after 2061.
- The discount rate is the year-end cost of borrowing of 3.94% (2023-24 – 4.34%) for those obligations to be settled in less than 10 years and 4.59% (2023-24 – 4.58%) for those obligations to be settled in 10 years or longer.
- Inflation was assumed to be 2% (2023-24 – 2%).

Following is a summary of the estimated environmental liabilities:

| | | 2025 | | 2024 |
|---|---|---|---|---|
| Opening balance | $ | 15,066 | $ | 17,970 |
| Liabilities settled | | (43) | | (1,078) |
| Valuation adjustment | | 1,356 | | (1,826) |
| Balance, end of year | $ | 16,379 | $ | 15,066 |

The valuation adjustment relates to changes in the timing of or amount of expected future cash flows and changes to the discount rate applied. The valuation adjustment is recognized in supplies and services expense (Note 17).

## NORTHWEST TERRITORIES HYDRO CORPORATION

### 10. Capital lease obligation

In 1996, NTPC entered into a 65-year lease from the Dogrib Power Corporation for the Snare Cascades at a variable interest rate based on the weighted average return of equity and cost of debt. The lease matures August 2061. The interest rate on the lease as of March 31, 2025 was 7.75% (2023-24 – 7.75%). This rate is recalculated periodically in accordance with PUB orders as established through the GRA process (Note 1(b)). The lease can be renewed at NTPC's option subject to the same covenants, obligations and agreements except for the monthly rental price which shall be determined by mutual agreement or arbitration. The renewal term will be based on the useful life of the property at the end of the term or the expiry of the Ground Lease, whichever comes first. To reflect the effective acquisition and financing nature of the lease, the Snare Cascades is included in electric power plant under capital lease (Note 12).

*Present value of minimum lease payments*

The undiscounted contractual obligations, the effects of discounting and the present values of the minimum lease payments required for the capital lease obligation over the next five years and thereafter are as follows:

| | |
|---|---|
| 2026 | $ 1,593 |
| 2027 | 1,562 |
| 2028 | 1,530 |
| 2029 | 1,499 |
| 2030 | 1,467 |
| Thereafter | 30,079 |
| | 37,730 |
| Less: amounts representing imputed interest | (22,996) |
| **Total capital lease obligation** | **$ 14,734** |

Additional disclosures on NTPC's exposure and management of risk associated with the capital lease obligation can be found in Note 22.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### 11. Other employee future benefits

#### a) Public Service Pension Plan

The employees of NTPC participate in the Plan. The Plan provides benefits based on the number of years of pensionable service to a maximum of 35 years. Benefits are determined by a formula set out in the legislation; they are not based on the financial status of the Plan. The basic benefit formula is 2% per year of pensionable service multiplied by the average of the five consecutive years of highest paid service. The employer contribution rate effective at the end of the year was 1.01 times (2023-24 – 1.02) the employees' contributions for employees who started prior to January 2013 and 1.00 times (2023-24 – 1.00) the employees' contributions for all other employees. The employer contribution rate at the end of the year for the portion of the employee's salary above $210 (2023-24 - $202) was 5.09 times (2023-24 – 4.63) the employee's contributions. Employer contributions of $2,802 (2023-24 - $1,910) were recognized as an expense in the current year. The employees' contribution to this plan was $2,621 (2023-24 - $1,749).

The Plan was amended during 2013 which raised the normal retirement age and other age-related thresholds from age 60 to age 65 for new members joining the Plan on or after January 1, 2013. For existing members, the normal retirement age remains age 60.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### Note 11. Other employee future benefits (continued)

### b) Other employee future benefits

Summary of other employee future benefit liabilities:

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Severance and Removal Benefit | Accumulated Sick Leave Benefit | Total | Severance and Removal Benefit | Accumulated Sick Leave Benefit | Total |
| Accrued benefit obligation, beginning of year | $ 3,154 | $ 242 | $ 3,396 | $ 3,133 | $ 246 | $ 3,379 |
| Benefits earned | 260 | 18 | 278 | 266 | 18 | 284 |
| Plan amendments | 37 | - | 37 | - | - | - |
| Interest | 146 | 11 | 157 | 134 | 10 | 144 |
| Benefits paid | (221) | (27) | (248) | (480) | (26) | (506) |
| Actuarial (gains) losses | 168 | 28 | 196 | 101 | (6) | 95 |
| Accrued benefit obligation, end of year | 3,544 | 272 | 3,816 | 3,154 | 242 | 3,396 |
| Unamortized net actuarial gain/(loss) | (1,135) | (171) | (1,306) | (1,109) | (195) | (1,304) |
| Net future obligation | $ 2,409 | $ 101 | $ 2,510 | $ 2,045 | $ 47 | $ 2,092 |

NT Hydro provides accumulating sick leave employee benefits of one and one quarter days of sick leave per month which will require funding in future periods when claimed upon an employee becoming sick. Sick leave can only be used for paid time off for illness of the employee. Sick leave taken is paid at the employee's normal rate of pay. The sick leave benefits are not paid out to an employee upon termination of employment, resignation or retirement. Unused sick days accumulate and there are no limits to the accumulation. Sick leave benefits accumulate over the periods of service provided by employees and are recognized as services are performed to earn them.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### Note 11. Other employee future benefits (continued)

Total expenses related to the severance, removal and sick leave benefits include the following components:

| | 2025 | 2024 |
|---|---|---|
| Current benefits earned | $ 278 | $ 284 |
| Plan amendments | 37 | - |
| Interest | 157 | 144 |
| Amortization of net actuarial loss | 194 | 185 |
| | $ 666 | $ 613 |

The actuarial valuation reflects management's best estimate based upon a number of assumptions including:

| | 2025 | 2024 |
|---|---|---|
| Expected inflation rates | 2% | 2% |
| Discount rate used to determine the accrued benefit obligation | 4.2% | 4.5% |
| Expected average remaining service life of related employee groups (EARSL) | 10.2 years | 10.4 years |

## NORTHWEST TERRITORIES HYDRO CORPORATION

### 12. Tangible capital assets

| | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Electric power plants | Transmission and Dist. systems | Warehouse equipment, motor vehicles, and general facilities | Electric power plant under capital lease | Construction work in progress | Total |
| **Cost** | | | | | | |
| Opening balance | $ 455,751 | $ 122,256 | $ 166,183 | $ 28,687 | $ 93,144 | $ 866,021 |
| Additions | 6,393 | 6,021 | 832 | - | 58,687 | 71,933 |
| Transfers – completed projects | 85,541 | 7,181 | 5,714 | - | (98,436) | - |
| Disposals and adjustments | (5,431) | (433) | (1,551) | - | - | (7,415) |
| Closing balance | 542,254 | 135,025 | 171,178 | 28,687 | 53,395 | 930,539 |
| **Accumulated amortization** | | | | | | |
| Opening balance | (179,543) | (47,926) | (52,536) | (11,547) | - | (291,552) |
| Amortization | (12,393) | (3,018) | (5,884) | (481) | - | (21,776) |
| Disposals and adjustments | 4,624 | 355 | 1,477 | 1 | - | 6,457 |
| Closing balance | (187,312) | (50,589) | (56,943) | (12,027) | - | (306,871) |
| **Net book value** | **$ 354,942** | **$ 84,436** | **$ 114,235** | **$ 16,660** | **$ 53,395** | **$ 623,668** |

| | 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Electric power plants | Transmission and Dist. systems | Warehouse equipment, motor vehicles, and general facilities | Electric power plant under capital lease | Construction work in progress | Total |
| **Cost** | | | | | | |
| Opening balance | $ 428,616 | $ 112,720 | $ 90,969 | $ 28,733 | $ 137,663 | $ 798,701 |
| Additions | 11 | - | - | - | 69,934 | 69,945 |
| Transfers – completed projects | 28,887 | 9,615 | 75,951 | - | (114,453) | - |
| Disposals and adjustments | (1,763) | (79) | (737) | (46) | - | (2,625) |
| Closing balance | 455,751 | 122,256 | 166,183 | 28,687 | 93,144 | 866,021 |
| **Accumulated amortization** | | | | | | |
| Opening balance | (169,149) | (45,183) | (48,645) | (11,082) | - | (274,059) |
| Amortization | (11,559) | (2,811) | (4,522) | (481) | - | (19,373) |
| Disposals and adjustments | 1,165 | 68 | 631 | 16 | - | 1,880 |
| Closing balance | (179,543) | (47,926) | (52,536) | (11,547) | - | (291,552) |
| **Net book value** | **$ 276,208** | **$ 74,330** | **$ 113,647** | **$ 17,140** | **$ 93,144** | **$ 574,469** |

The cost of land as of March 31, 2025 included in electric power plants cost is approximately $5,895 (2023-24 - $5,594). Amortization is not recorded on land.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### 13. Inventories

| | 2025 | 2024 |
|---|---|---|
| Materials, supplies and lubricants | $ 9,579 | $ 11,899 |
| Critical spare parts | 7,448 | 4,925 |
| Fuel | 644 | 334 |
| | $ 17,671 | $ 17,158 |

Inventories are used to make repairs, complete overhauls or generate electricity. Production fuel inventory is held in five of NTPC's operating plants. See also Note 21(a).

### 14. Accumulated surplus/equity

| | 2025 | 2024 |
|---|---|---|
| Share capital, common and preferred shares | $ 43,129 | $ 43,129 |
| Accumulated operating surplus / equity | 152,684 | 110,698 |
| | $ 195,813 | $ 153,827 |

The authorized share capital of NT Hydro is comprised of one common share without par value and one preferred, non-cumulative share without par value. As at March 31, 2025, 1 common share (2023-24 – 1 common share), at $43,129 per share (2023-24 – $43,129 per share), has been issued and fully paid, and one preferred share at one dollar. NT Hydro may only issue its shares to the GNWT.

### 15. Sale of power

| | 2025 | 2024 |
|---|---|---|
| Power sales to external customers | $ 88,956 | $ 81,161 |
| Power sales to GNWT and its related entities | 19,239 | 17,823 |
| GNWT TPSP payments | 7,522 | 6,856 |
| GNWT HSP payments | 5,249 | 4,743 |
| | $ 120,966 | $ 110,583 |

Sale of power includes GNWT support program payments received by NTPC on behalf of customers. The GNWT offers these support programs to both NTPC and Northland Utilities Ltd. customers.

The GNWT Territorial Power Support Program (TPSP) payments subsidize residential power rates to the rate paid in Yellowknife for energy used within a specified threshold.

The GNWT Housing Support Program (HSP) payments subsidize the difference between the specified rate paid by GNWT residential customers living in public housing and the PUB residential rate for that community.

**Note 15. Sale of power (continued)**

NTPC administers these support programs on behalf of the GNWT and invoices the GNWT monthly for the payments. The support payments are subject to the same terms as other utility customers as per NTPC's Terms and Conditions of Service.

## 16. Other revenue

| | 2025 | 2024 |
|---|---|---|
| Contract work | $ 1,446 | $ 2,486 |
| Connection fees | 329 | 369 |
| Heat revenues | 311 | 326 |
| Pole rental | 354 | 277 |
| Other | 141 | 139 |
| | $ 2,581 | $ 3,597 |

## 17. Expenses

The following is a summary of the expenses for the year by object:

| | 2025 | 2024 |
|---|---|---|
| Fuel and lubricants (Notes 20, 21) | $ 59,059 | $ 74,267 |
| Salaries and wages | 34,313 | 32,041 |
| Supplies and services | 34,930 | 26,049 |
| Amortization of tangible capital assets (Note 12) | 21,776 | 19,374 |
| Amortization of purchased intangible assets | 63 | - |
| Interest expense (Note 18) | 14,956 | 13,571 |
| Travel and accommodation | 3,291 | 3,036 |
| Loss on disposal of assets | 1,519 | 1,241 |
| Accretion on ARO (Note 8) | 262 | 251 |
| | $ 170,169 | $ 169,830 |

## NORTHWEST TERRITORIES HYDRO CORPORATION

### 18. Interest expense and interest income

**Interest expense**

| | 2025 | 2024 |
|---|---|---|
| Interest on debenture debt and capital leases (Notes 7,10) | $ 14,201 | $ 14,323 |
| Short-term debt financing costs | 2,697 | 1,270 |
| Capitalized interest during construction | (1,942) | (2,022) |
| | $ 14,956 | $ 13,571 |

**Interest income**

| | 2025 | 2024 |
|---|---|---|
| Income from overdue accounts and bank balances | $ 102 | $ 79 |

### 19. Contributions from the Government of the Northwest Territories

NTPC has entered an agreement with the GNWT that included a contribution of $38,000 related to the Inuvik High Point Wind project that was completed in 2023-24 by NT Energy. The assets related to the Inuvik High Point Wind were acquired by NTPC from NT Energy in 2025.

In 2024-25, the GNWT contributed $30,000 (2023-24 - $15,200) towards increased fuel prices and additional fuel consumption incurred as a result of low water conditions.

In 2024-25, the GNWT authorized and paid a contribution to NTPC of $12,000. After year-end, this agreement was amended, which reduced future funding to $6,000 which is expected to be received in 2025-26. The funding is to assist in reducing utility rates, and this amendment allowed NTPC to apply funds against certain regulatory sunk costs which have already been expensed.

| | 2025 | 2024 |
|---|---|---|
| Inuvik High Point Wind Project | $ 38,000 | $ - |
| Contribution towards fuel costs related to low water event | 30,000 | 15,200 |
| Contributions to reduce sunk costs | 12,000 | - |
| Fort Providence/Kakisa Transmission Line Program | 1,788 | 72 |
| EV Charging Stations Program | 1,290 | 931 |
| Fort Simpson LNG Program | 262 | 17 |
| NT Energy Rent Program | 98 | 98 |
| Inuvik LNG Tank Program | 14 | - |
| NT Energy Bridge Funding Program | - | 250 |
| Sachs Harbour Power Plant Program | - | 445 |
| | $ 83,452 | $ 17,013 |

## NORTHWEST TERRITORIES HYDRO CORPORATION

### 20. Related party transactions and balances

NT Hydro is a Territorial public agency and consequently is related to the GNWT and its agencies and corporations. NT Hydro, through NTPC, provides utility services to, and purchases fuel and other services from, these related parties. These transactions are in the normal course of operations and are at the same rates and terms as those with similar unrelated customers and suppliers.

Transactions with related parties and balances at year-end not disclosed elsewhere (Note 7(b), 15, 19) in these consolidated financial statements are as follows:

| **Revenues** | **2025** | **2024** |
|---|---|---|
| Other revenue | $ 233 | $ 320 |
| Fuel rider revenue | 573 | 441 |
| | $ 806 | $ 761 |
| **Expenses** | | |
| Purchases of fuel from Fuel Services Division of the GNWT (FSD) (Note 21) | $ 32,277 | $ 50,885 |
| Other operating expenses | 1,243 | 949 |
| | $ 33,520 | $ 51,834 |
| **Financial assets** | | |
| **Revenues receivable** | | |
| Utility | $ 1,578 | $ 978 |
| Non-utility | 44 | 243 |
| | $ 1,622 | $ 1,221 |
| **Government contributions receivable** | $ 518 | $ 936 |
| **Liabilities** | | |
| **Accounts payable and accrued liabilities** | | |
| Accounts payable to FSD for fuel (Note 21) | $ 5,355 | $ 39,689 |
| Repayable government contributions | 5,511 | - |
| Other accounts payable and accrued liabilities | 127 | 3 |
| | $ 10,993 | $ 39,692 |
| **Deferred government contributions** | $ 59 | $ 8,192 |

## NORTHWEST TERRITORIES HYDRO CORPORATION

### 21. Contractual obligations and contingent liabilities

#### a) Contractual obligations

NT Hydro is contractually committed for the following expenses with non-related parties that will be incurred subsequent to March 31, 2025.

| | 2026 | 2027 and subsequent |
|---|---|---|
| Operational and lease commitments | $ 11,353 | $ 130 |

*Capital projects*

NT Hydro has contractual obligations of $9,250 related to capital projects, of which payments are expected to be made in 2025-26.

*Fuel management services agreement*

NTPC has a fuel management services agreement with GNWT's Fuel Service Division (FSD). Under this agreement, FSD provides fuel inventory and maintenance of fuel tank farms of 20 communities served by NTPC. The price of fuel under this agreement changes with the change in market price, the cost of freight, the GNWT fuel tax rate and the amount of fuel purchased by NTPC from FSD in a given year. There is an annual minimum purchase requirement of 13 million liters averaged over a 2 year period. The contract expires March 31, 2029.

#### b) Contingent liabilities

A contractor of NT Hydro has filed a lawsuit seeking recovery of $4,964 for payment under a capital contract. NT Hydro is in the process of filing a statement of defense and counterclaim to offset the amount claimed and losses in excess of the amounts claimed. NT Hydro is also seeking indemnity under a performance bond issued for the project. An assessment of the likelihood of success of the claim, counterclaim or indemnity cannot be made as of March 31, 2025.

*Asset retirement obligations*

NTPC has not recognized a provision for the closure and restoration obligations for certain generation, transmission and distribution assets which NTPC anticipates maintaining and operating for an indefinite period, making the date of retirement of these assets indeterminate. These significant uncertainties around the timing of any potential future cash outflows are such that a reliable estimate of the liability is not possible at this time. A provision will be recognized when the timing of the retirement of these assets can be reasonably estimated.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### 22. Financial instruments and risk management

NT Hydro's financial instruments include cash, revenues receivable, government contributions receivable/payable, operating line of credit, accounts payable and accrued liabilities, debenture debts, and capital lease obligation.

NT Hydro is exposed to the following risks from its use of financial instruments: credit risk, liquidity risk, and interest rate risk. NT Hydro manages these risk exposures on an ongoing basis.

#### a) Credit risk

Credit risk is the risk that a third party will cause a financial loss for NT Hydro by failing to discharge its obligation. The following table sets out NT Hydro's maximum exposure to credit risk under a worst case scenario and does not reflect results expected.

| | 2025 | 2024 |
|---|---|---|
| Revenues receivable | $ 18,024 | $ 14,901 |
| Government contributions receivable | 518 | 936 |
| Cash | 596 | 866 |
| | $ 19,138 | $ 16,703 |

*Revenues receivable*

NT Hydro minimizes revenues receivable credit risk by taking cash deposits from customers. The size of the deposit varies depending on the risk exposure. Established customers or those with good credit are waived from having to provide a deposit. Total customer deposits at March 31, 2025 are $1,583 (2023-24 – $1,418). Thirty-four percent (2023-24 - 35%) of NTPC's sales of power are to two other utilities. Twenty-six percent (2023-24 - 27%) of sales of power, including HSP and TPSP are to the GNWT.

*Government contributions receivable*

The GNWT accounts for 100% of the government contributions receivable.

*Cash*

NT Hydro minimizes the credit risk of cash by dealing with only reputable financial institutions and investing in securities that meet minimum credit ratings as stipulated by its investment policy and limiting exposure to any one security or asset class. An ongoing review is performed to evaluate changes in the status of counterparties.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### Note 22. Financial instruments and risk management (continued)

#### b) Liquidity risk

Liquidity risk is the risk that NT Hydro will encounter difficulty in meeting its obligations associated with its financial liabilities. Debt liquidity risk is managed by the use of amortization provisions. NT Hydro arranges its financing in such a manner that the total amount of debt maturing in any given year does not exceed its ability to borrow in any given year. This practice gives NT Hydro the maximum flexibility over the use of its cash flow such that both its existing capital expenditure program and its ability to consider any future investment opportunities will not be constrained.

Liquidity risk is also managed by continuously monitoring actual and forecast cash flows, having the opportunity to borrow on a short-term basis from its shareholder and by maintaining a $150,000 operating line of credit with a reputable financial institution. The accounts payable and accrued payables are expected to be settled within one year. The following table shows the maturities of the debenture debt, operating line of credit, and capital lease obligation:

| | March 31, 2025 | | | | |
|---|---|---|---|---|---|
| | 1 year or less | Greater than 1 year and not later than 6 years | Greater than 6 years and not later than 20 years | Greater than 20 years | Total |
| Debenture debt | $ 32,083 | $ 104,601 | $ 197,433 | $ 151,884 | $ 486,001 |
| Operating line of credit | 101,928 | - | - | - | 101,928 |
| Capital lease obligation | 1,593 | 7,494 | 16,805 | 11,838 | 37,730 |
| | $ 135,604 | $ 112,095 | $ 214,238 | $ 163,722 | $ 625,659 |

#### c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Changes in market interest rates will cause fluctuations in fair value of the debenture debt as these have fixed interest rates. Changes in market interest rates will cause fluctuations in cash flows of the capital lease obligation and operating line of credit as these have variable interest rates.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### 23. Subsequent events

#### a) General Rate Application

NTPC filed a General Rate Application (GRA) in October 2024. As part of the regulatory process, various stakeholders (intervenors) had the opportunity to submit information requests and attend regulatory hearings related to NTPC's GRA. Following this process, the NWT Public Utility Board (PUB) issued a list of directives in June 2025 to NTPC to amend the revenue requirement. In August 2025, NTPC responded to those directives and updated its requested revenue requirement in a compliance filing. A final decision has not been issued by the PUB confirming the updated revenue requirement; however, based on the directives issued by the PUB in June 2025 management estimates the 2024-25 shortfall is $11,300. As of the reporting date, the final PUB approval has not been granted and no asset or revenue has been recorded in the financial statements. NTPC will continue to monitor developments and will recognize the asset and revenue once the definition of an asset and revenue meet the recognition criteria.

#### b) Insurance Settlement

In August 2025, NTPC finalized the settlement of an outstanding insurance claim related to a hydro unit failure at Snare Forks that occurred in 2018-19. Under the terms of the settlement, NTPC is expected to receive $6,000 in 2025-26 and NTPC provided the insurers with a full release for the claim. The insurance proceeds are expected to be recognized in 2025-26 as revenue.

# Northwest Territories Surface Rights Board

## Audited Financial Statement

## March 31, 2025

**Northwest Territories Surface Rights Board**
**Financial Statements**
**Year ended March 31, 2025**

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## Management's Responsibility for Financial Reporting

The accompanying financial statements of the Northwest Territories Surface Rights Board are the responsibility of management and have been approved by the Board.

The financial statements have been prepared by management in accordance with Public Sector Accounting Standards (PSAS) as recommended by the board of the Canadian Institute of Chartered Professional Accountants and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the financial statements.

The Board meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the financial statements and the external auditor's report.

The external auditors, EPR Yellowknife Accounting Professional Corporation, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Northwest Territories Surface Rights Board and meet when required.

On behalf of the Northwest Territories Surface Rights Board



**Doug Rankin, Executive Director**
**Northwest Territories Surface Rights Board**
**June 25, 2025**

YELLOWKNIFE ACCOUNTING PROFESSIONAL CORPORATION

**Independent Auditor's Report**

Board of Directors, Northwest Territories Surface Rights Board

***Opinion***

We have audited the accompanying financial statements of the Northwest Territories Surface Rights Board., which comprise the statement of financial position as at March 31, 2025, statement of operations, statement of changes in net financial debts, statements of accumulated surplus and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Northwest Territories Surface Rights Board. as at March 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Northwest Territories Surface Rights Board. in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Northwest Territories Surface Rights Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Northwest Territories Surface Rights Board. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Northwest Territories Surface Rights Board's financial reporting process.

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***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Northwest Territories Surface Rights Board's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Northwest Territories Surface Rights Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Northwest Territories Surface Rights Board to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

  We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

EPR Yellowknife Accounting Prof. Corp.

EPR Yellowknife Accounting Professional Corporation
Chartered Professional Accountants
Yellowknife, Northwest Territories
June 25, 2025

**Northwest Territories Surface Rights Board** **Statement I**
**Statement of Financial Position**
**As At March 31, 2025**

| | 2025 | 2024 |
|---|---|---|
| **Financial Assets** | | |
| Cash & Cash Equivalents*(Note 4)* | $ 279,490 | $ 305,917 |
| **Total Financial Assets** | **279,490** | **305,917** |
| **Liabilities** | | |
| Accounts Payable *(Note 6)* | 37,808 | 28,433 |
| Deferred Revenue *(Note 7)* | 241,682 | 277,484 |
| **Total Liabilities** | **279,490** | **305,917** |
| **Net Financial Assets** | **-** | **-** |
| **Non Financial Assets** | | |
| Prepaid Expenses | - | - |
| | - | - |
| **Accumulated Surplus** | **$ -** | **$ -** |

Approved on behalf of Board

_____ Director

_____ Director

The accompanying notes and schedules form an integral part of the financial statements.

**Northwest Territories Surface Rights Board** **Statement II**
**Statement of Operations**
**For the Year Ended March 31, 2025**

| | 2025 | 2024 |
|---|---|---|
| **Revenues** | | |
| Government of NWT Contributions | $ 362,066 | $ 349,244 |
| Prior Year Surplus | 277,484 | 166,062 |
| Interest Revenue | 10,598 | 11,136 |
| Transferred to Deferred Revenue | (241,682) | (277,484) |
| **Total Revenues** | **408,466** | **248,958** |
| **Expenses** | | |
| Bank Charges and Interest | 676 | 443 |
| Board Travel and Other Costs | 43,286 | 22,994 |
| Honorarium | 41,979 | 30,770 |
| Insurance | 2,175 | 2,900 |
| Office and Other Supplies | 34,739 | 13,762 |
| Professional Fees | 135,561 | 72,685 |
| Rent | 30,662 | 28,626 |
| Staff Travel and Training | - | 647 |
| Telephone, Fax and Internet | 12,234 | 3,740 |
| Wages and Benefits | 107,154 | 72,391 |
| **Total Expenses** | **$ 408,466** | **$ 248,958** |
| **Surplus for the Year** | **-** | **-** |
| **Accumulated Surplus, Beginning of Year** | **-** | **-** |
| **Accumulated Surplus, End of Year** | **$ -** | **$ -** |

The accompanying notes and schedules form an integral part of the financial statements.

**Northwest Territories Surface Rights Board** **Statement III**
**Statement of Changes in Net Financial Assets**
**For The Year Ended March 31, 2025**

| | 2025 | 2024 |
|---|---|---|
| **Net Financial Assets, Beginning of Year** | **$ -** | **$ -** |
| **Items Affecting Net Financial Asset** | | |
| Operating Surplus for the Year | - | - |
| **Net Financial Assets, End of Year** | **$ -** | **$ -** |

**Northwest Territories Surface Rights Board** **Statement IV**
**Statement of Cash Flows**
**For the Year Ended March 31, 2025**

| | 2025 | 2024 |
|---|---|---|
| **Cash Provided by ( Used in)** | | |
| **Operating Activities** | | |
| Operating Surplus for the Year | $ - | $ - |
| **Net Change in Non-Cash Working Capital Balances** | | |
| Decrease in Accounts Receivable | - | 1,173 |
| Increase (Decrease) in Accounts Payable | 9,375 | (337) |
| Increase (Decrease) in Deferred Revenue | (35,802) | 111,422 |
| | (26,427) | 112,258 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (26,427) | 112,258 |
| Cash and Cash Equivalents, Beginning of Year | 305,917 | 193,659 |
| **Cash and Cash Equivalents, End of Year** | **279,490** | **305,917** |
| **Cash Consists of :** | | |
| Cash in Bank | 32,086 | 28,300 |
| GIC | 247,404 | 277,617 |
| | **$ 279,490** | **$ 305,917** |

The accompanying notes and schedules form an integral part of the financial statements.

## 1. Nature of Organization

Northwest Territories Surface Right Board (The “Board”) is an institution of public government established pursuant to the Surface Right Board (SRB) Act of the NWT. The purpose of the Board is to fairly resolve matters in dispute regarding access to lands in the NWT and waters overlying those lands in the Mackenzie Valley and the compensation to be paid for that access. These lands include Gwich'in Land Claim Settlement lands, Sahtu land claim settlement lands, Tlicho land claim settlements lands, as well as private, commissioner's and crown lands. It also includes Inuvialuit land claim settlement lands.

The Board is exempt from income taxes under Section 149 of the Income Tax Act.

## 2. Significant Accounting Policies

These financial statements have been prepared in accordance with Public Sector Accounting Standards (PSAS).

### 2a) Use of Estimates

The preparation of financial statements necessarily involves the use of estimates, which have been made using careful judgment. Actual results could differ from these estimates and any differences will be reflected in the financial statements in the period in which they are known. The financial statements have, in the opinion of management, been properly prepared within the reasonable limits of materiality and the framework of the significant accounting policies summarized below.

### 2b) Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contributions. The minimum threshold for capitalization of assets is $50,000. Amortization is calculated and recorded on a monthly basis, on a straight line basis in accordance with the asset categories. When a tangible capital asset belongs to a category that offers a range of useful lives, the board shall determine the useful life in a rational and systematic manner, appropriate to the nature and use of the tangible capital assets.

When a tangible capital asset no longer contributes to the Board’s ability to provide goods and services, or the value of future economic benefits or service potential associated with the tangible capital asset is less than its net carrying amount, the net carrying amount of the tangible capital asset is written down to the asset’s fair value or replacement cost.

### 2c) Revenue Recognition

**Government Contracts and Contribution Agreements**
The Board 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.

## 2. Significant Accounting Policies (Cont'd..)

### 2d) Financial Instruments

All significant financial assets, financial liabilities and equity instruments of the organization are either recognized or disclosed in the Financial Statements together with available information for a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable, the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed.

#### i) Interest Rate Risk

The Board is exposed to Interest rate risk on its fixed and floating rate financial instruments. Fixed interest financial instruments subject the Board to a fair value risks while the floating rate instruments subject it to cash flow risk. The Board is not subject to significant interest rate risk as it does not have any long term debt or interest bearing liabilities.

#### ii) Liquidity Risk

Liquidity risk is the risk that the Board will not be able to meet its financial obligations as they become due. The Board manages liquidity risk by reviewing forecasted cash flows from operating activities, forecasted financing activities and forecasted investing activities including budgeted capital expenditures and related financing.

#### iii) Fair Values

The methods and assumptions followed to disclose fair value are inherently matters of judgment. Accordingly, fair values do not necessarily reflect the amounts that would be recovered or paid under the circumstances that immediate settlement of the financial instruments were required. The use of different methods of estimating and different assumptions could have a material effect on the estimated fair value amounts. Due to the short-term nature of accounts receivable, accounts payable and accrued liabilities the carrying amounts approximate fair value.

### 2e) Risk Management

The Board reviews financial risks and sets appropriate limits and controls when necessary.

## 3. Future Accounting Changes

The conceptual Framework for Financial Reporting in the Public Sector: On December 1, 2022, PSAB issued the Conceptual Framework to the PSA handbook. It replaces financial statement concepts, section PS 1000, and financial statement objectives, section PS 1100, which will be withdrawn. The conceptual framework applies to fiscal years beginning on or after April 1, 2026. Earlier adoption is permitted. This conceptual framework is to be applied prospectively.

PS 1202-Financial Statement Presentation: This new section set out general and specific requirements for the presentation of information in general purpose financial statements. The financial statement presentation principals are based on the concepts in the conceptual framework and particularly respond to the financial statement objectives set out in chapter 6 of the conceptual framework. This section applies for fiscal years beginning on or after April 1, 2026. Earlier adoption is permitted only if the conceptual framework is also adopted at the same time.

## 4. Cash and Cash Equivalents

| | 2025 | 2024 |
|---|---|---|
| Royal Bank Chequing | $ 31,898 | $ 20,552 |
| Royal Bank Savings | 188 | 7,748 |
| Royal Bank Cashable GIC | 144,056 | 223,834 |
| Royal Bank Non-redeemable GIC | 103,348 | 53,783 |
| | **$ 279,490** | **$ 305,917** |

GIC's are for investment purpose, interest rate is per annum and is paid on maturity. Interest are paid at 3.10% for $78,221.00 , 3.40% for $100,000.00 and 3.10% for $61,861.95. These term deposits matured in October 30, 2025, October 30 2025 and October 21, 2025 respectively.

## 6. Accounts Payable

| | 2025 | 2024 |
|---|---|---|
| Trades Payable | $ 22,282 | $ 17,255 |
| Vacation Payable | 14,553 | 7,418 |
| WCB Payable | 351 | 174 |
| Payroll Remittances Payable | - | 682 |
| GNWT Payroll Tax Payable | 622 | 2,527 |
| RRSP Payable | - | 377 |
| | **$ 37,808** | **$ 28,433** |

## 7. Deferred Revenue

Pursuant to Contribution Agreement Paragraph 7.3, any unspent amount of the Contribution, or amount repayable in accordance with the Agreement, shall be recorded as a liability in the accounts and records of the Board until the amounts have been spent in accordance with the Agreement or repaid to the GNWT, as applicable. The deferred revenue amount of $246,091 is repayable to GNWT.

| | 2025 | 2024 |
|---|---|---|
| **Balance, Beginning of Year** | **$ 277,484** | **$ 166,062** |
| Deferred Revenue Recognized as Revenue During for the Year | (277,484) | (166,062) |
| Deferred Revenue for Processing Applications | 241,682 | 277,484 |
| **Balance, End of Year** | **$ 241,682** | **$ 277,484** |

## 8. Economic Dependence

### Revenues

The Board derives a material amount of its revenues from contribution agreements with the Government of the Northwest Territories. Interruption of this funding would materially affect the operations of the Board.

### Supplies and Expenditures

The Board may purchase all of the resources necessary for its operations at fair market values from available vendors deemed to provide best value to the Board.

The Board does not engage in the employment services of skilled individuals who could not be replaced in the labour market.

## 9. Contingent Liabilities

The Board has determined that there have been no events that confirm that an asset has been impaired or liability incurred as at the financial statement date. The continued operations of the Board is dependent upon the Board securing financing by maintaining a volume of contribution funding. The Board has entered into a long term funding agreement with the Government of the Northwest Territories ending on March 31, 2026.

## 10. Commitments

The Board is committed to estimated annual payments under rental lease agreement over the next one years as follows.

| | |
|---|---|
| 2026 | $28,591 |

# Prosper NWT

## Consolidated Financial Statements

## For the year ended

## March 31, 2025

## Prosper NWT
### Management's Responsibility for Financial Reporting

The accompanying Consolidated financial statements of the Prosper NWT (the Corporation) are the responsibility of the Corporation's management and have been reviewed and approved by its board of directors.

Management is responsible for preparing these Consolidated financial statements in accordance with Canadian public sector accounting standards (PSAS). Where PSAS permits alternative accounting methods, management has chosen those that are most appropriate. Where required, management's best estimates and judgment have been applied in the preparation of these Consolidated financial statements.

In discharging its responsibility for the integrity, fairness and quality of the Consolidated financial statements, management is responsible for maintaining financial and management control systems and practices designed to provide reasonable assurance that transactions are properly authorized and recorded, assets are safeguarded, proper records are maintained, and the Corporation complies with applicable laws and conflict of interest rules. These controls and practices help to ensure the orderly conduct of business, the accuracy of the accounting records, the timely preparation of financial information, and adherence to the Corporation's policies and statutory requirements.

The board of directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. It exercises this responsibility through the Audit Committee, which is comprised of members who are not employees of the Corporation. The Audit Committee meets with management on a regular basis. The external auditors also have full and free access to the Audit Committee.

The Corporation's independent external auditor, the Auditor General of Canada, is responsible for auditing the transactions and Consolidated financial statements of the Corporation and for issuing her report thereon.

Joyce Taylor, CPA, CA
Chief Executive Officer

Edwin Shu, MSc, CPA, CGA
Director, Finance and Programs

August 25, 2025

Office of the Auditor General of Canada
Bureau du vérificateur général du Canada

# INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for Prosper NWT

*Opinion*

We have audited the consolidated financial statements of Prosper NWT and its controlled entities (the Group), which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net financial assets and consolidated statement of cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2025, and the consolidated results of its operations, consolidated changes in its net financial assets, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

*Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

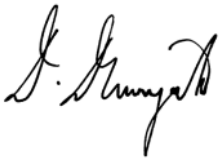
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Dusan Duvnjak, CPA, CMA
Principal
for the Auditor General of Canada

Ottawa, Canada
25 August 2025

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## Prosper NWT

### Consolidated Statement of Financial Position (000's)

| | March 31, 2025 | March 31, 2024 |
|---|---|---|
| **Financial assets** | | |
| Cash (Notes 3 and 18) | $ 14,471 | $ 17,427 |
| Accounts receivable (Notes 4, 15 and 18) | 690 | 386 |
| Inventories held for resale (Note 5) | 108 | 155 |
| Loans receivable (Notes 6, 7 and 18) | 35,090 | 40,048 |
| Portfolio investments (Note 8) | 230 | - |
| Venture investments (Note 8) | 2,725 | 2,725 |
| | 53,314 | 60,741 |
| **Liabilities** | | |
| Accounts payable and accrued liabilities | 1,153 | 1,069 |
| Other employee benefits and compensated absences (Note 9) | 182 | 179 |
| Advances from the Government of the Northwest Territories (Notes 10 and 15) | 15,014 | 23,377 |
| Asset retirement obligations | 244 | 272 |
| | 16,593 | 24,897 |
| **Net financial assets** | 36,721 | 35,844 |
| **Non-financial assets** | | |
| Tangible capital assets (Schedule A) | 123 | 134 |
| Prepaid expenses | 6 | 15 |
| | 129 | 149 |
| **Accumulated surplus** | $ 36,850 | $ 35,993 |

Contractual Obligations and Contingencies (Notes 13 and 14)

**Approved by:**

Marie-Soleil Lacoursiere
Chairperson of the Board of Directors

Joyce Taylor, CPA, CA
Chief Executive Officer

*The accompanying notes and Schedule A are an integral part of these consolidated financial statements.*

## Prosper NWT

### Consolidated Statement of Change in Net Financial Assets (000's)

| For the year ended March 31 | Budget 2025 | Actual 2025 | Actual 2024 |
|---|---|---|---|
| Annual surplus (deficit) | $ (578) | $ 857 | $ 799 |
| Amortization of tangible capital assets | 20 | 11 | 11 |
| Acquisition of prepaid expenses | - | (6) | (15) |
| Use of prepaid expenses | - | 15 | 5 |
| | - | 9 | (10) |
| Increase (decrease) in net financial assets | (558) | 877 | 800 |
| **Net financial assets, beginning of the year** | **35,844** | **35,844** | **35,044** |
| **Net financial assets, end of the year** | **$ 35,286** | **$ 36,721** | **$ 35,844** |

*The accompanying notes and Schedule A are an integral part of these consolidated financial statements.*

## Prosper NWT

### Consolidated Statement of Operations and Accumulated Surplus (000's)

| For the year ended March 31 | Budget 2025 | Actual 2025 | Actual 2024 |
|---|---|---|---|
| **Revenues** | | | |
| Interest on loans receivable | $ 2,510 | $ 2,143 | $ 2,543 |
| Sales and other income | 899 | 787 | 581 |
| Interest on pooled cash (Note 3) | 901 | 899 | 937 |
| | 4,310 | 3,829 | 4,061 |
| Government transfers (Note 11) | 2,886 | 2,869 | 3,014 |
| | 7,196 | 6,698 | 7,075 |
| **Expenses** (Note 12) | | | |
| Lending and investments | 6,119 | 4,512 | 4,977 |
| Retail and manufacturing | 1,655 | 1,329 | 1,299 |
| | 7,774 | 5,841 | 6,276 |
| **Annual surplus (deficit)** | (578) | 857 | 799 |
| **Accumulated surplus, beginning of year** | 35,993 | 35,993 | 35,194 |
| **Accumulated surplus, end of year** | $ 35,415 | $ 36,850 | $ 35,993 |

*The accompanying notes and Schedule A are an integral part of these consolidated financial statements.*

## Prosper NWT

### Consolidated Statement of Cash Flow (000's)

| For the year ended March 31 | 2025 | 2024 |
|---|---|---|
| **Operating transactions** | | |
| Cash received from: | | |
| Governments | $ 1,729 | $ 2,325 |
| Customers | 551 | 637 |
| Interest | 3,197 | 3,074 |
| | 5,477 | 6,036 |
| Cash paid for: | | |
| Compensation and benefits | 2,633 | 3,205 |
| Payments to suppliers | 989 | 1,082 |
| Interest on advances from the Government of the Northwest Territories (Note 10) | 637 | 1,341 |
| Grants and contributions | 686 | 772 |
| | 4,945 | 6,400 |
| **Cash provided by (used for) operating activities** | **532** | **(364)** |
| **Investing transactions** | | |
| Loans receivable disbursed | (1,667) | (1,745) |
| Venture investment disbursed | - | (2,375) |
| Loans receivable repaid | 6,542 | 4,914 |
| **Cash provided by capital activities** | **4,875** | **794** |
| **Financing transactions** | | |
| Repayment of advances from the Government of the Northwest Territories (Note 10) | (8,363) | (1,159) |
| **Cash used for financing activities** | **(8,363)** | **(1,159)** |
| **(Decrease) in cash** | **(2,956)** | **(729)** |
| Cash, beginning of the year | 17,427 | 18,156 |
| **Cash, end of the year** | **$ 14,471** | **$ 17,427** |

*The accompanying notes and Schedule A are an integral part of these consolidated financial statements.*

## 1. The Corporation

### a) Authority

Prosper NWT (the Corporation), formerly known as the Northwest Territories Business Development and Investment Corporation was established on April 1, 2005 pursuant to the Northwest Territories Business Development and Investment Corporation Act, which continued as Prosper NWT Act (the Act) effective February 27, 2024 due to the coming in to force of Bill 84, an Act to amend the Northwest Territories Business Development and Investment Corporation Act.

The Corporation is a territorial corporation of the Government of the Northwest Territories (the Government of the NWT) named in Schedule B of the *Financial Administration Act* (the FAA). Accordingly, the Corporation operates in accordance with Part 3 of the FAA, the Act and its regulations, and any directives issued to it by the Minister responsible for the Corporation (the Minister) under Section 4 of the Act.

### b) Mandate

The mandate of the Corporation is to support the economic objectives of the Government of the NWT by encouraging the creation and development of business enterprises in the Northwest Territories and by providing information and financial assistance to, and making investments in, such enterprises.

The Corporation and its organizations are economically dependent upon the transfers received from the Government of the NWT for their ongoing operations (Note 17).

Section 26 of the Act also authorizes the Government of the NWT to advance to the Corporation an amount out of the Consolidated Revenue Fund not exceeding $150 million for the purpose of providing financial assistance to, or making investments in, business enterprises. These advances are repayable to the Government of the NWT on demand.

### c) Taxes

The Corporation and its organizations are exempt from the payment of municipal and territorial taxes pursuant to Section 35 of the Act and federal income tax pursuant to Section 149 of the *Income Tax Act* of Canada.

### d) Budget

The Consolidated budget figures have been derived from the budgets approved by the Finanncial Management Board (FMB) and the Corporation's board of directors. Other budgeted amounts have been approved by the Corporation's senior management.

## 2. Summary of significant accounting policies

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS) as issued by the Public Sector Accounting Board (the PSAB).

The significant accounting policies followed by the Corporation in the preparation of these Consolidated financial statements are summarized below:

### (a) Measurement uncertainty

The preparation of the Consolidated financial statements, in accordance with PSAS, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the Consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect on the Consolidated financial statements of changes to such estimates and assumptions in future periods could be significant, although at the time of preparation of these Consolidated financial statements, management believes the estimates and assumptions to be reasonable.

The more significant estimates relate to the determination of the valuation of loans receivable, impaired loans, venture investments, amortization, and the allowance for credit losses, the provision for termination and removal benefits, services received without charge and asset retirement obligations. A variation in the quality of the loan portfolio or economic conditions under which these estimates are made could result in significant changes in these management estimates.

## 2. Summary of significant accounting policies (continued)

### (b) Principles of consolidation

The Consolidated financial statements include the assets, liabilities, revenues and expenses of the reporting entity, which includes the Corporation and the organizations it controls. All inter-entity transactions and balances have been eliminated upon consolidation. These Consolidated financial statements include the accounts of the following organizations:

| Organization | Location | Percentage Ownership | Incorporation Date |
|---|---|---|---|
| **Light manufacturing** | | | |
| 913044 N.W.T. Ltd. (o/a Fort McPherson Tent & Canvas) | Fort McPherson, NT | 100% | September 25, 1991 |
| Aklavik & Tuktoyaktuk Furs Ltd. | Tuktoyaktuk, NT | 100% | June 30, 1997 |
| **Fine arts and crafts** | | | |
| Acho Dene Native Crafts Ltd. | Fort Liard, NT | 100% | October 15, 1992 |
| 5983 N.W.T. Ltd. (o/a Ulukhaktok Arts Centre) | Ulukhaktok, NT | 100% | February 12, 2008 |
| **Wholesale/retail stores** | | | |
| Arctic Canada Trading Co. Ltd. | Yellowknife, NT | 100% | June 28, 1997 |
| **Muskox Harvesting** | | | |
| 6355 N.W.T. Ltd. | Sachs Harbour, NT | 100% | May 12, 2011 |

On March 26, 2025, Prosper NWT completed a transaction to divest 60% of its ownership interest in Dene Fur Clouds Ltd., a wholly owned subsidiary prior to the transaction. As a result, Prosper NWT lost control over Dene Fur Clouds Ltd. and ceased consolidating its financial results from that date forward.

### (c) Cash

Cash is comprised of bank account balances (net of outstanding cheques). Surplus cash is pooled with the Government of NWT's surplus cash that is invested in a diversified portfolio of high-grade, short-term income producing assets which can be withdrawn at any time, and are not restricted by maturity dates on investments made by the Government of NWT. Cash also includes funds and reserves subject to restrictions as described in Note 3.

### (d) Accounts receivable

Accounts receivable are recorded at cost. A valuation allowance is recorded when the collection of a receivable is considered doubtful.

## 2. Summary of significant accounting policies (continued)

### (e) Inventories held for resale

Inventories held for resale consist of finished goods, work-in-process and raw material and are carried at the lower of cost and net realizable value, with cost being determined on a first in, first out basis. In estimating NRV, an allowance for obsolescence is considered to address potential decreases in value due to factors such as inventory age, changing market conditions, and deterioration. The inventory allowances are reviewed annually for each subsidiary to ensure that reported net inventory values represent the expected net realizable value based on age and other factors.

## 2. Summary of significant accounting policies (continued)

### (f) Loans receivable

Loans receivable are initially recognized at cost. Valuation allowances are used to adjust the carrying amount of loans receivable to the lower of cost and net recoverable value. Concessionary loans are recorded at net present value at issue, and the related present value discounts are expensed. Loans are classified as impaired when, in management's opinion, there is no longer reasonable assurance of the timely collection of the full amount of principal and interest.

Loans are considered in default when payments are three months past due (unless the loan was fully secured), or six months past due (regardless of whether the loan was fully secured).

Loans receivable with concessionary terms are considered in part to be grants and are recorded on the date of issuance at face value discounted by the amount of the grant portion. The discounted value and the effective interest rate are determined using the prime rate adjusted for risk at the date of issuance. At the date of issue, the grant portion is calculated as the difference between the face and discounted value of the loan and recorded as interest expense. The grant portion is recognized as an expense at the date of issuance of the loan or when the concession is provided. These loans are carried at amortized costs with the discount being recorded as an increase in the loan balance and an increase to interest income over the term of the loan using the effective interest rate method.

When a loan is classified as impaired, the carrying amount of the loan is reduced to its estimated net recoverable value through an adjustment to the allowance for credit losses. Subsequent changes in the estimated net recoverable value are also adjusted through the allowance for credit losses.

Interest income is recognized on an accrual basis using the effective interest rate method until such time as the loan is classified as impaired. All payments received (i.e. recoveries) subsequent to a loan, or loan with concessionary terms, being classified as impaired, are offset against the allowance for credit losses. The loan reverts to performing status when all provisions for credit losses are reversed and, in management's opinion, the ultimate collection of principal and interest is reasonably assured. At that time, previously non-accrued interest income is recognized as interest income.

In accordance with the FAA, the Corporation's board of directors may approve the write-off of debts owing to the Corporation. An account that has been written off is still subject to collection action. Once an account has been forgiven, no further collection action is possible.

## 2. Summary of significant accounting policies (continued)

### (g) Allowance for credit losses

The allowance for credit losses represents management's best estimate of the probable credit losses existing in the loan portfolio. In determining the allowance for credit losses, management segregates probable credit losses into two components: specific and general.

The specific allowance is established on an individual loan basis to recognize credit losses. When a loan is considered impaired, the carrying amount of the loan is reduced to its estimated net recoverable value by discounting the expected future cash flows at the effective interest rate inherent in the loan. If the expected future cash flows cannot be reasonably determined, the fair value of the underlying security of the loan is used to determine net recoverable value.

The general allowance is established using management's best judgment to reflect the probable losses on performing loans which cannot yet be specifically identified as impaired. The general allowance is based on the Corporation's historical loan loss experience, aggregate exposure to particular industries or geographical regions and prevailing economic conditions.

The allowance for credit losses is an accounting estimate based on historical loan loss experience and an assessment of current economic conditions. Events may occur that render the underlying assumptions invalid and thus cause actual credit losses to vary significantly from management's best estimate.

The allowance is increased or decreased by changes in the estimated net recoverable values during the current period and is reduced by recoveries and loan write-offs.

### (h) Venture and Portfolio investments

Venture and Portfolio investments are recognized at cost less any write-downs to reflect impairment in value.

Gains and losses on disposal are recognized in income when realized. Where there has been a significant and other than temporary decline in value, the investment is written down to recognize the loss. Dividends from these investments are included in revenue when received. When they are received, they are deposited to the Venture Investment Fund to be used for additional investment activities.

There is no active quoted market.

### (i) Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include trade payables and liabilities, accrued payroll and benefits and vacation pay payable. These liabilities are valued at cost.

## 2. Summary of significant accounting policies (continued)

### (j) Asset retirement obligations

The fair value of an asset retirement obligation is recognized in the period in which the obligation is incurred and is discounted from the expected date of settlement back to its present value using the Corporation's credit-adjusted risk-free rate. The fair value of the estimated obligation is recognized as a liability, with a corresponding increase in the carrying amount of the related asset.

The costs capitalized to the related assets are amortized to earnings in a manner consistent with the amortization of the underlying asset. The liability amount is increased in each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. Revisions to the estimated timing of cash flows or to the original estimated undiscounted costs could also result in an increase or decrease to the obligation. Actual costs incurred upon settlement of a retirement obligation are charged against the obligation to the extent of the liability recognized.

### (k) Revenue

i) **Government transfers:** Government transfers are recognized as revenue when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfer revenue is recognized in the Consolidated Statement of Operations and Accumulated Surplus as the stipulation liabilities are settled.

The Government of the NWT provides certain services without charge to the Corporation. The estimated cost of these services is recognized as services received without charge, which is included in government transfers, and is included in the Corporation's expenses.

ii) **Sales and other income**: Revenue from sales is for the sale of goods and is recognized when the title passes to the customer, which generally coincides with the delivery and acceptance of goods.

Revenue for sales as noted above are exchange transactions that are separate performance obligations that are satisfied at a point in time. Revenue is recorded when performance obligations are met, amounts can be reasonably estimated, and collection is reasonably assured.

## 2. Summary of significant accounting policies (continued)

### (l) Post-employment benefits

i) **Pension benefits**: Substantially all of the employees of the Corporation are covered by the public service pension plan (the Plan), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Corporation to cover current service cost. Pursuant to legislation currently in place, the Corporation has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Corporation.

ii) **Termination and removal benefits**: Employees are entitled to termination benefits and reimbursement of removal costs, as provided for under labour contracts and conditions of employment, based upon years of service. The benefits are paid upon resignation, retirement or death of an employee. The cost of these benefits is accrued as employees render the services necessary to earn them. Termination benefits are also recognized when employees are identified for lay-off. The cost of the benefits has been determined based on an actuary assessment.

### (m) Tangible capital assets

Tangible capital assets are carried at cost less accumulated amortization and write-downs. Amortization is recognized on a straight-line basis over the estimated useful lives of the assets as follows:

| | |
|---|---|
| Land | Not amortized |
| Buildings | 20 years |
| Vehicle and equipment | 4 years |
| Leasehold improvements | 4 years |
| Computer equipment | 4 years |

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Corporation's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the Consolidated Statement of Operations and Accumulated Surplus.

### (n) Financial instruments

The Corporation's financial instruments consists of cash, accounts receivable, portfolio investments, loans receivable, venture investments, accounts payable and accrued liabilities, and the advances from the Government of the NWT. These financial instruments are measured at cost.

## 2. Summary of significant accounting policies (continued)

### (o) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets during the year.

### (p) Segment disclosure

The Corporation presents segment information for lending and investment and retail and manufacturing activities. Lending and investment represents the activities of the Corporation and retail and manufacturing represents the activities of the organizations the Corporation controls. Interest on loans receivable and interest on pooled cash are generated from lending and investment activities. Sales and other income are generated from retail and manufacturing activities.

## 3. Cash

Cash is comprised of cash held by the Corporation for operations, in funds and reserves established under the Act, and for post-employment benefits, as well as cash held by the Corporation's organizations. Cash is pooled with the Government of the NWT's surplus cash that is invested in a diversified portfolio of high-grade, short-term income producing assets. Cash can be withdrawn at any time and is not restricted by maturity dates on investments made by the Government of the NWT. The eligible classes of securities, categories of issuers, limits and terms are approved by the Department of Finance. All instruments, depending on the investment class, are rated R-2 High or better from the Dominion Bond Rating Service Limited. The Corporation earned $899 in interest at an average investment yield of 5.41% during the year (2024: $937 at an average investment yield of 5.33%).

In accordance with Section 27 of the Act, the Corporation is required to establish a Loan and Investments Fund for its lending and investing activities. The Program, Projects and Services Continuation Regulations (Regulations) of the Corporation specifies in Part 1 Section 4 (2), that a Loans and Bonds Fund will be used to record the lending operations while in Part 2 Section 19 (2), a Venture Investment Fund will be used to record the venture investment operations. Furthermore, under the Regulations Part 2 Section 18 (2), the Corporation has the obligation to continue to maintain a Capital Fund and the Subsidy Fund.

In addition to these funds, the Corporation is required under the Regulations Part 2 Sections 18 (6) and 19 (5) to establish a Capital Reserve Fund and Venture Reserve Fund, respectively. The Corporation will continue to deposit to the reserve funds an amount equal to 10% of each capital or venture investment made. The Corporation may use the reserve funds for further investment or financing for its organizations and venture investments through approved drawdowns.

The Corporation is responsible for administering post-employment benefits including the cash held (Note 9b).

## 3. Cash (continued)

| | 000's | |
|---|---|---|
| | **2025** | **2024** |
| Cash held by the Corporation for operations | $ 6,377 | $ 6,241 |
| Cash held by the Corporation's organizations | 1,098 | 1,648 |
| | 7,475 | 7,889 |
| Venture Investment Fund | 1,193 | 1,193 |
| Capital Fund | 873 | 873 |
| Subsidy Fund | 237 | 327 |
| Venture Reserve Fund | 758 | 758 |
| Loans and Bonds Fund | 3,788 | 6,240 |
| Capital Reserve Fund | 147 | 147 |
| | 6,996 | 9,538 |
| | **$ 14,471** | **$ 17,427** |

## 4. Accounts receivable

| | 000's | |
|---|---|---|
| | **2025** | **2024** |
| Receivables | $ 231 | $ 195 |
| Receivables from the Government of the NWT | 334 | 88 |
| Receivables from the Government of Canada | 275 | 219 |
| Less: provision for doubtful accounts | (150) | (116) |
| | **$ 690** | **$ 386** |

## 5. Inventories held for sale

| | 000's | |
|---|---|---|
| | **2025** | **2024** |
| Arts and crafts | $ 25 | $ 52 |
| Canvas products | 83 | 103 |
| | **$ 108** | **$ 155** |

During the year, $13 of inventories were written down (2024: $23) and no inventories were pledged as security. Also during the year, the Corporation had $148 recoveries on inventory that had been previously written down (2024: $91). Inventory write-downs and recoveries are included in the cost of goods sold. The Corporation's write down estimate is five years.

## 6. Loans receivable

The Corporation provides variable and fixed rate loans for periods up to five years with the amortization period not to exceed twenty-five years.

The Corporation charges its clients prime plus 2%, 3%, or 4%, depending on the security provided, client's management ability, the client's investment, and the amortization period. The Corporation holds various types of security on its loans, including real property, equipment, guarantees and general security agreements. Loans receivable are expected to mature as follows:

| | | 000's | | | |
|---|---|---|---|---|---|
| | | | **2025** | | **2024** |
| | | **Rate Range** | **Balances** | **Rate Range** | **Balances** |
| | | **%** | | **%** | |
| Performing | 1 year* | 1.75-6.95 | $ 6,352 | 2.95-6.75 | $ 3,292 |
| loans due | 1-2 years* | 1.75-6.45 | 9,366 | 1.75-6.45 | 7,167 |
| within: | 2-3 years | 4.45-8.95 | 9,255 | 1.75-6.45 | 10,478 |
| | 3-4 years | 2.00-11.20 | 4,429 | 3.00-8.95 | 9,365 |
| | over 4 years | 6.95-9.20 | 2,158 | 2.95-11.00 | 4,135 |
| | | | 31,560 | | 34,437 |
| Accrued loan interest receivable | | | 150 | | 332 |
| Impaired loans | | | 7,076 | | 9,024 |
| | | | 38,786 | | 43,793 |
| Less: allowance for credit losses (Note 7) | | | 3,696 | | 3,745 |
| | | | **$ 35,090** | | **$ 40,048** |

* See loans with concessionary terms below.

In 2025, no Loans receivable were written off (2024: $nil) by the board of directors. Six loans receivable amounting to $740 were forgiven (2024: no loan receivables were forgiven) by the FMB.

## 6. Loans receivable (continued)

### Concentration of credit risk

Concentration of credit risk may arise from exposure to groups of debtors having similar characteristics such that their ability to meet their obligations may be affected similarly by changes in economic or other conditions. The concentrations of performing loans and impaired loans by industry sector and geographic concentrations are displayed in the following tables:

### Industry sector concentration

| | 000's | | | |
|---|---|---|---|---|
| | 2025 | | 2024 | |
| **Sectors** | **Performing** | **Impaired** | **Performing** | **Impaired** |
| Accommodations, food and beverage | $ 3,991 | $ 1,990 | $ 4,993 | $ 2,342 |
| Agriculture | 559 | 1,869 | 181 | 2,255 |
| Arts and craft | 1 | 309 | 3 | 322 |
| Business services | 670 | - | 301 | - |
| Communication | - | 334 | - | 406 |
| Construction | 5,613 | 1,338 | 5,809 | 1,799 |
| Educational services | 5 | - | 11 | - |
| Entertainment and recreation | 497 | - | 521 | - |
| Finance and insurance | 227 | - | 252 | - |
| Fisheries and wildlife | 12 | - | 22 | 10 |
| Forestry and logging | 288 | - | - | - |
| Healthcare | 19 | - | 37 | - |
| Information and cultural industries | 17 | - | 36 | - |
| Management of companies | 1,123 | - | 1,144 | - |
| Manufacturing | 414 | - | 1,193 | - |
| Mining | 251 | - | 269 | - |
| Oil and gas | - | 333 | - | 339 |
| Other services | 1,677 | 33 | 1,891 | 33 |
| Professional, scientific and technical services | 301 | - | 377 | - |
| Real estate | 5,161 | - | 5,496 | 127 |
| Retail | 6,625 | 200 | 7,748 | 658 |
| Transportation and storage | 2,620 | 14 | 3,157 | 25 |
| Travel and tourism | 1,047 | 656 | 436 | 708 |
| Wholesale | 442 | - | 560 | $ - |
| | **$ 31,560** | **$ 7,076** | **$ 34,437** | **$ 9,024** |

## 6. Loans receivable (continued)

### Geographic concentration

| | 000's | | | |
|---|---|---|---|---|
| | 2025 | | 2024 | |
| **Region** | **Performing** | **Impaired** | **Performing** | **Impaired** |
| Beaufort-Delta | $ 3,028 | $ 204 | $ 2,958 | $ 387 |
| Dehcho | 6,481 | 460 | 6,287 | 508 |
| North Slave | 5,604 | 5,152 | 6,186 | 5,737 |
| Sahtu | 3,346 | 14 | 3,313 | 15 |
| South Slave | 13,101 | 1,246 | 15,693 | 2,377 |
| | **$ 31,560** | **$ 7,076** | **$ 34,437** | **$ 9,024** |

The following table illustrates performing loans outstanding classified by the Corporation's credit risk rating system:

| | 000's | |
|---|---|---|
| **Credit risk rating** | **2025** | **2024** |
| Low | $ 16,123 | $ 19,165 |
| Medium | 14,610 | 13,659 |
| High | 827 | 1,613 |
| | **$ 31,560** | **$ 34,437** |

The Corporation considers a loan past due when a client has not made a payment in accordance with the payment terms. The following table presents the carrying value of loans that are past due but not classified as impaired because they did not meet the criteria of impairment:

| **Loans past due but not impaired** | **2025** | **2024** |
|---|---|---|
| 31 - 60 days | 1 | 3 |
| 61 - 90 days | - | - |
| Over 90 days | 2 | - |
| | **3** | **3** |

## 6. Loans receivable (continued)

The risk exposure relating to loans is directly impacted by the clients' ability to meet their obligations. Among other factors, this ability is impacted by the clients' exposure to fluctuations in the economy of the Northwest Territories. To mitigate this risk, the Corporation limits the concentration of loans with any individual client. Under its regulations, the maximum the Corporation can lend to or invest in any one business enterprise or group of related enterprises is $2 million. Amounts greater than $2 million must be approved by the FMB. There were no loans approved by the FMB in 2025 (2024: nil).

The table represents loans receivable with and without concessionary terms before allowance:

| | 000's | |
|---|---|---|
| **Concessionary terms** | **2025** | **2024** |
| With no concessionary terms | $ 38,227 | $ 42,742 |
| With concessionary terms | 409 | 719 |
| Accrued loan interest receivable | 150 | 332 |
| | **$ 38,786** | **$ 43,793** |

**Economic relief measure extended - Loans with concessionary terms**

The Corporation offered low interest working capital loans during the pandemic in 2021. Loans up to $25 or higher in certain circumstances, were provided to qualified businesses at a rate of 1.75% on unsecured loans, which normally have an interest rate of 6.45% (prime + 4%). These loans receivable have been reduced by $11 (2024: $40) under the concessionary terms.

The specific allowance on loans with concessionary terms is $55 (2024: $75).

## 7. Allowance for credit losses

| | 000's | |
|---|---|---|
| | **2025** | **2024** |
| Balance, beginning of year | $ 3,745 | $ 4,038 |
| Provision for credit losses | 239 | 165 |
| Recoveries from repayments of allowance | (288) | (458) |
| **Balance, end of year** | **3,696** | **3,745** |
| Comprised of: | | |
| Specific allowance* | 3,065 | 3,282 |
| General allowance | 631 | 463 |
| **Balance, end of year** | **$ 3,696** | **$ 3,745** |

*The specific allowance includes $55 (2024: $75) for the economic relief working capital loans that were disbursed in 2021 (Note 6).

## 8. Investments

### (a) Venture investments

The Corporation's portfolio of venture investments is focused on providing financing in the form of preferred shares and debt to companies in the Northwest Territories. As at March 31, 2025, the Corporation does not have significant influence in the companies in which it has invested.

The total cumulative venture investments at March 31, 2025 were $3,318 (2024: $3,318) with accumulated write-downs of $593 (2024: $593). In 2025, no venture investments were approved for write-off (2024: nil) by the board and no forgiveness by the FMB (2024: nil).

Investments in preferred shares carry the right of conversion to common shares. This right, if exercised, may result in the holding of a controlling interest under certain circumstances. Preferred shares are redeemable at the option of the Issuer and earn dividends at either fixed or variable rates. Investment yields vary from year to year due to the amount and timing of the dividends received.

### (b) Disposal of subsidiary and portfolio investments

On March 26, 2025, Prosper NWT disposed of 60% of its interest in its subsidiary, Dene Fur Clouds Ltd., resulting in a loss of control. Prior to disposal, the subsidiary’s financial results were consolidated into these financial statements. As a result, Prosper NWT ceased consolidating its financial results from that date forward.

| Item | Amount |
|---|---|
| Cash proceeds received | Three dollars |
| Ordinary shares retained and reclassified to Portfolio investments - Ordinary shares | Two dollars |
| Preference shares retained and reclassified to Portfolio investments - Preference shares | $230 |
| **Total consideration and retained investment** | **Two hundred and thirty thousand and five dollars** |
| Carrying amount of subsidiary's net assets derecognised | $111 |
| **Gain (loss) on disposal** | **$119** |

The retained preference and ordinary shares in Dene Fur Clouds are classified as portfolio investments in accordance with PS 3041, *Portfolio Investments*, and are measured at cost

Fair value information is not disclosed because these shares are not quoted in an active market, and cost is used as a proxy for value.

At March 31, 2025, no indicators of an other-than-temporary decline in value were identified, and no write-downs were recorded.

Dividends from these investments will be recognized as revenue in the Statement of Operations and Accumulated Surplus when declared..

## 9. Employment and post-employment benefits

### (a) Pension benefits

Substantially all of the employees of the Corporation are covered by the Plan (Note 2(l)(i)). Contributions are required by both the employees and the Corporation. The President of the Treasury Board of Canada sets the required employer contributions based on a multiple of the employees' required contribution. The required employer contribution rate is dependent on the employee's employment start date.

## 9. Employment and post-employment benefits (continued)

### (a) Pension benefits (continued)

For employment start dates before January 1, 2013, the Corporation's contribution rate effective at year-end was 1.02 times (2024: 1.03) the employee's contribution; and for employment start dates after December 31, 2012, the Corporation's contribution rate effective at year-end was 1.0 times (2024: 1.0) the employee's contribution. Total contributions of $130 (2024: $160) were recognized as an expense in the current year. The Corporation's and employees' contributions to the Plan for the year were as follows:

| | 000's | |
|---|---|---|
| | **2025** | **2024** |
| Corporation's contributions | $ 130 | $ 160 |
| Employees' contributions | 129 | 158 |

The Government of Canada holds a statutory obligation for the payment of benefits relating to the Plan. Pension benefits generally accrue up to a maximum period of 35 years at an annual rate of 2% of pensionable service times the average of the best five consecutive years of earnings. The benefits are coordinated with Canada Pension Plan and they are indexed to the increase in the Consumer Price Index.

## 9. Employment and post-employment benefits (continued)

### (b) Termination, removal benefits and leave

The Corporation provides termination benefits to employees based on years of service and final salary (Note 2(l) ii)). It also provides removal assistance, along with sick and special leave to employees, as provided under labour contracts. This benefit plan is pre-funded from current contributions and recognized as part of cash.

The most recent actuarial valuation was completed in February 2025 and the information has been extrapolated to year-end. The values presented below are for the benefits under the severance, removal and compensated absences for the Corporation.

| | 000's | |
|---|---|---|
| **Change in Obligation** | **2025** | **2024** |
| Accrued benefit obligation, beginning of year | $ 135 | $ 159 |
| Current period benefit cost | 8 | 9 |
| Interest cost | 7 | 7 |
| Benefits payments | (3) | (106) |
| Actuarial (gain)/loss | (32) | 66 |
| Accrued benefit obligation, end of year | 115 | 135 |
| Unamortized actuarial gain | 67 | 44 |
| **Accrued benefit liability*** | **$ 182** | **$ 179** |

*Total retirement, post-employment, and other leave benefits includes $148 (2024: $147) related to severance and removal and $34 (2024: $32) related to compensated absences.

| | 000's | |
|---|---|---|
| **Benefits Expense** | **2025** | **2024** |
| Current period benefit cost | $ 8 | $ 9 |
| Interest cost | 7 | 7 |
| Amortization of actuarial gain | (9) | (13) |
| **Post-employment benefits** | **$ 6** | **$ 3** |

The discount rate used to determine the accrued benefit obligation is an average of 4.30% (2024: 5.30%). The assumed rate of compensation increase is 2% (2024: 2%). Unamortized actuarial gains and losses are amortized straight line over the expected average remaining service lives of active employees which is 10.6 years (2024: 10.3 years). No inflation was applied.

## 10. Advances from the Government of the Northwest Territories

For the purpose of providing financial assistance to or making investments in business enterprises, the Act authorizes the Corporation to borrow from the Government of the NWT through advances. Increases to the outstanding balance of the advances must be approved by the FMB based on the needs of the Corporation. The balance was not to exceed $45 million (2024: $45 million) as at March 31, 2025.

Interest on the advances is based on the rate set during the last week of each month for the Government of Canada 3-year bonds, compounded annually. The rate varied from 2.61% to 4.18% (2024: 3.48% to 4.72%) during the year.

| | 000's | |
|---|---|---|
| | **2025** | **2024** |
| Balance, beginning of year: | $ 23,377 | $ 24,898 |
| Interest expense and cost of interest (Note 12) | 637 | 979 |
| Repayments of advances (Note 18) | (9,000) | (2,500) |
| **Balance, end of year** | **$ 15,014** | **$ 23,377** |

During the year, no advances were provided to the Corporation (2024: nil) to cover new loans receivable. The $9,000 (2024: $2,500) paid during the year represents $8,317 (2024: $1,159) in principal and $683 (2024: $1,341) in interest .

## 11. Government transfers

| | 000's | | | | | |
|---|---|---|---|---|---|---|
| | **2025** | | | **2024** | | |
| | **Lending/ Investments** | **Retail/ Manufacturing** | **Total** | **Lending/ Investments** | **Retail/ Manufacturing** | **Total** |
| Government of the NWT: | | | | | | |
| Operations and maintenance | $ 1,632 | $ 200 | **$ 1,832** | $ 1,924 | $ 200 | **$ 2,124** |
| Services received without charge (Note 16) | 645 | - | **645** | 598 | - | **598** |
| | 2,277 | 200 | **2,477** | 2,522 | 200 | **2,722** |
| Federal programs | 392 | - | **392** | 292 | - | **292** |
| | **$ 2,669** | **$ 200** | **$ 2,869** | **$ 2,814** | **$ 200** | **$ 3,014** |

A stipulation included in the agreement is for any unspent funds to be repaid to the Government of the NWT. There were nil unspent amounts in 2025 (2024: nil).

## 12. Consolidated budgeted figures and expenses by object

| | 000's | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2025 | | | | 2024 | | | |
| | Total Budget | Lending/ Investments | Retail/ Manufacturing | Total | Total Budget | Lending/ Investments | Retail/ Manufacturing | Total |
| Advertising and promotion | $ 87 | $ 30 | $ 43 | **$ 73** | $ 49 | $ 12 | $ 1 | **$ 13** |
| Amortization | 20 | - | 11 | **11** | 24 | - | 11 | **11** |
| Asset retirement | 13 | - | 2 | **2** | 3 | - | 12 | **12** |
| Bad debts (recovery) | 7 | - | 29 | **29** | 3 | - | (10) | **(10)** |
| Bank charges and interest | 29 | 4 | 22 | **26** | 29 | 2 | 23 | **25** |
| Board members | 92 | 50 | 3 | **53** | 69 | 32 | 1 | **33** |
| Business Development Fund | - | - | - | **-** | 200 | - | - | **-** |
| Business Service Centre | 275 | 225 | - | **225** | 275 | 240 | - | **240** |
| Compensation and benefits* | 2,846 | 2,681 | 229 | **2,910** | 3,035 | 2,546 | 245 | **2,791** |
| Computers and communications | 138 | 121 | 27 | **148** | 134 | 115 | 24 | **139** |
| Cost of goods sold | 704 | - | 641 | **641** | 607 | - | 731 | **731** |
| Digital technology support | 563 | 363 | - | **363** | 159 | 141 | - | **141** |
| Emergency support services ** | - | - | - | **-** | - | 752 | - | **752** |
| Insurance | 30 | - | 44 | **44** | 33 | - | 32 | **32** |
| Interest expense and cost of interest rate reduction | 1,467 | 637 | - | **637** | 860 | 979 | - | **979** |
| Office and general | 88 | 49 | 32 | **81** | 80 | 53 | 20 | **73** |
| Professional services | 448 | 155 | 186 | **341** | 236 | 191 | 122 | **313** |
| Provision for (recovery of) credit losses (net) | 510 | (57) | - | **(57)** | 558 | (293) | - | **(293)** |
| Rent | 187 | 191 | 14 | **205** | 185 | 186 | 16 | **202** |
| Repairs and maintenance | 46 | - | 3 | **3** | - | - | 16 | **16** |
| Training and workshops | 86 | 18 | - | **18** | - | 18 | - | **18** |
| Travel | 81 | 45 | 11 | **56** | 90 | 3 | 12 | **15** |
| Utilities | 57 | - | 32 | **32** | 45 | - | 43 | **43** |
| | **$ 7,774** | **$ 4,512** | **$ 1,329** | **$ 5,841** | **$ 6,674** | **$ 4,977** | **$ 1,299** | **$ 6,276** |

*Compensation and benefits include the estimated cost of staff support services provided without charge by the Department of Industry, Tourism and Investment of $414 (2024: $372). See Note 16.

**There were no expenditures under the Wildfire Assistance Relief Measures (WARM) program during the fiscal year ended March 31, 2025 (2024:$752).

## 13. Contractual obligations

As at March 31, 2025, there were no loans to businesses approved but not yet disbursed (2024: nil). These loans do not form part of the loans receivable balance until disbursed. Also as at March 31, 2025, there were no approved ventures not disbursed (2024: nil) and all contributions to businesses approved have been disbursed (2024: all).

## 14. Contingencies

### Loans

The Corporation has one outstanding loan to a Northern Community Futures organization for their own lending purposes totaling $228 (2024: one loan totaling $252). Loans provided by this organization may be assigned to the Corporation when impaired. If assigned, the Corporation would then write off the Northern Community Futures organization loan balance and would attempt to recuperate its loss directly from the borrowers. In 2025, no accounts were assigned to the Corporation (2024: nil).

### Letters of credit

The Corporation has one outstanding irrevocable standby letter of credit. The amounts of this letter of credit totaled $2,000 (2024: $2,000) and expire in fiscal 2026. Payment by the Corporation is due from this letter in the event that the applicants are in default of the underlying debt. To the extent that the Corporation has to pay out to third parties as a result of these agreements, these payments will be owed to the Corporation by the applicants. Each letter of credit is secured by a promissory note, general security agreement, guarantee or collateral mortgage. During the year, no payments were made (2024: nil).

## 15. Related party transactions

The Corporation is related in terms of common ownership to all Government of the NWT created departments, territorial corporations, public agencies, its board of directors and key management personnel and their close family members. The Corporation enters into transactions with these entities in the normal course of business and on normal trade terms applicable to all individuals and enterprises except that certain services are provided without charge (Note 16).

## 15. Related party transactions (continued)

Transactions with related parties during the year and balances at year end are as follows:

| | 000's | |
|---|---|---|
| | **2025** | **2024** |
| **Revenues** | | |
| Sales | $ 15 | $ 22 |
| Government of the NWT transfers (Note 11) | 2,477 | 2,850 |
| **Expenses** | | |
| Purchases | 62 | 155 |
| Services received without charge (Note 16) | 645 | 598 |
| Interest on advances from the Government of the NWT | 637 | 979 |
| **Balances at year end** | | |
| Accounts receivable | 90 | 81 |
| Accounts payable and accrued liabilities | 630 | 381 |
| Advances from the Government of the NWT | 15,014 | 23,377 |

## 16. Services received without charge

The Corporation records the estimated cost of services provided by the Government of the NWT without charge. Services received without charge from the Government of the NWT include regional and human resource services and office accommodation. The estimated cost of such services is as follows:

| | 000's | |
|---|---|---|
| | **2025** | **2024** |
| Staff support from the Department of Industry, Tourism, and Investment | $ 414 | $ 372 |
| Accommodation provided by the Department of Infrastructure | 231 | 226 |
| | **645** | **598** |

## 17. Economic dependence

The Corporation received 37% (2024: 38.5%) of its revenues in the form of a contribution and services without charge from the Government of the NWT. The Corporation's continued operations are dependent on these arrangements.

## 18. Risk management

The Corporation is exposed to the following risks as a result of holding financial instruments:

## 18. Risk management (continued)

### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet its obligations.

The risk associated with cash is minimized substantially by ensuring that these financial assets are placed with well-capitalized financial institutions.

Credit granting and loan management are based on established credit policies. The maximum exposure to credit risk from borrowers and investees is limited to the carrying amount of the loans and investments. The Corporation's management of credit exposures from borrowers and investees includes:

- a standardized credit risk rating classification system established for all loans;
- credit policies and directives, communicated to lending officers whose activities and responsibilities include credit granting and monitoring client performance;
- Application Review Committee (consisting of senior management) reviews and approves loans over $500,000; and
- limiting the concentration of loans and investments with any one business enterprise or group of related enterprises to $2 million. Amounts grater than $2 million must be approved by the FMB.

The principal collateral held as security and other credit enhancements for loans include real property, equipment, guarantees, and general security agreements.

As at March 31, 2025, $5,381 (2024: $2,075) of the impaired loans are fully secured by assets the Corporation has the ability to sell in order to satisfy borrowers' commitments. There were no significant changes to the Corporation's credit risk management policies and practices from the prior year.

The table below illustrates the maximum credit exposure to the Corporation if all counterparties defaulted on March 31, 2025:

| | 000's | |
|---|---|---|
| | **2025** | **2024** |
| Cash | $ 14,471 | $ 17,427 |
| Accounts receivable | 690 | 386 |
| Loans receivable | 35,090 | 40,048 |
| Letters of credit | 2,000 | 2,000 |

## 18. Risk management (continued)

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is exposed to interest rate risk in that changes in market interest rates will cause fluctuations in the future cash flows of the advances from the Government of the NWT, fluctuations in the fair value and future cash flows of loans receivable, and interest revenue from cash.

The Corporation's borrowing from the Government of the NWT is based on a variable market rate and it lends to the majority of its clients at fixed term rates. The Corporation's interest rate margin or spread widens when interest rates fall and it narrows when interest rates rise.

The Corporation manages its interest rate risk by paying down the advances from the Government of the NWT with cash available from the Loans and Bonds fund. During the year, the repayment of advances amounting to $9,000 (Note 10) were made to the Government of the NWT (2024: $2,500).

Based on the Corporation's advances from the Government of the NWT as at March 31, 2025, and the monthly cash balance on hand, a 100-basis point increase in interest rates would decrease annual surplus by $38 (2024: decrease of $78). A 100-basis point decrease in interest rates would increase annual surplus by $34 (2024: increase of $75).

### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with financial liabilities. The Corporation manages its liquidity risk by regularly monitoring forecasted and actual cash flows.

The advances from the Government of the NWT are due on demand with no fixed repayment terms. Repayment on advances is made whenever the Corporation has sufficient cash on hand which is not earmarked for lending purposes.

Accounts payable and accrued liabilities are expected to be settled within the next 12 months.

**Prosper NWT**

**Consolidated Schedule of Tangible Capital Assets (000's)** **Schedule A**
**March 31, 2025**

| | Land | Buildings | Vehicle and Equipment | Leasehold Improvements | Computer Equipment | March 31, 2025 | March 31, 2024 |
|---|---|---|---|---|---|---|---|
| Cost of tangible capital assets, opening | $ 78 | $ 1,789 | $ 640 | $ 540 | $ 9 | $ 3,056 | $ 3,056 |
| Acquisitions | - | - | - | - | - | - | - |
| Disposals | - | (5) | (12) | (14) | - | (31) | - |
| Cost of tangible capital assets, closing | 78 | 1,784 | 628 | 526 | 9 | 3,025 | 3,056 |
| Accumulated amortization, opening | - | 1,733 | 640 | 540 | 9 | 2,922 | 2,911 |
| Amortization expense | - | 11 | - | - | - | 11 | 11 |
| Disposals | - | (5) | (12) | (14) | - | (31) | - |
| Accumulated amortization, closing | - | 1,739 | 628 | 526 | 9 | 2,902 | 2,922 |
| **Net book value** | **$ 78** | **$ 45** | **$ -** | **$ -** | **$ -** | **$ 123** | **$ 134** |

The accompanying notes and Schedule A are an integral part of these consolidated financial statements.

# STATUS OF WOMEN COUNCIL OF THE NWT

**Yellowknife, NT**

## FINANCIAL STATEMENTS

**For the year ended March 31, 2025**

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## MANAGEMENT'S RESPONSIBILITY FOR REPORTING

The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with Canadian public sector accounting standards applicable to government not-for-profit organizations. Where necessary the statements include amounts that are based on informed judgements 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 systems 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 Board's management recognizes its responsibility for conducting the Board's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate.

Avery Cooper & Co. Ltd., Chartered Professional Accountants annually provides an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards.



Executive Director

June 26, 2025

AVERY COOPER & CO. LTD.
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# INDEPENDENT AUDITOR'S REPORT

To the members of
Status of Women Council of the NWT

*Report on the Audit of the Financial Statements*

*Opinion*
We have audited the financial statements of Status of Women Council of the NWT (the "Council"), which comprise the Statement of Financial Position as at March 31, 2025, and the Statements of Operations, Changes in Fund Balances and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as at March 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Basis for Opinion*
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Council in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other Information*
Management is responsible for the other information. The other information comprises:

- Annual Report, but does not include the financial statements and our auditor's report thereon

The other information is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement of this other information, we are required to report the matter to those charged with governance.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*
Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Council or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Council's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Report on Other Legal and Regulatory Requirements*
As required by the *Financial Administration Act* ("FAA Act") of the Northwest Territories, we report that, in our opinion, the accounting principles in the Canadian public sector accounting standards have been applied.

Further, in our opinion, proper books of account have been kept by the Council and the financial statements are in agreement therewith. In addition, the transactions of the Council have, in all significant respects, been in accordance with the FAA Act and regulations; the *Status of Women Council Act* (the "Act") and regulations; the by-laws of the Council; and any directives issued to the Council by the Minister under the FAA or Act.

Avery Cooper & Co. Ltd.
Chartered Professional Accountants
Yellowknife, NT

June 26, 2025

# STATUS OF WOMEN COUNCIL OF THE NWT

## STATEMENT OF FINANCIAL POSITION
March 31, 2025

### ASSETS

| | 2025 | 2024 |
|---|---|---|
| **CURRENT** | | |
| Cash | $ 371,312 | $ 665,122 |
| Accounts receivable (note 3) | 32,643 | 198,835 |
| Prepaid expenses | 2,323 | 4,759 |
| | 406,278 | 868,716 |
| **DESIGNATED CASH** | 83,967 | 82,095 |
| **TANGIBLE CAPITAL ASSETS (note 4)** | 10,364 | 14,806 |
| | $ 500,609 | $ 965,617 |

### LIABILITIES

| | | |
|---|---|---|
| **CURRENT** | | |
| Trade payables and accruals (note 5) | $ 108,003 | $ 684,440 |
| Wages and benefits payable | 5,561 | 13,163 |
| Deferred revenue (note 6) | 189,561 | 60,252 |
| Government remittances payable | 3,627 | 7,639 |
| | 306,752 | 765,494 |

### FUND BALANCES

| | | |
|---|---|---|
| **UNRESTRICTED SURPLUS (DEFICIT) per page 3** | 87,955 | 89,779 |
| **INVESTED IN TANGIBLE CAPITAL ASSETS per page 3** | 10,364 | 14,806 |
| **CONTINGENCY FUND per page 3** | 65,538 | 65,538 |
| **BENEFITS FUND per page 3** | 30,000 | 30,000 |
| | 193,857 | 200,123 |
| | $ 500,609 | $ 965,617 |

Approved:

Chairperson

Member

See accompanying notes and schedules

# STATUS OF WOMEN COUNCIL OF THE NWT

## STATEMENT OF OPERATIONS

For the year ended March 31, 2025

| | 2025 | 2024 |
|---|---|---|
| **REVENUES** | | |
| Core - Schedule 1 | $ 504,905 | $ 594,877 |
| Family Violence Prevention Month - Schedule 2 | - | 29,746 |
| Self Care Kits - Schedule 3 | - | 29,000 |
| Victim Awareness Week - Schedule 4 | 119,942 | 45,000 |
| Women's Program - Schedule 5 | 3,904 | - |
| Gender Based Violence - Schedule 6 | 50,000 | - |
| NGO Stabilization Fund - Schedule 7 | - | 20,000 |
| Workplace Sexual Harassment - Schedule 8 | - | 490,615 |
| Economic Abuse - Schedule 9 | - | 233,008 |
| Victim Assistance Fund - Schedule 10 | 6,756 | - |
| Wage Systemic Change - Schedule 12 | 151,554 | 5,294 |
| | 837,061 | 1,447,540 |
| **EXPENSES** | | |
| Core - Schedule 1 | 504,905 | 348,400 |
| Family Violence Prevention Month - Schedule 2 | - | 29,746 |
| Self Care Kits - Schedule 3 | - | 29,000 |
| Victim Awareness Week - Schedule 4 | 36,119 | 45,000 |
| Women's Program - Schedule 5 | 3,904 | - |
| Gender Based Violence - Schedule 6 | 56,283 | - |
| NGO Stabilization Fund - Schedule 7 | - | 20,000 |
| Workplace Sexual Harassment - Schedule 8 | - | 491,750 |
| Economic Abuse - Schedule 9 | - | 233,008 |
| Victim Assistance Fund - Schedule 10 | 6,756 | - |
| Wage Systemic Change - Schedule 12 | 151,554 | 5,519 |
| | 759,521 | 1,202,423 |
| **EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS** | 77,540 | 245,117 |
| **CONTRIBUTION REPAYABLE** | | |
| Core - Schedule 1 | - | 246,477 |
| Victim Awareness Week - Schedule 4 | 83,806 | - |
| | 83,806 | 246,477 |
| **DEFICIENCY OF REVENUES OVER EXPENSES** | $ (6,266) | $ (1,360) |

# STATUS OF WOMEN COUNCIL OF THE NWT

## STATEMENT OF CHANGES IN FUND BALANCES

For the year ended March 31, 2025

| | 2025 | | | | |
|---|---|---|---|---|---|
| | Unrestricted Surplus (Deficit) | Invested in Tangible Capital Assets | Contingency Fund | Benefits Fund | Total |
| **BALANCE, opening** | $ 89,779 | $ 14,806 | $ 65,538 | $ 30,000 | $ 200,123 |
| Deficiency of revenues over expenses | (6,266) | - | - | - | (6,266) |
| Amortization of tangible capital assets | 4,442 | (4,442) | - | - | - |
| **BALANCE, closing** | 87,955 | 10,364 | 65,538 | 30,000 | 193,857 |
| **BALANCE** | 87,955 | 10,364 | 65,538 | 30,000 | 193,857 |
| **CASH EQUITY** | $ 87,955 | $ 10,364 | $ 65,538 | $ 30,000 | $ 193,857 |

| | 2024 | | | | |
|---|---|---|---|---|---|
| | Unrestricted Surplus (Deficit) | Invested in Tangible Capital Assets | Contingency Fund | Benefits Fund | Total |
| **BALANCE, opening** | $ 102,220 | $ 3,725 | $ 65,538 | $ 30,000 | $ 201,483 |
| Deficiency of revenues over expenses | (1,360) | - | - | - | (1,360) |
| Purchase of tangible capital assets | (14,351) | 14,351 | - | - | - |
| Amortization of tangible capital assets | 3,270 | (3,270) | - | - | - |
| **BALANCE, closing** | 89,779 | 14,806 | 65,538 | 30,000 | 200,123 |
| **BALANCE, above** | 89,779 | 14,806 | 65,538 | 30,000 | 200,123 |
| **CASH EQUITY** | $ 89,779 | $ 14,806 | $ 65,538 | $ 30,000 | $ 200,123 |

# STATUS OF WOMEN COUNCIL OF THE NWT

## STATEMENT OF CASH FLOWS

For the year ended March 31, 2025

| | 2025 | 2024 |
|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | |
| Cash receipts from contributions and donations | $ 1,061,562 | $ 678,409 |
| Cash paid for materials and services | (1,053,658) | (657,303) |
| Cash paid for wages and benefits | (299,842) | (119,575) |
| | (291,938) | (98,469) |
| **CASH FLOWS FROM INVESTING ACTIVITY** | | |
| Purchase of tangible capital assets | - | (14,352) |
| **DECREASE IN CASH** | (291,938) | (112,821) |
| **CASH, opening** | 747,217 | 860,038 |
| **CASH, closing** | $ 455,279 | $ 747,217 |
| **REPRESENTED BY:** | | |
| Cash | $ 371,312 | $ 665,122 |
| Designated cash | 83,967 | 82,095 |
| | $ 455,279 | $ 747,217 |

# STATUS OF WOMEN COUNCIL OF THE NWT

## NOTES TO THE FINANCIAL STATEMENTS
March 31, 2025

## 1. NATURE OF OPERATIONS

Status of Women Council of the NWT (the "Council") is a government not-for-profit organization of the Government of the Northwest Territories ("GNWT") and was established under the *Status of Women Council Act* of the Northwest Territories dated April 4, 1990.

The objectives of the Council are:

1) to develop public awareness of issues affecting the status of women;
2) to promote a change in attitudes within the community in order that women may enjoy equality;
3) to encourage discussion and expression of opinion by residents of the Northwest Territories on issues affecting the status of women;
4) to advise the Minister on issues that the Minister may refer to the council for consideration;
5) to review policies and legislation affecting women and to report its findings to the relevant government departments or agencies;
6) to provide assistance to the Minister in promoting changes to ensure the attainment of equality of women; and
7) to provide the appropriate assistance to organizations and groups whose objectives promote the equality of women.

The Council may:

1) receive and hear submissions and suggestions from individuals and groups concerning the status of women;
2) research matters relating to the status of women;
3) suggest research areas in relation to matters relating to the status of women that may be studied by any interested persons;
4) recommend and participate in programs concerning the status of women;
5) recommend legislation, policies and practices to improve the equality of opportunity for women and to improve the status of women;
6) publish any reports, studies or recommendations that the Council considers advisable;
7) present reports to the Minister to be laid before the Legislative Assembly;
8) contract and be contracted in the name of the Council; and
9) make bylaws to regulate the affairs of the Council.

The Council is exempt from income tax under subsection 149(1) of the *Income Tax Act* (Canada).

## 2. SIGNIFICANT ACCOUNTING POLICIES

The Council follows accounting principles generally accepted in Canada in preparing its financial statements. The significant accounting policies used are as follows:

## 2. SIGNIFICANT ACCOUNTING POLICIES, continued

### (a) Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from their date of acquisition, which are readily convertible into a known amount of cash, and are subject to an insignificant risk to changes in their fair value.

### (b) Financial instruments

The Council initially measures its financial assets and liabilities at fair value. The Council subsequently measures its financial assets and financial liabilities at amortized cost.

### (c) Tangible capital assets

Tangible capital assets are recorded at cost. The Council provides for amortization using the declining balance method at rates designed to amortize the cost of the tangible 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 are as follows:

| | |
|---|---|
| Equipment | 20% |
| Computer equipment | 30% |

### (d) Employee future benefits

Employees are entitled to severance benefits, as provided under labour contracts and conditions of employment, based on years of service. The benefits are paid upon resignation, lay off or death of employee.

The cost of the severance benefits upon resignation are accrued annually based on a minimum of four years of service, to a payout of 12 weeks maximum. The additional cost of severance benefits paid upon lay off are recorded in the year paid.

### (e) Revenue recognition

The Council 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 and the amount can be reasonably estimated and collection is reasonably assured.

Contributions of materials and services are recognized in the financial statements at fair value at the date of contribution, but only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations, and would otherwise have been purchased.

Interest income that is not externally restricted is recognized in the Statement of Operations when earned.

## 2. SIGNIFICANT ACCOUNTING POLICIES, continued

### (f) Contributed materials and services

Directors and volunteers volunteer their time to assist in the Council's activities. While these services benefit the Council considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

The GNWT provides the Council with office premises without charge. The estimated value of these rental premises are recognized as expenses with a corresponding credit to revenues to reflect the full cost of the Council's operations in the financial statements.

### (g) Allocated expenses

The Council allocates certain general support expenses according to the contribution agreement to which the expenditure relates. The expenditures are any direct cost related to the fulfillment of the contribution agreement. The costs are then allocated to the contribution agreement based on the actual amount of the expenditure.

Office administrative costs are allocated to contribution agreements that allow such costs to be allocated.

### (h) Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary they are reported in income in the period in which they become known. Estimates are used when accounting for certain items such as allowance for doubtful accounts, the useful life of tangible capital assets, and employee future benefits.

## 3. ACCOUNTS RECEIVABLE

| | 2025 | 2024 |
|---|---|---|
| GNWT - Health & Social Services | $ 14,963 | $ 14,746 |
| Canada - Justice | - | 166,809 |
| Canada - Women and Gender Equality (WAGE) | 17,280 | 17,280 |
| NWT Charter Service | 400 | - |
| | $ 32,643 | $ 198,835 |

## 4. TANGIBLE CAPITAL ASSETS

| | | | 2025 | 2024 |
|---|---|---|---|---|
| | Cost | Accumulated amortization | Net | Net |
| Equipment | $ 4,870 | $ 4,870 | $ - | $ - |
| Computer equipment | 72,433 | 62,069 | 10,364 | 14,806 |
| | $ 77,303 | $ 66,939 | $ 10,364 | $ 14,806 |

## 5. TRADE PAYABLES AND ACCRUALS

| | 2025 | 2024 |
|---|---|---|
| Trade payables | $ 437 | $ 201,728 |
| Scotiabank Visa | - | 36,011 |
| Accrued liabilities | 22,400 | 21,966 |
| GNWT funds repayable | 85,166 | 424,735 |
| | $ 108,003 | $ 684,440 |

## 6. DEFERRED REVENUE

Deferred revenue as at March 31, 2025, consists of the following:

| | 2025 | 2024 |
|---|---|---|
| Core fund | $ 72,432 | $ - |
| Elimination of Violence | 5,000 | 5,000 |
| Gender Equity | 877 | 2,237 |
| Gender Violence | - | 45,000 |
| Wise Women | 8,015 | 8,015 |
| VAF2 | 3,244 | - |
| Gender Equity | 67,500 | - |
| WAGE | 31,397 | - |
| Women's Program | 1,096 | - |
| | $ 189,561 | $ 60,252 |
| Deferred revenue, opening | 60,252 | 559,548 |
| Receipts | 917,713 | 786,242 |
| Funding expended | (703,238) | (860,803) |
| Contribution repayable | (85,166) | (424,735) |
| | 189,561 | 60,252 |

## 7. CONTRACTUAL RIGHTS

As at March 31, 2025, the Council had entered into contribution agreements with the GNWT - Department of Status of Women with the term April 1, 2021 - March 31, 2026, GNWT - Gender Equity Division with the term of November 23, 2023 - March 31, 2027, and Canada Women and Gender Equity with the term March 1, 2024 to March 31, 2027. The future maximum contributions are as follows:

| | GNWT - Department of Status of Women | WAGE Canada | Gender Equity Division | Total |
|---|---|---|---|---|
| 2025-2026 | $ 444,000 | $ 233,909 | $ 57,500 | $ 735,409 |
| 2026-2027 | - | - | 50,000 | 5,000 |
| | $ 444,000 | $ 233,909 | $ 107,500 | $ 740,409 |

## 8. ECONOMIC DEPENDENCE

The Council receives the majority of its revenues from various GNWT departments. If the GNWT ceased to fund the Council, this would significantly affect operations.

## 9. REVENUES BY OBJECT

| | 2025 | 2024 |
|---|---|---|
| Government grants and contributions | $ 751,049 | $ 1,296,663 |
| Contributed rent | 71,000 | 71,000 |
| Sponsorship, donations and events | 900 | 950 |
| Administration fees | 12,240 | 78,447 |
| Interest income | 1,872 | 480 |
| | $ 837,061 | $ 1,447,540 |

## 10. COMMITMENT

As at March 31, 2025, the Council has outstanding quarterly commitments of $1,356 with respect to an office equipment lease expiring March 31, 2026 as follows:

| | |
|---|---|
| 2026 | $ 5,424 |

## 11. BENEFITS FUND

The Council, under its core contribution agreement, is allowed to create a Maternity and Parental Leave Benefits Fund, using a maximum of $5,000 of unexpended core contribution per year, to a maximum of $30,000. Changes during the year in the Benefits Fund are as follows:

| | 2025 | 2024 |
|---|---|---|
| Benefits Fund | $ 30,000 | $ 30,000 |

The Council maintains designated cash to cover the required fund balance. There is a sufficient balance to cover the fund balance in the current year.

## 12. CONTINGENCY FUND

The Council created a Contingency Fund to be fiscally responsible in discharging its responsibilities to make payments and to cover any future technology requirements. Changes during the year in the Contingency Fund are as follows:

| | 2025 | 2024 |
|---|---|---|
| Contingency Fund | $ 65,538 | $ 51,732 |
| Transfer from unrestricted surplus | - | 13,806 |
| Contingency Fund, closing | $ 65,538 | $ 65,538 |

The Council maintains designated cash to cover the required fund balance. There are insufficient funds to cover the balance in the current year.

## 13. FINANCIAL INSTRUMENTS

The Council's financial instruments consist of cash, marketable securities, accounts receivable, trade payables and accruals, and wages and benefits payable. Unless otherwise noted, it is management's opinion that the Council is not exposed to significant interest rate, market, currency, credit, liquidity, cash flow risks, nor is the Council exposed to significant concentrations of such risks. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

As March 31, 2024, the Council has a $35,000 (2023 - $20,000) credit card facility with the Bank of Nova Scotia.

## 14. RELATED PARTY TRANSACTIONS

The Council is related in terms of common ownership to all GNWT-created departments, territorial corporations and public agencies. The Council enters into transactions with these entities in the normal course of operations and on normal trade terms applicable to all parties. The amounts due to and from related parties are unsecured, non-interest bearing and due on demand.

Transactions with related parties during the year and balances at year end, not disclosed elsewhere in the financial statements, are disclosed in this note.

## 14. RELATED PARTY TRANSACTIONS, continued

| | 2025 | 2024 |
|---|---|---|
| Revenue | | |
| GNWT - Executive & Indigenous Affairs | $ 444,000 | $ 444,000 |
| GNWT - Executive & Indigenous Affairs GED | 117,500 | 5,000 |
| GNWT - Executive & Indigenous Affairs Women's Program | 5,000 | - |
| GNWT - Department of Justice | 55,000 | 74,000 |
| GNWT - Health & Social Services | 29,925 | 29,746 |
| GNWT - Municipal & Community Affairs | - | 20,000 |
| GNWT - Infrastructure (Contributed rent) | 71,000 | 71,000 |
| | $ 722,425 | $ 643,746 |
| Expenses | | |
| GNWT - Infrastructure (Contributed rent) | $ 71,000 | $ 71,000 |
| GNWT - Financial Shared Services | 792 | 787 |
| Northwest Territories Health and Social Services Authority | 25,200 | 11,200 |
| Dehcho DEC | - | 20,000 |
| | $ 96,992 | $ 102,987 |

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

## 15. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

# STATUS OF WOMEN COUNCIL OF THE NWT

## SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

**SCHEDULE OF CORE** **Schedule 1**

| | 2025 | 2024 |
|---|---|---|
| **REVENUES** | | |
| GNWT - Executive & Indigenous Affairs | $ 444,000 | $ 444,000 |
| GNWT - Contributed Rent | 71,000 | 71,000 |
| Administration Recovery | 12,240 | 78,447 |
| Miscellaneous | 2,772 | 1,430 |
| Deferred Revenue | (25,107) | - |
| | 504,905 | 594,877 |
| **EXPENSES** | | |
| Advertising | 1,799 | 74,729 |
| Amortization | 4,442 | 3,270 |
| Community support | 5,506 | 24,826 |
| Contributed Rent | 71,000 | 71,000 |
| Equipment Rental | 6,557 | 5,695 |
| Facilitators/Contractors | 6,841 | 23,271 |
| Honoraria | 7,300 | 10,950 |
| Interest & Bank Charges | 1,750 | 1,753 |
| Mail Service | 1,353 | 967 |
| Meetings | 1,176 | 3,503 |
| Professional Development - Staff | 250 | - |
| Professional/Contract Services | 63,822 | 38,219 |
| Resources/Subscriptions | 303 | - |
| Supplies | 2,597 | 13,326 |
| Technology | 11,573 | 10,619 |
| Telecommunications | 8,700 | 9,339 |
| Travel | 19,057 | 18,745 |
| Wages & Benefits | 290,879 | 38,188 |
| | 504,905 | 348,400 |
| **EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER EXPENSES** | - | 246,477 |
| **OTHER EXPENSES** | | |
| Repayable to GNWT | - | 246,477 |
| **EXCESS OF REVENUES OVER EXPENSES** | $ - | $ - |

# STATUS OF WOMEN COUNCIL OF THE NWT

## SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

### SCHEDULE OF FAMILY VIOLENCE PREVENTION MONTH — Schedule 2

| | 2025 | 2024 |
|---|---|---|
| **REVENUES** | | |
| GNWT - Health & Social Services | $ - | $ 29,746 |
| **EXPENSES** | | |
| Administration | - | 1,400 |
| Community Events | - | 11,174 |
| Community Support | - | 15,400 |
| Postage & printing | - | 1,772 |
| | - | 29,746 |
| **EXCESS OF REVENUES OVER EXPENSES** | $ - | $ - |

# STATUS OF WOMEN COUNCIL OF THE NWT

## SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

**SCHEDULE OF SELF CARE KITS** **Schedule 3**

| | 2025 | 2024 |
|---|---|---|
| **REVENUES** | | |
| GNWT - Justice | $ - | $ 29,000 |
| **EXPENSES** | | |
| Materials | - | 29,000 |
| **EXCESS OF REVENUES OVER EXPENSES** | $ - | $ - |

# STATUS OF WOMEN COUNCIL OF THE NWT

## SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

**SCHEDULE OF VICTIM AWARENESS WEEK** **Schedule 4**

| | 2025 | 2024 |
|---|---|---|
| **REVENUE** | | |
| GNWT - Department of Justice | $ 45,000 | $ 45,000 |
| Deferred Revenue | 45,000 | - |
| Dept of H&SS | 29,942 | - |
| | 119,942 | 45,000 |
| **EXPENSES** | | |
| Professional fees | 274 | 934 |
| Community events | 500 | 893 |
| Community support | 25,200 | 11,200 |
| Materials | 6,299 | 28,473 |
| Administration Fees | - | 3,500 |
| Advertising and promotion | 2,780 | - |
| Freight | 1,066 | - |
| | 36,119 | 45,000 |
| **EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER EXPENSES** | 83,823 | - |
| **OTHER EXPENSES** | | |
| Repayable to GNWT | 83,806 | - |
| **EXCESS OF REVENUES OVER EXPENSES** | $ 17 | $ - |

# STATUS OF WOMEN COUNCIL OF THE NWT

## SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

**SCHEDULE OF WOMEN'S PROGRAM** **Schedule 5**

| | 2025 | 2024 |
|---|---|---|
| **REVENUE** | | |
| GNWT | $ 5,000 | $ - |
| Deferred Revenue | (1,096) | - |
| | 3,904 | - |
| **EXPENSES** | | |
| Freight | 3,904 | - |
| **EXCESS OF REVENUES OVER EXPENSES** | $ - | $ - |

# STATUS OF WOMEN COUNCIL OF THE NWT

## SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

**SCHEDULE OF GENDER BASED VIOLENCE** **Schedule 6**

| | 2025 | 2024 |
|---|---|---|
| **REVENUE** | | |
| GNWT Funding | $ 50,000 | $ - |
| **EXPENSES** | | |
| Advertising & Promotion | 1,151 | - |
| Freight | 1,465 | - |
| Materials | 819 | - |
| Professional fees | 45,044 | - |
| Workshop Expenses | 1,744 | - |
| Travel | 6,060 | - |
| | 56,283 | - |
| **DEFICIENCY OF REVENUES OVER EXPENSES** | $ (6,283) | $ - |

# STATUS OF WOMEN COUNCIL OF THE NWT

## SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

**SCHEDULE OF NGO STABILIZATION FUND** **Schedule 7**

| | 2025 | 2024 |
|---|---|---|
| **REVENUE** | | |
| GNWT - Municipal & Community Affairs | $ - | $ 20,000 |
| **EXPENSES** | | |
| Professional Fees | - | 20,000 |
| **EXCESS OF REVENUES OVER EXPENSES** | $ - | $ - |

# STATUS OF WOMEN COUNCIL OF THE NWT

## SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

### SCHEDULE OF WORKPLACE SEXUAL HARASSMENT — Schedule 8

| | 2025 | 2024 |
|---|---|---|
| **REVENUE** | | |
| Justice Canada | $ - | $ 490,615 |
| **EXPENSES** | | |
| Accounting & Legal | - | 5,322 |
| Administration Recovery | - | 63,993 |
| Marketing & Communications | - | 11,061 |
| Print/Publication & Distribution | - | 22,212 |
| Program Delivery | - | 288,937 |
| Project Travel | - | 34,225 |
| Wages & Benefits | - | 66,000 |
| | - | 491,750 |
| **DEFICIENCY OF REVENUES OVER EXPENSES** | $ - | $ (1,135) |

# STATUS OF WOMEN COUNCIL OF THE NWT

## SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

**SCHEDULE OF ECONOMIC ABUSE** **Schedule 9**

| | 2025 | 2024 |
|---|---|---|
| **REVENUE** | | |
| Canada - Women and Gender Equity | $ - | $ 233,008 |
| **EXPENSES** | | |
| Administration | - | 8,759 |
| Advertising | - | 65,693 |
| Facility Rental | - | 846 |
| Other | - | 482 |
| Professional Fees | - | 125,818 |
| Salaries and benefits | - | 28,550 |
| Travel and accommodation | - | 2,860 |
| | - | 233,008 |
| **EXCESS OF REVENUES OVER EXPENSES** | $ - | $ - |

# STATUS OF WOMEN COUNCIL OF THE NWT

## SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

**SCHEDULE OF VICTIM ASSISTANCE FUND** **Schedule 10**

| | 2025 | 2024 |
|---|---|---|
| **REVENUE** | | |
| GNWT - Executive & Indigenous Affairs | $ 10,000 | $ - |
| Deferred Revenue | (3,244) | - |
| | 6,756 | - |
| **EXPENSES** | | |
| Professional Fees | 3,670 | - |
| Materials | 929 | - |
| Marketing & Communications | 1,122 | - |
| Printing & Postage | 507 | - |
| Community Support | 528 | - |
| | 6,756 | - |
| **EXCESS OF REVENUES OVER EXPENSES** | $ - | $ - |

# STATUS OF WOMEN COUNCIL OF THE NWT

## SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

**SCHEDULE OF GENDER EQUITY** **Schedule 11**

| | 2025 | 2024 |
|---|---|---|
| **REVENUE** | | |
| GNWT Funding | $ 67,500 | $ - |
| Deferred Revenue | (67,500) | - |
| | $ - | $ - |

# STATUS OF WOMEN COUNCIL OF THE NWT

## SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

**SCHEDULE OF WAGE SYSTEMIC CHANGE** **Schedule 12**

| | 2025 | 2024 |
|---|---|---|
| **REVENUE** | | |
| WAGE (Women and Gender Equity) Canada | $ 182,951 | $ 5,294 |
| Deferred Revenue | (31,397) | - |
| | 151,554 | 5,294 |
| **EXPENSES** | | |
| Administration Fees | 12,240 | 794 |
| Research/Contract Fees | 103,084 | 4,725 |
| Other | 789 | - |
| Professional Fees | 34,361 | - |
| Facility Rental | 1,080 | - |
| | 151,554 | 5,519 |
| **DEFICIENCY OF REVENUES OVER EXPENSES** | $ - | $ (225) |

# STATUS OF WOMEN COUNCIL OF THE NWT

## SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

### SCHEDULE OF EXPENSES BY OBJECT

**Schedule 13**

| | 2025 | 2024 |
|---|---|---|
| Administration | $ 5,953 | $ 18,373 |
| Administration Fees | 12,543 | 78,447 |
| Amortization | 4,442 | 3,270 |
| Bookkeeping, audit and legal | 33,490 | 42,114 |
| Community events | 1,580 | 2,587 |
| Community support | 30,460 | 61,251 |
| Computer | 11,573 | 10,619 |
| Compensation and Benefits | 290,879 | 132,738 |
| Contributed Rent | 71,000 | 71,000 |
| Fees and Dues | 736 | 1,002 |
| Equipment Rental | 6,557 | 5,695 |
| Freight/ Postage | 7,787 | 1,348 |
| Honoraria | 6,300 | 10,950 |
| Interest and bank charges | 1,014 | 751 |
| Marketing and communications | 4,072 | 125,972 |
| Materials and supplies | 8,512 | 59,177 |
| Print/Publication & Distribution | 3,562 | 48,556 |
| Professional/Contract Services | 223,250 | 174,748 |
| Program delivery costs | 1,744 | 288,656 |
| Telecommunications | 8,700 | 9,339 |
| Travel and Accommodation | 25,117 | 55,830 |
| Staff Training | 250 | - |
| | $ 759,521 | $ 1,202,423 |

# Fuel Services Division

## Financial Statements

## March 31, 2025

## Fuel Services Division

### Financial Statements

**March 31, 2025** **Page**


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## Management's Responsibility for Financial Reporting

## To the Minister of Infrastructure
## Government of the Northwest Territories

Management is responsible for the reliability, integrity and objectivity of the data in the accompanying financial statements, which have been prepared in accordance with Canadian public sector accounting standards. Where appropriate, the financial statements include estimates and judgments based on careful consideration of the information available to management.

In discharging its responsibility for financial reporting, management maintains and relies on internal control systems and practices, which are designed to provide reasonable assurance that the transactions are authorized, the assets are safeguarded and proper records are maintained. These control systems and practices ensure the orderly conduct of business, the accuracy of the accounting records, reliability of financial information and compliance to legislation governing the Petroleum Products Revolving Fund.

The auditor provides an independent, objective audit for the purpose of expressing an opinion on the financial statements. The auditor also considers whether the transactions that come to their notice during the course of the audit are, in all significant respects, in accordance with specified legislation.



Lorne Browne, Director
Fuel Services Division
Yellowknife, Northwest Territories
June 24, 2025

Crowe MacKay LLP
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# Independent Auditors' Report

**To the Minister of Infrastructure**
**Government of the Northwest Territories**

*Opinion*
We have audited the financial statements of the Fuel Services Division Petroleum Products Revolving Fund (the "Fund"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, changes in net financial debt, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2025, and its results of operations, changes in net financial debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Basis for Opinion*
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Responsibilities of Management for the Financial Statements*
Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

## Independent Auditors' Report (continued)

*Auditors' Responsibilities for the Audit of the Financial Statements*
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Crowe MacKay LLP

**Yellowknife, Canada**
**June 24, 2025**

**Chartered Professional Accountants**

## Fuel Services Division

### Statement of Financial Position

| March 31, | 2025 | 2024 |
|---|---|---|
| **Financial Assets** | | |
| Accounts receivable (note 4) | **$ 12,609,812** | $ 46,405,900 |
| Inventory held for resale (note 5) | **50,007,617** | 49,540,040 |
| | **62,617,429** | 95,945,940 |
| **Financial Liabilities** | | |
| Accounts payable and accrued liabilities (note 6) | **5,437,598** | 8,393,818 |
| Salaries payable | **210,669** | 199,876 |
| Employee future benefits payable (note 7) | **83,152** | 65,204 |
| Due to the Government of the Northwest Territories (note 8) | **58,670,975** | 89,337,522 |
| | **64,402,394** | 97,996,420 |
| **Net Debt** | **$ (1,784,965)** | $ (2,050,480) |
| **Non-financial Assets** | | |
| Prepaid expenses | **2,714** | - |
| **Accumulated Deficit** | **$ (1,782,251)** | $ (2,050,480) |

**Commitments (note 9)**

Approved

Lorne Browne
Director
Fuel Services Division

Renalyn Pascua-Matte,
Comptroller
Fuel Services Division

## Fuel Services Division

### Statement of Changes in Net Financial Debt

| March 31, | 2025 Budget | 2025 Actual | 2024 Actual |
|---|---|---|---|
| **Annual surplus** | $ - | **$ 268,229** | $ 312,222 |
| **Change in prepaid expenses** | - | **(2,714)** | 282 |
| **Decrease in net financial debt** | | **265,515** | 312,504 |
| **Net financial debt, beginning of year** | (2,050,480) | **(2,050,480)** | (2,362,984) |
| **Net financial debt, end of year** | $ (2,050,480) | **$ (1,784,965)** | $ (2,050,480) |

## Fuel Services Division

**Statement of**

| **March 31,** | 2025 Budget | **2025 Actual** | 2024 Actual |
|---|---|---|---|
| **Revenues** | | | |
| Sales of petroleum products (note 10) | $ 55,000,000 | **$ 58,450,313** | $ 74,737,685 |
| **Cost of sales** | | | |
| Cost of goods sold (note 11) | 47,000,000 | **49,678,367** | 66,175,694 |
| Loss due to evaporation | 100,000 | **809** | 373 |
| Commission fees | 3,200,000 | **3,509,952** | 3,129,218 |
| | 50,300,000 | **53,189,128** | 69,305,285 |
| **Gross margin** | 4,700,000 | **5,261,185** | 5,432,400 |
| **Gross margin percentage** | 8.5 % | **9.0 %** | 7.3 % |
| **Expenses** | | | |
| Bad debts recovery | - | **(285,006)** | (26,599) |
| Contracts and purchased services (note 11) | 600,000 | **530,936** | 630,085 |
| Operating and maintenance | 700,000 | **988,842** | 1,042,408 |
| Office and administration | - | **95,667** | 76,345 |
| Salaries, wages and employee benefits | 2,500,000 | **2,689,250** | 2,398,624 |
| Travel | 400,000 | **358,986** | 425,594 |
| Utilities (note 11) | 500,000 | **614,281** | 573,721 |
| | 4,700,000 | **4,992,956** | 5,120,178 |
| **Annual surplus before other items** | - | **268,229** | 312,222 |
| **Other revenue (expenses)** | | | |
| Grant contribution - air freight (note 12) | - | **1,397,000** | 949,842 |
| Grant-in-kind, Government assets provided at no cost (note 15) | - | **5,209,375** | 6,330,521 |
| Tangible capital assets - rent expenses (note 15) | - | **(1,807,813)** | (2,061,341) |
| Financing charges (note 15) | - | **(3,401,562)** | (4,269,180) |
| Air freight (note 12) | - | **(1,397,000)** | (949,842) |
| | - | **-** | - |
| **Annual surplus** | $ - | **$ 268,229** | $ 312,222 |

## Fuel Services Division

### Statement of Accumulated Deficit

| March 31, | 2025 | 2024 |
|---|---|---|
| **Accumulated deficit, beginning of year** | **$ (2,050,480)** | $ (2,362,702) |
| **Annual surplus** | **268,229** | 312,222 |
| **Accumulated deficit, end of year** | **$ (1,782,251)** | $ (2,050,480) |

## Fuel Services Division

### Statement of Cash Flows

| March 31, | 2025 | 2024 |
|---|---|---|
| **Cash provided by (used for)** | | |
| **Operating activities** | | |
| Annual surplus | **$ 268,229** | $ 312,222 |
| Change in non-cash working capital items | | |
| Accounts receivable | **33,796,088** | (23,328,704) |
| Inventory held for resale | **(467,577)** | (3,302,461) |
| Accounts payable and accrued liabilities | **(2,956,220)** | 2,945,193 |
| Salaries payable | **10,793** | 36,391 |
| Employee future benefits payable | **17,948** | 19,472 |
| Due to the Government of the Northwest Territories | **(30,666,547)** | 23,317,605 |
| Prepaid expenses | **(2,714)** | 282 |
| **Cash, beginning and end of year** | **$ -** | $ - |

## 1. Authority and Operations

Petroleum Products Revolving Fund (the "Fund") was established in 1973 for the distribution of petroleum products in the Northwest Territories. The Fund operates under the authority of the *Revolving Funds Act* (the "*Act*") and the Northwest Territories *Financial Administration Act*. The Fuel Services Division of the Department of Infrastructure of the Government of the Northwest Territories (the "Government") is responsible for the administration of the Fund.

Under the *Act*, the Fund receives working capital advances from the Consolidated Revenue Fund (the "CRF") to finance inventory, accounts receivable and operating expenses. The Fund's purchases of petroleum products and operating expenses are paid from the CRF and funds received by the Fund are deposited in the CRF. The authorized limit of the Fund, being the maximum amount by which the assets may exceed the liabilities is $55 million. The balance of the Fund is reported as a liability due to the Government.

The prices for the Fund's petroleum products are approved by the Government. It is the expectation of the Government that the Fund's cost of goods sold and operating expenses will be recovered through the price structure to achieve a break-even operation. Under the *Act*, there is a special account in the CRF called the Petroleum Products Stabilization Fund to which profits of the Fund shall be credited and losses shall be charged. The debit or credit amount in the Stabilization Fund shall not exceed $3,000,000 (2024 - $3,000,000) at the end of the fiscal year. The balance in the Stabilization Fund at March 31, 2025 is a deficit of $1,782,251 (2024 - deficit of $2,050,480).

## 2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Canadian Public Sector Accounting Board ("PSAB") of Canada. The significant accounting policies used are as follows;

### (a) Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of inventory cost and valuation, assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. Items requiring the use of significant estimates are allowance for doubtful accounts, inventory value, cost of goods sold, tangible capital assets - rent expense and grant-in-kind. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

## 2. Significant accounting policies (continued)

### (b) Tangible capital assets

Tangible capital assets are the property of the Government and accordingly are not reported in the financial statements. Use of assets, such as fuel storage facilities and fuel delivery vehicles are accounted for as a rent offset by a grant in kind from the Government which is calculated based on the amortization of the assets as described in Note 15.

### (c) Financing charges

Financing charges for the use of working capital provided by the Government are estimated based upon a rolling monthly average prime corporate interest plus 0.35% per annum as described in Note 15.

### (d) Services provided without charge

The Fund does not record the following services provided without charge by the Government: the procurement of goods and services, the processing of payroll, legal counsel, records storage and computer operations, and internal audit services, as it is difficult to estimate them.

### (e) Asset retirement obligations

An asset retirement obligations are legal obligations associated with the retirement of a tangible capital asset. A liability is recognized when the following criteria are met as at the financial statements date:

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and,
- a reasonable estimate of the amount can be made.

Subsequent measurement of the liability can result in either a change in the carrying amount of the related tangible capital asset (or a component thereof), or an expense, depending on the nature of the remeasurement and whether the asset remains in productive use.

The estimate of a liability includes costs directly attributable to asset retirement activities. Costs includes post-retirement operation, maintenance and monitoring that are an integral part of the retirement of the tangible capital asset. The estimate would include costs of tangible capital assets acquired as part of asset retirement activities to the extent those assets have no alternative use.

The carrying amount of a liability for an asset retirement obligation is estimated at each financial reporting date.

As of March 31, 2025, the Fund does not own any tangible capital assets and therefore has no asset retirement obligations to report.

## 2. Significant accounting policies (continued)

### (f) Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard.

As the Government owns the assets of the Fund, it also accepts responsibility for any contaminated sites. As a result, the Fund does not record any liabilities associated with contaminated sites or their remediation.

### (g) Pensions and other employee future benefits and compensated absences

All eligible employees participate in the Public Service Superannuation Plan (the "Plan) administered by the Government of Canada. The Fund's contributions are charged as an expense on a current year basis and represent the total pension obligations. The Fund is not required under present legislation to make contributions with respect to any actuarial deficiencies of the Plan.

Pension benefits to eligible employees of the Fund are reported on an actuarial basis. This is done to determine the current value of future entitlement and uses various estimates. When actual experience varies from estimates or when actuarial assumptions change, the adjustments are amortized on a straight-line basis over the estimated average remaining service lives of the contributors. Recognition of actuarial gains and losses commences in the year following the effective date of the related actuarial valuations. In addition, immediate recognition of a previously unrecognized net actuarial gain or loss may be required upon a plan amendment, curtailment or settlement.

Under the terms and conditions of employment, government employees may earn non-pension benefits for resignation, retirement and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment. Eligibility is based on a variety of factors including place of hire, date employment commenced, and reason for termination. Benefit entitlements are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service. Termination benefits are also recorded when employees are identified for layoff. Compensated absences include sick, special, parental and maternity leave. Accumulating non-vesting sick and special leave are recognized in the period the employee provides service, whereas parental and maternity leave are event driven and are recognized when the leave commences. An actuarial valuation of the cost of these benefits (except maternity and parental leave) has been prepared using data provided by management and assumptions based on management's best estimates.

The Fund and its employees, who are deemed to be employees of the Government, make contributions to the Plan. The Fund and the employees contribute to the cost of the Plan. During the year the Fund contributed $178,234 (2024 - $157,261) to the Plan which was recognized as an expense while employees contributed $178,013 (2024 - $160,473). These contributions represent the total pension obligation of the Fund and are expensed on a current year basis. The Fund is not required under present legislation to make contributions with respect to actuarial deficiencies, if any, of the Plan.

## 2. Significant accounting policies (continued)

### (h) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the weighted average method.

### (i) Revenue recognition

Revenue from the sale of petroleum products is recognized when the fuel is dispensed or delivered to the customers. The customer assumes all risks of ownership and the collection of any amounts receivable is considered probable.

Grant contribution revenue is recognized when the funds are received or become receivable.

Other revenue is recognized as goods are delivered or services are provided.

### (j) Government transfers

Government transfers are the transfer of monetary assets or tangible capital assets from a government for which the government making the transfer does not:
- receive any goods or services directly in return;
- expect to be repaid in the future; or
- expect a direct financial return.

Government transfers are recognized as revenue in the period during which the transfer is authorized and eligibility criteria are met, except when and to the extent that the transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers meeting the definition of a liability are recognized as revenue as the liability is settled.

### (k) Inter-entity transactions

Inter-entity transactions are transactions between commonly controlled entities.

Inter-entity transactions are recorded at the exchange amount when they are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length. The cost allocations are recorded on a gross basis.

Unallocated costs for services the Fund would be required to purchase if not provided by the Government are recorded at the carrying amount in the statement of operations when a reasonable estimate of the amount can be made. These unallocated costs are recognized in revenues and expenses.

The Fund does not record the following services provided without charge by the Government: the procurement of goods and services, the processing of payroll, legal counsel, records storage and computer operations, and internal audit services, as it is difficult to make a reasonable estimate for them.

## 2. Significant accounting policies (continued)

### (l) Related parties

The Fund initially measures related party balances in accordance with the substance of the transactions that gave rise to them. The Fund subsequently measures related party balances in accordance with the Fund's policies for financial instruments, as set out in note (m).

The Fund is related in terms of common control to all Government departments, boards and agencies. These include:

Departments
- Department of Education, Culture and Employment
- Department of Environment and Climate Change
- Department of Executive and Indigenous Affairs
- Department of Finance
- Department of Health and Social Services
- Department of Industry, Tourism and Investment
- Department of Infrastructure
- Department of Justice
- Department of Municipal and Community Affairs

Boards and Agencies
- Arctic Energy Alliance
- Aurora College
- Education Authorities
- Hay River Health and Social Services Authority
- Housing NWT
- Inuvialuit Water Board
- Marine Transportation Services - Revolving Fund
- Northwest Territories Environmental Studies Research Fund
- Northwest Territories Health and Social Services Authority
- Northwest Territories Heritage Fund
- Northwest Territories Human Rights Commission
- Northwest Territories Liquor and Cannabis Commission
- Northwest Territories Power Corporation
- NWT Liquor Licensing Board
- NWT Surface Rights Board
- Physical Activity, Sport and Recreation Fund
- Prosper NWT
- Status of Women Council of the NWT
- Tlicho Community Services Agency
- Workers' Safety and Compensation Commission

The Fund enters into transactions with these entities in the normal course of business, with the exception of sales to the Northwest Territories Power Corporation. In accordance with an agreement with the Government, the Northwest Territories Power Corporation is charged the cost of petroleum products consumed.

## 2. Significant accounting policies (continued)

### (m) Financial instruments

The Fund classifies its financial instruments at cost or amortized cost. The Fund's accounting policy for this financial instrument category is as follows:

This category includes accounts receivable, accounts payable and accrued liabilities and amounts due to the Government. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instruments.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the Statement of Operations.

## 3. Future changes to significant accounting policies

### The Conceptual Framework for Financial Reporting in the Public Sector

The PSAB's Conceptual Framework for Financial Reporting in the Public Sector replaces the conceptual aspects of Section PS 1000, Financial Statement Concepts, and Section PS 1100, Financial Statement Objectives. The Conceptual Framework applies to fiscal years beginning on or after April 1, 2026. Earlier adoption is permitted. This Conceptual Framework is to be applied prospectively.

## 4. Accounts receivable

| | Balance | Allowance | 2025 |
|---|---|---|---|
| Non-Government | $ 2,701,210 | $ 25,757 | $ 2,675,453 |
| Government of Canada | 48,466 | 969 | 47,497 |
| Government of the Northwest Territories | | | |
| Boards and Agencies | | | |
| Education Authorities | 9,575 | - | 9,575 |
| Northwest Territories Health and Social Services Authority | 6,353 | - | 6,353 |
| Housing NWT | 1,756,467 | - | 1,756,467 |
| Northwest Territories Power Corporation | 5,369,755 | - | 5,369,755 |
| Tlicho Community Services Agency | 10,213 | - | 10,213 |
| Departments | | | |
| Education, Culture and Employment | 23,660 | | 23,660 |
| Environment and Climate Change | 1,079 | - | 1,079 |
| Infrastructure | 359,694 | | 359,694 |
| Local (Municipalities, Community Governments) | 2,350,066 | | 2,350,066 |
| | **$ 12,636,538** | **$ 26,726** | **$ 12,609,812** |

| | Balance | Allowance | 2024 |
|---|---|---|---|
| Non-Government | $ 1,842,224 | $ 201,843 | $ 1,640,381 |
| Government of Canada | 54,713 | 4,802 | 49,911 |
| Government of the Northwest Territories | | | |
| Boards and Agencies | | | |
| Education Authorities | 8,696 | - | 8,696 |
| Northwest Territories Health and Social Services Authority | 7,330 | - | 7,330 |
| Housing NWT | 596,562 | - | 596,562 |
| Northwest Territories Power Corporation | 41,403,705 | - | 41,403,705 |
| Tlicho Community Services Agency | 26,589 | - | 26,589 |
| Departments | | | |
| Education, Culture and Employment | 164,269 | | 164,269 |
| Environment and Climate Change | 8,413 | - | 8,413 |
| Infrastructure | 396,358 | - | 396,358 |
| Local (Municipalities, Community Governments) | 2,248,621 | 144,935 | 2,103,686 |
| | $ 46,757,480 | $ 351,580 | $ 46,405,900 |

## 5. Inventory for resale

| | 2025 | 2024 |
|---|---|---|
| Diesel | $ 40,292,591 | $ 40,342,016 |
| Gasoline | 5,990,586 | 5,515,146 |
| Jet A1 | 3,518,007 | 3,525,066 |
| Naphtha | 206,433 | 157,812 |
| | **$ 50,007,617** | $ 49,540,040 |

An inventory write-down of $809 (2024 - $373) was expensed during the year. This represents product loss primarily due to evaporation. It is a factor of inventory on hand throughout the year, the type of fuel tanks in which the inventory is held, and weather conditions throughout the year.

## 6. Accounts payable and accrued liabilities

| | 2025 | 2024 |
|---|---|---|
| Non-Government trade accounts payable | $ 5,042,341 | $ 7,828,715 |
| Government of Canada - Federal excise tax | 50,260 | 47,395 |
| Government of Canada - Goods and services tax | 254,608 | 366,244 |
| Government of the Northwest Territories | | |
| Boards and Agencies | | |
| Northwest Territories Power Corporation | 90,389 | 23,450 |
| Marine Transportation Services - Revolving Fund | - | 128,014 |
| | **$ 5,437,598** | $ 8,393,818 |

## 7. Employee future benefits payable

### Other Employee Future Benefits and Compensated Absences

In addition to pension benefits, the Government provides severance (resignation and retirement), removal and compensated absence (sick, special, maternity and parental leave) benefits to its employees. The benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit liability.

Severance benefits are paid to the Government's employees based on the type of termination (e.g. resignation versus retirement) and appropriate combinations that include inputs such as when the employee is hired, the rate of pay, the number of years of continuous employment, age and if the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being location of hire, employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology.

Compensated absence benefits generally accrue as employees render service and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include, but are not limited to employee or dependent illness and death of an immediate family member. Benefits that accrue under compensated absence benefits, excluding maternity and parental leave, were actuarially valued using the expected utilization methodology. Non-accruing benefits include maternity and parental leave and are recognized when the leave commences.

### Valuation results

The last actuarial valuation was completed as at February 12, 2025. The results were extrapolated to March 31, 2025. The effective date of the next actuarial valuation is March 31, 2025. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the Fund.

| Changes in Liability | Severance and Removal | Compensated Absences | 2025 | 2024 |
|---|---|---|---|---|
| Accrued benefit obligation, beginning of year | $ 99,325 | $ 32,888 | $ 132,213 | $ 147,500 |
| Benefits earned | 4,618 | 2,180 | 6,798 | 6,913 |
| Interest | 4,877 | 1,719 | 6,596 | 6,796 |
| Benefits paid | - | (5,260) | (5,260) | (4,780) |
| Actuarial (gains)/losses | 32,065 | (3,700) | 28,365 | (24,216) |
| Accrued benefit obligation, end of year | 140,885 | 27,827 | 168,712 | 132,213 |
| Unamortized net actuarial loss | (70,669) | (14,891) | (85,560) | (67,009) |
| Accrued benefit liability | **$ 70,216** | **$ 12,936** | **$ 83,152** | $ 65,204 |

## 7. Employee future benefits payable (continued)

### Benefits expense

| | Severance and Removal | Compensated Absences | 2025 | 2024 |
|---|---|---|---|---|
| Current service cost | $ 4,618 | $ 2,180 | $ 6,798 | $ 6,913 |
| Interest cost | 4,877 | 1,719 | 6,596 | 6,796 |
| Amortization of net actuarial loss | 2,773 | 4,041 | 9,815 | 10,543 |
| | **$ 12,268** | **$ 7,940** | **$ 23,209** | $ 24,252 |

The discount rate used in the 2025 fiscal year to determine the accrued benefit obligation is an average of 4.3% (2024 - 5.3%). The expected payments during the next five fiscal years are as follow:

| | Severance and Removal | Compensated Absences | Total |
|---|---|---|---|
| 2026 | $ 35,294 | $ 4,502 | $ 39,796 |
| 2027 | 27,031 | 4,665 | 31,696 |
| 2028 | 19,736 | 3,775 | 23,511 |
| 2029 | 18,516 | 3,640 | 22,156 |
| 2030 | 16,705 | 3,226 | 19,931 |
| Subsequent 5 years | 28,436 | 9,498 | 37,934 |
| | **$ 145,718** | **$ 29,306** | **$ 175,024** |

## 8. Due to the Government of the Northwest Territories

The amount due to the Government of the Northwest Territories represents the balance in the revolving fund as follows:

| | 2025 | 2024 |
|---|---|---|
| Balance, beginning of year | $ 89,337,522 | $ 66,019,917 |
| Payments made by the Government of the Northwest Territories | | |
| Purchases of petroleum products | 50,145,943 | 69,478,155 |
| Other cash disbursements | 12,081,053 | 11,547,593 |
| Cash paid to the Government of the Northwest Territories | (92,893,543) | (57,949,746) |
| | **$ 58,670,975** | $ 89,337,522 |

## 9. Commitments

### Fuel resupply contracts

The Fund has entered into agreements with Imperial Oil Limited, Midnight Petroleum Ltd., Glencore Ltd., AFD Petroleum Ltd. and Arctic Petroleum Services Ltd. for the supply and transporting bulk petroleum to communities accessible by marine barge or road tanker truck. These agreements have varying termination dates, with the earliest ending in May 2025 and the last in October 2027.

### Community fuel delivery contracts

The Fund provides local fuel delivery services in 16 communities across the Northwest Territories. The contracts for sales, dispensing and delivery services are awarded based on a competitive request for proposal (RFP) process. Contracts are awarded to local residents or businesses. Under these contracts, fixed commission rates are paid.

The total value of all commitments is estimated at $41,982,358 (2024 - $129,636,206) and estimated commitment by years is as follows:

| | |
|---|---|
| 2026 | $ 37,799,848 |
| 2027 | 3,522,161 |
| 2028 | 660,349 |
| | **$ 41,982,358** |

## 10. Sales of petroleum products

| | **2025** | 2024 |
|---|---|---|
| Non-Government | $ 11,982,845 | $ 10,714,583 |
| Government of Canada | 132,673 | 143,429 |
| Government of the Northwest Territories | | |
| Boards and Agencies | | |
| Education Authorities | 33,581 | 28,000 |
| Northwest Territories Health and Social Services Authority | 56,375 | 50,284 |
| Northwest Territories Housing Corporation | 4,282,100 | 4,085,249 |
| Northwest Territories Power Corporation | 31,584,269 | 50,535,968 |
| Tlicho Community Services Agency | 20,757 | 47,325 |
| Departments | | |
| Education, Culture and Employment | 1,172,438 | 1,071,921 |
| Environment and Climate Change | 19,074 | 43,545 |
| Infrastructure | 2,658,731 | 2,321,200 |
| Municipality and Community Affairs | - | - |
| Marine Transportation Services - Revolving fund | 469,644 | 138,818 |
| Local (Municipalities, Community Governments) | 6,037,826 | 5,557,363 |
| | **$ 58,450,313** | $ 74,737,685 |

## 11. Related party transactions

Significant expenses incurred from related parties are as follows:

| | 2025 | 2024 |
|---|---|---|
| Government of the Northwest Territories | | |
| Marine Transportation Services - Revolving Fund | | |
| Cost of goods sold | $ 5,934,693 | $ 7,713,001 |
| Marine Transportation Services - Revolving Fund | | |
| Travel | 33,342 | 26,891 |
| Department of Infrastructure | | |
| Contracts and purchased services- Equipment maintenance | 2,698 | 4,174 |
| Northwest Territories Power Corporation | | |
| Utilities | 594,399 | 527,833 |
| Department of Finance | | |
| Contracts and purchased services - Insurance | 206,368 | 210,000 |
| | **$ 6,771,500** | $ 8,481,899 |

## 12. Grant contribution - air freight

A one-time grant of $1,397,000 received from the Government to cover the cost of airlifting cargo and fuel supplies to Fort Good Hope during the 2024 forest wildfire. Prior year grant of $929,842 was received from the Government to cover the cost of airlifting cargo and fuel that were not delivered to Sachs Harbour during the 2023 fiscal year sailing season.

## 13. Budget information

The budget figures are from the 2024-2025 Main Estimate Information Item presented to the Legislative Assembly of the Northwest Territories.

## 14. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

## 15. Grant in kind

**Financing charges**
Management estimated that the Fund required up to $59 million (2024 - $89 million) in working capital with an estimated annual financing cost of $3,401,562 (2024 - $4,269,180).

**Tangible capital assets - rent expenses**
Tangible capital assets, i.e. fuel storage facilities and fuel delivery vehicles, are owned by the Government. Tangible capital assets are amortized over the estimated useful life of the assets at the following rates and the expense is recognized as rent:

| | |
|---|---|
| Buildings | 40 years straight line, no salvage |
| Fuel storage facilities | 30 years straight line, no salvage |
| Fuel delivery vehicles | 10 years straight line, no salvage |

| | Cost | Accumulated Amortization | **2025** | 2024 |
|---|---|---|---|---|
| Fuel storage facilities | $ 61,845,283 | $ 36,469,003 | $ 25,376,280 | $ 26,577,455 |
| Fuel delivery vehicles | 5,819,813 | 3,956,322 | 1,863,491 | 1,356,190 |
| Construction in process | 2,918,566 | - | 2,918,566 | 3,404,031 |
| Buildings | 561,513 | 211,375 | 350,138 | 364,173 |
| | $ 71,145,175 | $ 40,636,700 | **$ 30,508,475** | $ 31,701,849 |

Rent expense for 2025 is $1,807,813 (2024 - $2,061,341).

## 16. Risk management

The Fund is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risks from the Fund's financial instruments is provided below.

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

The Fund is managed to ensure that the cost of goods sold and operating expenses are recovered through the price structure to achieve a break-even operation.

**(a)** Other price risk

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market. The Fund is exposed to other price risks as it purchases and sells petroleum products which are sensitive to price fluctuations. The Fund reduces its exposure to this risk by purchasing and selling the petroleum products at pre-approved rates.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

## 16. Risk management (continued)

**(b)** Credit risk

Credit risk is the risk of financial loss to the Fund if a debtor fails to make payments of interest and principal when due. The Fund is exposed to this risk relating to its accounts receivable.

Credit risk related to accounts receivable is mitigated by internal controls as well policies and oversight over arrears for ultimate collection.

The Fund's maximum exposure to credit risk is represented by its accounts receivable for a total of $12,609,812 (2024 - $46,405,900). The risk has decreased from the prior year.

Concentration of credit risk

Concentration of credit risk is the risk that a customer(s) has a significant portion of the total accounts receivable balance and thus there is a higher risk to the Fund in the event of a default. The Fund does have concentration risk. At March 31, 2025, receivables from one customer comprised 89% of the total outstanding accounts receivables (2024 - 74% from two customers). The Fund reduces this risk by monitoring overdue balances.

There have been no significant changes from the previous year in the policies, procedures and methods used to measure the risk.

At March 31, 2025, the following accounts receivable were past due:

| | 31-60 days | 61-90 days | 91+ days | Total |
|---|---|---|---|---|
| Accounts receivable | $ 5,159,531 | $ 1,379,520 | $ 1,360,194 | $ 7,899,245 |
| Allowance for doubtful accounts | - | - | (26,726) | (26,726) |
| | $ 5,159,531 | $ 1,379,520 | $ 1,333,468 | $ 7,872,519 |

**(c)** Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet all cash outflow obligations as they come due. The Fund mitigates this risk by monitoring cash activities and expected outflows through budgeting.

The Fund's maximum exposure to liquidity risk is represented by the financial liabilities for a total of $64,319,242 (2024 - $97,931,216). Financial liabilities consist of accounts payable and accrued liabilities and amounts due to the Government of the Northwest Territories. All financial liabilities are considered current and mature within 6 months.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

## Fur Marketing Service Revolving Fund

**Purpose:** To provide working capital for the operation of a fur advance system. Trappers receive interest free advances on fur sent to southern auction houses. Approximately 1,000 trappers take advantage of this program.

**( thousands of dollars )**

| | 2024/25 Actuals | 2024/25 Revised Estimates | 2024/25 Main Estimates | 2023/24 Actuals |
|---|---|---|---|---|
| Authorized Limit | **1,500** | **1,500** | **1,500** | **1,500** |
| Opening Accounts Receivable | 998 | 998 | 1,045 | 1,017 |
| Advances to Trappers | 897 | 330 | 577 | 310 |
| Repayment of Fur Account Loans | (848) | (696) | (618) | (329) |
| Closing Accounts Receivable | **1,047** | **632** | **1,004** | **998** |
| Cash | (1,523) | | | **(1,727)** |
| Other Asset Accounts | 3 | | | **1** |
| Asset (Liability) Accounts | 678 | | | **498** |
| Clearing Accounts | 68 | | | **68** |
| **Closing Balance Fund 12** | **273** | | | **(162)** |
| Authorized limit | **1,500** | | | **1,500** |

**The information provided within this working paper addresses all requirements of YE Directive #49 with regards to content, format, completeness, analysis and reconciliation to SAM data, and its due date of May 12th, 2025.**

**_____Jessica St.Arnaud, DFA**

**May 12, 2025**

## Fur Marketing Service Revolving Fund

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|---|---|---|---|---|
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**_____Jessica St.Arnaud, DFA**

**May 12, 2025**

# Marine Transportation Services
## (Marine Transportation Services Revolving Fund)

**Financial Statements**

**March 31, 2025**

# Marine Transportation Services
**(Marine Transportation Services Revolving Fund)**

**Financial Statements**

**March 31, 2025** **Page**


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## Management's Responsibility for Financial Reporting

**To the Minister of Infrastructure**

**Government of the Northwest Territories**

Management is responsible for the reliability, integrity and objectivity of the data in the accompanying financial statements, which have been prepared in accordance with Canadian public sector accounting standards. Where appropriate, the financial statements include estimates and judgments based on careful consideration of the information available to management.

In discharging its responsibility for financial reporting, management maintains and relies on internal control systems and practices, which are designed to provide reasonable assurance that the transactions are authorized, the assets are safeguarded, and proper records are maintained. These control systems and practices ensure the orderly conduct of business, the accuracy of the accounting records, reliability of financial information and compliance to legislation governing the Marine Transportation Services revolving fund (the "Fund").

The auditor provides an independent, objective audit for the purpose of expressing an opinion on the financial statements. The auditor also considers whether the transactions that come to their notice during the course of the audit are, in all significant respects, in accordance with specified legislation.



Terry Camsell, Director
Marine Transportation Services Revolving Fund
Hay River, Northwest Territories
**June 27, 2025**

ASHTON
Chartered Accountants
Business Advisors

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# INDEPENDENT AUDITOR'S REPORT

To the Members of Marine Transportation Services Revolving Fund

*Qualified Opinion*

We have audited the financial statements of Marine Transportation Services Revolving Fund (the Fund), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, changes in accumulated surplus (deficit), changes in net financial debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

*Basis for Qualified Opinion*

Compensation and related benefits paid to employees of the Fund are administrated by the Government of the Northwest Territories and audited as part of the Government of the Northwest Territories' audit. These balances are excluded from the scope of our audit. Accordingly, we were not able to determine whether any adjustments might be necessary to compensation and benefits expenses for the year ended March 31, 2025 and payroll liabilities, employee future benefits, net financial resources, and accumulated surplus (deficit) as at March 31, 2025 as well as the associated note disclosures.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

*(continues)*

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Hay River, Northwest Territories
June 27, 2025

Ashton Chartered Professional Accountants

# Marine Transportation Services
**(Marine Transportation Services Revolving Fund)**

**Statement I**

## Statement of Financial Position

| March 31, | 2025 | 2024 |
|---|---|---|
| **Financial Assets** | | |
| Accounts receivable (note 4) | **$ 2,583,813** | $ 5,021,518 |
| | **2,583,813** | 5,021,518 |
| **Liabilities** | | |
| Bank indebtedness (note 5) | **39,150,199** | 25,938,194 |
| Accounts payable and accrued liabilities (note 6) | **14,373,584** | 15,634,549 |
| Employee future benefits (note 7) | **37,783** | 21,060 |
| Due to Government of Northwest Territories - Revolving fund (note 8) | **-** | 5,391,624 |
| Due to Government of Northwest Territories - long-term loan (note 9) | **2,668,109** | 10,260,438 |
| **Net financial debt** | **(53,645,862)** | (52,224,347) |
| **Non-financial assets** | | |
| Tangible capital assets (note 10) | **51,345,254** | 49,748,224 |
| Prepaid expenses and deposits (note 11) | **195,668** | 326,216 |
| Inventory (note 12) | **2,104,940** | 2,149,907 |
| | **53,645,862** | 52,224,347 |
| **Surplus (deficit)** | **$ -** | $ - |

**Contributed capital (note 13)**

**Approved:**

**Director**
**Marine Transportation Services**

**Comptroller**
**Marine Transportation Services**

## Marine Transportation Services
**(Marine Transportation Services Revolving Fund)**

## Statement II

### Statement of Changes in Net Financial Debt

| For the year ended March 31, | 2025 Budget | 2025 Actual | 2024 Actual |
|---|---|---|---|
| **Net financial debt, beginning of year** | **$ (52,224,347)** | **$ (52,224,347)** | $ (56,000,508) |
| Deficiency of revenues over expenses | **-** | **-** | - |
| Amortization | **4,304,626** | **4,095,887** | 3,925,385 |
| Loss on sale of tangible capital assets | **152,083** | **152,083** | - |
| Consumption of inventories | **-** | **44,967** | 220,188 |
| Use of prepaid expenses | **-** | **130,548** | 1,137,021 |
| Purchase of tangible capital assets | **(2,037,278)** | **(5,915,000)** | (1,506,433) |
| Proceeds from sale of tangible capital assets | **70,000** | **70,000** | - |
| **Change in net financial debt** | **2,489,431** | **(1,421,515)** | 3,776,161 |
| **Net financial debt, end of year** | **$ (49,734,916)** | **$ (53,645,862)** | $ (52,224,347) |

## Statement of Operations

| For the year ended March 31, | 2025 Budget | 2025 Actual | 2024 Actual |
|---|---|---|---|
| **Revenues** | | | |
| Cargo delivery revenue | $ **3,001,153** | $ **1,631,532** | $ 4,861,995 |
| Fuel delivery revenue | **12,130,419** | **6,558,600** | 9,802,346 |
| Fuel sales | **9,408,000** | **-** | 5,368,983 |
| Shipyard services | **12,332,517** | **4,776,686** | 4,179,396 |
| Charter revenue | **3,463,225** | **5,454,803** | 3,016,137 |
| Rental and other revenue | **939,197** | **2,056,379** | 708,752 |
| | **41,274,511** | **20,478,000** | 27,937,609 |
| **Expenses (note 14)** | | | |
| Fuel cost of sales | **9,408,000** | **-** | 5,403,215 |
| Maintenance | **8,221,846** | **9,912,913** | 8,635,378 |
| Marine operations | **17,301,779** | **12,328,222** | 13,407,796 |
| Shipyard service | **1,540,000** | **2,028,147** | 2,543,061 |
| Terminal operations | **3,647,257** | **3,912,219** | 3,465,519 |
| General and administrative | **3,629,601** | **3,444,308** | 3,692,018 |
| | **43,748,483** | **31,625,809** | 37,146,987 |
| **Deficiency of revenue over expenses before other expenses and items** | **(2,473,972)** | **(11,147,809)** | (9,209,378) |
| **Other expenses** | | | |
| Amortization | **4,304,626** | **4,095,887** | 3,925,385 |
| Finance charges (note 15) | **1,287,742** | **516,682** | 1,327,395 |
| Loss on sale of tangible capital assets | **152,083** | **152,083** | - |
| | **5,744,451** | **4,764,652** | 5,252,780 |
| **Deficiency of revenue over expenses before other item** | **(8,218,423)** | **(15,912,461)** | (14,462,158) |
| **Other item** | | | |
| Grant contributions (note 16) | **8,218,423** | **15,912,461** | 14,462,158 |
| **Deficiency of revenue over expenses** | $ **-** | $ **-** | $ - |

## Marine Transportation Services
**(Marine Transportation Services Revolving Fund)**

**Statement IV**

### Statement of Accumulated Surplus (Deficit)

| For the year ended March 31, | 2025 | 2024 |
|---|---|---|
| **Accumulated surplus (deficit), beginning of year** | **$ -** | $ - |
| **Excess (deficiency) of revenue over expenses** | **-** | - |
| **Accumulated surplus (deficit), end of year** | **$ -** | $ - |

## Statement of Cash Flows

| For the year ended March 31, | 2025 | 2024 |
|---|---|---|
| **Cash provided by (used for)** | | |
| **Operating activities** | | |
| Deficiency of revenues over expenses | **$ -** | $ - |
| Items not affecting cash | | |
| Amortization | **4,095,887** | 3,925,385 |
| Finance charges | **516,682** | 1,327,395 |
| Loss on sale of tangible capital assets | **152,083** | - |
| | **4,764,652** | 5,252,780 |
| Changes in non-cash working capital items | | |
| Accounts receivable | **2,437,705** | (770,217) |
| Accounts payable and accrued liabilities | **(1,260,965)** | 2,594,477 |
| Deferred revenue | **-** | (167,671) |
| Employee future benefits | **16,723** | 18,050 |
| Inventory | **44,967** | 220,188 |
| Prepaid expenses and deposits | **130,548** | 1,137,021 |
| | **6,133,630** | 8,284,628 |
| **Financing activities** | | |
| Payments to Government of Northwest Territories | **(13,500,635)** | (12,356,286) |
| | **(13,500,635)** | (12,356,286) |
| **Investing activity** | | |
| Purchase of tangible capital assets | **(5,915,000)** | (1,506,433) |
| Proceeds from sale of tangible capital assets | **70,000** | - |
| | **(5,845,000)** | (1,506,433) |
| **Decrease in cash** | **(13,212,005)** | (5,578,091) |
| **Cash (bank indebtedness), beginning of year** | **(25,938,194)** | (20,360,103) |
| **Cash (bank indebtedness), end of year** | **$ (39,150,199)** | $ (25,938,194) |

### 1. Nature of operations

Marine Transportation Services Revolving Fund (the Fund) was established on June 2, 2017 after the closure of the Northern Transportation Company Limited (NTCL) in December 2016. The Fund was established with the main purpose of meeting the capital, operating and maintenance requirements of providing marine transportation services for the movement of cargo to communities on Great Slave Lake, the Mackenzie River and throughout the Arctic coastal region.

Under the Government of the Northwest Territories *Revolving Funds Act* (the "*Act*"), the Fund can receive working capital advances from the Consolidated Revenue Fund (CRF) to finance inventory, accounts receivable and operating expenses. The authorized limit of the Fund, being the maximum amount by which the assets may exceed the liabilities, is $35 million. There is no limit for instances where liabilities may exceed assets. The balance of the Fund is reported as due to or from the Government of the Northwest Territories (the "GNWT") on the statement of financial position.

### 2. Significant accounting policies

The Fund follows Canadian Public Sector Accounting Standards (PSAS) generally accepted in Canada in preparing its financial statements. The significant accounting policies used are as follows:

#### (a) Revenue recognition

Revenue is recognized when it is probable that all economic benefits will flow to the Fund and delivery of service has occurred, or when the price is fixed or determinable and when collectability is reasonably assured.

Fuel sales revenue is recognized in the period in which the fuel is delivered to the customer premises. Revenue is recognized on the actual volume of fuel delivered at predetermined rates between the Fund and the customer, and when all discharge documents have been acknowledged and signed by the customer.

Cargo and fuel delivery revenue is recognized in the period when the Fund fulfills delivery requirements and when both fuel and cargo have been delivered at the customer premises and all discharge documents acknowledged and signed by the customer. Both fuel and cargo delivery rates are pre-determined.

Charter revenue is recognized when there is use of the Fund's vessels for a specified period of time under specified conditions at pre-determined prices. Revenue is recognized in the period when the Fund provides the required vessels to the customer as specified in the contract.

Shipyard services revenue is recognized in the period when the Fund performs services for any other customer outside the normal Fund's activities. Revenue is recognized in the period that the Fund completes and delivers such services to the customer.

Grant contribution revenue recognized when the funds are receivable or become receivable under the agreement signed between the Government of Canada, the Government of Northwest Territories and the Fund.

Other revenue is recognized as goods are delivered or services are provided.

**2. Significant accounting policies (continued)**

**(b) Government transfers**

Government transfers are the transfer of monetary assets or tangible capital assets from a government for which the government making the transfer does not:

- receive any goods or services directly in return;
- expect to be repaid in the future; or
- expect a direct financial return.

Government transfers are recognized as revenue in the period during which the transfer is authorized and eligibility criteria are met, except when and to the extent that the transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers meeting the definition of a liability are recognized as revenue as the liability is settled.

**(c) Inter-entity transactions**

Inter-entity transactions are transactions between commonly controlled entitles, Government departments.

Inter-entity transactions are recorded at the exchange amount when they are undertaken on similar terms and conditions to those adopted If the entitles were dealing at arm's length. The cost allocations are recorded on a gross basis.

**(d) Measurement uncertainty**

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

**(e) Financial instruments**

The Fund classifies its financial instruments at cost or amortized cost. The Fund's accounting policy for this financial instrument category is as follows:

This category includes cash, bank indebtedness, accounts receivable, accounts payable and accrued liabilities, and amounts due to the Government of the Northwest Territories. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instruments.

**2. Significant accounting policies (continued)**

**(e) Financial instruments (continued)**

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the statement of operations.

**(f) Cash and bank indebtedness**

The Fund maintains an account with the Royal Bank of Canada. All funds received are recorded and banked to this account. All payments made are recorded to this account with exception of payments made directly by the Government of Northwest Territories on behalf of the Fund. Payments made by the Government of Northwest Territories are recorded on the revolving fund loan account with the Government of Northwest Territories. The balance in the financial statements reflects the Funds cash and bank indebtedness by the end of the year.

**(g) Inventory**

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the weighted average method.

**(h) Employee future benefits**

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Government's contributions are charged as an expense on a current year basis and represent the total pension obligations. The Government is not required under present legislation to make contributions with respect to any actuarial deficiencies of the Public Service Pension Plan.

Pension benefits are reported on an actuarial basis. This is done to determine the current value of future entitlement and uses various estimates. When actual experience varies from estimates or when actuarial assumptions change, the adjustments are amortized on a straight-line basis over the estimated average remaining service lives of the contributors. Recognition of actuarial gains and losses commences in the year following the effective date of the related actuarial valuations. In addition, immediate recognition of a previously unrecognized net actuarial gain or loss may be required upon a plan amendment, curtailment or settlement.

Under the terms and conditions of employment, government employees may earn non-pension benefits for resignation, retirement and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment. Eligibility is based on a variety of factors including place of hire, date employment commenced, and reason for termination. Benefit entitlements are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service. Termination benefits are also recorded when employees are identified for layoff.

**2. Significant accounting policies (continued)**

**(h) Employee future benefits (continued)**

Compensated absences include sick, special, parental and maternity leave. Accumulating non-vesting sick and special leave are recognized in the period the employee provides service, whereas parental and maternity leave are event driven and are recognized when the leave commences. An actuarial valuation of the cost of these benefits (except maternity and parental leave) has been prepared using data provided by management and assumptions based on management's best estimates.

**(i) Related parties**

The Fund initially measures related party balances in accordance with the substance of the transactions that gave rise to them. The Fund subsequently measures related party balances in accordance with the Fund's policies for financial instruments, as set out in note (e).

The Fund is related in terms of common control to all Government of the Northwest Territories departments, boards and agencies.

The Fund enters into transactions with these entities in the normal course of business at the specified market rates for services with the exception of Fuel Services Division (FSD) which is the part of the Department of Infrastructure. FSD is charged for fuel deliveries made by the Fund at non-market rates prepared by the Fund's management and communicated to FSD management.

Departments

- Department of Education, Culture and Employment
- Department of Environment and Climate Change
- Department of Executive and Indigenous Affairs
- Department of Finance
- Department of Health and Social Services
- Department of Industry, Tourism and Investment
- Department of Infrastructure
- Department of Justice
- Department of Lands
- Department of Municipal and Community Affairs
- Legislative Assembly

Boards and Agencies

- Arctic Energy Alliance
- Aurora College
- Education Authorities
- Health and Social Services Authority
- Inuvialuit Water Board
- Northwest Territories Energy Corporation
- Northwest Territories Heritage Fund
- Northwest Territories Power Corporation

**2. Significant accounting policies (continued)**

**(i) Related parties (continued)**

Boards and Agencies (continued)

NWT Business Development & Investment Corporation
NWT Environmental Studies Research Fund
NWT Housing Corporation
NWT Human Rights Commission
NWT Liquor and Cannabis Commission
NWT Liquor Licensing Board
NWT Surface Rights Board
Stanton Foundation
Status of Women Council of the NWT
Tlicho Community Services Agency
Workers' Safety and Compensation Commission

**(j) Tangible capital assets**

Tangible capital assets are accounted for at cost. Amortization is based on their useful life using the straight-line methods.

| | |
|---|---|
| Machinery and equipment | 15 years Straight-line |
| Vessels and barges | 12.5 and 55 years Straight-line |

Self-constructed assets: cost includes expenditure on materials, direct labour and allocated proportion of project overheads. Any gain or loss on disposal or retirement of a tangible asset is determined as the difference between proceeds from disposal and the carrying amount of the asset and is recognised in net surplus or deficit.

Major overhauls and inspections costs are capitalized and amortized over the remaining useful life of the asset. Maintenance and repair costs that do not improve productivity or extend the useful life of the assets are expensed in the period incurred.

Useful life for marine assets is determined using industry standards and professional judgment. The used assets are amortized over 12.5 years, barges acquired after 2016 are amortized over 55 years. Additions to existing assets are amortized over the remaining useful life of the assets.

**(k) Capital work in progress**

Capital work in progress represents capital projects under construction but not completed and are valued at cost. Capital work in progress is accumulated until ready to use.

Amortization is recorded when the asset has been put to use.

**2. Significant accounting policies (continued)**

**(l) Liability for contaminated sites**

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The Fund recognises liability for remediation of contaminated sites when the following criteria have been met:

a) an environment standard exists;
b) contamination exceeds the environment standard;
c) the Fund is directly responsible or accepts responsibility;
d) it is expected that the future benefits will be given up;
e) a reasonable estimate of the amount can be made.

The best estimate of the liability includes all costs directly attributable to remediation activities and reduced by the expected net recoveries based on information available. At each financial reporting date, management reviews the carrying amounts of the liability. Any revision required to the amount previously recognised is accounted for in the period revisions are made.

Government of Northwest Territories contaminated sites division of the Department of Environment and Natural Resources completed an assessment through a contractor. As of March 31, 2025, there was no liability related to contaminated sites.

**(m) Budget**

Budget figures are not audited and intended for information purposes only.

**(n) Services provided by the Government of the Northwest Territories**

The Fund does not record the following services provided without charge by the Government of Northwest Territories: the procurement of goods and services, administration of insurance and risk management, the processing of payroll, legal counsel, record storage and computer operations and internal audit services, as it is difficult to estimate them.

**3. Future changes to significant accounting policies**

**Financial Statement Presentation, Section PS 1202**

This section is effective for fiscal years beginning on or after April 1, 2026. This section sets out general and specific requirements for the presentation of information in general purpose financial statements. It provides general guidance on the recognition of certain items. The financial statement presentation principles are based on the concepts in the Conceptual Framework.

The impact of the transition to this accounting standard, if any, has not yet been determined.

**3. Future changes to significant accounting policies (continued)**

**The Conceptual Framework for Financial Reporting in the Public Sector**

This section is effective for fiscal years beginning on or after April 1, 2026. This section sets out a coherent set of interrelated concepts underlying accounting and financial reporting standards. It prescribes the nature, function and limits of financial accounting and reporting.

The impact of the transition to this framework, if any, has not yet been determined.

**4. Accounts receivable**

| | | **2025** | | 2024 |
|---|---|---|---|---|
| Customer receivable | **$** | **2,406,454** | $ | 2,772,025 |
| Government of Canada | | | | |
| Fisheries and Oceans | | **639,313** | | 2,696,224 |
| Government of Northwest Territories | | | | |
| Department of Industry, Tourism and Investment | | **650** | | 650 |
| Department of Health and Social Services | | **234** | | 4,217 |
| Department of Infrastructure - Fuel Services Division | | **-** | | 129,126 |
| Department of Environment and Climate Change | | **-** | | 34,830 |
| Department of Finance | | **-** | | 13,400 |
| Lutsel K'e Housing Authority | | **-** | | 186 |
| | | **3,046,651** | | 5,650,658 |
| Less: Allowance for doubtful accounts | | **462,838** | | 629,140 |
| | **$** | **2,583,813** | $ | 5,021,518 |

**5. Bank indebtedness**

The Funds bank account is one of numerous Government of Northwest Territories accounts included in a consolidated balance arrangement with the Royal Bank of Canada. There are no fixed repayment terms and the overdraft limits are negotiated based on the forecasted cash flows and borrowing requirements of the Government of Northwest Territories. The Government of Northwest Territories does not pay out or recover interest from the Fund.

## 6. Accounts payable and accrued liabilities

| | | 2025 | | 2024 |
|---|---|---|---|---|
| Trade accounts payable and accrued liabilities | **$** | **14,288,196** | $ | 15,501,763 |
| Government of Canada | | | | |
| Goods and service tax | | **69,363** | | 91,279 |
| Government of Northwest Territories | | | | |
| Department of Infrastructure | | **13,833** | | 15,382 |
| Department of Finance - Carbon tax | | **1,539** | | 6,211 |
| Department of Finance - Petroleum tax | | **654** | | 3,252 |
| Tulita Housing Association | | **-** | | 7,540 |
| Northwest Territories Health and Social Services Authorities | | **-** | | 6,620 |
| Northwest Territories Power Corporation | | **-** | | 2,502 |
| | **$** | **14,373,585** | $ | 15,634,549 |

## 7. Employee future benefits

In addition to pension benefits, the Government provides severance (resignation and retirement), removal and compensated absence (sick, special, maternity and parental leave) benefits to its employees. The benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit liability.

Severance benefits are paid to the Government's employees based on the type of termination (e.g. resignation versus retirement) and appropriate combinations that include inputs such as when the employee is hired, the rate of pay, the number of years of continuous employment, age and if the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being location of hire, employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology.

Compensated absence benefits generally accrue as employees render service and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include, but are not limited to employee or dependent illness and death of an immediate family member. Benefits that accrue under compensated absence benefits, excluding maternity and parental leave, were actuarially valued using the expected utilization methodology. Non-accruing benefits include maternity and parental leave and are recognized when the leave commences.

Valuation results

The last actuarial valuation was completed as at February 12, 2025. The results were extrapolated to March 31, 2025. The effective date of the next actuarial valuation is March 31, 2028. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the Marine Transportation Services Revolving Fund.

**7. Employee future benefits (continued)**

| | | 2025 | | 2024 |
|---|---|---|---|---|
| Accrued benefit obligation, beginning of year | **$** | **73,058** | $ | 75,546 |
| Benefits earned | | **4,149** | | 4,208 |
| Interest | | **3,794** | | 3,627 |
| Benefit paid | | **(2,808)** | | (2,165) |
| Actuarial gain | | **(9,729)** | | (8,158) |
| Accrued benefit obligation, end of year | | **68,464** | | 73,058 |
| Unamortized net actuarial loss | | **(30,681)** | | (51,998) |
| **Employee future benefit liability, end of year** | **$** | **37,783** | $ | 21,060 |

The discount rate used in the 2025 fiscal year to determine the accrued benefit obligation was an average of 4.3% (2024 – 5.3%).

| | | 2025 | | 2024 |
|---|---|---|---|---|
| **Benefits Expense** | | | | |
| Current service cost | | **4,149** | | 4,208 |
| Interest cost | | **3,794** | | 3,627 |
| Amortization of net actuarial loss | | **11,588** | | 12,380 |
| | **$** | **19,531** | $ | 20,215 |

The expected contributions during the next five fiscal years are as follows:

| | | Total |
|---|---|---|
| 2026 | $ | 7,065 |
| 2027 | | 9,145 |
| 2028 | | 15,431 |
| 2029 | | 10,521 |
| 2030 | | 8,348 |
| Total | **$** | **50,510** |

**8. Due to Government of Northwest Territories – Revolving fund**

As per the *Revolving Fund Act* (the "*Act*") there shall be an authorized fund to meet the capital, operating and maintenance requirements of the Fund. The Due to Government of Northwest Territories - Revolving fund bears interest at the Bank of Canada prime rate per annum plus 0.35% and was repaid in full in the year. During the year the Government of Northwest Territories charged financing charges of $428,940 (2024 - $1,218,700).

**9. Due to Government of Northwest Territories – long-term loan**

The GNWT purchased assets from NTCL at a cost of $11,300,000 in 2017. The assets comprised tangible capital assets worth $10,656,509 and controllable assets worth $643,491. A repayment plan was prepared based on the loan amount of $11,300,000. Long-term loan bears interest at an interest rate of 1.84% per annum. During the year the GNWT charged financing charges of $87,742 (2024 - $108,695).

Fund made $7,592,329 (2024 - $nil) payments against the Government of Northwest Territories long-term loan in the year.

| | | **2025** | | 2024 |
|---|---|---|---|---|
| Government of Northwest Territories long-term loan, due in December 2027 | **$** | **2,668,109** | $ | 10,260,438 |
| Estimated principal repayments are as follows: | | | | |
| 2026 | $ | 1,181,079 | | |
| 2027 | | 1,202,811 | | |
| 2028 | | 284,219 | | |
| | **$** | **2,668,109** | | |

### 10. Tangible capital assets

| For the year ended March 31, | Land | Vessels and barges | Machinery and equipment | Capital work in progress | **2025 Total** | 2024 Total |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| Balance, beginning of the year | $ 2,212,843 | $ 55,613,160 | $ 2,997,532 | $ 983,525 | **$ 61,807,060** | $ 60,300,627 |
| Additions during the year | - | 1,474,449 | 398,750 | 5,915,000 | **7,788,199** | 8,944,499 |
| Disposals during the year | - | (222,083) | - | - | **(222,083)** | - |
| Capitalized from capital work in progress | - | - | - | (1,873,199) | **(1,873,199)** | (7,438,066) |
| **Balance, end of year** | **2,212,843** | **56,865,526** | **3,396,282** | **5,025,326** | **67,499,977** | 61,807,060 |
| **Accumulated amortization** | | | | | | |
| Balance, beginning of the year | - | 11,466,482 | 592,354 | - | **12,058,836** | 8,133,451 |
| Annual amortization | - | 3,875,828 | 220,059 | - | **4,095,887** | 3,925,385 |
| **Balance, end of year** | **-** | **15,342,310** | **812,413** | **-** | **16,154,723** | 12,058,836 |
| **Net book value** | **$ 2,212,843** | **$ 41,523,216** | **$ 2,583,869** | **$ 5,025,326** | **$ 51,345,254** | $ 49,748,224 |

### 11. Prepaid expenses and deposits

| | **2025** | 2024 |
|---|---|---|
| Insurance | **$ 195,668** | $ 326,216 |
| | **$ 195,668** | $ 326,216 |

### 12. Inventory

| | **2025** | 2024 |
|---|---|---|
| Fuel | **$ 1,575,826** | $ 1,790,603 |
| Parts and supplies | **529,114** | 359,304 |
| | **$ 2,104,940** | $ 2,149,907 |

### 13. Contributed capital

The Fund recognized grant contribution from the Government of Northwest Territories for the operating losses charged to an appropriation at the end of each fiscal year as specified in *Financial Administration Act* in Section 104(c). As of March 31, 2025 the Government of Northwest Territories made accumulated contributions of $47,952,631 (2024 - $32,556,852).

### 14. Expenses

| | Fuel cost of sales | Maintenance | Marine operations | Shipyard service | Terminal operations | General and administrative | 2025 Actual |
|---|---|---|---|---|---|---|---|
| Wages and benefits | $ - | $ 8,339,653 | $ 8,020,092 | $ - | $ 2,057,146 | $ 2,103,941 | **$ 20,520,832** |
| Fuel cost of sales | - | - | - | - | - | - | **-** |
| Insurance | - | 284,897 | 1,157,539 | - | 276,221 | - | **1,718,657** |
| Fuel consumption | - | 225,380 | 739,355 | - | 211,766 | - | **1,176,501** |
| Shipyard service cost of sales | - | - | - | 2,028,147 | - | - | **2,028,147** |
| Other | - | 1,062,983 | 2,411,236 | - | 1,367,086 | 1,340,367 | **6,181,672** |
| | **$ -** | **$ 9,912,913** | **$ 12,328,222** | **$ 2,028,147** | **$ 3,912,219** | **$ 3,444,308** | **$ 31,625,809** |

### 15. Financing charges

| | | 2025 | | 2024 |
|---|---|---|---|---|
| Interest on revolving fund - due to Government of Northwest Territories | **$** | **428,940** | $ | 1,218,700 |
| Interest on long-term loan - due to Government of Northwest Territories | | **87,742** | | 108,695 |
| | **$** | **516,682** | $ | 1,327,395 |

### 16. Grant contributions

| | | 2025 | | 2024 |
|---|---|---|---|---|
| Government of Canada | | | | |
| Transport Canada - Ocean Protection Fund - 75% of doubled hulled barges | **$** | **-** | $ | 209,229 |
| Government of Northwest Territories - Department of Infrastructure | | | | |
| Operating losses | | **15,395,779** | | 12,925,534 |
| Finance charges | | **516,682** | | 1,327,395 |
| | **$** | **15,912,461** | $ | 14,462,158 |

## 17. Related party transactions

During the year the Fund incurred the following transactions with the related parties:

| | | 2025 | | 2024 |
|---|---|---|---|---|
| Revenue | | | | |
| Government of Northwest Territories | | | | |
| Department of Infrastructure - Fuel Services Division | $ | **5,958,207** | $ | 7,849,735 |
| Department of Infrastructure | | **2,365,648** | | 19,069 |
| Northwest Territories Power Corporation | | **133,367** | | 64,237 |
| Department of Environment and Climate Change | | **86,650** | | 95,930 |
| Department of Infrastructure - Yellowknife Airport Revolving Fund | | **40,221** | | - |
| Northwest Territories Health and Social Services Authorities | | **16,802** | | 1,991 |
| NWT Housing Corporation | | **14,399** | | 5,594 |
| Northwest Territories Energy Corporation | | **7,611** | | 419,487 |
| Lutsel K'e Housing Authority | | **2,386** | | 7,837 |
| Department of Health and Social Services | | **-** | | 14,822 |
| Department of Finance | | **-** | | 12,762 |
| Department of Justice | | **-** | | 4,726 |
| Department of Industry, Tourism and Investment | | **-** | | 2,310 |
| Beaufort Delta Divisional Education Council | | **-** | | 1,157 |
| Sachs Harbour Housing Association | | **-** | | 562 |
| | $ | **8,625,291** | $ | 8,500,219 |
| Expenses | | | | |
| Government of Northwest Territories | | | | |
| Department of Infrastructure - Fuel Services Division | $ | **585,807** | $ | 248,733 |
| Department of Finance | | **206,939** | | 329,572 |
| Northwest Territories Power Corporation | | **110,580** | | 132,427 |
| Department of Infrastructure | | **43,920** | | 61,449 |
| | $ | **947,246** | $ | 772,181 |

Accounts receivable from related parties are disclosed in note 4.
Accounts payable and accrued liabilities to related parties are disclosed in note 6.
Finance charges are disclosed in note 15.
Grant contributions are disclosed in note 16.

**18. Risk management**

The Fund is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risks from the Fund's financial instruments is provided below.

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide Information that assists users of financial statements in assessing the extent of risk related to financial instruments.

**(a) Credit risk**

Credit risk is the risk of financial loss to the Fund if a debtor fails to make payments of interest and principal when due. The Fund is exposed to this risk relating to its accounts receivable.

Credit risk related to accounts receivable is mitigated by internal controls as well as policies and oversight over arrears for ultimate collection.

The Fund's maximum exposure to credit risk is represented by its accounts receivable for a total of $2,583,813 (2024 - $5,021,518). At March 31, 2025, the Fund's management has determined that $462,838 (2024 - $629,140) accounts receivable was impaired. Management's assessment was based on specific identification and age of receivables.

Concentration of credit risk

Concentration of credit risk is the risk that a customer(s) has more than ten percent of the total accounts receivable balance and thus there is a higher risk to the Fund in the event of a default. The Fund does have concentration risk. At March 31, 2025, receivables from three customers comprised 97% (2024 – 91%) of the total outstanding accounts receivables. The risk is considered low since these receivables are from customers who are considered creditworthy by the Fund management. The Fund reduces this risk by monitoring overdue balances.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

**(b) Liquidity risk**

Liquidity risk is the risk that the Fund will not be able to meet all cash outflow obligations as they come due. The Fund mitigates this risk by monitoring cash activities and expected outflows and utilizing the overdraft availability on the Funds bank account to cover unexpected cash outflow should they arise.

The Fund's maximum exposure to liquidity risk is represented by the financial liabilities for a total of $56,229,675 (2024 - $57,245,865). Financial liabilities consist of bank indebtedness, accounts payable and accrued liabilities, employee future benefits, due to the Government of Northwest Territories - Revolving fund and due to the Government of the Northwest Territories – long-term loan. All financial liabilities with the exception of the amounts due to the Government of Northwest Territories are considered current and mature within 6 months.

**18. Risk management (continued)**

**(b) Liquidity risk (continued)**

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

**(c) Interest rate risk**

The Fund is exposed to interest rate risk. Interest rate risk is the risk that the Fund has interest rate exposure on its due to the Government of Northwest Territories – Revolving fund liability, which is variable based on the Bank of Canada prime rate. This exposure may have an effect on its earnings in future periods. The Fund reduces its exposure to interest rate risk by regularly monitoring published bank prime interest rates which have been relatively stable over the period presented. The Fund does not use derivative instruments to reduce its exposure to interest rate risk. In the opinion of management the interest rate risk exposure to the Fund low and is not material.

**(d) Other price risk**

Other price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market. The Fund is exposed to other price risks as it purchases and sells petroleum products which are sensitive to price fluctuations. The Fund reduces its exposure to this risk by purchasing and selling the petroleum products at pre-approved rates.

There have been no significant changes from the previous year in the exposure to risk.

**19. Comparative figures**

Where necessary, comparative figures have been adjusted to conform with current year presentation.

# Northwest Territories Liquor & Cannabis Commission

## Financial Statements

## Year ended March 31, 2025

# Northwest Territories Liquor & Cannabis Commission

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## March 31, 2025


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## Management's Responsibility for Financial Reporting

The preparation of the financial statements of the Northwest Territories Liquor & Cannabis Commission (Commission) is the responsibility of the Commission's management.

The financial statements have been prepared in accordance with the Public Sector Accounting Standards, as recommended by the Public Sector Accounting Standards Board. Where alternative accounting methods are permitted, management has chosen those that are most appropriate. Where required, management's best estimates and judgments have been applied in the preparation of these financial statements.

Management fulfills its financial reporting responsibilities by maintaining financial management and control systems and practices which are designed to provide reasonable assurance that transactions are properly authorized, proper records are maintained, accurate financial information is prepared on a timely basis, assets are safeguarded, and the Commission complies with all statutory requirements.

Our auditor performs an annual audit on the financial statements in order to express an opinion as to whether the financial statements present fairly, in all material respects, the financial position of the Commission, the results of its operations, the change in its net financial resources and its cash flows for the year. During the course of the audit, they also examine transactions that have come to their notice to ensure they are, in all significant respects, in accordance with the statutory authorities of the Commission.



Kim Wilkins
Director, Liquor & Cannabis Operations
NWT Liquor & Cannabis Commission
July 31, 2025

ASHTON
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Business Advisors

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# INDEPENDENT AUDITOR'S REPORT

To the Ministers of NWT Liquor & Cannabis Commission

*Qualified Opinion*

We have audited the financial statements of NWT Liquor & Cannabis Commission (the commission), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, changes in accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the commission as at March 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS)

*Basis for Qualified Opinion*

The Government of the Northwest Territories is responsible for the calculation and distribution of the Commission's salaries, wages and employee benefits expense for public service employees, the accuracy of which is not susceptible to complete audit verification. We have satisfied ourselves that the payroll information provided by the GNWT is properly reflected in the Commission's records. As a result, we were not able to determine whether any adjustments might be necessary to expenses, liabilities or accumulated surplus.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the commission in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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.

In preparing the financial statements, management is responsible for assessing the commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the commission's financial reporting process.

*(continues)*

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Hay River, Northwest Territories
July 31, 2025

Ashton Chartered Professional Accountants

## Northwest Territories Liquor & Cannabis Commission

## Statement of Financial Position

| As at March 31 ($000) | 2025 | 2024 |
|---|---|---|
| **Financial Assets** | | |
| Cash | $ 9,545 | $ 3,839 |
| Accounts receivable | 20 | 822 |
| Inventories for resale (note 3) | 2,481 | 3,227 |
| | 12,046 | 7,888 |
| **Financial Liabilities** | | |
| Accounts payable and accrued liabilities (note 7) | 4,751 | 2,130 |
| Pension and other employee benefits (note 4) | 35 | 54 |
| Due to the NWT Liquor Licensing Board (note 5) | 143 | 117 |
| | 4,929 | 2,301 |
| **Net Financial Assets** | 7,117 | 5,587 |
| **Non-Financial Assets** | | |
| Tangible capital assets (note 6) | 329 | 351 |
| Prepaid expenses | 113 | 166 |
| | 442 | 517 |
| **Accumulated Surplus** | $ 7,559 | $ 6,104 |

The accompanying notes are an integral part of the financial statements.

Approved by the Northwest Territories Liquor & Cannabis Commission:



Kim Wilkins
Director, Liquor & Cannabis Operations

## Northwest Territories Liquor & Cannabis Commission

## Statement of Operations

| For the year ended March 31 ($000) | 2025 Budget | 2025 Actual | 2024 Actual |
|---|---|---|---|
| **Sales** | | | |
| Spirits | $ 23,247 | $ 23,514 | $ 22,607 |
| Wine | 6,887 | 7,109 | 6,861 |
| Beer | 17,408 | 16,661 | 15,873 |
| Coolers and Ciders | 6,680 | 5,977 | 5,356 |
| Cannabis | 9,595 | 10,889 | 8,437 |
| | 63,817 | 64,150 | 59,134 |
| **Cost of goods sold** | | | |
| Spirits | 7,357 | 7,411 | 7,153 |
| Wine | 3,294 | 3,395 | 3,271 |
| Beer | 7,627 | 7,176 | 6,954 |
| Coolers and Ciders | 3,064 | 2,687 | 2,458 |
| Cannabis | 8,067 | 9,024 | 7,033 |
| | 29,409 | 29,693 | 26,869 |
| **Gross profit on sales** | 34,408 | 34,457 | 32,265 |
| **Other income** | | | |
| Government contribution - services provided without charge (note 7) | - | 2 | 1 |
| Import fees and Income | 8 | 7 | 7 |
| | 8 | 9 | 8 |
| **Expenses (note 7)** | | | |
| Commissions to agents - Liquor | 7,501 | 6,882 | 6,041 |
| Commissions to agents - Cannabis | 210 | 251 | 211 |
| Licensee Discounts | 551 | 556 | 523 |
| Salaries, wages and employee benefits | 1,451 | 1,489 | 1,279 |
| Administration - Liquor | 677 | 542 | 652 |
| Administration - Cannabis | 219 | 189 | 152 |
| Travel | 75 | 25 | 38 |
| Rent | 435 | 327 | 329 |
| Amortization of tangible capital assets (note 6) | 132 | 108 | 122 |
| Professional Fees | 80 | 81 | 42 |
| | 11,331 | 10,450 | 9,389 |
| **Annual surplus** | $ 23,085 | $ 24,016 | $ 22,884 |

The accompanying notes are an integral part of the financial statements.

## Northwest Territories Liquor & Cannabis Commission

## Statement of Accumulated Surplus

| For the year ended March 31 ($000) | 2025 Budget | 2025 Actual | 2024 Actual |
|---|---|---|---|
| **Accumulated surplus, beginning of the year** | $ 6,104 | $ 6,104 | $ 6,611 |
| Annual surplus | 23,085 | 24,016 | 22,884 |
| Amounts transferred to the Consolidated Revenue Fund | (22,400) | (21,950) | (22,900) |
| Amounts Transferred to the NWT Liquor Licensing Board (note 5) | (685) | (611) | (491) |
| Increase in accumulated surplus | - | 1,455 | (507) |
| **Accumulated surplus, end of year** | $ 6,104 | $ 7,559 | $ 6,104 |

The accompanying notes are an integral part of the financial statements.

## Northwest Territories Liquor & Cannabis Commission

## Statement of Changes in Net Financial Assets

| For the year ended March 31 ($000) | 2025 Budget | 2025 Actual | 2024 Actual |
|---|---|---|---|
| **Net financial assets, beginning of year** | $ 5,587 | $ 5,587 | $ 6,062 |
| Items affecting net financial resources: | | | |
| Increase (decrease) in accumulated surplus | - | 1,455 | (507) |
| Net investment in tangible capital assets: | | | |
| Acquisitions | - | (86) | (39) |
| Amortization expense | 132 | 108 | 122 |
| Increase in prepaid expenses | - | 53 | (51) |
| **Net financial assets, end of year** | $ 5,719 | $ 7,117 | $ 5,587 |

The accompanying notes are an integral part of the financial statements.

## Northwest Territories Liquor & Cannabis Commission

## Statement of Cash Flow

| For the year ended March 31 ($000) | 2025 | 2024 |
|---|---|---|
| **Operating activities** | | |
| Cash received from customers | $ 64,957 | $ 59,219 |
| Cash paid to employees and suppliers | (36,630) | (36,612) |
| Cash provided by operating activities | 28,327 | 22,607 |
| **Capital activities** | | |
| Purchase of tangible capital assets | (86) | (39) |
| **Financing activities** | | |
| Cash transferred to the Consolidated Revenue Fund | (21,950) | (22,900) |
| Cash transferred to the NWT Licensing Board | (585) | (466) |
| Cash provided by financing activities | (22,535) | (23,366) |
| **Change in cash** | 5,706 | (798) |
| **Cash, beginning of year** | 3,839 | 4,637 |
| **Cash, end of Year** | $ 9,545 | $ 3,839 |

The accompanying notes are an integral part of the financial statements.

# Northwest Territories Liquor & Cannabis Commission

## Notes to Financial Statements

## March 31, 2025 ($000)

### 1. Authority and operations

The Northwest Territories Liquor & Cannabis Commission (the "Commission") was established under the *Liquor Act* (the "Act") for the purposes of operating liquor stores and distributing liquor in the Northwest Territories (the “NWT”). The Northwest Territories Liquor Licensing Board (the “Board”) was also established under the same Act for the purposes of regulating the sale of liquor in licensed premises, issuing liquor licenses and overseeing the issuing of special occasion permits and other permits in the NWT. The activities of the Board are administered by the Commission.

In accordance with the Act and the *Revolving Funds Act*:

- The operations of the Commission and the Board are accounted for through the Liquor Revolving Fund (the “Fund”). All monies received by the Commission and the Board must be deposited into the Fund and all expenditures incurred by the Commission and the Board must be paid out of the Fund. The Commission may also receive a working capital advance from the Consolidated Revenue Fund (the “CRF”) of the Government of the Northwest Territories (“GNWT”) to finance its operations.

- The authorized limit of the Fund, defined as the maximum amount by which the assets (cash, accounts receivable and inventories) exceed the liabilities, must not exceed $12,000.

- The Commission must periodically transfer amounts from the Fund to the CRF to ensure that the Fund does not exceed its authorized limit. As at March 31, 2025 the Fund’s assets exceeded the liabilities by $7,117 (2024 – $5,587).

Neither the Commission nor the Board are separate legal entities apart from the Department of Finance of the NWT and neither are subject to the requirements of the *Income Tax Act*.

### 2. Significant accounting policies

#### (a) Basis of accounting

The financial statements of the Commission are prepared in accordance with Canadian generally accepted accounting principles (GAAP) for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

#### (b) Measurement uncertainty

The preparation of financial statements 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 reported amounts of revenues and expenses during the year. Actual results could differ significantly from those estimates. The more significant management estimates include the calculation of the liability for employee future benefits and estimation of the useful life of the tangible capital assets.

**2. Significant accounting policies (continued)**

**(c) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Commission and the revenue can be reliably measured, regardless of when the payment is received.
Revenue is measured at the fair value of the consideration received or receivable, excluding rebates, recycling fees, and sales taxes or duties.

The Commission assesses its revenue arrangements to determine if it is acting as principal or agent. It acts as a principal in its sales to consumers through its consignment stores. The Commission acts as an agent where manufacturers sell liquor directly to patrons, as well as through the wholesale sale of Cannabis to private stores.

Other income includes revenue from administration fees, restocking fees and in-kind income.

**(d) Services provided without charge**

The Commission records the estimated cost of the legal services it receives without charge from the Department of Justice. The services are recorded as a government contribution – services provided without charge and included in the expenses in the statement of operations.

**(e) Inventories**

Inventories are valued at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. Cost includes invoiced cost, freight, duties and taxes.

**(f) Tangible capital assets**

Tangible capital assets are recorded at cost. Amortization is determined on a straight-line basis using the following rates:

| Asset | Rate |
|---|---|
| Furniture and fixtures | 5 Year Straight Line |
| Computer hardware and software | 3 Year Straight Line |
| Equipment | 10 Year Straight Line |
| Leasehold improvements | Over the life of the lease plus any additional renewal period |

**2. Significant accounting policies (continued)**

**(g) Pension benefits**

The employees of the Commission are covered by the public service pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Commission to cover current service cost. Pursuant to legislation currently in place, the Commission has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Commission.

**(h) Other employee benefits**

Employees are entitled to severance benefits, reimbursement of removal costs and other compensated absences, as provided for under labour contracts and conditions of employment, based upon years of service. The cost of these benefits is accrued as the employees render the services necessary to earn them. The cost of these benefits were actuarially determined using the projected unit credit valuation methodology and expected utilization methods.

**3. Inventories for resale**

| | 2025 | 2024 |
|---|---|---|
| Spirits | $ 1,030 | $ 1,171 |
| Wine | 513 | 531 |
| Beer | 637 | 821 |
| Coolers and ciders | 244 | 298 |
| Cannabis | 57 | 406 |
| | $ 2,481 | $ 3,227 |

**4. Other employee future benefits**

In addition to pension benefits, the Commission provides severance (resignation and retirement), removal and compensated absence (sick, special, maternity, and parental leave) benefits to its employees. The benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit liability.

**4. Other employee future benefits (continued)**

Severance benefits are paid to the Commission's employees based on the type of termination (e.g., resignation versus retirement) and appropriate combinations that include inputs such as when the employee is hired, the rate of pay, the number of years of continuous employment, age and if the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being location of hire, employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology.

Compensated absence benefits accrue as employees render service and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include, but are not limited to, employee or dependent illness and death of an immediate family member. Benefits that accrue under compensated absence benefits, excluding maternity and parental leave, were actuarially valued using the expected utilization methodology. Non-accruing benefits include maternity and parental leave and are recognized when the leave commences.

Valuation results

The last actuarial valuation was completed as at February 12, 2025. The results were extrapolated to March 31, 2025. The values presented below are for all the benefits under the Compensated Absences and Termination Benefits for the Commission.

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Severance and Removal Obligation | Accumulated Sick & Special Obligation | Total | Severance and Removal Obligation | Accumulated Sick & Special Obligation | Total |
| Accrued benefit obligation, beginning of the year | $ 69 | $ 15 | $ 84 | $ 78 | $ 14 | $ 92 |
| Current Service Costs | 3 | 1 | 4 | 2 | 1 | 3 |
| Actuarial (gain)/loss | (11) | (4) | (15) | 7 | (1) | 6 |
| Interest Cost | 3 | 1 | 4 | 3 | 1 | 4 |
| Benefits paid during the year | (35) | (1) | (36) | (21) | (1) | (22) |
| Accrued benefit obligation, end of the year | $ 29 | $ 12 | $ 41 | $ 69 | $ 14 | $ 83 |
| Unamortized net actuarial gain (loss) | 8 | (14) | (6) | (6) | (23) | (29) |
| Accrued benefit (liability)/asset | $ 37 | $ (2) | $ 35 | $ 63 | $ (9) | 54 |

**4. Other employee future benefits (continued)**

| | 2025 | 2024 |
|---|---|---|
| Expected inflation rate | 2.0% | 2.0% |
| Discount rate used to determine the accrued benefit obligation | 4.3% | 5.3% |
| Expected average remaining service life of related employee groups (EARSL) | 10.6 | 10.3 |

Timing of expected payments for other employee benefits are as follows:

| | | |
|---|---|---|
| 2026 | $ | 2 |
| 2027 | | 3 |
| 2028 | | 3 |
| 2029 | | 3 |
| 2030 | | 3 |
| 2031 and beyond | | 26 |
| | $ | 40 |

**5. Due to/from the NWT Liquor Licensing Board**

As explained in Note 1, the financial activities of the Board are administered by the Commission. The Commission receives all amounts receivable to the Board and pays all amounts payable by the Board. The Board does not keep separate cash accounts, nor does it directly own any tangible capital assets. Any amounts owing from the Board to the Commission (or vice versa) are settled through transfers to/from accumulated surplus.

The Commission provides capital assets for use by the Board and Enforcement without charge.

## 6. Tangible capital assets

| | Furniture and fixtures | Computer hardware and software | Equipment | Leasehold improvements | 2025 | 2024 |
|---|---|---|---|---|---|---|
| **Cost:** | | | | | | |
| Opening balance | $ 147 | $ 908 | $ - | $ 880 | $ 1,935 | $ 1,896 |
| Acquisitions | 22 | 4 | 15 | 45 | 86 | 39 |
| Disposals and write- downs | - | - | - | - | - | - |
| Closing balance | 169 | 912 | 15 | 925 | 2,021 | 1,935 |
| **Accumulated Amortization:** | | | | | | |
| Opening balance | (137) | (818) | - | (629) | (1,584) | (1,462) |
| Amortization | (6) | (58) | (1) | (43) | (108) | (122) |
| Disposals and write-downs | - | - | - | - | - | - |
| | (143) | (876) | (1) | (672) | (1,692) | (1,584) |
| **Net book value** | $ 26 | $ 36 | $ 14 | $ 253 | $ 329 | $ 351 |

### 7. Related party transactions

The Commission is related, in terms of common ownership, to all GNWT created departments, agencies and corporations. The Commission enters into transactions with these entities in the normal course of business and these transactions are measured at the exchange amount.

The Commission incurred $1,489 (2024 – $1,279) related to salaries, wages, and employee benefits for the Commission's employees. The Commission reimburses the Department of Finance for these costs.

The Department of Justice provides the Commission with legal services without charge. The total cost of these services has been estimated to be $2 (2024 – $1). The cost of the services noted above has been recognized on the statement of operations.

Included in accounts payable and accrued liabilities is an amount of $136 (2024 – $147) for bottle deposits payable to the Department of Environment and Natural Resources, $399 (2024 – $219) for salaries, wages, and employee benefits payable to the Department of Finance, and $2,500 (2024 - $0) other various Government Departments.

### 8. Contractual obligations

The Commission has lease agreements for office, retail and warehouse premises expiring between 2026 and 2035. Several leases include options to extend for additional terms ranging from four to fifteen years. The minimum annual lease payments for the leases over the next five year(s) are:

| | |
|---|---|
| 2025/26 | $ 1,063 |
| 2026/27 | $ 902 |
| 2027/28 | $ 815 |
| 2028/29 | $ 790 |
| 2029/30 | $ 755 |

Annual lease payments for the office premises include estimated operating costs and property taxes.

### 9. Financial instruments

The Commission's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, pension and other employee benefits due to the NWT Liquor Licensing Board. It is management's opinion that the Commission is not exposed to significant interest or currency risks arising from these financial instruments.

The commission is subject to credit risk with respect to accounts receivable. Credit risk arises from the possibility that debtors may experience financial difficulty and be unable to fulfill their obligations. Credit risk is considered minimal as most sales are done on a cash-on-delivery basis.

The carrying value of the financial instrument approximates fair value.

# Northwest Territories Liquor Licensing Board and Liquor Enforcement

## Financial Statements

## Year ended March 31, 2025

# Northwest Territories Liquor Licensing Board and Liquor Enforcement

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## March 31, 2025


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## Management's Responsibility for Financial Reporting

The preparation of the financial statements of the Northwest Territories Liquor Licensing Board and Liquor Enforcement (Board) is the responsibility of the Board's management.

The financial statements have been prepared in accordance with the Public Sector Accounting Standards as recommended by the Public Sector Accounting Standards Board. Where alternative accounting methods are permitted, management has chosen those that are most appropriate. Where required, management's best estimates and judgments have been applied in the preparation of these financial statements.

Management fulfills its financial reporting responsibilities by maintaining financial management and control systems and practices which are designed to provide reasonable assurance that transactions are properly authorized, proper records are maintained, accurate financial information is prepared on a timely basis, assets are safeguarded, and the Board complies with all statutory requirements.

Our auditor performs an annual audit on the financial statements in order to express an opinion as to whether the financial statements present fairly, in all material respects, the financial position of the Liquor Licensing Board and Liquor Enforcement, the results of its operations, the change in its net financial resources and its cash flows for the year. During the course of the audit, they also examined transactions that have come to their notice, to ensure they are, in all significant respects, in accordance with the statutory authorities of the Board.



Chairperson, NWT Liquor Licensing Board
July 31, 2025

ASHTON
Chartered Accountants
Business Advisors

Suite 8 - 6 Courtoreille Street
Hay River, NT X0E 1G2
PH: (867) 874-6775
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# INDEPENDENT AUDITOR'S REPORT

To the Ministers of Northwest Territories Liquor Licensing Board and Liquor Enforcement

*Qualified Opinion*

We have audited the financial statements of Northwest Territories Liquor Licensing Board and Liquor Enforcement (the organization), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, changes in accumulated deficit, changes in net financial assets (debt) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS)

*Basis for Qualified Opinion*

The Government of the Northwest Territories is responsible for the calculation and distribution of the Commission's salaries, wages and employee benefits expense for public service employees, the accuracy of which is not susceptible to complete audit verification. We have satisfied ourselves that the payroll information provided by the GNWT is properly reflected in the Commission's records. As a result, we were not able to determine whether any adjustments might be necessary to expenses, liabilities or accumulated surplus.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

*(continues)*

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Hay River, Northwest Territories
July 31, 2025

Ashton Chartered Professional Accountants

## Northwest Territories Liquor Licensing Board and Liquor Enforcement

## Statement of Financial Position

| As at March 31, ($000) | 2025 | 2024 |
|---|---|---|
| **Financial Assets** | | |
| Accounts Receivable | $ - | $ - |
| Due from NWT Liquor & Cannabis Commission (note 3) | 143 | 117 |
| Pension and other employee benefits (note 4) | | 7 |
| | 143 | 124 |
| **Financial Liabilities** | | |
| Accounts payable (Note 6) | 116 | 98 |
| Deferred revenue | 27 | 26 |
| | 143 | 124 |
| **Net Financial Assets (debt)** | - | - |
| **Non-financial Assets** | | |
| Prepaid Expenses | - | - |
| **Accumulated surplus** | $ - | $ - |

The accompanying notes are an integral part of the financial statements.

Approved by the Northwest Territories Liquor Licensing Board:



Chairperson, Liquor Licensing Board

## Northwest Territories Liquor Licensing Board and Liquor Enforcement

## Statement of Operations

| For the year ended March 31 ($000) | 2025 Budget | 2025 Actual | 2024 Actual |
|---|---|---|---|
| **Revenue** | | | |
| License fees and permits | $ 63 | $ 53 | $ 49 |
| Government contribution - services provided without charge (note 6) | - | - | - |
| | 63 | 53 | 49 |
| **Expenses (notes 5 and 6)** | | | |
| Salaries, wages and employee benefits | 527 | 460 | 388 |
| Administration | 32 | 28 | 16 |
| Travel | 5 | 5 | 10 |
| Rent | 38 | 34 | 40 |
| Honoraria | 10 | 7 | 4 |
| Inspector's fees | 55 | 54 | 51 |
| Professional fees | 25 | 22 | 22 |
| Server Training | 56 | 54 | 9 |
| | 748 | 664 | 540 |
| **Annual loss** | $ (685) | $ (611) | $ (491) |

The accompanying notes are an integral part of the financial statements.

## Northwest Territories Liquor Licensing Board and Liquor Enforcement

## Statement of Accumulated Surplus

| For the year ended March 31 ($000) | 2025 Budget | 2025 Actual | 2024 Actual |
|---|---|---|---|
| **Accumulated surplus, beginning of the year** | $ - | $ - | $ - |
| Annual loss | (685) | (611) | (491) |
| Amounts transferred from the NWT Liquor & Cannabis Commission | 685 | 611 | 491 |
| Change in accumulated surplus | - | - | - |
| **Accumulated surplus, end of year** | $ - | $ - | $ - |

The accompanying notes are an integral part of the financial statements.

## Northwest Territories Liquor Licensing Board and Liquor Enforcement

## Statement of Change in Net Debt

| For the year ended March 31 ($000) | 2025 Budget | 2025 Actual | 2024 Actual |
|---|---|---|---|
| **Net debt, beginning of year** | $ - | $ - | $ - |
| Items affecting net financial resources: | | | |
| Increase (decrease) in accumulated surplus | - | - | - |
| Decrease (increase) in prepaid expenses | - | - | - |
| **Net debt, end of year** | $ - | $ - | $ - |

The accompanying notes are an integral part of the financial statements.

## Northwest Territories Liquor Licensing Board and Liquor Enforcement

## Statement of Cash Flow

| For the year ended March 31 ($000) | 2025 | 2024 |
|---|---|---|
| **Operating activities** | | |
| Cash received from customers | $ 54 | $ 43 |
| Cash paid to employees and suppliers | (639) | (509) |
| Cash provided by operating activities | (585) | (466) |
| **Financing activities** | | |
| Cash transferred from the NWT Liquor & Cannabis Commission | 585 | 466 |
| **Change in cash** | - | - |
| **Cash, beginning of year** | - | - |
| **Cash, end of Year** | $ - | $ - |

The accompanying notes are an integral part of the financial statements.

# Northwest Territories Liquor Licensing Board and Liquor Enforcement

## Notes to Financial Statements

## March 31, 2025 ($000)

### 1. Authority and operations

The Northwest Territories Liquor Licensing Board (the "Board") was established under the *Liquor Act* (the "Act") for the purposes of regulating the sale of liquor in licensed premises, issuing liquor licenses and overseeing the issuing of special occasion permits and other permits in the NWT. The Minister appoints a member of the Public Service to be the Executive Secretary to the Board. Liquor Enforcement is separate from the Liquor Licensing Board and is managed by different staff. The Liquor & Cannabis Commission (the "Commission") provides financial administrative support to the Board.

In accordance with the Act and the *Revolving Funds Act*:

- The operations of the Commission and the Board are accounted for through the Liquor Revolving Fund (the "Fund"). All monies received by the Commission and the Board must be deposited into the Fund and all expenditures incurred by the Commission and the Board must be paid out of the Fund. The Commission provides financial administrative support to the Board and may receive a working capital advance from the Consolidated Revenue Fund (the "CRF") of the Government of the Northwest Territories ("GNWT") to finance its operations.

- The authorized limit of the Fund, defined as the maximum amount by which the assets (cash, accounts receivable and inventories) exceed the liabilities, must not exceed $12,000.

- The Commission must periodically transfer amounts from the Fund to the CRF to ensure that the Fund does not exceed its authorized limit. As at March 31, 2025, the Fund's assets exceeded the liabilities by $7,117 (2024 – $5,587).

Neither the Commission nor the Board are separate legal entities apart from the Department of Finance of the NWT and neither is subject to the requirements of the *Income Tax Act*.

The operations of enforcement are managed separately from the Board. For the purpose of financial reporting the assets, liabilities, and expenses are combined in these financial statements as both are funded from the Liquor Revolving Fund. The Board is a Schedule A (Financial Administration Act) public agency and Liquor Enforcement is not.

### 2. Significant accounting policies

#### (a) Basis of accounting

The financial statements of the Board are prepared in accordance with Canadian generally accepted accounting principles (GAAP) for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. These financial statements include the activities of the Enforcement Program which have been disclosed separately and combined with the activities of the Board in the statement of operations.

#### (b) Measurement uncertainty

The preparation of financial statements 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 reported amounts of revenues and expenses during the year. Actual results could differ significantly from those estimates. The more significant management estimates include the calculation of the liability for employee future benefits and deferred revenue.

#### (c) Revenue recognition

License fees and permits are recorded in revenue in the year that the fee or permit relates. If cash is received in advance of the fee or permit period, it is recorded in deferred revenue.

#### (d) Services provided without charge

Liquor Enforcement records the estimated cost of the legal services it receives without charge from the Department of Justice. The services are recorded as a government contribution – services provided without charge and included in the expenses on the statement of operations.

#### (e) Tangible capital assets

The Board receives the use of tangible capital assets from the Commission without charge.

#### (f) Pension benefits

The appointed employees of the Board are covered by the public service pension plan (the "Plan"), a contributory defined benefit plan established through legislation and sponsored by the Government of Canada. Contributions are required by both the employees and the Board to cover current service cost. Pursuant to legislation currently in place, the Board has no legal or constructive obligation to pay further contributions with respect to any past service or funding deficiencies of the Plan. Consequently, contributions are recognized as an expense in the year when employees have rendered service and represent the total pension obligation of the Commission.

**2. Significant accounting policies; continued,**

**(g) Other employee benefits**

Employees are entitled to severance benefits, reimbursement of removal costs and other compensated absences, as provided for under labour contracts and conditions of employment, based upon years of service. The cost of these benefits is accrued as the employees render the services necessary to earn them. The costs of these benefits were actuarially determined using the projected unit credit valuation methodology and expected utilization methods.

**3. Due from NWT Liquor and Cannabis Commission**

As explained in note 1, the Commission provides financial administrative support to the Board. The Commission receives all amounts receivable to the Board and pays all amounts payable by the Board. The Board does not keep separate cash accounts, nor does it directly own any tangible capital assets. Any amounts owing from the Board to the Commission (or vice versa) are settled through transfers to/from accumulated surplus.

The Commission provides tangible capital assets for the use by the Board without charge.

**4. Other employee future benefits**

In addition to pension benefits, the board provides severance (resignation and retirement), removal and compensated absence (sick, special, maternity, and parental leave) benefits to its employees. The benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit liability.

Severance benefits are paid to the board's employees based on the type of termination (e.g., resignation versus retirement) and appropriate combinations that include inputs such as when the employee is hired, the rate of pay, the number of years of continuous employment, age and if the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being location of hire, employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology.

Compensated absence benefits accrue as employees render service and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include, but are not limited to, employee or dependent illness and death of an immediate family member. Benefits that accrue under compensated absence benefits, excluding maternity and parental leave, were actuarially valued using the expected utilization methodology. Non-accruing benefits include maternity and parental leave and are recognized when the leave commences.

### 4. Other employee future benefits (continued)

Valuation results

The last actuarial valuation was completed as at Feb 12, 2025. The results were extrapolated to March 31, 2025. The values presented below are for all the benefits under the Compensated Absences and Termination Benefits for the Board.

| | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| | Severance and Removal Obligation | Accumulated Sick & Special Obligation | Total | Severance and Removal Obligation | Accumulated Sick & Special Obligation | Total |
| Accrued benefit obligation, beginning of the year | $ 4 | $ 2 | $ 6 | $ 3 | $ 2 | $ 5 |
| Current Service Costs | - | - | - | - | - | - |
| Actuarial (gain)/loss | - | (1) | (1) | - | - | - |
| Interest Cost | - | - | - | - | - | - |
| Benefits paid during the year | - | - | - | - | - | - |
| Accrued benefit obligation, end of the year | $ 4 | $ 1 | $ 5 | $ 3 | $ 2 | $ 5 |
| Unamortized net actuarial gain (loss) | (2) | (3) | (5) | (4) | (8) | (12) |
| Accrued benefit (liability)/asset | $ 2 | $ (2) | $ - | $ (1) | $ (6) | $ (7) |

**4. Pension and other employee benefits (continued)**

The actuarial valuation at March 31, 2025 reflects management's best estimate based upon a number of future orientated assumptions including:

| | 2025 | 2024 |
|---|---|---|
| Expected inflation rate | 2.0% | 2.0% |
| Discount rate used to determine the accrued benefit obligation | 4.3% | 5.3% |
| Expected average remaining service life of related employee groups (EARSL) | 10.6 | 10.3 |

Timing of expected payments for other employee benefits are as follows:

| | | |
|---|---|---|
| 2026 | $ | - |
| 2027 | | - |
| 2028 | | - |
| 2029 | | - |
| 2030 | | - |
| 2031 and beyond | | 1 |
| | $ | 1 |

### 5. Expenses

As explained in note 1, the liquor enforcement activities are included in total expenses as follows:

| For the year ended March 31 ($000) | Enforcement | | |
|---|---|---|---|
| | 2025 Budget | 2025 Actual | 2024 Actual |
| **Expenses** | | | |
| Salaries, wages and employee benefits | $ 228 | $ 223 | $ 193 |
| Inspector's fees | 55 | 54 | 51 |
| Lease | 20 | 19 | 24 |
| Travel | 5 | 2 | 9 |
| Professional fees | 12 | 11 | 7 |
| Administration | 18 | 16 | 9 |
| Server Training | 56 | 54 | 9 |
| | 394 | 379 | 302 |
| **Annual loss** | $ (394) | $ (379) | $ (302) |

### 6. Related party transactions

The Board is related in terms of common ownership to all GNWT created departments, agencies and corporations. The Board enters into transactions with these entities in the normal course of business and these transactions are measured at the exchange amount.

The Board incurred $460 (2024 – $388) related to salaries, wages, and employee benefits for the Board's employees and $7 (2024 - $4) related to honoraria for Board members. The Board reimburses the Department of Finance for these costs.

The Department of Justice provides Liquor Enforcement with legal services without charge. The total cost of these services has been estimated to be $0 (2024 – $0). The cost of the services noted above has been recognized on the statement of operations.

Included in accounts payable and accrued liabilities is an amount of $87 (2024 – $53) for salaries, wages, board honoraria, employee benefits including Worker's Compensation and Medical Travel, payable to the Government of the NWT.

### 7. Contractual obligations

The Board has a five-year lease agreement ending April 30, 2026 for its Office premises. The minimum annual lease payments for the leases over the next five year(s) are:

| | |
|---|---|
| 2025/26 | $ 31 |
| 2026/27 | $ 3 |

Annual lease payments for the office premises include estimated operating costs and property taxes.

### 8. Financial instruments

The Board's financial instruments consist of accounts receivable, cash due from the NWT Liquor Commission, accounts payable and accrued liabilities, pension and other employee benefits. It is managements opinion that the Board is not exposed to significant interest or currency risks arising from these financial instruments.

The carrying value of the financial instrument approximates fair value.

# PUBLIC STORES REVOLVING FUND

## FOR THE YEAR ENDED MARCH 31, 2025

**Unaudited**

## Schedule of Public Stores Revolving Fund Inventories
## for the year ended March 31, 2025

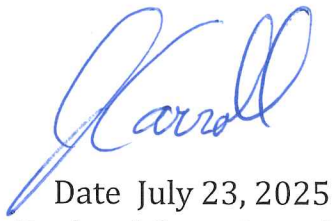
| Public Stores | Balance March 31, 2024 | Net Receipts | Net Issues | Board of Survey | Inventory (Write-downs) Write-ups | Balance March 31, 2025 |
|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ |
| Yellowknife | 192,972 | | | 0 | 0 | 192,972 |
| | | 80,492 | (79,487) | 0 | 0 | 1,006 |
| | **192,972** | **80,492** | **(79,487)** | **0** | **0** | **193,978** |

Prepared by: Shamir Siraj



Date July 23, 2025
Finance and Administration Manager (NSRO)

Approved: Jason Carroll



Date July 23, 2025
Regional Superintendent (NSRO)

# Yellowknife Airport Revolving Fund

Financial Statements

Year ended March 31, 2025

**Yellowknife Airport Revolving Fund**
Index to Financial Statements

March 31, 2025

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Yellowknife
Airport I Aéroport

**Management's Responsibility for Financial Reporting**

**To the Minister of Infrastructure**
**Government of the Northwest Territories**

The accompanying financial statements are the responsibility of management. The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and necessarily include estimates which are based on management's best judgements.

In discharging its responsibility for financial reporting, management maintains and relies on internal control systems and practices, which are designed to provide reasonable assurance that the transactions are authorized, the assets are safeguarded and proper records are maintained. These control systems and practices ensure the orderly conduct of business, the accuracy of the accounting records, reliability of financial information and compliance to legislation governing the Yellowknife Airport Revolving Fund (the "Fund").

The auditor provides an independent, objective audit for the purpose of expressing an opinion on the financial statements. The auditor also considers whether the transactions that come to their notice during the course of the audit are, in all significant respects, in accordance with specified legislation.



**Randy Straker, Regional Airport Manager**
**Yellowknife Airport Revolving Fund**
**Yellowknife, Northwest Territories**
**July 24, 2025**

YELLOWKNIFE
ACCOUNTING
PROFESSIONAL CORPORATION

CHARTERED PROFESSIONAL
ACCOUNTANTS

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Yellowknife, NT X1A 3X8

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**Independent Auditor's Report**

**To the Minister of Infrastructure**

**Government of Northwest Territories**

## Qualified Opinion

We have audited the accompanying financial statements of Yellowknife Airport Revolving Fund (the "Fund"), which comprise the statement of financial position as at March 31, 2025, and the statement of operations and accumulated surplus, the statement of changes in net financial assets, the statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material aspects, the financial position of the Yellowknife Airport Revolving Fund as at March 31, 2024, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Qualified Opinion

Compensation and related benefits paid to employees of the Yellowknife Airport Revolving Fund are administered by the Government of the Northwest Territories and are audited as part of the Government of the Northwest Territories' audit. Our audit scope was limited as we did not audit the components of compensation and benefits expenses and related balances. Accordingly, we were not able to determine whether any adjustments might be necessary to compensation and benefits expenses, annual surplus and cashflows from operations for the years ended March 31, 2025 and March 31, 2024 and payroll liabilities, employee future benefits, net financial assets, and accumulated surplus as at April 1 and March 31 for both the 2025 and 2024 years as well as note disclosures associated with transactions and period-end balances relating to compensation and benefits. The audit opinion on the financial statements for the year ended March 31, 2025, was modified accordingly because of the possible effect of this limitation in scope.

Tangible capital assets of the Yellowknife Airport acquired prior to the establishment of the Fund, July 1, 2017, were the property of the Government of the Northwest Territories ("the Government") Department of Infrastructure and were transferred to the Fund at their carrying amounts at July 1, 2017, excluding rrunways which were transferred April 1, 2018 and additional capital assets which were identified and transferred April 1, 2019. The tangible capital assets recorded were limited to those assets identified in the Government's accounting records and have not been verified. As such, the tangible capital asset amounts and related amortization expense reported may not be complete. Accordingly, we were not able to determine whether any adjustments might be necessary to tangible capital assets and accumulated surplus as at April 1 and March 31 for both the 2025 and 2024 years and amortization expense and annual surplus for the years ended March 31, 2025 and March 31, 2024. The audit opinion on the financial statements for the year ended March 31, 2024 was modified accordingly because of the possible effect of this limitation in scope.

Inventory records were not updated to reflect the quantities on hand at March 31, 2025 based on year-end inventory count procedures and obsolete inventory has been identified but the value of obsolete inventory has not been determined as such we were not able to satisfy ourselves concerning the quantity and value of inventory. Accordingly, we were not able to determine whether any adjustments might be necessary to expenses, surplus, inventory and cash flows from operations for the year ended March 31, 2025.

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We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Financial Statements section of our report. We are independent of the Yellowknife Airport Revolving Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

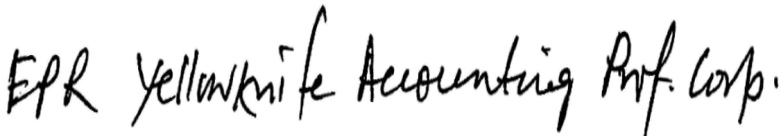
Those charged with governance are responsible for overseeing the Fund's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Yellowknife, NT

July 29, 2025

EPR Yellowknife Accounting Professional Corporation

Chartered Professional Accountants

**Yellowknife Airport Revolving Fund**
Statement of Financial Position
As at March 31, 2025

| | 2025 | 2024 Restated see (Note 14) |
|---|---|---|
| **Financial Assets** | | |
| Accounts receivable (Note 4) | **$ 2,040,227** | $ 1,815,636 |
| Due from the Government of the Northwest Territories (Note 5) & (Note 14) | **25,831,896** | 21,364,566 |
| | **27,872,123** | 23,180,202 |
| **Financial Liabilities** | | |
| Accounts payable and accrued liabilities | **1,112,356** | 1,264,720 |
| Deferred revenue (Note 7) & (Note 14) | **16,401,067** | 13,394,001 |
| Employee future benefits (Note 8) | **38,975** | 53,026 |
| | **17,552,398** | 14,711,747 |
| **Net Financial Assets** | **10,319,725** | 8,468,455 |
| **Non-Financial Assets** | | |
| Inventories held for use | **298,110** | 298,110 |
| Tangible capital assets (Note 9) | **38,623,125** | 40,471,692 |
| Prepaid expenses | **1,797** | 4,500 |
| | **38,923,032** | 40,774,302 |
| **Accumulated Surplus** | **$ 49,242,757** | $ 49,242,757 |

**Contractual Obligations (Note 13)**
**Contractual Rights (Note 15)**

**Approved:**

Randy Straker,
YARF Airport Manager

Marc Akpoe

Marc Akpoe,
YARF Comptroller

The accompanying notes are an integral part of the financial statements.

## Yellowknife Airport Revolving Fund

Statement of Changes in Net Financial Assets
For the Year Ended March 31, 2025

| | Budget | **2025** | 2024 |
|---|---|---|---|
| | | | Restated see (Note 14) |
| **Deficiency or revenue over expenses** | $ 395,000 | **$ -** | $ - |
| Change in prepaid expenses | - | **2,702** | 1,627 |
| Acquisition of tangible capital assets | - | **(1,039,883)** | (700,065) |
| Inventory write down | - | **-** | 199,180 |
| Amortization of tangible capital assets | - | **2,888,451** | 2,796,133 |
| **Increase (decrease) in Net Financial Assets** | 395,000 | **1,851,270** | 2,296,875 |
| **Net Financial assets, beginning of year** (Note 14) | 8,468,455 | **8,468,455** | 6,171,580 |
| **Net Financial assets, end of year** | $ 8,863,455 | **$ 10,319,725** | $ 8,468,455 |

The accompanying notes are an integral part of the financial statements.

**Yellowknife Airport Revolving Fund**
Statement of Operations and Accumulated Surplus
For the Year Ended March 31, 2025

| | Budget | **2025** | 2024 |
|---|---|---|---|
| **Revenue** | | | Restated see (Note 14) |
| Aeronautical revenue (Note 16) | $ 5,868,000 | **$ 7,289,149** | $ 5,596,238 |
| Non-aeronautical revenue (Note 16) | 3,432,000 | **3,925,301** | 3,102,072 |
| | 9,300,000 | **11,214,450** | 8,698,310 |
| Government transfers (Note 10) | - | **612,505** | 401,625 |
| Airport improvement fees (Note 14) | 3,300,000 | **421,751** | 685,950 |
| | 12,600,000 | **12,248,706** | 9,785,885 |
| **Expenses (Note 17)** | | | |
| Amortization | 2,600,000 | **2,888,451** | 2,796,133 |
| Finance and administration | 1,019,000 | **1,873,116** | 1,117,897 |
| Operations and maintenance | 4,328,000 | **4,347,299** | 4,498,978 |
| Safety and security | 4,258,000 | **4,054,398** | 3,485,588 |
| | 12,205,000 | **13,163,264** | 11,898,596 |
| **Operating Surplus before other items** | 395,000 | **(914,558)** | (2,112,711) |
| **Other expenses** | | | |
| Grant-in-kind, occupancy costs (Note 11) | - | **(1,255,047)** | 1,116,559 |
| Occupancy costs (Note 11) | - | **1,255,047** | (1,116,559) |
| Recovery of prior year expenses | - | **-** | 27,887 |
| | - | **-** | 27,887 |
| **Deficiency or revenue over expenses before other item** | 395,000 | **(914,558)** | (2,084,824) |
| **Other item** | | | |
| Grant contributions (Note 5) | | **914,558** | 2,084,824 |
| **Deficiency of revenue over expenses** | - | **-** | - |
| **Accumulated surplus, beginning of year** (Note 14) | 49,242,757 | **49,242,757** | 49,242,757 |
| **Accumulated surplus, end of year** | $ 395,000 | **$ 49,242,757** | $ 49,242,757 |

The accompanying notes are an integral part of the financial statements.

## Yellowknife Airport Revolving Fund

Statement of Cash Flows
For the Year Ended March 31, 2025

| | 2025 | 2024 Restated see (Note 14) |
|---|---|---|
| **Cash provided by (used in)** | | |
| **Operating activities** | | |
| Deficiency of revenue over expenses | **$ -** | $ - |
| Items not affecting cash: | | |
| Amortization | **2,888,451** | 2,796,133 |
| | **2,888,451** | 2,796,133 |
| **Changes in non-cash assets and liabilities** | | |
| Accounts receivable | **(224,591)** | 603,723 |
| Accounts payable and accrued liabilities | **(152,361)** | 663,998 |
| Deferred revenue | **3,007,066** | 4,157,303 |
| Employee future benefits | **(14,051)** | 52,428 |
| Prepaid expenses | **2,702** | 1,628 |
| Inventory | **-** | 199,180 |
| Security deposits | **-** | - |
| Due from Government of the Northwest Territories | **(4,467,333)** | (7,774,328) |
| **Cash from operating activities** | **1,039,883** | 700,065 |
| **Investing activities** | | |
| Acquisition of tangible capital assets | **(1,039,883)** | (700,065) |
| Disposal of capital assets | **-** | - |
| **Cash used in investing activities** | **(1,039,883)** | (700,065) |
| **Increase in cash** | **2,888,451** | 2,796,133 |
| **Cash, beginning and end of year** | **$ -** | $ - |

The accompanying notes are an integral part of the financial statements.

## 1. Nature of operations

The Yellowknife Airport Revolving Fund revolving fund (the "Fund") was established July 1, 2017 for the purpose of meeting the capital, operating and maintenance requirements of the Yellowknife Airport. The Fund operates under the authority of the Revolving Funds Act (the "Act") and the Northwest Territories Financial Administration Act. The Yellowknife Airport Division of the Department of Infrastructure of the Government of the Northwest Territories (the "Government") is responsible for the administration of the Fund.

Under the Act, the Fund can receive working capital advances from the Consolidated Revenue Fund (the "CRF") to finance inventory, accounts receivable and operating expenses. The authorized limit of the Fund, being the maximum amount by which the assets may exceed the liabilities is $36 million. The balance of the fund is reported as due to or from the Government on the Statement of Financial Position, as applicable.

## 2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Canadian Public Sector Accounting Board. The significant accounting policies used are as follows:

### (a) Cash

The Fund does not maintain a bank account. All funds received are recorded and deposited to the Government's general bank account and are maintained by the Government's Treasury. Similarly, all payments for the Fund are made from the Government's general bank account. The balance in Treasury attributable to the Fund is reflected in the financial statements as amount due from the Government and is disclosed in note 5.

### (b) Revenue recognition

Revenue is recognized when it is probable that the economic benefits will flow to the Fund and provision of services has occurred, when the price is fixed or determinable and when collectability is reasonable assured.

Landing and terminal fees, apron fees, and parking revenues are recognized when the Airport facilities are utilized.

Concession fee revenue is recognized based on the highest of the agreed upon percentage of reported concessionaire sales or the specified minimum rentals in the period in which the rentals occur. Lease revenues are recognized straight-line basis over the duration of the underlying agreements.

Recoveries are recognized when the service is performed or the goods are provided. Airport improvement fee revenue is recognized as income in the period that eligible capital airport improvement costs are incurred.

**2. Significant accounting policies (continued)**

**(c) Government transfers**

Government transfers are the transfer of monetary assets or tangible capital assets from a government for which the government making the transfer does not:

- receive any goods or services directly in return;
- expect to be repaid in the future; or
- expect a direct financial return.

Government transfers are recognized as revenue in the period during which the transfer is authorized and eligibility criteria are met, except when and to the extent that the transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers meeting the definition of a liability are recognized as revenue as the liability is settled.

**(d) Tangible capital assets**

Tangible capital assets of the Yellowknife Airport acquired prior to the establishment of the Fund, July 1, 2017, were the property of the Government and were transferred to the Fund at July 1, 2017, April 1, 2018 and April 1, 2019 at their carrying amounts, accordingly the tangible capital assets are reflected in these financial statements. The Fund amortizes the tangible capital assets over their estimated useful lives at the rates established in the Financial Administration Manual over the following terms:

| | |
|---|---|
| Buildings | 40 years straight-line, no salvage |
| Water/sewer works | 12-25 years straight-line, no salvage |
| Machinery, equipment and vehicles | 5-15 years straight-line, no salvage |
| Airstrips/runways | 10-40 years straight-line, no salvage |
| Fuel tanks | 15-40 years straight-line, no salvage |

Tangible capital assets acquired by the Fund after July 1, 2017 are the property of the Fund and are recorded at cost which includes all amounts directly attributable to the acquisition, construction, development or betterment of the asset.

The cost of self-constructed assets includes expenditures on materials, direct labour, financing costs and an allocated proportion of project overheads. When the cost of replacing part of a tangible capital asset is capitalized, the carrying amount of the replaced part is derecognized. Any gain or loss on disposal or retirement of a tangible capital asset is determined as the difference between the proceeds from disposal and the carrying amount of the asset and is recognized in surplus.

Maintenance and repair expenses that do not improve or extend productive life are expensed in the period incurred.

Work in progress represents capital projects under construction but not completed and are valued at cost. Capital assets under construction are transferred to tangible capital assets when the asset is available for use and amortization will commence at that time.

**2. Significant accounting policies (continued)**

**(e) Inventories of supplies**

Inventories of supplies are valued at the lower of cost and replacement value, with cost being determined using the weighted average cost method. Inventories of supplies include chemicals, fuel, parts and supplies.

**(f) Pension and other employee future benefits and compensated absences**

All eligible employees participate in the Public Service Pension Plan administered by the Government of Canada. The Government's contributions are charged as an expense on a current year basis and represent the total pension obligations. The Government is not required under present legislation to make contributions with respect to any actuarial deficiencies of the Public Service Pension Plan.

Pension benefits are reported on an actuarial basis. This is done to determine the current value of future entitlement and uses various estimates. When actual experience varies from estimates or when actuarial assumptions change, the adjustments are amortized on a straight-line basis over the estimated average remaining service lives of the contributors. Recognition of actuarial gains and losses commences in the year following the effective date of the related actuarial valuations. In addition, immediate recognition of a previously unrecognised net actuarial gain or loss may be required upon a plan amendment, curtailment or settlement.

Under the terms and conditions of employment, government employees may earn non-pension benefits for resignation, retirement and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment. Eligibility is based on a variety of factors including place of hire, date employment commenced, and reason for termination. Benefit entitlements are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service. Termination benefits are also recorded when employees are identified for layoff. Compensated absences include sick, special, parental and maternity leave. Accumulating non-vesting sick and special leave are recognized in the period the employee provides service, whereas parental and maternity leave are event driven and recognized when the leave commences. As actuarial valuation of the cost of these benefits (except maternity and parental leave) has been prepared using data provided by management and assumptions based on management's best estimates.

**2. Significant accounting policies (continued)**

**(g) Financial instruments**

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 value is adjusted for financing fees and transactions costs that are directly attributable 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.

The Fund subsequently measures all its financial assets and financial liabilities at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Financial instruments measured at amortized cost include accounts receivable, due from the Government of the Northwest Territories and accounts payable and accrued liabilities.

There are no financial instruments subsequently measured at fair value.

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 operations. Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal, to a maximum of the related accumulated impairment charges recorded in respect of the particular asset is recognized in operations.

**(h) Inter-entity transactions**

Inter-entity transactions are transactions between commonly controlled entities, Government departments.

Inter-entity transactions are recorded at the exchange amount when they are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length. The cost allocations are recorded on a gross basis.

The Fund does not record the estimated cost of services provided by Government departments for no charge. The Fund receives the following services provided at no charge; payroll processing, insurance and risk management, legal counsel, records storage and computer operations.

**2. Significant accounting policies (continued)**

**(i) Liability for contaminated sites**

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- an environmental standard exists,
- contamination exceeds the environmental standard,
- the Fund is directly responsible or accepts responsibility
- it is expected that future economic benefits will be given up, and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

As the Government of the Northwest Territories controls the land used by the Fund, it also accepts responsibility for any contaminated sites. As a result, the Fund does not record any liabilities associated with contaminated sites or their remediation.

**2. Significant accounting policies (continued)**

**(j) Related parties**

The Fund initially measures related party balances in accordance with the substance of the transactions that gave rise to them. The Fund subsequently measures related party balances in accordance with the Fund's policies for financial instruments, as set out in note (g). The Fund is related in terms of common control to all Government of the Northwest Territories departments, boards and agencies. These include:

Departments
- Department of Education, Culture and Employment
- Department of Environment and Climate Change
- Department of Executive and Indigenous Affairs
- Department of Finance
- Department of Health and Social Services
- Department of Industry, Tourism and Investment
- Department of Infrastructure
- Department of Justice
- Department of Municipal and Community Affairs

Boards and Agencies
- Education Authorities
- Health and Social Services Authorities
- Aurora College
- NWT Business Development & Investment Corporation
- NWT Housing Corporation
- Northwest Territories Power Corporation
- Tlicho Community Services Agency
- Northwest Territories Heritage Fund
- Status of Women Council of the NWT
- NWT Human Rights Commission
- Arctic Energy Alliance
- Inuvialuit Water Board
- NWT Surface Rights Board
- NWT Environmental Fund
- NWT Liquor Commission
- NWT Liquor Licensing Board

The Fund enters into transactions with these entities in the normal course of business and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

### 3. Future accounting changes

**The conceptual Framework for Financial Reporting in the Public Sector**: On December 1, 2022, PSAB issued the Conceptual Framework to the PSA handbook. It replaces financial statement concepts, section PS 1000, and financial statement objectives, section PS 1100, which will be withdrawn. The conceptual framework applies to fiscal years beginning on or after April 1, 2026. Earlier adoption is permitted. This conceptual framework is to be applied prospectively.

**PS 1202- Financial Statement Presentation**: This new section set out general and specific requirements for the presentations for the presentation of information in general purpose financial statements. The financial statement presentation principals are based on the concepts in the conceptual framework and particularly respond to the financial statement objectives set out in chapter 6 of the conceptual framework. This section applies for fiscal years beginning on or after April 1, 2026. Earlier adoption is permitted only if the conceptual framework is also adopted at the same time.

### 4. Accounts receivable

| | Accounts receivable | Allowance for doubtful accounts | **Net 2025** | Net 2024 |
|---|---|---|---|---|
| Accounts receivable | $ 2,045,522 | $ 5,295 | **$ 2,040,227** | $ 1,815,636 |

### 5. Due from the Government of the Northwest Territories

The amount due from the Government of the Northwest Territories represents the balance attributable to the Fund held by the Government Treasury. The changes in the Fund's balance is as follows:

| | **2025** | 2024 |
|---|---|---|
| Balance, beginning of year | **$ 21,364,566** | $ 13,590,238 |
| Add: cash received by Treasury on behalf of the Fund | **19,718,279** | 11,522,654 |
| Less: payments made by the Treasury on the Fund's behalf | **(16,165,507)** | (5,833,151) |
| Add: grant receivable for operating losses | **914,558** | 2,084,825 |
| Balance, end of the year | **$ 25,831,896** | $ 21,364,566 |

The funds held by the Government Treasury are part of the consolidated revenue fund and are non-interest bearing with no set terms of repayment.

## 6. Airport improvement fees

The GNWT, acting on behalf of the Fund, entered into a Memorandum of Agreement ("the Agreement") dated July 1, 2017 with Signatory Air Carriers operating from the Yellowknife Airport. The Agreement provides for a consultative process with air carriers regarding the improvement to and expansion of airport facilities and the collection of airport improvement fees ("AIF") by air carriers through their ticketing processes. AIF revenues can only be used for the Yellowknife Airport Capital Program.

AIF fees are charged at $10 per departing passenger in the Northwest Territories and $20 per departing passenger outside the Northwest Territories

Airport improvement fee summary since implementation, July 1, 2017:

| | | **2025** | | 2024 |
|---|---|---|---|---|
| Cumulative AIF collected | **$** | **25,925,280** | $ | 21,929,288 |
| Cumulative AIF expenses | | **(9,690,568)** | | (9,268,818) |
| The excess of AIF collected over expenses | **$** | **16,234,712** | $ | 12,660,470 |

The excess of AIF collected over expenses is recorded as deferred revenue.

## 7. Deferred revenue

Deferred revenue is composed of the followings:

| | | **2025** | | 2024 |
|---|---|---|---|---|
| Airport Improvement fees | **$** | **16,234,712** | $ | 12,660,470 |
| Government transfers - ACAP equipment purchases | | **-** | | 578,624 |
| Prepaid lease revenues | | **166,355** | | 154,907 |
| Total deferred revenue | **$** | **16,401,067** | $ | 13,394,001 |

## 8. Employee future benefits

### Other Employee Future Benefits and Compensated Absences

In addition to pension benefits, the Government provides severance (resignation and retirement), removal and compensated absence (sick, special, maternity and parental leave) benefits to its employees. The benefits plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit liability.

Severance benefits are paid to the Government's employees based on the type of termination (e.g. resignation versus retirement) and appropriate combinations that include inputs such as when the employee is hired, the rate of pay, the number of years of continuous employment, age and if the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being location of hire, employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology.

Compensated absence benefits generally accrue as employees render service and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include, but are not limited to employee or dependent illness and death of an immediate family member. Benefits that accrue under compensated absence benefits, excluding maternity and parental leave, were actuarially valued using the expected utilization methodology. Non-accruing benefits include maternity and parental leave and are recognized when the leave commences.

### Valuation Results

The last actuarial valuation was completed as at February 26, 2025. The results were extrapolated to March 31, 2025. The effective date of the next actuarial valuation is March 31, 2026. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the Fund.

| **Changes in Liability** | **2025** | 2024 |
|---|---|---|
| Accrued benefit obligation, beginning of year | **$ 51,833** | $ 51,903 |
| Benefits earned | **3,164** | 3,265 |
| Interest | **2,779** | 2,559 |
| Benefits paid | **(2,274)** | (64,174) |
| Actuarial (gains)/losses | **48,985** | 58,280 |
| Accrued benefit obligation, end of year | **143,462** | 104,859 |
| Unamortized net actuarial loss | **(104,487)** | (51,833) |
| Accrued benefit liability | **$ 38,975** | $ 53,026 |

**8. Employee future benefits (continued)**

| | **2025** | 2024 |
|---|---|---|
| Current service cost | **$ 4,715** | $ 3,265 |
| Interest cost | **4,442** | 2,559 |
| Amortization of net actuarial (gain) loss | **14,983** | 4,724 |
| | **$ 24,140** | $ 10,548 |

The discount rate used to determine the accrued benefit obligation is an average of 4.3% (2024 - 5.3%). The expected payments during the next five fiscal years are:

| | **Total** |
|---|---|
| 2026 | $ 11,787 |
| 2027 | 9,054 |
| 2028 | 8,744 |
| 2029 | 9,936 |
| 2030 | 16,941 |
| 2031 and next 4 years | 55,826 |
| | **$ 112,288** |

**9. Tangible capital assets**

| | Cost | Accumulated Amortization | **March 31, 2025** | March 31, 2024 |
|---|---|---|---|---|
| Buildings | $ 29,938,383 | $ 8,263,295 | **$ 21,675,088** | $ 22,873,445 |
| Fuel tanks | 109,924 | 14,656 | **95,268** | 98,932 |
| Machinery, equipment and vehicles | 12,328,532 | 4,500,143 | **7,828,389** | 7,690,264 |
| Water/sewer works | 453,919 | 191,966 | **261,953** | 285,947 |
| Airstrips/runways | 12,873,907 | 4,196,728 | **8,677,179** | 9,443,482 |
| Work in progress | 85,247 | - | **85,248** | 79,620 |
| | $ 55,789,911 | $ 17,166,788 | **$ 38,623,125** | $ 40,471,692 |

Schedule 1 provides a breakdown of tangible capital assets and work in progress

## 10. Government transfers

**The Fund received and recorded as revenue the following grants:**

| Received from | Type of transfer | Project | **2025** | 2024 |
|---|---|---|---|---|
| Transport Canada | Capital | Snow Blower | **$ 612,505** | $ 401,625 |

## 11. Grant-in-kind

Cost allocations recorded by the Fund relate to the utility costs associated with the Airport facilities incurred by the Department of Infrastructure, and recognized as occupancy costs and a grant in kind from the Government. The utilities are based on actual costs to the Department of Infrastructure.

## 12. Budget information

The budget figures are from the 2024-2025 Main Estimates approved by the Legislative Assembly of the Northwest Territories

## 13. Contractual obligations

The Fund has commitments for leases and service agreements that will require payment in future years. As at March 31, 2025 the commitments amounted to **$494,398**. The annual payments for these commitments are as follows:

| | 2026 | 2027 | 2028 | **Total** |
|---|---|---|---|---|
| Service contracts | $ 410,502 | $ 61,864 | $ 22,032 | **$ 494,398** |

## 14. Restatement of Comparative Figures

During the year, the entity identified an error in the prior year's financial statements related to the accounting treatment of the Airport Improvement Fee (AIF) and the calculation of deferred revenue. As a result, the comparative figures have been restated.
The restatement resulted in the following adjustments for the year ended March 31, 2024:

| **Affected Account** | **Previously Reported** | **Adjustment** | **Restated Amount** |
|---|---|---|---|
| Airport Improvement Fees Revenue | $ 4,975,952 | **$ 4,290,003** | $ 685,949 |
| Deferred Revenue | 9,103,998 | **4,290,003** | 13,394,001 |
| Due from the Government of the Northwest Territories | 19,279,741 | **2,084,825** | 21,364,566 |
| Grant Receivable from GNWT | - | **2,084,825** | 2,084,825 |

As a result of these corrections, the financial statements for the prior year have been revised, and the opening accumulated surplus has been adjusted accordingly.

## 15. Contractual rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The Fund's contractual rights arise because of contracts entered into for leases and licenses. The contractual rights of the Fund are as follows:

| | 2026 | 2027 | 2028 | 2029 | 2030 | **2031 AND THEREAFTER** | **Total** |
|---|---|---|---|---|---|---|---|
| Leases | $ 2,153,782 | $ 2,062,490 | $1,860,221 | $1,808,181 | $1,737,861 | $ 14,650,353 | $ 24,272,888 |
| Licences | 242,320 | 143,109 | 96,427 | 82,131 | 43,110 | 137,900 | 744,997 |
| | $ 2,396,102 | $ 2,205,599 | $1,956,648 | $1,890,312 | $1,780,971 | $ 14,788,253 | $ 25,017,885 |

## 16. Revenue by object

The following is a summary of aeronautical and non-aeronautical revenues by object:

| | Budget | **2025** | 2024 |
|---|---|---|---|
| Concession fees | $ 250,000 | **$ 393,378** | $ 212,513 |
| Aeronautical | 5,000,000 | **7,289,149** | 5,596,238 |
| Leases | 2,600,000 | **2,495,667** | 2,606,094 |
| Recoveries | 150,000 | **496,396** | 271,693 |
| Other | - | **539,860** | 11,772 |
| | $ 8,000,000 | **$ 11,214,450** | $ 8,698,310 |

## 17. Expenses by object

| | Budget | **2025** | 2024 |
|---|---|---|---|
| Amortization | $ 2,600,000 | **$ 2,888,451** | $ 2,796,133 |
| Bad debts (recovery) | - | **1,739** | - |
| Computer hardware and software | 390,000 | **239,418** | 251,490 |
| Contract services | 2,180,000 | **2,196,478** | 2,076,161 |
| Fees and payments | 20,000 | **8,579** | 22,986 |
| Materials and supplies | 1,250,000 | **982,345** | 1,025,765 |
| Purchased services | 55,000 | **149,580** | 66,987 |
| Travel | 45,000 | **2,966** | 9,089 |
| Utilities | 265,000 | **235,861** | 181,679 |
| Salaries and benefits | 5,400,000 | **6,457,847** | 5,468,306 |
| | $ 12,205,000 | **$ 13,163,264** | $ 11,898,596 |

## 18. Risk management

The fund is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risks from the Fund's financial instruments is provided below

### (a) Credit risk

Credit risk is the risk of financial loss to the Fund if a debtor fails to make payments of interest and principal when due. The Fund is exposed to this risk relating to its accounts receivable and due from the Government of the Northwest Territories.

The Fund's maximum exposure to credit risk is represented by the financial assets balance for a total of $27,872,123 (2024 - $23,180,202). Accounts receivable are due from various corporations. Credit risk related to accounts receivable is mitigated by internal controls as well as policies and oversight over arrears for ultimate collection. At March 31, 2025, the accounts receivable aging profile is as follows:

| | 0-30 days | 31-60 days | 61-90 days | Over 90 days | Total |
|---|---|---|---|---|---|
| Accounts receivable | $ 1,982,187 | $ 50,667 | $ 1,253 | $ 6,120 | $ 2,040,227 |

The Fund's management has determined that a portion of account receivable is impaired. Management's assessment was based on specific identification and age of receivables. The portion impaired is $5,295 (2024 - $2,889).

Management believes the risk exposure related to amounts due from the Government of the Northwest Territories is minimal given the Government's stability and strong credit worthiness.

### Concentration of credit risk

Concentration of credit risk is the risk that a customer(s) has a significant portion of the total accounts receivable balance and thus there is a higher risk to the Fund in the event of default. The Fund does have concentration risk. At March 31, 2025, two (2024 - two) customers comprise 55% (2024 - 55%) of the total outstanding accounts receivable. The Fund reduces this risk by monitoring overdue balances. The Fund also has concentration risk related to the amount due from the Government of Northwest Territories, which is stable and credit worthy, as stated above.

The Fund derives a substantial portion of its revenues from airlines through airfield and passenger processing fees and through airlines' collection of airport improvement fees on its behalf. The air transportation traffic that drives these revenues is from inter-territorial, domestic and cargo traffic from multiple airlines. Due to this diversification, the concentration risk is considered minimal.

### (b) Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet all cash flow obligations as they come due. The Fund mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining an adequate amount of cash to cover unexpected outflows.

The Fund's maximum exposure to liquidly risk is represented by financial liabilities totaling $1,112,356 (2024 - $1,264,720). Financial liabilities consist of accounts payable and accrued liabilities. All of the Fund's financial assets and financial liabilities as at March 31, 2025 mature within the next six months.

The Fund has disclosed future financial liabilities and commitments in Note 13.

**Yellowknife Airport Revolving Fund** **SCHEDULE 1**

Notes to the Financial Statements

For the Year Ended March 31, 2025

| | Buildings | Fuel Tanks | Machinery, Equipment and Vehicles | Water & Sewer Works | Airstrips | Work-In-Progress | **2025** | 2024 |
|---|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | | |
| Balance, beginning of the year | $ 29,938,383 | $ 109,924 | $ 11,294,276 | $ 453,919 | $12,873,907 | $ 79,620 | **$ 54,750,028** | $ 54,049,963 |
| Add: additions during the year | - | - | 1,034,256 | - | - | 5,627 | **1,039,883** | 700,065 |
| Balance, end of year | 29,938,383 | 109,924 | 12,328,532 | 453,919 | 12,873,907 | 85,247 | **55,789,911** | 54,750,028 |
| **Accumulated amortization** | | | | | | | | |
| Balance, beginning of the year | 7,064,937 | 10,992 | 3,604,011 | 167,970 | 3,430,426 | - | **14,278,336** | 11,482,203 |
| Add: amortization | 1,198,358 | 3,664 | 896,132 | 23,996 | 766,302 | - | **2,888,451** | 2,796,133 |
| Balance, end of year | 8,263,295 | 14,656 | 4,500,143 | 191,966 | 4,196,728 | - | **17,166,787** | 14,278,336 |
| **Net book value** | $ 21,675,088 | $ 95,268 | $ 7,828,389 | $ 261,953 | $ 8,677,179 | $ 85,247 | **$ 38,623,125** | $ 40,471,692 |

# Environment Fund

## Financial Statements

## March 31, 2025

# Environment Fund

## Financial Statements

## March 31, 2025


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## Management Responsibility Statement

Management is responsible for the reliability, integrity and objectivity of the data in the accompanying financial statement, which has been prepared in accordance with Canadian public sector accounting standards for not-for-profit organizations. Management takes responsibility for the presentation of these financial statements. Where appropriate, the financial statements include estimates and judgments based on careful consideration of the information available to management.

In discharging its responsibility for financial reporting, management maintains and relies on internal control systems and practices, which are designated to provide reasonable assurance that the transactions are authorized, the assets are safeguarded and proper records are maintained. These control systems and practices ensure the orderly conduct of business, the accuracy of the accounting records, reliability of financial information and compliance to legislation governing the Environment Fund.

The auditor provides an independent, objective audit for the purpose of expressing an opinion on the financial statements. The auditor also considers whether the transactions that come to their notice during the course of the audit are, in all significant respects, in accordance with specified legislation.

Robert Jenkins, B.Sc, M.A.Sc.
Deputy Minister
Department of Environment and Climate Change

Jessica St. Arnaud, CPA, CA
Director, Finance and Capital Planning
Department of Environment and Climate Change

**June 27, 2025**

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# Independent Auditors' Report

## To the Minister of Environment Fund

*Qualified Opinion*
We have audited the financial statements of the Environment Fund, which comprise the statement of financial position as at March 31, 2025, and the statements of operations and changes in fund balances for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the financial statements present fairly, in all material respects, the financial position of the Environment Fund as at March 31, 2025 and the results of its operations and changes in fund balances for the year then ended in accordance with Canadian public sector accounting standards for government not-for-profits.

*Basis for Qualified Opinion*
The Environment Fund relies on reports prepared by processing centres and depots for the recording of depot handling fees $1,036,864 (2024 - $803,284), processing fees $680,064 (2024 - $444,061) and refundable deposits $2,362,337 (2024 - $2,153,209). The reports provided by distributors, processing centres and depots are not independently verifiable, and consequently, our review of these accounts was limited to the amounts reported on the filed claims. As a result we are unable to determine if adjustments would be required to expenses for the years ended March 31, 2025 and 2024, accounts payable or fund balances as at March 31, 2025 and 2024.

Beverage container fee revenues and receivables in fiscal 2024 of $5,682,625 were qualified, due to our inability to obtain reasonable assurance over the claims submitted by distirbutors. As a result, the 2025 opening balance of accounts receiable and fund balances have been qualified.

Wages and benefits of $1,507,247 (2024 - $1,116,211) were paid to employees of the Fund are administered by the Government of the Northwest Territories and are audited as part of the Government of the Northwest Territories' audit. Our audit scope was limited as we did not audit the components of wages and benefits expenses and related balances. Accordingly, we were not able to determine whether any adjustments might be necessary to wages and benefits expenses for the years ended March 31, 2025 and 2024, liabilities and fund balances as at March 31, 2025 and 2024.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## Independent Auditors' Report (continued)

*Other Matter*
Management is responsible for the other information. The other information comprises the annual report. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*
Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards for government 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

*Auditors' Responsibilities for the Audit of the Financial Statements*
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## Independent Auditors' Report (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Crowe Mackay LLP

**Yellowknife, Canada**
**June 27, 2025**

**Chartered Professional Accountants**

## Environment Fund

### Statement of Operations

| For the year ended March 31, | 2025 | 2024 |
|---|---|---|
| **Revenues** | | |
| Beverage Container Program (schedule 1) | **$ 6,898,850** | $ 6,547,505 |
| Electronic Recycling Program (schedule 2) | **266,099** | 208,923 |
| Other Programs and Initiatives (schedule 3) | **19,531** | 61,748 |
| | **7,184,480** | 6,818,176 |
| **Expenses** | | |
| Beverage Container Program (schedule 1) | **5,960,295** | 5,034,421 |
| Electronic Recycling Program (schedule 2) | **327,502** | 280,348 |
| Other Programs and Initiatives (schedule 3) | **957,563** | 810,357 |
| | **7,245,360** | 6,125,126 |
| **Excess (deficiency) of revenues over expenses** | **$ (60,880)** | $ 693,050 |

## Environment Fund

### Statement of Changes in Fund Balances

### For the year ended March 31, 2025

| | Unrestricted | Equipment replacement reserve | Total 2025 | Total 2024 |
|---|---|---|---|---|
| **Balance, beginning of year** | $ 8,968,673 | $ 532,730 | **$ 9,501,403** | $ 8,808,353 |
| Excess (deficiency) of revenues over expenses | (60,880) | - | **(60,880)** | 693,050 |
| Transfer to reserve (Note 3c) | (12,289) | 12,289 | **-** | - |
| **Balance, end of year** | **$ 8,895,504** | **$ 545,019** | **$ 9,440,523** | $ 9,501,403 |

## Environment Fund

### Statement of Financial Position

| March 31, | 2025 | 2024 |
|---|---|---|
| **Assets** | | |
| Accounts receivable | **$ 538,219** | $ 670,159 |
| Due from Treasury (note 4) | **10,124,276** | 10,058,914 |
| | **$ 10,662,495** | $ 10,729,073 |
| **Liabilities** | | |
| Accounts payable and accrued liabilities | **$ 340,996** | $ 375,289 |
| Unredeemed container liability (note 5) | **880,976** | 852,381 |
| | **1,221,972** | 1,227,670 |
| **Fund balances** | | |
| **Unrestricted** | **8,895,504** | 8,968,673 |
| **Equipment replacement reserve** | **545,019** | 532,730 |
| | **9,440,523** | 9,501,403 |
| | **$ 10,662,495** | $ 10,729,073 |

Nature of operations (note 1)

Approved on behalf of the Board:

Deputy Minister

Director, Finance and Capital Planning

## 1. Nature of operations

The Environment Fund ("the Fund") contains all fees and surcharges collected from programs established under the authority of the *Waste Reduction and Recovery Act* ("the Act") of the Northwest Territories. The Act was enacted in October 2003 during the 6th session of the 16th Legislative Assembly. The Act came into force in July 2005 with the establishment of the Fund.

The financial assets of the Fund may be used to pay for:

- the establishment, operation and evaluation of programs in respect of the reduction or recovery of waste
- education programs related to the reduction or recovery of waste
- research and development activities related to the reduction or recovery of waste
- the appropriate disposal of a designated or prohibited material as waste
- expenses associated with the work of the advisory committee established by the Minister
- to provide advice and assistance relating to the establishment of programs and operation of programs in respect of the reduction and recovery of waste
- other costs associated with programs, initiatives, or activities in respect of the reduction or recovery of waste

Environment Fund Programs

The Beverage Container Program, which came into effect November 1, 2005, is one of three established programs operating within the Environment Fund. Administration of this program rests with the Chief Environmental Protection Officer appointed under the *Environmental Protection Act.*

The Single Use Retail Bag Program, which came into effect January 15, 2010, is the second of three established programs operating within the Environment Fund. Administration of this program rests with the Chief Environmental Protection Officer appointed under the *Environmental Protection Act.*

The Electronics Recycling Program, which came into effect on February 1, 2016, is the third of three established programs operating within the Environment Fund. Administration of this program rests with the Chief Environmental Protection Officer appointed under the *Environmental Protection Act.*

The Department of Environment and Climate Change advised it will be examining other waste reduction and recovery programs that could, in the future, become part of the Fund.

## 2. Significant accounting policies

The financial statements are prepared by management in accordance with Canadian public sector accounting standards for government not-for-profits organizations.

The significant accounting policies used are as follows:

### (a) Revenue recognition

Beverage Container Program revenue, Single-use Retail Bag Program, and Electronics Recycling Program revenue is recognized when beverage containers, single use retail bags or electronics are sold by distributors to retailers. Recoveries and salvage revenue from recycled materials are recognized when cash is received or receivable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the Statement of Operations as the stipulation liabilities are settled.

Interest revenue is recognized as it is earned.

### (b) Capital assets

The capital assets managed by the Fund are not included in these financial statements as they are not capital assets of the Fund.

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard.

As the Government of the Northwest Territories owns the assets of the Fund, it also accepts responsibility for any contaminated sites. As a result, the Fund does not record any liabilities associated with contaminated sites or their remediation. Asset retirement obligations are the responsibility of the Department of Environment and Climate Change.

### (c) Reserve funds

Restrictions have been placed on surplus to reserve funds for future operations:

This reserve was approved by the Government of the Northwest Territories to be set up for future capital equipment purchases/replacement. The Equipment replacement reserve is equal to 1/10 of the cost of capital equipment, including capital equipment purchased with start-up funds and has been reserved annually for future replacements of capital equipment. The 2025 transfer is $12,289 (2024 - $17,863).

## 2. Significant accounting policies (continued)

### (d) Contributed services

The Department of Environment and Climate Change maintains the accounts of the Fund and provides the Fund with administrative support, including rent, bookkeeping, management overview and auditing costs. The costs associated with administering and maintaining the accounts are not reflected in these financial statements as they are reported on in the consolidated financial statements of the Government of the Northwest Territories and the value cannot been determined.

### (e) Start-up funding

The Department of Environment and Climate Change received $1,143,000 in start-up funding from the Government of the Northwest Territories to cover the costs of implementing the Beverage Container Program. The start-up costs, which were incurred before the Beverage Container Program came into force on November 1, 2005, are not reflected in the financial statements as they are reported on in the consolidated financial statements of the Government of the Northwest Territories.

### (f) Cash flow statement

As the Fund does not maintain a bank account, but rather receives working capital advances and finances accounts receivable and operating expenses through the Government's Consolidated Revenue Fund (the "CRF"); as a result a Statement of Cash Flows has not been presented.

### (g) Financial instruments

The Fund classifies its financial instruments at cost or amortized cost. The Fund’s accounting policy for this financial instrument category is as follows:

This category includes accounts receivable, due from treasury, accounts payable and accrued liabilities, and unredeemed container liability. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instruments.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write-down being recognized in the Statement of Operations.

## 2. Significant accounting policies (continued)

### (h) Related party transactions

The transactions with related parties are carried out in the normal course of operations. Expenses and revenues were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Payables and receivables were measured at cost, determined using their undiscounted cash flows. No differences resulted from these transactions.

### (i) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards for government 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 balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Estimates include allowance for doubtful accounts, accrued liabilities and the unredeemed container liability.

## 3. Future accounting changes

### Financial Statement Presentation, Section PS 1202

Section PS 1202 "Financial Statement Presentation", will replace the existing Financial Statement Presentation section PS 1200. The new standard will relocate the calculation of net financial liabilities (formerly known as 'net debt') to its own statement, introducing two catergories of liabilities: financial and non-financial. The new standard will restructure the statement to present assets, followed by liabilities, followed by net assets or net liabilities.

This section will apply to fiscal years beginning on or after April 1, 2026. Earlier adoption is permitted. PS 1202 will be applied prospectively.

### The Conceptual Framework for Financial Reporting in the Public Sector

PSAB’s Conceptual Framework for Financial Reporting in the Public Sector replaces the conceptual aspects of Section PS 1000, Financial Statement Concepts, and Section PS 1100, Financial Statement Objectives.

The Conceptual Framework applies to fiscal years beginning on or after April 1, 2026 Earlier adoption is permitted. This Conceptual Framework is to be applied prospectively.

## 4. Due from Treasury

The Fund is a special purpose fund as defined in subsection 1(1) of the *Financial Administration Act* that forms part of the Government of the Northwest Territories Consolidated Revenue Fund.

In April 2006, the Fund joined the Government of the Northwest Territories investment pool, which consolidates and invests the cash balances for all participants. The monies for these investments flow out of the CRF and do not affect the cash balances of the participants. The investment pool revenues are prorated and allocated to the participants.

## 5. Unredeemed container liability

The unredeemed container liability is an amount that is equal to 15% (2024 - 15%) of the beverage container surcharges of the current year. It has been recognized to cover the future redemption of containers that are currently in circulation. This liability has been disclosed in accordance with the *Waste Reduction and Recovery Act*.

## 6. Related party transactions

The Fund is related in terms of common control to all Government of the Northwest Territories departments, agencies and Crown Corporations. The Fund receives human resource management, legal services and risk management from the Government of the Northwest Territories without charge. The Fund also receives management services from the Department of Environment and Climate Change, as outlined in Note 2 (d).

The Fund entered into transactions with the following entities subject to common control:

NWT Liquor Commission
Government of the Northwest Territories - Human Resources
Marine Transportation Services
Yellowknife Education District No.1 - École Sir John Franklin High School
Sahtu Divisional Education Council - Chief T'Seleye School
Wrigley District Education Authority - Chief Julian Yendo School
Aurora College

| | **2025** | 2024 |
|---|---|---|
| Revenue | | |
| NWT Liquor Commission - Beverage container program fees | **$ 1,746,457** | $ 1,746,744 |

## 6. Related party transactions (continued)

| | | |
|---|---|---|
| Expenses | | |
| Wrigley District Education Authority - Chief Julian Yendo School - Grants and contributions | **$ 1,915** | $ 125 |
| Government of the Northwest Territories - Human Resources - Payroll | **1,507,247** | 1,116,211 |
| Sahtu Divisional Education Council Chief T'Seleye School - Grants and contributions | **9,598** | 9,923 |
| École Sir John Franklin High School - Grants and contributions | **-** | 36,440 |
| Marine Transportation Services - Freight | **48,100** | 33,010 |
| Deh Cho District Education Authority - Grants and contributions | **3,652** | 1,342 |
| Aurora College - Training | **13,905** | 7,500 |
| | **$ 1,584,417** | $ 1,204,551 |
| Accounts receivable | | |
| NWT Liquor Commission | **$ 136,130** | $ 146,560 |
| Accounts payable and accrued liabilities | | |
| Sahtu Divisional Education Council - Chief T'Seleye School | **$ -** | $ 873 |

## 7. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

## 7. Financial instruments (continued)

### (a) Credit risk

Credit risk is the risk of financial loss to the Fund if a debtor fails to make payments of interest and principal when they become due.

The Fund is exposed to this risk relating to its accounts receivable and due from Treasury. Accounts receivable are amounts due from government agencies and participating retailers of the Beverage Container Program. Credit risk related to accounts receivable is mitigated by internal controls as well policies and oversight over arrears for ultimate collection. Management has determined that no accounts receivable required impairment. Credit risk related to due from Treasury is mitigated by fiscal policy set by the Government of the Northwest Territories which includes a yearly budget.

The Fund's maximum exposure to credit risk is represented by the financial assets for a total of $10,662,495 (2024 - $10,729,073). All financial assets are considered current. This risk has not changed from prior year.

### (b) Concentration of credit risk

Concentration of credit risk is the risk that a customer has more than ten percent of the total accounts receivable balance and thus there is a higher risk to the business in the event of a default by one of these customers. The Fund does have a concentration of credit risk.

Concentrations of credit risk relates to groups of counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

At March 31, 2025 receivables from three (2024 - three) customers comprised approximately 57% (2024 - 43%) of the total outstanding receivables. The Fund reduces this risk by regularly assessing the credit risk associated with these accounts.

At March 31, 2025, 100% of the cash stores of the Environment Fund were held in the treasury of the Department of Finance. These funds are subject to extensive internal control and risk management to reduce the credit risk associated with this balance.

### (c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund's interest-bearing financial instruments includes the amount Due from Treasury, with interest rates set by the Government of the Northwest - Department of Finance, Investment pool described in note 4.

## Environment Fund

**Schedules to the Financial Statements**

**For the year ended March 31,**

## Schedule of Beverage Container Program

**Schedule 1**

| | **2025** | 2024 |
|---|---|---|
| **Revenues** | | |
| Beverage container program fees | **$ 5,798,938** | $ 5,682,625 |
| Interest revenue | **536,464** | 498,545 |
| Salvage | **524,374** | 358,102 |
| Recoveries | **39,074** | 8,233 |
| | **6,898,850** | 6,547,505 |
| **Expenses** | | |
| Advertising and promotion | **20,601** | 24,640 |
| Contract service - satellite depot | **61,840** | 41,212 |
| Depot handling fees | **1,036,864** | 803,284 |
| Equipment, supplies and maintenance | **236,915** | 179,350 |
| Freight | **341,124** | 435,315 |
| Grants and contributions | **112,459** | 110,619 |
| Insurance | **18,032** | 20,838 |
| Office and software | **9,347** | 14,645 |
| Processing centre handling fees | **680,064** | 444,061 |
| Processing centre salvage | **108,760** | 53,475 |
| Professional fees | **144,191** | 93,285 |
| Quality control fees | **38,500** | 40,852 |
| Refundable deposit fees | **2,362,337** | 2,153,209 |
| Storage | **67,600** | 59,042 |
| Travel and training | **22,216** | 32,237 |
| Wages and benefits | **699,445** | 528,357 |
| | **5,960,295** | 5,034,421 |
| **Excess of revenues over expenses** | **$ 938,555** | $ 1,513,084 |

## Environment Fund

**Schedules to the Financial Statements**

**For the year ended March 31,**

## Schedule of Electronic Recycling Program

**Schedule 2**

| | **2025** | 2024 |
|---|---|---|
| **Revenues** | | |
| Electronic recycling program fees | **$ 266,099** | $ 208,923 |
| **Expenses** | | |
| Advertising and promotion | **-** | 8,125 |
| Contract service - satellite depot | **2,339** | 588 |
| Depot, processing centre and recycling fees | **131,380** | 100,568 |
| Equipment, supplies and maintenance | **-** | 891 |
| Freight | **22,008** | 16,192 |
| Professional fees | **44,190** | 46,390 |
| Storage | **8,400** | 8,600 |
| Wages and benefits | **119,185** | 98,994 |
| | **327,502** | 280,348 |
| **Deficiency of revenues over expenses** | **$ (61,403)** | $ (71,425) |

## Environment Fund

**Schedules to the Financial Statements**

**For the year ended March 31,**

## Schedule of Other Programs and Initiatives

**Schedule 3**

| | **2025** | 2024 |
|---|---|---|
| **Revenues** | | |
| Single-use retail bag program fees | **$ 19,531** | $ 61,748 |
| **Expenses** | | |
| Advertising and promotion | **17,938** | 25,467 |
| Bad Debt | **-** | 25,670 |
| Contract services | **25,655** | 25,655 |
| Grants and contributions | **194,101** | 117,807 |
| Freight | **4,921** | - |
| Office | **4,761** | 9,509 |
| Professional fees | **4,347** | 111,100 |
| Travel and training | **17,223** | 6,289 |
| Wages and benefits - Single-use retail bag program | **74,155** | 61,984 |
| Wages and benefits - Policy development | **556,113** | 385,007 |
| Wages and benefits - Waste reduction and recycling | **58,349** | 41,869 |
| | **957,563** | 810,357 |
| **Deficiency of revenues over expenses** | **$ (938,032)** | $ (748,609) |

# LEGISLATIVE ASSEMBLY
# RETIRING ALLOWANCE FUND
**Yellowknife, NT**

## FINANCIAL STATEMENTS
For the Year Ended March 31, 2025

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NORTHWEST TERRITORIES
LEGISLATIVE ASSEMBLY
TERRITOIRES DU NORD-OUEST
ASSEMBLÉE LÉGISLATIVE

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with Canadian accounting standards for pension plans. Where necessary the statements include amounts that are based on informed judgements 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 systems 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 Board's management recognizes its responsibility for conducting the Fund's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate.

The Accounting firm of Ashton Chartered Professional Accountants has provided an independent objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian accounting standards for pension plans. The auditor also considers whether the transactions that come to his notice in the course of this audit are, in all significant respects, in accordance with specified legislation and directives from the NWT Legislative Assembly.

Aon Hewitt, an independent firm of consulting actuaries, has been engaged to provide an opinion on the adequacy and appropriateness of actuarial valuations of accrued pension benefits of the board.

On behalf of the Board of Management:

Speaker

Clerk

September 11, 2025
Date

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C. P. 1320 | Yellowknife | Territoires du Nord-Ouest | X1A 2L9 | Tel.: 867-767-9130 | Telecopieur: 867-920-4735

Kîci Okimänähk Mämawapowin • Beba Ɂeɂígíth Ɂeta Délíth'ı Kǫ́é • Ek'èteht'sodǫ Łegehdi Kǫ • K'áowe gogha etek'éterewe ke lénakedé
Gogha Sombaa Nálée • Dagwidjì'è' Tr'igwahtsii Geenjit Nadhat Kat • Legislative Assemblitkut • Ihumiurviat Malirutaliatigun • ᒪᓕᒐᓕᐅᑎᑦ

ASHTON
Chartered Accountants
Business Advisors

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# INDEPENDENT AUDITOR'S REPORT

To the Members of Legislative Assembly Retiring Allowance Fund

*Opinion*

We have audited the financial statements of Legislative Assembly Retiring Allowance Fund (the Fund), which comprise the statement of financial position as at March 31, 2025, and the statements of changes in net assets available for benefits and changes in pension obligations for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2025, and the changes in its net assets available for benefits, and changes in pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

*Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for pension plans, 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

*(continues)*

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Hay River, Northwest Territories
September 11, 2025

Chartered Professional Accountants

**LEGISLATIVE ASSEMBLY RETIRING ALLOWANCE FUND**

**STATEMENT OF FINANCIAL POSITION**
March 31, 2025

| | 2025 | 2024 |
|---|---|---|
| **ASSETS** | | |
| **CURRENT** | | |
| Accounts Receivable (Note 3) | $ 9,640 | $ 20,369 |
| Accrued Interest Income | - | - |
| | 9,640 | 20,369 |
| **INVESTMENTS** (Note 4) | 26,408,489 | 24,088,420 |
| | $ 26,418,129 | $ 24,108,789 |
| **LIABILITIES** | | |
| **CURRENT** | | |
| Accounts Payable | $ 57,686 | $ 60,731 |
| **NET ASSETS AVAILABLE FOR BENEFITS** per page 2 | 26,360,443 | 24,048,058 |
| **PENSION OBLIGATIONS** per page 3 (Note 5) | 18,657,700 | 18,141,700 |
| **PENSION PLAN FUND SURPLUS** | 7,702,743 | 5,906,358 |

**APPROVED**

Speaker

Clerk

**LEGISLATIVE ASSEMBLY**
**RETIRING ALLOWANCE FUND**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**
For the Year Ended March 31, 2025

| | 2025 | 2024 |
|---|---|---|
| **INCREASE IN ASSETS** | | |
| **Contributions:** | | |
| Members | 261,959 | 231,278 |
| Government of the NWT | 856,000 | 856,000 |
| In-Kind Contributions | 9,000 | 8,500 |
| Other Receipts | - | 8 |
| | 1,126,959 | 1,095,786 |
| **Investment Income:** | | |
| Interest | 549,905 | 507,352 |
| Dividends | 313,100 | 340,803 |
| Gain on Sale of Investments | 735,870 | 474,707 |
| | 1,598,875 | 1,322,862 |
| Current Period Change in Fair Values of Investments | 1,182,470 | 739,467 |
| Net Investment Income | 2,781,345 | 2,062,329 |
| Total Increase in Assets | 3,908,304 | 3,158,115 |
| **DECREASE IN ASSETS** | | |
| Benefits | | |
| Pension Payments | 1,199,251 | 1,146,496 |
| Termination/Lump sum Payments | 154,153 | 1,025,162 |
| Total Benefits | 1,353,404 | 2,171,658 |
| Administrative | | |
| Actuary Fees | 70,417 | 39,117 |
| Audit Fees | 9,000 | 8,500 |
| Investment Management Fees | 112,566 | 89,250 |
| Meeting Travel & Accommodation | 9,827 | 12,674 |
| Trustee Fees | 40,704 | 22,509 |
| Total Administrative | 242,514 | 172,050 |
| Total Decrease in Assets | 1,595,918 | 2,343,708 |
| **INCREASE IN NET ASSETS AVAILABLE FOR BENEFITS** | $ 2,312,386 | $ 814,408 |
| **NET ASSETS AVAILABLE FOR BENEFITS** | | |
| **BEGINNING OF YEAR** | 24,048,058 | 23,233,650 |
| **END OF YEAR** | $ 26,360,443 | $ 24,048,058 |

**LEGISLATIVE ASSEMBLY**
**RETIRING ALLOWANCE FUND**

## STATEMENT OF CHANGES IN PENSION OBLIGATIONS
For the Year Ended March 31, 2025

| | 2025 | 2024 |
|---|---|---|
| **INCREASE IN PENSION OBLIGATIONS** | | |
| Interest Accrued on Benefits | $ 952,000 | $ 950,000 |
| Benefits Accrued | 775,000 | 768,000 |
| Experience Loss | - | - |
| | 1,727,000 | 1,718,000 |
| **DECREASE IN PENSION OBLIGATIONS** | | |
| Benefits Paid | $ 1,211,000 | $ 2,143,000 |
| Experience Gains | - | - |
| | 1,211,000 | 2,143,000 |
| **INCREASE (DECREASE) IN PENSION OBLIGATIONS** | 516,000 | (425,000) |
| **PENSION OBLIGATIONS, BEGINNING OF YEAR** | 18,141,700 | 18,566,700 |
| **PENSION OBLIGATIONS, END OF YEAR** | $ 18,657,700 | $ 18,141,700 |
| **AS REPRESENTED BY** | | |
| Active Members | $ 3,296,100 | $ 4,631,500 |
| Pensioners & Terminated Members | 15,631,600 | 13,510,200 |
| | $ 18,657,700 | $ 18,141,700 |

**LEGISLATIVE ASSEMBLY**
**RETIRING ALLOWANCE FUND**

**NOTES TO THE FINANCIAL STATEMENTS**
For the Year Ended March 31, 2025

## 1. DESCRIPTION OF PLAN

### a) General

The Fund was established pursuant to the Legislative Assembly Retiring Allowances Act (NWT) and is administered by the Board of Management. The Act provides retiring allowances on a contributory, defined benefit basis to Members of the Legislative Assembly of the Northwest Territories who have been Members at any time for six or more years prior to October 16, 1995, or four or more years after October 16, 1995, commencing March 10, 1975, the date of the first fully elected Legislative Assembly.

b) The following description of the Legislative Assembly Retiring Allowance Plan is a summary only. For more complete information, reference should be made to the Plan agreement.

#### 1) Funding Policy

The Legislative Assembly Retiring Allowance (NWT) Act requires that the plan sponsor, the Government of the Northwest Territories, must fund the benefits determined under the Plan. The determination of the value of these benefits is made on the basis of an actuarial valuation for the fund that must be completed no less frequently than as of the day on which each general election is held.

The Legislative Assembly Retiring Allowances Act (NWT) requires Plan members to contribute 6.5% of their pensionable remuneration and earnings to the Plan. Employer contributions required are equal to the amount certified by the Actuary as being necessary to fully fund the benefits accruing under the Plan, less the amount of required employee contributions. Any surplus existing in the Plan may be used to reduce the required employer contributions. Any deficit existing in the Plan must be specifically funded in accordance with the requirements of the Pension Benefits Standards Act.

#### 2) Normal Retirement Age

a. Service Prior to 1992

Age 55

b. Service After 1991

The earliest of:

- age 60
- 30 years of service
- age plus service equals 80

## NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2025

**1. DESCRIPTION OF PLAN - cont'd**

**3) Retirement Pension**

Two percent of the average best total earnings over four years multiplied by Credited Services as a Member

Note that prior to the amendment in 2011, the retirement pension was determined as follows:

Two percent of the average best earnings over four years as an MLA multiplied by Credited Services as an MLA.

PLUS

2% of the average best earnings over four consecutive years in that capacity of Minister, Speaker or Chairperson multiplied by Credited Service for each position. A position must be held for at least one year for a pension to be paid, and the pension for each position is calculated separately.

**4) Early Retirement**

A member may retire at any time upon ceasing to be a member of the Assembly. A Member retiring prior to Normal Retirement Age shall receive:

a. Service prior to 1992

A pension which is actuarially equivalent to the pension calculated as if the member was 55.

b. Service after 1991.

A pension which is reduced by .25% for each month a member retires before the Normal Retirement Age.

**5) Late Retirement**

Up to age 71.

**6) Maximum Allowance**

For benefits earned after 1991, the annual retirement pension payable shall not exceed the lessor of:

a. the defined limit as prescribed under the Income Tax Act of Canada for the year in which the pension commences, times the years of credited service after 1991;

b. 2% of the average annual indexed pensionable remuneration, times the years of credited service after 1991.

## NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2025

### 1. DESCRIPTION OF PLAN - cont'd

**7) Form of Pension**

a. Service Prior to 1992

The normal form of payment is a joint and 75% survivor pension reducing on the death of the Member.

Each dependent will receive a pension of 10% of the retirement pension (to a maximum total of 25%) if the spouse survives. If there is no surviving spouse, a benefit of 25% of the retirement pension (to a maximum total of 100%) will be paid to each dependent.

b. Service After 1991

The normal form of payment for service after 1991 is a joint and 66-2/3% survivor pension reducing on the death of the Member with a guarantee of 100% of the first 60 monthly payments in any event.

Each Dependent will receive a pension of 10% of the retirement pension (to a maximum total of 33-1/3%) if the spouse survives. If there is no surviving spouse, a benefit of 100% shall be divided by the number of children for the first 60 monthly payments after the Member's pension commencement and then 25% of the benefit thereafter (to a maximum total of 100%).

**8) Increases in Pension**

Pensions in pay and deferred pensions are increased every January 1st based on increases in the Consumer Price Index up to the preceding September 30th.

**9) Pre-Retirement Death Benefits**

If a Member or Former Member dies before retirement and is not eligible to receive a pension, his accumulated contributions with interest will be returned to the beneficiary. If he was eligible to receive a pension, it will be assumed that the Member retired on the day preceding his death and elected the normal form of pension.

**10) Withdrawal Benefits**

A Member who terminates with four or more years of service or serves at least one full term as a Member of the Assembly is entitled to a retirement pension. All other Members who terminate will receive a lump sum payment of their accumulated contributions with interest.

## 2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for pension plans. The Significant polices are detailed as follows:

### a) Basis of Presentation

These financial statements are prepared on the going concern basis and present the aggregate financial position of the Plan as a separate financial reporting entity independent of the sponsor and plan members. The financial statements are prepared to assist plan members and others in reviewing the activities of the Plan for the fiscal period but they do not portray the funding requirements of the plan or the benefit security of individual plan members. As such, participants may also need to review, amongst other things, actuarial reports, and to take into account the financial health of the sponsor.

### b) Investments

Investments for the Pension Fund are measured at fair value and categorized according to the fair value hierarchy using the market approach valuation technique. The Fund determines fair value of investments based on information supplied by the Investment Manager. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. Transaction costs are expensed as incurred. Investment income is recognized on an accrual basis. The current year change in fair value of investments is the difference between the fair value and the cost of investments at the beginning and end of each year, adjusted for realized gains and losses during the year.

### c) Fair Value Hierarchy

The company classifies its financial assets and liabilities at fair value using a fair value hierarchy made up of three levels, according to the inputs used in making the measurements.

Level 1: This level includes assets and liabilities measured at fair value based on unadjusted quoted prices for identical assets and liabilities in an active market that the company can access at the measurement date.

Level 2: This category includes measurements that use, either directly or indirectly, observable inputs other than quoted prices included in level 1. Derivative instruments in this category are measured using models or other standard valuation techniques using observable market data.

Level 3: The measurements in this category depend upon inputs that are less observable, not available or for which observable inputs do not justify most of the instruments' fair value

## NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2025

**2. SIGNIFICANT ACCOUNTING POLICIES, continued**

**d) Pension Obligations**

Pension obligations of the defined benefit pension plan are measured using the actuarial present value of accrued pension benefits determined by applying best estimate assumptions and the projected benefit method prorated on services. Net assets available for benefits is the difference between the Plan's assets and its liabilities, excluding the accrued pension benefits.

**e) Revenue Recognition**

Revenue from contributions and investment income are recognized on an accrual basis.

**f) Contributed Services**

The Fund recognizes in-kind contributions of materials and services in these financial statements, but only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Fund's operations and would otherwise have been purchased.

**g) Pension Benefits**

Pension benefits are shown as expenses in the year of payment.

**h) Measurement Uncertainty**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 reported period. Actual results may differ from these estimates.

Significant estimates are used in determining pension obligations. The Fund's actual experience may differ significantly from assumptions used in the calculation of the Plan's pension obligations. While best estimates have been used in the valuation of the Plan's actuarial value of accrued benefits, management considers that it is possible, based on existing knowledge, that changes in future conditions in the short term could require a material change in the recognized amounts. Differences between actual results and expectations are disclosed in these financial statements as actuarial gains or losses on Actuarial Benefit Obligations in the Statement of Changes in Pension Obligations in the year when actual results are known.

## NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2025

### 3. ACCOUNTS RECEIVABLE

| | 2025 | 2024 |
|---|---|---|
| Member Contributions | $ 640 | $ 11,869 |
| In-Kind Contributions- GNWT | 9,000 | 8,500 |
| | $ 9,640 | $ 20,369 |

In-kind contributions arise from the payment of audit fees by GNWT on the Fund's behalf and are also included in Accounts Payable and Accrued Liabilities.

These balances, which are unsecured, non-interest bearing, and due on demand, are measured at fair value

### 4. INVESTMENTS

The Plan's investments are categorized according to the fair value hierarchy as follows:

| | 2025 Cost | 2025 Market | 2024 Cost | 2024 Market |
|---|---|---|---|---|
| Cash & Cash Equivalents | 128,383 | 128,383 | 294,359 | 294,357 |
| Canadian Equity Mutual Funds | 4,166,514 | 4,674,479 | 4,283,920 | 4,611,040 |
| International Equity Mutual Funds | 7,508,067 | 8,857,181 | 6,612,716 | 7,494,736 |
| Canadian Fixed Income Funds | 13,971,872 | 12,748,445 | 13,446,331 | 11,688,287 |
| | $ 25,774,837 | $ 26,408,489 | $ 24,637,327 | $ 24,088,420 |

The above listed investments are managed by CIBC Mellon Global Securities and invested by MFS Investment Management Canada Limited and Connor, Clark & Lunn Investment Management Ltd. The investments will not be redeemed in the subsequent period.

## 4. INVESTMENTS, continued

The fair value hierarchy as described in not 2(c) requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified at the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. The total investment portfolio by fair value hierarchy is as follows:

| | 2025 | 2024 |
|---|---|---|
| Level 1 | $ 26,408,489 | $ 24,088,420 |

## 5. OBLIGATIONS FOR PENSION BENEFITS

The actuarial present value of accrued pension benefits was determined by Aon Hewitt, a firm of consulting actuaries. Their going concern valuation results are reflected in an extrapolation that was based on their last actuarial valuation conducted as at April 1, 2024.

The data and assumptions used for the March 31, 2025 obligations are the same as those used to determine the Best Estimate going-concern valuation results in the most recent valuations at April 1, 2024.

The actuarial liability and cost of benefits accruing after the valuation date have been determined using the Projected Accrued Benefit (or Unit Credit) Actuarial Cost Method.

The following were the assumptions used in determining the actuarial value of accrued pension benefits. They were developed by reference to expected long term market conditions.

| | 2025 | 2024 |
|---|---|---|
| Valuation Interest Rate (net of expenses) | 5.20% | 4.40% |
| Remuneration Projection Rate | 2.00% | 2.00% |
| Interest Credited on Contributions | 5.20% | 5.20% |
| Inflation Rate | 2.00% | 2.00% |

The actuarial valuation is performed on a going concern basis to determine the funded status and the funding requirements of the pension plan.

The latest actuarial valuation was conducted for the period April 1, 2024 and the related report completed in April 2025. The next actuarial valuation will be completed for April 1, 2028.

As provided by the Actuary, the value of pension benefit obligations as at March 31, 2025 has been obtained using a measurement date of January 31, 2025 by increasing the April 1, 2024 liability by the cost of accruing benefits and interest and subtracting the estimated benefit payments.

## NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2025

## 6. FINANCIAL INSTRUMENTS

The Fund's investments are recorded at fair value based on information provided by the investment manager. Other financial instruments consist of accounts receivable, accrued interest income and accounts payable. The fair value of these other financial instruments approximates their carrying values.

The fair values of investments are exposed to credit, liquidity, and market risks. Asset diversification and investment eligibility requirements serve as a basic risk-management tool for the investment portfolio as a whole. The Fund's investment strategy requires that investments be held in a diversified mix of asset types and also sets out investment eligibility requirements. The diversification of assets serves to lower the variations in the expected return performance of the portfolio. Eligibility requirements serve to ensure that Fund assets, to the extent possible, are not placed at undue levels of risk and can meet the obligations of the Fund as necessary. While the above policies aid in risk management, the Fund's investments and performance remain subject to risks, the extent to which is discussed below:

### a) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. The Fund is exposed to currency risk arising from its holdings to investments denominated in foreign currencies, as well as investments that, although not denominated in foreign currencies, have underlying foreign currency exposure. This exposure lies principally within foreign equity funds. The Plan manages these risks through its investment policy, which limits the proportion of foreign assets within the portfolio.

### b) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is composed of interest rate, currency, and other price risk. The extent of market risk exposure is dependent on the nature of the investment.

## 6. FINANCIAL INSTRUMENTS, continued

### c) Credit Risk

Credit risk is the risk that a counterparty to a financial contract will fail to discharge its obligations in accordance with agreed-upon terms. The Fund is exposed to credit risk through its investments in money market instruments (excluding cash), and fixed-income securities. The Fund's credit risk on money market instruments and fixed-income securities is managed by setting concentration limits on exposure to any single issuer, as well as by setting minimum credit-rating criteria for investment.

### d) Concentration Risk

Concentrations of credit risk exist when a significant proportion of the portfolio is invested in securities subject to credit risk with similar characteristics or subject to similar economic, political, or other conditions. The investment portfolio as a whole is subject to maximum exposure limits and asset allocation targets that are designed to manage exposure to concentrated credit risk.

### e) Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Fund's financial liabilities consist of Accounts Payable. These amounts are short term in duration and are set to mature within one year. Liquidity risk is managed through ensuring that sufficient liquid assets are maintained to meet anticipated payments and investment commitments in general. With respect to the Fund's financial liabilities and the actuarial value of accrued pension benefits, management believes that the Fund is not subject to any significant liquidity risk. The actuarial value of accrued pension benefits is not considered a financial liability; however, it is the most significant liability of the Fund in the Statement of Financial Position. The government of Northwest Territories (GNWT), as Plan sponsor, is required to contribute all funds necessary to meet any funding shortfalls of the Plan should they occur.

## 6. FINANCIAL INSTRUMENTS, continued

### f) Interest Rate Risk

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate owing to changes in market interest rates. The Fund is exposed to interest rate risk through its investment holdings in interest-bearing assets. These principally include money market instruments and fixed-income securities. The Fund manages its exposure to interest rate risk through holding a diversified mix of assets, both interest-bearing and non-interest bearing. This approach lowers the impact of variations in overall portfolio performance owing to factors arising from interest rate risk. The fair value of the Fund's assets, specifically the fixed-income securities, is affected by changes in the nominal interest rate. Investments subject to interest rate risk bear fixed rates of interest. Therefore, short-term fluctuations in prevailing interest rates would not normally subject the Fund to fluctuating cash flows. In the event of a sale or redemption prior to maturity, proceeds would be affected by the impact of prevailing interest rates on the fair value of the investment. The actuarial value of accrued pension benefits is not considered a financial instrument; however, these benefits are sensitive to changes in long-term interest rates. The Fund is exposed to interest rate risk because of mismatches between the impacts of interest rates on the actuarial value of accrued pension benefits and their corresponding impact on the investment portfolio as a whole. Given the nature of pension benefits, such risks cannot be eliminated but are addressed through the funding of the Plan and through regular review of the characteristics of the Fund's investment portfolio related to the accrued pension benefit liability.

### g) Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Fund is exposed to other price risk through its holdings in Canadian equities. The Fund manages these risks through maximum proportions of equities in its investment portfolio and through concentration limits on investments in any one issuer, as outlined in the investment policies and procedures. Future cash flows relating to the sale of an investment exposed to other price risk will vary depending on market prices at the time of sale. Concentrations of other price risk exists when a significant portion of the portfolio is invested in equities with similar characteristics or subject to similar economic, market, political, or other conditions.

## 7. CAPITAL MANAGEMENT

The purpose of the Fund is to provide benefits to plan members. As such, when managing capital, the objective is to preserve assets in a manner that provides the Fund with the ability to continue as a going concern, to have sufficient assets to meet future obligations for benefits and to have sufficient liquidity to meet all benefit and expense payments. The capital of the Fund consists of its surplus. Excluding the impact of investment income, the Fund is financed through member contributions. The surplus represents the difference between the net assets available for benefits and the actuarially determined accrued pension benefits on a going-concern basis. Actuarial valuations, which aid in the determination of the extent of the Fund's capital, are performed every four years following the general election. Surpluses, as well as other relevant aspects of the Plan, are managed in order to comply with the externally imposed requirements of the Income Tax Act and the PBSA.

As at March 31, 2025, the Plan is not in violation of any externally imposed legal or regulatory requirements.

## 8. AUTHORIZATION

On September 11, 2025 the Board of Management authorized the issue of the financial statements for the year ended March 31, 2025.

Northwest Territories Lotteries
Physical Activity, Sport and Recreation Fund Report
For the year ended March 31, 2025

Physical Activity, Sport and Recreation Fund Balance
Schedule 1 - Schedule of Lottery Revenue, Net
Schedule 2 - Contributions to Organizations and Active Living Programs
Schedule 3 - Contributions Multisport Games
Notes

Northwest Territories Lotteries
Physical Activity, Sport and Recreation Fund Balance
For the year ended March 31, 2025

| | 2024 Activity Unaudited | |
|---|---|---|
| Opening Balance, April 1, 2024 | | (2,241,515) |
| Revenue (Statement of Operations) | $ 5,732,768 | |
| Less: Contributions to Organizations (Schedule 2) | (4,479,401) | |
| Less: Contributions to Multisport Games (Schedule 3) | (638,740) | |
| Less: Administration Expenses (Statement of Operations) | (1,123,076) | |
| | | (508,449) |
| Balance as at March 31, 2025 | | $ (2,749,964) |

| | 2024/2025 Budget | March 31, 2025 Unaudited | March 31, 2024 Unaudited | Notes |
|---|---|---|---|---|
| **Opening Fund balance, Note 1** | (2,241,515) | (2,241,515) | (10,871) | |
| **Revenue** | | | | |
| | 5,682,000 | 5,732,768 | 4,865,935 | |
| **Expenses** | | | | |
| Compensation and Benefits | 363,378 | 468,411 | 347,295 | |
| Grants, Contributions and Transfers | 5,043,013 | 4,940,530 | 5,815,168 | |
| Travel | 7,400 | 380 | 6,206 | |
| Material and Supplies | 143,000 | 115,237 | 122,498 | |
| Purchased Services | 57,200 | 36,144 | 60,183 | |
| Utilities | - | - | - | |
| Contract Services | 540,002 | 500,440 | 518,890 | |
| Fees & Payments | 204,500 | 177,611 | 150,368 | |
| Controllable Assets | 7,000 | - | 70,171 | |
| Computer Hardware/Software | 2,000 | 2,465 | 5,802 | |
| | 6,367,493 | 6,241,217 | 7,096,579 | |
| **Net Income** | (685,493) | (508,449) | (2,230,644) | |
| **Year End Fund Balance** | (2,927,008) | (2,749,964) | (2,241,515) | |

Northwest Territories Lotteries
Schedule 1 - Schedule of Lottery Revenue, Net
(amounts derived from Western Canada Lottery Corporation financial statements and includes sales of Nunavut)
For the year ended March 31, 2025

| | March 31, 2025 Unaudited | March 31, 2024 Unaudited | March 31, 2023 Unaudited |
|---|---|---|---|
| **SALES** | | | |
| Lottery Ticket Sales - see Note 3 | $22,744,107 | $19,733,127 | $ 21,526,374 |
| Interest and other income | 119,172 | 76,252 | 40,323 |
| | 22,863,279 | 19,809,379 | 21,566,697 |
| **DIRECT EXPENSES** | | | |
| Free Tickets - see Note 3 | 1,142,850 | 1,021,662 | 1,206,981 |
| Prizes | 12,388,955 | 10,535,705 | 11,111,478 |
| Retailer Commissions | 1,204,003 | 1,052,465 | 1,149,061 |
| Online Transactional Costs | 144,338 | 34,949 | |
| Ticket Printing | 512,370 | 283,425 | 294,730 |
| | 15,392,516 | 12,928,206 | 13,762,250 |
| **OPERATING INCOME** | 7,470,763 | 6,881,173 | 7,804,447 |
| **EXPENSES** | | | |
| Amortization | 221,769 | 153,930 | 152,886 |
| Communications | 117,305 | 113,731 | 109,471 |
| Cost of premises | 29,587 | 14,221 | 14,583 |
| Draws and winning numbers publication | 4,750 | 3,692 | 4,255 |
| Employee development | 7,557 | 5,505 | 3,101 |
| Equipment Maintenance and Purchase | 71,688 | 86,251 | 102,918 |
| Federal Government | 233,252 | 212,624 | 213,549 |
| Freight and product transport | 3,939 | 3,973 | 3,787 |
| Goods and services tax | 135,286 | 102,866 | 109,974 |
| I. L. C. expense | 21,808 | 12,124 | 18,800 |
| Insurance and bank charges | 11,501 | 10,293 | 24,604 |
| Media & advertising | 234,803 | 229,133 | 167,362 |
| Overhead allocation | -363 | -343 | -273 |
| Presentations, publications and miscellaneous | 2,268 | 8,125 | 4,324 |
| Professional fees | 156,829 | 111,705 | 96,893 |
| Promotion | 9,621 | 7,357 | 8,657 |
| Supplies | 1,453 | 1,582 | 1,848 |
| Travel | 2,714 | 2,285 | 1,641 |
| Wages and Benefits | 347,268 | 271,021 | 281,194 |
| | 1,613,035 | 1,350,075 | 1,319,574 |
| **EXCESS OF REVENUES OVER EXPENSES** | $ 5,857,728 | $ 5,531,098 | $ 6,484,873 |

Northwest Territories Lotteries
Schedule 2 - Contributions to Organizations and Active Living Programs
For the year ended March 31, 2025

| | March 31, 2025 Unaudited | March 31, 2024 Unaudited |
|---|---|---|
| **REVENUE** | | |
| Lottery Contribution | $ - | $ - |
| MACA Contribution | - | - |
| | - | - |
| **EXPENSES** | | |
| Aboriginal Sports Circle of the NWT | 800,000 | 800,000 |
| Inuvik and Sahtu Sport and Recreation | 177,611 | 77,918 |
| Active Living | | 70,890 |
| Mackenzie Recreation Association | 360,000 | 360,000 |
| NWT Recreation and Parks Association | 800,000 | 800,000 |
| Sport North Federation | 800,000 | 800,000 |
| Territorial Sport Organizations | $ 1,541,790 | 1,523,616 |
| | 4,479,401 | 4,432,424 |
| **DEFICIENCY OF REVENUES OVER EXPENSES** | $ (4,479,401) | $ (4,432,424) |

| | March 31, 2025 Unaudited | March 31, 2024 Unaudited |
|---|---|---|
| **Territorial Sport Organizations** | | |
| Archery - Note 6 | $ 20,000 | $ 20,000 |
| Arctic Sports/Dene Games - Note 6 | - | 40,000 |
| Northern Games-Note 6 | 20,000 | 20,000 |
| Athletics | 65,790 | 65,790 |
| Badminton | 20,000 | 20,000 |
| Basketball | 100,000 | 100,000 |
| Biathlon | 20,000 | 20,000 |
| Bowling | 20,000 | 20,000 |
| Boxing | 20,000 | 20,000 |
| Broomball | - | 48,777 |
| Cross Country Skiing | 100,000 | 100,000 |
| Curling | 82,500 | 82,500 |
| Dog Sledding | 47,500 | 47,500 |
| Figure Skating | 20,000 | 20,000 |
| Golf | - | 9,397 |
| Gymnastics | 47,500 | 47,500 |
| Hockey | 100,000 | 100,000 |
| Judo | 100,000 | 100,000 |
| Karate | 20,000 | 20,000 |
| Kayak | 20,000 | 20,000 |
| Shooting | 31,000 | 31,000 |
| Snowboarding | 47,500 | 47,500 |
| Soccer | 100,000 | 100,000 |
| Softball | 82,500 | 82,500 |
| Special Olympics | 20,000 | 20,000 |
| Speed Skating | 82,500 | 82,500 |
| Squash | 65,000 | 65,000 |
| Swimming | 100,000 | 100,000 |
| Table Tennis | 20,000 | 20,000 |
| Taekwondo | 20,000 | 20,000 |
| Tennis | 47,500 | 47,500 |
| Volleyball | 82,500 | 82,500 |
| Wrestling | 20,000 | 20,000 |
| | $ 1,541,790 | $ 1,523,616 |

Northwest Territories Lotteries
Schedule 3 - Contributions Multisport Games
For the year ended March 31, 2025

| | March 31, 2025 Unaudited | March 31, 2024 Unaudited |
|---|---|---|
| **REVENUE** | | |
| MACA Contribution | $ - | $ - |
| | - | - |
| Sport North Federation-2022 Canada Summer Games | | |
| Sport North Federation-2023 Arctic Winter Games | | |
| Sport North Federation-2023 Canada Winter Games | | |
| Sport North Federation-2024 Arctic Winter Games | 613,740 | 1,017,912 |
| Aboriginal Sports Circle of the NWT-2023 NAIG | | |
| Aboriginal Sports Circle of the NWT-2024 NAIG | | 463,640 |
| NWT 55+ Games Association | 25,000 | 50,000 |
| | 638,740 | 1,531,552 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES | $ (638,740) | $ (1,531,552) |

Northwest Territories Lotteries
Notes
For the year ended March 31, 2025

## 1. Basis of Presentation

The financial information in these reports for the year ended March 31, 2025 is prepared by the NWT and Nunavut Lotteries and internally verified by MACA Finance Staff. This information has not been subject to an audit, review or compilation engagement by a professional accountant.

## 2. Nature of Operations

NWT and Nunavut Lotteries has agreements with the Western Canada Lottery Corporation (WCLC) and the Government of Nunavut for the purpose of conducting and managing the sale of Western Canada Lottery products pursuant to the *Western Canada Lottery Act* and regulations in both the NWT and Nunavut.

For managing lottery operations on behalf of the Nunavut Government NWT and Nunavut Lotteries receives a management fee based on the Net Income of Nunavut Lottery Operations.

## 3. Net Sales for the period ended March 31, 2025

Net sales as reported by the WCLC is net of the free ticket amount. The financial information in this report identifies the free ticket amounts as a separate line item and added to the net sales amount as reported by the WCLC.

| | $ | % |
|---|---|---|
| Eastern Arctic / Nunavut | 4,200,032 | 19.44% |
| Western Arctic / NWT | 17,406,484 | 80.56% |
| | 21,606,516 | 100.0% |

## 4. Number of Terminals as at March 31, 2025

| | # | % of Total Sales |
|---|---|---|
| Eastern Arctic / Nunavut | 14 | 28.00% |
| Western Arctic / NWT | 36 | 72.00% |
| Total Number of Terminals | 50 | 100.0% |

## 5. Fund Operating Parameters

Due to the variable nature of lottery ticket sales and funding to support programs like multisport games, the Fund has been authorized to accumulate a maximum deficit of up to $3 million. If the Fund is projected to exceed this limit, the Minister must present recommendations to the Financial Management Board to address the shortfall. The Fund has also been authorized to accumulate a maximum surplus of $1.5 million. If the Fund is projected to exceed that limit, the Minister must submit recommendations to the Financial Management Board to utilize the funds above $1.5 million in accordance with the Act.

## 6. Archery,Northern Games, Arctic Sports and Dene Games

Funding for these sports is provided to the Indigenous Sports Circle NWT. An overpayment of $20,000 for Dene Games in 2024 was recovered in 2025.

**Government of the Northwest Territories**
**Students Loan Fund**
**Statement of Operations**

**For the year ended March 31, 2025** **(thousands of dollars)**

| | 2025 | 2024 |
|---|---|---|
| Loans Receivable, opening balance | 41,444 | 40,225 |
| Loans granted during the year | 8,452 | 6,901 |
| | **49,896** | **47,126** |
| Less: | | |
| Principal amount of loans repaid | (3,151) | (3,044) |
| Principal amount of loan forgiveness | (256) | (44) |
| Principal amount of loan remissions | (1,808) | (1,982) |
| Principal Amount of Northern Bonus | (197) | (612) |
| Loans Receivable, closing balance | 44,484 | 41,444 |
| Less: | | |
| Allowance for remissable and doubtful loans | (19,012) | (16,958) |
| **Net Loans Receivable, closing balance** | **25,472** | **24,486** |

**Effect of Students Loan Fund on Government Operations**

| | | |
|---|---|---|
| Interest earned and credited to general revenues | 345 | 285 |
| Reduction to allowance for doubtful accounts credited to Recovery of Prior Year Expenses | | |
| Less: | | |
| Collection agency fees | (2) | (2) |
| Estimated provision for remission and doubtful accou | (4,277) | (2,807) |
| **Operating deficiency for the year** | **(3,933)** | **(2,524)** |

Approved:

James Fulford
Deputy Minister
Department of Education, Culture and Employment

Katherine Macdonald
Director, Finance and Capital Planning
Department of Education, Culture and Employment

# Students Loan Fund

**Notes to the Financial Statement** **(in thousands)**

**March 31, 2025**

## 1. Authority

In accordance with the *Student Financial Assistance Act* (the Act) and the Student Financial Assistance Regulations (the Regulations), the Department of Education, Culture and Employment (ECE) provides financial assistance to eligible students to help cover the costs of post-secondary education. Student Financial Assistance (SFA) is delivered through a combination of grants and loans (remissible and repayable), subject to the eligibility criteria prescribed in the Regulations.

## 2. Description of the Program

The Government of Canada introduced the Canada Student Loan Program (CSLP) in 1964. The NWT participated in the CSLP until July 31, 1988. At that time, the NWT opted out of the program and now receives an Alternative Payment under section 14(4) of the *Canada Student Financial Assistance Act*.

Following the withdrawal, a Students Loan Fund (SLF) was established within the Consolidated Revenue Fund to enable and manage disbursements and repayments related to loans issued under the Act. In accordance with section 9 of the Act, the following shall be credited to the SLF:

a) Repayments of principal on loans issued under the Act;
b) Amounts of loans remitted under the Act (remissible loans may be partially or fully forgiven if students meet specific academic and residency criteria);
c) Northern Bonus Grants, provided students meet academic and residency requirements and their loan accounts are in good standing *(Note: Northern Bonus Grants were discontinued effective June 13, 2024*); and
d) Principal amounts of loans written off under the *Financial Administration Act* (FAA).

The SLF operates with a maximum authorized revolving limit of $45 million.

## 3. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian public sector accounting standards. The following accounting policies are considered significant.

a) Student Loans Receivable

Student loans receivable are stated at the lower of cost and net recoverable value. Valuation allowances, determined on an individual basis, are based on past events, current conditions and all circumstances known at the date of the preparation of the financial statements and are adjusted annually to reflect

the current circumstances by recording write downs or recoveries, as appropriate. Write downs are recognized when the loans have been deemed unrealizable and or uncollectable. Recoveries are recorded when loans previously written down are subsequently collected. Interest revenue is recorded on an accrual basis. Interest revenue is not accrued when the collectability of either principal or interest is not reasonably assured.

Simple interest is charged on loans following the interest-free in-school period. Payments on loans are applied first to interest and then to outstanding principal.

Loans are granted to students and recorded as expenditures as eligibility criteria are met by students over their period of study.

b) Measurement Uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires the Government to make estimates and assumptions that affect the amounts of assets, liabilities, revenues, and expenses reported in the financial statements. By their nature, these estimates are subject to measurement uncertainty. The effect on the financial statements of changes to such estimates and assumptions in future periods could be significant, although, at the time of preparation of these statements, the Government believes the estimates and assumptions to be reasonable.

The more significant management estimate relates to the valuation allowances for loans receivable.

## 4. Allowance for Remission and Doubtful Accounts

The Allowance is allocated as follows:

| | 2025 | 2024 |
|---|---|---|
| Allowance for Forgiveness – Remissible Loans | $ 6,979 | $ 5,981 |
| Allowance for Doubtful Accounts – Repayable Loans | $12,033 | $10,977 |
| **Total Allowance** | **$19,012** | **$16,958** |

## 5. Related Party Transactions

In accordance with established government practice, all administrative and occupancy costs are paid by ECE. Accordingly, no provision for these costs is reflected in these financial statements. Costs paid to other agencies for loan collection services are paid by the SLF and reflected in the financial statement.

## 6. Financial Instruments and Risk Management

Through its financial assets and liabilities, the SLF is exposed to various risks.

a) Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge their responsibilities with respect to the financial instrument, and in doing so, cause a loss for the other party. For the Fund, credit risk is significant with respect to potential non-payment of student loans.

Mitigation processes aimed at minimizing credit losses begin with procedures that support the granting of loans and ongoing throughout the loan life cycle such as conducting credit checks, providing repayment support to low-income borrowers, and undertaking well defined procedures for addressing loan delinquencies.

Loans are interest-free during periods of study and become repayable in the seventh month after graduation or discontinuation of study. The SLF's maximum risk is represented by the Loans Receivable, Closing Balance.

b) Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Interest rate risk is related to payment terms. Changes in interest rates will affect interest revenue.

Interest rates are set during the week of January 1st for students whose loan becomes repayable during the course of that calendar year. Interest rates are set based upon the Bank of Canada Prime Business Rate (less one percentage point). This will be the student's interest rate for the duration of their repayment, except students who return to the NWT. Effective September 2015, students who return to the NWT will be granted zero percent interest for the duration of their stay, with the original interest rate being reinstated if they leave the NWT. The interest rate is not adjusted in any other circumstances.

c) Liquidity Risk

Liquidity risk is the risk the SLF will encounter difficulty in meeting financial obligations as they fall due. The SLF's liquidity risk is minimal as the SLF's bank accounts are supported by the Government of the Northwest Territories.

# Territorial Court Judges Registered Pension Plan Fund

## Financial Statements

## January 1, 2025

# Territorial Court Judges Registered Pension Plan Fund

## Financial Statements

**January 1, 2025** **Page**


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## Management's Responsibility Statement

The accompanying financial statements have been prepared by the Government of the Northwest Territories, Department of Justice's management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with Canadian accounting standards for pension plans. 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 systems from which they are derived, management maintains the necessary system of internal controls deigned 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 Government of the Northwest Territories, Department of Justice's management recognizes its responsibility for conducting the Fund's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate.

The financial statements have been reported on by Crowe MacKay LLP, Chartered Professional Accountants, the Pension Plan auditors. Their report outlines the scope of their examination and their opinion on the financial statements.

Aon Hewitt Associates, an independent firm of consulting actuaries, has been engaged to provide actuarial valuations of the present value of the accrued pension benefits to be provided from the Territorial Court Judges' Registered Pension Plan Fund.

On behalf of the Territorial Court Judges' Registered Pension Plan Fund

Charlene Doolittle
Deputy Minister, Department of Justice
Government of the Northwest Territories,

May 6, 2025
Date

**Crowe MacKay LLP**
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# Independent Auditors' Report

**To the Members of**
**Territorial Court Judges Registered Pension Plan Fund**

*Opinion*
We have audited the accompanying financial statements of the Territorial Court Judges Registered Pension Plan Fund ("the Plan"), which comprise the statement of financial position as at January 1, 2025 and the statements of changes in net assets available for benefits, and changes in pension obligations for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Plan as at January 1, 2025, and the changes in net assets available for benefits, and changes in pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

*Basis for Opinion*
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Plan in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Responsibilities of Management*
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for pension plans, 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.

In preparing the financial statements, management is responsible for assessing the Plan’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Plan or to cease operations, or has no realistic alternative but to do so.

*Auditors' Responsibility for the Audit of the Financial Statements*
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit 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 Plan's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Plan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Plan to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Crowe Mackay LLP

**Yellowknife, Northwest Territories**
**May 5, 2025**

**Chartered Professional Accountants**

## Territorial Court Judges Registered Pension Plan Fund

### Statement of Financial Position

| As at January 1, 2025 | 2025 | 2024 |
|---|---|---|
| **Assets** | | |
| Contributions receivable - Sponsor (note 3) | 13,560 | 12,350 |
| Investments (note 4) | 9,075,254 | 7,953,095 |
| **Total Assets** | **9,088,814** | **7,965,445** |
| **Liabilities** | | |
| Accounts payable and accrued liabilities | 37,916 | 32,709 |
| **Total Liabilities** | **37,916** | **32,709** |
| **Net Assets Available for Benefits** | **9,050,898** | **7,932,736** |
| **Pension obligations (Note 5)** | **9,031,566** | **8,667,302** |
| **Surplus (Deficiency)** | | |
| **Pension Plan Fund Surplus (Deficit)** | **$ 19,332** | **$ (734,566)** |

Approved by:

Deputy Minister, Department of Justice,
Government of the Northwest Territories

## Territorial Court Judges Registered Pension Plan Fund

### Statement of Changes in Net Assets Available for Benefits

| For the year ended January 1, 2025 | | 2025 | | 2024 |
|---|---|---|---|---|
| **Increase in assets:** | | | | |
| Contributions - members | $ | 250,729 | $ | 679,340 |
| Contributions - sponsor (current service cost) | | 100,725 | | 95,250 |
| Current year change in fair value of investments | | 620,748 | | 402,093 |
| In-kind contributions - sponsor | | 22,365 | | 12,350 |
| Investment income | | 590,822 | | 299,845 |
| Net realized capital gains income | | 126,185 | | 73,720 |
| | | **1,711,574** | | 1,562,598 |
| **Decrease in assets:** | | | | |
| Administrative expenses (Note 7) | | 125,006 | | 89,190 |
| Benefit payments - regular | | 468,406 | | 447,271 |
| | | **593,412** | | 536,461 |
| **Increase in net assets available for benefits** | | **1,118,162** | | 1,026,137 |
| **Net assets available for benefits, beginning of year** | | **7,932,736** | | 6,906,599 |
| **Net assets available for benefits, end of year** | **$** | **9,050,898** | $ | 7,932,736 |
| **Changes in pension plan fund surplus (deficit):** | | | | |
| **Beginning of year** | **$** | **(734,566)** | $ | (951,101) |
| Increase in net assets available for benefits | | **1,118,162** | | 1,026,137 |
| Increase in pension obligation | | **(364,264)** | | (809,602) |
| Net change | | **753,898** | | 216,535 |
| **End of year** | **$** | **19,332** | $ | (734,566) |

## Territorial Court Judges Registered Pension Plan Fund

### Statement of Changes in Pension Obligations

| For the year ended January 1, 2025 | 2025 | 2024 |
|---|---|---|
| **Increase in pension obligations:** | | |
| Interest accrued on benefits | $ 372,600 | $ 364,600 |
| Benefits accrued | 460,070 | 892,273 |
| | **832,670** | 1,256,873 |
| **Decrease in pension obligations:** | | |
| Benefits paid | **468,406** | 447,271 |
| **Increase in pension obligation** | **364,264** | 809,602 |
| **Pension obligation, beginning of year** | **8,667,302** | 7,857,700 |
| **Pension obligation, end of year** | **$ 9,031,566** | $ 8,667,302 |

## 1. Description of plan

The following description of the Territorial Court Judges' Registered Pension Plan Fund ("Plan") is a summary only.

### (a) General

The Plan is a contributory defined benefit pension plan which provides pension benefits for all Territorial Court Judges of the Northwest Territories. The Plan was established by the Judges' Registered Pension Plan Regulations under Section 32 of the *Territorial Court Act.* The Plan came into effect on February 1, 1994 and was a non-contributory plan until April 1, 1999 when it became contributory. A Territorial Judge appointed after the effective date participates in the Plan, unless the Judge objects on the basis of religious belief.

The Plan is a registered plan as defined in the *Income Tax Act* (Canada) (ITA) and, consequently, is not subject to income taxes. The Plan's registration number for income tax purposes is 995761.

### (b) Funding policy

The *Territorial Court Act* requires that the plan sponsor, the Government of the Northwest Territories ("GNWT") and the Plan members, fund the benefits determined under the Plan. The determination of the value of these benefits is made on the basis of a triennial actuarial valuation for the fund.

Member contributions are 6% of pensionable earnings. In accordance with the Trust agreement, sponsor required contributions are equal to the amount determined by the Actuary as being necessary to fund the benefits accruing under the Plan less member contributions. Any surplus existing in the Plan may be used to reduce the required contributions. Any deficit existing in the Plan must be specifically funded in accordance with the requirement of section 8 of the Judges' Pension Plan Regulations.

### (c) Normal retirement age

A Judge may retire on or after attainment of age 60 without reduction in pension.

### (d) Early retirement

A Judge may retire anytime after age 50 and prior to age 60 with a pension that is reduced by a quarter of one percent for each month that retirement precedes age 60. However, there is no reduction if the Judge has attained 80 years of combined judicial service and age at the date of pension commencement.

### (e) Late retirement

A Judge who attains 69 years of age shall receive a retirement pension commencing on the first day of the month immediately following the month in which the judge attains that age.

### (f) Benefits paid on resignation

A Judge who resigns from the bench prior to attainment of age 60, and who is not entitled to an immediate unreduced pension, may elect to receive either a monthly deferred pension (commencing between the ages of 50 and 69) or a lump sum payment of the commuted value of the deferred pension.

## 1. Description of Plan (continued)

### (g) Benefits on death

When a Judge or former Judge dies, the Judge's surviving spouse is entitled to receive a pension for life equal to 60% (50% in respect of pre 1992 pensionable service) of the pension that the Judge was receiving immediately before death, or, if the Judge was not yet retired, 60% (50% in respect of pre 1992 pensionable service) of the pension that the Judge had earned up to the date of death. If the deceased Judge was not receiving a pension prior to his/her death, the spouse has the option of transferring the commuted value of the spouse's pension to a Registered Retirement Savings Plan or receiving the commuted value as a cash payment.

### (h) Credited pension

The benefit payable from the Plan for each year of pensionable service for periods after January 1, 1992 is equal to the maximum permitted under the *Income Tax Act*. The limit increases annually to reflect increases in average Canadian wages.

The annual pension at retirement for each year of pensionable service credited in respect of periods before 1992 is calculated as 2% of average annual earnings in the six consecutive years before retirement in which such average was the highest, reducing at age 65 by an amount equal to 0.7% of the averages Year's Maximum Pensionable Earnings (as defined in the Canada Pension Plan) determined over 3 years at the time of retirement. The *Income Tax Act* maximum pension does not affect the pre 1992 entitlement.

### (i) Cost of living increases

All retirement, spousal and deferred pensions receive cost of living increases equal to the full rate of increase in the Consumer Price Index for Canada. Increases are applied at each January 1st; with the first such increase being prorated to reflect the portion of the prior year since the date of retirement/termination/death. Commuted values are calculated to reflect future cost of living increase.

## 2. Basis of presentation and summary of significant accounting policies

These financial statements are prepared in accordance with Part IV of the CPA Canada Handbook, Canadian accounting standards for pension plans. The significant policies are detailed as follows:

### (a) Basis of presentation

These financial statements are prepared on the going concern basis and present the information of the Plan as a separate financial reporting entity independent of the sponsor and plan members. They are prepared for regulatory purposes and to assist plan members and others in reviewing the activities of the Plan for the fiscal period but they do not portray the funding requirements of the Plan or the benefit security of the individual plan members. As such, participants may also need to review, amongst other things, actuarial reports, and to take into account the financial health of the sponsor.

In selecting or changing accounting policies that do not relate to its investment portfolio or pension obligations, Canadian accounting standards for pension plans require the Plan to comply on a consistent basis with either International Financial Reporting Standards ("IFRS"), or Canadian accounting standards for private enterprises ("ASPE"). The Plan has chosen to comply on a consistent basis with ASPE.

## 2. Basis of presentation and summary of significant accounting policies (continued)

### (b) Investments

The Plan is invested in pooled fund investments as disclosed in note 4. Pooled fund investments are valued at the unit values supplied by the investment manager, which represent the Plan's proportionate share of underlying net assets at fair values determined using closing market prices. Any adjustments to investments due to the fluctuation in market prices from date of purchase or the last valuation adjustment are reflected in the statement of changes in net assets available for benefits as a current year change in fair value of investments.

Investment transactions are recorded on the trade date.

Investment income includes interest and dividend income and are recorded on an accrual basis.

Current period change in fair market value of investments includes all net unrealized capital gains. Gains or losses on sale or maturity of investments, based on the difference between average cost and proceeds, net of any selling expenses, are recorded at the time of disposition of the investment, as net realized capital gains income.

### (c) Member and sponsor contributions

Contributions are recognized on an accrual basis during the period in which the members wages and salaries are earned. Sponsor contributions consist of current service contributions and special payments required to fund the deficiency based on the most recent actuarial valuation report. Member contributions for past service are recorded in the year received.

### (d) Administrative expenses and benefit payments

Administrative expenses represent fees incurred by the plan for Trustee and management fees, actuarial and audit fees. They are recognized in the period in which the service is provided.

Benefit payments represent pension payments to retired members and are recognized on monthly basis when they become due.

### (e) Contributed services

The Fund recognizes in-kind contributions of services in these financial statements, but only when a fair value can be reasonably estimated and when the services are used in the normal course of the Fund's operations and would otherwise have been purchased.

### (f) Financial instruments

**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 attributable 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.

## 2. Basis of presentation and summary of significant accounting policies (continued)

### (f) Financial instruments (continued)

Financial assets or liabilities originated or exchanged in related party transactions are initially measured at cost. The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If the instrument does, the cost is determined using the instruments undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise cost is determined using the consideration transferred or received by the Company in the transaction.

Transactions, with parties whose sole relationship with the Plan is in the capacity of management, are accounted for as arm's length transactions.

**Subsequent measurement**
The Plan subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments that are quoted in an active market, which are measured at fair value without any adjustment for transaction costs.

Financial assets measured at cost include contributions receivable - sponsor.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Plan 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.

**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 operations. Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal, to a maximum of the related accumulated impairment charges recorded in respect of the particular asset, is recognized in operations.

### (g) Pension obligations

Pension obligations of the defined benefit pension plan are measured using the actuarial present value of accrued pension benefits determined by applying best estimate assumptions and the projected benefit method prorated on services. Net assets available for benefits is the difference between the Plan's assets and its liabilities, excluding the accrued pension benefits.

## 2. Basis of presentation and summary of significant accounting policies (continued)

### (h) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates, changes in estimates are recorded in the accounting period in which they are determined.

Significant estimates are used in determining pension obligations. The Plan's actual experience may differ significantly from assumptions used in the calculation of the Plan's pension obligations.

While best estimates have been used in the valuation of the Plan's actuarial value of accrued benefits, management considers that it is possible, based on existing knowledge, that changes in future conditions in the short term could require a material change in the recognized amounts. Differences between actual results and expectations are disclosed in these financial statements as actuarial gains or losses on Actuarial Benefit Obligations in the Statement of Changes in Pension Obligations in the year when actual results are known.

## 3. Contribution receivable - Sponsor

| | | **2025** | | 2024 |
|---|---|---|---|---|
| In-kind contribution | **$** | **13,560** | $ | 12,350 |
| | **$** | **13,560** | $ | 12,350 |

## 4. Investments

The Plan is fully invested in the RBC Phillips, Hager & North Balanced Pension Trust ("PH&N BPT") fund. The PH&N BPT fund held the following asset mix:

| | | **2025** | | 2024 |
|---|---|---|---|---|
| Cash and cash equivalents | **$** | **235,957** | $ | 174,968 |
| Canadian equities | | **1,706,148** | $ | 1,495,182 |
| Global equities | | **3,584,725** | | 3,109,660 |
| Fixed income funds | | **3,194,489** | | 2,902,880 |
| Real estate | | **353,935** | | 270,405 |
| Total market value of the investment portfolio | **$** | **9,075,254** | $ | 7,953,095 |

The book value of the investments for the year ended January 1, 2025 is $7,146,728 (2024 - $6,645,318).

All investments are valued based on information provided by the investment manager. In particular, the market value for the portfolio is determined by the Net Asset Value Per Unit (NAPVU or unit price) for the RBC Phillips, Hager & North Investment Counsel Inc. Balanced Pension Trust (BPT) on the last day of each quarter. This price is derived by end-of-day prices for each of the securities that make up the BPT.

**4. Investments (continued)**

The prices of each security are taken from relevant exchanges or third party providers for each security (TSX for Canadian stocks, NYSE for US stocks, PC Bond Analytics for Bonds) and are compiled by the BPT's custodian, RBC Investor Services Trust.

**5. Obligation for pension benefits**

The actuarial present value of accrued pension benefits was estimated by Aon Hewitt Associates, a firm of consulting actuaries. The going concern valuation results is determined based on their last actuarial valuation conducted as at April 1, 2022. The going concern results were prepared using the projected benefit actuarial cost method (also known as the projected unit credit method).

The following assumptions used in determining the actuarial value of accrued pension benefits. They were developed by reference to expected long term market conditions.

| | **2025** | 2024 |
|---|---|---|
| Discount rate | **4.70 %** | 4.70 % |
| Increase in pensionable earnings | **3.00 %** | 3.00 % |
| Inflation rate | **2.00 %** | 2.00 % |

An actuarial valuation is performed on a going concern basis to determine the funded status and the funding requirements of the pension plan. The latest actuarial valuation report conducted for the period April 1, 2022 was completed in October 2022. The next actuarial valuation must be performed no later than April 1, 2025.

As provided by the Actuary, the value of pension benefit obligations as at January 1 of each year is not available. Instead, the value as at April 1 is being used to compare with the net assets available for benefits as at January 1. The pension obligation presented on the Statement of Financial Position is as at April 1, 2024.

**6. Management of capital**

Management of the Plan defines its capital as the funded status as determined annually based on the fair value of the investment assets less the pension obligations as determined by an actuarial valuation prepared by an independent actuary. The funding surplus or deficit is used to measure the long-term health of the Plan to meet its obligations to its members and their survivors.

Per the actuarial funding valuation as at April 1, 2022, the Plan had a going concern unfunded liability in the amount of $95,500 and excess assets of $1,278,000 under the maximum funding valuation. Per the actuarial valuation, the rule for determining the sponsor's current service cost and special payments is based on the maximum funding valuation as the going concern valuation produces a higher total sponsor contribution and unfunded liability. Per the Plan Regulations, unfunded liabilities are required to be funded over a period of not more than 15 years from the valuation date. Since the plan had excess assets at April 1, 2022, special funding payments are not required.

The GNWT made quarterly contributions to the Plan based on the most recent actuarial valuation which was as at April 1, 2022. Contribution values are based on the assumption of an annual expected return on Plan assets. The GNWT may reduce contributions to the Plan by the amount of any surplus existing within the Plan on the last actuarial valuation date.

### 6. Management of capital (continued)

Management's objective, when managing the Plan's capital, is to ensure the Plan is fully funded to meet its benefit obligations over the long term through the management of investments, contribution rates and benefits.

Management has adopted a Statement of Investment Policies and Procedures ("SIPP") for the Plan, which sets investment objectives, guidelines and benchmarks used in investing the Plan's assets, permitted categories of investments, asset mix diversification and rate of return expectations. The Plan's SIPP was approved September 30, 2014. The Plan's management is responsible for ensuring that the Plan assets are managed in accordance with the SIPP and the objectives and goals outlined therein.

The SIPP established asset allocation ranges as follows:

| Category | Permitted Range | |
|---|---|---|
| Canadian equities | 20% | 40% |
| Global equities | 15% | 35% |
| Emerging Market equities | 0% | 10% |
| Fixed Income | 25% | 55% |
| Cash and cash equivalents | 0% | 10% |

The investments as at January 1, 2025 fell within the permitted ranges as specified by the SIPP.

### 7. Administrative expense

Administrative expenses include fees charged by the investment manager, trustee, auditor and actuary. Administration costs of the Plan may be paid directly by the GNWT or by the trustee from Plan assets. Payments made directly by the GNWT to the Plan are recognized as a corresponding increase to in-kind contributions.

| | **2025** | 2024 |
|---|---|---|
| Actuarial fees | **$ 11,170** | $ - |
| Audit | **14,115** | 12,350 |
| Investment management | **48,957** | 42,963 |
| Trustee and custodial fees | **50,764** | 33,877 |
| | **$ 125,006** | $ 89,190 |

## 8. Risk management

The Plan’s investments consist predominantly of assets whose values are exposed to fluctuations in interest rates, foreign exchange rates and financial markets. Other financial instruments are not exposed to significant interest or currency risks.

The fair values of investments are exposed to credit, liquidity, and market risks. Asset diversification and investment eligibility requirements serve as basic risk-management tools for the investment portfolio as a whole. The Plan's investment strategy requires that investments be held in a diversified mix of asset types and also sets out investment eligibility requirements. The diversification of assets serves to lower the variations in the expected return performance of the portfolio. Eligibility requirements serve to ensure that Plan assets, to the extent possible, are not placed at undue levels of risk and can meet the obligations of the Plan as necessary. While the above policies aid in risk management, the Plan's investments and performance remain subject to risks, the extent of which is discussed below:

*Credit risk*
Credit risk is the risk that counterparty to a financial contract will fail to discharge its obligations in accordance with agree-upon terms. The Plan is exposed to credit risk through its investments in fixed-income securities.

The Plan's credit risk on fixed-income securities is managed by setting concentration limits on exposure to any single issuer, as well as by setting minimum credit-rating criteria for investments.

Concentrations of credit risk exist when a significant proportion of the portfolio is invested in securities subject to credit risk with similar characteristics or subject to similar economic, political, or other conditions. The investment portfolio as a whole is subject to maximum exposure limits and assets allocation targets that are designed to manage exposure to concentrated credit risk.

*Interest rate risk*
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Plan is exposed to interest rate risk through its investment holdings in interest-bearing, or fixed-income assets. These principally include fixed-income securities. The Plan manages its exposure to interest rate risk through holding a diversified mix of assets, both interest-bearing and non-interest bearing. This approach lowers the impact of variations in overall portfolio performance owing to factors arising from interest rate risk. The fair value of the Plan's assets, specifically the fixed-income securities, is affected by changes in the nominal interest rate.

The actuarial value of accrued pension benefits is not considered a financial instrument; however, these benefits are sensitive to changes in long-term interest rates.

The Plan is exposed to interest rate risk because of mismatches between the impacts of interest rates on the actuarial value of accrued pension benefits and their corresponding impact on the investment portfolio as a whole.

Given the nature of pension benefits, such risks cannot be eliminated but are addressed through the funding of the Plan and through regular review of the characteristics of the Plan's investment portfolio related to the accrued pension benefit liability.

As of January 1, 2025, had market interest rates increased or decreased by 1% with all other variables held constant, the impact on the Plan’s net assets available for benefits would have been an increase or decrease of 2.1% (2024 - 2.4%). In practice, actual results may differ from this sensitivity analysis and the difference could be significant.

**8. Risk Management (continued)**

*Currency risk*
Currency risk is the risk that the value of a foreign currency denominated investment will fluctuate due to changes in foreign exchange rates. The Plan is exposed to currency risk arising from its holdings of investments denominated in foreign currencies, as well as investments that, although not denominated in foreign currencies have underlying foreign currency exposure.

The Plan manages these risks through its investment policy, which limits the proportion of foreign assets within the portfolio.

Based on the Plan's net exposure as at January 1, 2025 if the Canadian dollar strengthened or weakened by 5% in relation to the United States Dollar, with all other factors remaining constant, net assets available for benefits would have decreased or increased by approximately 2.0% (2024 - 2.0%). In practice, actual results may differ from this sensitivity analysis and the difference could be significant.

*Market risk*
Market risk is the risk that the fair value of an investment will fluctuate as a result of change in market price.
*Price risk*
Price risk is the risk that the fair value or future cash flows of an investment will fluctuate because of changes in market prices (other than those arising from foreign currency or interest rate risk), whether those changes are caused by factors specific to the individual investment or factors affecting all securities traded in the market. The Plan is exposed to other price risk through its holdings in equities.

As of January 1, 2025 had the S&P TSX Capped Composite Index increased or decreased by 10% with all other variables held constant, the impact on the Plan's net assets available for benefits would have been an increase or decrease of 6.2% (2024 - 6.2%). In practice, actual results may differ from this sensitivity analysis and the difference could be significant.

*Liquidity risk*
Liquidity risk is the risk that the Plan will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Plan's financial liabilities consist of accounts payable and accrued liabilities. These amounts are short term in duration and are set to mature within one year.

Liquidity risk is managed through ensuring that sufficient liquid assets are maintained to meet anticipated payments and investment commitments in general. With respect to the Plan's financial liabilities and the actuarial value of accrued pension benefits, management believes that the Plan is not subject to any significant liquidity risk. The actuarial value of accrued pension benefits is not considered a financial liability; however, it is the most significant liability of the Plan in the Statement of Financial Position. The GNWT, as Plan sponsor, is required to contribute all funds necessary to meet any funding shortfalls of the Plan as they may arise from time to time.

The Plan manages these risks through maximum proportions of equities in its investment portfolio and through concentration limits on investments with any one issuer, as outlined in the investment policies and procedures. Future cash flows relating to the sale of an investment exposed to other price risk will vary depending on market prices at the time of sale. Concentration of other price risk exists when a significant portion of the portfolio is invested in equities with similar characteristics or subject to similar economic, market, political, or other conditions.

## 9. Fair value measurement

*Fair values*
Canadian accounting standards for pension plans require disclosure of a three-level hierarchy for fair value measurements based on transparency of inputs to the evaluation of an asset or liability as of the financial statement date. The three levels are defined as follows:

Level 1: Fair value is based on quoted market prices in active markets for identical assets or liabilities. Level 1 assets and liabilities generally include equity securities traded in an active exchange market.

Level 2: Fair value is based on observable inputs other than Level 1 prices, such as quoted market prices for similar (but not identical) assets or liabilities in active markets, quoted market prices for identical assets or liabilities in markets that are not active, and other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments and derivative contracts whose values are determined using a pricing model with inputs that are observable market data. This category generally includes mutual and pooled funds, hedge funds, Government of Canada, provincial and other government bodies, Canadian corporate bonds, and certain derivative contracts.

Level 3: Fair value is based on non-observable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This category generally includes private equity investments and securities that have liquidity restrictions.

All of the Plan's investments are measured subsequent to initial recognition at fair value, based on quoted market prices, and are Level 1 financial instruments.

## 10. Related party transactions

The Plan receives certain administrative services from the GNWT Departments of Justice and Finance at no charge.

The payment of audit and actuary fees by the GNWT on the Plan’s behalf are recognized as in-kind contributions.

## 11. Subsequent events

Subsequent to year end, there was a refund from the plan as part of a reciprocal agreement with the Federal Pension Centre. The Plan assets and pension obligation will decrease by $645,030 as a result of the refund.

# THE NATURAL RESOURCES CONSERVATION TRUST FUND

**Yellowknife, NT**

## FINANCIAL STATEMENTS

**For the year ended March 31, 2025**

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## MANAGEMENT'S RESPONSIBILITY FOR REPORTING

The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with the *Natural Resources Conservation Trust Act* of the Northwest Territories ("the Act"). 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 systems 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 Board's management recognizes its responsibility for conducting the Board's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate.

The accounting firm Avery Cooper & Co. Ltd. Chartered Professional Accountants provide an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards.



Jessica St Arnaud, CPA
Director, Finance and Capital Planning
Department of Environment and Climate Change

June 26, 2025

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# INDEPENDENT AUDITOR'S REPORT

To the Minister of the Department of Environment and Climate Change of
The Natural Resources Conservation Trust Fund

*Opinion*
We have audited the financial statements of The Natural Resources Conservation Trust Fund (the "Fund"), which comprise the Statement of Financial Position as at March 31, 2025, and the Statements of Operations and Changes in Fund Balances for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the *Natural Resources Conservation Trust Ac*t of the Northwest Territories (the "Act").

*Basis for Opinion*
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*
Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Natural Resources Conservation Trust Act of the Northwest Territories, 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.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves presentation per the Act.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Avery Cooper & Co. Ltd.
Chartered Professional Accountants
Yellowknife, NT

June 20, 2025

# THE NATURAL RESOURCES CONSERVATION TRUST FUND

## STATEMENT OF FINANCIAL POSITION
March 31, 2025

### ASSET

| | 2025 | 2024 |
|---|---|---|
| **CURRENT** | | |
| Cash | $ 265,631 | $ 254,594 |

### LIABILITY

| | | |
|---|---|---|
| **CURRENT** | | |
| Accounts payable and accrued liabilities | $ 4,100 | $ 3,575 |

### FUND BALANCES

| | | |
|---|---|---|
| **CAPITAL PORTION per page 3** | 187,828 | 187,828 |
| **INTEREST PORTION per page 3** | 73,703 | 63,191 |
| | 261,531 | 251,019 |
| | $ 265,631 | $ 254,594 |

Approved:

Robert Jenkins, B.Sc, M.A.Sc.
Deputy Minister
Department of Environment and Climate Change

Jessica St. Arnaud, CPA
Director, Finance and Capital Planning
Department of Environment and Climate Change

# THE NATURAL RESOURCES CONSERVATION TRUST FUND

## STATEMENT OF OPERATIONS
For the year ended March 31, 2025

| | 2025 | 2024 |
|---|---|---|
| **REVENUE** | | |
| Interest income | $ 14,030 | $ 13,153 |
| **EXPENSES** | | |
| Professional fees | 3,518 | 3,563 |
| **EXCESS OF REVENUE OVER EXPENSES** | $ 10,512 | $ 9,590 |

# THE NATURAL RESOURCES CONSERVATION TRUST FUND

## STATEMENT OF CHANGES IN FUND BALANCES

For the year ended March 31, 2025

| | 2025 | | |
|---|---|---|---|
| | Capital Portion | Interest Portion | Total |
| **BALANCE, opening** | $ 187,828 | $ 63,191 | $ 251,019 |
| Excess of revenue over expenses | - | 10,512 | 10,512 |
| **BALANCE, closing** | $ 187,828 | $ 73,703 | $ 261,531 |

| | 2024 | | |
|---|---|---|---|
| | Capital Portion | Interest Portion | Total |
| **BALANCE, opening** | $ 187,828 | $ 53,601 | $ 241,429 |
| Excess of revenue over expenses | - | 9,590 | 9,590 |
| **BALANCE, closing** | $ 187,828 | $ 63,191 | $ 251,019 |

# THE NATURAL RESOURCES CONSERVATION TRUST FUND

## NOTES TO THE FINANCIAL STATEMENTS
March 31, 2025

## 1. NATURE OF OPERATIONS

The Natural Resources Conservation Trust Fund (the "Fund") was established under the *Natural Resources Conservation Trust Act* of the Northwest Territories (the "Act"). The purpose of the Fund is to promote, through education, research and demonstration, the:

(a) wise use of renewable resources;
(b) awareness, enhancement and protection of the environment; and
(c) use of the most efficient and most effective methods of trapping wildlife.

A Board of Trustees (the "Board") was appointed by the Minister of Resources, Wildlife and Economic Development, Government of the Northwest Territories ("GNWT"). Commencing April 1, 2005, the responsibilities were transferred to the Minister of Environmental and Climate Change to administer the Fund.

The Fund is established as a Special Purpose Fund as defined under subsection 1 (1) of the *Financial Administration Act* of the Northwest Territories. As such, the Fund is a part of the Consolidated Revenue Fund of the GNWT.

## 2. BASIS OF ACCOUNTING

The Fund follows accounting principles generally accepted in Canada in preparing its financial statements. The significant accounting policies used are as follows:

### (a) Fund accounting

In accordance with the Act, the Fund is administered into two portions, the Capital portion, and the Interest portion.

*Capital portion*
The Capital portion consists of donations, bequests and other payments for deposit accepted by the Board. The Board may not make payments from the capital portion without prior approval of the Minister; unless the payment is for designated purpose that has been specified by the benefactor. There are no designated funds in the capital portion of the Fund.

*Interest portion*
The Interest portion consists of interest earned by the Fund. The Financial Management Board fixes the rate of interest earned by the Fund. The Board of Trustees may make payments from the Interest portion of the Fund to persons, groups and programs.

## 2. BASIS OF ACCOUNTING, continued

### (b) Revenue recognition

The Fund follows the deferral method of accounting for contributions. Contributions subject to conditions are recognized as revenue in the year in which the related expenses are incurred. The Board of Trustees may accept donations, bequests or payments that are subject to conditions if the conditions are, in the opinion of the Board, appropriate to the purposes of the Fund. Where the Board accepts such items that are subject to conditions, the Board is bound to comply with those conditions.

Contributions not subject to conditions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income is recognized as revenue when earned.

### (c) Contributed materials and services

The Department of Environment and Climate Change maintains the Fund's accounts. The cost of administering the Fund are borne by the Department. The Fund has elected not to recognize contributed materials and services in these financial statements.

### (d) Expenses

Payments from the Interest portion and the Capital portion of the Fund are recognized as expenses in the period in which the events giving rise to the payment occurred, as long as the payment is authorized, eligibility criteria have been met and a reasonable estimate of the amount can be made. All other expenses are recognized on an accrual basis.

## 3. FINANCIAL INSTRUMENTS

### (a) Fair value

The Fund's financial instruments consist of cash, and accounts payable and accrued liabilities. In the opinion of the Board, the Fund is not exposed to significant interest rate, market, currency, liquidity or credit risks from these financial instruments. The carrying value of these instruments approximates their fair value.

## 4. FUND PAYMENTS

In accordance with subsection 101 of the Act, the recipient and amount of each payment made from the Fund during the year is as follows:

Not Applicable - No payments in current or prior year.

**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, 2025

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The Public Trustee for the Northwest Territories (the "Public Trustee") 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* of the Northwest Territories (the "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 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 Act.

The accounting firm of Avery Cooper & Co. Ltd. Chartered Professional Accountants, annually provide an independent, objective audit for the purpose of expressing their opinion on the financial statements in accordance with Canadian generally accepted auditing standards.

**Public Trustee for the Northwest Territories**

Brad Patzer
~~Jackie Goulombe~~
Public Trustee

April 25, 2025

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## INDEPENDENT AUDITOR'S REPORT

To the Commissioner

**Report on the Audit of the Financial Statements**

*Opinion*
We have audited the financial statements of the Office of the Public Trustee for the Northwest Territories ("Public Trustee"), which comprise the balance sheet as at March 31, 2025, and the statement of operations, and the statement changes in estate and trust fund balance for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Public Trustee for the year ended March 31, 2025, are prepared, in all material respects, in accordance with the *Public Trustee Act* of the Northwest Territories (the "Act").

*Basis of Opinion*
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Public Trustee in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Emphasis of Matter - Basis of Accounting*
We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Public Trustee to meet the requirements of the Act. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*
Management is responsible for the preparation of the financial statements in accordance with 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.

In preparing the financial statements, management is responsibility for assessing the Public Trustee's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Public Trustee or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Public Trustee's financial reporting process.

## INDEPENDENT AUDITOR'S REPORT, continued

*Auditor's Responsibilities for the Audit of the Financial Statements*
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to audit 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 Public Trustee's internal control.

- Conclude on the appropriateness of management's use of the going concern basis of accounting used, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Public Trustee's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Public Trustee to cease to continue as a going concern.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**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.
Chartered Professional Accountants

Yellowknife, NT
April 25, 2025

STATEMENT I

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

**BALANCE SHEET**
March 31, 2025

**ASSETS**

| | 2025 | 2024 |
|---|---|---|
| **Cash** (Note 3) | $10,855,603 | $9,224,621 |
| **Other assets at nominal value** (Note 2b) | 1 | 1 |
| | $10,855,604 | $9,224,622 |

**NET ASSETS**

| | | |
|---|---|---|
| **Undistributed Common Fund earnings** per Statement II (Note 4) | $ 194,456 | $ 201,142 |
| **Public Trustee Management Fund** (Note 6) | 38,469 | 46,488 |
| **Estate & Trust Fund** per Statement III (Note 5) | 10,622,679 | 8,976,992 |
| | $10,855,604 | $9,224,622 |

Approved:



Public Trustee for the Northwest Territories

See the accompanying notes.

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

## STATEMENT OF OPERATIONS
For the year ended March 31, 2025

| | 2025 | 2024 |
|---|---|---|
| **Undistributed Common Fund earnings, opening** | $ 201,142 | $ 195,136 |
| **Add:** | | |
| Common Fund earnings | 489,624 | 490,629 |
| **Less:** | | |
| Interest paid to estates and trusts (Statement III) | 470,981 | 400,294 |
| Excess interest paid to the Government of the Northwest Territories | - | - |
| Transfers to Public Trustee Management Fund (Note 6) | 25,329 | 84,329 |
| | 496,310 | 484,623 |
| **Increase (decrease) in Undistributed Common Fund earnings balance** | (6,686) | 6,006 |
| **Undistributed Common Fund earnings, closing** (Note 4) | $ 194,456 | $ 201,142 |

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, 2025

| | 2025 | 2024 |
|---|---|---|
| **Estate & trust funds provided:** | | |
| Estate and trust assets received | $ 3,054,950 | $ 1,749,528 |
| Common Fund interest paid to estates and trusts (Statement II) | 470,981 | 400,294 |
| | 3,525,931 | 2,149,822 |
| **Estate & trust funds applied:** | | |
| Payments to beneficiaries | 752,480 | 287,266 |
| Disbursements made on behalf of estates and trusts | 988,723 | 1,171,375 |
| Administration fees (Note 2c) | 131,946 | 119,084 |
| GST on Administration fees | 6,597 | 5,954 |
| Court fees | 498 | 270 |
| | 1,880,244 | 1,583,949 |
| **Increase in Estate & Trust Fund balance** | 1,645,687 | 565,873 |
| **Estate & Trust Fund balance, opening** | 8,976,992 | 8,411,119 |
| **Estate & Trust Fund balance, closing** (Note 5) | $ 10,622,679 | $ 8,976,992 |

See the accompanying notes.

## PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES

## NOTES TO THE FINANCIAL STATEMENTS
March 31, 2025

### NOTE 1 AUTHORITY

The Office of the Public Trustee for the Northwest Territories (the "Public Trustee"), for the Department of Justice, Government of the Northwest Territories (GNWT), 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* of the Northwest Territories. 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 ("GNWT") and, except for $131,946 (2024 - $119,084) 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. The costs incurred in respect of the annual audit may be deducted from the management fees.

### NOTE 3 CASH IN BANK

The Public Trustee is a member of the GNWT investment pool.

The GNWT consolidates and invests the cash balances of all investment pool participants in money market securities. The money for these investments flows out of the GNWT main revenue account and, accordingly, does not affect the participants' cash balances. Investment pool revenues are prorated and paid to participants monthly.

## PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES

## NOTES TO THE FINANCIAL STATEMENTS
March 31, 2025

### 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 GNWT.

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 Common Fund's investments. Where the interest earned on the 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 GNWT.

The balance of Undistributed Common Fund earnings represents the Common Fund's cumulative earnings 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:

| | 2025 | 2024 |
|---|---|---|
| Common Fund | $10,622,678 | $8,976,991 |
| Other assets at nominal value | 1 | 1 |
| | $10,622,679 | $8,976,992 |

## PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES

## NOTES TO THE FINANCIAL STATEMENTS
March 31, 2025

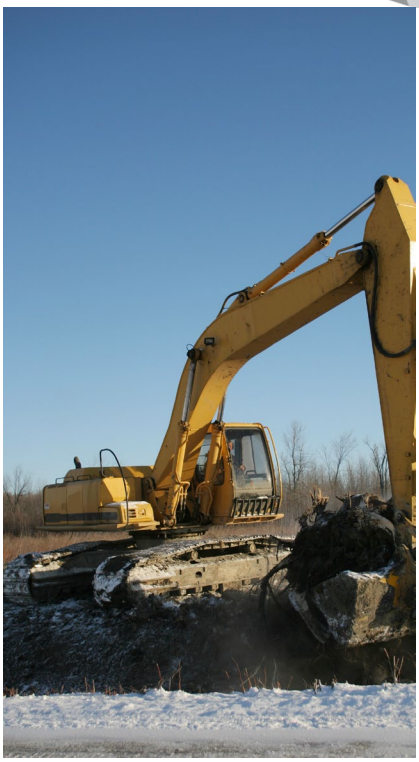
### NOTE 6 PUBLIC TRUSTEE MANAGEMENT FUND

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

| | 2025 | 2024 |
|---|---|---|
| **Public Trustee Management Fund balance, opening** | $46,488 | $19,996 |
| **Add:** | | |
| Management fees transferred to the Public Trustee out of the excess interest earned (Statement II) | 4,481 | 38,992 |
| **Less:** | | |
| Costs incurred in respect of the annual audit | (12,500) | (12,500) |
| **Public Trustee Management Fund balance, closing** | $38,469 | $46,488 |

### 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.






2024-2025

# PUBLIC ACCOUNTS

## SECTION IV

## SUPPLEMENTARY FINANCIAL STATEMENTS - BOARDS

Government of
Northwest Territories

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# PUBLIC ACCOUNTS

# OF THE

# GOVERNMENT OF THE NORTHWEST TERRITORIES

# FOR THE YEAR ENDED MARCH 31, 2025

## SECTION IV

## SUPPLEMENTARY FINANCIAL STATEMENTS

## BOARDS

**HONOURABLE CAROLINE WAWZONEK**

**Minister of Finance**

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**Public Accounts of the**
**Government of the Northwest Territories**

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Commission scolaire francophone Territoires du Nord-Ouest
Dehcho Divisional Education Council
Dettah District Education Authority
N'Dìlo District Education Authority
Sahtu Divisional Education Council
South Slave Divisional Education Council
Yellowknife Catholic Schools (Yellowknife Public Denominational District Education Authority)
Yellowknife District No. 1 Education Authority

**Health and Social Services Authorities**

Hay River Health and Social Services Authority
Northwest Territories Health and Social Services Authority
Tlicho Community Services Agency

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# BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL
# INUVIK, NT

## CONSOLIDATED ANNUAL FINANCIAL REPORT
## June 30, 2024

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## MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Minister of Education, Culture and Employment
Government of the Northwest Territories

The Management Discussion & Analysis, Financial Statements, Schedules and Notes herein submitted have been reviewed by management. They provide full disclosure and accurately reflect the financial and non-financial condition of the authority in all material respects and in accordance with Canadian Public Sector Accounting Standards (CPSAS) as well as the Financial Administration Manual (FAM) and the Financial Administration Manual for Education Authorities (FAMEA) of the Government of the Northwest Territories.

Management hereby asserts that adequate internal controls exist to ensure that transactions are complete, accurate and timely, appropriately authorized and include only valid transactions of the entity; that duties related to processes are appropriately segregated, that assets are safeguarded and that proper records are maintained. Controls further include quality standards regarding the hiring and training of employees, that ensure the adequate maintenance of written policies and procedural manuals and that further provide for appropriate accountability for performance within well-defined areas of responsibility. The operations and administration of Beaufort Delta Divisional Education Council have been conducted within the statutory powers of the Beaufort Delta Divisional Education Council. The operations and administration of the Beaufort Delta Divisional Education Council as well as the supporting internal controls of the entity are regularly monitored to ensure their effectiveness and their continued compliance with all relevant legislation, standards, directives and policies including but not limited to the Education Act, Financial Administration Act, CPSAS, FAM, FAMEA, Human Resources Manual, Ministerial Directives and the policies of the Beaufort Delta Divisional Education Council Board. Any non-compliance has been specifically identified and has been previously communicated to the Minister and Deputy Minister.

Management hereby asserts that auditors have been provided with all relevant records and documentation as well as unrestricted access to the same. Management is not aware of any undisclosed irregularities involving management or employees with either current or potential impact on financial results, fraud or suspected fraud, disbursements made for purposes not consistent with an appropriation, irregular commitments including those in the form of guarantees, violations or possible violations of laws or regulations, claims or litigation, known or suspected environmental site contaminations or of any other undisclosed environmental or safety hazards within its jurisdiction.

The auditors, Avery Cooper & Co. Ltd., Chartered Professional 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. The auditors also consider whether the transactions that have come to their notice in the course of this audit are, in all significant respects, in accordance with specified legislation and directives from the Department of Education, Culture and Employment of the Government of the Northwest Territories.

Approved and confirmed on behalf of the Beaufort Delta Divisional Education Council

Devin Roberts
Superintendent
September 27, 2024

Gary McBride
Comptroller

AVERY COOPER & CO. LTD.
Chartered Professional Accountants

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Yellowknife, NT X1A 2P2
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# INDEPENDENT AUDITORS' REPORT

To the Minister of Education, Culture and Employment
Government of the Northwest Territories

*Report on the Audit of the Consolidated Financial Statements*

*Qualified Opinion*

We have audited the accompanying consolidated financial statements of Beaufort Delta Divisional Education Council which comprise the Consolidated Statement of Financial Position as at June 30, 2024 and the Consolidated Statements of Changes in Net Financial Assets (Debt), Statement of Operations and Statement of Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the matter described in the Basis for Qualified Opinion paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of the Beaufort Delta Divisional Education Council as at June 30, 2024 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Basis for Qualified Opinion*

Salaries and related benefits paid to employees of the Beaufort Delta Divisional Education Council are administered by the Government of the Northwest Territories and are audited as part of the Government of the Northwest Territories audit. Our audit scope was limited as we did not audit the components of compensation and benefits expenditures and related balances. Accordingly we are not able to determine whether any adjustments might be necessary to compensation and benefits expenditures, payroll liabilities, employee future benefits, net financial resources and accumulated surplus/deficit as well as note disclosures associated with transactions and year-end balances relating to compensation and benefits.

*Other Matter*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements of Beaufort Delta Divisional Education Council taken as a whole. The supplementary information included on various schedules is presented for purposes of additional information and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion in the audit of consolidated financial statements taken as a whole.

*Other Information*

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the management Discussion and Analysis prior to the date of this auditor's report. if, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

*Responsibilities of Management and Those charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards and the Act of the Northwest Territories, 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.

Those charged with governance are responsible for overseeing the 's financial reporting process.

*Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

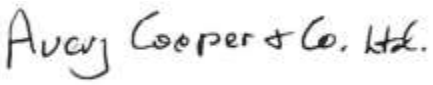
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Report on Other Legal and Regulatory Requirements*

We further report, in accordance with the Education Act's requirement for the Education Authority to comply with the Financial Administration Act, in our opinion, proper books of account have been kept by the Beaufort Delta Divisional Education Council, the consolidated financial statements are in agreement therewith and the transactions that have come under our notice have, in all significant aspects, been within the statutory powers of the Council.



AVERY COOPER & CO. LTD.
Chartered Professional Accountants
Yellowknife, NT

September 27, 2024

# BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

**Statement I**

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2024

| | 2024 | 2023 |
|---|---|---|
| **FINANCIAL ASSETS** | | |
| Cash and Cash Equivalents (Note 4) | $ 8,296,168 | $ 7,018,582 |
| Restricted Assets (Note 6) | 345,431 | 311,066 |
| Accounts Receivable (Note 8) | 1,345,160 | 967,197 |
| | 9,986,759 | 8,296,845 |
| **LIABILITIES** | | |
| Accounts Payable and Accrued Liabilities (Note 10) | 920,400 | 790,899 |
| Payroll Liabilities (Note 10) | 3,848,019 | 4,666,191 |
| Employee Deductions Payable | 17,445 | 15,837 |
| Deferred Revenue (Note 11) | 2,455,383 | 437,820 |
| Post-Employment Benefits (Note 17) | 1,853,764 | 1,953,351 |
| Trust Liabilities (Note 6) | 345,431 | 311,066 |
| | 9,440,442 | 8,175,164 |
| **NET FINANCIAL ASSETS (Statement III)** | 546,317 | 121,681 |
| **NON-FINANCIAL ASSETS** | | |
| Prepaid Expenses (Note 20) | 29,702 | 258,910 |
| | 29,702 | 258,910 |
| **ACCUMULATED SURPLUS** | $ 576,019 | $ 380,591 |

Approved:

Devin Roberts Superintendent

Council Member

See the accompanying notes and schedules

## BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

**Statement II**

### CONSOLIDATED STATEMENT OF OPERATIONS

For the Year Ended June 30, 2024

| | 2024 Budget (Unaudited) | 2024 Actual | 2023 Actual |
|---|---|---|---|
| **REVENUE** | | | |
| **Government of the NWT** | | | |
| Regular contributions | $ 32,087,370 | $ 33,047,227 | $ 32,262,891 |
| Other ECE contributions (Note 31) | 2,823,787 | 2,530,154 | 2,222,484 |
| Other contributions (Note 32) | 74,250 | 251,875 | 292,284 |
| **Total Government of the NWT** | 34,985,407 | 35,829,256 | 34,777,659 |
| **Government of Canada** | | | |
| Jordan's Principal | 8,648,068 | 10,053,932 | 8,885,133 |
| Other Government of Canada | - | - | - |
| **Total Government of Canada** | 8,648,068 | 10,053,932 | 8,885,133 |
| **Board Generated Funds** | | | |
| Investment Income | 310,000 | 423,237 | 314,509 |
| Other | 306,517 | 491,029 | 426,032 |
| **Total Board Generated Funds** | 616,517 | 914,266 | 740,541 |
| **TOTAL REVENUE** | 44,249,992 | 46,797,454 | 44,403,333 |
| **EXPENSES** (Schedule 1) | | | |
| Indigenous Languages and Education | 3,501,340 | 3,447,274 | 3,478,609 |
| Administration | 3,735,824 | 3,429,308 | 3,065,720 |
| Inclusive Schooling | 6,381,933 | 5,447,845 | 5,460,634 |
| School Programs | 23,278,340 | 22,381,010 | 25,512,227 |
| Jordan's Principle | 8,648,068 | 10,053,932 | 8,885,132 |
| Student Accommodations | - | 30,307 | 46,817 |
| Operations & Maintenance | - | 1,812,351 | 1,383,080 |
| **TOTAL EXPENSES** | 45,545,505 | 46,602,027 | 47,832,219 |
| **OPERATING SURPLUS (DEFICIT)** | $ (1,295,513) | $ 195,427 | $ (3,428,886) |

See the accompanying notes and schedules.

## BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

**Statement III**

## CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

June 30, 2024

| | 2024 Budget (Unaudited) | 2024 Actual | 2023 Actual |
|---|---|---|---|
| **OPERATING SURPLUS (DEFICIT)** | $ (1,295,513) | $ 195,427 | $ (3,428,886) |
| Purchase of Prepaid Expenses | - | (29,701) | (258,910) |
| Use of Prepaid Expenses | - | 258,910 | 39,988 |
| | - | 229,209 | (218,922) |
| **INCREASE (DECREASE) IN NET FINANCIAL ASSETS** | (1,295,513) | 424,636 | (3,647,808) |
| **NET FINANCIAL ASSETS, BEGINNING OF YEAR** | 121,681 | 121,681 | 3,769,489 |
| **NET FINANCIAL ASSETS (DEBT), END OF YEAR** | $ (1,173,832) | $ 546,317 | $ 121,681 |

See the accompanying notes and schedules.

## BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

**Statement IV**

### CONSOLIDATED STATEMENT OF CASH FLOW

For the Year Ended June 30, 2024

| **Cash provided by (used in):** | 2024 | 2023 |
|---|---|---|
| **OPERATING TRANSACTIONS** | | |
| Operating surplus (deficit) | $ 195,427 | $ (3,428,886) |
| **Changes in non-cash assets and liabilities:** | | |
| Decrease (increase) in accounts receivable | (377,963) | (237,014) |
| Increase (decrease) in accounts payable | 129,501 | (130,558) |
| Increase (decrease) in payroll liabilities | (818,171) | (1,308,694) |
| Increase (decrease) in contributions repayable | - | (592) |
| Increase (decrease) in employee deductions payable | 1,608 | (8,064) |
| Increase (decrease) in deferred revenue | 2,017,563 | 135,496 |
| Increase (decrease) in post-employment benefits | (99,587) | 33,288 |
| Decrease (increase) in prepaid expenses | 229,208 | (218,921) |
| Cash provided by operating transactions | 1,277,586 | (5,163,945) |
| **INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** | 1,277,586 | (5,163,945) |
| **CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR** | 7,018,582 | 12,182,861 |
| **CASH AND CASH EQUIVALENTS, END OF YEAR** | $ 8,296,168 | $ 7,018,582 |

See the accompanying notes and schedules.

## NOTE 1 NATURE OF ORGANIZATION

The Beaufort Delta Divisional Education Council was established under the Education Act of the government of the Northwest Territories ("GNWT") by order of the Minister dated March 31, 1989. Its purpose is to administer and maintain the standards of educational programs defined under the Act in the member communities of the Beaufort-Delta region.

Member communities have formed local District Education Authorities (DEA) which have assumed the responsibility to provide adequate educational programs within their respective communities.

The consolidated financial statements reflect the assets, liabilities, revenues and expenses, changes in net financial assets (debt) and change in financial position of the reporting entity. This entity comprises the Education Council operations plus all of the member District Education Authorities that are owned or controlled by the Beaufort Delta Divisional Education Council and are, therefore, accountable to the Council for the administration of their financial affairs and resources. At present, the DEA's that are owned or controlled by the organization are Aklavik, Tsiigehtchic, Fort McPherson, Inuvik, Paulatuk, Sachs Harbour, Tuktoyaktuk and Ulukhaktok.

Interdepartmental and organizational transactions and balances between these organizations have been eliminated for consolidation purposes.

## NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. The consolidated financial statements have, in management's opinion, been properly prepared with reasonable limits of materiality. The basis of accounting refers to the timing of when revenue and expense items are recognized in the accounts and reported in the consolidated financial statements. The accrual basis of accounting is utilized for all funds. Under this basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recorded when they are incurred.

(b) Cash and Cash Equivalents

Cash and cash equivalents are comprised of bank account balances, net of outstanding cheques and short term highly liquid investments that are readily convertible to cash and with a maturity date of 90 days or less from the date of acquisition.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES, continued**

(c) Financial Instruments

Financial assets originated or acquired or financial liabilities issued or assumed in an arms' 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 attributable 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.

Financial assets subsequently measured at amortized cost include cash, restrcited assets, and accounts receivable.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, payroll liabilities, deferred revenue, post-employment benefits, contribution repayable and trust liabilities.

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 operations. Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal, to a maximum of the related accumulated impairment charges recorded in respect of the particular asset, is recognized in operations.

(d) Non-Financial Assets

Prepaid expenses and other non-financial assets are accounted for as assets by the Beaufort Delta Divisional Education Council because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the Beaufort Delta Divisional Education Council.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES, continued**

(e) Tangible Capital Assets

All buildings and works, furniture, equipment and vehicles are the property of the Government of the Northwest Territories ("GNWT"). The minister grants to the Beaufort Delta Divisional Education Council the full occupancy and use of such facilities and equipment where required for the administration and delivery of the education programs. Capital assets with a value in excess of $50,000 are recorded at cost and amortized in accordance with the Financial Administration Manual guidelines by the GNWT. Capital assets with a value of less than $50,000 are recorded as a current expense.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES, continued**

(f) Revenue Recognition

Government Transfers:

Revenues are recognized in the period in which the transactions or events occur that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Operating transfers are recognized as revenue in the period in which the events giving rise to the transaction occur, providing the transfers are authorized, eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

Capital transfers or transfers of tangible capital assets are initially recognized as deferred revenue and subsequently recognized as revenue when the related tangible capital assets are recognized as acquired or built.

GNWT - Regular contributions:

The regular contributions from the GNWT are determined by a funding formula and are received in monthly installments. The Beaufort Delta Divisional Education Council retains surpluses and is responsible for deficits. Any funding requests, over and above those levels provided by the formula, must be first approved by the GNWT.

Other contributions:

The Beaufort Delta Divisional Education Council follows the deferral method of accounting for other contributions. Unrestricted contributions are recognized as revenue when they are received or receivable, if the amount can be reasonably estimated and its collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Deferred Revenue

Deferred Revenue consists of funds received in advance of providing the services or acquiring the goods. These amounts are taken into revenue when the eligible expenditure are incurred.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES, continued**

Investment Income

Investment income is recognized when received or receivable, if the amount can be reasonably estimated.

Special Purpose Funds

School activity funds which are fully controlled by the Beaufort Delta Divisional Education Council with respect to when and how the funds available can be discussed are included. the funds reported are internally restricted as to purpose and may include the proceeds of fundraising, contributions or fees paid related to a specific planned benefit. examples might include planned student trips or funds specifically designated for the purchase of equipment or materials required to support an activity.

Student activity funds which are controlled by students or parties other than the Beaufort Delta Divisional Education Council are not included even if custody of the funds is held by the Beaufort Delta Divisional Education Council. Examples of excluded funds might be student clubs or associations for which the Beaufort Delta Divisional Education Council has no ongoing responsibility of liability for losses.

Stallworthy / Carpenter Endowment contributions:

Endowment contributions and investment income are recognized as direct increases in accumulated surplus.

Terry Halifax Endowment contributions:

Endowment contributions and investment income are recognized as direct increases in accumulated surplus.

R. Gosselin Go For It Award Edowment Contributions

Endowment contributions and investment income are recognized as direct increases in accumulated surplus.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES, continued**

(g) Budget Data

The Education Act of the Northwest Territories requires that Education Bodies prepare an annual budget, as outlined in Section 128 and 129.

The priorities and funding allocations are determined by the Board of Trustees of each Beaufort Delta Divisional Education Council and the budget is legally adopted by a motion of the board in accordance with Section 135(3) of the Education Act.

Board approved budgets are submitted to the Minister of education, Culture and Employment for final approval as directed by Sections 117(2) k, l and m of the Education Act.

This annual budget includes estimates of revenues, expenses and the net operating surplus (deficit). Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Beaufort Delta Divisional Education Council.

The budget may be amended within a given fiscal year in accordance with Beaufort Delta Divisional Education Council policy, regulations and approved budget procedures. The budget data presented in the consolidated financial statements reflects the original Minister approved budget for the school year.

(h) Measurement Uncertainty

The preparation of these consolidated financial statements in conformity with Canadian public sector accounting standards 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 consolidated financial statements and the amounts of revenue and expenses during the period. Actual results could differ from those estimates. Accounts subject to measurement uncertainty are post-employment benefits as determined by an actuary.

(i) Inventories including Materials and Supplies

Inventories of books, materials, supplies and other expendables purchased by the Beaufort Delta Divisional Education Council are treated as expenses during the year of acquisition and are not recorded on the statement of financial position.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES, continued**

(j) Payroll Liabilities

According to the Northwest Territories Teachers Association (NWTTA) and GNWT Collective Agreement, teaching staff have their salary issued by the GNWT bi-weekly pay system. NWTTA staff will have earned their annual salary by June 30th which provides for continued payment during the summer. GNWT payroll for NWTTA starts with the annualized salary commitment for compensation and then allocates the complete payout of that value over the number of pay periods between August 1 and July 31. Pay periods falling in July are therefore accrued.

The duties and compensation base for UNW School year employees are scheduled to align with the academic year although actual start dates and durations vary by specific location and job function. Accordingly, the Beaufort Delta Divisional Education Council determines the start dates of their UNW employees and accrues the related payroll liability as appropriate.

All other staff are accrued to include earnings to June 30.

(k) Post-Employment Benefits, Compensated Absences, and Termination Benefits

Under the terms and conditions of employment, education board employees may earn non-pension benefits for resignation, retirement and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment. eligibility is based on a variety of factors including place of hire, date employment commenced, and reason for termination. Benefit entitlements are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service. Termination benefits are also recorded when employees are identified for lay-off. Compensated absences include sick, special, parental and maternity leave. Accumulating non-vesting sick and special leave are recognized in the period the employee provides service, whereas parental and maternity leave are event driven and are recognized when the leave commences. An actuarial valuation of the cost of these benefits (except maternal and parental leave) has been prepared using data provided by management and assumptions based on management's best estimates.

(l) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expenses. Transfers include grants and contributions and are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES, continued**

(m) Foreign Currency Translation

Foreign currency transactions are to be translated in Canadian dollars. Revenues and expenses denominated in a foreign currency are reported at a rate in the date of the transaction. Monetary items that have yet to be settled at the exchange rate are translated at the exchange rate in effect on the date of financail statement. Exchange gain or loss resulting from foreign exchange rate would be accounted for in the financial statement.

(n) Contributed Materials and Services

The Beaufort Delta Divisional Education Council recognizes contributions of materials and services, but only when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations and would otherwise have been purchased.

## NOTE 3 FUTURE ACCOUNTING CHANGES AND ADOPTION OF NEW ACCOUNTING STANDARDS

### Adoption of New Accounting Standards

Effective July 1, 2023, the Education Board adopted PS 3400 Revenue. This standard provides guidance on how to account for and report on revenue that is not otherwise addressed elsewhere in the Public Sector Accounting Handbook. It identifies two types of revenue transactions: exchange and non-exchange. The Education Body applied PS 3400 prospectively, therefore, it is applied only to events and transactions occurring after July 1, 2023, and to any outstanding related balances existing at that date. No cumulative catch-up adjustment is recognized. The prior year's financial statements, including comparative information, have not been restated. The adoption of this standard resulted in additional disclosures in the notes to the financial statements.

Effective July 1, 2023, the Education Board adopted PS 3160 Public Private Partnerships. This standard provides guidance on how to account for and disclose public private partnerships. The adoption of this standard did not result in any significant impacts to the financial statements as a result of its application.

### Future Accounting Changes

Effective July 1, 2026, the Education Board will be required to adopt the new Conceptual Framework for Financial Reporting in the Public Sector. Earlier adoption of the new framework is allowed. The Education Board is currently assessing the impact of this standard on the financial statements.

Effective July 1, 2026, the Education Board will be required to adopt PS 1202 Financial Statement Presentation. The standard sets out general and specific requirements for the presentation of information in financial statements. The financial statement presentation principles are based on the concepts in the Conceptual Framework. Earlier adoption is permitted if the Conceptual Framework for Financial Reporting in the Public Sector is early adopted. The Education Board is currently assessing the impact of this standard on the financial statements.

## NOTE 4 CASH AND CASH EQUIVALENTS

| | 2024 | 2023 |
|---|---|---|
| Cash | $ 8,296,168 | $ 7,018,582 |
| | $ 8,296,168 | $ 7,018,582 |

## NOTE 5 SPECIAL PURPOSE FUNDS

(Not applicable)

## NOTE 6 RESTRICTED ASSETS

The Council received a bequest to establish the Harry Stallworthy - Noah Carpenter Fund. The terms of the bequest state that the principal shall remain intact and the net annual income therefrom shall be made available to students of Inuit heritage for financial assistance in the High School Orientation Program.

| | | 2024 | 2023 |
|---|---|---|---|
| Comprised of: | | | |
| Short-term | - GIC 4.80% due June 27, 2025 | $ 305,250 | $ 291,000 |
| | - Due from (to) general cash | (2,966) | (3,414) |
| | | $ 302,284 | $ 287,586 |
| Stallworthy / Carpenter Endowment Fund: | | | |
| Principal proceeds received | | $ 234,686 | $ 234,686 |
| Interest earned to date | | 301,512 | 280,135 |
| Expenses to date | | (233,914) | (227,235) |
| | | $ 302,284 | $ 287,586 |

The Council received a bequest to establish the Terry Halifax Fund in 2018. The terms of the bequest state that the East Three school will award annually to the student who exemplifies what it means to be a capable citzen through community, school involement, volunteerism and leadership.

| | | | |
|---|---|---|---|
| Comprised of: | | | |
| Short-term | - GIC 4.80% due June 27, 2025 | $ 20,750 | $ 20,000 |
| | - Due from (to) general cash | (180) | 306 |
| | | $ 20,570 | $ 20,306 |
| Terry Halifax Fund: | | | |
| Principal proceeds received | | $ 21,000 | $ 21,000 |
| Interest earned to date | | 2,820 | 1,806 |
| Expenses to date | | (3,250) | (2,500) |
| | | $ 20,570 | $ 20,306 |

**NOTE 6 RESTRICTED ASSETS, continued**

The Council received a bequest to establish the R. Gosselin Go For It Award Fund in 2020. The terms of the bequest state that the NWT Parks & Recreation Association will award annually to the individual who exemplifies what it means to be a capable citzen through community recreation, volunteerism and leadership.

| | | | |
|---|---|---|---|
| Comprised of: | | | |
| Short-term | - GIC 4.80% due June 27, 2025 | $ 4,000 | $ 4,000 |
| | - Due from (to) general cash | (1,124) | (826) |
| | | $ 2,876 | $ 3,174 |
| R. Gosselin Go For It Award Fund: | | | |
| Principal proceeds received | | $ 4,500 | $ 4,500 |
| Interest earned to date | | 376 | 174 |
| Expenses to date | | (2,000) | (1,500) |
| | | $ 2,876 | $ 3,174 |

The Council received a bequest to establish the Chief James B. Firth Memorial Fund in 2024. The terms of the bequest state that an annual award be given to an East 3 High School student based on academic achievement, interest in secondary education and community and school leadership contributions.

| | | | |
|---|---|---|---|
| Comprised of: | | | |
| Short-term | - GIC 4.80% due June 27, 2025 | $ 10,000 | $ - |
| | - Due from (to) general cash | (299) | - |
| | | $ 9,701 | $ - |
| Chief James B. Firth Memorial Fund: | | | |
| Principal proceeds received | | $ 10,000 | $ - |
| Interest earned to date | | 1 | - |
| Expenses to date | | (300) | - |
| | | $ 9,701 | $ - |

## NOTE 6 RESTRICTED ASSETS, continued

The Council received a bequest to establish the Tsiigehchic and Fort McPherson Scholarship. The terms of the bequest state that the BDDEC will administer the scholarship with recommendations from CPNS and CJS principals and teachers. The scholarships will be awarded in June each year at the school awards ceremony based on academic achievement, interest in secondary edcuation and community and school leadership contributions.

| | | | |
|---|---|---|---|
| Comprised of: | | | |
| Short-term | - GIC 5.25% due June 27, 2024 | $ 10,000 | $ - |
| | - Due from general cash | - | - |
| | | $ 10,000 | $ - |
| R. Gosselin Go For It Award Fund: | | | |
| Principal proceeds received | | $ 10,000 | $ - |
| Interest earned to date | | - | - |
| Expenses to date | | - | - |
| | | $ 10,000 | $ - |
| **TOTAL RESTRICTED ASSETS** | | $ 345,431 | $ 311,066 |

## NOTE 7 PORTFOLIO INVESTMENTS

(Not applicable)

## NOTE 8 ACCOUNTS RECEIVABLE

| | Accounts Receivable | Allowance | 2024 | 2023 |
|---|---|---|---|---|
| Government of the Northwest Territories: | | | | |
| - Education, Culture and Employment | $ 1,330,322 | $ 182,564 | $ 1,147,758 | $ 823,028 |
| - Municipal and Community Affairs | 3,834 | - | 3,834 | 3,834 |
| Due from GNWT | 1,334,156 | 182,564 | 1,151,592 | 826,862 |
| Other Accounts receivable | 673,972 | 480,404 | 193,568 | 140,335 |
| | $ 2,008,128 | $ 662,968 | $ 1,345,160 | $ 967,197 |

## NOTE 9 INVENTORY

(Not applicable)

## NOTE 10 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | 2024 | 2023 |
|---|---|---|
| Government of the Northwest Territories: | | |
| Health and Social Services | $ 4,051 | $ 13,567 |
| Municipal and Community Affairs | 7,853 | 13,869 |
| Department of Finance | 107,129 | - |
| Environment and Natural Resources | 5,696 | 10,383 |
| Government of the Northwest Territories | 124,729 | 37,819 |
| Related Parties | 423,074 | 354,289 |
| Accounts payable | 46,960 | 13,621 |
| Accrued payables | 325,637 | 385,170 |
| | 920,400 | 790,899 |
| Payroll Liabilities | | |
| To GNWT (A) | $ 3,848,019 | $ 4,666,191 |

## NOTE 11 DEFERRED REVENUE

| | 2024 | 2023 |
|---|---|---|
| **Government of the Northwest Territories** | | |
| Education, Culture & Employment | | |
| - Healthy Food For Learning | $ 97,469 | $ 89,921 |
| - NDL - Aklavik | 24,478 | - |
| Environment & Natural Resources | | |
| - TAKH & TAKT | 13,927 | 15,261 |
| Library | | |
| - School & Public Library Services - Fort McPherson DEA | 19,270 | - |
| - School & Public Library Services - Uluhaktok DEA | 32,845 | - |
| Municipal & Community Affairs | | |
| - GSA - RISC Coordinator | 2,372 | - |
| - Experiences With Canada - E3S | 10,033 | 31,203 |
| **Government of Canada** | | |
| - Jordan's Principal | 2,146,753 | 105,778 |
| **Other** | | |
| OTL Youth Wellness | - | 798 |
| Aklavik Indian Band | - | 1,770 |
| Lights on CAF America | 3,229 | 8,074 |
| Inuvialuit Regional Corporation | 45,994 | 47,783 |
| Food First Foundation | 31,130 | 39,664 |
| Tutor Program | 1,850 | 1,850 |
| Breakfast Club | 8,818 | 8,864 |
| Brighter Futures | 5,000 | 39,354 |
| Tides - OTL - Collaborative Fund | - | 35,285 |
| NWT Parks & Rec Get Active NWT | 10,315 | 10,315 |
| Prepaid Facility Use | 1,900 | 1,900 |
| | $ 2,455,383 | $ 437,820 |

## NOTE 12 CONTRIBUTION REPAYABLE

(Not applicable)

## NOTE 13 DUE FROM AND TO THE GOVERNMENT OF CANADA

(Not applicable)

## NOTE 14 CAPITAL LEASE OBLIGATION

(Not applicable)

## NOTE 15 PENSIONS

(Not applicable)

## NOTE 16 LONG-TERM DEBT

(Not applicable)

## NOTE 17 POST-EMPLOYMENT BENEFITS, COMPENSATED ABSENCES AND TERMINATION BENEFITS

In addition to the pension benefits, The Beaufort Delta Divisional Education Council provides severance (resignation and retirement), removal and compensated absence (sick, special, maternity and parental leave) benefits to its employees. The benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

Severance benefits are paid to the Beaufort Delta Divisional Education Council's employees based on the type of termination (e.g. resignation versus retirement) and appropriate combinations that include inputs such as when the employee was hired, the rate of pay, the number of years of continuous employment and age and the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being location of hire, employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology.

Compensated absence benefits generally accrue as employees render service and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include, but are not limited to employee or dependent illness and death of an immediate family member. Non-accruing benefits include maternity and parental leave. Benefits that accrue under compensated absence benefits were actuarially valued using the expected utilization methodology.

**Valuation results**

The most recent actuarial valuation was completed as at February 11, 2022. The effective date of the next actuarial valuation is March 31, 2025. The liabilities are actuarially determined as the present value of the accrued benefits at February 11, 2022 and the results extrapolated to June 30, 2022. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the consolidated Government.

**NOTE 17 POST-EMPLOYMENT BENEFITS, COMPENSATED ABSENCES AND TERMINATION BENEIFTS, continued**

| | Severance and Removal | Compensated Absences | 2024 | 2023 |
|---|---|---|---|---|
| Changes in Obligation: | | | | |
| Accrued benefit obligations beginning of year | $ 1,766,926 | $ 330,256 | $ 2,097,182 | $ 2,123,243 |
| Current period benefit cost | 176,130 | 35,851 | 211,981 | 223,809 |
| Interest accrued | 88,755 | 16,934 | 105,689 | 91,813 |
| Benefit payments | (353,946) | (26,649) | (380,595) | (224,900) |
| Actuarial (gains)/losses | 95,548 | (16,178) | 79,370 | (116,783) |
| Accrued benefit obligations end of year | 1,773,413 | 340,214 | 2,113,627 | 2,097,182 |
| Unamortized net actuarial gain | (350,926) | (108,915) | (459,841) | (291,138) |
| Net future obligation | 1,422,487 | 231,299 | 1,653,786 | 1,806,044 |
| Total employee future benefits and compensated absences | 1,422,487 | 231,299 | 1,653,786 | 1,806,044 |
| Benefits Expense: | | | | |
| Current period benefit cost | 176,130 | 35,851 | 211,981 | 223,809 |
| Interest accrued | 88,755 | 16,934 | 105,689 | 91,813 |
| Amortization of actuarial gains | (92,491) | 3,158 | (89,333) | (77,995) |
| | 172,394 | 55,943 | 228,337 | 237,627 |

The discount rate used to determine the accrued benefit obligation is an average of 5.30%. No

**NOTE 17 POST-EMPLOYMENT BENEFITS, COMPENSATED ABSENCES AND TERMINATION BENEIFTS, continued**

inflation rate was applied. The expected payments during the next five fiscal years are:

| | Severance and Removal | Compensated Absences | Total |
|---|---|---|---|
| 2025 | $ 193,504 | $ 28,360 | $ 221,864 |
| 2026 | 191,217 | 30,040 | 221,257 |
| 2027 | 182,208 | 32,312 | 214,520 |
| 2028 | 181,575 | 34,583 | 216,158 |
| 2029 | 187,225 | 35,551 | 222,776 |
| Next 5 years | 1,005,027 | 189,698 | 1,194,725 |
| Thereafter | - | - | - |
| **Total** | $ 1,940,756 | $ 350,544 | $ 2,291,300 |

**NOTE 18 TRUST ASSETS UNDER ADMINISTRATION**

(Not applicable)

**NOTE 19 TANGIBLE CAPITAL ASSETS**

(Not applicable)

**NOTE 20 PREPAID EXPENSES**

| | 2024 | 2023 |
|---|---|---|
| Air Canada | $ 2,925 | $ 1,100 |
| Air North | - | 516 |
| Canadian Association of School Superintendents | 2,216 | 2,076 |
| Canadian North | 7,186 | 3,468 |
| Courtyard by Marriott | - | 952 |
| Government of the GNWT - WSCC Assessment | - | 244,334 |
| Le Westin Montreal | 4,645 | - |
| Prepaid Rent - Aklavik DEA | - | 3,310 |
| Restaurant L'Original | 145 | - |
| Sheraton | - | 3,154 |
| Travel Per Diems | 957 | - |
| WSCC | 2,083 | - |
| Aklavik DEA - NDL | 9,545 | - |
| | $ 29,702 | $ 258,910 |

## NOTE 21 GNWT ASSETS PROVIDED AT NO COST

| | Cost | Accumulated Amortization | 2024 Net Book Value | 2023 Net Book Value |
|---|---|---|---|---|
| Samuel Hearne Carpentry Shop | $ 461,563 | $ 461,563 | $ - | $ - |
| Samuel Hearne Auto Shop | 1,308,100 | 667,628 | 640,472 | 676,555 |
| Moose Kerr School | 8,352,213 | 6,981,173 | 1,371,040 | 1,659,680 |
| Aklavik Portable Classrooms | 69,000 | 5,367 | 63,633 | - |
| Chief Julius School | 10,064,072 | 5,658,440 | 4,405,632 | 4,591,104 |
| Mangilaluk School | 7,146,891 | 5,945,885 | 1,201,006 | 1,409,876 |
| Inualthuya School | 2,750,507 | 2,589,156 | 161,351 | 376,485 |
| Helen Kalvak School | 9,475,954 | 9,085,756 | 390,198 | 620,913 |
| Angik School | 4,517,372 | 2,949,569 | 1,567,803 | 1,709,259 |
| Chief Paul Niditchie | 2,666,669 | 1,280,926 | 1,385,743 | 1,270,083 |
| Moose Kerr Foundation Replacement | 753,546 | 249,640 | 503,906 | 522,744 |
| Chief Paul Niditchie School | 1 | - | 1 | 1 |
| Moose Kerr School - Ventilation | 173,505 | 137,799 | 35,706 | 47,287 |
| Moose Kerr School - Playscape | 250,904 | 75,271 | 175,633 | 192,360 |
| Helen Kalval HVAC | 354,896 | 332,715 | 22,181 | 51,756 |
| East 3 New Inuvik School | 106,182,229 | 31,486,056 | 74,696,173 | 76,690,656 |
| East Three - Wood Pellet System | 2,040,628 | 759,567 | 1,281,061 | 1,417,103 |
| Tsiigehtchic Gym Pilings | 205,668 | 56,987 | 148,681 | 153,823 |
| Aklavik Community Library | 234,794 | 145,282 | 89,512 | 95,381 |
| Angik Junior Kindergarden Play | 350,877 | 87,719 | 263,158 | 286,549 |
| East Three Carpentry Shop | 734,188 | 159,074 | 575,114 | 611,823 |
| Chief P. Niditchie - Playscape | 208,874 | 62,662 | 146,212 | 160,137 |
| Inualth Jr Kindergarten Playscape | 233,044 | 59,556 | 173,488 | 189,024 |
| E3 Elementary School - Playscape | 347,809 | 104,343 | 243,466 | 266,654 |
| Chief Julius Kinder Playscape | 190,051 | 46,457 | 143,594 | 156,264 |

| | | | | |
|---|---|---|---|---|
| 2021 GMC Sierra 3500 Crew | 54,168 | 18,507 | 35,661 | 41,077 |
| 2021 GMC Sierra 2500HD | 57,747 | 19,730 | 38,017 | 43,791 |
| Ulukhaktok Playscape | 225,261 | 25,029 | 200,232 | 218,518 |
| 2022 GMC Canyon | 51,747 | 6,900 | 44,847 | 50,022 |
| Chief Paul Sch Gym Lighting | 97,513 | 11,377 | 86,136 | 91,012 |
| Moose Kerr Sch Biomass Boiler | 1,932,520 | 171,780 | 1,760,740 | 1,857,366 |
| | $161,492,311 | $ 69,641,914 | $ 91,850,397 | $ 95,457,303 |

## NOTE 22 CONTRACTUAL OBLIGATIONS

The Council has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to June 30, 2024:

| | Expiry Date | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|
| Equipment Leases | July 2025 | $ 41,931 | $ 41,931 | $ 34,942 | $ 118,804 |
| Commercial Leases | Various | 326,181 | 304,161 | 200,345 | 830,687 |
| Total | | $ 368,112 | $ 346,092 | $ 235,287 | $ 949,491 |

## NOTE 23 CONTINGENCIES

## NOTE 24 RELATED PARTIES AND INTER-ENTITY TRANSACTIONS

The Beaufort Delta Divisional Education Council is related in terms of common ownership to all GNWT-created departments, agencies and corporations. The Council enters into transactions with these entities in the normal course of operations. The Council is provided with various administrative services by the GNWT, the value of which is not reflected in these consolidated financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage by the Department of Finance, payroll services by the Department of Human Resources, internal audit services by the Department of Finance, and utility and maintenance by the Department of Public Works and Services. Transactions with related parties and balances at year end not disclosed elsewhere in the consolidated financial statements are disclosed in this note.

These transactions are in the normal course of operations and have been valued at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Amounts due to and from related parties are non-interest bearing, and due within normal trade

terms.

| | 2024 | 2023 |
|---|---|---|
| **Due to related parties** | | |
| Accounts payable: | | |
| Contributions | | |
| Government of the Northwest Territories: | | |
| Department of Health and Social Services | $ 2,500 | $ 13,567 |
| Department of Municipal & Community Affairs | 7,853 | 13,869 |
| Department of Environment & Natural Resources | 10,383 | 10,383 |
| Government of the Northwest Territories | 20,736 | 37,819 |
| Other Related Parties: | | |
| Various BDEC Schools | 423,074 | 354,289 |
| Total Accounts Payable | 443,810 | 392,108 |
| Due to Related Parties | $ 443,810 | $ 392,108 |

| | Accounts Receivable | Allowance | Net 2024 | 2023 |
|---|---|---|---|---|
| **Due from related parties** | | | | |
| Accounts receivable: | | | | |
| Government of the Northwest Territories: | | | | |
| Department of Education, Culture & Employment | $ 1,330,322 | $ - | $ 1,330,322 | $ 336,155 |
| Department of Municipal & Community Affairs | 3,834 | - | 3,834 | 3,834 |
| Due from Related Parties | $ 1,334,156 | $ - | $ 1,334,156 | $ 339,989 |

## NOTE 25 BUDGET DATA

The Education Act of the Northwest Territories requires that Education Bodies prepare an annual budget as outlined in Section 117, Duties and Powers of Education Bodies. The budget is legally adopted by a motion of the Beaufort Delta Divisional Education Council which may or may not include the establishment of a tax levy to support the approved budget in accordance with Section 135, Assessment and Taxation, of the Education Act.

The annual budget includes estimates of revenue and expenses for the Operating fund. Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Beaufort Delta Divisional Education Council.

The budget figures presented are those approved by the Minister of Education, Culture and Employment on and have not been audited.

## NOTE 26 ECONOMIC DEPENDENCE

The Beaufort Delta Divisional Education Council receives its funding primarily from the GNWT. If the funding arrangements were to change, management is of the opinion that Beaufort Delta Divisional Education Council operations would be significantly affected.

## NOTE 27 FINANCIAL INSTRUMENTS

The Council's financial instruments consist of cash and equivalents, accounts receivable, due from GNWT, accounts payable and accrued liabilities, payroll liabilities, leave and termination benefits and due to GNWT. Unless otherwise noted, it is management's opinion that the Council is not exposed to significant interest rate, liquidity, credit, market, currency or cash flow risks arising from these financial instruments.

The Council's carrying value of cash and accrued salaries approximate fair value due to the immediate and short-term maturity of these instruments.

The Council's carrying value of the accrued leave and termination benefits approximates fair value based on information readily available in the NWTTA, UNW and Senior Manager's handbook.

The Council is subject to credit risk with respect to accounts receivable. Credit risk arises from the possibility that customers to which the Council provides services may experience financial difficulty and be unable to fulfil their obligations. The Council regularly monitors the amounts of outstanding receivables and initiates collection procedures to minimize credit risk.

## NOTE 28 EXPENSES BY OBJECT

| | 2024 Budget (Unaudited) | 2024 Actual | 2023 Actual |
|---|---|---|---|
| Compensation | $ 38,115,850 | $ 38,681,121 | $ 40,358,215 |
| Other | 7,429,655 | 7,920,906 | 7,474,004 |
| | $ 45,545,505 | $ 46,602,027 | $ 47,832,219 |

## NOTE 29 SUBSEQUENT EVENTS

(Not applicable)

## NOTE 30 COMPARATIVE FIGURES

(Not applicable)

## NOTE 31 ECE OTHER CONTRIBUTIONS

| | 2024 | 2023 |
|---|---|---|
| French Program | $ 173,614 | $ 170,000 |
| Health and Wellness | 676,728 | - |
| Northern Distance Learning | 1,212,883 | 1,861,126 |
| SSI | 274,053 | - |
| NWT Literacy Program (Tuktoyaktuk) | 34,915 | 35,038 |
| French Monitor | 8,800 | - |
| NWT Literacy Program (Aklavik) | - | 14,935 |
| Community Library Projects (Aklavik) | 49,834 | - |
| NWT Literacy Council (Ft McPherson) | - | 33,313 |
| NWT Literacy Program (Ft McPherson) | 16,520 | 47,518 |
| Community Literacy Projects (Ft McPherson) | 40,213 | 12,734 |
| NWT Literacy Program (Ulukhaktok) | 15,000 | 13,993 |
| Community Library Projects (Ulukhaktok) | 27,594 | 46,561 |
| | $ 2,530,154 | $ 2,222,484 |

## NOTE 32 GNWT OTHER CONTRIBUTIONS

| | 2024 | 2023 |
|---|---|---|
| Encounters with Canada | $ - | $ (1,578) |
| Self Regulation & Action Research (ECE) | - | 8,567 |
| RYS - NGDG Summit (MACA) | 60,870 | 40,000 |
| RYS - Badminton (MACA) | - | 1,000 |
| RYS - 3 X 3 Basketball (MACA | - | 1,000 |
| RYS - Basketball (MACA) | - | 1,000 |
| RYS - Soccer (MACA) | - | 1,000 |
| RYS - Track & Field (MACA) | - | 1,000 |
| RYS - Volleyball (MACA) | - | 1,000 |
| RYS - Hockey (MACA) | 6,000 | 9,583 |
| Drop the Pop (H & SS) | 11,844 | - |
| TAKH | 1,334 | - |
| TAKT | - | 533 |
| After School Physical Activity (MACA) | 122,400 | 112,286 |
| RSDP - Volleyball | - | 12,000 |
| RSDP - Basketball | 9,000 | 6,000 |
| RSDP - Badminton | - | 6,000 |
| Art Travel Club | - | 4,000 |
| GSA Pride | - | 34,200 |
| GSA Club | 36,048 | 32,697 |
| Lego Club | (708) | 5,000 |
| Arts & Crafts Club | (477) | 5,000 |
| Chess & Checkers Club | (2,318) | 5,000 |
| Others | (5,971) | 10,000 |
| Traditional Games | 10,000 | 2,415 |
| GNWT Literacy | - | 2,155 |
| Book Writing Club | 2,853 | - |
| Library Operations | 1,000 | - |
| | $ 251,875 | $ 292,284 |

## NOTE 33 CONTINGENT ASSETS

(Not applicable)

## NOTE 34 CONTRACTUAL RIGHTS

(Not applicable)

**BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL**

**Schedule 1**

**CONSOLIDATED DETAILS OF EXPENSES**

For the Year Ended June 30, 2024

| | Administration | Inclusive Schooling | Indigenous Languages and Education | School Programs | Student Accommodations | Operations & Maintenance | Jordan's Principle | Total |
|---|---|---|---|---|---|---|---|---|
| **SALARIES:** | | | | | | | | |
| Teachers | $ - | $ 1,821,379 | $ 1,492,148 | $ 11,973,530 | $ - | $ - | $ 3,412,137 | $ 18,699,194 |
| Instruction Assistants | - | - | 61,441 | 33,283 | - | - | - | 94,724 |
| Non-instructional Staff | 1,177,625 | 1,809,970 | 330,179 | 2,881,108 | - | - | 4,039,819 | 10,238,701 |
| Board/Trustee Honoraria | 52,658 | - | 157,046 | 831 | - | - | - | 210,535 |
| **EMPLOYEE BENEFITS** | | | | | | | | |
| Employee Benefit/Allowance | 309,894 | 963,208 | 680,484 | 4,913,505 | - | 627,553 | 1,834,546 | 9,329,190 |
| Leave and Termination | - | - | - | 108,775 | - | - | - | 108,775 |
| **SERVICES PURCHASED/ CONTRACTED** | | | | | | | | |
| Professional/Technical Services | 84,568 | 108,705 | 3,344 | - | - | - | 1,840 | 198,457 |
| Postage/Communication | 36,245 | - | - | 133,860 | - | - | - | 170,105 |
| Travel | 421,286 | 189,405 | 168,761 | 345,193 | - | - | 168,662 | 1,293,307 |
| Student Travel | 19,900 | 14,660 | 16,285 | 238,645 | 29,750 | - | 37,815 | 357,055 |
| Advertising/Printing/Publishing | 12,000 | - | - | - | - | - | - | 12,000 |
| Maintenance/Repair | 57,782 | - | 5,690 | 76,866 | - | - | - | 140,338 |
| Rentals/Leases | 228,374 | 4,390 | 19,439 | 67,246 | - | 307,668 | - | 627,117 |
| Others | 383,297 | 19,002 | - | 30,799 | - | 877,130 | - | 1,310,228 |
| Contracted Services | 99,120 | 294,915 | 316,938 | 384,669 | - | - | 544,971 | 1,640,613 |
| **MATERIALS/SUPPLIES/FREIGHT** | | | | | | | | |
| Materials | 351,986 | 185,191 | 126,644 | 900,932 | 557 | - | 1,959 | 1,567,269 |
| Furniture and Equipment | 353,218 | 19,901 | 55,387 | 193,341 | - | - | 2,000 | 623,847 |
| Freight | 16,848 | 17,119 | 13,488 | 98,427 | - | - | 10,183 | 156,065 |
| **CONTRIBUTIONS/TRANSFERS** | | | | | | | | |
| Transfers - Other | (175,493) | - | - | - | - | - | - | (175,493) |
| **Total** | $ 3,429,308 | $ 5,447,845 | $ 3,447,274 | $ 22,381,010 | $ 30,307 | $ 1,812,351 | $ 10,053,932 | $ 46,602,027 |

# BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

**Schedule 2**

## REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
## INCLUSIVE SCHOOLING EXPENSES
For the Year Ended June 30, 2024

| FUNCTION | General Inclusive Schooling | Staff Development | School Based Mental Health and Wellness | Assistive Technology | Student Resources | Total |
|---|---|---|---|---|---|---|
| SALARIES | | | | | | |
| Program Support Teachers | $ 1,821,379 | $ - | $ - | $ - | $ - | $ 1,821,379 |
| Consultants | 224,168 | - | - | - | - | 224,168 |
| Support Assistants | 1,526,866 | - | - | - | - | 1,526,866 |
| Non Instructional Staff | - | - | 22,445 | 36,491 | - | 58,936 |
| EMPLOYEE BENEFITS | | | | | | |
| Employee Benefits/Allowances | 963,208 | - | - | - | - | 963,208 |
| SERVICES PURCHASED/ CONTRACTED | | | | | | |
| Professional/Technical Services | 75,643 | 10,637 | 22,425 | - | - | 108,705 |
| Travel | 45,809 | - | 143,596 | - | - | 189,405 |
| Student Transportation (bussing) | 5,215 | - | 9,445 | - | - | 14,660 |
| Rentals/Leases | - | 3,390 | 1,000 | - | - | 4,390 |
| Other Contracted Services | 19,561 | - | 275,354 | - | - | 294,915 |
| Others | 1,114 | - | 17,888 | - | - | 19,002 |
| MATERIAL/SUPPLIES/FREIGHT | | | | | | |
| Materials | 23,224 | - | 6,772 | 155,195 | - | 185,191 |
| Furniture and Equipment | 19,901 | - | - | - | - | 19,901 |
| Freight | 12,630 | 1,004 | - | 3,485 | - | 17,119 |
| TOTAL | $ 4,738,718 | $ 15,031 | $ 498,925 | $ 195,171 | $ - | $ 5,447,845 |

# BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

**Schedule 3**

## REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
## INDIGENOUS LANGUAGES AND EDUCATION EXPENSES
For the Year Ended June 30, 2024

| FUNCTION | Student Instruction | Teaching/ Learning Resources | Professional Development | School Activities and Integrated Community Programs | Total |
|---|---|---|---|---|---|
| SALARIES | | | | | |
| ALCBE Teachers | $ 1,492,148 | $ - | $ - | $ - | $ 1,492,148 |
| Language Consultants | 327,929 | - | - | 2,250 | 330,179 |
| Instruction Assistants | 61,441 | - | - | - | 61,441 |
| Honoraria | 93,448 | 5,441 | 5,449 | 52,708 | 157,046 |
| EMPLOYEE BENEFITS | | | | | |
| Employee Benefits/Allowances | 680,051 | - | - | 433 | 680,484 |
| SERVICES PURCHASED/ CONTRACTED | | | | | |
| Professional/Technical Services | 2,900 | - | - | 444 | 3,344 |
| Travel | 103,912 | 29,640 | 22,359 | 12,850 | 168,761 |
| Student Transportation (bussing) | - | - | - | 16,285 | 16,285 |
| Maintenance/Repair | - | - | - | 5,690 | 5,690 |
| Rentals/Leases | 4,651 | - | - | 14,788 | 19,439 |
| Other Contracted Services | 12,058 | 223,745 | 3,050 | 78,085 | 316,938 |
| MATERIAL/SUPPLIES/FREIGHT | | | | | |
| Materials | 63,740 | 10,597 | 2,865 | 49,442 | 126,644 |
| Furniture and Equipment | 16,167 | - | - | 39,220 | 55,387 |
| Freight | 1,737 | 2,836 | - | 8,915 | 13,488 |
| TOTAL | $ 2,860,182 | $ 272,259 | $ 33,723 | $ 281,110 | $ 3,447,274 |

## BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

**Schedule 4**

### REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
### FRENCH LANGUAGE PROGRAM
For the Year Ended June 30, 2024

| | ECE Contributions July 1 to June 30 | Commitment from Beaufort Delta Education Council | Total Expenses July 1 to June 30 |
|---|---|---|---|
| **Bilateral Agreement Funding** | | | |
| **Special Projects as listed in the agreement:** | | | |
| Teacher's Assistant Salary | $ 60,000 | $ 28,501 | $ 88,501 |
| French Monitor | 27,000 | 2,483 | 29,483 |
| French Monitor - Travel | 1,493 | 11,204 | 12,697 |
| French Monitoring - Housing | 5,000 | 5,811 | 10,811 |
| Travel | - | 10,882 | 10,882 |
| Freight | - | 315 | 315 |
| French Resources | 9,000 | (6,260) | 2,740 |
| Cultural Activities | 5,000 | (2,560) | 2,440 |
| French Consultant (half-time) | 80,000 | 5,662 | 85,662 |
| Food Assistance | 3,800 | - | 3,800 |
| Mentorship with YCS on Immersion Program | 15,000 | - | - |
| Professional Development | 15,000 | - | - |
| 2023 - 2024 New to the North Initiative | 4,614 | - | - |
| Training | 75 | (75) | - |
| Teacher's Salary | - | 558,921 | 558,921 |
| **Total** | $ 225,982 | $ 614,884 | $ 806,252 |

| | |
|---|---|
| **Regular GNWT Funding** | |
| Immersion Program | $ 173,614 |
| Mentorship YCS | 15,000 |
| CMEC Odyssey Program | 37,368 |
| **Total** | $ 225,982 |

## BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

**Schedule 5**

### REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
### JORDAN'S PRINCIPLE
For the Year Ended June 30, 2024

| | Full Year Total | | | 9 and 3 Month Split | |
|---|---|---|---|---|---|
| | June 30, 2024 Budget Unaudited | June 30, 2024 Actual | June 30, 2023 Actual | July 1, 2022 - March 31, 2024 Actual | April 1, 2023 - June 30, 2024 Actual |
| **Revenue** | | | | | |
| First Nations and Inuit Health Branch | $ 8,976,443 | $11,794,907 | $ 9,500,401 | $ 9,075,953 | $ 2,718,954 |
| Carry Forward from Previous Year | (328,376) | (1,740,975) | (328,376) | - | (1,740,975) |
| Other (Repayment 2020 - 2021 Agreement | - | - | (286,893) | - | - |
| Total Revenue | 8,648,067 | 10,053,932 | 8,885,132 | 9,075,953 | 977,979 |
| **Expenses** | | | | | |
| Administration | 432,403 | 389,831 | 323,170 | - | 389,831 |
| Personnel | 8,215,664 | 9,164,084 | 8,360,930 | 5,339,296 | 3,824,788 |
| Transportation | - | 37,815 | 26,860 | 21,523 | 16,292 |
| Materials and Supplies | - | 11,258 | 25,108 | 9,116 | 2,142 |
| Student Assessment | - | 450,944 | 149,064 | 270,332 | 180,612 |
| Total Expenses | 8,648,067 | 10,053,932 | 8,885,132 | 5,640,267 | 4,413,665 |
| Net Surplus (Deficit) | $ - | $ - | $ - | $ 3,435,686 | $(3,435,686) |

## BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

**Schedule 6**

### NORTHERN DISTANCE LEARNING

For the Year Ended June 30, 2024

| Contribution Agreement<br>Northern Distance Learning (NDL) | Budget | July 1 to<br>March 31 | April 1 to<br>June 30 | Total |
|---|---|---|---|---|
| **Revenue** | | | | |
| Government of the NWT | 1,212,883 | - | 1,212,883 | 1,212,883 |
| **Expenses** | | | | |
| **Salaries/Wages** | | | | |
| Instructional Staff | | | | |
| NDL Teachers | 650,000 | 478,464 | 256,833 | 735,297 |
| BDDEC OBL Coordinator | 184,891 | 127,570 | 65,988 | 193,559 |
| Non-Instructional Staff | | | | |
| Technology Infrastructure Support Services | - | 85,332 | 37,462 | 122,794 |
| Power School Services | 16,500 | 76,273 | 36,540 | 112,812 |
| NDL Travel | - | 8,919 | 1,026 | 9,945 |
| Coordinator Telephone | - | 706 | 119 | 825 |
| **Services Purchased/ Contracted** | | | | |
| In-class support persom (person, phone, doc cam) | 346,492 | 221,580 | (18,919) | 202,661 |
| **Hardware and software** | | | | |
| Computer Equipment | | | | |
| Total NDL Program hardware / software | 15,000 | 4,753 | 891 | 5,644 |
| Freight | - | 352 | - | 352 |
| Total Expenses | 1,212,883 | 1,003,949 | 379,940 | 1,383,889 |
| Net Surplus (Deficit) | - | (1,003,949) | 832,943 | (171,006) |

**BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL**

**Schedule 6 cont'd**

**NORTHERN DISTANCE LEARNING**

For the Year Ended June 30, 2024

| | Total Fiscal Year Budget | Inuvik | Aklavik | Ft. McPherson | Paulatuk | Tuktoyaktuk | Ulukhaktok | Total |
|---|---|---|---|---|---|---|---|---|
| **REVENUE:** | | | | | | | | |
| Education, Culture and Employment | $ 1,212,883 | $ 866,391 | $ 55,781 | $ 54,680 | $ 61,726 | $ 54,536 | $ 64,529 | $ 1,212,883 |
| **EXPENSES** | | | | | | | | |
| **Salaries/Wages** | | | | | | | | |
| Instructional Staff | | | | | | | | |
| NDL Teachers | 650,000 | 735,297 | - | - | - | - | - | 735,297 |
| BDDEC OBL Coordinator | 184,891 | 193,559 | - | - | - | - | - | 193,559 |
| Non-Instructional Staff | | | | | | | | |
| Technology Infrastructure Support Services | - | 122,794 | - | - | - | - | - | 122,794 |
| Power School Services | 16,500 | 112,812 | - | - | - | - | - | 112,812 |
| NDL Travel | - | 9,945 | - | - | - | - | - | 9,945 |
| Coordinator Telephone | - | 825 | - | - | - | - | - | 825 |
| **Services Purchased/ Contracted** | | | | | | | | |
| In-class support persom (person, phone, doc cam) | 346,492 | - | 65,389 | 5,378 | 3,945 | 48,749 | 79,200 | 202,661 |
| **Hardware and software** | | | | | | | | |
| Computer Equipment | | | | | | | | |
| Total NDL program hardware/software | 15,000 | 5,644 | - | - | - | - | - | 5,644 |
| Freight | - | 352 | - | - | - | - | - | 352 |
| **Total Expenses** | 1,212,883 | 1,181,228 | 65,389 | 5,378 | 3,945 | 48,749 | 79,200 | 1,383,889 |
| **Net Surplus/(Deficit)** | $ - | $ (314,837) | $ (9,608) | $ 49,302 | $ 57,781 | $ 5,787 | $ (14,671) | $ (171,006) |

## BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

**Schedule 7**

### REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
### STUDENT SUCCESS INITIATIVE
For the Year Ended June 30, 2024

**NWT Student Success Initiative**
**Professional Development Initiative**
**Title of Project: Ongoing Development of Collaborative Teams and Response to Intervention**

| | 2024 Budget (Unaudited) | 2024 Actual | 2023 Actual |
|---|---|---|---|
| Revenue | $ 130,000 | $ 128,018 | $ 100,097 |
| Expenses: | | | |
| **Salaries/Wages** | | | |
| Facilitator Fees | 25,500 | 176,476 | 164,720 |
| **Travel** | | | |
| Staff Travel | 76,500 | 72,849 | 122,561 |
| Accommodation | 25,500 | 129,628 | 96,253 |
| Daily Per Diems | 8,500 | 26,983 | 32,225 |
| **Workshop Expenses** | | | |
| Room Rental | - | - | 4,775 |
| Refreshments | 25,500 | 4,649 | 15,100 |
| Miscellaneous | 8,500 | 16,357 | 27,484 |
| Total Expenses | 170,000 | 426,942 | 463,118 |
| Net Surplus (Deficit) | $ (40,000) | $ (298,924) | $ (363,021) |

**Schedule 8**

**AKLAVIK DISTRICT EDUCATION AUTHORITY**
**STATEMENT OF FINANCIAL POSITION**
For the year ended June 30, 2024

| | 2024 | 2023 |
|---|---|---|
| **FINANCIAL ASSETS** | | |
| Cash and Cash Equivalents | $ 5,532 | $ 21,225 |
| Due from Related Parties | 9,530 | - |
| Accounts Receivable | - | 13,638 |
| | 15,062 | 34,863 |
| **LIABILITIES** | | |
| Due to Related Parties | - | 1,991 |
| Payroll Liabilities | 626 | 606 |
| Deferred Revenue | 24,478 | 1,285 |
| | 25,104 | 3,882 |
| **NET FINANCIAL RESOURCES (DEBT)** | (10,042) | 30,981 |
| **NON-FINANCIAL ASSETS** | | |
| Prepaid Expenses | 9,545 | 3,310 |
| **ACCUMULATED SURPLUS (DEFICIT)** | $ (497) | $ 34,291 |

**Schedule 9**

**AKLAVIK DISTRICT EDUCATION AUTHORITY**
**STATEMENT OF FINANCIAL OPERATIONS**
For the Year Ended June 30, 2024

| | 2024 Budget (Unaudited) | 2024 Actual | 2023 Actual |
|---|---|---|---|
| **REVENUE** | | | |
| Contributions from Divisional Council | $ 83,392 | $ 88,109 | $ 79,991 |
| Other ECE contributions | 50,000 | 49,834 | 48,248 |
| Other | 2,000 | 11,635 | 3,792 |
| **TOTAL REVENUE** | 135,392 | 149,578 | 132,031 |
| **EXPENSES** | | | |
| Indigenous Languages and Education | 3,000 | - | 7,000 |
| Administration | 17,162 | 68,078 | 27,392 |
| Inclusive Schooling | 2,000 | - | - |
| School Programs | 113,230 | 116,288 | 101,443 |
| **TOTAL EXPENSES** | 135,392 | 184,366 | 135,835 |
| **OPERATING DEFICIT** | - | (34,788) | (3,804) |
| **OPENING ACCUMULATED SURPLUS** | 34,291 | 34,291 | 38,095 |
| **CLOSING ACCUMULATED SURPLUS (DEFICIT)** | $ 34,291 | $ (497) | $ 34,291 |

**Schedule 10**

**AKLAVIK DISTRICT EDUCATION AUTHORITY**
**DETAILS OF EXPENSES**
For the Year Ended June 30, 2024

| | Administration | School Programs | Total |
|---|---|---|---|
| **SALARIES:** | | | |
| Non-instructional Staff | $ 4,990 | $ 57,486 | $ 62,476 |
| Board/Trustee Honoraria | 8,263 | - | 8,263 |
| **EMPLOYEE BENEFITS** | | | |
| Employee Benefit/Allowance | - | 4,208 | 4,208 |
| **SERVICES PURCHASED/ CONTRACTED** | | | |
| Postage/Communication | 1,045 | - | 1,045 |
| Rentals/Leases | - | 18,000 | 18,000 |
| Others | 930 | - | 930 |
| Contracted Services | 4,500 | - | 4,500 |
| **MATERIALS/SUPPLIES/FREIGHT** | | | |
| Materials | 44,655 | 36,594 | 81,249 |
| Furniture and Equipment | 3,695 | - | 3,695 |
| **Total** | $ 68,078 | $ 116,288 | $ 184,366 |

**Schedule 11**

**FT MCPHERSON DISTRICT EDUCATION AUTHORITY**
**STATEMENT OF FINANCIAL POSITION**
For the year ended June 30, 2024

| | 2024 | 2023 |
|---|---|---|
| **FINANCIAL ASSETS** | | |
| Cash and Cash Equivalents | $ 281,366 | $ 135,781 |
| Due from Related Parties | 2,355 | 5,328 |
| Education, Culture and Employment | - | 11,517 |
| Other Accounts receivable | 450 | 450 |
| | 284,171 | 153,076 |
| **LIABILITIES** | | |
| Accounts Payable and Accrued Liabilities | 48,739 | 34,001 |
| Due to Related Parties | 49,461 | 19,623 |
| Payroll Liabilities | 545 | 333 |
| Deferred Revenue | 19,270 | 798 |
| | 118,015 | 54,755 |
| **ACCUMULATED SURPLUS** | $ 166,156 | $ 98,321 |

**Schedule 12**

**FT MCPHERSON DISTRICT EDUCATION AUTHORITY**
**STATEMENT OF FINANCIAL OPERATIONS**
For the Year Ended June 30, 2024

| | 2024 Budget (Unaudited) | 2024 Actual | 2023 Actual |
|---|---|---|---|
| **REVENUE** | | | |
| Contributions from Divisional Council | $ 63,897 | $ 34,058 | $ 30,215 |
| Other ECE contributions | 51,000 | 56,733 | 47,517 |
| Other | 5,000 | 101,085 | 92,596 |
| **TOTAL REVENUE** | 119,897 | 191,876 | 170,328 |
| **EXPENSES** | | | |
| Indigenous Languages and Education | - | 2,953 | 504 |
| Administration | 21,267 | 36,256 | 30,359 |
| Inclusive Schooling | 40,150 | - | - |
| School Programs | 58,480 | 84,832 | 64,263 |
| **TOTAL EXPENSES** | 119,897 | 124,041 | 95,126 |
| **OPERATING SURPLUS** | - | 67,835 | 75,202 |
| **OPENING ACCUMULATED SURPLUS** | 98,321 | 98,321 | 23,119 |
| **CLOSING ACCUMULATED SURPLUS** | $ 98,321 | $ 166,156 | $ 98,321 |

**Schedule 13**

**FT MCPHERSON DISTRICT EDUCATION AUTHORITY**
**DETAILS OF EXPENSES**
For the Year Ended June 30, 2024

| | Administration | Indigenous Languages and Education | School Programs | Total |
|---|---|---|---|---|
| **SALARIES:** | | | | |
| Non-instructional Staff | $ 1,970 | $ 2,250 | $ 63,227 | $ 67,447 |
| **EMPLOYEE BENEFITS** | | | | |
| Employee Benefit/Allowance | 1,154 | 403 | 1,127 | 2,684 |
| **SERVICES PURCHASED/ CONTRACTED** | | | | |
| Postage/Communication | 1,118 | - | - | 1,118 |
| Travel | - | - | 436 | 436 |
| Others | 3,789 | - | - | 3,789 |
| **MATERIALS/SUPPLIES/FREIGHT** | | | | |
| Materials | 28,225 | 300 | 18,215 | 46,740 |
| Freight | - | - | 1,827 | 1,827 |
| **Total** | $ 36,256 | $ 2,953 | $ 84,832 | $ 124,041 |

**Schedule 14**

**INUVIK DISTRICT EDUCATION AUTHORITY**
**STATEMENT OF FINANCIAL POSITION**
For the year ended June 30, 2024

| | 2024 | 2023 |
|---|---|---|
| **FINANCIAL ASSETS** | | |
| Cash and Cash Equivalents | $ 160,011 | $ 170,961 |
| Due from Related Parties | 121,264 | 23,765 |
| Accounts Receivable | 17,175 | 11,187 |
| | 298,450 | 205,913 |
| **LIABILITIES** | | |
| Accounts Payable and Accrued Liabilities | 10,102 | 2,650 |
| Payroll Liabilities | 1,875 | 6,514 |
| Deferred Revenue | 11,900 | 11,900 |
| | 23,877 | 21,064 |
| **ACCUMULATED SURPLUS** | $ 274,573 | $ 184,849 |

**Schedule 15**

**INUVIK DISTRICT EDUCATION AUTHORITY**
**STATEMENT OF FINANCIAL OPERATIONS**
For the Year Ended June 30, 2024

| | 2024 Budget (Unaudited) | 2024 Actual | 2023 Actual |
|---|---|---|---|
| **REVENUE** | | | |
| Contributions from Divisional Council | $ 97,499 | $ 97,499 | $ 98,574 |
| Other | 15,000 | 17,209 | 5,847 |
| **TOTAL REVENUE** | 112,499 | 114,708 | 104,421 |
| **EXPENSES** | | | |
| Administration | 105,299 | 24,984 | 23,056 |
| School Programs | 7,200 | - | - |
| **TOTAL EXPENSES** | 112,499 | 24,984 | 23,056 |
| **OPERATING SURPLUS** | - | 89,724 | 81,365 |
| **OPENING ACCUMULATED SURPLUS** | 184,849 | 184,849 | 103,484 |
| **CLOSING ACCUMULATED SURPLUS** | $ 184,849 | $ 274,573 | $ 184,849 |

**Schedule 16**

**INUVIK DISTRICT EDUCATION AUTHORITY**
**DETAILS OF EXPENSES**
For the Year Ended June 30, 2024

| | Administration | Total |
|---|---|---|
| **SALARIES:** | | |
| Non-instructional Staff | $ 10,344 | $ 10,344 |
| Board/Trustee Honoraria | 2,225 | 2,225 |
| **EMPLOYEE BENEFITS** | | |
| Employee Benefit/Allowance | 1,514 | 1,514 |
| **SERVICES PURCHASED/ CONTRACTED** | | |
| Postage/Communication | 1,070 | 1,070 |
| Contracted Services | 572 | 572 |
| **MATERIALS/SUPPLIES/FREIGHT** | | |
| Materials | 6,333 | 6,333 |
| Freight | 2,926 | 2,926 |
| **Total** | $ 24,984 | $ 24,984 |

**Schedule 17**

**PAULATUK DISTRICT EDUCATION AUTHORITY**
**STATEMENT OF FINANCIAL POSITION**
For the year ended June 30, 2024

| | 2024 | 2023 |
|---|---|---|
| **FINANCIAL ASSETS** | | |
| Cash and Cash Equivalents | $ 65,524 | $ 61,547 |
| Due from Related Parties | 1,688 | 8,882 |
| Accounts Receivable | 2,115 | 2,115 |
| | 69,327 | 72,544 |
| **LIABILITIES** | | |
| Accounts Payable and Accrued Liabilities | - | 1,806 |
| Due to Related Parties | 14,254 | 21,054 |
| Payroll Liabilities | 1,673 | 4,616 |
| Deferred Revenue | 15,668 | 10,668 |
| | 31,595 | 38,144 |
| **ACCUMULATED SURPLUS** | $ 37,732 | $ 34,400 |

**Schedule 18**

**PAULATUK DISTRICT EDUCATION AUTHORITY**
**STATEMENT OF FINANCIAL OPERATIONS**
For the Year Ended June 30, 2024

| | 2024 Budget (Unaudited) | 2024 Actual | 2023 Actual |
|---|---|---|---|
| **REVENUE** | | | |
| Contributions from Divisional Council | $ 37,935 | $ 23,681 | $ 20,094 |
| Other | 15,668 | 245 | - |
| **TOTAL REVENUE** | 53,603 | 23,926 | 20,094 |
| **EXPENSES** | | | |
| Administration | 15,400 | 13,793 | 7,869 |
| School Programs | 38,203 | 6,801 | 3,537 |
| **TOTAL EXPENSES** | 53,603 | 20,594 | 11,406 |
| **OPERATING SURPLUS** | - | 3,332 | 8,688 |
| **OPENING ACCUMULATED SURPLUS** | 34,400 | 34,400 | 25,712 |
| **CLOSING ACCUMULATED SURPLUS** | $ 34,400 | $ 37,732 | $ 34,400 |

**Schedule 19**

**PAULATUK DISTRICT EDUCATION AUTHORITY**
**DETAILS OF EXPENSES**
For the Year Ended June 30, 2024

| | Administration | School Programs | Total |
|---|---|---|---|
| **SALARIES:** | | | |
| Non-instructional Staff | $ 4,557 | $ - | $ 4,557 |
| Board/Trustee Honoraria | 7,413 | - | 7,413 |
| **EMPLOYEE BENEFITS** | | | |
| Employee Benefit/Allowance | 320 | - | 320 |
| **SERVICES PURCHASED/ CONTRACTED** | | | |
| Others | 1,503 | - | 1,503 |
| Contracted Services | - | 6,801 | 6,801 |
| **Total** | $ 13,793 | $ 6,801 | $ 20,594 |

**Schedule 20**

## SACHS HARBOUR DISTRICT EDUCATION AUTHORITY
## STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2024

| | 2024 | 2023 |
|---|---|---|
| **FINANCIAL ASSETS** | | |
| Cash and Cash Equivalents | $ 41,678 | $ 41,678 |
| Due from Related Parties | 24,558 | 18,741 |
| | 66,236 | 60,419 |
| **LIABILITIES** | | |
| Payroll Liabilities | 462 | 462 |
| Deferred Revenue | 14,457 | 14,457 |
| | 14,919 | 14,919 |
| **ACCUMULATED SURPLUS** | $ 51,317 | $ 45,500 |

**Schedule 21**

**SACHS HARBOUR DISTRICT EDUCATION AUTHORITY**
**STATEMENT OF FINANCIAL OPERATIONS**
For the Year Ended June 30, 2024

| | 2024 Budget (Unaudited) | 2024 Actual | 2023 Actual |
|---|---|---|---|
| **REVENUE** | | | |
| Contributions from Divisional Council | $ 5,817 | $ 5,817 | $ 5,817 |
| **TOTAL REVENUE** | 5,817 | 5,817 | 5,817 |
| **EXPENSES** | | | |
| Indigenous Languages and Education | 30 | - | - |
| Administration | 5,287 | - | - |
| School Programs | 500 | - | - |
| **TOTAL EXPENSES** | 5,817 | - | - |
| **OPERATING SURPLUS** | - | 5,817 | 5,817 |
| **OPENING ACCUMULATED SURPLUS** | 45,500 | 45,500 | 39,683 |
| **CLOSING ACCUMULATED SURPLUS** | $ 45,500 | $ 51,317 | $ 45,500 |

**Schedule 22**

**SACHS HARBOUR DISTRICT EDUCATION AUTHORITY**
**DETAILS OF EXPENSES**
For the Year Ended June 30, 2024

**Total**

**Schedule 23**

**TSIIGEHTCHIC DISTRICT EDUCATION AUTHORITY**
**STATEMENT OF FINANCIAL POSITION**
For the year ended June 30, 2024

| | 2024 | 2023 |
|---|---|---|
| **FINANCIAL ASSETS** | | |
| Cash and Cash Equivalents | $ 14,642 | $ 18,456 |
| Due from Related Parties | 15,111 | 741 |
| | 29,753 | 19,197 |
| **LIABILITIES** | | |
| Accounts Payable and Accrued Liabilities | - | 3,158 |
| Payroll Liabilities | 136 | 48 |
| | 136 | 3,206 |
| **ACCUMULATED SURPLUS** | $ 29,617 | $ 15,991 |

**Schedule 24**

**TSIIGEHTCHIC DISTRICT EDUCATION AUTHORITY**
**STATEMENT OF FINANCIAL OPERATIONS**
For the Year Ended June 30, 2024

| | 2024 Budget (Unaudited) | 2024 Actual | 2023 Actual |
|---|---|---|---|
| **REVENUE** | | | |
| Contributions from Divisional Council | $ 8,397 | $ 20,625 | $ 8,483 |
| Other | 2,000 | 14,850 | 1,725 |
| **TOTAL REVENUE** | 10,397 | 35,475 | 10,208 |
| **EXPENSES** | | | |
| Indigenous Languages and Education | 600 | - | 338 |
| Administration | 5,497 | 2,171 | 13,781 |
| Inclusive Schooling | - | 30 | - |
| School Programs | 4,300 | 19,648 | 12,966 |
| **TOTAL EXPENSES** | 10,397 | 21,849 | 27,085 |
| **OPERATING SURPLUS** | - | 13,626 | (16,877) |
| **OPENING ACCUMULATED SURPLUS** | 15,991 | 15,991 | 32,868 |
| **CLOSING ACCUMULATED SURPLUS** | $ 15,991 | $ 29,617 | $ 15,991 |

# TSIIGEHTCHIC DISTRICT EDUCATION AUTHORITY
## DETAILS OF EXPENSES
For the Year Ended June 30, 2024

| | Administration | Indigenous Languages and Education | School Programs | Total |
|---|---|---|---|---|
| **SALARIES:** | | | | |
| Board/Trustee Honoraria | $ 1,375 | $ - | $ - | $ 1,375 |
| **EMPLOYEE BENEFITS** | | | | |
| Employee Benefit/Allowance | 98 | 30 | - | 128 |
| **SERVICES PURCHASED/ CONTRACTED** | | | | |
| Others | 347 | - | - | 347 |
| Contracted Services | - | - | 12,228 | 12,228 |
| **MATERIALS/SUPPLIES/FREIGHT** | | | | |
| Materials | 351 | - | 7,420 | 7,771 |
| **Total** | $ 2,171 | $ 30 | $ 19,648 | $ 21,849 |

**Schedule 26**

**TUKTOYAKTUK DISTRICT EDUCATION AUTHORITY**
**STATEMENT OF FINANCIAL POSITION**
For the year ended June 30, 2024

| | 2024 | 2023 |
|---|---|---|
| **FINANCIAL ASSETS** | | |
| Cash and Cash Equivalents | $ 45,421 | $ 104,579 |
| Due from Related Parties | 2,264 | 2,616 |
| Accounts Receivable | 12,466 | 12,551 |
| | 60,151 | 119,746 |
| **LIABILITIES** | | |
| Accounts Payable and Accrued Liabilities | 800 | 37,619 |
| Due to Related Parties | 10,015 | 20,185 |
| Payroll Liabilities | 1,085 | 874 |
| Deferred Revenue | 6,486 | 6,486 |
| | 18,386 | 65,164 |
| **ACCUMULATED SURPLUS** | $ 41,765 | $ 54,582 |

**Schedule 27**

**TUKTOYAKTUK DISTRICT EDUCATION AUTHORITY**
**STATEMENT OF FINANCIAL OPERATIONS**
For the Year Ended June 30, 2024

| | 2024 Budget (Unaudited) | 2024 Actual | 2023 Actual |
|---|---|---|---|
| **REVENUE** | | | |
| Contributions from Divisional Council | $ 65,618 | $ 67,224 | $ 74,905 |
| Other ECE contributions | - | 34,915 | 35,039 |
| Other | 46,486 | 26,970 | - |
| **TOTAL REVENUE** | 112,104 | 129,109 | 109,944 |
| **EXPENSES** | | | |
| Administration | 21,368 | 21,379 | 12,802 |
| Inclusive Schooling | 40,150 | - | - |
| School Programs | 50,586 | 120,547 | 113,863 |
| **TOTAL EXPENSES** | 112,104 | 141,926 | 126,665 |
| **OPERATING DEFICIT** | - | (12,817) | (16,721) |
| **OPENING ACCUMULATED SURPLUS** | 54,582 | 54,582 | 71,303 |
| **CLOSING ACCUMULATED SURPLUS** | $ 54,582 | $ 41,765 | $ 54,582 |

**Schedule 28**

**TUKTOYAKTUK DISTRICT EDUCATION AUTHORITY**
**DETAILS OF EXPENSES**
For the Year Ended June 30, 2024

| | Administration | School Programs | Total |
|---|---|---|---|
| **SALARIES:** | | | |
| Non-instructional Staff | $ - | $ 84,112 | $ 84,112 |
| Board/Trustee Honoraria | 5,200 | - | 5,200 |
| **EMPLOYEE BENEFITS** | | | |
| Employee Benefit/Allowance | 2,702 | 3,581 | 6,283 |
| **SERVICES PURCHASED/ CONTRACTED** | | | |
| Postage/Communication | 749 | - | 749 |
| Others | 45 | - | 45 |
| **MATERIALS/SUPPLIES/FREIGHT** | | | |
| Materials | 12,562 | 32,854 | 45,416 |
| Freight | 121 | - | 121 |
| **Total** | $ 21,379 | $ 120,547 | $ 141,926 |

**Schedule 29**

**ULUKHAKTOK DISTRICT EDUCATION AUTHORITY**
**STATEMENT OF FINANCIAL POSITION**
For the year ended June 30, 2024

| | 2024 | 2023 |
|---|---|---|
| **FINANCIAL ASSETS** | | |
| Cash and Cash Equivalents | $ 30,906 | $ (10,235) |
| Due from Related Parties | 4,802 | 8,730 |
| Accounts Receivable | 518 | 9,871 |
| | 36,226 | 8,366 |
| **LIABILITIES** | | |
| Accounts Payable and Accrued Liabilities | 940 | 755 |
| Payroll Liabilities | 874 | 1,496 |
| Deferred Revenue | 32,845 | - |
| | 34,659 | 2,251 |
| **ACCUMULATED SURPLUS** | $ 1,567 | $ 6,115 |

**Schedule 30**

**ULUKHAKTOK DISTRICT EDUCATION AUTHORITY**
**STATEMENT OF FINANCIAL OPERATIONS**
For the Year Ended June 30, 2024

| | 2024 Budget (Unaudited) | 2024 Actual | 2023 Actual |
|---|---|---|---|
| **REVENUE** | | | |
| Contributions from Divisional Council | $ 63,299 | $ 63,299 | $ 102,134 |
| Other ECE contributions | 50,000 | 42,594 | 60,554 |
| Other | - | 4,762 | 1,497 |
| **TOTAL REVENUE** | 113,299 | 110,655 | 164,185 |
| **EXPENSES** | | | |
| Indigenous Languages and Education | 2,520 | 3,374 | 2,887 |
| Administration | 21,129 | 27,373 | 24,466 |
| School Programs | 89,650 | 84,456 | 137,853 |
| **TOTAL EXPENSES** | 113,299 | 115,203 | 165,206 |
| **OPERATING DEFICIT** | - | (4,548) | (1,021) |
| **OPENING ACCUMULATED SURPLUS** | 6,115 | 6,115 | 7,136 |
| **CLOSING ACCUMULATED SURPLUS** | $ 6,115 | $ 1,567 | $ 6,115 |

**Schedule 31**

**ULUKHAKTOK DISTRICT EDUCATION AUTHORITY**
**DETAILS OF EXPENSES**
For the Year Ended June 30, 2024

| | Administration | Indigenous Languages and Education | School Programs | Total |
|---|---|---|---|---|
| **SALARIES:** | | | | |
| Non-instructional Staff | $ 10,244 | $ - | $ 80,997 | $ 91,241 |
| Board/Trustee Honoraria | 8,475 | - | - | 8,475 |
| **EMPLOYEE BENEFITS** | | | | |
| Employee Benefit/Allowance | 378 | - | 3,408 | 3,786 |
| **SERVICES PURCHASED/ CONTRACTED** | | | | |
| Student Travel | 3,000 | - | - | 3,000 |
| Others | 3,507 | - | - | 3,507 |
| Contracted Services | 593 | - | - | 593 |
| **MATERIALS/SUPPLIES/FREIGHT** | | | | |
| Materials | 1,176 | 3,374 | 51 | 4,601 |
| **Total** | $ 27,373 | $ 3,374 | $ 84,456 | $ 115,203 |

**Schedule 32**

**NON-CONSOL BEAUFORT DELTA EDUCATION COUNCIL**
**STATEMENT OF FINANCIAL POSITION**
For the year ended June 30, 2024

| | 2024 | 2023 |
|---|---|---|
| **FINANCIAL ASSETS** | | |
| Cash and Cash Equivalents | $ 7,651,088 | $ 6,474,590 |
| Accounts Receivable | 1,312,435 | 905,867 |
| Restricted Assets | 345,430 | 311,066 |
| | 9,308,953 | 7,691,523 |
| **LIABILITIES** | | |
| Accounts Payable and Accrued Liabilities | 859,819 | 710,910 |
| Due to Related Parties | 107,842 | 5,949 |
| Payroll Liabilities | 3,840,760 | 4,651,258 |
| Employee Deductions Payable | 17,444 | 15,837 |
| Deferred Revenue | 2,330,279 | 392,226 |
| Post-Employment Benefits | 1,853,764 | 1,953,351 |
| Trust Liabilities | 345,430 | 311,066 |
| | 9,355,338 | 8,040,597 |
| **NET FINANCIAL DEBT** | (46,385) | (349,074) |
| **NON-FINANCIAL ASSETS** | | |
| Prepaid Expenses | 20,157 | 255,600 |
| **ACCUMULATED DEFICIT** | $ (26,228) | $ (93,474) |

# NON-CONSOL BEAUFORT DELTA EDUCATION COUNCIL
## STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2024

| | 2024 Budget (Unaudited) | 2024 Actual | 2023 Actual |
|---|---|---|---|
| **REVENUE** | | | |
| **Government of the NWT** | | | |
| Regular contributions | $ 33,378,744 | $ 33,047,227 | $ 32,262,891 |
| Other ECE contributions | 1,532,413 | 2,346,078 | 2,031,126 |
| Other contributions | 74,250 | 251,875 | 292,284 |
| **Total Government of the NWT** | 34,985,407 | 35,645,180 | 34,586,301 |
| **Government of Canada** | | | |
| Jordan Prinicpal | 8,648,068 | 10,053,932 | 8,885,133 |
| Other Government of Canada | - | - | - |
| **Total Government of Canada** | 8,648,068 | 10,053,932 | 8,885,133 |
| **Board Generated Funds** | | | |
| Investment Income | 310,000 | 423,237 | 314,509 |
| Other | 306,517 | 314,273 | 320,575 |
| **Total Board Generated Funds** | 616,517 | 737,510 | 635,084 |
| **TOTAL REVENUE** | 44,249,992 | 46,436,622 | 44,106,518 |
| **EXPENSES** | | | |
| Indigenous Languages and Education | 3,461,340 | 3,440,917 | 3,467,880 |
| Administration | 2,811,715 | 3,600,639 | 3,311,261 |
| Inclusive Schooling | 6,381,933 | 5,447,845 | 5,460,634 |
| School Programs | 22,645,495 | 21,983,385 | 25,113,249 |
| Jordan's Principle | 8,648,068 | 10,053,932 | 8,885,132 |
| Student Accommodations | 176,453 | 30,307 | 46,817 |
| Operations & Maintenance | 1,420,500 | 1,812,351 | 1,383,080 |
| **TOTAL EXPENSES** | 45,545,504 | 46,369,376 | 47,668,053 |
| **OPERATING SURPLUS (DEFICIT)** | (1,295,512) | 67,246 | (3,561,535) |
| **OPENING ACCUMULATED DEFICIT** | (93,474) | (93,474) | 3,468,061 |
| **CLOSING ACCUMULATED DEFICIT** | $ (1,388,986) | $ (26,228) | $ (93,474) |

# NON-CONSOL BEAUFORT DELTA EDUCATION COUNCIL
## DETAILS OF EXPENSES
For the Year Ended June 30, 2024

| | Administration | Inclusive Schooling | Indigenous Languages and Education | School Programs | Student Accommodations | Operations & Maintenance | Jordan's Principle | Total |
|---|---|---|---|---|---|---|---|---|
| **SALARIES:** | | | | | | | | |
| Teachers | $ - | $ 1,821,379 | $ 1,492,148 | $ 11,973,530 | $ - | $ - | $ 3,412,137 | $ 18,699,194 |
| Instruction Assistants | - | - | 61,441 | 33,283 | - | - | - | 94,724 |
| Non-instructional Staff | 1,145,520 | 1,809,970 | 327,929 | 2,595,286 | - | - | 4,039,819 | 9,918,524 |
| Board/Trustee Honoraria | 19,707 | - | 157,046 | 831 | - | - | - | 177,584 |
| **EMPLOYEE BENEFITS** | | | | | | | | |
| Employee Benefit/Allowance | 303,728 | 963,208 | 680,051 | 4,901,181 | - | 627,553 | 1,834,546 | 9,310,267 |
| Leave and Termination | - | - | - | 108,775 | - | - | - | 108,775 |
| **SERVICES PURCHASED/ CONTRACTED** | | | | | | | | |
| Professional/Technical Services | 84,568 | 108,705 | 3,344 | - | - | - | 1,840 | 198,457 |
| Postage/Communication | 32,263 | - | - | 133,860 | - | - | - | 166,123 |
| Travel | 421,286 | 189,405 | 168,761 | 344,757 | - | - | 168,662 | 1,292,871 |
| Student Travel | 16,900 | 14,660 | 16,285 | 238,645 | 29,750 | - | 37,815 | 354,055 |
| Advertising/Printing/Publishing | 12,000 | - | - | - | - | - | - | 12,000 |
| Maintenance/Repair | 57,782 | - | 5,690 | 76,866 | - | - | - | 140,338 |
| Rentals/Leases | 228,374 | 4,390 | 19,439 | 49,246 | - | 307,668 | - | 609,117 |
| Others | 373,176 | 19,002 | - | 30,799 | - | 877,130 | - | 1,300,107 |
| Contracted Services | 93,455 | 294,915 | 316,938 | 365,640 | - | - | 544,971 | 1,615,919 |
| **MATERIALS/SUPPLIES/FREIGHT** | | | | | | | | |
| Materials | 258,684 | 185,191 | 122,970 | 805,798 | 557 | - | 1,959 | 1,375,159 |
| Furniture and Equipment | 349,523 | 19,901 | 55,387 | 193,341 | - | - | 2,000 | 620,152 |
| Freight | 13,801 | 17,119 | 13,488 | 96,600 | - | - | 10,183 | 151,191 |
| **CONTRIBUTIONS/TRANSFERS** | | | | | | | | |
| Transfers - Other | 189,872 | - | - | 34,947 | - | - | - | 224,819 |
| **Total** | $ 3,600,639 | $ 5,447,845 | $ 3,440,917 | $ 21,983,385 | $ 30,307 | $ 1,812,351 | $ 10,053,932 | $ 46,369,376 |

# Commission scolaire francophone
# Territoires du Nord-Ouest

## Consolidated Financial Statements

## June 30, 2024

**Commission scolaire francophone Territoires du Nord-Ouest**

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**To the Minister of Education, Culture and Employment**
**Government of the Northwest Territories**

**Management's Responsibility for Financial Reporting with respect to the school year ended June 30, 2024**

The Management Discussion and Analysis, Consolidated Financial Statements, Schedules and Notes herein submitted have been prepared and approved by management. They provide full disclosure and accurately reflect the financial and non-financial condition of Commission scolaire francophone Territoires du Nord-Ouest ("the Commission") in all material respects and in accordance with Canadian Public Sector Accounting Standards ("PSAS") as well as the Financial Administration Manual ("FAM") and the Financial Administration Manual for Education Authorities ("FAMEA") of the Government of the Northwest Territories.

Management hereby asserts that adequate internal controls exist to ensure that transactions are complete, accurate and timely, appropriately authorized and include only valid transactions of the entity; that duties related to processes are appropriately segregated, that assets are safeguarded and that proper records are maintained. Controls further include quality standards regarding the hiring and training of employees, that ensure the adequate maintenance of written policies and procedural manuals and that further provide for appropriate accountability for performance within well-defined areas of responsibility. The operations and administration of the Commission have been conducted within the statutory powers of the Commission. The operations and administration of the Commission as well as the supporting internal controls of the entity are regularly monitored to ensure their effectiveness and their continued compliance with all relevant legislation, standards, directives and policies including but not limited to the *Education Act*, *Financial Administration Act*, CPSAS, FAM, FAMEA, Human Resources Manual, Ministerial Directives and the policies of the Education Authority Board. Any non-compliance has been specifically identified and has been previously communicated to the Minister and Deputy Minister.

Management hereby asserts that auditors have been provided with all relevant records and documentation as well as unrestricted access to the same. Management is not aware of any undisclosed irregularities involving management or employees with either current or potential impact on financial results, fraud or suspected fraud, disbursements made for purposes not consistent with an appropriation, irregular commitments including those in the form of guarantees, violations or possible violations of laws or regulations, claims or litigation, known or suspected environmental site contaminations or of any other undisclosed environmental or safety hazards within its jurisdiction.

The auditors 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. The auditors also consider whether the transactions that have come to their notice in the course of this audit are, in all significant respects, in accordance with specified legislation and directives from the Department of Education, Culture, and Employment of the Government of the Northwest Territories.

Approved and confirmed on behalf of the Commission

Yvonne Careen — **Directrice générale (Superintendent)**

Christian Fure — **Contrôleur financier (Comptroller)**

**September 25, 2024**

Crowe MacKay LLP
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# Independent Auditors' Report

**To the Minister of Education, Culture and Employment**
**Government of the Northwest Territories**

## Report on the Audit of the Consolidated Financial Statements

***Qualified Opinion***

We have audited the accompanying consolidated financial statements of Commission Scolaire Francophone Territoires du Nord-Ouest ("the Commission") which comprise the consolidated statement of financial position as at June 30, 2024, consolidated statements of operations, changes in net financial liabilities, and cash flows for the year then ended, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effect of the matters described in the *Basis of Qualified Opinion* paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of the Commission as at June 30, 2024 and the results of its operations, change in net financial liabilities and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

***Basis for Qualified Opinion***

School funds generated and controlled by the Commission during the years ended June 30, 2024 and 2023 are not reported nor presented in the accompanying consolidated statement of financial position. School generated funds represent fundraising activities for the benefit of student life enhancement and are controlled through the Commission due to the nature of these activities, which must be approved at the Commission level. This represents a departure from PSAS because school generated funds are determined to be under the control of the Commission, and as such are required to be included under the government reporting entity. Accordingly, school generated funds assets and surplus as at June 30 for both 2024 and 2023 years are not recognized nor audited in the accompanying consolidated statement of financial position. Our audit opinion on the consolidated financial statements for the year ended June 30, 2023 was modified accordingly because of the possible effects of this departure.

Salaries and benefits paid to management and employees of the Commission are administered by the Government of the Northwest Territories and are audited as part of the Government of the Northwest Territories. Our audit scope was limited as we did not audit the components of salaries and benefits expenses and related balances. Accordingly, we were not able to determine whether any adjustments might be necessary to salaries and benefits expenses for the years ended June 30, 2024 and 2023; employee deductions payable, vacation payable, salaries and wages payable, post-employment benefits payable at June 30, 2024 and 2023, and accumulated surplus (deficit) as at July 1 and June 30 for both 2024 and 2023 years. Our audit opinion on the consolidated financial statements for the year ended June 30, 2023 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section our report. We are independent of the Commission in accordance with the ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## Independent Auditors' Report (continued)

***Other Information***
Management is responsible for the other information. The other information comprises the Management Discusssion and Analysis, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

***Responsibilities for Management and Those Charged with Governance for the Consolidated Financial Statements***
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PSAS, 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.

In preparing the consolidated financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Commission's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## Independent Auditors' Report (continued)

***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)***

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Commission to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

In conjunction with the audit of the consolidated financial statements, we have audited the transactions of the Commission coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the *Financial Administration Act* of the Northwest Territories and regulations, the *Education Act* and regulations, as well as the bylaws and policies of the Commission.

In our opinion, the transactions of the Commission that came to our notice during the audit of the consolidated financial statements have complied, in all material respects, with the specified authorities.

Management is responsible for the Commission's compliance with the specified authorities, and for such internal control as management determines is necessary to enable the entity to comply with the specified authorities.

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities.

Crowe Mackay LLP

**Yellowknife, Northwest Territories**
**September 25, 2024**

**Chartered Professional Accountants**

**Commission scolaire francophone Territoires du Nord-Ouest**

**Consolidated Statement of Financial Position**

| **As at June 30,** | **2024** | 2023 |
|---|---|---|
| **Financial Assets** | | |
| Cash | $ 2,094,635 | $ 995,231 |
| Fund in trust (Note 4) | 36,000 | - |
| Accounts receivable (Note 5) | 302,630 | 245,973 |
| Due from Government of Canada (Note 6) | 126,679 | 45,075 |
| | **2,559,944** | 1,286,279 |
| **Liabilities** | | |
| Accounts payable and accrued liabilities (Note 7) | 187,102 | 677,191 |
| Payroll liabilities (Note 7) | 2,030,737 | 562,812 |
| Payable to GNWT (Note 8) | 1,269,573 | 1,269,573 |
| Deferred revenue (Note 9) | 40,268 | 47,220 |
| Post-employment benefits (Note 11) | 260,257 | 260,346 |
| | **3,787,937** | 2,817,142 |
| **Net financial liabilities** | **(1,227,993)** | (1,530,863) |
| **Non-financial assets** | | |
| Prepaid expenses | **10,598** | 8,400 |
| **Accumulated deficit** | **$ (1,217,395)** | $ (1,522,463) |
| **Represented By:** | | |
| **Operating deficit** | **$ (1,217,395)** | $ (1,522,463) |

**Contractual obligations and contigencies (Note 13 and 14)**

**Approved on behalf of the Board of Trustees:**

**Trustee** **Trustee**

**Commission scolaire francophone Territoires du Nord-Ouest**

**Consolidated Statement of Operations**

| For the year ended June 30, | 2024 Budget | 2024 Actual | 2023 Actual |
|---|---|---|---|
| **Revenues** | | | |
| **Government of the NWT** | | | |
| ECE regular contributions | $ 5,357,853 | $ 5,559,607 | $ 5,229,649 |
| French language instruction (Schedule 4) | 1,603,496 | 1,603,496 | 1,455,950 |
| ECE other contributions (Note 20) | 380,694 | 446,406 | 133,050 |
| **Total GNWT ECE** | 7,342,043 | 7,609,509 | 6,818,649 |
| GNWT other contributions (Note 21) | 73,770 | 79,025 | 58,244 |
| **Total GNWT** | 7,415,813 | 7,688,534 | 6,876,893 |
| **Government of Canada** | | | |
| Jordan's Principle (Schedule 6) | 273,602 | 329,024 | 326,442 |
| Other contributions | - | 14,808 | 28,234 |
| | 273,602 | 343,832 | 354,676 |
| **Education body generated funds** | | | |
| Northwest Territories Teachers' Association Contributions | - | 8,832 | 40 |
| Interest | 35,000 | 72,067 | 42,755 |
| School generated fund | 19,250 | 182,535 | 138,015 |
| Other revenues | 50,099 | 262,912 | 160,411 |
| | 104,349 | 526,346 | 341,221 |
| | **7,793,764** | **8,558,712** | 7,572,790 |
| **Expenses (Schedule 1)** | | | |
| School programs | 4,917,828 | 5,375,118 | 4,847,276 |
| Inclusive schooling | 1,050,221 | 1,191,835 | 1,031,284 |
| Administration | 961,498 | 1,065,873 | 1,222,309 |
| Indigenous languages and culture | 152,494 | 103,042 | 131,460 |
| Jordan's Principle | 273,602 | 329,024 | 326,442 |
| School generated fund | - | 182,535 | 138,015 |
| | **7,355,643** | **8,247,427** | 7,696,786 |
| **Operating deficit before other items** | **438,121** | **311,285** | (123,996) |
| **Other items** | | | |
| Post-employment benefit recovery (expense) (Note 11) | **-** | (6,217) | (2,207) |
| Grant in-kind - Assets provided at no cost (Note 12) | **-** | 1,085,609 | 1,045,744 |
| Rent expense - Assets provided at no cost (Note 12) | **-** | (1,085,609) | (1,045,744) |
| **Operating surplus (deficit)** | **438,121** | **305,068** | (126,203) |
| **Opening accumulated deficit** | **(1,522,463)** | **(1,522,463)** | (1,396,260) |
| **Closing accumulated deficit** | **$ (1,084,342)** | **$ (1,217,395)** | $ (1,522,463) |

**Commission scolaire francophone Territoires du Nord-Ouest**

**Consolidated Statement of Changes in Net Financial Liabilities**

| For the year ended June 30, | 2024 Budget | 2024 Actual | 2023 Actual |
|---|---|---|---|
| **Operating surplus (deficit)** | **$ 438,121** | **$ 305,068** | $ (126,203) |
| Acquisition of prepaid expense | - | (10,598) | (8,400) |
| Consumption of prepaid expense | - | 8,400 | 8,062 |
| **Decrease (increase) in net financial liabilities** | **438,121** | **302,870** | (126,541) |
| **Net financial liabilities, beginning of year** | **(1,530,863)** | **(1,530,863)** | (1,404,322) |
| **Net financial liabilities, end of year** | **$ (1,092,742)** | **$ (1,227,993)** | $ (1,530,863) |

**Commission scolaire francophone Territoires du Nord-Ouest**

**Consolidated Statement of Cash Flows**

| **For the year ended June 30,** | **2024** | 2023 |
|---|---|---|
| **Cash provided by (used in):** | | |
| **Operating transactions** | | |
| Operating surplus (deficit) | $ 305,068 | $ (126,203) |
| **Changes in non-cash assets and liabilities** | | |
| Increase in accounts receivable | (56,657) | (149,290) |
| Increase (decrease) in accounts payable and accrued liabilities | (490,089) | (120,022) |
| Increase (decrease) in payroll liabilities | 1,467,925 | (36,928) |
| Increase in due from Government of Canada | (81,604) | (30,071) |
| Increase in fund in trust | (36,000) | - |
| Decrease in deferred revenue | (6,952) | (227,534) |
| Decrease in post-employment benefits | (89) | (69,821) |
| Increase in prepaid expenses | (2,198) | (338) |
| **Increase (decrease) in cash** | **1,099,404** | (760,207) |
| **Cash at beginning of year** | **995,231** | 1,755,438 |
| **Cash at end of year** | **$ 2,094,635** | $ 995,231 |

**Commission scolaire francophone Territoires du Nord-Ouest**
**Schedule 1**
**Details of Expenses**

**For the year ended June 30,**

| | School programs | Inclusive schooling (Schedule 3) | Administration | Indigenous languages and culture (Schedule 2) | Jordan's Principle (Schedule 6) | Transfer and other | **Total 2024** | Budget 2024 | Total 2023 |
|---|---|---|---|---|---|---|---|---|---|
| **Salaries** | | | | | | | | | |
| Teachers | $ 4,085,987 | $ 395,989 | $ - | $ 37,406 | $ - | $ - | **$ 4,519,382** | $ 4,089,379 | $ 4,185,816 |
| Instruction assistants | - | 368,903 | - | - | 308,617 | - | **677,520** | 650,693 | 730,653 |
| Non-instructional staff | 665,410 | 342,857 | 500,943 | - | - | - | **1,509,210** | 1,376,342 | 1,305,751 |
| Board/trustees honoraria | - | - | 30,034 | 25,941 | - | - | **55,975** | 76,699 | 70,207 |
| | **4,751,397** | **1,107,749** | **530,977** | **63,347** | **308,617** | **-** | **6,762,087** | 6,193,113 | 6,292,427 |
| **Employee Benefits** | | | | | | | | | |
| Employee benefits | - | - | 84,617 | - | - | - | **84,617** | 80,000 | 101,834 |
| Leave and termination | - | - | 67,780 | - | - | - | **67,780** | 45,000 | (65,302) |
| | **-** | **-** | **152,397** | **-** | **-** | **-** | **152,397** | 125,000 | 36,532 |
| **Services Purchased/Contracted** | | | | | | | | | |
| Advertising/publishing | - | - | 141,005 | - | - | - | **141,005** | 83,900 | 74,205 |
| Communications | 22,188 | - | 13,396 | - | - | - | **35,584** | 28,447 | 26,195 |
| Contracted services | 239,228 | 47,228 | 168,060 | - | 20,407 | 182,535 | **657,458** | 350,430 | 781,712 |
| Maintenance and repairs | 42,729 | - | 298 | - | - | - | **43,027** | 26,721 | 53,851 |
| Other | 42,169 | - | 11,278 | - | - | - | **53,447** | 106,405 | 63,081 |
| Professional / technical | - | - | - | - | - | - | **-** | 30,000 | - |
| Rental/leases | 29,761 | - | 3,593 | - | - | - | **33,354** | 33,114 | 30,749 |
| Student travel | 100,315 | - | - | - | - | - | **100,315** | 54,414 | 64,163 |
| Travel | 17,053 | 1,533 | 16,395 | 2,205 | - | - | **37,186** | 45,927 | 71,900 |
| | **493,443** | **48,761** | **354,025** | **2,205** | **20,407** | **182,535** | **1,101,376** | 759,358 | 1,165,856 |
| **Supplies and Materials** | | | | | | | | | |
| Freight | 46 | - | - | - | - | - | **46** | - | - |
| Materials | 130,232 | 35,325 | 28,474 | 37,490 | - | - | **231,521** | 278,172 | 201,971 |
| | **130,278** | **35,325** | **28,474** | **37,490** | **-** | **-** | **231,567** | 278,172 | 201,971 |
| | **$ 5,375,118** | **$ 1,191,835** | **$ 1,065,873** | **$ 103,042** | **$ 329,024** | **$ 182,535** | **$ 8,247,427** | $ 7,355,643 | $ 7,696,786 |

**Commission scolaire francophone Territoires du Nord-Ouest**

**Schedule 2**
**Indigenous Languages and Culture Expenses**

**For the year ended June 30, 2024**

| | School Instruction | Teaching/ Learning Resources | School Activities and Integrated Community Programs | Total |
|---|---|---|---|---|
| **Salaries** | | | | |
| ILE teachers | $ - | $ 37,406 | $ - | $ 37,406 |
| Board/trustees honoraria | 25,941 | - | - | 25,941 |
| | **25,941** | **37,406** | **-** | **63,347** |
| **Services Purchased/Contracted** | | | | |
| Travel | - | - | 2,205 | **2,205** |
| **Supplies and Materials** | - | - | 37,490 | **37,490** |
| | **$ 25,941** | **$ 37,406** | **$ 39,695** | **$ 103,042** |

**Commission scolaire francophone Territoires du Nord-Ouest**

**Schedule 3**
**Inclusive Schooling Expenses**

**For the year ended June 30, 2024**

| | Staff Development | Student Resources | General Inclusive Schooling | Total |
|---|---|---|---|---|
| **Salaries** | | | | |
| Regional Coordinator | $ 3,498 | $ - | $ 342,857 | $ 346,355 |
| Program support teachers | 1,500 | - | 395,989 | 397,489 |
| Support assistants | 6,257 | - | 368,903 | 375,160 |
| | **11,255** | **-** | **1,107,749** | **1,119,004** |
| **Services Purchased/Contracted** | | | | |
| Contracted services | - | - | 35,973 | 35,973 |
| Travel | 1,533 | - | - | 1,533 |
| | **1,533** | **-** | **35,973** | **37,506** |
| **Supplies and Materials** | - | 32,202 | 3,123 | **35,325** |
| | **$ 12,788** | **$ 32,202** | **$ 1,146,845** | **$ 1,191,835** |

**Commission scolaire francophone Territoires du Nord-Ouest**

**Schedule 4**
**French Language Funding**

**For the year ended June 30, 2024**

| | Contributions from ECE and Heritage Canada | Commitments from Commission | Expenses | (Under) Over Funding |
|---|---|---|---|---|
| **STUDENT PARTICIPATION** | | | | |
| School administration (salary) | $ 356,666 | $ 30,865 | $ 339,884 | $ 47,647 |
| Retention bursaries | 28,000 | - | 15,500 | 12,500 |
| 2 grade level per class (salary) | 442,987 | 1,695,341 | 3,204,877 | (1,066,549) |
| 2 secretaries / librarian (salary) | 186,461 | 53,739 | 231,333 | 8,867 |
| Promotion | 52,764 | - | 40,981 | 11,783 |
| **SCHOOL PROGRAMS** | | | | |
| Cyber pedagogy (salary) | 73,923 | 92,585 | 168,940 | (2,432) |
| Technology resources | 30,000 | - | 40,849 | (10,849) |
| **PROGRAM ENRICHMENT** | | | | |
| Cultural facilitators | 89,344 | - | 33,148 | 56,196 |
| Partnership school community | 40,000 | - | 40,000 | - |
| French monitors (rent) | - | 5,000 | 47,134 | (42,134) |
| Coach for francisation | 80,168 | 89,426 | 160,429 | 9,165 |
| Art program | 35,866 | - | 42,971 | (7,105) |
| Cultural activities | 24,334 | - | 26,734 | (2,400) |
| French resource purchase | 39,000 | - | 46,955 | (7,955) |
| **EDUCATIONAL SUPPORT FOR PERSONNEL** | | | | |
| Mentors in literacy and numeracy (O&M) | - | - | 1,940 | (1,940) |
| Professional development | 24,160 | - | 28,790 | (4,630) |
| **Recruitment and Retention Strategy** | | | | |
| Recruitment and retention strategy | 99,823 | 44,840 | 99,823 | 44,840 |
| **Total** | **$ 1,603,496** | **$ 2,011,796** | **$ 4,570,288** | **$ (954,996)** |

**Commission scolaire francophone Territoires du Nord-Ouest**

**Schedule 5**
**Student Success Initiative**

**For the year ended June 30, 2024**

| | | Total |
|---|---|---|
| **Revenue - Government of the NWT Education, Culture & Employment** | **$** | **15,000** |
| **Expenses - Workshop resources** | | **10,482** |
| **Surplus** | **$** | **4,518** |

**Commission scolaire francophone Territoires du Nord-Ouest**

**Schedule 6**
**Jordan's Principle**

**For the year ended June 30,**

| | Budget 2024 | Actual 2024 | Actual 2023 |
|---|---|---|---|
| **Revenue - Indigenous Services Canada** | $ 273,602 | **$ 329,024** | $ 326,442 |
| **Expenses** | | | |
| Personnel | 273,602 | 308,617 | 305,336 |
| Contracted services | - | 20,407 | 21,106 |
| **Total expenses** | 273,602 | **329,024** | **326,442** |
| **Net deficit** | **$ -** | **$ -** | **$ -** |

## 1. Nature of the Organization

The Commission scolaire francophone Territoires du Nord-Ouest ("Commission") was established under the *Education Act* of the Government of the Northwest Territories ("GNWT") by order of the Minister dated November 7, 2000. A full range of instructional programs ranging from pre-kindergarten through Grade 12 is offered by the Commission in both Yellowknife and Hay River.

The Commission is an independent legal and accounting entity with an elected Board of Trustees as stipulated in Section 82 of the *Education Act.* The Board of Trustees has decision making authority, the power to delegate authority, the ability to significantly influence operations and the sole accountability for all fiscal matters.

Section 81 of the *Education Act* outlines the powers of a Board of Education which for the Commission includes all aspects of operation and management. The Commission is the lowest (and sole) level of government exercising oversight responsibility.

The Commission is a public body performing a function of government in Canada. Paragraph 149(1)(c) of the *Income Tax Act* provides that a public body performing the function of government in Canada is exempt from taxation.

## 2. Significant Accounting Policies

### (a) Basis of accounting

The consolidated financial statements of the Commission have been prepared in accordance with Canadian public sector accounting standards.

The basis of accounting refers to the timing of when revenue and expense items are recognized in the accounts and reported in the consolidated financial statements. The accrual basis of accounting is utilized. Under the basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recorded when they are incurred.

### (b) Reporting entity

These consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity. The reporting entity is comprised of all organizations accountable for the administration of their financial affairs and resources to the Commission and which are controlled by the Commission.

School generated funds, which include the revenues and expenses of various schools and which are controlled by the Commission are reflected in the consolidated financial statements.

Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.

## 2. Significant Accounting Policies (continued)

### (c) Cash

Cash is comprised of the bank account balance held with Royal Bank of Canada.

### (d) Financial instruments

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 attributable 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.

Financial assets subsequently measured at amortized cost include cash, accounts receivable and due from Government of Canada.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, payroll liabilities, and payable to GNWT.

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 operations.

### (e) Non-financial assets

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver services that may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets of the Commission include prepaid expenses.

## 2. Significant Accounting Policies (continued)

### (f) Tangible capital assets

All tangible capital assets currently used by the Commission are purchased by and are the property of the GNWT. The Minister grants to the Commission the full occupancy and use of such facilities and equipment where required for the administration and delivery of education system programs. Tangible capital assets with a value in excess of $50,000 are recorded at cost and amortized in accordance with the Financial Administration Manual guidelines by the GNWT. Tangible capital assets with a value of less than $50,000 are recorded as a current expense.

The Statement of Operations reflects the amount that would otherwise be considered amortization expense for the fiscal year as rent expense with an offsetting corresponding amount as a grant in-kind revenue for the assets provided at no cost.

### (g) Revenue recognition

**Government transfers**

Revenues 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, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the Statement of Operations as the stipulation liabilities are settled.

Operating transfers are recognized as revenue in the period in which the events giving rise to the transaction occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

**ECE - regular contributions**

The regular contributions from the GNWT are determined by a funding formula, based on student enrolment and price and volume fluctuation, and are received in monthly installments. The Commission retains surpluses and is responsible for deficits. Any funding requests over and above those levels provided by the formula must be first approved by the GNWT. .

**GNWT - French minority language**

The French minority language contributions from the GNWT are determined by costs related to French minority language in addition to those covered by the regular contributions, and are received in one payment.

## 2. Significant Accounting Policies (continued)

### (g) Revenue recognition (continued)

#### Other contributions

The Commission follows the deferral method of accounting for contributions from funding arrangements. Unrestricted contributions are recognized as revenue when they are received or receivable, if the amount can be reliably estimated and its collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Funds received that are not expended at year-end are recorded as either deferred revenue or contributions repayable depending upon the terms of the contribution agreement.

#### Deferred revenue

Deferred revenue consists of funds received in advance of providing the services or acquiring the goods. These amounts are taken into revenues when the eligible expenses are incurred or services provided.

#### Investment income

Investment income is recognized when received or become receivable, if the amount can be reasonably estimated.

#### School generated funds

School generated funds are generated at the school level from fundraising, which may include the proceeds of fundraising, contributions or fees paid to a specific planned benefit. These revenues are recorded when received.

## 2. Significant Accounting Policies (continued)

### (h) Budget data

The *Education Act* of the Northwest Territories requires that Boards of Education prepare an annual budget, as outlined in Section 117, Duties and Powers of Education Bodies. Board approved budgets are submitted to the Minister of Education, Culture and Employment for final approval as directed by Sections 117(2)k, l and m of the *Education Act*.

This annual budget includes estimates of revenues, expenses and net operating surplus (deficit). Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Commission.

The budget may be amended within a given fiscal year in accordance with the Commission's policy, regulations and approved budget procedures. The budget data presented in the consolidated financial statements reflects the budget for the fiscal year.

### (i) Measurement uncertainty

The preparation of these financial statements in conformity with Canadian public sector accounting standards 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 amounts of revenues and expenses during the period. Management makes accounting estimates when determining significant accrued liabilities, post-employment benefits liabilities and the related costs charged to the statement of operations. Actual results could differ from these estimates, the impact of which would be recorded in future periods.

### (j) Inventories including materials and supplies

Materials and supplies are considered a cost of operations and are expensed to the applicable program when received.

## 2. Significant Accounting Policies (continued)

### (k) Payroll liabilities

According to the Northwest Territories Teachers' Association ("NWTTA") and GNWT Collective Agreement, teaching staff have their salary issued by the GNWT's pay system. NWTTA staff will have earned their annual salary by June 30th which provides for continued payment during the summer. GNWT Payroll for NWTTA starts with the annualized salary commitment for compensation and then allocates the complete payout of that value over the number of pay periods between August 1 and July 31. Pay periods falling in July are therefore accrued as a liability.

The duties and compensation base for Union of Northern Workers ("UNW") school year employees are scheduled to align with the academic year although actual start dates and durations vary by specific location and job function. Accordingly, the Commission determines the start dates of their UNW employees and accrues the related payroll liability as appropriate.

All other staff salaries are accrued to include earnings to June 30.

### (l) Post-employment benefits, compensated absences and termination benefits

Under the terms and conditions of employment, employees may earn non-pension benefits for resignation, retirement and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment.

Eligibility is based on a variety of factors including place of hire, date employment commenced, and reason for termination. Benefit entitlements are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service.

Termination benefits are also recorded when employees are identified for lay-off. Compensated absences include sick, special, parental and maternity leave.

Accumulating non-vesting sick and special leave are recognized in the period the employee provides service, whereas parental and maternity leave are event driven and are recognized when the leave commences.

An actuarial valuation of the cost of these benefits (except maternal and parental leave) has been prepared using data provided by management and assumptions based on management's best estimates.

## 2. Significant Accounting Policies (continued)

### (m) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expenses. Transfers include grants and contributions and are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

### (n) Foreign currency translation

The Commission only transacts in Canadian dollars. As such there is no foreign currency translation.

### (o) Donated goods and services

The school buildings occupied by the Commission are the property of the GNWT. The lease of the office space occupied by the Commission is paid for by the GNWT. The fair value of the use of the building and office space is estimated at its fair value and recognized as assets provided at no cost in the statement of operations.

## 2. Significant Accounting Policies (continued)

### (p) Segment disclosure

The Schedule of Details of Expenses has been prepared in accordance with PSAS 2700 - Segment Disclosures. The segments selected are to enable users to better understand the government reporting entity and the major expense activities of the Commission. For each reported segment, expenses represent amounts directly attributable to each segment. Segments include:

**School programs:** pertains to the provision of instructional services that falls under the basic public education mandate.

**Inclusive schooling:** pertains to access to quality education for all students by effectively meeting their diverse needs.

**Administration:** pertains to the daily operations, maintenance and provision of board governance and central office administration.

**Indigenous languages and culture**: pertains to indigenous language resource development, support for language teachers and instructors, and enhance community engagement.

**Jordan's Principle**: pertains to the provision of products, services and supports related to health, social, and educational needs of the First Nations students at the Commission.

## 3. Future Accounting Changes

### (a) Adoption of New Accounting Standards

**Revenue, Section PS 3400**

Section PS 3400, Revenues, was issued by the Public Sector Accounting Standards Board ("PSAB", or the "Board") November 15, 2018. It is effective for fiscal years beginning on or after July 1, 2023. The standard establishes how to account for and report on revenues. Specifically, it differentiates between revenues arising transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions".

The adoption of this standard has had no significant impact to the consolidated financial statements.

## 3. Future Accounting Changes (continued)

### Public Private Partnership, Section PS 3160

Effective July 1, 2023, the Authority adopted PS 3160 Public Private Partnerships. This standard provides guidance on how to account for and disclose public private partnerships. The adoption of this standard did not result in any significant impacts to the consolidated financial statements as a result of its application.

### (b) Future Accounting Changes

### The Conceptual Framework for Financial Reporting in the Public Sector

Effective July 1, 2026, the Authority will be required to adopt the new Conceptual Framework for Financial Reporting in the Public Sector. Earlier adoption of the new framework is allowed. The Authority is currently assessing the impact of this standard on the consolidated financial statements.

### Financial Statement Presentation, Section PS 1202

Effective July 1, 2026, the Authority will be required to adopt PS 1202 Financial Statement Presentation. The standard sets out general and specific requirements for the presentation of information in financial statements. The financial statement presentation principles are based on the concepts in the Conceptual Framework. Earlier adoption is permitted if the Conceptual Framework for Financial Reporting in the Public Sector is early adopted. The Authority is currently assessing the impact of this standard on the financial statements.

## 4. Fund in trust

The Commission has received a funding through the Court Challenges Program of $40,000 in total. This funding has been deposited in trust with the Commission's lawyer. As of year-end, the Commission has $36,000 (2023 - $nil) available for future eligible legal expenses.

## 5. Accounts Receivable

| | Accounts receivable 2024 | Allowance for doubtful accounts 2024 | Net 2024 | Net 2023 |
|---|---|---|---|---|
| Due from related parties (Note 15) | $ 5,580 | $ - | $ 5,580 | $ 1,800 |
| Due from GNWT (Note 15) | 234,290 | - | 234,290 | 59,939 |
| Trade and other receivables | 62,760 | - | 62,760 | 184,234 |
| | **$ 302,630** | **$ -** | **$ 302,630** | $ 245,973 |

## 6. Due from the Government of Canada

| | **2024** | 2023 |
|---|---|---|
| Indigenous Services Canada - Feminine Hygiene | **$ -** | $ 45,075 |
| Indigenous Services Canada - Jordan's Principle | **126,679** | $ - |

## 7. Accounts Payable and Accrued Liabilities

| | **2024** | 2023 |
|---|---|---|
| Due to GNWT (Note 15) | $ 1,009,463 | $ 505,436 |
| Due to related parties (Note 15) | - | 19,141 |
| Trade payable | 187,102 | 152,614 |
| | **$ 1,196,565** | $ 677,191 |

**Payroll Liabilities**

| | **2024** | 2023 |
|---|---|---|
| NWTTA | $ 994,060 | $ 435,381 |
| UNW | 16,455 | 81,761 |
| Other | 10,759 | 45,670 |
| | **$ 1,021,274** | $ 562,812 |

## 8. Payable to GNWT

In early June 2012, a judgment was decreed in the legal action brought by the Commission against the GNWT to provide additional classroom space in Hay River and to assert the right to enrol students in both schools, and in a second legal action brought against the GNWT by L'Association des Parents Ayants Droit, with the support of the Commission, to provide additional classroom space in Yellowknife. In this judgment the GNWT was ordered by the Supreme Court of the Northwest Territories to reimburse $1,127,287 to the Commission. Payment was received during the fiscal year ended June 30, 2014.

During the 2015 fiscal year, the GNWT submitted an appeal and was successful. The Commission then submitted an appeal to the Supreme Court of Canada which was denied.

During the 2019 fiscal year, the GNWT had determined the costs owed by the Commission resulting from the appeal to be $1,269,573. As such, this amount was recognized as a liability in that fiscal year.

During the 2022 fiscal year, the Commission filed an application for leave to appeal with the Supreme Court of Canada. The leave to appeal was granted on April 14, 2022.

As of the date of release of these consolidated financial statements, the Commission is yet to plead its case to the Supreme Court of Canada, and there is no scheduled repayment plan in place.

## 9. Deferred revenue

Deferred revenue consists of funding received for expenses not yet incurred at year end.

| | **2024** | 2023 |
|---|---|---|
| **Government of the Northwest Territories** | | |
| ECE - Stage Orthophonie | - | 7,500 |
| ECE - School Based Mental Health and Wellness | 2,268 | - |
| MACA - After School Physical Activity Program | - | 15,300 |
| **Government of Canada** | | |
| Indigenous Services Canada - Menstrual Products | - | 11,473 |
| **Other** | | |
| Funds raised for Ecole Boreal gymnasium - Nicole Fournier | 2,000 | 2,000 |
| Fund in trust - Court Challenges Program | 36,000 | - |
| Conseil de Développement Économic des Territories du Nord-Ouest - Projet Petite Enfance en Santé | - | 10,947 |
| | **$ 40,268** | $ 47,220 |

## 10. Pensions

The Commission does not have pensions. Members of the Northwest Territories Teachers Association are covered by the Government of Northwest Territories pension plan.

## 11. Post-employment benefits

Under the conditions of employment, employees earn severance remuneration based on the number of years of service. Certain employees will also receive assistance with removal costs to return to their point of recruitment. The payment of these benefits is dependent on employees leaving the Commission.

These liabilities are to be funded in the year they become due through regular annual budget allocations that are received from the GNWT.

Severance benefits are paid to the Commission's employees based on the type of termination (e.g. resignation versus retirement) and appropriate combinations that include inputs such as when the employee was hired, the rate of pay, the number of years of continuous employment and age and the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology.

Compensated absence benefits for all staff are accrued as employee render service and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include, but are not limited to employee or dependent illness and death of an immediate family member. Non-accruing benefits include maternity and parental leave. Benefits that accrue under compensated absence benefits were actuarially valued using the expected utilization methodology.

### Valuation results

The actuarial valuation was completed as at February 11, 2022. The effective date of the next actuarial valuation is March 31, 2025. The liabilities are actuarially determined as the present value of the accrued benefits at February 11, 2022 and the results extrapolated to June 30, 2024. The values presented below are for all of the benefits under the post-employment benefits for the Commission.

**11. Post-employment benefits (continued)**

| Changes in Obligation | Severance and Removal | Compensated Absences | 2024 | 2023 |
|---|---|---|---|---|
| Accrued benefit obligation beginning of year | $ 212,275 | $ 63,004 | $ 275,279 | $ 273,165 |
| Current period benefit cost | 18,372 | 5,422 | 23,794 | 25,365 |
| Interest accrued | 10,679 | 3,226 | 13,905 | 11,913 |
| Benefits payments | (3,957) | (2,448) | (6,405) | (72,128) |
| Actuarial loss/(gain) | (21,783) | (3,668) | (25,451) | 36,964 |
| **Accrued benefit obligation end of year** | **215,586** | **65,536** | **281,122** | 275,279 |
| Unamortized net actuarial gain | (19,537) | (1,328) | (20,865) | (14,933) |
| **Total accrued liability** | **$ 196,049** | **$ 64,208** | **$ 260,257** | $ 260,346 |
| | | | | |
| Benefits Expense | | | | |
| Current period benefit cost | $ 18,372 | $ 5,422 | $ 23,794 | $ 25,365 |
| Interest accrued | 10,679 | 3,226 | 13,905 | 11,913 |
| Amortization of gains | (24,516) | (6,966) | (31,482) | (35,071) |
| **Total benefits expenses (recovery)** | **$ 4,535** | **$ 1,682** | **$ 6,217** | $ 2,207 |

The discount rate used in the 2023 fiscal year to determine the accrued benefit obligation was an average of 5.3% (2023 - 4.8%).

The expected payments during the next five fiscal years are:

| | Severance and Removal | Compensated Absences | Total |
|---|---|---|---|
| 2025 | $ 16,556 | $ 2,501 | **$ 19,057** |
| 2026 | 16,939 | 2,746 | **19,685** |
| 2027 | 17,701 | 3,173 | **20,874** |
| 2028 | 21,418 | 4,750 | **26,168** |
| 2029 | 25,553 | 6,630 | **32,183** |
| 2030-2034 | 131,429 | 36,254 | **167,683** |
| Total | **$ 229,596** | **$ 56,054** | **$ 285,650** |

## 12. GNWT assets provided at no cost

| | Cost | Accumulated Amortization | **2024 Net Book Value** | 2023 Net Book Value |
|---|---|---|---|---|
| Ecole Allain St-Cyr | $ 17,310,964 | $ 5,995,746 | **$ 11,315,218** | $ 12,082,351 |
| Ecole Boreale | 3,960,439 | 1,737,027 | **2,223,412** | 2,345,180 |
| Ecole Allain St-Cyr phase 1 | 4,490,598 | 1,980,192 | **2,510,406** | 2,640,255 |
| Ecole Boreale modular units | 1,189,060 | 464,447 | **724,613** | 757,180 |
| Ecole Boreale pellet boiler | 86,115 | 61,357 | **24,758** | 29,064 |
| Ecole Boreale biomass system | 90,649 | 27,698 | **62,951** | 68,994 |
| Ecole Boreale JK playscape | 223,658 | 70,825 | **152,833** | 167,743 |
| Ecole Allain St-Cyr JK playscape | 135,490 | 51,185 | **84,305** | 93,338 |
| | $ 27,486,973 | $ 10,388,477 | **$ 17,098,496** | $ 18,184,105 |

Rent expense of $1,085,609 (2023 - $1,045,744) was offset by a grant in-kind.

## 13. Contractual obligations

The Commission has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to June 30, 2024.

The future minimum payments are as follows:

| | **Expires in fiscal year** | **2025** | **2024-2026** | **Total** |
|---|---|---|---|---|
| **Equipment leases** | | | | |
| Xerox B8055 MONO MFP | 2025 | $ 3,109 | $ - | $ 3,109 |
| Xerox C8045 COLOUR MFP | 2025 | 4,011 | - | 4,011 |
| Xerox ATLALINK C8155 | 2029 | 3,084 | 12,079 | 15,163 |
| **Operational Contracts** | | | | |
| First Canada ULC | 2026 | 59,088 | 59,088 | 118,176 |
| | | **$ 69,292** | **$ 71,167** | **$ 140,459** |

## 14. Contingencies

The Commission is currently evaluating the impact of the appeal won by the GNWT regarding the van Bochove judicial review.

## 15. Related parties

The Commission is related in terms of common ownership to all GNWT created departments, agencies and corporations. The Commission enters into transactions with these entities in the normal course of business. These transactions have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties. The Commission is provided with various administrative services by the GNWT, the value of which is not reflected in these financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage, payroll services and internal audit services by the Department of Finance, and utilities and maintenance by Public Works and Services. Transactions with related parties and balances at year-end disclosed in the financial statements are summarized in this note as follows:

**Due from related parties (accounts receivable):**

| | | **2024** | | 2023 |
|---|---|---|---|---|
| Government of Northwest Territories: | | | | |
| Department of Education, Culture and Employment | $ | 231,090 | $ | 59,939 |
| Department of Municipal and Community Affairs | | 3,200 | | - |
| Yellowknife Education District No. 1 | | 1,240 | | - |
| Yellowknife Catholic Schools | | 2,480 | | - |
| Beaufort-Delta Education Council | | 1,240 | | 1,200 |
| South Slave Division Education Council | | 620 | | 600 |
| | **$** | **239,870** | $ | 61,139 |

**Due to related parties (accounts payable):**

| | | **2024** | | 2023 |
|---|---|---|---|---|
| Government of Northwest Territories: | | | | |
| Department of Finance | | 1,009,463 | | 505,436 |
| Hay River District Education Authority | | - | | 19,141 |
| | **$** | **1,009,463** | $ | 19,141 |

## 15. Related parties (continued)

**Revenues:**

| | | **2024** | | 2023 |
|---|---|---|---|---|
| Government of Northwest Territories: | | | | |
| Department of Education, Culture and Employment - Regular, French lanuage and other contributions | $ | 7,609,509 | $ | 6,818,649 |
| Department of Education, Culture and Employment - Grant in-kind | | 1,085,609 | | 1,045,744 |
| Department of Environment and Climate Change - GNWT other contributions | | 17,900 | | 10,000 |
| Department of Municipal and Community Affairs - GNWT other contributions | | 56,160 | | 44,960 |
| Department of Health and Social Services - GNWT other contributions | | 4,965 | | 3,284 |
| Department of Finance - Interest | | 72,067 | | 42,755 |
| | **$** | **8,846,210** | $ | 7,965,392 |

**Expenses:**

| | | **2024** | | 2023 |
|---|---|---|---|---|
| Government of Northwest Territories: | | | | |
| Department of Education, Culture and Employment - Rent expense | | 1,085,609 | | 1,045,744 |
| Dehcho Divisional Education Council - Other expense | $ | 300 | $ | 300 |
| Hay River District Education Authority - Rent expense | | 19,141 | | 19,141 |
| | **$** | **1,105,050** | $ | 1,065,185 |

## 16. Budget data

The *Education Act* of the Northwest Territories requires that Education Bodies prepare an annual budget, as outlined in Section 117, Duties and Powers of Education Bodies. The budget is legally adopted by a motion of the Education Body which includes the establishment of a tax levy to support the approved budget in accordance with Section 135, Assessment and Taxation, of the *Education Act*.

The annual budget includes estimates of revenues and expenses for the Operating Fund. Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Commission.

The budget figures presented are those approved by the Department of ECE on June 19, 2023.

## 17. Financial instruments

The Commission is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risks from the Commission's financial instruments is provided by type of risk below.

### a) Credit risk

Credit risk is the risk of financial loss to the Commission if a debtor fails to discharge an obligation when due. The Commission is exposed to this risk relating to its cash, accounts receivable, and amount due from Government of Canada. The Commission holds its cash in accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Commission's cash in accounts are insured up to $100,000.

The Commission's maximum exposure to credit risk is represented by the financial assets balance comprised of:

| | **2024** | 2023 |
|---|---|---|
| Cash | $ 2,094,635 | $ 995,231 |
| Accounts receivable | 302,630 | 245,973 |
| Due from Government of Canada | 126,679 | 45,075 |
| Maximum credit exposure | **$ 2,523,944** | $ 1,286,279 |

The is a concentration of credit risk in cash as the majority of the deposits are held in one Canadian chartered bank and the balance is in excess of the insurable limit.

## 17. Financial instruments (continued)

At June 30, 2024, the following accounts receivable were past due but not impaired:

| | 30 Days | 60 Days | 90 Days | Total |
|---|---|---|---|---|
| Accounts receivable | $ 3,695 | $ 4,749 | $ 36,373 | $ 44,817 |

There is also a concentration risk in accounts receivable as more than 20% of the total balance is from the Government of Northwest Territories. At June 30, 2024, receivables from the GNWT comprised approximately 55% (2023 - 60%) of the total balance. The amounts represent a low credit risk as the debtors are reputable governments and government organizations with a good credit score. The Commission reduces its risk exposure by following up on old account receivables for collection.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and method used to measure the risk.

### b) Liquidity risk

Liquidity risk is the risk that the Commission will not be able to meet all cash outflow obligations as they come due. The Commission mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining an adequate amount of cash to cover unexpected cash outflows should they arise.

The Commission's maximum exposure to liquidity risk is represented by accounts payable and accrued liabilities, and payroll liabilities for a total $2,217,839 (2023 - $1,240,003).

The financial assets including cash, accounts receivable, and amount due from Government of Canada, mature within 6 months. The financial liabilities including accounts payable and accrued liabilities, and payroll liabilities mature within 6 months.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures, and methods used to measure the risk.

## 18. Expenses by object

| | 2024 Budget | 2024 Actual | 2023 Actual |
|---|---|---|---|
| Compensation | $ 6,318,113 | $ 6,914,484 | $ 6,328,959 |
| Supplies and materials | 278,172 | 231,567 | 201,971 |
| Services purchased/contracted | 759,358 | 1,101,376 | 1,165,856 |
| | $ 7,355,643 | **$ 8,247,427** | $ 7,696,786 |

## 19. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

## 20. ECE other contributions

| | | **2024** | | 2023 |
|---|---|---|---|---|
| French resources | $ | 19,170 | $ | - |
| French education | | 3,763 | | - |
| School Based Mental Health and Wellness | | 155,590 | | - |
| New Daycare | | 100,000 | | - |
| Frais Orthophonie | | 22,412 | | 6,500 |
| French Monitor | | 87,897 | | 53,513 |
| COVID-19 Support | | - | | 15,556 |
| English Languages Communication & Services | | 30,000 | | 30,000 |
| Self-Regulation | | 5,000 | | 8,340 |
| HR Space Sharing | | 22,574 | | 19,141 |
| | **$** | **446,406** | $ | 133,050 |

## 21. GNWT other contributions

| | | **2024** | | 2023 |
|---|---|---|---|---|
| Department of Environment and Climate Change | $ | 17,900 | $ | 10,000 |
| Department of Health and Social Services | | 4,965 | | 3,284 |
| Department of Municipal and Community Affairs | | 56,160 | | 44,960 |
| | **$** | **79,025** | $ | 58,244 |

Consolidated Financial Statements of

# DEHCHO DIVISIONAL EDUCATION COUNCIL

June 30, 2024

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Financial Statements

June 30, 2024

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## MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management Discussion & Analysis, Financial Statements, Schedules and Notes herein submitted have been reviewed by management. They provide full disclosure and accurately reflect the financial and non-financial condition of the authority in all material respects and in accordance with Canadian Public Sector Accounting Standards (CPSAS) as well as the Financial Administration Manual (FAM) and the Financial Administration Manual for Education Authorities (FAMEA) of the Government of the Northwest Territories.

Management hereby asserts that adequate internal controls exist to ensure that transactions are complete, accurate and timely, appropriately authorized and include only valid transactions of the entity; that duties related to processes are appropriately segregated, that assets are safeguarded and that proper records are maintained. Controls further include quality standards regarding the hiring and training of employees, that ensure the adequate maintenance of written policies and procedural manuals and that further provide for appropriate accountability for performance within well-defined areas of responsibility. The operations and administration of Dehcho Divisional Education Council have been conducted within the statutory powers of the Education Body. The operations and administration of the Education Body as well as the supporting internal controls of the entity are regularly monitored to ensure their effectiveness and their continued compliance with all relevant legislation, standards, directives and policies including but not limited to the Education Act, Financial Administration Act, CPSAS, FAM, FAMEA, Human Resources Manual, Ministerial Directives and the policies of the Education Body Board. Any non-compliance has been specifically identified and has been previously communicated to the Minister and Deputy Minister.

Management hereby asserts that auditors have been provided with all relevant records and documentation as well as unrestricted access to the same. Management is not aware of any undisclosed irregularities involving management or employees with either current or potential impact on financial results, fraud or suspected fraud, disbursements made for purposes not consistent with an appropriation, irregular commitments including those in the form of guarantees, violations or possible violations of laws or regulations, claims or litigation, known or suspected environmental site contaminations or of any other undisclosed environmental or safety hazards within its jurisdiction.

The auditors 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. The auditors also consider whether the transactions that have come to their notice in the course of this audit are, in all significant respects, in accordance with specified legislation and directives from the Department of Education, Culture, and Employment of the Government of the Northwest Territories.

The financial statements have been reported on by Ashton Chartered Professional Accountants. The auditors' report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.

**Approved and confirmed on behalf of the Dehcho Divisional Education Council**

P. Brulot

Philippe Brulot
Superintendent
Dehcho Divisional Education Council

September 27, 2024
Date

Mike Randell

Michael Randell
Comptroller
Dehcho Divisional Education Council

September 27, 2024
Date

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# INDEPENDENT AUDITOR'S REPORT

**To the Minister of Education, Culture and Employment of the GNWT**

**To the Board of Trustees of the Dehcho Divisional Education Council**

*Opinion*

We have audited the consolidated financial statements of the Dehcho Divisional Education Council, which comprise the consolidated statement of financial position as at June 30, 2024, and the consolidated statements of operations and surplus, changes in net assets (debt), and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effect of the matters described in the Basis of Qualified Opinion paragraph, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Dehcho Divisional Education Council as at June 30, 2024, and the results of its financial performance and cash flow for the year then ended in accordance with the Canadian public sector accounting standards.

*Basis for Qualified Opinion*

The Government of the Northwest Territories is responsible for the calculation and distribution of the Education Body's wages and benefits expenditure for public service employees, the accuracy of which is not susceptible to complete audit verification. We have satisfied ourselves that the payroll information provided by the GNWT is properly reflected in the Education Body's records. As a result, we were not able to determine whether any adjustments might be necessary to expenditure, liabilities or accumulated surplus. Our audit opinion on the financial statements for the year ended June 30, 2024 has been modified because of the effects of this limitation.

Some of the District Education Authorities derive revenue from the general public in the form of cash receipts and incurs related cash expenses. The completeness of these transactions are not susceptible to satisfactory audit verification. Accordingly, our verification of these revenue and expenses were limited to the amounts recorded in the records of the District Education Authorities and we were unable to determine if further adjustments were required to revenue, expenses, and opening accumulated surplus and cash flows from operations for the years ended June 30, 2024 and June 30, 2023.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Council in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

*Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Education Body's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Education Body or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Education Body's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Education Body's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Education Body's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Education Body to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Report on Other Legal and Regulatory Requirements*

We further report, in accordance with the Financial Administration Act, that, in our opinion, proper books of account have been kept by the Education Body, the consolidated financial statements are in agreement therewith, and the transactions that have come under our notice have, in all significant aspects, been within the statutory powers of the Education Body.



ASHTON
Chartered Professional Accountants

Hay River, NT
September 27, 2024

## DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Statement of Financial Position

June 30, 2024

| | 2024 | *2023 |
|---|---|---|
| **FINANCIAL ASSETS** | | |
| Cash and cash equivalents, Note 4 | $ 8,630,665 | $ 5,563,253 |
| Special purpose funds, Note 5 | 428,466 | 471,840 |
| Due from the Government of Canada, Note 13 | 2,035 | - |
| Accounts receivable, Note 8 | 655,032 | 290,590 |
| Total Financial Assets | $ 9,716,198 | $ 6,325,683 |
| **LIABILITIES** | | |
| Accounts payable and accrued liabilities, Note 10 | $ 141,982 | $ 193,074 |
| Payroll liabilities, Note 10 | 4,187,453 | 1,448,725 |
| Due to the Government of Canada, Note 13 | 422,609 | 466,311 |
| Deferred revenue, Note 11 | 3,284,802 | 886,588 |
| Other employee future benefits and compensated absences, Note 17 | 760,072 | 845,724 |
| Trust Liabilities, Note 18 | 124,806 | 124,092 |
| Total Liabilties | 8,921,724 | 3,964,514 |
| Net Assets (Deficit) | $ 794,474 | $ 2,361,169 |
| **NON-FINANCIAL ASSETS** | | |
| Prepaid expenses, Note 20 | $ 22,400 | $ 20,000 |
| **ACCUMULATED SURPLUS (DEFICIT)** | $ 816,874 | $ 2,381,169 |

* Reclassified for comparative purposes

Represented by:

| | | |
|---|---|---|
| Accumulated Operating surplus (deficit) | | |
| Divisional Education Council | $ 305,229 | $ 1,903,306 |
| District Education Authorities | 511,645 | 477,863 |
| | $ 816,874 | $ 2,381,169 |

* Reclassified for comparative purposes

Contractual obligations, Note 22

Contingencies, Note 23

Approved:

Chair

Superintendent

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Statement of Operations

For the year ended June 30, 2024

| | Budget 2024 | **Actual 2024** | Actual *2023 |
|---|---|---|---|
| Revenue | | | |
| Government of the NWT | | | |
| ECE regular contribution | $ 14,043,771 | $ **14,046,230** | $ 13,778,067 |
| French language program, Schedule C | 105,000 | **-** | 124,000 |
| ECE other contributions, Note 31 | 215,750 | **420,345** | 180,996 |
| ECE funded NWTTA retropay | - | **403,272** | - |
| Total ECE contributions | 14,364,521 | **14,869,847** | 14,083,063 |
| GNWT other contributions, Note 32 | 400,000 | **116,631** | 144,424 |
| Total GNWT | 14,764,521 | **14,986,478** | 14,227,487 |
| Jordan's Principle, Schedule D | 1,774,514 | **2,092,705** | 1,824,187 |
| Government of Canada - other contributions | - | **-** | - |
| Total Government of Canada contributions | 1,774,514 | **2,092,705** | 1,824,187 |
| | 16,539,035 | **17,079,183** | 16,051,674 |
| Self-Generated Funds | | | |
| Rentals | 36,000 | **41,227** | 52,456 |
| Investment income | 220,000 | **365,587** | 242,907 |
| Contract and other | 82,000 | **505,097** | 405,348 |
| | 338,000 | **911,911** | 700,711 |
| Education Authority self-generated funds, Schedule H-1 | - | **97,762** | 134,783 |
| GNWT contributions to Education Authorities, Schedule H-1 | - | **16,000** | 11,000 |
| | - | **113,762** | 145,783 |
| | 16,877,035 | **18,104,856** | 16,898,168 |
| Expenses | | | |
| School programs | 10,260,925 | **9,624,171** | 8,610,888 |
| Inclusive schooling, Schedule A | 2,618,260 | **2,967,122** | 2,592,380 |
| Student accommodation | 220,950 | **352,026** | 383,946 |
| Operations and maintenance | 915,856 | **1,046,862** | 907,966 |
| Administration | 1,203,772 | **1,436,689** | 1,490,835 |
| Indigenous language/cultural programs, Schedule B | 1,833,324 | **2,149,576** | 1,737,265 |
| Jordan's Principle, Schedule D | 1,774,514 | **2,092,705** | 1,947,317 |
| | 18,827,601 | **19,669,151** | 17,670,597 |
| Operating surplus (deficit) before other item | (1,950,566) | **(1,564,295)** | (772,429) |
| Other item: | | | |
| Other Employee Future Benefits and Compensated Absences recovery (expense), Note 17 | - | **-** | - |
| **Operating surplus (deficit)** | **$ (1,950,566)** | **$ (1,564,295)** | **$ (772,429)** |
| Accumulated surplus (deficit), beginning of year | | **2,381,169** | 3,153,598 |
| Accumulated surplus (deficit), end of year | | $ **816,874** | $ 2,381,169 |

* Reclassified for comparative purposes

## DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Statement of Change in Net Assets (Debt)

For the year ended June 30, 2024

| | | **2024** | | 2023 |
|---|---|---|---|---|
| Operating Surplus (Deficit) | $ | **(1,564,295)** | $ | (772,429) |
| Amortization of tangible assets | | **-** | | - |
| Net change in prepaids | | **(2,400)** | | - |
| (Increase) Decrease in net debt | | **(1,566,695)** | | (772,429) |
| Net assets (debt) beginning of the year | | **2,361,169** | | 3,133,598 |
| Net assets (debt) end of year | $ | **794,474** | $ | 2,361,169 |

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Statement of Cash Flow

For the year ended June 30, 2024

| | 2024 | 2023 |
|---|---|---|
| **Operating Activities** | | |
| Operating Surplus (Deficit) | $ **(1,564,295)** | $ (772,429) |
| Items not affecting cash: | | |
| Amortization | **-** | - |
| | **-** | - |
| Changes in non-cash assets and liabilities | | |
| Decrease (increase) in due from the Government of Canada | **(2,035)** | - |
| Decrease (increase) in trust assets | **-** | - |
| Decrease (increase) in accounts receivable | **(364,442)** | (204,519) |
| Increase (decrease) in accounts payable | **(51,092)** | 13,466 |
| Increase (decrease) in payroll liabilities | **2,738,728** | (787,832) |
| Increase (decrease) in contributions repayable | **-** | - |
| Increase (decrease) in due to the Government of Canada | **(43,702)** | 466,311 |
| Increase (decrease) in deferred revenues | **2,398,214** | (99,031) |
| Increase (decrease) in Other Employee Future Benefits and Compensated Absences | **(85,652)** | (31,010) |
| Increase (decrease) in trust liabilities | **714** | (2,788) |
| Decrease (increase) in prepaids | **(2,400)** | - |
| | **4,588,333** | (645,403) |
| Cash provided by operating transactions | **3,024,038** | (1,417,832) |
| **Financing Activities** | | |
| Repayment of capital lease obligation | **-** | - |
| Proceeds from capital lease obligation | **-** | - |
| Cash provided by financing activities | **-** | - |
| **Investing Activities** | | |
| Disposition of portfolio investments | **-** | - |
| Acquisition of portfolio investments | **-** | - |
| Cash provided by investing transactions | **-** | - |
| **Capital transactions** | | |
| Acquisition of tangible capital assets | **-** | - |
| Proceeds of disposition of tangible capital assets | **-** | - |
| Cash provided by capital transactions | **-** | - |
| Increase (Decrease) in cash and cash equivalents | **3,024,038** | (1,417,832) |
| Cash and cash equivalents, beginning of year | **6,035,093** | 7,452,925 |
| Cash and cash equivalents, end of year | $ **9,059,131** | $ 6,035,093 |
| Cash consists of : | | |
| Cash and cash equivalents, Note 4 | $ **8,630,665** | $ 5,563,253 |
| Special purpose funds, Note 5 | **428,466** | 471,840 |
| | $ **9,059,131** | $ 6,035,093 |

## DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Details of Expenses

For the year ended June 30, 2024

| | School Programs | Inclusive Schooling | Student Accommodation | Operations and Maintenance | Administration | Indigenous Languages and Education | Jordan's Principle | **2024 Total** | 2024 Budget | 2023 Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Salaries | | | | | | | | | | |
| Teachers' salaries | $ 6,848,441 | $ 1,078,466 | $ - | $ - | $ - | $ - | $ - | **7,926,907** | $ 7,787,972 | $ 7,222,869 |
| Instruction assistants | 34,213 | 911,086 | - | - | - | 1,254,340 | 1,482,447 | **3,682,086** | 3,796,489 | 3,476,478 |
| Non-instructional staff | 567,560 | 525,107 | - | 788,769 | 753,548 | 363,433 | - | **2,998,417** | 2,492,318 | 2,648,001 |
| Board/Trustee Honoraria | - | - | - | - | 163,177 | 4,793 | - | **167,970** | 102,800 | 150,933 |
| | 7,450,214 | 2,514,659 | - | 788,769 | 916,725 | 1,622,566 | 1,482,447 | **14,775,380** | 14,179,579 | 13,498,281 |
| Employee Benefits | | | | | | | | | | |
| Employee benefits and allowances | 168,533 | 63,925 | - | 18,759 | 19,249 | 36,766 | 32,966 | **340,198** | 490,343 | 555,392 |
| Leave and termination | 39,281 | 7,856 | - | - | - | 5,237 | - | **52,374** | 180,000 | - |
| | 207,814 | 71,781 | - | 18,759 | 19,249 | 42,003 | 32,966 | **392,572** | 670,343 | 555,392 |
| Services Purchased/Contracted | | | | | | | | | | |
| Professional/Technical Services | - | - | - | - | 54,735 | 114,317 | - | **169,052** | 185,000 | 153,554 |
| Postage/Communication | 45,781 | - | 1,478 | - | 63,656 | - | - | **110,915** | 183,000 | 124,637 |
| Utilities | - | - | - | 50,778 | - | - | - | **50,778** | 38,272 | - |
| Travel | 626,062 | 118,709 | 51,501 | - | 159,630 | 24,382 | 45,406 | **1,025,690** | 973,001 | 841,994 |
| Student Travel (Bussing) | 109,461 | - | - | - | - | - | - | **109,461** | 102,000 | 121,481 |
| Advertising/Printing/Publishing | 36,493 | - | - | - | 32,513 | 117,877 | - | **186,883** | 117,353 | 121,653 |
| Maintenance/Repair | - | - | - | 105,668 | 79,218 | - | - | **184,886** | 115,000 | 230,795 |
| Rentals/Leases | 326,571 | - | - | 28,200 | 19,040 | 4,655 | - | **378,466** | 131,200 | 90,888 |
| Other - Contracted Services | 322,897 | 185,378 | 203,400 | 11,361 | 82,654 | 90,981 | 114,713 | **1,011,384** | 570,499 | 689,100 |
| | 1,467,265 | 304,087 | 256,379 | 196,007 | 491,446 | 352,212 | 160,119 | **3,227,515** | 2,415,325 | 2,374,102 |
| Materials, Supplies and Freight | | | | | | | | | | |
| Materials | 469,790 | 75,672 | 95,505 | 43,327 | 9,269 | 129,782 | 417,173 | **1,240,518** | 1,506,206 | 1,202,493 |
| Freight | 29,088 | 923 | 142 | - | - | 3,013 | - | **33,166** | 56,148 | 40,329 |
| | 498,878 | 76,595 | 95,647 | 43,327 | 9,269 | 132,795 | 417,173 | **1,273,684** | 1,562,354 | 1,242,822 |
| Contributions and Transfers | | | | | | | | | | |
| Transfers | - | - | - | - | - | - | - | **-** | - | - |
| Amortization | - | - | - | - | - | - | - | **-** | - | - |
| Total | $ 9,624,171 | $ 2,967,122 | $ 352,026 | $ 1,046,862 | $ 1,436,689 | $ 2,149,576 | $ 2,092,705 | **19,669,151** | $ 18,827,601 | $ 17,670,597 |

Note 1. **Dehcho Divisional Education Council**

The Dehcho Divisional Education Council (formerly known as the Divisional Board of Education) was established on March 30, 1990. The Dehcho Division encompasses an area which includes the communities of Wrigley (Chief Julian Yendo School), Nahanni Butte (Charles Yohin School), Sambaa K'e (Charles Tetcho School), Fort Simpson (Liidlii Kue Elementary and Regional High Schools), Fort Liard (Echo-Dene School), Fort Providence (Deh Gah Elementary and Secondary School), Jean Marie River (Louie Norwegian School) and Kakisa Lake (Territorial School - Kakisa Lake School).

The Education Body's purpose is to administer and manage the educational affairs of the Division in accordance with the Education Act and the Financial Administration Act of the Northwest Territories and the regulations of the Order establishing the Education Division.

Consequently, the Council is dependent on funding from the Department of Education, Culture, and Employment (ECE) of the GNWT. Member Communities have formed local District Education Authorities (DEA) which have assumed responsibility to provide sufficient educational programs within their respective communities.

The Council is an independent legal and accounting entity with an elected Board of Trustees as stipulated in Section 82 of the *Education Act.* The Board of Trustees has decision making authority, the power to delegate authority, the ability to significantly influence operations and the sole accountability for all fiscal matters.

The Council is a public body performing a function of government in Canada. Paragraph 149(1)(C) of the *Income Tax Act* provides that a public body performing a function of government in Canada is exempt from taxation.

Note 2. **Summary of Significant Accounting Policies**

**(a) Basis of Accounting**

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. The consolidated financial statements have, in management’s opinion, been properly prepared with reasonable limits of materiality. The basis of accounting refers to the timing of when revenue and expenditure items are recognized in the accounts and reported in the financial statements. The accrual basis of accounting is utilized for all funds. Under this basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recorded when they are incurred.

**(b) Cash and Cash Equivalents**

Cash and cash equivalents are comprised of bank account balances, net of outstanding cheques, and short term highly liquid investments that are readily convertible to cash and with a date of 90 days or less from the date of acquisition.

**(c) Financial Instruments**

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 attributable 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.

Financial assets subsequently measured at amortized cost include cash, accountable funds, due from the GNWT and other accounts receivable.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, accrued salaries, deferred revenue, post-employment benefits and accountable funds.

Note 2. **Summary of Significant Accounting Policies (continued)**

**(c) Financial Instruments (continued)**

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 operations. Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal, to a maximum of the related accumulated impairment charges recorded in respect of the particular asset is recognized in operations.

**(d) Non-Financial Assets**

Prepaid expenses and other non-financial assets are accounted for as assets by the Education Body because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the Education Body.

**(e) Tangible Capital Assets**

All buildings and works, furniture, equipment and vehicles are the property of the GNWT. The Minister grants to the Education Body the full occupancy and use of such facilities and equipment where required for the administration and delivery of education system programs. Capital assets with a value in excess of $50,000 are recorded at cost and amortized in accordance with the Financial Administration Manual guidelines by the GNWT. Capital assets with a value of less than $50,000 are recorded as a current expenditure.

**(f) Revenue Recognition**

*Government Transfers:*

Revenues are recognized in the period in which the transactions or events occur that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Operating transfers are recognized as revenue in the period in which the events giving rise to the transaction occur, providing the transfers are authorized, eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

Capital transfers or transfers of tangible capital assets are initially recognized as deferred revenue and subsequently recognized as revenue when the related tangible capital assets are recognized as acquired or built.

*GNWT – Regular Contributions:*

The regular contributions from the GNWT are determined by a funding formula and are received in monthly installments. The Education Body retains surpluses and is responsible for deficits. Any funding requests, over and above those levels provided by the formula, must be first approved by the GNWT.

*Other Contributions:*

The Education Body follows the deferral method of accounting for other contributions. Unrestricted contributions are recognized as revenue when they are received or receivable, if the amount can be reasonably estimated and its collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Note 2. **Summary of Significant Accounting Policies (continued)**

**(f) Revenue Recognition - (Continued)**

*Revenue from non-exchange transaction*

Non-exchange transactions are transactions or events where there is no direct transfer of goods or services to a payor. The Education Board recognizes revenues from [list revenue sources] in a non-exchange transaction when the Education Board has the authority to claim or retain an inflow of economic resources, and the asset recognition criteria are met. The Education Board recognizes revenue from these transactions at realizable value, which is generally the amount of cash or cash equivalents received or receivable.

*Deferred Revenue:*

Deferred revenue consists of funds received in advance of providing the services or acquiring the goods. These amounts are taken into revenue when the eligible expenditures are incurred.

*Investment Income:*

Investment income is recognized when received or receivable, if the amount can be reasonably estimated.

*Special Purpose Funds*

School activity funds which are fully controlled by the Education Body with respect to when and how the funds available can be disbursed are included. The funds reported are internally restricted as to purpose and may include the proceeds of fundraising, contributions or fees paid related to a specific planned benefits.

Student activity funds which are controlled by students or parties other than the Education Body are not included so long as custody of the funds are not held by the Education Authority. Examples of excluded funds might be student clubs or associations for which the Education Authority has no ongoing responsibility of liability for losses.

**(g) Budget Data**

The Education Act of the Northwest Territories requires that Education Bodies prepare an annual budget, as outlined in Section 128 and 129.

The priorities and funding allocations are determined by the Board of Trustees of each Education Body and the budget is legally adopted by a motion of the Board in accordance with Section 135(3) of the Education Act.

Board approved budgets are submitted to the Minister of Education, Culture and Employment for final approval as directed by Sections 117(2) k, l and m of the Education Act.

This annual budget includes estimates of revenues, expenditures and the net operating surplus (deficit). Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Education Body.

The budget may be amended within a given fiscal year in accordance with Education Body policy, regulations and approved budget procedures. The budget data presented in the consolidated financial statements reflects the Minister approved budget for the school year.

**(h) Measurement Uncertainty**

The preparation of these consolidated financial statements in conformity with Canadian Public Sector Accounting Standards 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 amounts of revenue and expenses during the period. Actual results could differ from these estimates.

**(i) Inventories Including Materials and Supplies**

Inventories of books, materials, supplies and other expendables purchased by the Education Body are treated as expenditures during the year of acquisition and are not recorded on the statement of financial position.

Note 2. **Summary of Significant Accounting Policies (continued)**

**(j) Payroll Liabilities**

According to the Northwest Territories Teachers Association (NWTTA) and GNWT Collective Agreement, teaching staff have their salary issued by the GNWT bi-weekly pay system. NWTTA staff will have earned their annual salary by June 30th which provides for continued payment during the summer. GNWT Payroll for NWTTA starts with the annualized salary commitment for compensation and then allocates the complete payout of that value over the number of pay periods between August 1 and July 31. Pay periods falling in July are therefore accrued.

The duties and compensation base for UNW School Year employees are scheduled to align with the academic year although actual start dates and durations vary by specific location and job function. Accordingly, the Education Body determines the start dates of their UNW employees and accrues the related payroll liability as appropriate.

All other staff are accrued to include earnings to June 30.

**(k) Post-employment Benefits, Compensated Absences and Termination Benefits**

Under the terms and conditions of employment, education board employees may earn non-pension benefits for resignation, retirement and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment. Eligibility is based on a variety of factors including place of hire, date employment commenced, and reasons for termination. Benefit entitlements are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render services. Termination benefits are recorded when employees are identified for lay-off. Compensated absences include sick, special, parental and maternity leave. Accumulating non-vesting sick and special leave are recognized in the period the employee provides services, whereas parental and maternity leave are event driven and are recognized when the leave commences. An actuarial valuation of the cost of these benefits (except maternal and parental leave) has been prepared using data provided by management and assumptions based on management's best estimates.

**(l) Expenses**

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expenses. Transfers include grant and contributions and are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

**m) Foreign Currency Translation**

Foreign currency transactions are to be translated in Canadian dollars. Revenues and expenses denominated in a foreign currency are reported at a rate of the date of the transaction. Monetary items that have yet to be settled at the exchange rate are translated at the exchange rate in effect on the date of financial statement. Exchange gain or loss resulting from foreign exchange rate would be accounted for in the financial statement.

**n) Environmental liabilities - Nil Report**

**o) Asset Retirement Obligations - Nil Report**

Note 3. **Future Accounting Changes**

*Adoption of New Accounting Standards*

Effective April 1, 2023, the Education Board adopted PS 3400 Revenue. This standard provides guidance on how to account for and report on revenue that is not otherwise addressed elsewhere in the Public Sector Accounting Handbook. It identifies two types of revenue transactions: exchange and non-exchange. The Education Body applied PS 3400 prospectively, therefore, it is applied only to events and transactions occurring after April 1, 2023, and to any outstanding related balances existing at that date. No cumulative catch-up adjustment is recognized. The prior year's financial statements, including comparative information, have not been restated. The adoption of this standard resulted in additional disclosures in the notes to the financial statements.

*Future Accounting Changes*

Effective July 1, 2024, Education Bodies will be required to adopt PSG-8 Purchased Intangibles. The standard provides guidance on how to account for and recognize intangibles. The Education Body is assessing the impact of this standard on the consolidated financial statements and there is no significant impact as a result of its application.

Effective July 1, 2026, the Education Board will be required to adopt the new Conceptual Framework for Financial Reporting in the Public Sector. Earlier adoption of the new framework is allowed. The Education Board is currently assessing the impact of this standard on the financial statements.

Effective July 1, 2026, the Education Board will be required to adopt PS 1202 Financial Statement Presentation. The standard sets out general and specific requirements for the presentation of information in financial statements. The financial statement presentation principles are based on the concepts in the Conceptual Framework. Earlier adoption is permitted if the Conceptual Framework for Financial Reporting in the Public Sector is early adopted. The Education Board is currently assessing the impact of this standard on the financial statements.

Note 4. **Cash and Cash Equivalents**

| | | **2024** | | 2023 |
|---|---|---|---|---|
| Cash | $ | **8,630,665** | $ | 5,563,253 |
| Short term investments | | **-** | | - |
| | $ | **8,630,665** | $ | 5,563,253 |

Note 5. **Special Purpose Funds**

Special purpose funds consist of account balances held by each of the individual District Education Authorities for which the Education Body has control of when and how the funds are disbursed.

| | | **2024** | | 2023 |
|---|---|---|---|---|
| Fort Simpson (Liidlii Kue Elementary and Regional High Schools) | $ | **103,730** | $ | 103,300 |
| Fort Providence (Deh Gah Elementary/Secondary Schools) | | **(33,580)** | | 78,740 |
| Fort Liard (Echo-Dene School) | | **116,375** | | 88,686 |
| Jean Marie River (Louie Norwegian School) | | **55,087** | | 35,941 |
| Wrigley (Chief Julian Yendo School) | | **94,775** | | 95,478 |
| Nahanni Butte (Charles Yohin School) | | **62,309** | | 48,365 |
| Sambaa K'e (Charles Tetcho School) | | **15,960** | | 18,148 |
| Kakisa Lake (Territorial School - Kakisa Lake School) | | **13,810** | | 3,182 |
| | $ | **428,466** | $ | 471,840 |

Note 6. **Restricted Assets - Nil Report**

Note 7. **Portfolio Investments - Nil Report**

Note 8. **Accounts Receivable**

| | Receivables 2024 | AFDA 2024 | **Net 2024** | Net 2023 |
|---|---|---|---|---|
| GNWT - ECE | $ 403,910 | $ - | $ **403,910** | $ 48,329 |
| GNWT - FSS | 30,011 | - | **30,011** | 27,589 |
| Total Due from GNWT | 433,921 | - | **433,921** | 75,918 |
| Yellowknife District #1 | - | - | **-** | 600 |
| Other | 295,575 | (74,464) | **221,111** | 214,072 |
| Total receivables before amounts due from Government of Canada | 729,496 | (74,464) | **655,032** | 290,590 |
| Government of Canada | 2,035 | - | **2,035** | - |
| | $ 731,531 | $ (74,464) | $ **657,067** | $ 290,590 |

| | 0-30 days | 30-60 days | 60-90 days | Over 90 days | Total |
|---|---|---|---|---|---|
| GNWT - ECE | $ 403,512 | $ 398 | $ - | $ - | $ 403,910 |
| GNWT - FSS | 30,011 | - | - | - | 30,011 |
| Government of Canada | 2,035 | - | - | - | 2,035 |
| Microsoft Corp | 109,171 | - | - | - | 109,171 |
| Future Generations Foundation | 18,608 | - | - | - | 18,608 |
| Other | 1,534 | 5,467 | - | 160,795 | 167,796 |
| | $ 564,871 | $ 5,865 | $ - | $ 160,795 | $ 731,531 |

Note 9. **Inventories - Not Applicable**

Note 10. **Accounts Payable and Accrued Liabilities**

| | **2024** | 2023 |
|---|---|---|
| GNWT - MACA | $ **-** | $ - |
| GNWT - ECE | **9,500** | 50,701 |
| GNWT - FSS | **3,379** | - |
| WSCC | **-** | - |
| Employee source deductions | **10,678** | 12,683 |
| Accounts payable and accrued liabilities | **118,425** | 129,690 |
| | **141,982** | 193,074 |
| Payroll liabilities | | |
| To GNWT (A) | **2,691,229** | 525,185 |
| To Employees (B) | **1,414,901** | 849,272 |
| Annual Leave | **76,720** | 67,828 |
| Lieu | **4,603** | 6,440 |
| | **4,187,453** | 1,448,725 |
| | $ **4,329,435** | $ 1,641,799 |

Note A: Amount outstanding to be paid to GNWT by the education board for salaries and wages paid by June 30.

Note B: Amount accrued by the education board for salaries and wages to be paid in July and August.

Note 11. **Deferred Revenue**

| | | **2024** | | 2023 |
|---|---|---|---|---|
| GNWT - ECE | | | | |
| Covid-19 Support | $ | **-** | $ | - |
| | | **-** | | - |
| GNWT - ENR | | | | |
| Food Sustainability | | **-** | | - |
| | | **-** | | - |
| Government of Canada | | | | |
| Indigenous Services - Jordan's Principle | | **3,284,802** | | 786,588 |
| National Indian Brotherhood | | | | |
| Food Sustainability | | **-** | | 100,000 |
| | $ | **3,284,802** | $ | 886,588 |

Note 12. **Contribution Repayable - Nil Report**

Note 13. **Due From and To the Government of Canada**

| | | **2024** | | 2023 |
|---|---|---|---|---|
| Receivables | | | | |
| Canadian Heritage - Sport Support Program - Judo | $ | **-** | $ | - |
| Indigenous Services - Jordan's Principle | | **2,035** | | - |
| | $ | **2,035** | $ | - |
| Payables | | | | |
| Indigenous Services - Jordan's Principle | $ | **422,609** | $ | 466,311 |

Note 14. **Capital Lease Obligations - Nil Report**

Note 15. **Pension - Nil Report**

Note 16. **Long-term Debt - Nil Report**

Note 17. **Post-Employee Benefits, Compensated Absences and Termination Benefits**

The Education Body provides severance (resignation and retirement), removal and compensated absence (sick, special maternity and parental leave) benefits to its employees. The benefit plans are not pre-funded and thus have no assets, resulting in a deficit equal to the accrued post-employment benefits obligation.

Severance benefits are paid to the employees based on the types of termination (e.g. resignation versus retirement) and appropriate combinations that include inputs such as when the employee was hired, the rate of pay, the number of years of continuous employment, and age and the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being location of hire, employee category and length of service. The benefits under these two categories were valued by an external actuarial with the GNWT payroll valuations using the expected utilization methodology.

Compensated absence benefits generally accrue as employees render services and are paid upon the occurrence of an event resulting in eligibility for the benefits. Events include, but are not limited to employee or dependent illness and death of an immediate family member. Non-accruing benefits include maternity and parental leave. Benefits that accrue under the compensated absence benefits were valued by an external actuarial with the GNWT payroll valuations using the expected utilization methodology.

Note 17. **Post-Employee Benefits, Compensated Absences and Termination Benefits (continued)**

**Valuation Results**

The actuarial valuation was completed as at February 11, 2022 The effective date of the next actuarial valuation is March 31, 2025. The liabilities are actuarially determined as the present value of the accrued benefits at February 11, 2022 and the results extrapolated to June 30, 2024. The values presented below are for all the benefits under the Compensated Absences and Termination Benefits for the consolidated Government.

| | Severance and removal | Compensated Absences | **2024** | 2023 |
|---|---|---|---|---|
| **Changes in Obligation** | | | | |
| Accrued benefit obligations beginning of the year | $ 682,859 | $ 155,724 | $ **838,583** | $ 960,863 |
| Current period benefit cost | 40,975 | 20,593 | **61,568** | 63,769 |
| Interest accrued | 31,674 | 7,866 | **39,540** | 38,056 |
| Benefits payments | (70,909) | (24,896) | **(95,805)** | (58,006) |
| Plan amendments | - | - | **-** | - |
| Actuarial (gain)/loss | (72,773) | (4,564) | **(77,337)** | (166,099) |
| Accrued benefit obligation, end of year | 611,826 | 154,723 | **766,549** | 838,583 |
| Unamortized net actuarial gain | 55,829 | (62,306) | **(6,477)** | 7,141 |
| Net future obligation | $ 667,655 | $ 92,417 | $ **760,072** | $ 845,724 |
| **Benefits Expense** | | | | |
| Current period benefit cost | $ 40,975 | $ 20,593 | $ **61,568** | $ 63,769 |
| Interest cost | 31,674 | 7,866 | **39,540** | 38,056 |
| Plan amendments | - | - | **-** | - |
| Amortization of actuarial gains | (104,925) | 13,970 | **(90,955)** | (74,829) |
| | $ (32,276) | $ 42,429 | $ **10,153** | $ 26,996 |

The discount rate used to determine the accrued benefit obligation is an average of 5.3%. No inflation rate was applied. The expected payments during the next five fiscal years are:

| | Severance and removal | Compensated Absences | 2025 |
|---|---|---|---|
| 2025 | $ 116,180 | $ 24,411 | $ 140,591 |
| 2026 | 109,527 | 24,117 | 133,644 |
| 2027 | 75,893 | 19,785 | 95,678 |
| 2028 | 73,215 | 20,411 | 93,626 |
| 2029 | 71,191 | 18,318 | 89,509 |
| Next 5 years | 293,165 | 84,781 | 377,946 |
| | $ 739,171 | $ 191,823 | $ 930,994 |

Note 18. **Trust Assets and Liabilities under Administration**

Superintendent's Association Fund: The balance is held on behalf of the Superintendent's Association. The fund increases by dues paid by Superintendents and funds are spent at the discretion of the Association.

Steve Rowan Memorial Scholarship Fund: The balance is held to provide scholarships to qualifying students.

Mercedes Benz Scholarship Fund: The balance is held to provide scholarships to qualifying students.

| | **2024** | 2023 |
|---|---|---|
| Superintendent Fund | $ **17,122** | $ 16,490 |
| Steve Rowan Memorial Scholarship Fund | **93,759** | 94,236 |
| Mercedes Benz Scholarship Fund | **13,925** | 13,366 |
| | $ **124,806** | $ 124,092 |

Note 19. **Tangible Capital Asset - Nil Report**

Note 20. **Prepaid Expenses**

| | **2024** | 2023 |
|---|---|---|
| CIBC Visa Deposit | $ **22,400** | $ 20,000 |
| Prepaid service contracts | **-** | - |
| | $ **22,400** | $ 20,000 |

Note 21. **GNWT Assets Provided at No Cost**

| | Cost | Accumulated Amortization | **2024 Net Book Value** | 2023 Net Book Value |
|---|---|---|---|---|
| Buildings | | | | |
| Schools and colleges | $ 34,501,240 | $ 23,582,485 | $ **10,918,755** | $ 11,541,795 |
| Residences | 1,032,376 | 674,564 | **357,812** | 382,070 |
| Staff Housing | 287,453 | 259,476 | **27,977** | 35,161 |
| | $ 35,821,069 | $ 24,516,525 | $ **11,304,544** | $ 11,959,026 |

Note 22. **Contractual Obligations**

The Education Body has a contractual obligation for the lease of office equipment and with a contractor for the operation of the student accommodations. This commitment requires payments as shown below:

| | Expires in Fiscal Year* | 2025 | 2026 | 2027 and thereafter | Total |
|---|---|---|---|---|---|
| Equipment leases | 2028 | $ 23,742 | 23,742 | $ 29,026 | $ 76,510 |
| Operational leases | 2024 | - | - | - | - |
| | | $ 23,742 | $ 23,742 | $ 29,026 | $ 76,510 |

* Refers to the last fiscal year of all agreements in that line category

Note 23. **Contingencies**

With any employer, especially those with a union there are always risks of employee grievances. At the end of the fiscal year there was no grievances that were outstanding from a prior period. In the opinion of management should any losses result from an occurance prior to the financial statement date, such loss will be charged to operations in the year in which there the loss is measurable and likely to occur.

Under the terms of the contribution agreement between the DEC, DEAs, CIRNAC/ISC, GNWT, and certain other agencies, the Council may be liable to repay any contributed funds not expended in accordance with the agreement. On the other hand, any deficit, supported by claims eligible for reimbursement under the terms and conditions of the funding agreements, may be reimbursed by the contributor subject to the program's terms and conditions. The Council has recorded all known unexpended contribution funds as deferred revenue or payables.

Note 24. **Related Parties**

The Education Body is related in terms of common ownership to all GNWT created departments, agencies and corporations. The Education Body enters into transactions with these entities in the normal course of operations. The Education Body is provided with various administrative services by the GNWT, the value of which is not reflected in these financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage by the Department of Finance, payroll services by the Department of Human Resources, internal audit services by the Department of Finance, and utility and maintenance by Public Works and Services.

Note 24. **Related Parties (continued)**

Transactions with related parties and balances at year-end not disclosed elsewhere in the financial statements are disclosed in this note:

| | | **2024** | | 2023 |
|---|---|---|---|---|
| Accounts payable, Note 10 | | | | |
| Government of the Northwest Territories | | | | |
| Municipal and Community Affairs (MACA) | $ | **-** | $ | - |
| Education, Culture and Employment (ECE) | | **9,500** | | 50,701 |
| Financial Shares Services (FSS) | | **3,379** | | - |
| Other related parties | | **-** | | - |
| | $ | **12,879** | $ | 50,701 |
| Payroll liabilities, Note 10 | | | | |
| Government of the Northwest Territories | $ | **2,691,229** | $ | 525,185 |
| Deferred Revenues, Note 11 | | | | |
| Government of the Northwest Territories | | | | |
| Education, Culture and Employment (ECE) | $ | **-** | $ | - |
| Environment and Natural Resources (ENR) | | **-** | | - |
| | $ | **-** | $ | - |

| Accounts receivable, Note 8 | AR 2024 | AFDA | **Net AR 2024** | Net AR 2023 |
|---|---|---|---|---|
| Government of the Northwest Territories | | | | |
| Education, Culture and Employment (ECE | $ 403,910 | $ - | $ **403,910** | $ 48,329 |
| Financial Shared Services (FSS) | 30,011 | - | **30,011** | 27,589 |
| Total GNWT | 433,921 | - | **433,921** | 75,918 |
| Other related parties | | | | |
| Yellowknife District #1 | - | - | **-** | 600 |
| | $ 433,921 | $ - | $ **433,921** | $ 76,518 |

| | | **2024** | | 2023 |
|---|---|---|---|---|
| Revenues | | | | |
| Government of the Northwest Territories | | | | |
| ECE - Core contribution | $ | **14,046,230** | $ | 13,778,067 |
| ECE - French language program, Schedule C | | **-** | | 124,000 |
| ECE - other contributions, Note 31 | | **420,345** | | 180,996 |
| MACA - GNWT other Contributions, Note 32 | | **109,753** | | 99,919 |
| ENR - GNWT other Contributions, Note 32 | | **-** | | 16,000 |
| DHSS - GNWT other Contributions, Note 32 | | **6,878** | | 28,505 |
| GNWT contributions to Education Authorities, Schedule H-1 | | **16,000** | | 11,000 |
| Department of Finance - rent and custodian | | **18,120** | | 18,120 |
| Deferred revenues - SSI program | | **-** | | - |
| Total GNWT | | **14,617,326** | | 14,256,607 |
| Other related parties | | | | |
| Aurora College | | **33,921** | | 33,921 |
| | $ | **14,651,247** | $ | 14,290,528 |

Note 25. **Budget**

The Education Act of the Northwest Territories requires that Education Bodies prepare an annual budget, as outlined in Section 117, Duties and Powers of Education Bodies. The budget is legally adopted by a motion of the Education Body which may or may not include the establishment of a tax levy to support the approved budget in accordance with Section 135, Assessment and Taxation, of the Education Act.

The annual budget includes estimates of revenues and expenditures for the Operating Fund. Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Education Body.

The budget figures presented are those approved by the Minister of Education, Culture and Employment from the 2023-2024 Operating Plan on September 21, 2023 and have not been audited.

Note 26. **Economic Dependence**

The Dehcho District Education Council received its funding primarily from the GNWT. If the funding arrangements were to change management is of the opinion that Dehcho District Education Council operations would be significantly affected.

Note 27. **Financial Instruments**

The financial instruments of the Education Body are disclosed below. The financial instuments of the Education Body are exposed to various risks through its financial instruments, but are mitigated through a comprehensive risk management framework to monitor, evaluate and manage these risks. Refer to Note 37 for the analysis of the risk exposure and concentration.

Note 28. **Expenses by Object**

| | 2024 Budget | **2024 Actual** | 2023 Actual |
|---|---|---|---|
| Compensation | $ 14,849,922 | $ **15,167,952** | $ 14,053,673 |
| Professional/Technical Services | 185,000 | **169,052** | 153,554 |
| Postage/Communication | 183,000 | **110,915** | 124,637 |
| Utilities | 38,272 | **50,778** | - |
| Travel | 973,001 | **1,025,690** | 841,994 |
| Student Travel (Bussing) | 102,000 | **109,461** | 121,481 |
| Advertising/Printing/Publishing | 117,353 | **186,883** | 121,653 |
| Maintenance/Repair | 115,000 | **184,886** | 230,795 |
| Rentals/Leases | 131,200 | **378,466** | 90,888 |
| Other - Contracted Services | 570,499 | **1,011,384** | 689,100 |
| Materials, Supplies and Freight | 1,562,354 | **1,273,684** | 1,242,822 |
| Amortization | - | **-** | - |
| | $ 18,827,601 | $ **19,669,151** | $ 17,670,597 |

Note 29. **Subsequent Events - Nil Report**

Note 30. **Comparative Figures**

Some comparative figures have been reclassified to conform with current year's presentation.

Note 31. **ECE Other Contributions**

| | **2024** | 2023 |
|---|---|---|
| Mental Wellness | $ **266,266** | $ **-** |
| Distance education | **147,757** | **84,000** |
| Community Library | **5,822** | **36,000** |
| Other | **500** | **-** |
| Contributions repaid | **-** | **(50,701)** |
| Deferred revenue - ECE, opening | **-** | **111,697** |
| Deferred revenue - ECE, closing | **-** | **-** |
| | $ **420,345** | $ 180,996 |

Note 32. **GNWT Other Contributions**

| | | **2024** | | 2023 |
|---|---|---|---|---|
| Municipal and Community Affairs | | | | |
| Sports and youth programs | $ | **12,384** | $ | **4,000** |
| Children and youth resiliency | | **27,272** | | **33,592** |
| Active after school and After school physical activity programs | | **76,500** | | **59,500** |
| Other | | **-** | | **5,000** |
| Environment and Natural Resources | | | | |
| Take a kid trapping | | **-** | | **11,000** |
| Science Camp | | **-** | | **5,000** |
| Health and Social Services | | | | |
| Drop the pop | | **6,878** | | **28,505** |
| Contributions repaid | | **(6,403)** | | **(2,173)** |
| Deferred revenue - GNWT, opening | | **-** | | **-** |
| Deferred revenue - GNWT, closing | | **-** | | **-** |
| | $ | **116,631** | $ | 144,424 |

Note 33. **Contingent Assets - Nil Report**

Note 34. **Contractual Rights - Nil Report**

Note 35. **Environmental Liabilities - Nil Report**

Note 36. **Asset Retirement Obligations - Nil Report**

Note 37. **Financial Risk Management**

The Education Board is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risks from the Education Board's financial instruments is provided by type of risk below.

*Credit risk*

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Education Body has little exposure to credit risk as the majority of its revenues originate from government sources with strong credit worthiness. The Education Board is exposed to some risk relating to its cash and cash equivalents, GIC's and portfolio investments, due from the Government of Canada and accounts receivable.

The Education Board holds substantially all of its cash in accounts with federally regulated chartered banks.

The Education Body has limited control over the credit risk related to accounts and loan receivable. It tries to limit receivables to be collected to governement bodies and reviews balances along with aging information regularly. However, it is assisgned collection on overpaid employee wages from the GNWT and tries to control collections of these arrears to through the use of debt collection, but has minimal sucess.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to manage credit risk.

| | | |
|---|---|---|
| Cash and cash equivalents, Note 4 | $ | 8,630,665 |
| Due from the Government of Canada, Note 13 | $ | 2,035 |
| Accounts receivable, Note 8 | $ | 655,032 |
| Accounts payable and accrued liabilities, Note 10 | $ | (141,982) |
| Payroll liabilities, Note 10 | $ | (4,187,453) |
| Due to the Government of Canada, Note 13 | $ | (422,609) |
| Deferred revenue, Note 11 | $ | (3,284,802) |

*Liquidity risk*

Liquidity risk is the risk the Education Body will not be able to meet its obligations as they come due. The The Education Board is exposed to liquidity risk on its short term loans, accounts payables and accrued liabilities, due to the Government of Canada, and long term debt. Education Body mitigates its liquidity requirements by preparing detailed cash budgets and having cash available on hand to meet its obligations.

There have been no significant changes from the previous year in the exposure to risks or policies, procedures, and methods used to manage liquidity risk.

Note 37. **Financial Risk Management (continued)**

*Currency risk*

The Education Body deals exclusively in Canadian funds and therefore has no currency risk.

*Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. The Education Body minimizes risk through its normal operating and financing activities and maintains cash in a general bank account.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and method used to measure the risk.

*Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is composed of currency risk, interest rate risk and other price risk.

Note 38. **Revenue Recognition - PS 3400**

The table below discloses the nature and amounts of revenue transactions with or without performance obligations:

| **Revenue** | Exchange | Non-Exchange | Other [1] | Total |
|---|---|---|---|---|
| **Rentals** | $ 41,227 | $ - | $ - | $ 41,227 |
| **Investment income** | $ - | $ - | $ 365,587 | $ 365,587 |
| **Contracts and other** | $ 390,384 | $ 114,713 | $ - | $ 505,097 |
| **Self-generated funds** | $ 97,762 | $ - | $ - | $ 97,762 |

(1) Other refers to all categories of revenues not classified as exchange or non-exchange transaction under the standard.

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Inclusive Schooling Expenses

Schedule A

For the year ended June 30, 2024

| Function | General Inclusive Schooling | Staff Development | School Based Mental Health and Wellness | Assistive Technology | Magnet Facilities | **2024 Total** |
|---|---|---|---|---|---|---|
| Salaries | | | | | | |
| Regional Coordinator | $ - | $ - | $ 131,277 | $ - | $ - | $ **131,277** |
| Program Support Teachers | 1,078,466 | - | 393,830 | - | - | **1,472,296** |
| Support Assistants | 911,086 | - | - | - | - | **911,086** |
| Honoraria | - | - | - | - | - | **-** |
| | 1,989,552 | - | 525,107 | - | - | **2,514,659** |
| Employee Benefits | | | | | | |
| Employee benefits and allowances | 63,925 | - | 7,856 | - | - | **71,781** |
| | 63,925 | - | 7,856 | - | - | **71,781** |
| Services Purchased/Contracted | | | | | | |
| Professional and technical services | - | - | - | - | - | **-** |
| Travel | - | 49,425 | 69,284 | - | - | **118,709** |
| Student transportation | - | - | - | | - | **-** |
| Advertising, printing and publishing | - | - | - | - | - | **-** |
| Maintenance and repairs | - | - | - | - | - | **-** |
| Rentals and leases | - | - | - | - | - | **-** |
| Other contracted services | 185,378 | - | - | - | - | **185,378** |
| | 185,378 | 49,425 | 69,284 | - | - | **304,087** |
| Materials, Supplies and Freight | | | | | | |
| Materials | 25,507 | 17,484 | - | 32,681 | - | **75,672** |
| Freight | 923 | - | - | - | - | **923** |
| | 26,430 | 17,484 | - | 32,681 | - | **76,595** |
| Total | $ 2,265,285 | $ 66,909 | $ 602,247 | $ 32,681 | $ - | $ **2,967,122** |

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Indigenous Languages and Education Expenses

Schedule B

For the year ended June 30, 2024

| | Student Instruction | Teaching/ Learning Resources | Professional Development | School Activities and Integrated Community Programs | **2024 Total** |
|---|---|---|---|---|---|
| Salaries | | | | | |
| ALCBE teachers | $ 1,254,340 | $ - | $ - | $ - | $ **1,254,340** |
| Language consultants | - | 152,986 | - | - | **152,986** |
| Instruction assistants | - | - | - | - | **-** |
| Non-instructional staff | - | 210,447 | - | - | **210,447** |
| Honoraria | - | 4,793 | - | - | **4,793** |
| Elders in schools | - | - | - | 10,116 | **10,116** |
| | 1,254,340 | 368,226 | - | 10,116 | **1,632,682** |
| Employee Benefits | | | | | |
| Employee benefits and allowances | 42,003 | - | - | - | **42,003** |
| | 42,003 | - | - | - | **42,003** |
| Services Purchased/Contracted | | | | | |
| Professional services | - | - | - | 114,317 | **114,317** |
| Travel | - | 7,090 | 15,214 | 2,078 | **24,382** |
| Student transportation | - | - | - | - | **-** |
| Advertising, printing and publishing | - | 14,871 | 92,890 | - | **107,761** |
| Maintenance and repairs | - | - | - | - | **-** |
| Rentals and leases | - | 4,655 | - | - | **4,655** |
| Other contracted services | - | - | - | 90,981 | **90,981** |
| | - | 26,616 | 108,104 | 207,376 | **342,096** |
| Materials, Supplies and Freight | | | | | |
| Materials | - | - | - | 129,782 | **129,782** |
| Freight | - | - | - | 3,013 | **3,013** |
| | - | - | - | 132,795 | **132,795** |
| Total | $ 1,296,343 | $ 394,842 | $ 108,104 | $ 350,287 | $ **2,149,576** |

# DEHCHO DIVISIONAL EDUCATION COUNCIL

French Language Program

Schedule C

For the year ended June 30, 2024

| | Contributions from GNWT July 1 to June 30 | Commitment from Dehcho July 1 to June 30 | Expenses July 1 to June 30 | Over/Under Funding |
|---|---|---|---|---|
| Special projects: | | | | |
| Core French 1-12 (salary) | $ - | $ - | $ - | $ - |

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Jordan's Principle

Schedule D

For the year ended June 30, 2024

| | 2024 Budget | **2024 Actual** | *2023 Actual | July 1'23 - March 31'24 | April 1'24 - June 30'24 | **2024 Total** |
|---|---|---|---|---|---|---|
| Revenue | | | | | | |
| Government of Canada | $ 1,774,514 | $ **4,882,212** | $ 2,468,986 | $ 3,115,354 | $ 1,766,858 | $ **4,882,212** |
| Carry forward from previous year, net of repayments | - | **786,588** | 608,100 | 786,588 | - | **786,588** |
| | 1,774,514 | **5,668,800** | 3,077,086 | 3,901,942 | 1,766,858 | **5,668,800** |
| Expenses | | | | | | |
| Administration | - | **114,713** | 193,780 | 88,034 | 26,679 | **114,713** |
| Personnel | 1,774,514 | **1,515,413** | 1,666,275 | 1,061,617 | 453,796 | **1,515,413** |
| Transportation | - | **45,406** | 29,117 | 1,280 | 44,126 | **45,406** |
| Materials and supplies | - | **417,173** | 58,145 | 295,822 | 121,351 | **417,173** |
| Rent and utilities | - | **-** | - | - | - | **-** |
| Evaluation | - | **-** | - | - | - | **-** |
| Other | - | **-** | - | - | - | **-** |
| | 1,774,514 | **2,092,705** | 1,947,317 | 1,446,753 | 645,952 | **2,092,705** |
| Surplus (Deficit) | $ **-** | $ **3,576,095** | $ 1,129,769 | $ 2,455,189 | $ 1,120,906 | $ **3,576,095** |
| Contributions Repayable | $ - | **291,293** | 466,311 | | | $ **291,293** |
| Deferred Revenue | $ **-** | $ **3,284,802** | $ 786,588 | | | $ **3,284,802** |

* Reclassified for comparative purposes

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Northern Distance Learning

Schedule E

For the year ended June 30, 2024

| | Budget | Fort Liard | Fort Simpson | Fort Providence | **Total** | March 31 | June 30 | **Total** |
|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | |
| Education, Culture and Employment | $ 135,750 | $ 48,219 | $ 50,710 | $ 48,828 | $ **147,757** | $ 98,997 | $ 48,760 | $ **147,757** |
| Other - 2023 Final Payment | - | - | - | - | **-** | - | - | **-** |
| | 135,750 | 48,219 | 50,710 | 48,828 | **147,757** | 98,997 | 48,760 | **147,757** |
| **Expenses** | | | | | | | | |
| **Salaries/Wages** | | | | | | | | |
| Instructional Staff | - | - | - | - | **-** | - | - | **-** |
| *Teachers* | - | - | - | - | **-** | - | - | **-** |
| *On-site support person* | 162,750 | 40,140 | 10,960 | 5,540 | **56,640** | 35,523 | 21,117 | **56,640** |
| Non-Instructional Staff | - | - | - | - | **-** | - | - | **-** |
| *Moodle (Online strategy)* | - | - | - | - | **-** | - | - | **-** |
| *DL Coordinator* | - | - | - | - | **-** | - | - | **-** |
| *PD - online learning field* | - | - | - | - | **-** | - | - | **-** |
| Other | - | - | - | - | **-** | - | - | **-** |
| **Services Purchased/Contracted** | | | | | | | | |
| Network | - | - | - | - | **-** | - | - | **-** |
| Travel | - | - | - | - | **-** | - | - | **-** |
| *Coordinator travel* | - | - | - | - | **-** | - | - | **-** |
| Professional Development | - | - | - | - | **-** | - | - | **-** |
| Communication | - | - | - | - | **-** | - | - | **-** |
| *In-service release* | - | - | - | - | **-** | - | - | **-** |
| Other | - | - | - | - | **-** | - | - | **-** |
| *IT support* | - | - | - | - | **-** | - | - | **-** |
| **Materials, Supplies and Freight** | | | | | | | | |
| Computer Equipment | - | - | - | - | **-** | - | - | **-** |
| *Document cameras* | - | - | - | - | **-** | - | - | **-** |
| *Phone* | - | - | - | - | **-** | - | - | **-** |
| *Laptop* | - | - | - | - | **-** | - | - | **-** |
| *Video (Monopad)* | - | - | - | - | **-** | - | - | **-** |
| *Wireless adapters and splitter* | - | - | - | - | **-** | - | - | **-** |
| Freight | - | - | - | - | **-** | - | - | **-** |
| Other | - | - | - | - | **-** | - | - | **-** |
| **Total expenses** | 162,750 | 40,140 | 10,960 | 5,540 | **56,640** | 35,523 | 21,117 | **56,640** |
| **Net surplus/(deficit)** | $ (27,000) | $ 8,079 | $ 39,750 | $ 43,288 | $ **91,117** | $ 63,474 | $ 27,643 | $ **91,117** |

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Student Success Initiative Projects

Schedule F

For the year ended June 30, 2024

| | Budget | **2024** | 2023 |
|---|---|---|---|
| Revenue | | | |
| GNWT - Education, Culture & Employment | $ 55,000 | $ **55,000** | $ 55,000 |
| NWT Teachers Association | 37,113 | **37,113** | 52,533 |
| | 92,113 | **92,113** | 107,533 |
| Carry forward from previous year | - | **-** | - |
| | 92,113 | **92,113** | 107,533 |
| Expenses | | | |
| Professional development | | | |
| Salaries and wages | | | |
| Facilitator fees | - | **-** | - |
| Substitute teacher wages | - | **-** | - |
| Staff | - | **-** | - |
| Travel | | | |
| Facilitator travel | - | **-** | - |
| Staff travel | 20,000 | **18,364** | - |
| Accommodations and per diems | - | **-** | - |
| Other expenses | - | **-** | - |
| Workshop expense | | | |
| Room rental | - | **-** | - |
| Refreshments | - | **-** | - |
| Resources | 17,113 | **3,995** | 33,265 |
| Miscellaneous | - | **-** | - |
| Total professional development | 37,113 | **22,359** | 33,265 |
| Program delivery | | | |
| Salaries and wages | | | |
| Facilitator fees | 45,000 | **45,000** | - |
| Substitute teacher wages | - | **-** | - |
| Staff | - | **-** | 45,000 |
| Other expenses | | | |
| Room rental | - | **27,535** | - |
| Materials and supplies | 10,000 | **-** | 13,848 |
| Miscellaneous | - | **-** | - |
| Total program delivery | 55,000 | **72,535** | 58,848 |
| Total Expenses | 92,113 | **94,894** | 92,113 |
| Surplus (Deficit) | $ **-** | $ **(2,781)** | $ 15,420 |

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Statement of Council Operations and Financial Position (Non-Consolidated)

Schedule G-1

For the year ended June 30, 2024

| | 2024 Budget | **2024 Actual** | *2023 Actual |
|---|---|---|---|
| Revenue | | | |
| Government of the NWT | | | |
| ECE regular contributions | $ 14,043,771 | $ **14,046,230** | $ 13,778,067 |
| Indigenous Languages and Education, Schedule B | - | **-** | - |
| French language instruction, Schedule C | 105,000 | **-** | 124,000 |
| ECE other contributions, Note 31 | 215,750 | **420,345** | 180,996 |
| ECE funded NWTTA retropay | - | **403,272** | - |
| | 14,364,521 | **14,869,847** | 14,083,063 |
| GNWT - other contributions, Note 32 | 400,000 | **116,631** | 144,424 |
| Total GNWT | 14,764,521 | **14,986,478** | 14,227,487 |
| Indigenous Services - Jordan's Principle Schedule D | 1,774,514 | **2,092,705** | 1,824,187 |
| Canadian Heritage - Sport Support Program - Judo | - | **-** | - |
| Total Government of Canada | 1,774,514 | **2,092,705** | 1,824,187 |
| Self-Generated Funds | | | |
| Rentals | 36,000 | **41,227** | 52,456 |
| Investment income | 220,000 | **365,587** | 242,907 |
| Contract and other | 82,000 | **505,097** | 405,348 |
| | 338,000 | **911,911** | 700,711 |
| | 16,877,035 | **17,991,094** | 16,752,385 |
| Expenditure | | | |
| School programs | 10,119,251 | **9,797,550** | 8,565,585 |
| Inclusive schooling | 2,618,260 | **2,967,122** | 2,592,380 |
| Student accommodations | 220,950 | **352,026** | 383,946 |
| Operations and maintenance | 915,856 | **1,031,943** | 896,567 |
| Administration | 1,104,897 | **1,301,855** | 1,389,582 |
| Indigenous language/cultural programs | 1,815,324 | **2,045,970** | 1,693,499 |
| Jordan's Principle | 1,774,514 | **2,092,705** | 1,947,317 |
| | 18,569,052 | **19,589,171** | 17,468,876 |
| Excess (Deficiency) of Revenue over Expenditure | $ (1,692,017) | $ **(1,598,077)** | $ (716,491) |
| Other Items: | | | |
| Other Employee Future Benefits and Compensated Absences recovery (expense), Note 17 | | **-** | - |
| Excess (Deficiency) of Revenue over Expenditure | $ (1,692,017) | $ **(1,598,077)** | $ (716,491) |
| Accumulated surplus (deficit), beginning of year | | **1,903,306** | 2,619,797 |
| Accumulated surplus (deficit), end of year | | $ **305,229** | $ 1,903,306 |

* Reclassified for comparative purposes

## DEHCHO DIVISIONAL EDUCATION COUNCIL

Details of Council Expenses (Non-Consolidated)

Schedule G-2

For the year ended June 30, 2024

| | School Programs | Inclusive Schooling | Student Accommodation | Operations & Maintenance | Administration | Indigenous Languages and Education | Jordan's Principle | **2024 Total** | 2024 Budget | *2023 Total |
|---|---|---|---|---|---|---|---|---|---|---|
| Salaries | | | | | | | | | | |
| Teachers' salaries | $ 6,850,140 | $ 1,078,466 | $ - | $ - | $ - | $ - | $ - | **$ 7,928,606** | $ 7,787,972 | $ 7,232,700 |
| Instruction Assistant | - | 911,086 | - | - | - | 1,254,340 | 1,482,447 | **3,647,873** | 3,796,489 | 3,476,478 |
| Non Instructional Staff | 505,675 | 525,107 | - | 773,850 | 712,874 | 260,730 | - | **2,778,236** | 2,492,318 | 2,506,386 |
| Board/Trustee Honoraria | - | - | - | - | 81,214 | 1,643 | - | **82,857** | 102,800 | 88,834 |
| | 7,355,815 | 2,514,659 | - | 773,850 | 794,088 | 1,516,713 | 1,482,447 | **14,437,572** | 14,179,579 | 13,304,398 |
| Employee Benefits | | | | | | | | | | |
| Employee benefits and allowances | 168,533 | 63,925 | - | 18,759 | 19,249 | 36,766 | 32,966 | **340,198** | 490,343 | 553,054 |
| Leave and termination | 39,281 | 7,856 | - | - | - | 5,237 | - | **52,374** | 180,000 | - |
| | 207,814 | 71,781 | - | 18,759 | 19,249 | 42,003 | 32,966 | **392,572** | 670,343 | 553,054 |
| Services Purchased/Contracted | | | | | | | | | | |
| Professional/Technical Services | - | - | - | - | 54,735 | 114,317 | - | **169,052** | 185,000 | 152,754 |
| Postage/Communication | 44,259 | - | 1,478 | - | 63,656 | - | - | **109,393** | 183,000 | 124,637 |
| Utilities | - | - | - | 50,778 | - | - | - | **50,778** | 38,272 | - |
| Travel | 652,239 | 118,709 | 51,501 | - | 158,602 | 24,382 | 45,406 | **1,050,839** | 973,001 | 807,799 |
| Student Travel (Bussing) | 114,127 | - | - | - | - | - | - | **114,127** | 102,000 | 150,660 |
| Advertising/Printing/Publishing | 36,493 | - | - | - | 32,513 | 117,877 | - | **186,883** | 117,353 | 121,653 |
| Maintenance/Repair | - | - | - | 105,668 | 79,218 | - | - | **184,886** | 115,000 | 202,481 |
| Rentals/Leases | 323,171 | - | - | 28,200 | 19,040 | 4,655 | - | **375,066** | 131,200 | 82,198 |
| Other - Contracted Services | 206,434 | 185,378 | 203,400 | 11,361 | 80,754 | 95,356 | 114,713 | **897,396** | 311,950 | 560,396 |
| | 1,376,723 | 304,087 | 256,379 | 196,007 | 488,518 | 356,587 | 160,119 | **3,138,420** | 2,156,776 | 2,202,578 |
| Materials, Supplies and Freight | | | | | | | | | | |
| Materials | 569,561 | 75,672 | 95,505 | 43,327 | - | 127,654 | 417,173 | **1,328,892** | 1,506,206 | 1,173,525 |
| Freight | 29,088 | 923 | 142 | - | - | 3,013 | - | **33,166** | 56,148 | 40,329 |
| | 598,649 | 76,595 | 95,647 | 43,327 | - | 130,667 | 417,173 | **1,362,058** | 1,562,354 | 1,213,854 |
| Contributions and Transfers | | | | | | | | | | |
| Transfers to DEA | 258,549 | - | - | - | - | - | - | **258,549** | - | 194,992 |
| Other | - | - | - | - | - | - | - | **-** | - | - |
| | 258,549 | - | - | - | - | - | - | **258,549** | - | 194,992 |
| Amortization | - | - | - | - | - | - | - | **-** | - | - |
| Total | $ 9,797,550 | $ 2,967,122 | $ 352,026 | $ 1,031,943 | $ 1,301,855 | $ 2,045,970 | $ 2,092,705 | **$ 19,589,171** | $ 18,569,052 | $ 17,468,876 |

* Reclassified for comparative purposes

## DEHCHO DIVISIONAL EDUCATION COUNCIL

District Education Authority Operations Summary
Non-Consolidated
For the year ended June 30, 2024

Schedule H-1

| | Fort Simpson | Fort Providence | Fort Liard | Jean Marie River | Wrigley | Nahanni Butte | Sambaa K'e | Kakisa Lake | Total |
|---|---|---|---|---|---|---|---|---|---|
| Revenue | | | | | | | | | |
| Operating contributions from Divisional Council | $ 59,662 | $ 46,897 | $ 33,528 | $ 22,865 | $ 25,785 | $ 23,292 | $ 24,311 | $ 22,209 | $ 258,549 |
| Other contributions from Divisional Council | 114,656 | 95,490 | 16,133 | 6,125 | - | - | 4,279 | 29,886 | 266,569 |
| Contributions from GNWT | - | 8,000 | - | - | - | - | - | 8,000 | 16,000 |
| Self-generated funds | 11,513 | 85,749 | - | - | - | - | - | 500 | 97,762 |
| | 185,831 | 236,136 | 49,661 | 28,990 | 25,785 | 23,292 | 28,590 | 60,595 | 638,880 |
| Expenditure | | | | | | | | | |
| School programs | 126,597 | 124,110 | 16,224 | 3,562 | 16,125 | 5,772 | 9,306 | 21,562 | 323,258 |
| Inclusive schooling | - | - | - | - | - | - | - | - | - |
| Student accommodations | - | - | - | - | - | - | - | - | - |
| Operations and maintenance | - | - | - | - | - | - | - | 14,919 | 14,919 |
| Administration | 40,031 | 59,547 | 6,091 | 4,413 | 5,817 | 1,652 | 20,212 | 11,827 | 149,590 |
| Indigenous language/cultural programs | 10,578 | 91,864 | 450 | 1,869 | 9,386 | 1,924 | 1,260 | - | 117,331 |
| | 177,206 | 275,521 | 22,765 | 9,844 | 31,328 | 9,348 | 30,778 | 48,308 | 605,098 |
| Excess (Deficiency) of Revenue over Expenditure | 8,625 | (39,385) | 26,896 | 19,146 | (5,543) | 13,944 | (2,188) | 12,287 | 33,782 |
| Accumulated surplus, beginning of year | 93,785 | 91,100 | 87,024 | 35,941 | 100,318 | 48,365 | 18,148 | 3,182 | 477,863 |
| Accumulated surplus, end of year | $ 102,410 | $ 51,715 | $ 113,920 | $ 55,087 | $ 94,775 | $ 62,309 | $ 15,960 | $ 15,469 | $ 511,645 |
| Composition of Ending Accumulated Surplus | | | | | | | | | |
| Cash | $ 103,730 | $ (33,580) | $ 116,375 | $ 55,087 | $ 94,775 | $ 62,309 | $ 15,960 | $ 13,810 | $ 428,466 |
| Investment in GIC | - | - | - | - | - | - | - | - | - |
| Accounts receivable | - | 85,295 | - | - | - | - | - | 1,659 | 86,954 |
| Accounts payable | (1,320) | - | (2,455) | - | - | - | - | - | (3,775) |
| | $ 102,410 | $ 51,715 | $ 113,920 | $ 55,087 | $ 94,775 | $ 62,309 | $ 15,960 | $ 15,469 | $ 511,645 |

## DEHCHO DIVISIONAL EDUCATION COUNCIL

District Education Authority Statement of Financial Position
Non-Consolidated
For the year ended June 30, 2024

Schedule H-1 - Appendage

| | Fort Simpson | Fort Providence | Fort Liard | Jean Marie River | Wrigley | Nahanni Butte | Sambaa K'e | Kakisa Lake | **2024** | 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Financial Assets** | | | | | | | | | | |
| Cash | $ 103,730 | $ (33,580) | $ 116,375 | $ 55,087 | $ 94,775 | $ 62,309 | $ 15,960 | $ 13,810 | **$ 428,466** | $ 507,299 |
| Investments in GIC | - | - | - | - | - | - | - | - | **-** | - |
| Accounts receivable | - | 85,295 | - | - | - | - | - | 1,659 | **86,954** | 34,150 |
| Total Financial Assets | 103,730 | 51,715 | 116,375 | 55,087 | 94,775 | 62,309 | 15,960 | 15,469 | **515,420** | 541,449 |
| **Liabilities** | | | | | | | | | | |
| Accounts payable | 1,320 | - | 2,455 | - | - | - | - | - | **3,775** | 7,648 |
| Total Liabilities | 1,320 | - | 2,455 | - | - | - | - | - | **3,775** | 7,648 |
| Net Financial Resources | $ 102,410 | $ 51,715 | $ 113,920 | $ 55,087 | $ 94,775 | $ 62,309 | $ 15,960 | $ 15,469 | **$ 511,645** | $ 533,801 |
| **NON-FINANCIAL ASSETS** | | | | | | | | | | |
| Prepaid expenses | - | - | - | - | - | - | - | - | **-** | - |
| **ACCUMULATED SURPLUS (DEFICIT)** | $ 102,410 | $ 51,715 | $ 113,920 | $ 55,087 | $ 94,775 | $ 62,309 | $ 15,960 | $ 15,469 | **$ 511,645** | $ 533,801 |

# DEHCHO DIVISIONAL EDUCATION COUNCIL

Details of DEA Expenses Summary
Non-Consolidated
For the year ended June 30, 2024

Schedule H-2

| Function | School Programs | Inclusive Schooling | Student Accommodation | Operations and Maintenance | Administration | Indigenous Languages and Education | Total |
|---|---|---|---|---|---|---|---|
| Salaries | | | | | | | |
| Teachers' Salaries | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Instruction Assistant | 34,213 | - | - | - | - | - | 34,213 |
| Non-instructional Staff | 61,885 | - | - | 14,919 | 55,430 | 102,703 | 234,937 |
| Board/Trustee Honorarium | - | - | - | - | 81,963 | 3,150 | 85,113 |
| | 96,098 | - | - | 14,919 | 137,393 | 105,853 | 354,263 |
| Employee Benefits | | | | | | | |
| Employee Benefits and Allowances | - | - | - | - | - | - | - |
| Leave and Termination | - | - | - | - | - | - | - |
| | - - | - | - | - | - | - | - |
| Services Purchased/Contracted | | | | | | | |
| Professional/Technical Services | - | - | - | - | - | - | - |
| Postage/Communication | 1,522 | - | - | - | - | - | 1,522 |
| Utilities | - | - | - | - | - | - | - |
| Travel | 711 | - | - | - | 1,028 | - | 1,739 |
| Student Travel (Bussing) | 54,440 | - | - | - | - | - | 54,440 |
| Advertising/Printing/Publishing | - | - | - | - | - | - | - |
| Maintenance/Repair | - | - | - | - | - | - | - |
| Rentals/Leases | 3,400 | - | - | - | - | - | 3,400 |
| Other - Awards | 25,317 | - | - | - | - | - | 25,317 |
| Other - Contracted Services | 8,448 | - | - | - | 1,900 | - | 10,348 |
| Other - School Programs | 87,147 | - | - | - | - | 450 | 87,597 |
| | 180,985 | - | - | - | 2,928 | 450 | 184,363 |
| Materials/Supplies/Freight | | | | | | | |
| Materials | 46,175 | - | - | - | 9,269 | 11,028 | 66,472 |
| Freight | - | - | - | - | - | - | - |
| | 46,175 | - | - | - | 9,269 | 11,028 | 66,472 |
| Total | $ 323,258 | $ - | $ - | $ 14,919 | $ 149,590 | $ 117,331 | 605,098 |

# FORT SIMPSON

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2024

| | 2024 Budget | 2024 Actual | 2023 Actual |
|---|---|---|---|
| Revenues | | | |
| Contributions from Divisional Council | $ 59,662 | $ 59,662 | $ 42,302 |
| Other - Dehcho DEC | - | 114,656 | 36,235 |
| Other - Contributions from GNWT | - | - | - |
| Other | - | 11,513 | 17,670 |
| | 59,662 | 185,831 | 96,207 |
| Expenses | | | |
| School programs | 43,162 | 126,597 | 142,593 |
| Inclusive schooling | - | - | - |
| Student accommodations | - | - | - |
| Operations and maintenance | - | - | - |
| Administration | 12,500 | 40,031 | 25,415 |
| Indigenous language/cultural programs | 4,000 | 10,578 | 4,820 |
| | 59,662 | 177,206 | 172,828 |
| Surplus (Deficit) | $ - | 8,625 | (76,621) |
| Opening equity | | 93,785 | 170,406 |
| Closing equity | | $ 102,410 | $ 93,785 |
| Composition of Closing Equity | | | |
| Cash | | $ 103,730 | $ 103,300 |
| Accounts receivable | | - | - |
| Accounts payable | | (1,320) | (9,515) |
| | | $ 102,410 | $ 93,785 |

## FORT SIMPSON

District Education Authority
Details of Expenses - Non-Consolidated

For the year ended June 30, 2024

| Function | School Programs | Inclusive Schooling | Student Accommodation | Operations & Maintenance | Administration | Indigenous Languages and Education | Total |
|---|---|---|---|---|---|---|---|
| Salaries | | | | | | | |
| Teachers' Salaries | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Instruction Assistant | 33,713 | - | - | - | - | - | 33,713 |
| Non Instructional Staff | - | - | - | - | - | - | - |
| Board/Trustee Honoraria | - | - | - | - | 39,046 | 650 | 39,696 |
| | 33,713 | - | - | - | 39,046 | 650 | 73,409 |
| Employee Benefits | | | | | | | |
| Employee Benefits/Allowances | - | - | - | - | - | - | - |
| Leave and Termination Benefits | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| Services Purchased/Contracted | | | | | | | |
| Professional/Technical Services | - | - | - | - | - | - | - |
| Postage/Communication | 99 | - | - | - | - | - | 99 |
| Utilities | - | - | - | - | - | - | - |
| Travel | - | - | - | - | - | - | - |
| Student Travel (Bussing) | 39,382 | - | - | - | - | - | 39,382 |
| Advertising/Printing/Publishing | - | - | - | - | - | - | - |
| Maintenance/Repair | - | - | - | - | - | - | - |
| Rentals/Leases | - | - | - | - | - | - | - |
| Other - Student Awards | 6,007 | - | - | - | - | - | 6,007 |
| Other - Contracted Services | 5,000 | - | - | - | 386 | - | 5,386 |
| Other - School programs | 42,396 | - | - | - | - | - | 42,396 |
| | 92,884 | - | - | - | 386 | - | 93,270 |
| Materials/Supplies/Freight | | | | | | | |
| Materials | - | - | - | - | 599 | 9,928 | 10,527 |
| Freight | - | - | - | - | - | - | - |
| | - | - | - | - | 599 | 9,928 | 10,527 |
| Total | $ 126,597 | $ - | $ - | $ - | $ 40,031 | $ 10,578 | $ 177,206 |

# FORT PROVIDENCE

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2024

| | 2024 Budget | 2024 Actual | 2023 Actual |
|---|---|---|---|
| Revenue | | | |
| Contributions from Divisional Council | $ 46,897 | $ 46,897 | $ 39,867 |
| Other - Dehcho DEC | - | 95,490 | 106,386 |
| Other - Contributions from GNWT | - | 8,000 | 11,000 |
| Other | - | 85,749 | 106,640 |
| | 46,897 | 236,136 | 263,893 |
| Expenses | | | |
| School programs | 23,622 | 124,110 | 174,063 |
| Inclusive schooling | - | - | - |
| Student accommodations | - | - | - |
| Operations and maintenance | - | - | 1,497 |
| Administration | 21,275 | 59,547 | 15,636 |
| Indigenous language/cultural programs | 2,000 | 91,864 | 53,149 |
| | 46,897 | 275,521 | 244,345 |
| Surplus (Deficit) | $ - | (39,385) | 18,548 |
| Opening equity | | 91,100 | 72,552 |
| Closing equity | | $ 51,715 | $ 91,100 |
| Composition of Closing Equity | | | |
| Cash | | $ (33,580) | $ 78,740 |
| Accounts receivable | | 85,295 | 13,725 |
| Accounts payable | | - | (1,365) |
| | | $ 51,715 | $ 91,100 |

## FORT PROVIDENCE

District Education Authority
Details of Expenses - Non-Consolidated

For the year ended June 30, 2024

| Function | School Programs | Inclusive Schooling | Student Accommodation | Operations & Maintenance | Administration | Indigenous Languages and Education | Total |
|---|---|---|---|---|---|---|---|
| Salaries | | | | | | | |
| Teachers' Salaries | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Instruction Assistant | - | - | - | - | - | - | - |
| Non Instructional Staff | 57,565 | - | - | - | 32,880 | 88,264 | 178,709 |
| Board/Trustee Honoraria | - | - | - | - | 18,252 | 2,500 | 20,752 |
| | 57,565 | - | - | - | 51,132 | 90,764 | 199,461 |
| Employee Benefits | | | | | | | |
| Employee Benefits/Allowances | - | - | - | - | - | - | - |
| Leave and Termination Benefits | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| Services Purchased/Contracted | | | | | | | |
| Professional/Technical Services | - | - | - | - | - | - | - |
| Postage/Communication | 1,423 | - | - | - | - | - | 1,423 |
| Utilities | - | - | - | - | - | - | - |
| Travel | - | - | - | - | - | - | - |
| Student Travel (Bussing) | 5,630 | - | - | - | - | - | 5,630 |
| Advertising/Printing/Publishing | - | - | - | - | - | - | - |
| Maintenance/Repair | - | - | - | - | - | - | - |
| Rentals/Leases | 3,400 | - | - | - | - | - | 3,400 |
| Other - Awards/Gifts | 7,583 | - | - | - | - | - | 7,583 |
| Other - Contracted Services | 3,448 | - | - | - | 281 | - | 3,729 |
| Other - School programs | - | - | - | - | - | - | - |
| | 21,484 | - | - | - | 281 | - | 21,765 |
| Materials/Supplies/Freight | | | | | | | |
| Materials | 45,061 | - | - | - | 8,134 | 1,100 | 54,295 |
| Freight | - | - | - | - | - | - | - |
| | 45,061 | - | - | - | 8,134 | 1,100 | 54,295 |
| Total | $ 124,110 | $ - | $ - | $ - | $ 59,547 | $ 91,864 | $ 275,521 |

# FORT LIARD

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2024

| | 2024 Budget | 2024 Actual | 2023 Actual |
|---|---|---|---|
| Revenue | | | |
| Contributions from Divisional Council | $ 33,528 | $ 33,528 | $ 26,828 |
| Other - Dehcho DEC | - | 16,133 | 30,313 |
| Other - Contributions from GNWT | - | - | - |
| Other | - | - | 915 |
| | 33,528 | 49,661 | 58,056 |
| Expenses | | | |
| School programs | 22,278 | 16,224 | 27,229 |
| Inclusive Schooling | - | - | - |
| School accommodations | - | - | - |
| Operations and maintenance | - | - | |
| Administration | 9,250 | 6,091 | 13,717 |
| Indigenous language/cultural programs | 2,000 | 450 | 8,354 |
| | 33,528 | 22,765 | 49,300 |
| Surplus (Deficit) | $ - | 26,896 | 8,756 |
| Opening equity | | 87,024 | 78,268 |
| Closing equity | | $ 113,920 | $ 87,024 |
| Composition of Closing Equity | | | |
| Cash | | $ 116,375 | $ 88,686 |
| Investment in GIC | | - | - |
| Accounts receivable | | - | - |
| Accounts payable | | (2,455) | (1,662) |
| | | $ 113,920 | $ 87,024 |

## FORT LIARD

District Education Authority
Details of Expenses - Non-Consolidated

For the year ended June 30, 2024

| Function | School Programs | Inclusive Schooling | Student Accommodation | Operations & Maintenance | Administration | Indigenous Languages and Education | Total |
|---|---|---|---|---|---|---|---|
| Salaries | | | | | | | |
| Teachers' Salaries | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Instruction Assistant | - | - | - | - | - | - | - |
| Non Instructional Staff | - | - | - | - | - | - | - |
| Board/Trustee Honoraria | - | - | - | - | 4,966 | - | 4,966 |
| | - | - | - | - | 4,966 | - | 4,966 |
| Employee Benefits | | | | | | | |
| Employee Benefits/Allowances | - | - | - | - | - | - | - |
| Leave and Termination Benefits | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| Services Purchased/Contracted | | | | | | | |
| Professional/Technical Services | - | - | - | - | - | - | - |
| Postage/Communication | - | - | - | - | - | - | - |
| Utilities | - | - | - | - | - | - | - |
| Travel | - | - | - | - | 1,028 | - | 1,028 |
| Student Transportation | - | - | - | - | - | - | - |
| Advertising/Printing/Publishing | - | - | - | - | - | - | - |
| Maintenance/Repair | - | - | - | - | - | - | - |
| Rentals/Leases | - | - | - | - | - | - | - |
| Other - Awards | 1,040 | - | - | - | - | - | 1,040 |
| Other - Contracted Services | - | - | - | - | 97 | - | 97 |
| Other - Local Programs | 14,070 | - | - | - | - | 450 | 14,520 |
| | 15,110 | - | - | - | 1,125 | 450 | 16,685 |
| Materials/Supplies/Freight | | | | | | | |
| Materials | 1,114 | - | - | - | - | - | 1,114 |
| Freight | - | - | - | - | - | - | - |
| | 1,114 | - | - | - | - | - | 1,114 |
| Total | $ 16,224 | $ - | $ - | $ - | $ 6,091 | $ 450 | $ 22,765 |

# JEAN MARIE RIVER

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2024

| | 2024 Budget | 2024 Actual | 2023 Actual |
|---|---|---|---|
| Revenues | | | |
| Contributions from Divisional Council | $ 22,865 | $ 22,865 | $ 16,165 |
| Other - Dehcho DEC | - | 6,125 | 14,150 |
| Other - Contributions from GNWT | - | - | - |
| Other | - | - | - |
| | 22,865 | 28,990 | 30,315 |
| Expenses | | | |
| School programs | 9,915 | 3,562 | 6,631 |
| Inclusive schooling | - | - | - |
| Student accommodations | - | - | - |
| Operations and maintenance | - | - | 127 |
| Administration | 10,950 | 4,413 | 6,372 |
| Indigenous language/cultural programs | 2,000 | 1,869 | 5,480 |
| | 22,865 | 9,844 | 18,610 |
| Surplus (Deficit) | $ - | 19,146 | 11,705 |
| Opening equity | | 35,941 | 24,236 |
| Closing equity | | $ 55,087 | $ 35,941 |
| Composition of Closing Equity | | | |
| Cash | | $ 55,087 | $ 35,941 |
| Accounts receivable | | - | - |
| Accounts payable | | - | - |
| | | $ 55,087 | $ 35,941 |

## JEAN MARIE RIVER

District Education Authority
Details of Expenses - Non-Consolidated

For the year ended June 30, 2024

| Function | School Programs | Inclusive Schooling | Student Accommodation | Operations & Maintenance | Administration | Indigenous Languages and Education | Total |
|---|---|---|---|---|---|---|---|
| Salaries | | | | | | | |
| Teachers' Salaries | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Instruction Assistant | - | - | - | - | - | - | - |
| Non Instructional Staff | - | - | - | - | 490 | 1,869 | 2,359 |
| Board/Trustee Honoraria | - | - | - | - | 3,630 | - | 3,630 |
| | - | - | - | - | 4,120 | 1,869 | 5,989 |
| Employee Benefits | | | | | | | |
| Employee Benefits/Allowances | - | - | - | - | - | - | - |
| Leave and Termination Benefits | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| Services Purchased/Contracted | | | | | | | |
| Professional/Technical Services | - | - | - | - | - | - | - |
| Postage/Communication | - | - | - | - | - | - | - |
| Utilities | - | - | - | - | - | - | - |
| Travel | - | - | - | - | - | - | - |
| Student Travel (Bussing) | - | - | - | - | - | - | - |
| Advertising/Printing/Publishing | - | - | - | - | - | - | - |
| Maintenance/Repair | - | - | - | - | - | - | - |
| Rentals/Leases | - | - | - | - | - | - | - |
| Other - Awards | 3,062 | - | - | - | - | - | 3,062 |
| Other - Contracted Services | - | - | - | - | 293 | - | 293 |
| Other - School Programs | 500 | - | - | - | - | - | 500 |
| | 3,562 | - | - | - | 293 | - | 3,855 |
| Materials/Supplies/Freight | | | | | | | |
| Materials | - | - | - | - | - | - | - |
| Freight | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| Total | $ 3,562 | $ - | $ - | $ - | $ 4,413 | $ 1,869 | $ 9,844 |

# WRIGLEY

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2024

| | 2024 Budget | 2024 Actual | 2023 Actual |
|---|---|---|---|
| Revenue | | | |
| Contributions from Divisional Council | $ 25,785 | $ 25,785 | $ 19,085 |
| Other - Dehcho DEC | - | - | - |
| Other - Contributions from GNWT | - | - | - |
| Other | - | - | - |
| | 25,785 | 25,785 | 19,085 |
| Expenses | | | |
| School programs | 11,735 | 16,125 | 14,656 |
| Inclusive schooling | - | - | - |
| Student accommodations | - | - | - |
| Operations and maintenance | - | - | - |
| Administration | 12,050 | 5,817 | 6,177 |
| Indigenous language/cultural programs | 2,000 | 9,386 | - |
| | 25,785 | 31,328 | 20,833 |
| Surplus (Deficit) | $ - | (5,543) | (1,748) |
| Opening equity | | 100,318 | 102,066 |
| Closing equity | | $ 94,775 | $ 100,318 |
| Composition of Closing Equity | | | |
| Cash | | $ 94,775 | $ 95,478 |
| Accounts receivable | | - | 4,840 |
| Accounts payable | | - | - |
| | | $ 94,775 | $ 100,318 |

## WRIGLEY

District Education Authority
Details of Expenses - Non-Consolidated

For the year ended June 30, 2024

| Function | School Programs | Inclusive Schooling | Student Accommodation | Operations and Maintenance | Administration | Indigenous Languages and Education | Total |
|---|---|---|---|---|---|---|---|
| Salaries | | | | | | | |
| Teachers' Salaries | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Instruction Assistant | - | - | - | - | - | - | - |
| Non Instructional Staff | - | - | - | - | - | 9,386 | 9,386 |
| Board/Trustee Honoraria | - | - | - | - | 5,500 | - | 5,500 |
| | - | - | - | - | 5,500 | 9,386 | 14,886 |
| Employee Benefits | | | | | | | |
| Employee Benefits/Allowances | - | - | - | - | - | - | - |
| Leave and Termination Benefits | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| Services Purchased/Contracted | | | | | | | |
| Professional/Technical Services | - | - | - | - | - | - | - |
| Postage/Communication | - | - | - | - | - | - | - |
| Utilities | - | - | - | - | - | - | - |
| Travel | - | - | - | - | - | - | - |
| Student Travel (Bussing) | - | - | - | - | - | - | - |
| Advertising/Printing/Publishing | - | - | - | - | - | - | - |
| Maintenance/Repair | - | - | - | - | - | - | - |
| Rentals/Leases | - | - | - | - | - | - | - |
| Other - Awards | 5,125 | - | - | - | - | - | 5,125 |
| Other - Contracted Services | - | - | - | - | 317 | - | 317 |
| Other - Local programs | 11,000 | - | - | - | - | - | 11,000 |
| | 16,125 | - | - | - | 317 | - | 16,442 |
| Materials/Supplies/Freight | | | | | | | |
| Materials | - | - | - | - | - | - | - |
| Freight | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| Total | $ 16,125 | $ - | $ - | $ - | $ 5,817 | $ 9,386 | $ 31,328 |

# NAHANNI BUTTE

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2024

| | 2024 Budget | 2024 Actual | 2023 Actual |
|---|---|---|---|
| Revenues | | | |
| Contributions from Divisional Council | $ 23,292 | $ 23,292 | $ 17,845 |
| Other - Dehcho DEC | - | - | - |
| Other - Contributions from GNWT | - | - | - |
| Other | - | - | - |
| | 23,292 | 23,292 | 17,845 |
| Expenses | | | |
| School programs | 10,342 | 5,772 | 23,277 |
| Inclusive schooling | - | - | - |
| Student accommodations | - | - | - |
| Operations and maintenance | - | - | - |
| Administration | 10,950 | 1,652 | 252 |
| Indigenous language/cultural programs | 2,000 | 1,924 | 340 |
| | 23,292 | 9,348 | 23,869 |
| Surplus (Deficit) | $ - | 13,944 | (6,024) |
| Opening equity | | 48,365 | 54,389 |
| Closing equity | | $ 62,309 | $ 48,365 |
| Composition of Closing Equity | | | |
| Cash | | $ 62,309 | $ 48,365 |
| Accounts receivable | | - | - |
| Accounts payable | | - | - |
| | | $ 62,309 | $ 48,365 |

## NAHANNI BUTTE

District Education Authority
Details of Expenses - Non-Consolidated

For the year ended June 30, 2024

| Function | School Programs | Inclusive Schooling | Student Accommodation | Operations & Maintenance | Administration | Indigenous Languages and Education | Total |
|---|---|---|---|---|---|---|---|
| Salaries | | | | | | | |
| Teachers' Salaries | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Instruction Assistant | 500 | - | - | - | - | - | 500 |
| Non Instructional Staff | - | - | - | - | - | 1,924 | 1,924 |
| Board/Trustee Honoraria | - | - | - | - | 900 | - | 900 |
| | 500 | - | - | - | 900 | 1,924 | 3,324 |
| Employee Benefits | | | | | | | |
| Employee Benefits/Allowances | - | - | - | - | - | - | - |
| Leave and Termination Benefits | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| Services Purchased/Contracted | | | | | | | |
| Professional/Technical Services | - | - | - | - | - | - | - |
| Postage/Communication | - | - | - | - | - | - | - |
| Utilities | - | - | - | - | - | - | - |
| Travel | 711 | - | - | - | - | - | 711 |
| Student Travel (Bussing) | - | - | - | - | - | - | - |
| Advertising/Printing/Publishing | - | - | - | - | - | - | - |
| Maintenance/Repair | - | - | - | - | - | - | - |
| Rentals/Leases | - | - | - | - | - | - | - |
| Other - Awards | - | - | - | - | - | - | - |
| Other - Contracted Services | - | - | - | - | 216 | - | 216 |
| Other - School Programs | 4,561 | - | - | - | - | - | 4,561 |
| | 5,272 | - | - | - | 216 | - | 5,488 |
| Materials/Supplies/Freight | | | | | | | |
| Materials | - | - | - | - | 536 | - | 536 |
| Freight | - | - | - | - | - | - | - |
| | - | - | - | - | 536 | - | 536 |
| Total | $ 5,772 | $ - | $ - | $ - | $ 1,652 | $ 1,924 | $ 9,348 |

# SAMBAA K'E

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2024

| | 2024 Budget | 2024 Actual | 2023 Actual |
|---|---|---|---|
| Revenue | | | |
| Contributions from Divisional Council | $ 24,311 | $ 24,311 | $ 17,611 |
| Other - Dehcho DEC | - | 4,279 | 6,511 |
| Other - Contributions from GNWT | - | - | - |
| Other | - | - | - |
| | 24,311 | 28,590 | 24,122 |
| Expenses | | | |
| School programs | 11,361 | 9,306 | - |
| Inclusive schooling | - | - | - |
| Student accommodations | - | - | - |
| Operations and maintenance | - | - | - |
| Administration | 10,950 | 20,212 | 22,579 |
| Indigenous language/cultural programs | 2,000 | 1,260 | 1,428 |
| | 24,311 | 30,778 | 24,007 |
| Surplus (Deficit) | $ - | (2,188) | 115 |
| Opening equity | | 18,148 | 18,033 |
| Closing equity | | $ 15,960 | $ 18,148 |
| Composition of Closing Equity | | | |
| Cash | | $ 15,960 | $ 18,148 |
| Accounts receivable | | - | - |
| Accounts payable | | - | - |
| | | $ 15,960 | $ 18,148 |

## SAMBAA K'E

District Education Authority
Details of Expenses - Non-Consolidated

For the year ended June 30, 2024

| Function | School Programs | Inclusive Schooling | Student Accommodation | Operations & Maintenance | Administration | Indigenous Languages and Education | Total |
|---|---|---|---|---|---|---|---|
| Salaries | | | | | | | |
| Teachers' Salaries | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Instruction Assistant | - | - | - | - | - | - | - |
| Non Instructional Staff | - | - | - | - | 16,060 | 1,260 | 17,320 |
| Board/Trustee Honoraria | - | - | - | - | 3,969 | - | 3,969 |
| | - | - | - | - | 20,029 | 1,260 | 21,289 |
| Employee Benefits | | | | | | | |
| Employee Benefits/Allowances | - | - | - | - | - | - | - |
| Leave and Termination Benefits | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| Services Purchased/Contracted | | | | | | | |
| Professional/Technical Services | - | - | - | - | - | - | - |
| Postage/Communication | - | - | - | - | - | - | - |
| Utilities | - | - | - | - | - | - | - |
| Travel | - | - | - | - | - | - | - |
| Student Travel (Bussing) | - | - | - | - | - | - | - |
| Advertising/Printing/Publishing | - | - | - | - | - | - | - |
| Maintenance/Repair | - | - | - | - | - | - | - |
| Rentals/Leases | - | - | - | - | - | - | - |
| Other - Awards | 1,500 | - | - | - | - | - | 1,500 |
| Other - Contracted Services | - | - | - | - | 183 | - | 183 |
| Other - School Programs | 7,806 | - | - | - | - | - | 7,806 |
| | 9,306 | - | - | - | 183 | - | 9,489 |
| Materials/Supplies/Freight | | | | | | | |
| Materials | - | - | - | - | - | - | - |
| Freight | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| Total | $ 9,306 | $ - | $ - | $ - | $ 20,212 | $ 1,260 | $ 30,778 |

# KAKISA LAKE

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2024

| | 2024 Budget | 2024 Actual | 2023 Actual |
|---|---|---|---|
| Revenues | | | |
| Contributions from Divisional Council | $ 22,209 | $ 22,209 | $ 15,289 |
| Other - Dehcho DEC | - | 29,886 | 10,753 |
| Other - Contributions from GNWT | - | 8,000 | - |
| Other | - | 500 | 9,558 |
| | 22,209 | 60,595 | 35,600 |
| Expenditure | | | |
| School programs | 9,259 | 21,562 | 21,531 |
| Inclusive schooling | - | - | - |
| Student accommodations | - | - | - |
| Operations and maintenance | - | 14,919 | 9,775 |
| Administration | 10,950 | 11,827 | 11,105 |
| Indigenous language/cultural programs | 2,000 | - | 3,858 |
| | 22,209 | 48,308 | 46,269 |
| Surplus (Deficit) | $ - | 12,287 | (10,669) |
| Opening equity | | 3,182 | 13,851 |
| Closing equity | | $ 15,469 | $ 3,182 |
| Composition of Closing Equity | | | |
| Cash | | $ 13,810 | $ 3,182 |
| Accounts receivable | | 1,659 | - |
| Accounts payable | | - | - |
| | | $ 15,469 | $ 3,182 |

## KAKISA LAKE

District Education Authority
Details of Expenses - Non-Consolidated

For the year ended June 30, 2024

| Function | School Programs | Inclusive Schooling | Student Accommodation | Operations & Maintenance | Administration | Indigenous Languages and Education | Total |
|---|---|---|---|---|---|---|---|
| Salaries | | | | | | | |
| Teachers' Salaries | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Instruction Assistant | - | - | - | - | - | - | - |
| Non Instructional Staff | 4,320 | - | - | 14,919 | 6,000 | - | 25,239 |
| Board/Trustee Honoraria | - | - | - | - | 5,700 | - | 5,700 |
| | 4,320 | - | - | 14,919 | 11,700 | - | 30,939 |
| Employee Benefits | | | | | | | |
| Employee Benefits/Allowances | - | - | - | - | - | - | - |
| Leave and Termination Benefits | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| Services Purchased/Contracted | | | | | | | |
| Professional/Technical Services | - | - | - | - | - | - | - |
| Postage/Communication | - | - | - | - | - | - | - |
| Utilities | - | - | - | - | - | - | - |
| Travel | - | - | - | - | - | - | - |
| Student Travel (Bussing) | 9,428 | - | - | - | - | - | 9,428 |
| Advertising/Printing/Publishing | - | - | - | | - | - | - |
| Maintenance/Repair | - | - | - | - | - | - | - |
| Rentals/Leases | - | - | - | - | - | - | - |
| Other - Awards | 1,000 | - | - | - | - | - | 1,000 |
| Other - Contracted Services | - | - | - | - | 127 | - | 127 |
| Other - School Programs | 6,814 | - | - | - | - | | 6,814 |
| | 17,242 | - | - | - | 127 | - | 17,369 |
| Materials/Supplies/Freight | | | | | | | |
| Materials | - | - | - | - | - | - | - |
| Freight | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| Total | $ 21,562 | $ - | $ - | $ 14,919 | $ 11,827 | $ - | $ 48,308 |

# Dettah District Education Authority

## Financial Statements

## June 30, 2024

## Dettah District Education Authority

**Financial Statements**

**June 30, 2024** **Page**


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## Management's Responsibility for Financial Reporting

**To the Minister of Education, Culture and Employment**
**Government of Northwest Territories**

**Management's Responsibility for Financial Reporting with respect to the school year ended June 30, 2024**

The Management's Discussion and Analysis, Financial Statements, Schedules and Notes herein submitted have been prepared and approved by management. They provide full disclosure and accurately reflect the financial and non-financial condition of Dettah District Education Authority (the "Education Authority") in all material respects and in accordance with Canadian Public Sector Accounting Standards ("PSAS") as well as the Financial Administration Manual ("FAM") and the Financial Administration Manual for Education Authorities ("FAMEA") of the Government of the Northwest Territories("GNWT").

Management hereby asserts that adequate internal controls exist to ensure that transactions are complete, accurate and timely, appropriately authorized and include only valid transactions of the entity; that duties related to processes are appropriately segregated, that assets are safeguarded and that proper records are maintained. Controls further include quality standards regarding the hiring and training of employees, that ensure the adequate maintenance of written policies and procedural manuals and that further provide for appropriate accountability for performance within well-defined areas of responsibility. The operations and administration of the Dettah District Education Authority have been conducted within the statutory powers of the Education Authority. The operations and administration of the Education Authority as well as the supporting internal controls of the entity are regularly monitored to ensure their effectiveness and their continued compliance with all relevant legislation, standards, directives and policies including but not limited to the *Education Act*, *Financial Administration Act*, PSAS, FAM, FAMEA, *Human Resources Manual*, Ministerial Directives and the policies of the Education Authority Board. Any non-compliance has been specifically identified and has been previously communicated to the Minister and Deputy Minister.

Management hereby asserts that auditors have been provided with all relevant records and documentation as well as unrestricted access to the same. Management is not aware of any undisclosed irregularities involving management or employees with either current or potential impact on financial results, fraud or suspected fraud, disbursements made for purposes not consistent with an appropriation, irregular commitments including those in the form of guarantees, violations or possible violations of laws or regulations, claims or litigation, known or suspected environmental site contaminations or of any other undisclosed environmental or safety hazards within its jurisdiction.

The auditors 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. The auditors also consider whether the transactions that have come to their notice in the course of this audit are, in all significant respects, in accordance with specified legislation and directives from the Department of Education, Culture, and Employment ("ECE") of the Government of the Northwest Territories.

Approved and confirmed on behalf of the Dettah District Education Authority

Chair of the Board
Dettah District Education Authority

**September 25, 2024**

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# Independent Auditors' Report

**To the Minister of Education, Culture and Employment**
**Government of Northwest Territories**

**Report on the Audit of the Financial Statements**

***Opinion***
We have audited the accompanying financial statements of Dettah District Education Authority (the "Education Authority") which comprise the statement of financial position as at June 30, 2024, the statements of operations, changes in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Education Authority as at June 30, 2024, and its results of operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

***Basis for Opinion***
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Education Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Other Information***
Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independent Auditors' Report (continued)

***Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Education Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Education Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Education Authority's financial reporting process.

***Auditors' Responsibilities for the Audit of the Financial Statements***
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Education Authority's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Education Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Education Authority to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Independent Auditors' Report (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

***Report on Compliance with Specified Authorities***

In conjunction with the audit of the financial statements, we have audited the transactions of the Education Authority coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the *Financial Administration Act* of the Northwest Territories and regulations, the *Education Act* and regulations, as well as the bylaws and policies of the Education Authority.

In our opinion, the transactions of the Education Authority that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities.

Management is responsible for the Education Authority's compliance with the specified authorities, and for such internal control as management determines is necessary to enable the entity to comply with the specified authorities.

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities.

Crowe Mackay LLP

**Yellowknife, Northwest Territories**
**September 25, 2024**

**Chartered Professional Accountants**

## Dettah District Education Authority

### Statement of Financial Position

| As at June 30, | 2024 | 2023 |
|---|---|---|
| **Financial Assets** | | |
| Cash and cash equivalents | $ 1,762,439 | $ 1,225,740 |
| Accounts receivable (Note 4) | 46,505 | - |
| | 1,808,944 | 1,225,740 |
| **Liabilities** | | |
| Accounts payable and accrued liabilities (Note 5) | 260,079 | 87,549 |
| Payroll liabilities (Note 5) | 1,155 | 1,098 |
| Deferred revenue (Note 6) | - | 6,598 |
| Contributions repayable (Note 7) | 5,953 | 3,176 |
| Leave and termination benefits (Note 9) | 49,264 | 59,327 |
| Due to Yellowknife Education District No. 1 (Note 12) | 241,837 | - |
| | 558,288 | 157,748 |
| **Net financial assets** | 1,250,656 | 1,067,992 |
| **Non-financial Assets** | | |
| Prepaid expenses | 3,889 | 3,131 |
| **Accumulated Surplus** | $ 1,254,545 | $ 1,071,123 |

**Contractual obligations and contingencies (Note 11 and 12)**

**Approved on behalf of the Education Authority**

Chairperson

Principal

## Dettah District Education Authority

### Statement of Operations

| For the year ended June 30, | 2024 Budget | 2024 Actual | 2023 Actual |
|---|---|---|---|
| **Revenues** | | | |
| **Government of the Northwest Territories ("GNWT")** | | | |
| ECE regular contributions | $ 1,963,000 | $ 2,024,459 | $ 1,830,021 |
| ECE other contributions (Note 17) | 15,000 | 62,242 | 10,910 |
| **Total GNWT ECE** | 1,978,000 | 2,086,701 | 1,840,931 |
| GNWT other contributions (Note 18) | 1,300 | 1,300 | 1,300 |
| **Total GNWT** | 1,979,300 | 2,088,001 | 1,842,231 |
| **Government of Canada** | | | |
| Menstrual product funding | 6,500 | 3,820 | 1,418 |
| **Education body generated funds** | | | |
| Donations | 36,000 | 39,700 | 36,400 |
| Investment income | 23,000 | 41,883 | 23,030 |
| | 59,000 | 85,403 | 60,848 |
| **Total revenues** | 2,044,800 | 2,173,404 | 1,903,079 |
| **Expenses (Schedule 1)** | | | |
| School programs | 1,549,000 | 1,179,255 | 1,177,824 |
| Inclusive schooling | 558,000 | 421,352 | 372,548 |
| Administration | 290,300 | 93,671 | 125,155 |
| Indigenous languages and culture | 389,000 | 295,704 | 240,150 |
| COVID-19 | - | - | 2,761 |
| | 2,786,300 | 1,989,982 | 1,918,438 |
| **Operating surplus (deficit) before other items** | (741,500) | 183,422 | (15,359) |
| **Other items** | | | |
| Grant in-kind - Assets provided at no cost (Note 10) | - | 42,110 | 46,493 |
| Rent expense - Assets provided at no cost (Note 10) | - | (42,110) | (46,493) |
| **Operating surplus (deficit)** | (741,500) | 183,422 | (15,359) |
| **Opening accumulated surplus** | 1,071,123 | 1,071,123 | 1,086,482 |
| **Closing accumulated surplus** | $ 329,623 | $1,254,545 | $1,071,123 |

## Dettah District Education Authority

### Statement of Changes in Net Financial Assets

| For the year ended June 30, | Budget | 2024 | 2023 |
|---|---|---|---|
| **Operating surplus** | (741,500) | $ 183,422 | $ (15,359) |
| Change in prepaid expenses | | (758) | (132) |
| **Increase (decrease) in net financial assets** | (741,500) | 182,664 | (15,491) |
| **Net financial assets, beginning of year** | 1,067,992 | 1,067,992 | 1,083,483 |
| **Net financial assets, end of year** | 326,492 | $ 1,250,656 | $ 1,067,992 |

## Dettah District Education Authority

### Statement of Cash Flows

| For the year ended June 30, | 2024 | 2023 |
|---|---|---|
| **Cash provided by:** | | |
| **Operating transactions** | | |
| Operating surplus | $ 183,422 | $ (15,359) |
| **Changes in non-cash assets and liabilities** | | |
| Increase in accounts receivable | (46,505) | - |
| Increase in accounts payable and accrued liabilities | 172,531 | 28,179 |
| Increase (decrease) in payroll liabilities | 56 | 553 |
| Increase (decrease) in due to Yellowknife District Education No. 1 | 241,837 | (52,439) |
| Increase in contribution repayable | 2,777 | - |
| Decrease in deferred revenue | (6,598) | (4,312) |
| Increase in leave and termination benefits | (10,063) | 16,135 |
| Increase in prepaid expenses | (758) | (132) |
| | 353,277 | (12,016) |
| **Increase (decrease) in cash and cash equivalents** | 536,699 | (27,375) |
| **Cash and cash equivalents, at beginning of year** | 1,225,740 | 1,253,115 |
| **Cash and cash equivalents, at end of year** | $ 1,762,439 | $ 1,225,740 |

## 1. Nature of Operations

The Dettah District Education Authority (the "Education Authority") was established under the *Education Act* (the "Act") of the Government of the Northwest Territories ("GNWT") by order of the Minister dated February 12, 2004. Its purpose is to administer and maintain the standards of educational programs in Dettah as defined under the Act. A full range of instructional programs ranging from kindergarten through grade 12 is offered by the Education Authority.

The Education Authority is an independent legal and accounting entity with an elected Board of Trustees as stipulated in Section 82 of the Act. The Board of Trustees has decision making authority, the power to delegate authority, the ability to significantly influence operations and the sole accountability for all fiscal matters.

Section 81 of the Act outlines the powers of a Board of Education which for the Education Authority includes all aspects of operation and management. The Education Authority is the lowest (and sole) level of government exercising oversight responsibility.

The Education Authority is a public body performing a function of government in Canada. Paragraph 149(1)(c) of the *Income Tax Act* provides that a public body performing the function of government in Canada is exempt from taxation.

## 2. Significant Accounting Policies

### (a) Basis of Accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards.

The financial statements have, in management's opinion, been properly prepared with reasonable limits of materiality. The basis of accounting refers to the timing of when revenue and expense items are recognized in the accounts and reported in the financial statements. The accrual basis of accounting is utilized for all funds. Under the basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recorded when they are incurred.

### (b) Cash and Cash Equivalents

Cash and cash equivalents are comprised of bank balances.

## 2. Significant Accounting Policies (continued)

### (c) Financial Instruments

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 value is adjusted for financing fees and transactions costs that are directly attributable 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.

Financial asset measured at amortized cost include cash and cash equivalents and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, payroll liabilities, contributions repayable, and amounts due to Yellowknife Education District No. 1.

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 operations.

### (d) Non-Financial Assets

Prepaid expenses and other non-financial assets are accounted for as assets by the Education Authority because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the Education Authority.

### (e) Tangible Capital Assets

All buildings and works, furniture, equipment and vehicles are the property of the GNWT. The Minister grants to the Education Authority the full occupancy and use of such facilities and equipment where requested for the administration and delivery of education system programs. Tangible capital assets with a value in excess of $50,000 are recorded at cost and amortized in accordance with the Financial Administration Manual guidelines by the GNWT. Tangible capital assets with a value of less than $50,000 are recorded as a current expenses.

## 2. Significant Accounting Policies (continued)

### (f) Revenue Recognition

**Government Transfers:**

Revenues 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, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Operating transfers are recognized as revenue in the period in which the events giving rise to the transaction occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

Capital transfers or transfers of tangible capital assets are initially recognized as deferred revenue and subsequently recognized as revenue when the related tangible capital asset are acquired or built.

**GNWT - Regular Contributions:**

The regular contributions from the GNWT is determined by a funding formula, based on student enrolment and price and volume fluctuation, and is received in monthly installments. The Education Authority retains surpluses and is responsible for deficits. Any funding requests, over and above those levels provided by the formula, must be first approved by the GNWT.

**Other contributions**

The Education Authority follows the deferral method of accounting for contributions from funding arrangements. Unrestricted contributions are recognized as revenue when they are received or receivable, if the amount can be reasonably estimated and its collection is reasonably assured. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred.

## 2. Significant Accounting Policies (continued)

### (f) Revenue recognition (continued)

#### Deferred revenue

Deferred revenue consists of funds received in advance of providing the services or acquiring the goods. These amounts are taken into revenue when the eligible expenses are incurred.

#### Investment income

Investment income is recognized when received or receivable, if the amount can be reasonably estimated.

#### Donations

Donations are recognized in the period they are received.

#### Special Purpose Funds

School activity funds which are fully controlled by the Education Authority with respect to when and how the funds available can be disbursed are included. The funds reported are internally restricted as to purpose and may include the proceeds of fundraising, contributions or fees paid related to a specific planned benefit. Examples might include planned student trips or funds specifically designated for the purchase of equipment or materials required to support an activity.

Student activity funds which are controlled by students or parties other than the Education Authority are not included even if custody of the funds is held by the Education Authority. Examples of excluded funds might be student clubs or associations for which the Education Authority has no ongoing responsibility of liability for losses.

### (g) Budget Data

The *Education Act* of the Northwest Territories requires that Education Authorities prepare an annual budget, as outlined in Section 117.

The priorities and funding allocations are determined by the Board of Trustees of each Education Authority and the budget is legally adopted by a motion of the Board in accordance with Section 135(3) of the *Education Act.*

Budget approved budgets are submitted to the Minister of Education, Culture and Employment for final approval as directed by Sections 117(2) k, l and m of the *Education Act.*

This annual budget includes estimates of revenues and expenses for the operating fund surplus. Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Education Authority.

The budget may be amended within a given fiscal year in accordance with Education Authority policy, regulations and approved budget procedures. The budget data presented in the financial statements reflects the Minister approved budget for the school year.

## 2. Significant Accounting Policies (continued)

### (h) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards 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 amounts of revenue and expenses during the period. Significant item subject to such estimate and assumption include the estimated leave and termination benefits, actual results could differ from these estimates.

### (i) Post-employment Benefits, Compensated Absences and Termination Benefits

Under the terms and conditions of employment, education board employees may earn non-pension benefits for resignation, retirement and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment. Eligibility is based on a variety of factors including place of hire, date employment commenced, and reason for termination. Benefit entitlements are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service. Termination benefits are also recorded when employees are identified for lay-off. Compensated absences include sick, special, parental and maternity leave. Accumulating non-vesting sick and special leave are recognized in the period the employee provides service, whereas parental and maternity leave are event driven and are recognized when the leave commences. An actuarial valuation of the cost of these benefits (except maternal and parental leave) has been prepared using data provided by management and assumption based on management's best estimates.

### (j) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed. Transfers include entitlements and grants and are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

## 2. Significant Accounting Policies (continued)

### (k) Segment Disclosures

The Schedule of Detail of Expense has been prepared in accordance with PS Handbook Section PS 2700 – Segment Disclosures. The segments selected are to enable users to better understand the government reporting entity and the major revenue and expenditure activities of the Education Authority. For each reported segment, revenue and expenditures represent amounts directly attributable to each segment. Segments include:

School Programs: pertains to the provision of instructional services that falls under the basic public education mandate.

Administration: pertains to the provision of board governance and central office administration, operation and maintenance.

Indigenous Languages and Culture: pertains to Indigenous language resource development, support for language teachers and instructors, and enhance community engagement.

Inclusive Schooling: pertains to access to quality education for all students by effectively meeting their diverse needs.

## 3. Future Accounting Changes and Adoption of New Accounting Standards

### a) Adoption of New Accounting Standards

Effective April 1, 2023, the Education Board adopted PS 3400 Revenue. This standard provides guidance on how to account for and report on revenue that is not otherwise addressed elsewhere in the Public Sector Accounting Handbook. It identifies two types of revenue transactions: exchange and non-exchange. The Education Body applied PS 3400 prospectively, therefore, it is applied only to events and transactions occurring after April 1, 2023, and to any outstanding related balances existing at that date. No cumulative catch-up adjustment is recognized. The prior year's financial statements, including comparative information, have not been restated. The adoption of this standard did not result in any significant impacts to the financial statements as a result of its application.

Effective April 1, 2023, the Education Board adopted PS 3160 Public Private Partnerships. This standard provides guidance on how to account for and disclose public private partnerships. The adoption of this standard did not result in any significant impacts to the financial statements as a result of its application.

3. Future Accounting Changes and Adoption of New Accounting Standards (continued)

b) Future Accounting Changes

Effective July 1, 2026, the Education Board will be required to adopt the new Conceptual Framework for Financial Reporting in the Public Sector. Earlier adoption of the new framework is allowed. The Education Board is currently assessing the impact of this standard on the financial statements.

Effective July 1, 2026, the Education Board will be required to adopt PS 1202 Financial Statement Presentation. The standard sets out general and specific requirements for the presentation of information in financial statements. The financial statement presentation principles are based on the concepts in the Conceptual Framework. Earlier adoption is permitted if the Conceptual Framework for Financial Reporting in the Public Sector is early adopted. The Education Board is currently assessing the impact of this standard on the financial statements.

4. Accounts Receivable

| | 2024 | 2023 |
|---|---|---|
| GNWT - Retroactive funding | $ 46,505 | $ - |

5. Accounts Payable and Payroll Liabilities

| | 2024 | 2023 |
|---|---|---|
| Trade payable | $ 260,079 | $ 87,549 |
| Payroll liabilities | 1,155 | 1,098 |
| | $ 261,234 | $ 88,647 |

6. Deferred Revenue

| | 2024 | 2023 |
|---|---|---|
| **Government of Northwest Territories** | | |
| Department of Education, Culture and Employment - COVID-19 funding | $ - | $ 6,598 |

7. Contributions Repayable

| | 2024 | 2023 |
|---|---|---|
| **Government of the Northwest Territories** | | |
| Department of Education, Culture and Employment - Self-regulation | $ 1,176 | $ 1,176 |
| Health and Wellness support | 2,000 | 2,000 |
| Jordans Principal | 2,777 | |
| | $ 5,953 | $ 3,176 |

## 8. Pensions

The Education Authority makes contributions to the Northern Employee Benefits ("NEBS") Pension Plan ("the Plan"), which is a multi-employer plan, on behalf of some members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to the NEBS pension was $43,036 (2023 - $45,586). The contributions are calculated at a rate of 8% of earning and allowances for employee and employer contribution for a total of 16%. The maximum pensionable earnings is $204,475 as at January 2024, and $198,644 as at January 2023. The maximum monthly contributions is $3,610 as at January 2024, and $3,507 as at January 2023.

NEBS is an employer owned program and as such the Education Authority will be liable for its portion of any shortfall. The Plan serves 4,205 Employee Members and 118 Employer Members (total active, disabled and on leave: 2,265)

As of January 1, 2024, the excess (deficiency) of actuarial value of net assets over actuarial present value of defined benefits is estimated to be $66,573,900 - funded ratio 118.5% (2023 - $81,300,000 and 127%) on a going concern valuation basis.

As of April 2004, the OSFI has exempted NEBS from compliance with the *Pension Benefits Standards Act*. On April 2015, the Legislative Assembly passed the *Northern Employee Benefits Act* (Bill 12) which was enacted October 1, 2015.

## 9. Post-Employment Benefits and Compensated Absences and Termination Benefits

In addition to the pension benefits, the Education Authority provides severance (resignation and retirement), removal and compensated absence (sick, special, maternity and parental leave) benefits to its employees. The benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

Severance benefits are paid to the Education Authority's employees based on the type of termination (e.g. resignation versus retirement) and appropriate combinations that include inputs such as when the employee was hired, the rate of pay, the number of years of continuous employment and age and the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology.

Compensated absence benefits for all staff are accrued as employee render service and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include, but are not limited to employee or dependent illness and death of an immediate family member. Non-accruing benefits include maternity and parental leave. Benefits that accrue under compensated absence benefits were actuarially valued using the expected utilization methodology.

## 9. Post-Employment Benefits and Compensated Absences and Termination Benefits (continued)

### Valuation results

The actuarial valuation was completed as at March 31, 2024. The effective date of the next actuarial valuation is March 31, 2025. The liabilities are actuarially determined as the present value of the accrued benefits at March 31, 2024 and the results extrapolated to June 30, 2024. The values presented below are for all of the benefits under the compensated absences and termination benefits for the Education Authority.

| Changes in Obligations | Severance and Removal | Compensated Absences | 2024 |
|---|---|---|---|
| Accrued benefit obligation, beginning of year | $ 33,827 | $ 1,879 | $ 35,706 |
| Current period benefit cost | 2,905 | 139 | 3,044 |
| Interest accrued | 1,705 | 97 | 1,802 |
| Benefits payments | (11,488) | - | (11,488) |
| Actuarial (gain)/loss | 7,406 | (162) | 7,244 |
| **Accrued benefit obligations end of year** | **34,355** | **1,953** | **36,308** |
| **Unamortized net actuarial (gain)/loss** | (7,480) | (5,476) | (12,956) |
| **Accrued benefit liability** | **41,835** | **7,429** | **49,264** |
| **Benefit expenses** | | | |
| Current service costs | 2,905 | 139 | 3,044 |
| Interest costs | 1,705 | 97 | 1,802 |
| Amortization of actuarial gains | (2,687) | (734) | (3,421) |
| | **$ 1,923** | **$ (498)** | **$ 1,425** |

The discount rate used to determine the accrued benefit obligation was an average of 5.3% (2023 - 4.8%). The expected payments during the next five fiscal years are:

| | Severance and removal | Compensated absences | Total |
|---|---|---|---|
| 2025 | $ 2,661 | $ - | $ 2,661 |
| 2026 | 3,080 | - | 3,080 |
| 2027 | 3,063 | - | 3,063 |
| 2028 | 3,117 | - | 3,117 |
| 2029 | 3,525 | - | 3,525 |
| 2030- 2033 | 16,756 | 224 | 16,980 |
| Total | **$ 32,202** | **$ 224** | **$ 32,426** |

## 10. GNWT Assets Provided At No Cost

| | Cost | Accumulated Amortization | 2024 Net Book Value | 2023 Net Book Value |
|---|---|---|---|---|
| Kaw Tay Whee School | $ 895,327 | $ 737,414 | $ 157,913 | $ 200,023 |

Rent expense of $42,110 (2023 - $46,493) was offset by a grant in-kind.

## 11. Contractual Obligations

The Education Authority does not have any contractual obligations.

## 12. Contingencies

The Education Authority does not have any contingencies.

## 13. Related Parties

The Education Authority is related in terms of common ownership to all GNWT created departments, agencies and corporations. The Education Authority enters into transactions with these entities in the normal course of business. These transactions have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties. The Education Authority is provided with various administrative services by the GNWT, the value of which is not reflected in these financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage, payroll services and internal audit services by the Department of Finance, and utilities and maintenance by Public Works and Services. Transactions with related parties and balances at year-end not disclosed elsewhere in the financial statements are summarized in this note.

13. Related Parties (continued)

| | 2024 | 2023 |
|---|---|---|
| **Accounts Receivable** | | |
| GNWT - Department of Education, Cultural and Employment | $ 46,505 | $ - |
| **Accounts Payable** | | |
| Yellowknife Catholic Schools | $ 121,798 | $ - |
| **Due to Related Party** | | |
| Yellowknife Education District No. 1 | $ 241,837 | $ - |
| **Revenues from related parties** | | |
| Government of the Northwest Territories | | |
| Department of Education, Culture and Employment | $ 2,086,701 | $ 1,840,931 |
| Department of Education, Culture and Employment - Grant in-kind | 42,110 | 46,493 |
| Department of Health and Social Services | 1,300 | 1,300 |
| **Total revenues from related parties** | **$ 2,130,111** | **$ 1,888,724** |
| **Expenses paid to related parties** | | |
| Department of Education, Culture and Employment - Rent expense | $ 42,110 | $ 46,493 |
| Ndilo District Education Authority - Transfer costs | 139,897 | 177,299 |
| Yellowknife Catholic Schools - Transfer costs | 137,048 | 85,280 |
| Yellowknife Education District No. 1 - Superintendent fees and custodian salaries | 40,338 | 59,667 |
| Yellowknife Education District No. 1 - Transfer costs | 157,384 | 141,840 |
| **Total expenses paid to related parties** | **$ 516,777** | **$ 510,579** |

## 14. Budget Data

The annual budget includes estimates of revenue and expenses for the Operating Fund. Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Education Authority.

The budget figures presented are those approved by the Minister of Education, Culture and Employment on June 6, 2023.

## 15. Financial Instruments

The Education Authority is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risks from the Education Authority's financial instruments is provided by type of risk below. The Education Authority is exposed to credit and liquidity risks from the its financial instruments. Qualitative and quantitative analysis of the significant risks from the Education Authority's financial instruments is provided by type of risk below.

### a) Credit risk

Credit risk is the risk of financial loss to the Education Authority if a debtor fails to make payments of interest and principal when due. The Education Authority is exposed to this risk relating to its cash and cash equivalents. The Education Authority holds its cash and cash equivalents in accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Education Authority's cash in accounts are insured up to $100,000.

The Education Authority's maximum exposure to credit risk is represented by the financial assets balance for a total of $1,808,944 (2023 - $1,225,740). No financial assets are past due or inpaired.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

### b) Liquidity risk

Liquidity risk is the risk that the Education Authority will not be able to meet all cash outflow obligations as they come due. The Education Authority mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining an adequate amount of cash to cover unexpected cash outflows should they arise. The Education Authority also has a credit facility with a limit of up to $50,000.

The Education Authority's maximum exposure to liquidity risk is represented by accounts payable and accrued liabilities, payroll liabilities, contributions repayable and amounts due to Yellowknife Education District No. 1 for a total $371,976 (2023 - $98,421).

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

## 15. Financial Instruments (continued)

The table below shows when various financial assets and liabilities mature.

| | Up to 6 months |
|---|---|
| **Financial assets** | |
| Cash and cash equivalents | $ 1,762,439 |
| Accounts receivable | 46,505 |
| **Total financial assets** | **$ 1,808,944** |
| Total financial assets - prior year | $ 1,225,740 |
| **Financial liabilities** | |
| | Up to 6 months |
| Due to Yellowknife Education District No. 1 | 241,837 |
| Contribution repayable | 5,953 |
| Accounts payable and accrued liabilities | 260,079 |
| Payroll liabilities | 1,155 |
| **Total financial liabilities** | **$ 509,024** |
| Total financial liabilities - prior year | $ 91,823 |
| **Net total** | **$ 1,299,920** |
| Net total - prior year | $ 1,133,917 |

## 16. Expenses By Object

| | 2024 Budget | 2024 Actual | 2023 Actual |
|---|---|---|---|
| Compensation | $ 1,837,000 | $ 1,063,887 | $ 1,020,502 |
| Materials and freight | 228,300 | 205,253 | 216,910 |
| Services purchased or contracted | 721,000 | 719,417 | 681,026 |
| | $ 2,786,300 | $ 1,988,557 | $ 1,918,438 |

## 17. ECE Other Contributions

| | 2024 | 2023 |
|---|---|---|
| Government of the Northwest Territories - | | |
| Department of Education, Culture and Employment | | |
| Health and Wellness Support | $ 62,242 | $ - |
| COVID-19 | - | 10,910 |
| | $ 62,242 | $ 10,910 |

## 18. GNWT Other Contributions

| | 2024 | 2023 |
|---|---|---|
| Government of the Northwest Territories | | |
| Department of Health and Social Services - Drop the pop | $ 1,300 | $ 1,300 |

# Dettah District Education Authority

## Schedule 1 - Details of Expenses

| For the year ended June 30, 2024 | School Programs | Administration | Indigenous Language and Culture (schedule 2) | Inclusive Schooling (schedule 3) | Total 2024 | Budget 2024 | Total 2023 |
|---|---|---|---|---|---|---|---|
| **Salaries** | | | | | | | |
| Teachers | $ 208,695 | $ 29,065 | $ 104,746 | $ 331,858 | $ 674,364 | $ 938,000 | $ 668,370 |
| Instructional assistant | - | - | 117,003 | - | 117,003 | 442,000 | - |
| YK1 superintendent | 18,250 | 18,250 | - | - | 36,500 | - | 36,500 |
| Non-instructional staff | 68,193 | 1,000 | - | - | 69,193 | 282,000 | 150,856 |
| Board/Trustee honoraria | - | 11,170 | - | - | 11,170 | 20,000 | 11,729 |
| School secretary | - | - | - | - | - | - | - |
| **Total salaries** | 295,138 | 59,485 | 221,749 | 331,858 | 908,230 | 1,682,000 | 867,455 |
| **Employee benefits** | | | | | | | |
| Employee benefits and allowances | 55,007 | 8,552 | 27,597 | 64,501 | 155,657 | 120,000 | 136,910 |
| Leave and termination benefits | 432 | 62 | 223 | 708 | 1,425 | 35,000 | 16,136 |
| **Total employee benefits** | 55,439 | 8,614 | 27,820 | 65,209 | 157,082 | 155,000 | 153,046 |
| **Services purchased or contracted** | | | | | | | |
| Advertising and promotion | 35,210 | - | 355 | - | 35,565 | - | 27,885 |
| Contracted services | 462,305 | - | - | - | 462,305 | 483,000 | 436,796 |
| Maintenance and upgrades | 707 | - | - | 10,109 | 10,816 | 5,000 | 16,601 |
| Office | 51,417 | 25,572 | - | - | 76,989 | 60,000 | 65,687 |
| Professional and technical services | 40,746 | - | 2,888 | 1,395 | 45,029 | 78,000 | 45,924 |
| Student transportation (busing) | 88,713 | - | - | - | 88,713 | 95,000 | 88,133 |
| **Total services purchased or contracted** | 679,098 | 25,572 | 3,243 | 11,504 | 719,417 | 721,000 | 681,026 |
| **Materials and freight** | | | | | | | |
| Freight | 804 | - | - | - | 804 | 5,000 | 1,310 |
| Materials | 148,776 | - | 42,892 | 12,781 | 204,449 | 223,300 | 215,600 |
| **Total materials and freight** | 149,580 | - | 42,892 | 12,781 | 205,253 | 228,300 | 216,910 |
| **Total expenses** | $ 1,179,255 | $ 93,671 | $ 295,704 | $ 421,352 | $ 1,989,982 | $ 2,786,300 | $ 1,918,437 |

## Dettah District Education Authority

**Schedule 2**
**Details of Indigenous Language and Culture Program Expenses**

**For the year ended June 30, 2024**

| | Student Instruction |
|---|---|
| **Salaries** | |
| Teachers | $ 104,746 |
| Language consultants | 117,003 |
| Non-Instructional staff | - |
| School secretary | - |
| | 221,749 |
| **Employee benefits** | |
| Employee benefits and allowances | 27,597 |
| Leave and termination benefits | 223 |
| **Services purchased or contracted** | |
| Advertising and promotion | 355 |
| Professional/technical services | 2,888 |
| | 3,243 |
| **Materials and freight** | |
| Materials | 42,892 |
| **Total** | **$ 295,704** |

## Dettah District Education Authority

**Schedule 3**
**Details of Inclusive Schooling Expenses**

**For the year ended June 30, 2024**

| | General Inclusive Schooling |
|---|---|
| **Salaries** | |
| Program support teachers | $ 331,858 |
| **Employee benefits** | |
| Employee benefits and allowances | 64,501 |
| Leave and termination benefits | 708 |
| **Services Purchased or Contracted** | |
| Professional and technical services | 1,395 |
| Other contracted services | 10,109 |
| | 78,816 |
| **Materials and freight** | |
| Materials | 12,781 |
| **Total** | **$ 421,352** |

## Dettah District Education Authority

Schedule 4
Student Success Initiative

For the year ended June 30, 2023

| | | 2024 |
|---|---|---|
| Revenue - Government of the NWT Education, Culture and Employment | $ | 15,000 |
| Expense - Materials | | - |
| Surplus (Deficit) | $ | 15,000 |

# K'alemi Dene School
# (Ndilo District Education Authority)

## Financial Statements

## June 30, 2024

## K'alemi Dene School
**(Ndilo District Education Authority)**

**Financial Statements**

**June 30, 2024** **Page**


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## Management's Responsibility for Financial Reporting

**To the Minister of Education, Culture and Employment**
**Government of Northwest Territories**

**Management's Responsibility for Financial Reporting with respect to the school year ended June 30, 2024**

The Management's Discussion and Analysis, Financial Statements, Schedules and Notes herein submitted have been reviewed by management. They provide full disclosure and accurately reflect the financial and non-financial condition of K'alemi Dene School (the "Education Authority") in all material respects and in accordance with Canadian Public Sector Accounting Standards ("CPSAS") as well as the Financial Administration Manual ("FAM") and the Financial Administration Manual for Education Authorities ("FAMEA") of the Government of the Northwest Territories.

Management hereby asserts that adequate internal controls exist to ensure that transactions are complete, accurate and timely, appropriately authorized and include only valid transactions of the entity; that duties related to processes are appropriately segregated, that assets are safeguarded and that proper records are maintained. Controls further include quality standards regarding the hiring and training of employees, that ensure the adequate maintenance of written policies and procedural manuals and that further provide for appropriate accountability for performance within well-defined areas of responsibility. The operations and administration of the Education Authority have been conducted within the statutory powers of the Authority. The operations and administration of the Education Authority as well as the supporting internal controls of the entity are regularly monitored to ensure their effectiveness and their continued compliance with all relevant legislation, standards, directives and policies including but not limited to the *Education Act*, *Financial Administration Act*, CPSAS, FAM, FAMEA, Human Resources Manual, Ministerial Directives and the policies of the Authority's Board. Any non-compliance has been specifically identified and has been previously communicated to the Minister and Deputy Minister.

Management hereby asserts that auditors have been provided with all relevant records and documentation as well as unrestricted access to the same. Management is not aware of any undisclosed irregularities involving management or employees with either current or potential impact on financial results, fraud or suspected fraud, disbursements made for purposes not consistent with an appropriation, irregular commitments including those in the form of guarantees, violations or possible violations of laws or regulations, claims or litigation, known or suspected environmental site contaminations or of any other undisclosed environmental or safety hazards within its jurisdiction.

The auditors 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. The auditors also consider whether the transactions that have come to their notice in the course of this audit are, in all significant respects, in accordance with specified legislation and directives from the Department of Education, Culture, and Employment ("ECE") of the Government of the Northwest Territories.

Approved and confirmed on behalf of the Education Authority

M. Wowk **Principal**
Meagan Wowk

**September 27, 2024**

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# Independent Auditors' Report

**To the Minister of Education, Culture and Employment**
**Government of Northwest Territories**
**and to the Members of K'alemi Dene School**

*Report on the Audit of the Financial Statements*
We have audited the accompanying financial statements of K'alemi Dene School (the "Education Authority") which comprise the statement of financial position as at June 30, 2024 and the statement of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effect of the matters described in the *Basis of Qualified Opinion* paragraph, these financial statements present fairly, in all material respects, the financial position of K'alemi Dene School as at June 30, 2024 and its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Basis for Qualified Opinion*
In common with many not-for-profit organizations the Education Authority derives a significant amount of revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of donation revenues was limited to the amounts recorded in the records of the Education Authority. Therefore, we were not able to determine whether any adjustments might be necessary to donations - general, operating surplus, cash flows from operations for the years ended June 30, 2024 and 2023, financial assets as at June 30, 2024 and 2023 and accumulated surplus as at July 1, 2023 and 2022 and June 30, 2024 and 2023 years. Our audit opinion on the financial statements for the year ended June 30, 2023 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Education Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsbilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

***Other Information***
Management is responsible for the other information. The other information comprises the Management Discussion and Analysis, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Independent Auditors' Report (continued)

*Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Education Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Education Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Education Authority's financial reporting process.

*Auditors' Responsibilities for the Audit of the Financial Statements*
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Education Authority's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Education Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Education Authority to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Independent Auditors' Report (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Report on Compliance with Specified Authorities*
In conjuction with the audit of the financial statements, we have audited transactions of the Education Authority coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the Government of the Northwest Territories - Department of Education, Culture and Employment ("ECE").

In our opinion, the transactions of the Education Authority that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above.

Management is responsible for the Education Authority's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the entity to comply with the specified authorities.

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above.

Crowe Mackay LLP

**Yellowknife, Northwest Territories**
**September 27, 2024**

**Chartered Professional Accountants**

## K'alemi Dene School
**(Ndilo District Education Authority)**

**Statement of Financial Position**

| As at June 30, | 2024 | 2023 |
|---|---|---|
| **Financial Assets** | | |
| Cash and cash equivalents (Note 4) | $ 1,127,320 | $ 606,556 |
| Portfolio investments (Note 7) | 563,013 | 539,453 |
| Due from the Government of Canada (Note 11) | 42,047 | 20,129 |
| Accounts receivable (Note 8) | 119,346 | 177,299 |
| | **1,851,726** | 1,343,437 |
| **Liabilities** | | |
| Accounts payable and accrued liabilities | 719,663 | 62,043 |
| Payroll liabilities | 3,171 | 2,589 |
| Leave and termination benefits (Note 15) | 72,124 | 15,965 |
| | **794,958** | 80,597 |
| **Net Financial Assets** | **1,056,768** | 1,262,840 |
| **Non-Financial Assets** | | |
| Tangible Capital assets (Note 17) | **121,220** | - |
| Prepaid expenses (Note 18) | **6,907** | 6,670 |
| | **128,127** | 6,670 |
| **Accumulated Surplus (Note 29)** | **$ 1,184,895** | $ 1,269,510 |
| **Represented By:** | | |
| Operating Fund | $ 1,143,683 | $ 1,228,009 |
| High School Travel Fund | (80,008) | 41,501 |
| Equity in Tangible Capital Assets | 121,220 | - |
| | $ 1,184,895 | $ 1,269,510 |

**Contractual obligations and contingencies (Note 20)**

**Approved on behalf of the Education Authority**

**Chairperson** **Trustee**

## K'alemi Dene School
**(Ndilo District Education Authority)**

**Statement of Operations**

| For the year ended June 30, | 2024 Budget | **2024 Actual** | 2023 Actual |
|---|---|---|---|
| **Revenue** | | | |
| **Government of the Northwest Territories ("GNWT")** | | | |
| ECE regular contributions | $3,400,400 | $3,531,871 | $3,308,023 |
| ECE other contributions (Note 26) | 15,000 | 139,772 | 20,300 |
| **Total ECE** | 3,415,400 | **3,671,643** | 3,328,323 |
| **GNWT Other contributions** (Note 27) | 42,000 | **12,361** | 41,388 |
| **Government of Canada** | | | |
| Jordan's Principle (Schedule 4) | 8,500 | - | 8,460 |
| **Education authority generated funds** | | | |
| Donations - general | 51,000 | 57,785 | 69,420 |
| Transfers from other education authorities (Note 21) | - | 139,898 | 177,299 |
| Investment income | 20,000 | 28,870 | 13,518 |
| | 3,536,900 | **3,910,557** | 3,638,408 |
| **Expenses (Schedule 1)** | | | |
| School programs | 2,900,000 | 2,464,558 | 2,252,340 |
| Inclusive schooling | 1,074,000 | 967,330 | 854,712 |
| Administration | 266,000 | 98,576 | 87,069 |
| Indigenous language and culture | 457,000 | 329,432 | 322,634 |
| Jordan's Principle | 8,500 | 2,476 | 10,811 |
| High school travel | - | 124,065 | 71,983 |
| Gardening | - | 8,735 | 14,318 |
| | 4,705,500 | **3,995,172** | 3,613,867 |
| **Operating surplus (deficit) before other items** | (1,168,600) | **(84,615)** | 24,541 |
| **Other items** | | | |
| Grant in-kind - GNWT assets provided at no cost (Note 19) | - | 278,717 | 226,653 |
| Rent expense - GNWT assets provided at no cost (Note 19) | - | (278,717) | (226,653) |
| | - | - | - |
| **Operating surplus** | (1,168,600) | **(84,615)** | 24,541 |
| **Opening accumulated surplus** | 1,269,510 | **1,269,510** | 1,244,969 |
| **Closing accumulated surplus** | $ 100,910 | **$1,184,895** | $1,269,510 |

## K'alemi Dene School
(Ndilo District Education Authority)

### Statement of Changes in Net Financial Assets

| For the year ended June 30, | 2024 | 2023 |
|---|---|---|
| Operating surplus (deficit) | $ (84,615) | $ 24,541 |
| Change in prepaid expenses | (237) | (2,225) |
| Change in tangible capital assets | (121,220) | - |
| Increase (decrease) in net financial assets | (206,072) | 22,316 |
| Net financial assets, beginning of year | 1,262,840 | 1,240,524 |
| Net financial assets, end of year | $ 1,056,768 | $ 1,262,840 |

## K'alemi Dene School
**(Ndilo District Education Authority)**

**Statement of Cash Flows**

| For the year ended June 30, | 2024 | 2023 |
|---|---|---|
| **Cash provided by:** | | |
| **Operating Activities** | | |
| Operating surplus (deficit) | **$ (84,615)** | $ 24,541 |
| Items not affecting cash | | |
| Amortization | 6,380 | |
| | **6,380** | - |
| | **(78,235)** | 24,541 |
| **Change in non-cash assets and liabilities** | | |
| Increase in accounts receivable | 57,954 | (177,299) |
| Increase (decrease) in accounts payable and accrued liabilities | 657,617 | (1,546) |
| Increase in payroll liabilities | 582 | 301 |
| Increase (decrease) in leave and termination benefits | 56,159 | (43,184) |
| Increase in amounts due from Government of Canada | (21,918) | (896) |
| Increase in prepaid expenses | (237) | (2,226) |
| | **750,157** | (224,850) |
| **Cash used in operating transactions** | **671,922** | (200,309) |
| **Investing Activities** | | |
| Acquisition of portfolio investments | (563,013) | (541,095) |
| Proceeds of portfolio investments | 539,455 | 530,335 |
| Acquisition of tangible capital assets | (127,600) | - |
| **Decrease in cash** | **520,764** | (211,069) |
| **Cash beginning of year** | **606,556** | 817,625 |
| **Cash end of year** | **$ 1,127,320** | $ 606,556 |

# K'alemi Dene School

## Schedule 1
## Details of Expenses

| For the year ended June 30, | School Program | Inclusive Schooling (schedule 2) | Administration | Indigenous Language and Culture Program (schedule 3) | Jordan's Principle (schedule 4) | High School Travel | Gardening | 2024 Total | 2024 Budget | 2023 Total |
|---|---|---|---|---|---|---|---|---|---|---|
| **Salaries** | | | | | | | | | | |
| Teachers' salaries | $ 965,629 | $ 519,654 | $ - | $ 275 | $ - | $ - | $ - | $ 1,485,558 | $ 2,031,000 | $ 2,076,029 |
| Instruction Assistants | 317,203 | 157,116 | - | 208,656 | - | - | - | 682,975 | 1,000,000 | - |
| Non-Instructional staff | 217,964 | 74,196 | 950 | 8,785 | - | - | - | 301,895 | 254,000 | 201,919 |
| Board/Trustee honoraria | 650 | - | 19,200 | - | - | - | - | 19,850 | 15,000 | 22,822 |
| **Total Salaries** | **1,501,446** | **750,966** | **20,150** | **217,716** | **-** | **-** | **-** | **2,490,278** | **3,300,000** | 2,300,770 |
| **Employee Benefits** | | | | | | | | | | |
| Employee benefits and allowances | 253,245 | 120,853 | - | 47,438 | - | - | - | 421,536 | - | 407,572 |
| leave and termination benfits | 29,300 | 17,092 | - | 9,767 | - | - | - | 56,159 | 60,000 | (43,185) |
| **Total Employee Benefits** | **282,545** | **137,945** | **-** | **57,205** | **-** | **-** | **-** | **477,695** | **60,000** | 364,387 |
| **Services Purchased or Contracted** | | | | | | | | | | |
| Amortization | 6,380 | - | - | - | - | - | - | 6,380 | - | - |
| Licenses and permits | 11,114 | - | - | - | - | - | - | 11,114 | - | 6,508 |
| Interest and bank charges | 1,811 | - | - | - | - | - | - | 1,811 | - | 2,510 |
| Repairs and maintenance | 30,925 | - | - | - | - | - | - | 30,925 | - | 38,137 |
| Telephone and utilities | 24,832 | - | - | 243 | - | - | - | 25,075 | 14,000 | 15,483 |
| Training and education | 46,546 | 77,660 | 59,231 | 38,146 | - | - | 8,409 | 229,992 | 229,000 | 242,849 |
| Equipment lease | 33,565 | - | - | - | - | - | - | 33,565 | 41,000 | 43,128 |
| Transportation | 107,961 | - | - | 116 | - | - | - | 108,077 | 91,000 | 93,700 |
| Travel and automotive | 31,817 | 397 | - | 5,100 | - | 101,584 | - | 138,898 | 165,000 | 108,784 |
| Automotive leasing | 15,487 | - | - | - | - | - | - | 15,487 | 21,000 | 2,581 |
| Water/sewage | - | - | - | - | - | - | - | - | - | 17 |
| **Total Services Purchased or Contracted** | **310,438** | **78,057** | **59,231** | **43,605** | **-** | **101,584** | **8,409** | **601,324** | **561,000** | 553,697 |
| **Total Materials/Supplies/Freight** | **370,129** | **362** | **19,195** | **10,906** | **2,476** | **22,481** | **326** | **425,875** | **784,500** | 395,013 |
| **Total Expenses** | **$ 2,464,558** | **$ 967,330** | **$ 98,576** | **$ 329,432** | **$ 2,476** | **$ 124,065** | **$ 8,735** | **$ 3,995,172** | **$ 4,705,500** | $ 3,613,867 |

## K'alemi Dene School

**Schedule 2**
**Details of Inclusive Schooling Expenses**

| For the year ended June 30, | 2024 |
|---|---|
| | General Inclusive Schooling |
| **Salaries** | |
| Teachers' salaries | $ 519,654 |
| Instruction assistants | 157,116 |
| Non-Instructional staff | 74,196 |
| **Total Salaries** | **750,966** |
| **Employee Benefits** | **137,945** |
| **Services Purchased or Contracted** | |
| Training and education | 77,660 |
| Travel and automotive | 397 |
| **Total Materials/Supplies/Freight** | **362** |
| **Total Expenses** | **$ 967,330** |

## K'alemi Dene School

**Schedule 3**
**Details of Indigenous Language and Culture Program Expenses**

**For the year ended June 30, 2024**

| | Student Instruction |
|---|---|
| **Salaries** | |
| Teachers' salaries | $ 275 |
| Instruction Assistants | 208,656 |
| Non-Instructional staff | 8,785 |
| | **217,716** |
| **Employee Benefits** | **57,205** |
| **Services Purchased or Contracted** | |
| Professional/technical services | 38,146 |
| Telephone and utilities | 243 |
| Transportation | 116 |
| Travel and automotive | 5,100 |
| | **43,605** |
| **Materials/Supplies/Freight** | **10,906** |
| **Total Expenses** | **$ 329,432** |

## K'alemi Dene School

**Schedule 4**
**Jordan's Principle**

| | June 30, 2024 | June 30, 2023 | July 1, 2023 - March 31, 2024 | April 1, 2024 - June 30, 2024 |
|---|---|---|---|---|
| **Revenue** | | | | |
| Government of Canada | $ - | $ 8,460 | $ - | $ - |
| **Expenses** | | | | |
| Personnel | - | - | - | - |
| Materials and supplies | 2,476 | 10,811 | 2,476 | - |
| **Total Expenses** | **2,476** | 10,811 | 2,476 | - |
| **Surplus (deficit)** | **$ (2,476)** | $ (2,351) | $ (2,476) | $ - |
| **Deferred Revenue** | **$ -** | $ - | $ - | $ - |

## 1. Nature of Operations

K'alemi Dene School (the "Education Authority") was established on June 25, 2013 under the *Education Act* of the Northwest Territories by order of the Minister of the Government of Northwest Territories (the "GNWT"). Its purpose is to administer and maintain the standards of educational programs in Ndilo as defined under the Act. A full range of instructional programs ranging from kindergarten through grade 12 are offered by the Education Authority.

The Education Authority is an independent legal and accounting entity with an elected Board of Trustees as stipulated in Section 82 of the Education Act. The Board of Trustees has decision making authority, the power to delegate authority, the ability to significantly influence operations and the sole accountability for all fiscal matters.

The Education Authority is a public body performing a function of Government in Canada. Paragraph 149(1)(c) of the *Income Tax Act* provides that a public body performing a function of Government in Canada is exempt from taxation.

## 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 ("PSAB") of the Chartered Professional Accountants of Canada.

The financial statements have, in management's opinion, been properly prepared with reasonable limits of materiality. The basis of accounting refers to the timing of when revenue and expense items are recognized in the accounts and reported in the financial statements. The accrual basis of accounting is utilized for all funds. Under the basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recorded when they are incurred.

### (b) Cash

Cash is comprised of bank account balances, net of outstanding cheques.

### (c) Financial Instruments

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 attributable 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.

Financial assets subsequently measured at amortized cost include cash and cash equivalents, portfolio investments, and accounts receivable.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, and payroll liabilities.

## 2. Significant Accounting Policies (continued)

### (c) Financial Instruments (continued)

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 operations.

### (d) Non-Financial Assets

Prepaid expenses and other non-financial assets are accounted for as assets by the Education Authority because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the Education Authority.

### (e) Tangible Capital Assets

Tangible capital assets acquired for more than $50,000 are capitalized and amortized. Tangible capital assets are recorded at cost plus betterments less accumulated amortization. Unless contributed in which case the tangbile capital assets will be recorded at fair market value. Assets owned by the Education Authority will be amortized using the striaght line method, based on their useful life of 40 years.

All buildings, furniture, and equipment are the property of the GNWT. The Minister grants to the Education Authority full occupancy and use of such facilities and equipment required for the administration and delivery of the education programs within the community.

Tangible capital assets with a value in excess of $50,000 are recorded at cost and amortized in accordance with the Financial Administration Manual guidelines of the GNWT and are included on the Statement of Financial Position. Capital assets with a value of less than $50,000 are recorded as a current expense through the Statement of Operations.

### (f) Revenue Recognition

**Government Transfers**
Revenues 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, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticle.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Operating transfers are recognized as revenue in the period in which the events giving rise to the transaction occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

## 2. Significant Accounting Policies (continued)

### (f) Revenue Recognition (continued)

**GNWT - Regular Contributions**
The regular contributions from the GNWT are determined by a funding formula, based on student enrolment and price and volume fluctuation, and are received in monthly installments. The Education Authority retains surpluses and is responsible for deficits. Any funding requests, over and above those levels provided by the formula, must be first approved by the GNWT.

**Other Contributions**
The Education Authority follows the deferral method of accounting for contributions from funding arrangements. Unrestricted contributions are recognized as revenue when they are received or receivable, if the amount can be reasonably estimated and its collection is reasonably assured. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred.

**Other Revenue - Donations**
Donations are recognized as revenue when they are received or receivable, if the amount can be reasonably estimated and its collection is reasonably assured.

**Contributed Services**
The school bus used by the Education Authority was the property of the Yellowknives Dene First Nation. The fair value of the use of the bus is estimated to be equivalent to the cost of bus passes that the Education Authority would have had to purchase. As such, a bus pass expense and corresponding revenue has been reported in the statement of operations. The fair value of these services is $4,550 (2023 - $12,000). During the fiscal year the Education Authority has purchased a school bus and will now offer these services independently.

**Deferred Revenue**
Deferred revenue consists of funds received in advance of providing the services or acquiring the goods. These amounts are taken into revenue when the eligible expenses are incurred.

**Investment Income**
Investment income is recognized when received or receivable, if the amount can be reasonably estimated.

**Special Purpose Funds**
School activity funds which are fully controlled by the Education Authority with respect to when and how the funds available can be disbursed are included. The funds reported are internally restricted as to purpose and may include the proceeds of fundraising, contributions or fees paid related to a specific planned benefit. Examples might include planned student trips or funds specifically designated for the purchase of equipment or materials required to support an activity.

Student activity funds which are controlled by students or parties other than the Education Authority are included and shown seperately on the financial statements. Examples of excluded funds might be student clubs or associations. As at June 30, 2024 there were no such funds.

High School Travel Fund: This fund is set up for the delivery of student trips. It has been recognized as a special purpose fund.

## 2. Significant Accounting Policies (continued)

### (g) Budget Data

The *Education Act* of the Northwest Territories requires that Education Authorities prepare an annual budget, as outlined in Section 117.

The priorities and funding allocations are determined by the Board of Trustees and the budget is legally adopted by a motion of the Board of in accordance with Section 135(3) of the *Education Act.*

Board approved budgets are submitted to the Minister of Education, Culture and Employment for final approval as directed by Sections 117(2) k, l and m of the *Education Act.*

The annual budget includes estimates of revenues, expenses and the net operating surplus (deficit). Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Education Authority.

The budget may be amended within a given fiscal year in accordance with Education Authority policy, regulations and approved budget procedures. The budget data presented in the financial statements reflects the Minister approved budget for the school year.

### (h) Measurement Uncertainty

The preparation of these financial statements in conformity with Canadian public sector accounting standards 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 amounts of revenue and expenses during the period. Actual results could differ from these estimates.

### (i) Inventories Including Materials and Supplies

Inventories of books, materials, supplies and other expendables purchased by the Education Authority are treated as expenses during the year of acquisition and are not recorded on the statement of financial position.

### (j) Payroll Liabilities

Teacher payrolls for July and August 2024 were recognized and paid as of June 30, 2024. As such, they are not accrued as year-end.

## 2. Significant Accounting Policies (continued)

### (k) Post-Employment Benefits, Compensated Absences and Termination Benefits

Under the terms and conditions of employment, education board employees may earn non-pension benefits for resignation, retirement and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment. Eligibility is based on a variety of factors including place of hire, date of employment commenced, and reason for termination. Benefit entitlements are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service. Termination benefits are also recorded when employees are identified for lay-off. Compensated absences include sick, special, parental and maternity leave. Accumulating non-vesting sick and special leave are recognized in the period the employee provides service, whereas parental and maternity leave are event driven and are recognized when the leave commences. An actuarial valuation of the cost of these benefits (except maternal and parental leave) has been prepared using data provided by management and assumptions based on management's best estimates.

### (l) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed. Transfers include grants and contributions and are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

### (m) Foreign Currency Translation

The Education Authority only transacts in Canadian dollars. As such, there is no foreign currency translation.

### (n) GNWT Tangible Capital Assets Provided At No Cost

The school buildings occupied by the Education Authority are the property of the GNWT. The fair value of the use of the building is estimated to be equivalent to the current year amortization of the building as such a rent expense and corresponding grant in-kind has been reported in the statement of operations.

### (o) Net Financial Assets

The Education Authority's financial statements are presented so as to highlight net financial assets (debt) as the measurement of financial position. The net financial assets of the Education Authority is determined by its financial assets less its liabilities. Net financial assets combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.

## 2. Significant Accounting Policies (continued)

### (p) Segment Disclosure

The Schedule of Operating Fund - Detail of Expenditures has been prepared in accordance with PS Handbook Section PS 2700 – Segment Disclosures. The segments selected are to enable users to better understand the government reporting entity and the major revenue and expense activities of the Board. For each reported segment, revenue and expenses represent amounts directly attributable to each segment. Segments include:

School Programs: pertains to the delivery of instructional services that falls under the basic public education mandate.

Inclusive Schooling: pertains to access to quality education for all students by effectively meeting their diverse needs.

Administration: pertains to the delivery of board governance and central office administration and maintenance.

Indigenous Languages and Culture: pertains to Indigenous language resource development, support for language teachers and instructors, and enhance community engagement.

High School Travel: pertains to the delivery of student trips.

Jordan's Principle: pertains to the provision of products, services and supports related to health, social, and educational needs of the First Nations students at the Authority.

Gardening: pertains to the delivery of instruction to teach student how to have a garden and harvest.

### (q) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability would be recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met: an environmental standard exits; contamination exceeds the environmental standard; the Education Authority is directly responsible or accepts responsibility and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available as at June 30, 2024.

At each financial reporting date, management reviews the carrying amounts of the liability. Any revisions required to the amount previously recognized are accounted for in the period revisions are made. Management of the Education Authority has concluded that there is no contamination that exceeds environmental standards and as a result, there are no liabilities for contaminated sites.

## 3. Future Accounting Changes and Adoption of New Accounting Standards

### a) Adoption of New Accounting Standards

Effective April 1, 2023, the Education Board adopted PS 3400 Revenue. This standard provides guidance on how to account for and report on revenue that is not otherwise addressed elsewhere in the Public Sector Accounting Handbook. It identifies two types of revenue transactions: exchange and non-exchange. The Education Body applied PS 3400 prospectively, therefore, it is applied only to events and transactions occurring after April 1, 2023, and to any outstanding related balances existing at that date. No cumulative catch-up adjustment is recognized. The prior year's financial statements, including comparative information, have not been restated. The adoption of this standard resulted in additional disclosures in the notes to the financial statements.

Effective April 1, 2023, the Education Board adopted PS 3160 Public Private Partnerships. This standard provides guidance on how to account for and disclose public private partnerships. The adoption of this standard did not result in any significant impacts to the financial statements as a result of its application.

### b) Future Accounting Changes

Effective July 1, 2026, the Education Board will be required to adopt the new Conceptual Framework for Financial Reporting in the Public Sector. Earlier adoption of the new framework is allowed. The Education Board is currently assessing the impact of this standard on the financial statements.

Effective July 1, 2026, the Education Board will be required to adopt PS 1202 Financial Statement Presentation. The standard sets out general and specific requirements for the presentation of information in financial statements. The financial statement presentation principles are based on the concepts in the Conceptual Framework. Earlier adoption is permitted if the Conceptual Framework for Financial Reporting in the Public Sector is early adopted. The Education Board is currently assessing the impact of this standard on the financial statements.

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## 4. Cash

Cash represent cash held in a bank account with the Royal Bank of Canada ("RBC").

## 5. Special Purpose Funds

The Education Authority does not have special purpose funds.

## 6. Restricted Assets

The Education Authority does not have restricted assets.

## 7. Portfolio Investments

The Education Authority has two, one-year guaranteed investment certificate ("GIC") with RBC, one GIC $78,965 (2023 - $78,051) has an interest rate of 3.25% (2023 - 3.25%) per annum and matures on July 04, 2024. The second GIC $484,047 (2023 - $416,402) has an interest rate of 4% (2023 - 4%) per annum and matures on June 14, 2025.

## 8. Accounts Receivable

| | Accounts Receivable 2024 | Allowance 2024 | **Net 2024** | Net 2023 |
|---|---|---|---|---|
| Accounts receivable | $ - | $ - | $ - | $ 475 |
| Due from GNWT | 119,346 | - | 119,346 | - |
| Due from Dettah District Education Authority | - | - | - | 177,299 |
| | 119,346 | - | 119,346 | 177,774 |
| Allowance for doubtful accounts | - | - | - | (475) |
| | $ 119,346 | $ - | **$ 119,346** | $ 177,299 |

## 9. Inventories

The Education Authority does not have inventories.

## 10. Contribution Repayable

The Education Authority does not have contribution repayable.

## 11. Due from the Government of Canada

| | **2024** | 2023 |
|---|---|---|
| Goods and Services Tax receivable | **$ 42,047** | $ 20,129 |

## 12. Capital Lease Obligations

The Education Authority does not have capital lease obligations.

## 13. Pensions

The Education Authority makes contributions to the Northern Employee Benefits ("NEBS") Pension Plan (the "Plan"), which is a multi-employer plan, on behalf of some members of its staff. The Plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to the NEBS pension was $127,503 (2023 - $139,964). The contributions are calculated at a rate of 8% of earning and allowances employee and employer contribution for a total of 16%. The maximum pensionable earnings is $204,475 as at January 2024, and $198,643 as at January 2023. The maximum monthly contributions is $3,610 as at January 2024, and $3,507 as at January 2023.

NEBS is an employer owned program and as such the Education Authority will be liable for its portion of any shortfall. The Plan serves 4,205 Employee Members and 118 Employer Members (total active, disabled and on leave: 2,265)

As of January 1, 2024, the excess (deficiency) of actuarial value of net assets over actuarial present value of defined benefits is estimated to be $66,573,900 - funded ratio 118.5% (2023 - $81,300,000 and 127%) on a going concern valuation basis.

As of April 2004, the OSFI has exempted NEBS from compliance with the Pension Benefits Standards Act. On April 2015, the Legislative Assembly passed The *Northern Employee Benefits Act* (Bill 12) which was enacted October 1, 2015.

## 14. Long-Term Debt

The Education Authority does not have long-term debt.

## 15. Leave and termination benefits

In addition to the pension benefits, the Education Authority provides severance (resignation and retirement), removal and compensated absence (sick, special, maternity and parental leave) benefits to its employees. The benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

Severance benefits are paid to the Education Authority's employees based on the type of termination (e.g. resignation versus retirement) and appropriate combinations that include inputs such as when the employee was hired, the rate of pay, the number of years of continuous employment and age and the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology.

Compensated absence benefits for all staff are accrued as employees render service and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include, but are not limited to employee or dependent illness and death of an immediate family member. Non-accruing benefits include maternity and parental leave. Benefits that accrue under compensated absence benefits were actuarially valued using the expected utilization methodology.

### 15. Leave and termination benefits (continued)

#### Valuation results

The actuarial valuation was completed as at March 31, 2024. The effective date of the next actuarial valuation is March 31, 2025. The liabilities are actuarially determined as the present value of the accrued benefits at March 31, 2024 and the results extrapolated to June 30, 2024. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the Education Authority.

| | Severance and Removal | Compensated Absences | 2024 | 2023 |
|---|---|---|---|---|
| **Changes in Obligation** | | | | |
| Accrued benefit obligation, beginning of year | $ 63,507 | $ 4,775 | $ 68,282 | $ 33,805 |
| Current period benefit cost | 7,109 | 689 | 7,798 | 4,487 |
| Interest accrued | 3,300 | 260 | 3,560 | 1,201 |
| Benefits payments | - | (74) | (74) | (803) |
| Actuarial (gains)/losses | (7,132) | (387) | (7,519) | (16,411) |
| Plan amendments | - | - | - | 13,580 |
| **Accrued benefit obligation, end of year** | **66,784** | **5,263** | **72,047** | 35,859 |
| **Unamortized net actuarial gain/(loss)** | **(2,524)** | **2,601** | **77** | 23,290 |
| **Accrued benefit liability** | **$ 64,260** | **$ 7,864** | **$ 72,124** | $ 59,149 |
| **Benefit expenses** | | | | |
| Current service cost | $ 7,109 | $ 689 | $ 7,798 | $ 4,487 |
| Interest costs | 3,300 | 260 | 3,560 | 1,201 |
| Amortization of actuarial gains | (83) | (225) | (308) | (1,380) |
| Plan amendment | - | - | - | 13,580 |
| Total expense (recovery) | **$ 10,326** | **$ 724** | **$ 11,050** | **$ 17,888** |

The discount rate used in the 2024 fiscal year to determine the accrued benefit obligation was an average of 5.3% (2023 - 4.8%). The expected payments during the next five fiscal years are:

| | Severance and Removal | Compensated Absences | Total |
|---|---|---|---|
| | $ | $ | $ |
| 2025 | 4,462 | 67 | 4,529 |
| 2026 | 5,056 | 58 | 5,114 |
| 2027 | 5,292 | 51 | 5,343 |
| 2028 | 5,576 | 68 | 5,644 |
| 2029 | 5,889 | 118 | 6,007 |
| Next five years | 38,141 | 2,280 | 40,421 |
| | **$ 64,416** | **$ 2,642** | **$ 67,058** |

## 16. Trust Assets Under Administration

The Education Authority does not have trust assets under administration.

## 17. Tangible Capital Assets

| | Cost | Accumulated Amortization | **2024 Net Book Value** | 2023 Net Book Value |
|---|---|---|---|---|
| School Bus | $ 127,600 | $ 6,380 | $ 121,220 | $ - |

## 18. Prepaid Expenses

| | **2024** | 2023 |
|---|---|---|
| Vehicle licenses and insurance | **$ 6,907** | $ 6,670 |

## 19. GNWT Tangible Capital Assets Provided At No Cost

| | Cost | Accumulated Amortization | **2024 Net Book Value** | 2023 Net Book Value |
|---|---|---|---|---|
| Buildings | $ 9,066,125 | $ 3,286,470 | **$ 5,779,655** | $ 6,006,308 |
| Playscape | 133,540 | 50,448 | **83,092** | 91,994 |
| School Pellet Boi | 173,036 | 42,298 | **130,738** | 142,274 |
| | $ 9,372,701 | $ 3,379,216 | **$ 5,993,485** | $ 6,240,576 |

Rent expense of $247,091 (2023 - $226,653) equal to the current year amortization of the tangible capital assets was offset by a grant in-kind.

## 20. Contingencies

As of the audit report date, the Education Authority does not have contingencies.

## 21. Related Parties

The Education Authority is related in terms of common ownership to all GNWT created departments, agencies and corporations. The Education Authority enters into transactions with these entities in the normal course of business. The Education Authority is provided with various administrative services by the GNWT, the value of which is not reflected in these financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage, payroll services and internal audit services by the Department of Finance, and utilities and maintenance by Public Works and Services. Transactions with related parties and balances at year-end not disclosed elsewhere in the financial statements are summarized in this note.

| | Accounts receivable | Allowance | **2024 Net** | 2023 Net |
|---|---|---|---|---|
| **Due from related parties** | | | | |
| Government of the Northwest Territories | | | | |
| Health and Social Services | $ - | - | **$ -** | $ - |

| | **2024** | 2023 |
|---|---|---|
| **Revenue from related parties** | | |
| Government of the Northwest Territories | | |
| Department of Education, Culture and Employment | $ 3,539,874 | $ 3,328,323 |
| Department of Environment and Natural Resources | 8,000 | 10,000 |
| Department of Municipal and Community Affairs | 15,300 | 2,500 |
| Department of Health and Social Services | 1,750 | 2,590 |
| Dettah District Education Authority | 139,897 | 177,299 |
| **Total revenues from related parties** | **$ 3,704,821** | $ 3,520,712 |

| | **2024** | 2023 |
|---|---|---|
| **Expenses paid to related parties** | | |
| Government of the Northwest Territories | $ 5,008 | $ 3,628 |
| Yellowknife Education District No.1 | 1,130,910 | 2,501,882 |
| **Total expenses to related parties** | **$ 1,135,918** | $ 2,505,510 |

## 22. Budget Data

The *Education Act* of the Northwest Territories requires that Education Bodies prepare an annual budget, as outlined in Section 117, Duties and Powers of Education Bodies. The budget is legally adopted by a motion of the Education Body which includes the establishment of a tax levy to support the approved budget in accordance with Section 135, Assessment and Taxation, of the *Education Act*.

The annual budget includes estimates of revenue and expenditures for the Operating Fund. Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Education Authority.

The budget figures presented are those approved by the Trustees of the Education Authority on June 29, 2023.

## 23. Financial Instruments

The Education Authority is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risks from the Education Authority's financial instruments is provided by type of risk below. The Education Authority is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risks from the Education Authority's financial instruments is provided by type of risk below.

### a) Credit risk

Credit risk is the risk of financial loss to the Education Authority if a debtor fails to make payments of interest and principal when due. The Education Authority is exposed to this risk relating to its cash and accounts receivable.

The Education Authority holds its cash in accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation.

## 23. Financial Instruments (continued)

The Education Authority's maximum exposure to credit risk is as follows:

| | 2024 |
|---|---|
| Cash and cash equivalents | $ 1,127,320 |
| Portfolio investments | 563,013 |
| Due from Government of Canada | 42,047 |
| Accounts receivable | 119,346 |
| Maximum credit risk exposure | **$ 1,851,726** |

The Education Authority does have concentration of credit risk. Concentration of credit risk is the risk that a customer has a significant portion of the total accounts receivable and thus there is a higher risk to the Education Authority in the event of a default. At March 31, 2024 receivables from one (2023 - one) customers comprised 100% (2023 - 100%) of the total accounts receivable. The Education Authority reduces this risk by monitoring overdue accounts.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and method used to measure the risk.

### b) Liquidity risk

Liquidity risk is the risk that the Education Authority will not be able to meet all cash outflow obligations as they come due. The Education Authority has liquidity risk in accounts payable and accrued liabilities, and payroll liabilities of $794,958 (2023 - $80,597). The Education Authority has a credit facility with a limit up to $30,000.

The Education Authority mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining an adequate amount of cash to cover unexpected cash outflows should they arise.

The table below shows when various financial assets and liabilities mature:

| **Financial assets** | Up to 6 months |
|---|---|
| Cash and cash equivalents | $ 1,127,320 |
| Portfolio investments | 563,013 |
| Due from the Government of Canada | 42,047 |
| Accounts receivable | 119,346 |
| **Total financial assets** | **$ 1,851,726** |
| Total financial assets - prior year | $ 1,343,437 |

## 23. Financial Instruments (continued)

| **Financial liabilities** | Up to 6 months |
|---|---|
| Accounts payable and accrued liabilities | $ 719,663 |
| Payroll liabilities | 3,171 |
| **Total financial liabilities** | **$ 722,834** |
| Total financial liabilities - prior year | $ 64,632 |
| **Net total** | **$ 1,128,892** |
| Net total - prior year | $ 1,278,805 |

There have been no significant changes from the previous year in the exposure to risks or policies, procedures and method used to measure the risk.

### c) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Education Authority has exposure to interest rate risk on its portfolio investments of $563,013 (2023 - $539,453). These investments may be adversely affected by a change in the interest rates.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and method used to measure the risk.

## 24. Expenses by Object

| | Budget 2023 | **Actual 2024** | Actual 2023 |
|---|---|---|---|
| Compensation | $ 3,300,000 | $ 2,967,973 | $ 2,665,157 |
| Materials and freight | 784,500 | 425,875 | 395,013 |
| Services purchased/contracted | 561,000 | 601,324 | 553,697 |
| | $ 4,645,500 | **$ 3,995,172** | $ 3,613,867 |

## 25. Comparative Figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

## 26. ECE Other Contributions

| | 2024 | 2023 |
|---|---|---|
| **GNWT, Department of Education, Culture and Employment** | | |
| Active After School Program | $ 15,300 | $ 15,300 |
| Youth Corporate Program | - | 5,000 |
| School-Based Mental Health and Wellness | 124,472 | - |
| | **$ 139,772** | $ 20,300 |

## 27. GNWT Other Contributions

| | 2024 | 2023 |
|---|---|---|
| **Department of Municipal and Community Affairs** | | |
| After School Activity Program | $ - | $ 2,500 |
| Gardening | 2,611 | 19,798 |
| **Department of Environment and Natural Resources** | | |
| Take a Kid Trapping Program | 8,000 | 10,000 |
| Aboriginal Languages | - | 5,000 |
| **Department of Health and Social Services** | | |
| Drop the Pop Program | 1,750 | 2,590 |
| **Department of Finance** | | |
| Administration | - | 1,500 |
| | **$ 12,361** | $ 41,388 |

## 28. Contingent Assets

The Education Authority does not have any contingent assets.

## 29. Accumulated Surplus

A statement of funds and surplus have been prepared as follows:

**Details of Funds**

| **For the year ended June 30,** | Operating fund | High school travel fund | Equity in tangible capital assets | **2024** | 2023 |
|---|---|---|---|---|---|
| Balance, beginning of year | 1,228,009 | 41,501 | - | **$ 1,269,510** | $ 1,244,969 |
| Operating surplus | (84,615) | - | - | **(84,615)** | 24,541 |
| Acquisition of tangible capital assets | (127,600) | - | 127,600 | **-** | - |
| Amortization expense | 6,380 | - | (6,380) | **-** | - |
| Transfer to High School Travel Fund | 121,509 | (121,509) | - | **-** | - |
| Balance, end of year | 1,143,683 | (80,008) | 121,220 | **$ 1,184,895** | $ 1,269,510 |

Consolidated Financial Statements of

# Sahtu Divisional Education Council

June 30, 2024

# Sahtu Divisional Education Council

Consolidated Financial Statements

June 30, 2024

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# MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management Discussion & Analysis, Financial Statements, Schedules and Notes herein submitted have been reviewed by management. They provide full disclosure and accurately reflect the financial and non-financial condition of the authority in all material respects and in accordance with Canadian Public Sector Accounting Standards (CPSAS) as well as the Financial Administration Manual (FAM) and the Financial Administration Manual for Education Authorities (FAMEA) of the Government of the Northwest Territories.

Management hereby asserts that adequate internal controls exist to ensure that transactions are complete, accurate and timely, appropriately authorized and include only valid transactions of the entity; that duties related to processes are appropriately segregated, that assets are safeguarded and that proper records are maintained. Controls further include quality standards regarding the hiring and training of employees, that ensure the adequate maintenance of written policies and procedural manuals and that further provide for appropriate accountability for performance within well-defined areas of responsibility. The operations and administration of Sahtu Divisional Education Council have been conducted within the statutory powers of the Education Body. The operations and administration of the Education Body as well as the supporting internal controls of the entity are regularly monitored to ensure their effectiveness and their continued compliance with all relevant legislation, standards, directives and policies including but not limited to the Education Act, Financial Administration Act, CPSAS, FAM, FAMEA, Human Resources Manual, Ministerial Directives and the policies of the Education Body Board. Any non-compliance has been specifically identified and has been previously communicated to the Minister and Deputy Minister.

Management hereby asserts that auditors have been provided with all relevant records and documentation as well as unrestricted access to the same. Management is not aware of any undisclosed irregularities involving management or employees with either current or potential impact on financial results, fraud or suspected fraud, disbursements made for purposes not consistent with an appropriation, irregular commitments including those in the form of guarantees, violations or possible violations of laws or regulations, claims or litigation, known or suspected environmental site contaminations or of any other undisclosed environmental or safety hazards within its jurisdiction.

The auditors 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. The auditors also consider whether the transactions that have come to their notice in the course of this audit are, in all significant respects, in accordance with specified legislation and directives from the Department of Education, Culture, and Employment of the Government of the Northwest Territories.

The financial statements have been reported on by Ashton Chartered Accountants. The auditors' report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.

Lorraine Kuer
Superintendent
Sahtu Divisional Education Council

Sept 10, 2024
Date

Siddik Mohammad
Comptroller
Sahtu Divisional Education Council

Sept 10 2024
Date

ASHTON
Chartered Accountants
Business Advisors

Suite 8 - 6 Courtoreille Street
Hay River, NT X0E 1G2
PH: (867) 874-6775
FX: (867) 874-3775

# INDEPENDENT AUDITOR'S REPORT

**To the Minister of Education, Culture and Employment of the GNWT**
**To the Board of Trustees of the Sahtu Divisional Education Council**

*Opinion*

We have audited the consolidated financial statements of the Sahtu Divisional Education Council, which comprise the consolidated statement of financial position as at June 30, 2024, and the consolidated statements of operations and surplus, changes in net assets (debt), and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effect of the matters described in the Basis of Qualified Opinion paragraph, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Sahtu Divisional Education Council as at June 30, 2024, and the results of its financial performance and cash flow for the year then ended in accordance with the Canadian public sector accounting standards.

*Basis for Qualified Opinion*

The Government of the Northwest Territories is responsible for the calculation and distribution of the Education Body's wages and benefits expenditure for public service employees, the accuracy of which is not susceptible to complete audit verification. We have satisfied ourselves that the payroll information provided by the GNWT is properly reflected in the Education Body's records. As a result, we were not able to determine whether any adjustments might be necessary to expenditure, liabilities or accumulated surplus.

*Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Education Body's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Education Body or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Education Body's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Education Body's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Education Body's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Education Body to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Report on Other Legal and Regulatory Requirements*

We further report, in accordance with the Financial Administration Act, that, in our opinion, proper books of account have been kept by the Education Body, the consolidated financial statements are in agreement therewith, and the transactions that have come under our notice have, in all significant aspects, been within the statutory powers of the Education Body.

Ashton

ASHTON
Chartered Accountants
Business Advisors

Hay River, NT
September 10, 2024

## Sahtu Divisional Education Council

Consolidated Statement of Financial Position

June 30, 2024

| | 2024 | 2023 |
|---|---|---|
| **FINANCIAL ASSETS** | | |
| Cash, Note 4 | $ 11,808,406 | $ 8,770,318 |
| Special purpose funds, Note 5 | 180,269 | 407,096 |
| Accounts receivable, Note 8 | 775,484 | 433,572 |
| | $ 12,764,159 | $ 9,610,986 |
| **LIABILITIES** | | |
| Accounts payable and accrued liabilities, Note 10 | $ 510,842 | $ 184,438 |
| Payroll liabilities, Note 10 | 2,178,385 | 1,224,137 |
| Deferred revenue, Note 11 | 5,313,283 | 4,413,859 |
| Other employee future benefits and compensated absences, Note 17 | 910,170 | 963,212 |
| | 8,912,680 | 6,785,646 |
| Net Financial Assets (Deficit) | $ 3,851,479 | $ 2,825,340 |
| **NON-FINANCIAL ASSETS** | | |
| Prepaid expenses, Note 20 | $ - | $ - |
| **ACCUMULATED SURPLUS (DEFICIT)** | $ 3,851,479 | $ 2,825,340 |

Contractual obligations, Note 22

Approved on behalf of council:

Heather Bonenberg Chair

Superintendent

# Sahtu Divisional Education Council

Consolidated Statement of Operations and Surplus

For the year ended June 30, 2024

| | Budget 2024 | Actual 2024 | Actual 2023 |
|---|---|---|---|
| Revenue | | | |
| Government of the Northwest Territories | | | |
| ECE Regular Contributions | $ 14,338,667 | $ 14,933,253 | $ 15,063,633 |
| French Language Instruction | 99,000 | 99,000 | 69,000 |
| ECE Other Contributions, Note 31 | 154,000 | 466,733 | 294,355 |
| Total ECE | 14,591,667 | 15,498,986 | 15,426,988 |
| GNWT Other Contributions, Note 32 | 466,507 | 350,884 | 264,586 |
| Total GNWT | $ 15,058,174 | $ 15,849,870 | $ 15,691,574 |
| Jordan's Principle | 7,124,437 | 5,562,656 | 3,169,579 |
| Total Government of Canada | 7,124,437 | 5,562,656 | 3,169,579 |
| Education council generated funds | | | |
| School generated funds | 504,818 | 366,137 | 268,510 |
| Interest income | 259,278 | 616,969 | 395,372 |
| Other | 441,356 | 623,532 | 441,072 |
| | 1,205,452 | 1,606,638 | 1,104,954 |
| | 23,388,063 | 23,019,164 | 19,966,107 |
| Expenses | | | |
| Administration | 1,003,955 | 1,104,875 | 1,198,060 |
| School programs | 11,741,410 | 10,588,229 | 10,648,814 |
| Inclusive schooling | 2,231,033 | 2,384,417 | 2,298,053 |
| Operations and maintenance | 174,952 | 281,638 | 233,080 |
| Indigenous language and education | 1,431,699 | 1,358,613 | 1,362,148 |
| Jordan's Principle | 7,124,437 | 5,562,656 | 3,169,586 |
| GNWT Other | 155,276 | 394,732 | 282,590 |
| School generated funds | 505,401 | 370,907 | 329,046 |
| Other employee future benefits, Note 17 | - | (53,042) | (113,576) |
| | 24,368,163 | 21,993,025 | 19,407,801 |
| Operating Surplus (Deficit) before other item | $ (980,100) | $ 1,026,139 | $ 558,306 |
| Other item: | | | |
| Surplus retention expenses | - | - | (444,010) |
| | $ (980,100) | $ 1,026,139 | $ 114,296 |
| Accumulated surplus (Deficit), beginning of year (Note 36) | | $ 2,825,340 | $ 2,711,044 |
| Accumulated surplus (deficit), end of year | | $ 3,851,479 | $ 2,825,340 |

# Sahtu Divisional Education Council

Consolidated Statement of Changes in Net Assets (Debt)

For the year ended June 30, 2024

| | 2024 | 2023 |
|---|---|---|
| Annual surplus (deficit) | $ 1,026,139 | $ 114,296 |
| Change in prepaid expenses | - | 31,794 |
| Increase (decrease) in net financial resources | 1,026,139 | 146,090 |
| Net financial resources, beginning of year | 2,825,340 | 2,679,250 |
| Net financial resources, end of year | $ 3,851,479 | $ 2,825,340 |

# Sahtu Divisional Education Council

Consolidated Statement of Cash Flow

For the year ended June 30, 2024

| | 2024 | 2023 |
|---|---|---|
| ***Cash provided by (used in):*** | | |
| **Operating Transactions** | | |
| Operating Surplus (Deficit) | $ 1,026,139 | $ 114,296 |
| | 1,026,139 | 114,296 |
| Change in non-cash assets and liabilities: | | |
| Accounts receivable | (341,912) | (127,638) |
| Accounts payable and accrued liabilities | 326,403 | (531,452) |
| Payroll liabilities | 954,248 | (508,786) |
| Deferred revenue | 899,425 | 1,809,414 |
| Post-employment benefits | (53,042) | (113,576) |
| Prepaid expenses | - | 31,794 |
| | 1,785,122 | 559,756 |
| Increase (Decrease) in cash and cash equivalents | 2,811,261 | 674,052 |
| Cash and cash equivalents, beginning of year | 9,177,414 | 8,503,362 |
| Cash and cash equivalents, end of year | $ 11,988,675 | $ 9,177,414 |
| Consists of: | | |
| Cash | $ 11,808,406 | $ 8,770,318 |
| Special purpose funds | 180,269 | 407,096 |
| | $ 11,988,675 | $ 9,177,414 |

## Sahtu Divisional Education Council

Consolidated Detail of Expenses

For the year ended June 30, 2024

| Function | School Programs | Inclusive Schooling | Operations & Maintenance | Council Administration | Indigenous Languages and Education | Jordan's Principle | 2024 Total | 2024 Budget | 2023 Total |
|---|---|---|---|---|---|---|---|---|---|
| Salaries | | | | | | | | | |
| Teachers' salaries | $ 7,061,919 | $ 951,588 | $ - | $ - | $ 713,470 | $ 4,367,084 | $ 13,094,061 | $ 16,472,270 | $ 11,118,973 |
| Instruction assistants | 230,262 | 827,047 | - | - | - | - | 1,057,309 | 1,355,579 | 1,314,248 |
| Non-instructional staff | 1,062,929 | 192,808 | - | 766,295 | 185,318 | - | 2,207,350 | 2,078,008 | 2,171,784 |
| Board/Trustee honorarium | - | - | - | 148,614 | 41,338 | - | 189,952 | 78,800 | 74,559 |
| | 8,355,110 | 1,971,443 | - | 914,909 | 940,126 | 4,367,084 | 16,548,672 | 19,984,657 | 14,679,564 |
| Employee Benefits | | | | | | | | | |
| Employee benefits and allowances | 6,158 | - | - | - | - | - | 6,158 | 9,000 | 1,300 |
| Leave and termination benefits | 690,154 | - | - | - | - | - | 690,154 | 930,000 | 704,849 |
| | 696,312 | - | - | - | - | - | 696,312 | 939,000 | 706,149 |
| Services Purchased/Contracted | | | | | | | | | |
| Professional services | 16,417 | 291,539 | - | 3,155 | - | 473,090 | 784,201 | 346,579 | 310,548 |
| Postage and communication | 45,785 | - | - | 17,892 | - | - | 63,677 | 52,305 | 66,899 |
| Utilities | | | | | | | | | |
| Heating | - | - | - | - | - | - | - | - | - |
| Electricity | - | - | - | - | - | - | - | - | - |
| Water/Sewage | - | - | - | - | - | - | - | - | - |
| Travel | 364,610 | 34,820 | - | 45,246 | 5,298 | - | 449,974 | 437,307 | 124,475 |
| Student transportation (busing) | 167,130 | - | - | - | - | 415,693 | 582,823 | 150,536 | 154,247 |
| Advertising/printing/publishing | - | - | - | 5,648 | 21 | - | 5,669 | - | 2,676 |
| Maintenance and repair | 35,137 | - | - | - | 7,204 | - | 42,341 | 35,000 | 46,633 |
| Rentals and leases | - | - | 274,798 | - | - | - | 274,798 | 167,752 | 184,496 |
| Other contracted services | - | 8,371 | 6,840 | 66,420 | 1,112 | 258,320 | 341,063 | 80,200 | 241,729 |
| Other | 8,687 | 78,244 | - | 34,581 | - | - | 121,512 | 135,008 | 223,567 |
| | 637,766 | 412,974 | 281,638 | 172,942 | 13,635 | 1,147,103 | 2,666,058 | 1,404,687 | 1,355,270 |
| Materials, Supplies and Freight | | | | | | | | | |
| Materials | 594,016 | - | - | 14,062 | 402,853 | 48,469 | 1,059,400 | 1,054,072 | 1,012,731 |
| Freight | 19,442 | - | - | 2,962 | 1,999 | - | 24,403 | 36,070 | 57,487 |
| | 613,458 | - | - | 17,024 | 404,852 | 48,469 | 1,083,803 | 1,090,142 | 1,070,218 |
| Other | | | | | | | | | |
| GNWT ECE (NDL, Libraries, TKT) | 285,583 | - | - | - | - | - | 285,583 | **289,000** | - |
| GNWT Other | - | - | - | - | - | - | 394,732 | **155,276** | - |
| School generated funds | - | - | - | - | - | - | 370,907 | **505,401** | - |
| Other employee future benefits, Note 17 | - | - | - | - | - | - | (53,042) | **-** | - |
| **Total** | **$ 10,588,229** | **$ 2,384,417** | **$ 281,638** | **$ 1,104,875** | **$ 1,358,613** | **$ 5,562,656** | **$ 21,993,025** | **$ 24,368,163** | $ **17,811,201** |

## Sahtu Divisional Education Council

Inclusive Schooling Expenses

For the year ended June 30, 2024

| | General Inclusive Schooling | Staff Development | School Based Mental Health and Wellness | Assistive Technology | Magnet Facilities | **Total** |
|---|---|---|---|---|---|---|
| Salaries | | | | | | |
| Regional Coordinator | $ 192,808 | $ - | $ 162,426 | $ - | $ - | $ **355,234** |
| Program Support Teachers | 951,588 | - | - | - | - | **951,588** |
| Support Assistants | 827,047 | - | - | - | - | **827,047** |
| Other | - | 15,985 | - | - | - | **15,985** |
| | 1,971,443 | 15,985 | 162,426 | - | - | **2,133,869** |
| Employee Benefits | | | | | | |
| Employee benefits and allowances | - | - | - | - | - | **-** |
| Services Purchased/Contracted | | | | | | |
| Professional/Technical Services | 129,113 | - | - | 78,244 | - | **207,357** |
| Travel | - | 18,835 | - | - | - | **18,835** |
| Student Transportation (Busing) | - | - | - | - | - | **-** |
| Advertising/Printing/Publishing | - | - | - | - | - | **-** |
| Maintenance/Repair | - | - | - | - | - | **-** |
| Rentals/Leases | - | - | - | - | - | **-** |
| Other contracted services | 8,371 | - | - | - | - | **8,371** |
| | 137,484 | 18,835 | - | 78,244 | - | **234,563** |
| Materials, Supplies and Freight | | | | | | |
| Materials | - | - | - | - | - | **-** |
| Freight | - | - | - | - | - | **-** |
| | - | - | - | - | - | **-** |
| Total | $ 2,108,927 | $ 34,820 | $ 162,426 | $ 78,244 | $ - | $ **2,384,417** |

# SAHTU DIVISIONAL EDUCATION COUNCIL

Indigenous Languages and Education Expenses

For the year ended June 30, 2024

| | Student Instruction | Teaching/ Learning Resources | Professional Development | School Activities and Integrated Community Programs | **2024 Total** |
|---|---|---|---|---|---|
| Salaries | | | | | |
| ALCBE teachers | $ 707,074 | $ - | $ - | $ - | $ **707,074** |
| Language consultants | - | 10,393 | - | - | **10,393** |
| Instruction assistants | 6,396 | - | - | - | **6,396** |
| Non-instructional staff | 185,318 | - | - | - | **185,318** |
| Honoraria | - | - | - | 41,338 | **41,338** |
| Elders in schools | - | - | - | 42,984 | **42,984** |
| | 898,788 | 10,393 | - | 84,322 | **993,503** |
| Employee Benefits | | | | | |
| Employee benefits and allowances | - | - | - | - | **-** |
| Services Purchased/Contracted | | | | | |
| Professional services | - | 197,220 | 40,139 | - | **237,359** |
| Travel | - | - | 5,299 | - | **5,299** |
| Student transportation (busing) | - | - | - | - | **-** |
| Advertising, printing and publishing | 1,132 | - | - | - | **1,132** |
| Maintenance and repairs | 7,204 | - | - | - | **7,204** |
| Rentals and leases | - | - | - | - | **-** |
| Other contracted services | - | - | - | - | **-** |
| | 8,336 | 197,220 | 45,438 | - | **250,994** |
| Materials, Supplies and Freight | | | | | |
| Materials | 7,734 | - | - | 104,383 | **112,117** |
| Freight | - | - | - | 1,999 | **1,999** |
| | 7,734 | - | - | 106,382 | **114,116** |
| Total | $ 914,858 | $ 207,613 | $ 45,438 | $ 190,704 | $ **1,358,613** |

# Sahtu Divisional Education Council

French Language Programs

For the year ended June 30, 2024

| | ECE Contributions July 1 to June 30 | Commitment from Sahtu July 1 to June 30 | Expenses July 1 to June 30 |
|---|---|---|---|
| **Special projects:** | | | |
| Core French Instruction | $ 85,000 | $ 45,000 | $ 139,720 |
| French Program - Other | 4,000 | - | 3,995 |
| Professional Development | 10,000 | - | 4,878 |
| Other | - | - | - |
| | 99,000 | 45,000 | 148,593 |

# Sahtu Divisional Education Council

Jordan's Principle

For the year ended June 30, 2024

| | Full Year Total | | | 9 and 3 Month Split | |
|---|---|---|---|---|---|
| | June 30, 2024 Budget | June 30, 2024 Actual | June 30, 2023 Actual | July 1, 2023 - Mar 31, 2024 Actual | Apr 1, 2024 - Jun 30, 2024 Actual |
| Revenue | | | | | |
| Government of Canada | | | | | |
| FN and Inuit Health Branch | $ 7,124,437 | $ 6,214,547 | $ 5,069,566 | $ 4,537,925 | $ 1,676,622 |
| Carry Forward from Previous Year | | 4,182,122 | 2,282,136 | 4,182,122 | - |
| Total Revenue | 7,124,437 | 10,396,669 | 7,351,702 | 8,720,047 | 1,676,622 |
| Expenses | | | | | |
| Administration | - | - | - | - | - |
| Personnel | 5,655,464 | 4,367,084 | 2,654,438 | 2,578,071 | 1,789,014 |
| Transportation | 340,900 | 415,693 | 130,599 | 269,456 | 146,237 |
| Materials and Supplies | 51,954 | 48,469 | 131,883 | 21,954 | 26,514 |
| Rent and Utilities | | | | | |
| Evaluation | 1,076,119 | 473,090 | 164,795 | 310,164 | 162,926 |
| Other | - | 258,320 | 87,865 | - | 258,320 |
| Total Expenses | 7,124,437 | 5,562,656 | 3,169,580 | 3,179,645 | 2,383,011 |
| Net Surplus/(Deficit) | - | $ 4,834,013 | $ 4,182,122 | $ 5,540,402 | $ (706,389) |
| Deferred revenue | | $ 4,834,013 | $ 4,182,122 | $ 5,540,402 | $ (706,389) |

## Sahtu Divisional Education Council

Northern Distance Learning

For the year ended June 30, 2024

| | Budget | Tulita | Fort Good Hope | Deline | Colville Lake | Norman Wells | **Total** | July 1 to March 31 | April 1 to June 30 | **Total** |
|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue** | | | | | | | | | | |
| Education, Culture and Employme | $ - | $ 57,312 | $ 58,063 | $ 58,343 | $ 59,211 | $ 55,019 | $ **287,948** | $ 192,925 | $ 95,023 | $ **287,948** |
| Other | - | - | - | - | - | - | **-** | - | - | **-** |
| | - | 57,312 | 58,063 | 58,343 | 59,211 | 55,019 | 287,948 | 192,925 | 95,023.00 | **287,948** |
| **Expenses** | | | | | | | | | | |
| **Salaries/Wages** | | | | | | | | | | |
| Instructional Staff | - | 24,505 | 44,098 | 44,037 | 42,128 | 28,814 | **183,582** | 36,696 | 146,886 | **183,582** |
| *Teachers* | - | - | - | - | - | - | **-** | - | - | **-** |
| *On-site support person* | - | - | - | - | - | - | **-** | - | - | **-** |
| Non-Instructional Staff | - | - | - | - | - | - | **-** | - | - | **-** |
| *Moodle (Online strategy)* | - | - | - | - | - | - | **-** | - | - | **-** |
| *DL Coordinator* | - | - | - | - | - | - | **-** | - | - | **-** |
| *PD - online learning field* | - | - | - | - | - | - | **-** | - | - | **-** |
| Other | - | - | - | - | - | - | **-** | - | - | **-** |
| **Services Purchased/Contracted** | | | | | | | | | | |
| Network | - | - | - | - | - | - | **-** | - | - | **-** |
| Travel | - | - | - | - | - | - | **-** | - | - | **-** |
| *Coordinator travel* | - | - | - | - | - | - | **-** | - | - | **-** |
| Professional Development | - | - | - | - | - | - | **-** | - | - | **-** |
| Communication | - | - | - | - | - | - | **-** | - | - | **-** |
| *In-service release* | - | - | - | - | - | - | **-** | - | - | **-** |
| Other | - | - | - | - | - | - | **-** | - | - | **-** |
| *IT support* | - | - | - | - | - | - | **-** | - | - | **-** |
| **Materials, Supplies and Freight** | | | | | | | | | | |
| Computer Equipment | - | - | - | - | - | - | **-** | - | - | **-** |
| *Document cameras* | - | - | - | - | - | - | **-** | - | - | **-** |
| *Phone* | - | - | - | - | - | - | **-** | - | - | **-** |
| *Laptop* | - | - | - | - | - | - | **-** | - | - | **-** |
| *Video (Monopad)* | - | - | - | - | - | - | **-** | - | - | **-** |
| *Wireless adapters and splitter* | - | - | - | - | - | - | **-** | - | - | **-** |
| Freight | - | - | - | - | - | - | **-** | - | - | **-** |
| Other | - | - | - | - | - | - | **-** | - | - | **-** |
| **Total expenses** | - | 24,505 | 44,098 | 44,037 | 42,128 | 28,814 | 183,582 | 36,696 | 146,886 | **183,582** |
| **Net surplus/(deficit)** | $ - | $ 32,807 | $ 13,965 | $ 14,306 | $ 17,083 | $ 26,205 | $ 104,366 | $ 156,229 | $ (51,863) | $ **104,366** |

# Sahtu Divisional Education Council

Student Success Initiative Projects

For the year ended June 30, 2024

| | Budget 2023-2024 | Actual 2023-2024 |
|---|---|---|
| Revenue | | |
| Education, Culture and Employment | $ 55,000 | $ 55,000 |
| NWTTA | 41,062 | 41,062 |
| Total Revenue | 96,062 | 96,062 |
| Expenses | | |
| **Professional Development** | | |
| Salaries/Wages | | |
| Facilitator fees ( include per diem) | - | - |
| Substitute teacher wages | - | - |
| Staff (p/y) | - | - |
| Travel | | |
| Facilitator travel | - | 25,063 |
| Staff travel | - | 41,423 |
| Accommodation/Daily per diems | - | - |
| Other expenses | - | - |
| Workshop Expenses | | |
| Room rental | - | - |
| Refreshments | - | - |
| Resources | - | - |
| Miscellaneous | - | - |
| **Total Professional Development** | - | 66,486 |
| **Program Delivery (ECE SSI Funding Only)** | | |
| Salaries/Wages | | |
| Facilitator fees ( include per diem) | - | 11,900 |
| Substitute teacher wages | - | 10,280 |
| Staff (p/y) | - | - |
| Other Expenses | | |
| Room rental | - | 15,004 |
| Materials and Supplies | - | 68 |
| Miscellaneous | - | 3,662 |
| **Total Program Delivery** | - | 40,914 |
| **Total Expenses** | - | 107,400 |
| **Net Surplus/(Deficit)** | 96,062 | (11,338) |

Note 1. **Nature of Organization**

The Sahtu Divisional Education Council ("The Council") was established by the *Education Act* of the Government of the Northwest Territories (GNWT) by order of the Minister dated April 1, 1989. Its purpose is to administer and maintain the standards of education program defined under the *Education Act* in the communities in the Sahtu Region.

Consequently, the Council is dependent on funding from the Department of Education, Culture, and Employment (ECE) of the GNWT. Member Communities have formed local District Education Authorities (DEA) which have assumed responsibility to provide sufficient educational programs within their respective communities.

The Council is an independent legal and accounting entity with an elected Board of Trustees as stipulated in Section 82 of the *Education Act*. The Board of Trustees has decision making authority, the power to delegate authority, the ability to significantly influence operations and the sole accountability for all fiscal matters.

The Council is a public body performing a function of government in Canada. Paragraph 149(1)(C) of the *Income Tax Act* provides that a public body performing a function of government in Canada is exempt from taxation.

The accompanying consolidate financial statements include the operations of the Council, and the member District Education Authorities of Colville Lake, Deline, Fort Good Hope, Norman Wells, and Tulita.

Note 2. **Significant Accounting Policies**

**(a) Basis of Accounting**

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. The consolidated financial statements have, in management's opinion, been properly prepared with reasonable limits of materiality. The basis of accounting refers to the timing of when revenue and expenditure items are recognized in the accounts and reported in the financial statements. The accrual basis of accounting is utilized for all funds. Under this basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recorded when they are incurred.

**(b) Cash and Cash Equivalents**

Cash and cash equivalents are comprised of bank account balances, net of outstanding cheques, and short term highly liquid investments that are readily convertible to cash and with a maturity date of 90 days or less from the date of acquisition.

**(c) Financial Instruments**

Financial assets originated or acquired or financial liabilities issued or assumed in an arms' 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 attributable 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.

Financial assets subsequently measured at amortized cost include cash, accountable funds, due from the GNWT and other accounts receivable.

Note 2. **Significant Accounting Policies (continued)**

**(c) Financial Instruments**

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, accrued salaries, deferred revenue, post-employment benefits and accountable funds.

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 operations. Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal, asset is recognized in operations.

**(d) Non-financial Assets**

Prepaid expenses and other non-financial assets are accounted for as assets by the Education Body because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the Education Body.

**(e) Tangible Capital Assets**

All buildings and works, furniture, equipment and vehicles are the property of the GNWT. The Minister grants to the Education Body the full occupancy and use of such facilities and equipment where required for the administration and delivery of education system programs. Capital assets with a value in excess of $50,000 are recorded at cost and amortized in accordance with the Financial Administration Manual guidelines by the GNWT. Capital assets with a value of less than $50,000 are recorded as a current expenditure.

**(f) Revenue Recognition**

*Government Transfers:*

Revenues are recognized in the period in which the transactions or events occur that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Operating transfers are recognized as revenue in the period in which the events giving rise to the transaction occur, providing the transfers are authorized, eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

Capital transfers or transfers of tangible capital assets are initially recognized as deferred revenue and subsequently recognized as revenue when the related tangible capital assets are recognized as acquired or built.

**(f) Revenue Recognition - (Continued)**

*GNWT – Regular Contributions:*

The regular contributions from the GNWT are determined by a funding formula and are received in monthly installments. The Education Body retains surpluses and is responsible for deficits. Any funding requests, over and above those levels provided by the formula, must be first approved by the GNWT.

*Other Contributions:*

The Education Body follows the deferral method of accounting for other contributions. Unrestricted contributions are recognized as revenue when they are received or receivable, if the amount can be reasonably estimated and its collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

*Deferred Revenue:*

Deferred revenue consists of funds received in advance of providing the services or acquiring the goods. These amounts are taken into revenue when the eligible expenditures are incurred.

*Investment Income:*

Investment income is recognized when received or receivable, if the amount can be reasonably estimated.

**(g) Infrastructure Funding**

Any personnel, utilities, and leases infrastructure funding net surplus at the end of the fiscal year is recorded as a payable to the GNWT. Net deficits are not shown as receivable from the GNWT since these amounts are not repayable.

**(h) Budget Data**

The *Education Act* t of the Northwest Territories requires that Education Bodies prepare an annual budget, as outlined in Section 128 and 129.

The priorities and funding allocations are determined by the Board of Trustees of each Education Body and the budget is legally adopted by a motion of the Board in accordance with Section 135(3) of the *Education Act* .

Board approved budgets are submitted to the Minister of Education, Culture and Employment for final approval as directed by Sections 117(2) k,l and m of the *Education Act* .

This annual budget includes estimates of revenues, expenditures and the net operating surplus (deficit). Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Education Body.

The budget may be amended within a given fiscal year in accordance with Education Body policy, regulations and approved budget procedures. The budget data presented in the consolidated financial statements reflects the Minister approved budget for the school year.

Note 2. **Summary of Significant Accounting Policies (continued)**

**(i) Measurement Uncertainty**

The preparation of these consolidated financial statements in conformity with Canadian Public Sector Accounting Standards 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 amounts of revenue and expenses during the period. Actual results could differ from these estimates.

**(j) Inventories Including Materials and Supplies**

Inventories of books, materials, supplies and other expendables purchased by the Education Body are treated as expenditures during the year of acquisition and are not recorded on the statement of financial position.

**(k) Payroll Liabilities**

According to the Northwest Territories Teachers Association (NWTTA) and GNWT Collective Agreement, teaching staff have their salary issued by the GNWT bi-weekly pay system. NWTTA staff will have earned their annual salary by June 30th which provides for continued payment during the summer. GNWT Payroll for NWTTA starts with the annualized salary commitment for compensation and then allocates the complete payout of that value over the number of pay periods between August 1 and July 31. Pay periods falling in July are therefore accrued.

The duties and compensation base for UNW School Year employees are scheduled to align with the academic year although actual start dates and durations vary by specific location and job function. Accordingly, the Education Body determines the start dates of their UNW employees and accrues the related payroll liability as appropriate.

All other staff are accrued to include earnings to June 30.

**(l) Post-employment and Termination Benefits**

Under the conditions of employment, employees qualify for annual leave of varying lengths depending on length of service. Annual leave is payable within one fiscal year. Employees also earn retirement and severance remuneration based on the number of years of service. Certain employees will also receive assistance with removal costs to return to their point of recruitment. Payment of the removal and termination is dependent on employees leaving the Education Body and other criteria as outlined in the negotiated collective agreements and management handbook guidelines of the GNWT.

Note 2. **Summary of Significant Accounting Policies (continued)**

**(m) Special Purpose Funds**

School activity funds which are fully controlled by the Education Body with respect to when and how the funds available can be disbursed are included. The funds reported are internally restricted as to purpose and may include the proceeds of fundraising, contributions or fees paid related to a specific planned benefits.

Student activity funds which are controlled by students or parties other than the Education Body are not included even if custody of the funds is held by the Education Body.

Note 3. **Future Accounting Changes and Adoption of New Accounting Standards**

**Adoption of New Accounting Standards**

Effective April 1, 2023, the Education Board adopted PS 3400 Revenue. This standard provides guidance on how to account for and report on revenue that is not otherwise addressed elsewhere in the Public Sector Accounting Handbook. It identifies two types of revenue transactions: exchange and non-exchange. The Education Body applied PS 3400 prospectively, therefore, it is applied only to events and transactions occurring after April 1, 2023, and to any outstanding related balances existing at that date. No cumulative catch-up adjustment is recognized. The prior year's financial statements, including comparative information, have not been restated. The adoption of this standard resulted in additional disclosures in the notes to the financial statements.

**Future Accounting Changes**

Effective July 1, 2026, the Education Board will be required to adopt the new Conceptual Framework for Financial Reporting in the Public Sector. Earlier adoption of the new framework is allowed. The Education Board is currently assessing the impact of this standard on the financial statements.

Effective July 1, 2026, the Education Board will be required to adopt PS 1202 Financial Statement Presentation. The standard sets out general and specific requirements for the presentation of information in financial statements. Framework. Earlier adoption is permitted if the Conceptual Framework for Financial Reporting in the Public Sector is early adopted. The Education Board is currently assessing the impact of this standard on the financial statements.

Note 4. **Cash and Cash Equivalents**

| | 2024 | 2023 |
|---|---|---|
| Cash | $ 11,808,406 | $ 8,770,318 |
| Short term investments | - | - |
| | $ 11,808,406 | $ 8,770,318 |

Note 5. **Special Purpose Funds**

Special Purpose Funds are based on the contribution agreements for specific purposes for each school in the community. The District Educational Authorities review these expenses on a monthly basis to ensure that these funds are spent as per contributions agreements signed by the SDEC and the contributors.

| | 2024 | 2023 |
|---|---|---|
| Colville Lake | $ 1,353 | $ 32,210 |
| Deline | 58,234 | 43,953 |
| Fort Good Hope | 75,841 | 83,051 |
| Norman Wells | 23,661 | 78,848 |
| Tulita | 21,180 | 169,034 |
| SDEC (CJC) | - | - |
| | $ 180,269 | $ 407,096 |

Note 6. **Restricted Assets - Not Applicable**

Note 7. **Portfolio Investments - Not Applicable**

Note 8. **Accounts Receivable**

| | Receivables 2024 | AFDA 2024 | Net 2024 | Net 2023 |
|---|---|---|---|---|
| GNWT - ECE | $ 64,767 | $ - | $ 64,767 | $ 202,703 |
| GNWT - ITI | 30,000 | - | 30,000 | - |
| GNWT - MACA | - | - | - | - |
| GNWT - Justice | - | - | - | 2,034 |
| GNWT - ENR | - | - | - | 19,562 |
| Total Due from GNWT | 94,767 | - | 94,767 | 224,299 |
| WSCC | - | - | - | 49,675 |
| Other | 790,984 | 110,267 | 680,717 | 159,598 |
| | $ 885,751 | $ 110,267 | $ 775,484 | $ 433,572 |

Note 9. **Inventories - Not Applicable**

Note 10. **Accounts Payable and Accrued Liabilities**

| | | 2024 | | 2023 |
|---|---|---|---|---|
| Accounts payable and accrued liabilities | | | | |
| GNWT | $ | 104,365 | $ | 29,247 |
| WSCC | | 53,194 | | 49,375 |
| Trade payables | | 353,282 | | 105,816 |
| | | 510,841 | | 184,438 |
| Payroll liabilities | | | | |
| To GNWT (A) | | 599,208 | | 14,800 |
| To Employees (B) | | 1,497,409 | | 1,127,845 |
| Annual Leave | | 81,768 | | 81,492 |
| Other | | - | | - |
| | | 2,178,385 | | 1,224,137 |
| | $ | 2,689,226 | $ | 1,408,575 |

Note A: Amount outstanding to be paid to GNWT by the education board for salaries and wages paid by June 30.

Note B: Amount accrued by the education board for salaries and wages to be paid in July and August.

Note 11. **Deferred Revenue**

| | | 2024 | | 2023 |
|---|---|---|---|---|
| Education Culture and Employment | | | | |
| Library | $ | 96,746 | $ | 118,013 |
| French program | | - | | 18,385 |
| Industry Tourism and Investment | | | | |
| Greenhouse Supplies | | 20,498 | | 28,548 |
| Other | | | | |
| Jordan's Principle | | 4,834,013 | | 4,182,122 |
| MakeWay On the Land Collaborative | | 15,026 | | 11,257 |
| K'asho Gotine Housing Society | | 48,000 | | - |
| School generated funds | | 263,264 | | - |
| DEA funding | | 35,737 | | 55,534 |
| | $ | 5,313,284 | $ | 4,413,859 |

Note 12. **Contribution Repayable - Not Applicable**

Note 13. **Due From and To the Government of Canada - Not Applicable**

Note 14. **Capital Lease Obligations - Not Applicable**

Note 15. **Pension - Not Applicable**

Note 16. **Long-term Debt - Not Applicable**

Note 17. **Other employee future benefits and compensated absences**

The Education Body provides severance (resignation and retirement), removal and compensated absence (sick, special maternity and parental leave) benefits to its employees. The benefit plans are not pre-funded and thus have no assets, resulting in a deficit equal to the accrued post-employment benefits obligation.

Severance benefits are paid to employees based on the types of termination (e.g. resignation versus retirement) and appropriate combinations that include inputs such as when the employee was hired, the rate of pay, the number of years of continuous employment, and age and the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being location of hire, employee category and length of service. The benefits under these two categories were valued using the Projected Unit Credit methodology.

Compensated absence benefits generally accrue as employees render services and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include, but are not limited to employee or dependent illness and death of an immediate family member. Non-accruing benefits include maternity and parental leave. Benefits that accrue under the compensated absence benefits were valued using the expected utilization methodology.

**Valuation results**

The last actuarial valuation was completed as at February 11, 2022. The results were extrapolated to March 31, 2024. The effective date of the next actuarial valuation is March 31, 2025. The values presented below are for all the benefits under the Compensated Absences and Termination Benefits for the DEC.

Note 17. **Other employee future benefits and compensated absences (continued)**

| | Severance and removal | Compensated Absences | 2024 | 2023 |
|---|---|---|---|---|
| **Changes in Obligation** | | | | |
| Accrued benefit obligations beginning of the year | $ 673,223 | $ 140,523 | $ 813,746 | $ 842,222 |
| Current period benefit cost | 52,467 | 14,095 | 66,562 | 69,943 |
| Interest cost | 32,843 | 7,137 | 39,980 | 35,505 |
| Benefits payments | (48,892) | (11,880) | (60,772) | (121,425) |
| Actuarial (gain)/loss | (56,267) | (5,894) | (62,161) | (12,511) |
| Plan amendments | - | - | - | - |
| Accrued benefit obligation end of year | 653,374 | 143,981 | 797,355 | 813,734 |
| Unamortized net actuarial gain | 120,875 | (8,060) | 112,815 | 149,478 |
| Net future obligation | 774,249 | 135,921 | 910,170 | 963,212 |
| **Benefits Expense** | | | | |
| Current period benefit cost | 51,075 | 13,675 | 64,750 | 69,949 |
| Interest cost | 34,947 | 7,996 | 42,943 | 35,511 |
| Amortization of net actuarial (gain)/loss | (62,767) | 457 | (62,310) | - |
| Plan amendment | - | - | - | (97,609) |
| | 23,255 | 22,128 | 45,383 | 7,851 |

The discount rate used to determine the accrued benefit obligation is an average of 5.30% (2023: 4.8%). The Expected inflation rate is 2.0% (2023: 2.0%).

The expected payments during the next five fiscal years are:

| | Severance and removal | Compensated Absences | Total |
|---|---|---|---|
| Year 1 | $ 90,184 | $ 13,580 | $ 103,764 |
| Year 2 | 85,411 | 15,551 | 100,962 |
| Year 3 | 73,906 | 15,955 | 89,861 |
| Year 4 | 70,437 | 15,716 | 86,153 |
| Year 5 | 69,821 | 16,299 | 86,120 |
| Next 5 years | 335,832 | 82,107 | 417,939 |

Note 18. **Trust Assets and Liabilities under Administration - Not Applicable**

Note 19. **Tangible Capital Asset - Not Applicable**

Note 20. **Prepaid Expenses**

| | 2024 | 2023 |
|---|---|---|
| Prepaid expenses | $ - | $ - |

Note 21. **GNWT Assets Provided at No Cost**

| | Cost | Accumulated Amortization | Net Book Value 2024 | 2023 |
|---|---|---|---|---|
| Buildings | | | | |
| Schools and colleges | $ 67,986,158 | $ 31,708,869 | $ 36,277,289 | $ 37,441,358 |
| Staff Housing | 275,800 | 175,009 | 100,791 | 113,133 |
| | $ 68,261,958 | $ 31,883,878 | $ 36,378,080 | $ 37,554,491 |

Note 22. **Contractual Obligations**

The Education Body has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to June 30, 2024.

| | Expires in Fiscal Year * | 2025 | 2026 and thereafter | Total |
|---|---|---|---|---|
| Commercial and residential leases | 2026 | $ 106,752 | $ 124,544 | $ 231,296 |
| Contracts | 2026 | 140,996 | 143,426 | 284,422 |

* Refers to the last fiscal year of all agreements in that line category

The lease on the Council's office expires on August 31, 2026. The annual lease payments are $106,752. In addition, the Council is responsible for its proportionate share of utilities and cleaning services received during its term of occupancy.

Note 23. **Contingencies - Not applicable**

Note 24. **Related Parties and Inter-Entity Transactions**

The Education Body is related in terms of common ownership to all GNWT created departments, agencies and corporations. The Education Body enters into transactions with these entities in the normal course of operations. The Education Body is provided with various administrative services by the GNWT, the value of which is not reflected in these financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage by the Department of Finance, payroll services by the Department of Human Resources, internal audit services by the Department of Finance, and utility and maintenance by Public Works and Services. Transactions with related parties and balances at year-end not disclosed elsewhere in the financial statements are disclosed in this note. All related parties are disclosed elsewhere.

Note 25. **Budget**

The Education Act of the Northwest Territories requires that Education Bodies prepare an annual budget, as outlined in Section 117, Duties and Powers of Education Bodies. The budget is legally adopted by a motion of the Education Body which may or may not include the establishment of a tax levy to support the approved budget in accordance with Section 135, Assessment and Taxation, of the Education Act.

The annual budget includes estimates of revenues and expenditures for the Operating Fund. Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Education Body.

The budget figures presented are those approved by the Minister of Education, Culture and Employment on May 11, 2023 and have not been audited.

Note 26. **Economic Dependence**

The Sahtu District Education Council received its funding primarily from the GNWT. If the funding arrangements were to change management is of the opinion that Sahtu District Education Council operations would be significantly affected.

Note 27. **Financial Instruments**

The Education Body is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Education Body's risk exposure and concentration as of June 30, 2024.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Education Body has little exposure to credit risk as the majority of its revenues originate from government sources with strong credit worthiness.

Note 27. **Financial Instruments (continued)**

Liquidity

Liquidity risk is the risk the Education Body will not be able to meet its obligations as they come due. The Education Body manages its liquidity requirements by preparing detailed cash budgets and having cash available on hand to meet its obligations.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is composed of currency risk, interest rate risk and other price risk.

Currency risk

The Education Body deals exclusively in Canadian funds and therefore has no currency risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. The Education Body minimizes risk through its normal operating and financing activities and maintains cash in a general bank account.

Note 28. **Expenses by Object**

| | 2024 Budget | 2024 Actual | 2023 Actual |
|---|---|---|---|
| Salaries | $ 20,934,334 | $ 17,546,852 | $ 15,910,751 |
| Employee Benefits | 939,000 | 696,312 | 729,706 |
| Services Purchased/Contracted | 1,404,687 | 2,666,058 | 1,414,517 |
| Materials, Supplies and Freight | 1,090,142 | 1,083,803 | 621,066 |
| | $ 24,368,163 | $ 21,993,025 | $ 18,676,040 |

Note 29. **Subsequent Events - Not Applicable**

Note 30. **Comparative Figures**

Certain comparative figures have been reclassified to conform with current year's presentation.

Note 31. **Other ECE Revenue**

| | 2024 | 2023 |
|---|---|---|
| Library | $ 126,000 | $ 144,000 |
| Northern distance learning | 287,948 | 145,000 |
| School Based ("SB") Mental & Wellness Services | 282,696 | - |
| Take a Kid Trapping | 24,000 | - |
| Less: Deferred revenue & contributions repaid | (248,659) | 5,355 |
| | $ 466,733 | $ 294,355 |

Note 32. **GNWT - Other Contributions**

| | 2024 | 2023 |
|---|---|---|
| Municipal and Community Affairs | | |
| Active After School | $ 76,500 | $ 76,500 |
| Youth contribution | 33,100 | 5,000 |
| Volleyball | 41,280 | 3,000 |
| Regional Youth Sporting Event | 50,000 | 15,000 |
| Learn to skate | - | 5,000 |
| Treaty simulation | 15,000 | - |
| Environment and Natural Resources | | |
| Take a Kid Trapping | - | 19,562 |
| Health and Social Services | | |
| Drop The Pop | 9,345 | 8,900 |
| Drop The Pop Award | 1,000 | 1,000 |
| Nutrition North | 29,400 | 29,400 |
| Industry Tourism and Investment | | |
| Greenhouse supplies | 92,282 | 62,240 |
| Justice | | |
| Community Justice | - | 56,000 |
| Less: Deferred revenue & contributions repaid | 2,977 | (17,016) |
| | $ 350,884 | $ 264,586 |

Note 33. **Contingent Assets - Not Applicable**

Note 34. **Contractual Rights - Not Applicable**

Note 35. **Statement of Remeasurement Gains and Losses - Not Applicable**

# Sahtu Divisional Education Council

Schedule A-1 - Statement of Council Operations and Financial Position (Non-Consolidated)

For the year ended June 30, 2024

| | 2024 Budget | 2024 Actual | 2023 Actual |
|---|---|---|---|
| Revenue | | | |
| Government of the Northwest Territories | | | |
| ECE Regular Contributions | $ 14,338,667 | $ 14,933,253 | $ 15,063,633 |
| French Language Instruction | 99,000 | 99,000 | 69,000 |
| ECE Other Contributions, Note 31 | 154,000 | 466,733 | 294,355 |
| Total ECE | 14,591,667 | 15,498,986 | 15,426,988 |
| GNWT Other Contributions, Note 32 | 466,507 | 350,884 | 264,586 |
| Total GNWT | $ 15,058,174 | $ 15,849,870 | $ 15,691,574 |
| Jordan's Principle | 7,124,437 | 5,562,656 | 3,169,579 |
| Total Government of Canada | 7,124,437 | 5,562,656 | 3,169,579 |
| Education council generated funds | | | |
| School generated funds | 504,818 | 366,137 | 268,510 |
| Interest income | 259,278 | 616,969 | 395,372 |
| Other | 441,356 | 536,627 | 320,233 |
| | 1,205,452 | 1,519,733 | 984,115 |
| | 23,388,063 | 22,932,259 | 19,845,268 |
| Administration | 1,003,955 | 998,171 | 1,079,487 |
| School programs | 11,741,410 | 10,588,229 | 11,260,450 |
| Inclusive schooling | 2,231,033 | 2,384,417 | 2,298,053 |
| Operations and maintenance | 174,952 | 281,638 | 233,080 |
| Aboriginal languages | 1,431,699 | 1,358,613 | 1,362,148 |
| Jordan's Principle | 7,124,437 | 5,562,656 | 3,169,586 |
| GNWT Other | 155,276 | 394,732 | - |
| School generated funds | 505,401 | 370,907 | - |
| Other employee future benefits, Note 17 | - | (53,042) | (113,576) |
| | 24,368,163 | 21,886,321 | 19,289,228 |
| Excess (Deficiency) of Revenue over Expenditure | $ (980,100) | $ 1,045,938 | $ 556,040 |
| Other item: | | | |
| Surplus retention expenses | | - | (444,010) |
| | $ (980,100) | $ 1,045,938 | $ 112,030 |
| Accumulated surplus (deficit), beginning of year | | 2,825,340 | 2,713,310 |
| Accumulated surplus (deficit), end of year | | $ 3,871,278 | $ 2,825,340 |

## SATHU DIVISIONAL EDUCATION COUNCIL

Schedule A-2 - Details of Council Expenses (Non-Consolidated)

For the year ended June 30, 2024

| Function | School Programs | Inclusive Schooling | Operations & Maintenance | Council Administration | Indigenous Languages and Education | Jordan's Principle | **2024 Total** |
|---|---|---|---|---|---|---|---|
| Salaries | | | | | | | |
| Teachers' salaries | $ 7,061,919 | $ 951,588 | $ - | $ - | $ 713,470 | $ 4,367,084 | $ **13,094,061** |
| Instruction Assistant | 230,262 | 827,047 | - | - | - | - | **1,057,309** |
| Non Instructional Staff | 1,062,929 | 192,808 | - | 717,471 | 185,318 | - | **2,158,526** |
| Board/Trustee Honoraria | - | - | - | 126,810 | 41,338 | - | **168,148** |
| | 8,355,110 | 1,971,443 | - | 844,281 | 940,126 | 4,367,084 | **16,478,044** |
| Employee Benefits | | | | | | | |
| Employee benefits and allowances | 6,158 | - | - | - | - | - | **6,158** |
| Leave and termination benefits | 690,154 | - | - | - | - | - | **690,154** |
| | 696,312 | - | - | - | - | - | **696,312** |
| Services Purchased/Contracted | | | | | | | |
| Professional/Technical Services | 16,417 | 291,539 | - | 3,155 | - | 473,090 | **784,201** |
| Postage/Communication | 45,785 | - | - | 17,892 | - | - | **63,677** |
| Utilities | | | | | | | |
| Heating | - | - | - | - | - | - | **-** |
| Electricity | - | - | - | - | - | - | **-** |
| Water/Sewage | - | - | - | - | - | - | **-** |
| Travel | 364,610 | 34,820 | - | 45,246 | 5,298 | - | **449,974** |
| Student Travel (busing) | 167,130 | - | - | - | - | 415,693 | **582,823** |
| Advertising/Printing/Publishing | - | - | - | - | 21 | - | **21** |
| Maintenance/Repair | 35,137 | - | - | - | 7,204 | - | **42,341** |
| Rentals/Leases | - | - | 274,798 | - | - | - | **274,798** |
| Other - Contracted Services | - | 8,371 | 6,840 | 66,420 | 1,112 | 258,320 | **341,063** |
| Other - Miscellaneous | 8,687 | 78,244 | - | 7,860 | - | - | **94,791** |
| | 637,766 | 412,974 | 281,638 | 140,573 | 13,635 | 1,147,103 | **2,633,689** |
| Materials, Supplies and Freight | | | | | | | |
| Materials | 594,016 | - | - | 10,355 | 402,853 | 48,469 | **1,055,693** |
| Freight | 19,442 | - | - | 2,962 | 1,999 | - | **24,403** |
| | 613,458 | - | - | 13,317 | 404,852 | 48,469 | **1,080,096** |
| Other | | | | | | | |
| GNWT ECE (NDL, Libraries, TKT) | 285,583 | - | - | - | - | - | **285,583** |
| GNWT Other | - | - | - | - | - | - | **394,732** |
| School generated funds | - | - | - | - | - | - | **370,907** |
| Other employee future benefits, Note 17 | - | - | - | - | - | - | **(53,042)** |
| Total | $ 10,588,229 | $ 2,384,417 | $ 281,638 | $ 998,171 | $ 1,358,613 | $ 5,562,656 | $ **21,886,321** |

# SAHTU DIVISIONAL EDUCATION COUNCIL

Schedule B-1 District Education Authorities
Statement of Operations - Non-Consolidated

For the year ended June 30, 2024

| | 2024 Budget | 2024 Actual | 2023 Actual |
|---|---|---|---|
| Revenue | | | |
| Contributions from Divisional Council | $ 115,247 | $ 115,247 | $ 116,839 |
| Other (One-time DEC contribution) | - | - | 4,000 |
| Transfer to DEA | - | (28,342) | - |
| Total revenue | 115,247 | 86,905 | 120,839 |
| Expenditure | | | |
| Administration | 115,247 | 106,704 | 118,573 |
| School programs | - | - | - |
| Inclusive schooling | - | - | - |
| Student accommodations | - | - | - |
| Operations and maintenance | - | - | - |
| Aboriginal language/cultural programs | - | - | - |
| | 115,247 | 106,704 | 118,573 |
| Surplus (Deficit) | - | (19,799) | 2,266 |
| Opening equity | | 55,534 | 53,268 |
| Closing equity | | $ 35,735 | $ 55,534 |
| Composition of Ending Accumulated Surplus | | | |
| Cash | | $ - | $ - |
| Accounts receivable | | 35,735 | 55,534 |
| Accounts payable | | - | - |
| | | $ 35,735 | $ 55,534 |

# SAHTU DIVISIONAL EDUCATION COUNCIL

Schedule B-2 - Details of DEA Expenses
Non-Consolidated
For the year ended June 30, 2024

| Function | School Programs | Inclusive Schooling | Student Accom. | Operations and Maintenance | Council Administration | Indigenous Languages and Education | Total |
|---|---|---|---|---|---|---|---|
| Salaries | | | | | | | |
| Teachers' Salaries | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Instruction Assistant | - | - | - | - | - | - | - |
| Non-instructional Staff | - | - | - | - | 48,824 | - | 48,824 |
| Board/Trustee Honorarium | - | - | - | - | 21,804 | - | 21,804 |
| | - | - | - | - | 70,628 | - | 70,628 |
| Employee Benefits | | | | | | | |
| Employee Benefits and Allowances | - | - | - | - | - | - | - |
| Leave and Termination | - | - | - | - | - | - | - |
| | - - | - | - | - | - | - | - |
| Services Purchased/Contracted | | | | | | | |
| Professional/Technical Services | - | - | - | - | - | - | - |
| Postage/Communication | - | - | - | - | - | - | - |
| Heating | - | - | - | - | - | - | - |
| Electricity | - | - | - | - | - | - | - |
| Water/Sewage | - | - | - | - | - | - | - |
| Travel | - | - | - | - | - | - | - |
| Student Transportation (busing) | - | - | - | - | - | - | - |
| Advertising/Printing/Publishing | - | - | - | - | 5,648 | - | 5,648 |
| Maintenance/Repair | - | - | - | - | - | - | - |
| Rentals/Leases | - | - | - | - | - | - | - |
| Other - Fees | - | - | - | - | - | - | - |
| Other - Special Requests | - | - | - | - | 26,721 | - | 26,721 |
| | - | - | - | - | 32,369 | - | 32,369 |
| Materials/Supplies/Freight | | | | | | | |
| Materials | - | - | - | - | 3,707 | - | 3,707 |
| Freight | - | - | - | - | - | - | - |
| | - | - | - | - | 3,707 | - | 3,707 |
| Total | $ - | $ - | $ - | $ - | $ 106,704 | $ - | 106,704 |

# COLVILE LAKE

District Education Authority
Statement of Operations

For the year ended June 30, 2024

| | 2024 Budget | 2024 Actual | 2023 Actual |
|---|---|---|---|
| Revenue | | | |
| Contributions from Divisional Council | $ 18,698 | $ 18,698 | $ 18,698 |
| Other (One-time DEC contribution) | - | - | 4,000 |
| | 18,698 | 18,698 | 22,698 |
| Expenses | | | |
| Administration | 18,698 | 14,379 | 25,282 |
| School programs | - | - | - |
| Inclusive schooling | - | - | - |
| School accommodations | - | - | - |
| Operations and maintenance | - | - | - |
| Aboriginal language/cultural programs | - | - | - |
| | 18,698 | 14,379 | 25,282 |
| Surplus (Deficit) | - | 4,319 | (2,584) |
| Opening equity | - | (687) | 1,897 |
| Closing equity | | $ 3,632 | $ (687) |
| Composition of Closing Equity | | | |
| Cash | | $ - | $ - |
| Accounts Receivable | | 3,632 | (687) |
| Accounts Payable | | - | - |
| | | $ 3,632 | $ (687) |

# COLVILLE LAKE

District Education Authority
Details of Expenses

For the year ended June 30, 2024

| Function | School Programs | Inclusive Schooling | Student Accommodation | Operations & Maintenance | Administration | Aboriginal Languages | Total |
|---|---|---|---|---|---|---|---|
| Salaries | | | | | | | |
| Teachers' Salaries | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Instruction Assistant | - | - | - | - | - | - | - |
| Non Instructional Staff | - | - | - | - | - | - | - |
| Board/Trustee Honoraria | - | - | - | - | 7,355 | - | 7,355 |
| | - | - | - | - | 7,355 | - | 7,355 |
| Employee Benefits | | | | | | | |
| Employee Benefits/Allowances | - | - | - | - | - | - | - |
| Leave and Termination Benefits | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| Services Purchased/Contracted | | | | | | | |
| Professional/Technical Services | - | - | - | - | - | - | - |
| Postage/Communication | - | - | - | - | - | - | - |
| Utilities | - | - | - | - | - | - | - |
| Travel | - | - | - | - | - | - | - |
| Student Transportation | - | - | - | - | - | - | - |
| Advertising/Printing/Publishing | - | - | - | - | - | - | - |
| Maintenance/Repair | - | - | - | - | - | - | - |
| Rentals/Leases | - | - | - | - | - | - | - |
| Other - Contracted Services | - | - | - | - | - | - | - |
| Other - Special Requests | - | - | - | - | 3,414 | - | 3,414 |
| | - | - | - | - | 3,414 | - | 3,414 |
| Materials/Supplies/Freight | | | | | | | |
| Materials | - | - | - | - | 3,610 | - | 3,610 |
| Freight | - | - | - | - | - | - | - |
| | - | - | - | - | 3,610 | - | 3,610 |
| Total | $ - | $ - | $ - | $ - | $ 14,379 | $ - | $ 14,379 |

# NORMAN WELLS

District Education Authority
Statement of Operations

For the year ended June 30, 2024

| | 2024 Budget | 2024 Actual | 2023 Actual |
|---|---|---|---|
| Revenue | | | |
| Contributions from Divisional Council | $ 25,706 | $ 25,706 | $ 27,298 |
| Transfer to school generated funds | - | (28,342) | - |
| | 25,706 | (2,636) | 27,298 |
| Expenses | | | |
| Administration | 25,706 | 24,100 | 21,810 |
| School programs | - | - | - |
| Inclusive schooling | - | - | - |
| School accommodations | - | - | - |
| Operations and maintenance | - | - | - |
| Aboriginal language/cultural programs | - | - | - |
| | 25,706 | 24,100 | 21,810 |
| Surplus (Deficit) | - | (26,736) | 5,488 |
| Opening equity | | 28,342 | 22,854 |
| Closing equity | | $ 1,606 | $ 28,342 |
| Composition of Closing Equity | | | |
| Cash | | $ - | $ - |
| Accounts Receivable | | 1,606 | 28,342 |
| Accounts Payable | | - | - |
| | | $ 1,606 | $ 28,342 |

## NORMAN WELLS

District Education Authority
Details of Expenses

For the year ended June 30, 2024

| Function | School Programs | Inclusive Schooling | Student Accommodation | Operations & Maintenance | Administration | Aboriginal Languages | Total |
|---|---|---|---|---|---|---|---|
| Salaries | | | | | | | |
| Teachers' Salaries | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Instruction Assistant | - | - | - | - | - | - | - |
| Non Instructional Staff | - | - | - | - | 11,777 | - | 11,777 |
| Board/Trustee Honoraria | - | - | - | - | - | - | - |
| | - | - | - | - | 11,777 | - | 11,777 |
| Employee Benefits | | | | | | | |
| Employee Benefits/Allowances | - | - | - | - | - | - | - |
| Leave and Termination Benefits | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| Services Purchased/Contracted | | | | | | | |
| Professional/Technical Services | - | - | - | - | - | - | - |
| Postage/Communication | - | - | - | - | - | - | - |
| Utilities | - | - | - | - | - | - | - |
| Travel | - | - | - | - | - | - | - |
| Student Transportation | - | - | - | - | - | - | - |
| Advertising/Printing/Publishing | - | | - | | - | - | - |
| Maintenance/Repair | - | - | - | - | - | - | - |
| Rentals/Leases | - | - | - | - | - | - | - |
| Other - Contracted Services | - | - | - | - | - | - | - |
| Other - Special Requests | - | - | - | - | 12,323 | - | 12,323 |
| | - | - | - | - | 12,323 | - | 12,323 |
| Materials/Supplies/Freight | | | | | | | |
| Materials | - | - | - | - | - | - | - |
| Freight | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| Total | $ - | $ - | $ - | $ - | $ 24,100 | $ - | $ 24,100 |

# DELINE

District Education Authority
Statement of Operations

For the year ended June 30, 2024

| | 2024 Budget | 2024 Actual | 2023 Actual |
|---|---|---|---|
| Revenue | | | |
| Contributions from Divisional Council | $ 22,912 | $ 22,912 | $ 22,912 |
| Other | - | - | - |
| | 22,912 | 22,912 | 22,912 |
| Expenses | | | |
| Administration | 22,912 | 23,822 | 23,280 |
| School programs | - | - | - |
| Inclusive schooling | - | - | - |
| School accommodations | - | - | - |
| Operations and maintenance | - | - | - |
| Aboriginal language/cultural programs | - | - | - |
| | 22,912 | 23,822 | 23,280 |
| Surplus (Deficit) | - | (910) | (368) |
| Opening equity | | 229 | 597 |
| Closing equity | | $ (681) | $ 229 |
| Composition of Closing Equity | | | |
| Cash | | $ - | $ - |
| Accounts Receivable | | (681) | 229 |
| Accounts Payable | | - | - |
| | | $ (681) | $ 229 |

# DELINE

District Education Authority
Details of Expenses

For the year ended June 30, 2024

| Function | School Programs | Inclusive Schooling | Student Accommodation | Operations & Maintenance | Administration | Aboriginal Languages | Total |
|---|---|---|---|---|---|---|---|
| Salaries | | | | | | | |
| Teachers' Salaries | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Instruction Assistant | - | - | - | - | - | - | - |
| Non Instructional Staff | - | - | - | - | 12,312 | - | 12,312 |
| Board/Trustee Honoraria | - | - | - | - | 4,840 | - | 4,840 |
| | - | - | - | - | 17,152 | - | 17,152 |
| Employee Benefits | | | | | | | |
| Employee Benefits/Allowances | - | - | - | - | - | - | - |
| Leave and Termination Benefits | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| Services Purchased/Contracted | | | | | | | |
| Professional/Technical Services | - | - | - | - | - | - | - |
| Postage/Communication | - | - | - | - | - | - | - |
| Utilities | - | - | - | - | - | - | - |
| Travel | - | - | - | - | - | - | - |
| Student Transportation | - | - | - | - | - | - | - |
| Advertising/Printing/Publishing | - | | - | | 4,670 | - | 4,670 |
| Maintenance/Repair | - | - | - | - | - | - | - |
| Rentals/Leases | - | - | - | - | - | - | - |
| Other - Contracted Services | - | - | - | - | - | - | - |
| Other - Special Requests | - | - | - | - | 2,000 | - | 2,000 |
| | - | - | - | - | 6,670 | - | 6,670 |
| Materials/Supplies/Freight | | | | | | | |
| Materials | - | - | - | - | - | - | - |
| Freight | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| Total | $ - | $ - | $ - | $ - | $ 23,822 | $ - | $ 23,822 |

# FORT GOOD HOPE

District Education Authority
Statement of Operations

For the year ended June 30, 2024

| | 2024 Budget | 2024 Actual | 2023 Actual |
|---|---|---|---|
| Revenue | | | |
| Contributions from Divisional Council | $ 25,707 | $ 25,707 | $ 25,707 |
| Other | - | - | - |
| | 25,707 | 25,707 | 25,707 |
| Expenses | | | |
| Administration | 25,707 | 26,821 | 30,692 |
| School programs | - | - | - |
| Inclusive schooling | - | - | - |
| School accommodations | - | - | - |
| Operations and maintenance | - | - | - |
| Aboriginal language/cultural programs | - | - | - |
| | 25,707 | 26,821 | 30,692 |
| Surplus (Deficit) | - | (1,114) | (4,985) |
| Opening equity | | 224 | 5,209 |
| Closing equity | | $ (890) | $ 224 |
| Composition of Closing Equity | | | |
| Cash | | $ - | $ - |
| Accounts Receivable | | (890) | 224 |
| Accounts Payable | | - | - |
| | | $ (890) | $ 224 |

# FORT GOOD HOPE

District Education Authority
Details of Expenses

For the year ended June 30, 2024

| Function | School Programs | Inclusive Schooling | Student Accommodation | Operations & Maintenance | Administration | Aboriginal Languages | Total |
|---|---|---|---|---|---|---|---|
| Salaries | | | | | | | |
| Teachers' Salaries | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Instruction Assistant | - | - | - | - | - | - | - |
| Non Instructional Staff | - | - | - | - | 12,480 | - | 12,480 |
| Board/Trustee Honoraria | - | - | - | - | 7,363 | - | 7,363 |
| | - | - | - | - | 19,843 | - | 19,843 |
| Employee Benefits | | | | | | | |
| Employee Benefits/Allowances | - | - | - | - | - | - | - |
| Leave and Termination Benefits | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| Services Purchased/Contracted | | | | | | | |
| Professional/Technical Services | - | - | - | - | - | - | - |
| Postage/Communication | - | - | - | - | - | - | - |
| Utilities | - | - | - | - | - | - | - |
| Travel | - | - | - | - | - | - | - |
| Student Transportation | - | - | - | - | - | - | - |
| Advertising/Printing/Publishing | - | - | - | - | 978 | - | 978 |
| Maintenance/Repair | - | - | - | - | - | - | - |
| Rentals/Leases | - | - | - | - | - | - | - |
| Other - Contracted Services | - | - | - | - | - | - | - |
| Other - Special Requests | - | - | - | - | 6,000 | - | 6,000 |
| | - | - | - | - | 6,978 | - | 6,978 |
| Materials/Supplies/Freight | | | | | | | |
| Materials | - | - | - | - | - | - | - |
| Freight | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| Total | $ - | $ - | $ - | $ - | $ 26,821 | $ - | $ 26,821 |

# TULITA

District Education Authority
Statement of Operations

For the year ended June 30, 2024

| | 2024 Budget | 2024 Actual | 2023 Actual |
|---|---|---|---|
| Revenue | | | |
| Contributions from Divisional Council | $ 22,224 | $ 22,224 | $ 22,224 |
| Other | - | - | - |
| | 22,224 | 22,224 | 22,224 |
| Expenses | | | |
| Administration | 22,224 | 17,582 | 17,509 |
| School programs | - | - | - |
| Inclusive schooling | - | - | - |
| School accommodations | - | - | - |
| Operations and maintenance | - | - | - |
| Aboriginal language/cultural programs | - | - | - |
| | 22,224 | 17,582 | 17,509 |
| Surplus (Deficit) | - | 4,642 | 4,715 |
| Opening equity | | 27,426 | 22,711 |
| Closing equity | | $ 32,068 | $ 27,426 |
| Composition of Closing Equity | | | |
| Cash | | $ - | $ - |
| Accounts Receivable | | 32,068 | 22,711 |
| Accounts Payable | | - | - |
| | | $ 32,068 | $ 22,711 |

# TULITA

District Education Authority
Details of Expenses

For the year ended June 30, 2024

| Function | School Programs | Inclusive Schooling | Student Accommodation | Operations & Maintenance | Administration | Aboriginal Languages | Total |
|---|---|---|---|---|---|---|---|
| Salaries | | | | | | | |
| Teachers' Salaries | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Instruction Assistant | - | - | - | - | - | - | - |
| Non Instructional Staff | - | - | - | - | 12,255 | - | 12,255 |
| Board/Trustee Honoraria | - | - | - | - | 2,246 | - | 2,246 |
| | - | - | - | - | 14,501 | - | 14,501 |
| Employee Benefits | | | | | | | |
| Employee Benefits/Allowances | - | - | - | - | - | - | - |
| Leave and Termination Benefits | - | - | - | - | - | - | - |
| | - | - | - | - | - | - | - |
| Services Purchased/Contracted | | | | | | | |
| Professional/Technical Services | - | - | - | - | - | - | - |
| Postage/Communication | - | - | - | - | - | - | - |
| Utilities | - | - | - | - | - | - | - |
| Travel | - | - | - | - | - | - | - |
| Student Transportation | - | - | - | - | - | - | - |
| Advertising/Printing/Publishing | - | - | - | - | - | - | - |
| Maintenance/Repair | - | - | - | - | - | - | - |
| Rentals/Leases | - | - | - | - | - | - | - |
| Other - Contracted Services | - | - | - | - | - | - | - |
| Other - Special Requests | - | - | - | - | 2,984 | - | 2,984 |
| | - | - | - | - | 2,984 | - | 2,984 |
| Materials/Supplies/Freight | | | | | | | |
| Materials | - | - | - | - | 97 | - | 97 |
| Freight | - | - | - | - | - | - | - |
| | - | - | - | - | 97 | - | 97 |
| Total | $ - | $ - | $ - | $ - | $ 17,582 | $ - | $ 17,582 |

# SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
# FORT SMITH, NT

## CONSOLIDATED ANNUAL FINANCIAL REPORT
## June 30, 2024

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Creating Futures

## MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Minister of Education, Culture and Employment
Government of the Northwest Territories

The Management Discussion & Analysis, Financial Statements, Schedules and Notes herein submitted have been reviewed by management. They provide full disclosure and accurately reflect the financial and non-financial condition of the authority in all material respects and in accordance with Canadian Public Sector Accounting Standards (CPSAS) as well as the Financial Administration Manual (FAM) and the Financial Administration Manual for Education Authorities (FAMEA) of the Government of the Northwest Territories.

Management hereby asserts that adequate internal controls exist to ensure that transactions are complete, accurate and timely, appropriately authorized and include only valid transactions of the entity; that duties related to processes are appropriately segregated, that assets are safeguarded and that proper records are maintained. Controls further include quality standards regarding the hiring and training of employees, that ensure the adequate maintenance of written policies and procedural manuals and that further provide for appropriate accountability for performance within well-defined areas of responsibility. The operations and administration of South Slave Divisional Education Council have been conducted within the statutory powers of the South Slave Divisional Education Council. The operations and administration of the South Slave Divisional Education Council as well as the supporting internal controls of the entity are regularly monitored to ensure their effectiveness and their continued compliance with all relevant legislation, standards, directives and policies including but not limited to the Education Act, Financial Administration Act, CPSAS, FAM, FAMEA, Human Resources Manual, Ministerial Directives and the policies of the South Slave Divisional Education Council Board. Any non-compliance has been specifically identified and has been previously communicated to the Minister and Deputy Minister.

Management hereby asserts that auditors have been provided with all relevant records and documentation as well as unrestricted access to the same. Management is not aware of any undisclosed irregularities involving management or employees with either current or potential impact on financial results, fraud or suspected fraud, disbursements made for purposes not consistent with an appropriation, irregular commitments including those in the form of guarantees, violations or possible violations of laws or regulations, claims or litigation, known or suspected environmental site contaminations or of any other undisclosed environmental or safety hazards within its jurisdiction.

The auditors, Avery Cooper & Co. Ltd., Chartered Professional 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. The auditors also consider whether the transactions that have come to their notice in the course of this audit are, in all significant respects, in accordance with specified legislation and directives from the Department of Education, Culture and Employment of the Government of the Northwest Territories.

Approved and confirmed on behalf of the South Slave Divisional Education Council

Superintendent

Comptroller

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## INDEPENDENT AUDITORS' REPORT

To the Minister of Education, Culture and Employment
Government of the Northwest Territories

*Report on the Audit of the Consolidated Financial Statements*

*Qualified Opinion*

We have audited the accompanying consolidated financial statements of South Slave Divisional Education Council which comprise the Consolidated Statement of Financial Position as at June 30, 2024 and the Consolidated Statements of Changes in Net Financial Assets (Debt), Statement of Operations and Statement of Cash Flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the matter described in the Basis for Qualified Opinion paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of the South Slave Divisional Education Council as at June 30, 2024 and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Basis for Qualified Opinion*

Salaries and related benefits paid to employees of the South Slave Divisional Education Council are administered by the Government of the Northwest Territories and are audited as part of the Government of the Northwest Territories audit. Our audit scope was limited as we did not audit the components of compensation and benefits expenditures and related balances. Accordingly we are not able to determine whether any adjustments might be necessary to compensation and benefits expenditures, payroll liabilities, employee future benefits, net financial resources and accumulated surplus/deficit as well as note disclosures associated with transactions and year-end balances relating to compensation and benefits.

*Other matter*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements of South Slave Divisional Education Council taken as a whole. The supplementary information included on various schedules is presented for purposes of additional information and is not a required part of the consolidated financial statements. Such supplementary information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion in the audit of consolidated financial statements taken as a whole.

*Other Information*

Management is responsible for the other information. the other information comprises the Management Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the management Discussion and Analysis prior to the date of this auditor's report. if, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

*Responsibilities of Management and Those charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards and the Act of the Northwest Territories, 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.

Those charged with governance are responsible for overseeing the 's financial reporting process.

*Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Report on Other Legal and Regulatory Requirements*

We further report, in accordance with the Education Act's requirement for the Education Authority to comply with the Financial Administration Act, in our opinion, proper books of account have been kept by the South Slave Divisional Education Council, the consolidated financial statements are in agreement therewith and the transactions that have come under our notice have, in all significant aspects, been within the statutory powers of the Council.

Avery Cooper + Co. Ltd.

AVERY COOPER & CO. LTD.
Chartered Professional Accountants
Yellowknife, NT

September 21, 2024

## SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

**Statement I**

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2024

| | 2024 | 2023 |
|---|---|---|
| **FINANCIAL ASSETS** | | |
| Cash and Cash Equivalents (Note 4) | $ 10,090,515 | $ 7,894,566 |
| Restricted Assets (Note 6) | 76,717 | 77,217 |
| Accounts Receivable (Note 8) | 1,144,165 | 220,160 |
| | 11,311,397 | 8,191,943 |
| **LIABILITIES** | | |
| Accounts Payable and Accrued Liabilities (Note 10) | 201,520 | 121,585 |
| Payroll Liabilities (Note 10) | 3,272,700 | 2,437,125 |
| Deferred Revenue (Note 11) | 3,734,605 | 2,268,524 |
| Post-Employment Benefits (Note 17) | 1,004,982 | 1,461,448 |
| Trust Liabilities (Note 6) | 76,717 | 77,217 |
| | 8,290,524 | 6,365,899 |
| **NET FINANCIAL ASSETS (Statement III)** | 3,020,873 | 1,826,044 |
| **NON-FINANCIAL ASSETS** | | |
| Tangible Capital Assets | 172,132 | 191,258 |
| **ACCUMULATED SURPLUS** | $ 3,193,007 | $ 2,017,302 |

Approved:

Superintendent

Council Member

See the accompanying notes and schedules.

## SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

**Statement II**

### CONSOLIDATED STATEMENT OF OPERATIONS

For the Year Ended June 30, 2024

| | 2024 Budget (Unaudited) | 2024 Actual | 2023 Actual |
|---|---|---|---|
| **REVENUE** | | | |
| **Government of the NWT** | | | |
| Regular contributions | $ 28,043,129 | $ 25,767,736 | $ 25,402,554 |
| Other ECE contributions (Note 30) | 465,447 | 768,455 | 676,724 |
| Other GNWT contributions | 26,859 | 352,530 | 171,566 |
| **Total Government of the NWT** | 28,535,435 | 26,888,721 | 26,250,844 |
| **Government of Canada** | | | |
| Jordan's Principal | - | 3,610,988 | 2,964,735 |
| **Total Government of Canada** | - | 3,610,988 | 2,964,735 |
| **Board Generated Funds** | | | |
| Investment Income | 50,400 | 466,561 | 337,426 |
| Rentals | 15,444 | - | - |
| Sales | - | 4,700 | 1,100 |
| Other | 38,500 | 78,385 | 249,265 |
| Non-GNWT Contributions | 70,000 | 154,225 | 111,091 |
| **Total Board Generated Funds** | 174,344 | 703,871 | 698,882 |
| **TOTAL REVENUE** | 28,709,779 | 31,203,580 | 29,914,461 |
| **EXPENSES** (Schedule 1) | | | |
| Indigenous Languages and Education | 2,696,712 | 2,069,041 | 2,414,720 |
| Administration | 2,532,825 | 2,983,950 | 2,414,122 |
| Inclusive Schooling | 4,498,335 | 4,202,343 | 4,872,278 |
| School Programs | 18,982,213 | 17,161,554 | 18,151,533 |
| Jordan's Principle | - | 3,610,988 | 2,676,866 |
| **TOTAL EXPENSES** | 28,710,085 | 30,027,876 | 30,529,519 |
| **OPERATING SURPLUS (DEFICIT)** | (306) | 1,175,704 | (615,058) |
| **OPENING ACCUMULATED SURPLUS** | 2,017,303 | 2,017,303 | 2,632,361 |
| **CLOSING ACCUMULATED SURPLUS** | $ 2,016,997 | $ 3,193,007 | $ 2,017,303 |

See the accompanying notes and schedules.

## SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

**Statement III**

## CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

June 30, 2024

| | 2024 Budget (Unaudited) | 2024 Actual | 2023 Actual |
|---|---|---|---|
| **OPERATING SURPLUS (DEFICIT)** | $ (306) | $ 1,175,704 | $ (615,058) |
| Agree Opening Net Assets | - | 19,125 | - |
| **INCREASE (DECREASE) IN NET FINANCIAL ASSETS** | (306) | 1,194,829 | (615,058) |
| **NET FINANCIAL ASSETS, BEGINNING OF YEAR** | 1,826,044 | 1,826,044 | 2,441,102 |
| **NET FINANCIAL ASSETS, END OF YEAR** | $ 1,825,738 | $ 3,020,873 | $ 1,826,044 |

See the accompanying notes and schedules.

## SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

**Statement IV**

### CONSOLIDATED STATEMENT OF CASH FLOW

For the Year Ended June 30, 2024

| **Cash provided by (used in):** | 2024 | 2023 |
|---|---|---|
| **OPERATING TRANSACTIONS** | | |
| Operating surplus (deficit) | $ 1,175,704 | $ (615,058) |
| Items not affecting cash: | | |
| Amortization | 19,126 | 21,251 |
| **Changes in non-cash assets and liabilities:** | | |
| Decrease (increase) in accounts receivable | (924,005) | (85,941) |
| Increase (decrease) in accounts payable | 79,935 | (40,700) |
| Increase (decrease) in payroll liabilities | 835,574 | (246,152) |
| Increase (decrease) in deferred revenue | 1,466,081 | 458,466 |
| Increase (decrease) in post-employment benefits | (456,466) | (319,976) |
| Cash provided by operating transactions | 2,195,949 | (828,110) |
| **INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** | 2,195,949 | (828,110) |
| **CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR** | 7,894,566 | 8,722,676 |
| **CASH AND CASH EQUIVALENTS, END OF YEAR** | $ 10,090,515 | $ 7,894,566 |

See the accompanying notes and schedules.

## NOTE 1 NATURE OF ORGANIZATION

The South Slave Divisional Education Council was established under the Education Act of the Government of the Northwest Territories ("GNWT") by order of the Minister dated July 1, 1991. Its purpose is to administer and maintain the standards of educational programs defined under the Act in the member communities of the South Slave region.

Member communities have formed local District Education Authorities (DEA) which have assumed the responsibility to provide adequate educational programs within their respective communities.

The consolidated financial statements reflect the assets, liabilities, revenues and expenses, changes in net financial assets (debt) and change in financial position of the reporting entity. This entity comprises the Education Council operations plus all of the member District Education Authorities that are owned or controlled by the South Slave Divisional Education Council and are, therefore, accountable to the Council for the administration of their financial affairs and resources. At present, the DEA's that are owned or controlled by the organization are Fort Resolution, Fort Smith, Hay River, K'atlodeeche First Nations and Lutsel K'e.

Interdepartmental and organizational transactions and balances between these organizations have been eliminated for consolidation purposes.

## NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. The consolidated financial statements have, in management's opinion, been properly prepared with reasonable limits of materiality. The basis of accounting refers to the timing of when revenue and expense items are recognized in the accounts and reported in the consolidated financial statements. The accrual basis of accounting is utilized for all funds. Under this basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recorded when they are incurred.

(b) Cash and Cash Equivalents

Cash and cash equivalents are comprised of bank account balances, net of outstanding cheques and short term highly liquid investments that are readily convertible to cash and with a maturity date of 90 days or less from the date of acquisition.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES, continued**

(c) Financial Instruments

Financial assets originated or acquired or financial liabilities issued or assumed in an arms' 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 attributable 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.

Financial assets subsequently measured at amortized cost include cash and cash equivalents, restricted assets, and accounts receivable.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, payroll liabilities, deferred revenue, post-employment benefits and trust liabilities.

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 operations. Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal, to a maximum of the related accumulated impairment charges recorded in respect of the particular asset, is recognized in operations.

(d) Non-Financial Assets

Prepaid expenses and other non-financial assets are accounted for as assets by the South Slave Divisional Education Council because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the South Slave Divisional Education Council.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES, continued**

(e) Tangible Capital Assets

All buildings and works, furniture, equipment and vehicles are the property of the GNWT. The minister grants to the South Slave Divisional Education Council the full occupancy and use of such facilities and equipment where required for the administration and delivery of the education programs. Capital assets with a value in excess of $50,000 are recorded at cost and amortized in accordance with the Financial Administration Manual guidelines by the GNWT. Capital assets with a value of less than $50,000 are recorded as a current expense.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES, continued**

(f) Revenue Recognition

Government Transfers:

Revenues are recognized in the period in which the transactions or events occur that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Operating transfers are recognized as revenue in the period in which the events giving rise to the transaction occur, providing the transfers are authorized, eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

Capital transfers or transfers of tangible capital assets are initially recognized as deferred revenue and subsequently recognized as revenue when the related tangible capital assets are recognized as acquired or built.

GNWT - Regular contributions:

The regular contributions from the GNWT are determined by a funding formula and are received in monthly installments. The South Slave Divisional Education Council retains surpluses and is responsible for deficits. Any funding requests, over and above those levels provided by the formula, must be first approved by the GNWT.

Other contributions:

The South Slave Divisional Education Council follows the deferral method of accounting for other contributions. Unrestricted contributions are recognized as revenue when they are received or receivable, if the amount can be reasonably estimated and its collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Deferred Revenue

Deferred Revenue consists of funds received in advance of providing the services or acquiring the goods. These amounts are taken into revenue when the eligible expenditure are incurred.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES, continued**

Investment Income

Investment income is recognized when received or receivable, if the amount can be reasonably estimated.

Special Purpose Funds

School activity funds which are fully controlled by the South Slave Divisional Education Council with respect to when and how the funds available can be discussed are included. the funds reported are internally restricted as to purpose and may include the proceeds of fundraising, contributions or fees paid related to a specific planned benefit. examples might include planned student trips or funds specifically designated for the purchase of equipment or materials required to support an activity.

Student activity funds which are controlled by students or parties other than the South Slave Divisional Education Council are not included even if custody of the funds is held by the South Slave Divisional Education Council. Examples of excluded funds might be student clubs or associations for which the South Slave Divisional Education Council has no ongoing responsibility of liability for losses.

(g) Budget Data

The Education Act of the Northwest Territories requires that Education Bodies prepare an annual budget, as outlined in Section 128 and 129.

The priorities and funding allocations are determined by the Board of Trustees of each South Slave Divisional Education Council and the budget is legally adopted by a motion of the board in accordance with Section 135(3) of the Education Act.

Board approved budgets are submitted to the Minister of education, Culture and Employment for final approval as directed by Sections 117(2) k, l and m of the Education Act.

This annual budget includes estimates of revenues, expenses and the net operating surplus (deficit). Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the South Slave Divisional Education Council.

The budget may be amended within a given fiscal year in accordance with South Slave Divisional Education Council policy, regulations and approved budget procedures. The budget data presented in the consolidated financial statements reflects the original Minister approved budget for the school year.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES, continued**

(h) Measurement Uncertainty

The preparation of these consolidated financial statements in conformity with Canadian public sector accounting standards 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 consolidated financial statements and the amounts of revenue and expenses during the period. Actual results could differ from those estimates. Accounts subject to measurement uncertainty are post-employment benefits as determined by an actuary.

(i) Inventories including Materials and Supplies

Inventories of books, materials, supplies and other expendables purchased by the South Slave Divisional Education Council are treated as expenses during the year of acquisition and are not recorded on the statement of financial position.

(j) Payroll Liabilities

According to the Northwest Territories Teachers Association (NWTTA) and GNWT Collective Agreement, teaching staff have their salary issued by the GNWT bi-weekly pay system. NWTTA staff will have earned their annual salary by June 30th which provides for continued payment during the summer. GNWT payroll for NWTTA starts with the annualized salary commitment for compensation and then allocates the complete payout of that value over the number of pay periods between August 1 and July 31. Pay periods falling in July are therefore accrued.

The duties and compensation base for UNW School year employees are scheduled to align with the academic year although actual start dates and durations vary by specific location and job function. Accordingly, the South Slave Divisional Education Council determines the start dates of their UNW employees and accrues the related payroll liability as appropriate.

All other staff are accrued to include earnings to June 30.

**NOTE 2 SIGNIFICANT ACCOUNTING POLICIES, continued**

(k) Post-Employment Benefits, Compensated Absences, and Termination Benefits

Under the terms and conditions of employment, education board employees may earn non-pension benefits for resignation, retirement and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment. eligibility is based on a variety of factors including place of hire, date employment commenced, and reason for termination. Benefit entitlements are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service. Termination benefits are also recorded when employees are identified for lay-off. Compensated absences include sick, special, parental and maternity leave. Accumulating non-vesting sick and special leave are recognized in the period the employee provides service, whereas parental and maternity leave are event driven and are recognized when the leave commences. An actuarial valuation of the cost of these benefits (except maternal and parental leave) has been prepared using data provided by management and assumptions based on management's best estimates.

(l) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expenses. Transfers include grants and contributions and are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

(m) Prior year presentation

Prior year's figures have been restated, where applicable, to conform to current year's presentation.

## NOTE 3 FUTURE ACCOUNTING CHANGES AND ADOPTION OF NEW ACCOUNTING STANDARDS

### Adoption of New Accounting Standards

Effective April 1, 2023, the Education Board adopted PS 3400 Revenue. This standard provides guidance on how to account for and report on revenue that is not otherwise addressed elsewhere in the Public Sector Accounting Handbook. It identifies two types of revenue transactions: exchange and non-exchange. The Education Body applied PS 3400 prospectively, therefore, it is applied only to events and transactions occurring after April 1, 2023, and to any outstanding related balances existing at that date. No cumulative catch-up adjustment is recognized. The prior year's financial statements, including comparative information, have not been restated. The adoption of this standard resulted in additional disclosures in the notes to the financial statements.

Effective April 1, 2023, the Education Board adopted PS 3160 Public Private Partnerships. This standard provides guidance on how to account for and disclose public private partnerships. The adoption of this standard did not result in any significant impacts to the financial statements as a result of its application.

### Future Accounting Changes

Effective July 1, 2026, the Education Board will be required to adopt the new Conceptual Framework for Financial Reporting in the Public Sector. Earlier adoption of the new framework is allowed. The Education Board is currently assessing the impact of this standard on the financial statements.

Effective July 1, 2026, the Education Board will be required to adopt PS 1202 Financial Statement Presentation. The standard sets out general and specific requirements for the presentation of information in financial statements. The financial statement presentation principles are based on the concepts in the Conceptual Framework. Earlier adoption is permitted if the Conceptual Framework for Financial Reporting in the Public Sector is early adopted. The Education Board is currently assessing the impact of this standard on the financial statements.

## NOTE 4 CASH AND CASH EQUIVALENTS

| | 2024 | 2023 |
|---|---|---|
| Cash | $ 10,090,515 | $ 7,894,566 |
| | $ 10,090,515 | $ 7,894,566 |

## NOTE 5 SPECIAL PURPOSE FUNDS

(Not applicable)

## NOTE 6 RESTRICTED ASSETS

The Council received a bequest to establish the Piche Scholorship Fund. The terms of the bequest state that the principal shall remain intact and the net annual income therefrom shall be made available to students of Inuit heritage for financial assistance in the High School Orientation Program.

| | | 2024 | 2023 |
|---|---|---|---|
| Comprised of: | | | |
| Short-term | Fort Smith Piche Trust Account | $ 76,717 | $ 77,217 |
| | | $ 76,717 | $ 77,217 |
| Piche Scholarship Fund: | | | |
| Principal proceeds received | | $ 71,117 | $ 71,117 |
| Interest earned to date | | 12,296 | 12,296 |
| Expenses to date | | (6,696) | (6,196) |
| | | $ 76,717 | $ 77,217 |
| **TOTAL RESTRICTED ASSETS** | | $ 76,717 | $ 77,217 |

## NOTE 7 PORTFOLIO INVESTMENTS

(Not applicable)

## NOTE 8 ACCOUNTS RECEIVABLE

| | Accounts Receivable | Allowance | 2024 | 2023 |
|---|---|---|---|---|
| Government of the Northwest Territories: | | | | |
| - Education, Culture and Employment | $ 32,398 | $ - | $ 32,398 | $ 28,498 |
| - Health and Social Services | - | - | - | 8,848 |
| - Finance | 889,828 | - | 889,828 | 39,223 |
| - Various schools | 1,000 | - | 1,000 | - |
| Due from GNWT | 923,226 | - | 923,226 | 76,569 |
| Other Accounts receivable | 94,309 | - | 94,309 | 51,708 |
| Due from Government of Canada | 35,895 | - | 35,895 | 2,000 |
| Payroll Chargeback Recoveries | 90,735 | - | 90,735 | 89,883 |
| | $ 1,144,165 | $ - | $ 1,144,165 | $ 220,160 |

## NOTE 9 INVENTORY

(Not applicable)

## NOTE 10 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | 2024 | 2023 |
|---|---|---|
| Government of the Northwest Territories: | | |
| Education, Culture and Employment | $ 23,680 | $ - |
| Municipal and Community Affairs | 30,000 | - |
| Government of the Northwest Territories | 53,680 | - |
| Accounts payable | 147,840 | 91,592 |
| Accrued payables | - | 29,993 |
| | $ 201,520 | $ 121,585 |
| Payroll Liabilities | | |
| To GNWT (A) | $ 3,184,031 | $ 2,362,863 |
| Annual Leave | 86,461 | 74,262 |
| Other | 2,208 | - |
| Payroll Liabilities | $ 3,272,700 | $ 2,437,125 |

Note A: Amount outstanding to be paid to GNWT by Council for salaries and wages paid by June 30.

## NOTE 11 DEFERRED REVENUE

| | 2024 | 2023 |
|---|---|---|
| **Government of the Northwest Territories** | | |
| Education, Culture & Employment | | |
| - Health & Wellness | $ 724,697 | $ - |
| - SSI | 52,937 | - |
| Healthy and Social Services | | |
| - Drop the Pop | 8,348 | - |
| **Government of Canada** | | |
| - Jordan's Principle | 2,938,623 | 2,268,524 |
| **Other** | | |
| PWK Textbooks | 5,000 | - |
| Northwestel Licensing Agreement | 5,000 | - |
| **Total Deferred Revenue** | $ 3,734,605 | $ 2,268,524 |

## NOTE 12 CONTRIBUTION REPAYABLE

(Not applicable)

## NOTE 13 DUE FROM AND TO THE GOVERNMENT OF CANADA

(Not applicable)

## NOTE 14 CAPITAL LEASE OBLIGATION

(Not applicable)

## NOTE 15 PENSIONS

(Not applicable)

## NOTE 16 LONG-TERM DEBT

(Not applicable)

## NOTE 17 POST-EMPLOYMENT BENEFITS, COMPENSATED ABSENCES AND TERMINATION BENEFITS

In addition to the pension benefits, The South Slave Divisional Education Council provides severance (resignation and retirement), removal and compensated absence (sick, special, maternity and parental leave) benefits to its employees. The benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

Severance benefits are paid to the South Slave Divisional Education Council's employees based on the type of termination (e.g. resignation versus retirement) and appropriate combinations that include inputs such as when the employee was hired, the rate of pay, the number of years of continuous employment and age and the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being location of hire, employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology.

Compensated absence benefits generally accrue as employees render service and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include, but are not limited to employee or dependent illness and death of an immediate family member. Non-accruing benefits include maternity and parental leave. Benefits that accrue under compensated absence benefits were actuarially valued using the expected utilization methodology.

### Valuation results

The most recent actuarial valuation was completed as at February 11, 2022. The effective date of the next actuarial valuation is March 31, 2025. The liabilities are actuarially determined as the present value of the accrued benefits at February 11, 2022 and the results extrapolated to June 30,

**NOTE 17 POST-EMPLOYMENT BENEFITS, COMPENSATED ABSENCES AND TERMINATION BENEIFTS, continued**

2022. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the consolidated Government.

| | Severance and Removal | Compensated Absences | 2024 | 2023 |
|---|---|---|---|---|
| Changes in Obligation: | | | | |
| Accrued benefit obligations beginning of year | $ 1,319,118 | $ 370,227 | $ 1,689,345 | $ 1,784,937 |
| Current period benefit cost | 77,837 | 25,335 | 103,172 | 108,798 |
| Interest accrued | 63,236 | 18,332 | 81,568 | 73,690 |
| Benefit payments | (488,610) | (27,308) | (515,918) | (368,407) |
| Actuarial (gains)/losses | 288,037 | (14,678) | 273,359 | 90,327 |
| Accrued benefit obligations end of year | 1,259,618 | 371,908 | 1,631,526 | 1,689,345 |
| Unamortized net actuarial gain | (592,325) | (34,223) | (626,548) | (227,900) |
| Net future obligation | 667,293 | 337,685 | 1,004,978 | 1,461,445 |
| Total employee future benefits and compensated absences | $ 667,293 | $ 337,685 | $ 1,004,978 | $ 1,461,445 |
| Benefits Expense: | | | | |
| Current period benefit cost | $ 77,837 | $ 25,335 | $ 103,172 | $ 108,798 |
| Interest accrued | 63,236 | 18,332 | 81,568 | 73,690 |
| Amortization of actuarial gains | (131,227) | 5,938 | (125,289) | (134,059) |
| | $ 9,846 | $ 49,605 | $ 59,451 | $ 48,429 |

The discount rate used to determine the accrued benefit obligation is an average of 5.30%. No inflation rate was applied. The expected payments during the next five fiscal years are:

**NOTE 17 POST-EMPLOYMENT BENEFITS, COMPENSATED ABSENCES AND TERMINATION BENEIFTS, continued**

| | Severance and Removal | Compensated Absences | Total |
|---|---|---|---|
| 2025 | $ 157,139 | $ 31,571 | $ 188,710 |
| 2026 | 146,355 | 30,723 | 177,078 |
| 2027 | 153,170 | 36,330 | 189,500 |
| 2028 | 157,373 | 44,472 | 201,845 |
| 2029 | 149,815 | 44,930 | 194,745 |
| Next 5 years | 644,291 | 209,846 | 854,137 |
| **Total** | $ 1,408,143 | $ 397,872 | $ 1,806,015 |

**NOTE 18 TRUST ASSETS UNDER ADMINISTRATION**

(Not applicable)

**NOTE 19 TANGIBLE CAPITAL ASSETS**

| | Opening Cost | Additions Disposals | Opening Accumlated Amortization | Amortization Expense | Closing Accumulated Amortization | NBV, June 30, 2024 | 2023 |
|---|---|---|---|---|---|---|---|
| Buses | 262,356 | - | 71,098 | 19,126 | 90,224 | 172,132 | 191,258 |

**NOTE 20 PREPAID EXPENSES**

| | 2024 | 2023 |
|---|---|---|

## NOTE 21 GNWT ASSETS PROVIDED AT NO COST

| | Cost | Accumulated Amortization | 2024 Net Book Value | 2023 Net Book Value |
|---|---|---|---|---|
| Joseph Burr Tyrrell School | $ 10,354,269 | $ 6,751,842 | $ 3,602,427 | $ 3,923,223 |
| Paul William Kaeser School | 8,070,058 | 6,652,062 | 1,417,996 | 1,665,861 |
| Deninu School | 5,447,087 | 5,274,988 | 172,099 | 188,753 |
| Lutsel K'e Dene School | 16,791,305 | 5,010,765 | 11,780,540 | 12,348,277 |
| Princess Alexandra School | 7,762,885 | 6,924,469 | 838,416 | 1,121,750 |
| Diamond Jenness School | 34,388,973 | 16,877,306 | 17,511,667 | 18,333,228 |
| Harry Camsell School | 6,949,011 | 4,978,966 | 1,970,045 | 2,098,687 |
| Chief Sunrise Education Ctr. | 3,342,966 | 1,767,031 | 1,575,935 | 1,709,478 |
| DJSS Trades Building | 2,423,804 | 829,596 | 1,594,208 | 1,654,748 |
| PWK High School Seacan | 687,229 | 607,053 | 80,176 | 125,992 |
| PWK Welding Shop | 389,368 | 94,097 | 295,271 | 305,005 |
| | $ 96,606,955 | $ 55,768,175 | $ 40,838,780 | $ 43,475,002 |

## NOTE 22 CONTRACTUAL OBLIGATIONS

The Council has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to June 30, 2024:

| | Expiry Date | 2025 | 2026 | 2027 | Total |
|---|---|---|---|---|---|
| Equipment Leases | Xerox Altalink B8065 | $ 6,791 | $ 1,709 | $ 1,709 | $ 10,209 |
| Commercial Leases | Fort Smith Construction | 75,399 | - | - | 75,399 |
| Total | | $ 82,190 | $ 1,709 | $ 1,709 | $ 85,608 |

## NOTE 23 RELATED PARTIES AND INTER-ENTITY TRANSACTIONS

The South Slave Divisional Education Council is related in terms of common ownership to all GNWT-created departments, agencies and corporations. The Council enters into transactions with these entities in the normal course of operations. The Council is provided with various administrative services by the GNWT, the value of which is not reflected in these consolidated financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage by the Department of Finance, payroll services by the Department of Human Resources, internal audit services by the Department of Finance, and utility and maintenance by the Department of Public Works and Services. Transactions with related parties and balances at

**NOTE 23 RELATED PARTIES AND INTER-ENTITY TRANSACTIONS, continued**

year end not disclosed elsewhere in the consolidated financial statements are disclosed in this note.

These transactions are in the normal course of operations and have been valued at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Amounts due to and from related parties are non-interest bearing, and due within normal trade terms.

| | 2024 | 2023 |
|---|---|---|
| **Due to related parties** | | |
| Accounts payable: | | |
| Contributions | | |
| Government of the Northwest Territories: | | |
| Department of Education, Culture & Employment | $ 23,680 | $ - |
| Department of Municipal & Community Affairs | 30,000 | - |
| Government of the Northwest Territories | 53,680 | - |
| Total Accounts Payable | 53,680 | - |
| Payroll Liabilities: | | |
| Government of the Northwest Territories | 3,183,971 | 2,683,206 |
| Due to Related Parties | $ 3,237,651 | $ 2,683,206 |

**NOTE 23 RELATED PARTIES AND INTER-ENTITY TRANSACTIONS, continued**

| | Accounts Receivable | Allowance | Net 2024 | 2023 |
|---|---|---|---|---|
| **Due from related parties** | | | | |
| Accounts receivable: | | | | |
| Government of the Northwest Territories: | | | | |
| Department of Education, Culture & Employment | $ 32,398 | $ - | $ 32,398 | $ 28,498 |
| Department of Health and Social Services | - | - | - | 8,848 |
| Department of Finance | 889,828 | - | 889,828 | 39,223 |
| Other Related Parties: | | | | |
| Various SSDEC Schools | 1,000 | - | 1,000 | - |
| Due from Related Parties | $ 923,226 | $ - | $ 923,226 | $ 76,569 |

| | 2024 | 2023 |
|---|---|---|
| **Revenues from related parties** | | |
| Regular Operational Contributions | $ 25,767,736 | $ 25,402,554 |
| Department of Education, Culture & Employment | 768,455 | 683,854 |
| Department of Health and Social Services | - | 16,695 |
| Department of Municipal & Community Affairs | 195,530 | 144,872 |
| Department of Environment and Natural Resources | 157,000 | 10,000 |
| | $ 26,888,721 | $ 26,257,975 |

| | 2024 | 2023 |
|---|---|---|
| **Expenses paid to related parties** | | |
| Department of Finance | $ 25,230,736 | $ 28,923,366 |
| | $ 25,230,736 | $ 28,923,366 |

## NOTE 24 BUDGET DATA

The Education Act of the Northwest Territories requires that Education Bodies prepare an annual budget as outlined in Section 117, Duties and Powers of Education Bodies. The budget is legally adopted by a motion of the South Slave Divisional Education Council which may or may not include the establishment of a tax levy to support the approved budget in accordance with Section 135, Assessment and Taxation, of the Education Act.

The annual budget includes estimates of revenue and expenses for the Operating fund. Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the South Slave Divisional Education Council.

The budget figures presented are those approved by the Minister of Education, Culture and Employment on and have not been audited.

## NOTE 25 ECONOMIC DEPENDENCE

The South Slave Divisional Education Council receives its funding primarily from the GNWT. If the funding arrangements were to change, management is of the opinion that South Slave Divisional Education Council operations would be significantly affected.

## NOTE 26 FINANCIAL INSTRUMENTS

The Council's financial instruments consist of cash and temporary investments, accounts receivable, due from GNWT, accounts payable and accrued liabilities, accrued payroll, leave and termination benefits and due to GNWT. Unless otherwise noted, it is management's opinion that the Council is not exposed to significant interest rate, liquidity, credit, market, currency or cash flow risks arising from these financial instruments.

The Council's carrying value of cash and accrued salaries approximate fair value due to the immediate and short-term maturity of these instruments.

The Council's carrying value of the accrued leave and termination benefits approximates fair value based on information readily available in the NWTTA, UNW and Senior Manager's handbook.

The Council is subject to credit risk with respect to accounts receivable. Credit risk arises from the possibility that customers to which the Council provides services may experience financial difficulty and be unable to fulfil their obligations. The Council regularly monitors the amounts of outstanding receivables and initiates collection procedures to minimize credit risk.

## NOTE 27 EXPENSES BY OBJECT

| | 2024 Budget (Unaudited) | 2024 Actual | 2023 Actual |
|---|---|---|---|
| Compensation | $ 23,866,345 | $ 25,853,086 | $ 25,598,315 |
| Amortization | - | 21,251 | 21,251 |
| Other | 4,843,740 | 4,153,539 | 4,909,953 |
| | $ 28,710,085 | $ 30,027,876 | $ 30,529,519 |

## NOTE 28 SUBSEQUENT EVENTS

(Not applicable)

## NOTE 29 COMPARATIVE FIGURES

(Not applicable)

## NOTE 30 ECE OTHER CONTRIBUTIONS

| | 2024 | 2023 |
|---|---|---|
| Career Coordinator | $ 158,900 | $ 156,724 |
| Northern Distance Learning | 51,311 | 62,500 |
| French (FSL) Funding | 386,307 | 352,000 |
| Trades Awareness | - | 105,500 |
| Mental Health and Wellness | 171,937 | - |
| | $ 768,455 | $ 676,724 |

## NOTE 31 GNWT OTHER CONTRIBUTIONS

| | 2024 | 2023 |
|---|---|---|
| Child/Youth Resiliency (MACA) | - | 27,371 |
| Active After School (MACA) | 142,400 | 107,000 |
| Drop the Pop (H & SS) | - | 16,695 |
| Take a Kid Trapping (ENR) | 157,000 | 10,000 |
| Youth Contribution Program (MACA) | 53,130 | 9,000 |
| Regional Sports Events Program (MACA) | - | 1,500 |
| | 352,530 | 171,566 |

## NOTE 32 CONTINGENT ASSETS

(Not applicable)

## NOTE 33 CONTRACTUAL RIGHTS

(Not applicable)

## NOTE 34 FINANCIAL INSTRUMENTS - RISK MANAGEMENT

The Education Board is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risks from the Education Board's financial instruments is provided by type of risk below.

(a) Credit Risk

Credit risk is the risk of financial loss to the Education Board if a debtor fails to make payments of interest and principal when due. The Education Board is exposed to this risk relating to its cash and cash equivalents, portfolio investments, due from the Government of Canada, accounts receivable and loans receivable.

The Education Board holds its cash in accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Education Board's cash in accounts are insured up to$-.

Credit risk related to accounts receivable is mitigated by controls over arrears accounts for ultimate collection and policies in place for debt collection. The Education Board's maximum exposure to credit risk at June 30, 2024 is as follows:

| | 2024 |
|---|---|
| Cash and Cash Equivalents | $ 10,090,515 |
| Restricted Assets | $ 76,717 |
| Accounts Receivable | $ 1,144,165 |

At June 30, 2024, the following accounts receivable were past due but not impaired:

| 30 days | 60 days | 90 days |
|---|---|---|
| $ 3,277 | $ 18,849 | $ 150,535 |

At June 30, 2024, the Education Board does not have any impaired accounts receivable.

The Education Board does have concentration of credit risk in accounts receivable. Concentration of credit risk is the risk that a customer has more than ten percent of the total accounts receivable balance and thus there is a higher risk to the Education Board in the event of a default. At June 30, 2024, receivables from GNWT Dept of Education $32,398 (2023 - $28,498), and GNWT Dept of Finance $889,828 (2023 - $39,223), 3 customers comprised 89% (2023 - 31%) of the total outstanding receivables. The Education Board reduces risk by monitoring overdue balances.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and method used to measure the risk.

(b) Liquidity risk

Liquidity risk is the risk that the Education Board will not be able to meet all cash outflow obligations as they come due. The Education Board mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining an adequate amount of cash to

**NOTE 34 FINANCIAL INSTRUMENTS - RISK MANAGEMENT, continued**

cover unexpected cash outflows should they arise.

There have been no significant changes from the previous year in the expenditure to risk or policies, procedures, and methods used to measure the risks.

## SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

**Schedule 1**

## CONSOLIDATED DETAILS OF EXPENSES

For the Year Ended June 30, 2024

| | Administration | Inclusive Schooling | Indigenous Languages and Education | School Programs | Jordan's Principle | Total |
|---|---|---|---|---|---|---|
| **SALARIES:** | | | | | | |
| Teachers | $ - | $ 1,227,843 | $ 972,530 | $ 9,972,305 | $ - | $ 12,172,678 |
| Instruction Assistants | - | 1,567,769 | 128,199 | - | 2,546,669 | 4,242,637 |
| Non-instructional Staff | 1,363,010 | 145,851 | 342,216 | 1,200,223 | 12,707 | 3,064,007 |
| Board/Trustee Honoraria | 37,335 | - | - | - | - | 37,335 |
| **EMPLOYEE BENEFITS** | | | | | | |
| Employee Benefit/Allowance | 369,295 | 879,479 | 332,067 | 3,869,766 | 776,489 | 6,227,096 |
| Leave and Termination | - | - | - | 109,333 | - | 109,333 |
| **SERVICES PURCHASED/ CONTRACTED** | | | | | | |
| Professional/Technical Services | 168,743 | 255,396 | 600 | - | - | 424,739 |
| Postage/Communication | 97,778 | - | - | 30,144 | - | 127,922 |
| Utilities & Leases | - | - | 1,277 | 1,250 | - | 2,527 |
| Travel | 112,057 | 42,108 | 39,227 | 69,713 | - | 263,105 |
| Student Travel | 880 | - | - | 4,588 | 83,053 | 88,521 |
| Advertising/Printing/Publishing | 18,281 | 3,459 | 2,404 | (100) | - | 24,044 |
| Maintenance/Repair | 34,593 | - | 2,487 | 60,176 | - | 97,256 |
| Rentals/Leases | 218,495 | - | - | 64,829 | - | 283,324 |
| Others | 164 | - | - | - | - | 164 |
| Contracted Services | 106,970 | 2,063 | 4,545 | 701,503 | - | 815,081 |
| **MATERIALS/SUPPLIES/FREIGHT** | | | | | | |
| Materials | 421,758 | 78,193 | 241,666 | 1,070,846 | 192,070 | 2,004,533 |
| Freight | 15,465 | 182 | 1,823 | 6,978 | - | 24,448 |
| **AMORTIZATION** | 19,126 | - | - | - | - | 19,126 |
| **Total** | $ 2,983,950 | $ 4,202,343 | $ 2,069,041 | $ 17,161,554 | $ 3,610,988 | $ 30,027,876 |

# SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

**Schedule 2**

## REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
## INCLUSIVE SCHOOLING EXPENSES
For the Year Ended June 30, 2024

| FUNCTION | General Inclusive Schooling | Staff Development | School Based Mental Health and Wellness | Assistive Technology | Magnet Facilities | Total |
|---|---|---|---|---|---|---|
| SALARIES | | | | | | |
| Regional Coordinator | $ 131,875 | $ - | $ 13,976 | $ - | $ - | $ 145,851 |
| Program Support Teachers | 1,227,843 | - | - | - | - | 1,227,843 |
| Support Assistants | 1,567,769 | - | - | - | - | 1,567,769 |
| EMPLOYEE BENEFITS | | | | | | |
| Employee Benefits/Allowances | 844,399 | - | 2,605 | - | 32,475 | 879,479 |
| SERVICES PURCHASED/ CONTRACTED | | | | | | |
| Professional/Technical Services | 102,040 | - | 153,356 | - | - | 255,396 |
| Travel | 22,184 | 19,924 | - | - | - | 42,108 |
| Advertising/Printing/Publishing | 1,485 | 1,974 | - | - | - | 3,459 |
| Other Contracted Services | 2,063 | - | - | - | - | 2,063 |
| MATERIAL/SUPPLIES/FREIGHT | | | | | | |
| Materials | (3,446) | 20,436 | 20,436 | 40,767 | - | 78,193 |
| Freight | 52 | 130 | - | - | - | 182 |
| TOTAL | $ 3,896,264 | $ 42,464 | $ 190,373 | $ 40,767 | $ 32,475 | $ 4,202,343 |

## SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

**Schedule 3**

### REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
### INDIGENOUS LANGUAGES AND EDUCATION EXPENSES
For the Year Ended June 30, 2024

| FUNCTION | Student Instruction | Teaching/ Learning Resources | Professional Development | School Activities and Integrated Community Programs | Total |
|---|---|---|---|---|---|
| SALARIES | | | | | |
| ALCBE Teachers | $ 972,530 | $ - | $ - | $ - | $ 972,530 |
| Language Consultants | 85,403 | 256,813 | - | - | 342,216 |
| Instruction Assistants | 128,199 | - | - | - | 128,199 |
| EMPLOYEE BENEFITS | | | | | |
| Employee Benefits/Allowances | 264,923 | 67,144 | - | - | 332,067 |
| SERVICES PURCHASED/ CONTRACTED | | | | | |
| Professional/Technical Services | 600 | - | - | - | 600 |
| Travel | 28,174 | 6,285 | 4,768 | - | 39,227 |
| Advertising/Printing/Publishing | - | - | - | 2,404 | 2,404 |
| Maintenance/Repair | - | - | - | 2,487 | 2,487 |
| Rentals/Leases | 1,277 | - | - | - | 1,277 |
| Other Contracted Services | 1,540 | 3,005 | - | - | 4,545 |
| MATERIAL/SUPPLIES/FREIGHT | | | | | |
| Materials | - | 241,666 | - | - | 241,666 |
| Freight | - | 1,823 | - | - | 1,823 |
| TOTAL | $ 1,482,646 | $ 576,736 | $ 4,768 | $ 4,891 | $ 2,069,041 |

## SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

**Schedule 4**

### REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
### FRENCH LANGUAGE PROGRAM
For the Year Ended June 30, 2024

| | ECE Contributions July 1 to June 30 | Commitment from South Slave Divisional Education Council | Total Expenses July 1 to June 30 |
|---|---|---|---|
| **Bilateral Agreement Funding** | | | |
| **Special Projects as listed in the agreement:** | | | |
| Core French 1-12 (Salary) | $ 30,000 | $ 397,700 | $ 427,700 |
| Immersion Program (Salary) | 273,000 | 305,500 | 578,500 |
| Intensive and Post-Int. French Salary | - | 289,200 | 289,200 |
| French Resources | 4,000 | 15,000 | 19,000 |
| Professional Development | 12,000 | 5,000 | 17,000 |
| French Monitor | - | 5,000 | 5,000 |
| Mentorship with YCS on Immersion Program | 15,000 | - | 15,000 |
| Additional Language Coach/Assistant | 50,000 | - | 50,000 |
| 2023 - 2024 New to the North Initiative | 2,307 | - | 2,307 |
| **Total** | $ 386,307 | $ 1,017,400 | $ 1,403,707 |

## SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

**Schedule 5**

### REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
### JORDAN'S PRINCIPLE
For the Year Ended June 30, 2024

| | Full Year Total | | | 9 and 3 Month Split | |
|---|---|---|---|---|---|
| | June 30, 2024 Budget Unaudited | June 30, 2024 Actual | June 30, 2023 Actual | July 1, 2023 - March 31, 2024 Actual | April 1, 2024 - June 30, 2024 Actual |
| **Revenue** | | | | | |
| First Nations and Inuit Health Branch | $ - | $ 4,281,087 | $ 4,987,193 | $ 2,654,274 | $ 1,626,813 |
| Carry Forward from Previous Year | 2,261,023 | 2,268,524 | (41,803) | 2,268,524 | 2,934,627 |
| Total Revenue | 2,261,023 | 6,549,611 | 4,945,390 | 4,922,798 | 4,561,440 |
| **Expenses** | | | | | |
| Administration | - | - | 2,525,449 | - | - |
| Personnel | 2,261,023 | 3,335,865 | - | 1,713,048 | 1,622,817 |
| Transportation | - | 83,053 | 151,417 | 83,053 | - |
| Materials and Supplies | - | 192,070 | - | 192,070 | - |
| Evaluation | - | - | 5,441 | - | - |
| Total Expenses | 2,261,023 | 3,610,988 | 2,682,307 | 1,988,171 | 1,622,817 |
| Net Surplus (Deficit) | $ - | $ 2,938,623 | $ 2,263,083 | $ 2,934,627 | $ 2,938,623 |
| Deferred Revenue | $ - | $ 2,938,623 | $ 2,261,023 | $ 2,934,627 | $ 2,938,623 |

## SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

**Schedule 6**

### NORTHERN DISTANCE LEARNING

For the Year Ended June 30, 2024

| Contibution Agreement<br>Northern Distance Learning (NDL) | Budget | July 1 to<br>March 31 | April 1 to<br>June 30 | Total |
|---|---|---|---|---|
| **Revenue** | | | | |
| Education, Culture and Employment | 51,401 | 34,459 | 16,942 | 51,401 |
| **Expenses** | | | | |
| **Salaries/Wages** | | | | |
| Instructional Staff | | | | |
| On Site Support Person | 51,401 | 34,459 | 16,942 | 51,401 |
| Non-Instructional Staff | | | | |
| **Services Purchased/ Contracted** | | | | |
| **Hardware and software** | | | | |
| Computer Equipment | | | | |
| Total Expenses | 51,401 | 34,459 | 16,942 | 51,401 |

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

**Schedule 7**

## REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
## STUDENT SUCCESS INITIATIVE
For the Year Ended June 30, 2024

**NWT Student Success Initiative**
**Professional Development Initiative**
**Title of Project: Ongoing Development of Collaborative Teams and Response to Intervention**

| | 2024 Budget (Unaudited) | 2024 Actual | 2023 Actual |
|---|---|---|---|
| Revenue | $ - | $ 2,063 | $ 75,570 |
| Expenses: | | | |
| **Salaries/Wages** | | | |
| Salaries | - | - | 909,763 |
| Facilitator Fees | - | 2,063 | 75,570 |
| **Travel** | | | |
| Staff Travel | - | - | 12,100 |
| Accommodation | - | - | 9,022 |
| Daily Per Diems | - | - | 5,215 |
| **Workshop Expenses** | | | |
| Refreshments | - | - | 414 |
| Resources | - | - | 35,128 |
| Miscellaneous | - | - | 33,175 |
| Total Expenses | - | 2,063 | 1,080,387 |
| Net Surplus (Deficit) | $ - | $ - | $ (1,004,817) |

Schedule 8

**FORT SMITH DISTRICT EDUCATION AUTHORITY**
**STATEMENT OF FINANCIAL POSITION**
For the year ended June 30, 2024

| | 2024 | 2023 |
|---|---|---|
| **FINANCIAL ASSETS** | | |
| Cash and Cash Equivalents | $ 199,032 | $ 189,185 |
| Accounts Receivable | 1,320 | 15,545 |
| Restricted Assets | 76,717 | 77,217 |
| | 277,069 | 281,947 |
| **LIABILITIES** | | |
| Accounts Payable and Accrued Liabilities | 466 | 47,319 |
| Deferred Revenue | 52,489 | 52,953 |
| Trust Liabilities | 76,717 | 77,217 |
| | 129,672 | 177,489 |
| **ACCUMULATED SURPLUS** | $ 147,397 | $ 104,458 |

**Schedule 9**

**FORT SMITH DISTRICT EDUCATION AUTHORITY**
**STATEMENT OF FINANCIAL OPERATIONS**
For the Year Ended June 30, 2024

| | 2024 Budget (Unaudited) | 2024 Actual | 2023 Actual |
|---|---|---|---|
| **REVENUE** | | | |
| Regular contributions | $ 586,239 | $ 638,613 | $ 586,239 |
| Other ECE contributions | - | 457,133 | 301,375 |
| Other GNWT contributions | - | 157,000 | 51,600 |
| Jordan Prinicpal | - | - | 668,081 |
| Investment Income | 400 | 4,190 | 2,668 |
| Other | 38,500 | 166,876 | 74,715 |
| **TOTAL REVENUE** | 625,139 | 1,423,812 | 1,684,678 |
| **EXPENSES** | | | |
| Indigenous Languages and Education | 148,095 | 27,953 | 280,200 |
| Administration | 53,727 | 328,421 | 128,836 |
| School Programs | 426,574 | 1,024,499 | 1,230,070 |
| Operations & Maintenance | 105,938 | - | - |
| **TOTAL EXPENSES** | 734,334 | 1,380,873 | 1,639,106 |
| **OPERATING SURPLUS (DEFICIT)** | (109,195) | 42,939 | 45,572 |
| **OPENING ACCUMULATED SURPLUS** | 104,458 | 104,458 | 58,886 |
| **CLOSING ACCUMULATED SURPLUS (DEFICIT)** | $ (4,737) | $ 147,397 | $ 104,458 |

# FORT SMITH DISTRICT EDUCATION AUTHORITY
## DETAILS OF EXPENSES
For the Year Ended June 30, 2024

| | Administration | Indigenous Languages and Education | School Programs | Total |
|---|---|---|---|---|
| **SALARIES:** | | | | |
| Non-instructional Staff | $ 78,210 | $ - | $ - | $ 78,210 |
| **SERVICES PURCHASED/ CONTRACTED** | | | | |
| Postage/Communication | 44,069 | - | 4,148 | 48,217 |
| Maintenance/Repair | 9,920 | - | 58,921 | 68,841 |
| Rentals/Leases | 27,850 | - | 7,073 | 34,923 |
| Contracted Services | 64,302 | - | 470,305 | 534,607 |
| **MATERIALS/SUPPLIES/FREIGHT** | | | | |
| Materials | 104,070 | 27,953 | 484,052 | 616,075 |
| **Total** | $ 328,421 | $ 27,953 | $ 1,024,499 | $ 1,380,873 |

Schedule 11

**HAY RIVER DISTRICT EDUCATION AUTHORITY**
**STATEMENT OF FINANCIAL POSITION**
For the year ended June 30, 2024

| | 2024 | 2023 |
|---|---|---|
| **FINANCIAL ASSETS** | | |
| Cash and Cash Equivalents | $ 75,602 | $ 63,872 |
| Accounts Receivable | - | 19,141 |
| | 75,602 | 83,013 |
| **LIABILITIES** | | |
| Accounts Payable and Accrued Liabilities | 1,422 | 1,907 |
| Deferred Revenue | 38,655 | 39,535 |
| | 40,077 | 41,442 |
| **NET FINANCIAL RESOURCES** | 35,525 | 41,571 |
| **NON-FINANCIAL ASSETS** | | |
| Tangible Capital Assets | 172,132 | 191,258 |
| | 172,132 | 191,258 |
| **ACCUMULATED SURPLUS** | $ 207,657 | $ 232,829 |

**Schedule 12**

## HAY RIVER DISTRICT EDUCATION AUTHORITY
## STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2024

| | 2024 Budget (Unaudited) | 2024 Actual | 2023 Actual |
|---|---|---|---|
| **REVENUE** | | | |
| Regular contributions | $ 535,153 | $ 474,419 | $ 535,153 |
| Other ECE contributions | - | 173,549 | 309,156 |
| Other GNWT contributions | 26,859 | 26,859 | 25,948 |
| Jordan Prinicpal | - | 82,581 | 85,985 |
| Investment Income | - | 6,276 | 4,738 |
| Rentals | 15,444 | - | - |
| Other | - | - | 2,115 |
| **TOTAL REVENUE** | 577,456 | 763,684 | 963,095 |
| **EXPENSES** | | | |
| Administration | 53,435 | 85,273 | 140,561 |
| Inclusive Schooling | - | 954 | 158 |
| Indigenous Languages and Education | - | 132,586 | 147,607 |
| School Programs | 397,680 | 487,462 | 687,969 |
| Jordan's Principle | - | - | 3,900 |
| Operations & Maintenance | 84,038 | 82,581 | - |
| **TOTAL EXPENSES** | 535,153 | 788,856 | 980,195 |
| **OPERATING SURPLUS (DEFICIT)** | 42,303 | (25,172) | (17,100) |
| **OPENING ACCUMULATED SURPLUS** | 232,829 | 232,829 | 249,929 |
| **CLOSING ACCUMULATED SURPLUS** | $ 275,132 | $ 207,657 | $ 232,829 |

# HAY RIVER DISTRICT EDUCATION AUTHORITY
## DETAILS OF EXPENSES
For the Year Ended June 30, 2024

| | Administration | Inclusive Schooling | Indigenous Languages and Education | School Programs | Jordan's Principle | Total |
|---|---|---|---|---|---|---|
| **SALARIES:** | | | | | | |
| Teachers | $ - | $ - | $ - | $ 9,750 | $ - | $ 9,750 |
| Non-instructional Staff | 55,166 | - | - | - | - | 55,166 |
| Board/Trustee Honoraria | 6,579 | - | - | - | - | 6,579 |
| **SERVICES PURCHASED/ CONTRACTED** | | | | | | |
| Postage/Communication | 2,676 | - | - | 25,496 | - | 28,172 |
| Student Travel | - | - | - | - | 82,581 | 82,581 |
| Maintenance/Repair | - | - | - | 1,060 | - | 1,060 |
| Rentals/Leases | - | - | - | 40,596 | - | 40,596 |
| Contracted Services | - | - | - | 76,907 | - | 76,907 |
| **MATERIALS/SUPPLIES/FREIGHT** | | | | | | |
| Materials | 1,726 | 954 | 132,586 | 327,050 | - | 462,316 |
| Freight | - | - | - | 6,603 | - | 6,603 |
| **AMORTIZATION** | 19,126 | - | - | - | - | 19,126 |
| **Total** | $ 85,273 | $ 954 | $ 132,586 | $ 487,462 | $ 82,581 | $ 788,856 |

**Schedule 14**

## K'ATLODEECHE FIRST NATION DISTRICT EDUCATION AUTHORITY
## STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2024

| | 2024 | 2023 |
|---|---|---|
| **FINANCIAL ASSETS** | | |
| Cash and Cash Equivalents | $ 42,730 | $ 161,188 |
| Accounts Receivable | 49,976 | 7,360 |
| | 92,706 | 168,548 |
| **LIABILITIES** | | |
| Accounts Payable and Accrued Liabilities | 42,048 | 86,860 |
| Deferred Revenue | 92,078 | 15,106 |
| | 134,126 | 101,966 |
| **ACCUMULATED SURPLUS (DEFICIT)** | $ (41,420) | $ 66,582 |

**Schedule 15**

## K'ATLODEECHE FIRST NATION DISTRICT EDUCATION AUTHORITY
## STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2024

| | 2024 Budget (Unaudited) | 2024 Actual | 2023 Actual |
|---|---|---|---|
| **REVENUE** | | | |
| Regular contributions | $ 175,874 | $ 181,271 | $ 175,874 |
| Other ECE contributions | - | 13,828 | 10,835 |
| Other GNWT contributions | - | 123,835 | 75,992 |
| Jordan's Principal | - | 205,249 | - |
| Investment Income | - | 3 | 3 |
| Sales | - | 4,700 | 1,100 |
| Other | - | 4,499 | 13,388 |
| **TOTAL REVENUE** | 175,874 | 533,385 | 277,192 |
| **EXPENSES** | | | |
| Administration | 20,023 | 171,430 | 47,330 |
| Indigenous Languages and Education | 38,024 | 153,297 | 36,699 |
| School Programs | 155,851 | 111,409 | 127,973 |
| Jordan's Principal | - | 205,249 | - |
| **TOTAL EXPENSES** | 213,898 | 641,385 | 212,002 |
| **OPERATING DEFICIT** | (38,024) | (108,000) | 65,190 |
| **OPENING ACCUMULATED SURPLUS** | 66,582 | 66,582 | 1,392 |
| **CLOSING ACCUMULATED SURPLUS (DEFICIT)** | $ 28,558 | $ (41,418) | $ 66,582 |

# K'ATLODEECHE FIRST NATION DISTRICT EDUCATION AUTHORITY
## DETAILS OF EXPENSES
For the Year Ended June 30, 2024

| | Administration | Indigenous Languages and Education | School Programs | Jordan's Principle | Total |
|---|---|---|---|---|---|
| **SALARIES:** | | | | | |
| Non-instructional Staff | $ 21,283 | $ 85,403 | $ 10,838 | $ 12,707 | $ 130,231 |
| Board/Trustee Honoraria | 7,425 | - | - | - | 7,425 |
| **SERVICES PURCHASED/ CONTRACTED** | | | | | |
| Professional/Technical Services | 12,131 | - | - | - | 12,131 |
| Postage/Communication | 3,721 | - | - | - | 3,721 |
| Travel | - | 23,538 | - | - | 23,538 |
| Student Travel | - | - | 4,588 | 472 | 5,060 |
| Maintenance/Repair | 9,296 | 2,487 | 195 | - | 11,978 |
| Rentals/Leases | 8,410 | - | - | - | 8,410 |
| Contracted Services | - | - | 23,700 | - | 23,700 |
| **MATERIALS/SUPPLIES/FREIGHT** | | | | | |
| Materials | 101,767 | 41,869 | 72,088 | 192,070 | 407,794 |
| Freight | 7,397 | - | - | - | 7,397 |
| **Total** | $ 171,430 | $ 153,297 | $ 111,409 | $ 205,249 | $ 641,385 |

Schedule 17

# FORT RESOLUTION DISTRICT EDUCATION AUTHORITY
## STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2024

| | 2024 | 2023 |
|---|---|---|
| **FINANCIAL ASSETS** | | |
| Cash and Cash Equivalents | $ 123,856 | $ 110,279 |
| | 123,856 | 110,279 |
| **LIABILITIES** | | |
| Payroll Liabilities | 2,208 | 1,471 |
| Deferred Revenue | 13,845 | 10,624 |
| | 16,053 | 12,095 |
| **ACCUMULATED SURPLUS** | $ 107,803 | $ 98,184 |

**Schedule 18**

# FORT RESOLUTION DISTRICT EDUCATION AUTHORITY
## STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2024

| | 2024 Budget (Unaudited) | 2024 Actual | 2023 Actual |
|---|---|---|---|
| **REVENUE** | | | |
| Regular contributions | $ 126,423 | $ 167,980 | $ 126,423 |
| Other ECE contributions | 47,447 | 66,278 | 108,508 |
| Investment Income | - | 1,455 | 570 |
| Other | - | 31,888 | 63,629 |
| **TOTAL REVENUE** | 173,870 | 267,601 | 299,130 |
| **EXPENSES** | | | |
| Indigenous Languages and Education | 51,444 | 21,721 | 47,713 |
| Administration | 21,587 | 122,576 | 123,293 |
| School Programs | 104,836 | 113,685 | 101,416 |
| **TOTAL EXPENSES** | 177,867 | 257,982 | 272,422 |
| **OPERATING SURPLUS (DEFICIT)** | (3,997) | 9,619 | 26,708 |
| **OPENING ACCUMULATED SURPLUS** | 98,184 | 98,184 | 71,476 |
| **CLOSING ACCUMULATED SURPLUS** | $ 94,187 | $ 107,803 | $ 98,184 |

# FORT RESOLUTION DISTRICT EDUCATION AUTHORITY
## DETAILS OF EXPENSES
For the Year Ended June 30, 2024

| | Administration | Indigenous Languages and Education | School Programs | Total |
|---|---|---|---|---|
| **SALARIES:** | | | | |
| Non-instructional Staff | $ 7,591 | $ - | $ 28,240 | $ 35,831 |
| Board/Trustee Honoraria | 11,365 | - | - | 11,365 |
| **SERVICES PURCHASED/ CONTRACTED** | | | | |
| Professional/Technical Services | 209 | - | - | 209 |
| Postage/Communication | 12,337 | - | 500 | 12,837 |
| Utilities & Leases | - | 1,277 | 1,250 | 2,527 |
| Travel | 3,232 | - | 11,952 | 15,184 |
| Student Travel | 880 | - | - | 880 |
| Advertising/Printing/Publishing | 11,553 | 2,404 | - | 13,957 |
| Maintenance/Repair | 764 | - | - | 764 |
| Rentals/Leases | 2,059 | - | 17,160 | 19,219 |
| Contracted Services | - | - | 21,610 | 21,610 |
| **MATERIALS/SUPPLIES/FREIGHT** | | | | |
| Materials | 68,545 | 16,253 | 32,598 | 117,396 |
| Freight | 4,041 | 1,787 | 375 | 6,203 |
| **Total** | $ 122,576 | $ 21,721 | $ 113,685 | $ 257,982 |

**Schedule 20**

## LUTSEL K'E DISTRICT EDUCATION AUTHORITY
## STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2024

| | 2024 | 2023 |
|---|---|---|
| **FINANCIAL ASSETS** | | |
| Cash and Cash Equivalents | $ 120,145 | $ 73,584 |
| Accounts Receivable | 156 | - |
| | 120,301 | 73,584 |
| **LIABILITIES** | | |
| Accounts Payable and Accrued Liabilities | 23,844 | 223 |
| Deferred Revenue | 10,212 | 9,832 |
| | 34,056 | 10,055 |
| **ACCUMULATED SURPLUS** | $ 86,245 | $ 63,529 |

**Schedule 21**

**LUTSEL K'E DISTRICT EDUCATION AUTHORITY**
**STATEMENT OF FINANCIAL OPERATIONS**
For the Year Ended June 30, 2024

| | 2024 Budget (Unaudited) | 2024 Actual | 2023 Actual |
|---|---|---|---|
| **REVENUE** | | | |
| Regular contributions | $ 123,353 | $ 117,983 | $ 123,347 |
| Other ECE contributions | - | 21,730 | - |
| Other GNWT contributions | - | - | 115,310 |
| Other | - | 35,100 | 92,723 |
| **TOTAL REVENUE** | 123,353 | 174,813 | 331,380 |
| **EXPENSES** | | | |
| Indigenous Languages and Education | 45,972 | - | 111,199 |
| Administration | 9,919 | 63,699 | 58,404 |
| Inclusive Schooling | 17,264 | - | 844 |
| School Programs | 113,434 | 88,398 | 246,652 |
| **TOTAL EXPENSES** | 186,589 | 152,097 | 417,099 |
| **OPERATING SURPLUS (DEFICIT)** | (63,236) | 22,716 | (85,719) |
| **OPENING ACCUMULATED SURPLUS** | 63,529 | 63,529 | 149,248 |
| **CLOSING ACCUMULATED SURPLUS** | $ 293 | $ 86,245 | $ 63,529 |

# LUTSEL K'E DISTRICT EDUCATION AUTHORITY
## DETAILS OF EXPENSES
For the Year Ended June 30, 2024

| | Administration | School Programs | Total |
|---|---|---|---|
| **SALARIES:** | | | |
| Board/Trustee Honoraria | $ 5,067 | $ - | $ 5,067 |
| **SERVICES PURCHASED/ CONTRACTED** | | | |
| Postage/Communication | 5,742 | - | 5,742 |
| Travel | 2,186 | - | 2,186 |
| Maintenance/Repair | 7,850 | - | 7,850 |
| Rentals/Leases | 300 | - | 300 |
| Contracted Services | 17,590 | 13,860 | 31,450 |
| **MATERIALS/SUPPLIES/FREIGHT** | | | |
| Materials | 21,456 | 74,539 | 95,995 |
| Freight | 3,508 | - | 3,508 |
| **Total** | $ 63,699 | $ 88,399 | $ 152,098 |

Schedule 23

## NON CONSOLIDATED SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
## STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2024

| | 2024 | 2023 |
|---|---|---|
| **FINANCIAL ASSETS** | | |
| Cash and Cash Equivalents | $ 9,529,150 | $ 7,296,458 |
| Due from the GNWT | 986,075 | 121,735 |
| Accounts Receivable | 106,638 | 121,091 |
| | 10,621,863 | 7,539,284 |
| **LIABILITIES** | | |
| Accounts Payable and Accrued Liabilities | 133,741 | 67,354 |
| Payroll Liabilities | 3,270,504 | 2,435,654 |
| Deferred Revenue | 3,652,527 | 2,268,524 |
| Post-Employment Benefits | 1,004,982 | 1,461,448 |
| | 8,061,754 | 6,232,980 |
| **NET FINANCIAL RESOURCES** | 2,560,109 | 1,306,304 |
| **NON-FINANCIAL ASSETS** | | |
| Prepaid Expenses | 125,201 | 128,050 |
| **ACCUMULATED SURPLUS** | $ 2,685,310 | $ 1,434,354 |

Schedule 24

**NON CONSOLIDATED SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL**
**STATEMENT OF FINANCIAL OPERATIONS**
For the Year Ended June 30, 2024

| | 2024 Budget (Unaudited) | 2024 Actual | 2023 Actual |
|---|---|---|---|
| **REVENUE** | | | |
| **Government of the NWT** | | | |
| Regular contributions | $ 26,436,353 | $ 25,767,736 | $ 25,402,554 |
| Other ECE contributions | 418,000 | 768,455 | 676,724 |
| Other GNWT contributions | - | 156,036 | 171,567 |
| **Total Government of the NWT** | 26,854,353 | 26,692,227 | 26,250,845 |
| **Government of Canada** | | | |
| Jordan Prinicpal | - | 3,323,158 | 2,525,443 |
| Other Government of Canada | - | - | - |
| **Total Government of Canada** | - | 3,323,158 | 2,525,443 |
| **Board Generated Funds** | | | |
| Investment Income | 50,000 | 454,637 | 329,447 |
| Other #2 | 70,000 | 154,225 | 111,076 |
| Other | - | 57,120 | 38,471 |
| **Total Board Generated Funds** | 120,000 | 665,982 | 478,994 |
| **TOTAL REVENUE** | 26,974,353 | 30,681,367 | 29,255,282 |
| **EXPENSES** | | | |
| Indigenous Languages and Education | 2,271,764 | 1,733,484 | 1,688,542 |
| Administration | 2,352,711 | 2,212,551 | 1,960,414 |
| Inclusive Schooling | 4,481,071 | 4,201,389 | 4,787,129 |
| School Programs | 17,868,807 | 15,336,100 | 16,047,161 |
| Jordan's Principle | - | 3,323,158 | 2,525,449 |
| Operations & Maintenance | - | 2,641,084 | 2,913,677 |
| **TOTAL EXPENSES** | 26,974,353 | 29,447,766 | 29,922,372 |
| **OPERATING SURPLUS** | - | 1,233,601 | (667,090) |
| **OPENING ACCUMULATED SURPLUS** | 1,434,343 | 1,434,343 | 2,101,433 |
| **CLOSING ACCUMULATED SURPLUS** | $ 1,434,343 | $ 2,667,944 | $ 1,434,343 |

# NON CONSOLIDATED SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
## DETAILS OF EXPENSES
For the Year Ended June 30, 2024

| | Administration | Inclusive Schooling | Indigenous Languages and Education | School Programs | Operations & Maintenance | Jordan's Principle | Total |
|---|---|---|---|---|---|---|---|
| **SALARIES:** | | | | | | | |
| Teachers | $ - | $ 1,227,843 | $ 972,530 | $ 9,962,555 | $ - | $ - | $ 12,162,928 |
| Instruction Assistants | - | 1,567,769 | 128,199 | - | - | 2,546,669 | 4,242,637 |
| Non-instructional Staff | 1,200,760 | 145,851 | 256,813 | 1,161,145 | - | - | 2,764,569 |
| Board/Trustee Honoraria | 6,899 | - | - | - | - | - | 6,899 |
| **EMPLOYEE BENEFITS** | | | | | | | |
| Employee Benefit/Allowance | 369,295 | 879,479 | 332,067 | 3,869,766 | - | 776,489 | 6,227,096 |
| Leave and Termination | - | - | - | 109,333 | - | - | 109,333 |
| **SERVICES PURCHASED/ CONTRACTED** | | | | | | | |
| Professional/Technical Services | 156,403 | 255,396 | 600 | - | - | - | 412,399 |
| Postage/Communication | 29,233 | - | - | - | - | - | 29,233 |
| Travel | 106,639 | 42,108 | 15,689 | 57,761 | - | - | 222,197 |
| Advertising/Printing/Publishing | 6,728 | 3,459 | - | (100) | - | - | 10,087 |
| Maintenance/Repair | 6,763 | - | - | - | - | - | 6,763 |
| Rentals/Leases | 179,876 | - | - | - | - | - | 179,876 |
| Others | 164 | - | - | - | - | - | 164 |
| Contracted Services | 25,078 | 2,063 | 4,545 | 95,121 | - | - | 126,807 |
| **MATERIALS/SUPPLIES/FREIGHT** | | | | | | | |
| Materials | 124,194 | 77,239 | 23,005 | 80,519 | - | - | 304,957 |
| Freight | 519 | 182 | 36 | - | - | - | 737 |
| **CONTRIBUTIONS/TRANSFERS** | | | | | | | |
| Transfers - Other | - | - | - | - | 2,641,084 | - | 2,641,084 |
| **Total** | $ 2,212,551 | $ 4,201,389 | $ 1,733,484 | $ 15,336,100 | $ 2,641,084 | $ 3,323,158 | $ 29,447,766 |

# Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

## Consolidated Financial Statements

## June 30, 2024

## Yellowknife Catholic Schools
**(Yellowknife Public Denominational District Education Authority)**

**Consolidated Financial Statements**


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**To the Minister of Education, Culture and Employment**
**Government of the Northwest Territories**

**Management's Responsibility for Financial Reporting with respect to the school year ended June 30, 2024**

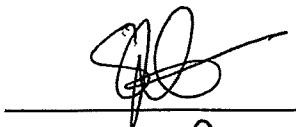
The Management Discussion and Analysis, Consolidated Financial Statements, Schedules and Notes herein submitted have been prepared by management. They provide full disclosure and accurately reflect the financial and non-financial condition of Yellowknife Catholic Schools ("YCS") in all material respects and in accordance with Canadian Public Sector Accounting Standards ("CPSAS") as well as the Financial Administration Manual ("FAM") and the Financial Administration Manual for Education Authorities ("FAMEA") of the Government of the Northwest Territories.

Management hereby asserts that adequate internal controls exist to ensure that transactions are complete, accurate and timely, appropriately authorized and include only valid transactions of the entity; that duties related to processes are appropriately segregated, that assets are safeguarded and that proper records are maintained. Controls further include quality standards regarding the hiring and training of employees, that ensure the adequate maintenance of written policies and procedural manuals and that further provide for appropriate accountability for performance within well-defined areas of responsibility. The operations and administration of Yellowknife Catholic Schools have been conducted within the statutory powers of the Education Authority. The operations and administration of the Education Authority as well as the supporting internal controls of the entity are regularly monitored to ensure their effectiveness and their continued compliance with all relevant legislation, standards, directives and policies including but not limited to the *Education Act*, *Financial Administration Act*, CPSAS, FAM, FAMEA, Human Resources Manual, Ministerial Directives and the policies of the Education Authority Board. Any non-compliance has been specifically identified and has been previously communicated to the Minister and Deputy Minister.

Management hereby asserts that auditors have been provided with all relevant records and documentation as well as unrestricted access to the same. Management is not aware of any undisclosed irregularities involving management or employees with either current or potential impact on financial results, fraud or suspected fraud, disbursements made for purposes not consistent with an appropriation, irregular commitments including those in the form of guarantees, violations or possible violations of laws or regulations, claims or litigation, known or suspected environmental site contaminations or of any other undisclosed environmental or safety hazards within its jurisdiction.

The auditors 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. The auditors also consider whether the transactions that have come to their notice in the course of this audit are, in all significant respects, in accordance with specified legislation and directives from the Department of Education, Culture, and Employment ("ECE") of the Government of the Northwest Territories.

Approved and confirmed on behalf of the Yellowknife Catholic Schools.



**Superintendent**



**Assistant Superintendent - Business**

**September 26, 2024**

**Independent Auditors' Report**

**To the Minister of Education, Culture and Employment**
**Government of the Northwest Territories**

*Report on the Audit of the Consolidated Financial Statements*

*Qualified Opinion*
We have audited the consolidated financial statements of Yellowknife Catholic Schools (the "Authority"), which comprise of the consolidated statement of financial position as at June 30, 2024, and the consolidated statement of changes in net financial assets, consolidated operations, consolidated statement of accumulated surplus and consolidated cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraphs, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Authority as at June 30, 2024, and its results of operations, changes in net assets, and its cash flows for the year ended in accordance with Canadian public sector accounting standards.

*Basis for Qualified Opinion*
School generated funds controlled by the Yellowknife Catholic Schools are not reported and presented in the accompanying financial statements. School generated funds represent fundraising activities for the benefit of student life enhancement. They are controlled through the Yellowknife Catholic Schools due to the nature of these activities which must be approved at the Yellowknife Catholic Schools' Administration level. This represents a departure of Canadian public accounting standards because school generated funds are determined to be under control of the Yellowknife Catholic Schools and as such are required to be included under the government reporting entity.

Also, we were unable to determine the amount of school generated funds; therefore, school generated funds revenues, expenses, and assets and surplus for the year ended June 30, 2024 and 2023 are not recognized nor audited in the accompanying financial statements. Our audit opinion on the financial statements for the year ended June 30, 2023 was modified accordingly because of the possible effect of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Independent Auditors' Report (continued)**

*Other Information*
Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*
Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

*Auditors' Responsibilities for the Audit of the Financial Statements*
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriate of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any deficiencies in internal control that we identify during our audit.

*Report on Other Legal or Regulatory Matters*
In conjunction with the audit of the consolidated financial statements, we have audited transactions of the Authority coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the Government of the Northwest Territories - Department of Education, Culture and Employment.

In our opinion, the transactions of the Authority that came to our notice during the audit of the consolidated financial statements have complied, in all material respects, with the specified authorities referred to above.

Management is responsible for the Authority's compliance with the specified authorities named above and for such internal control as management determines necessary to enable the Authority to comply with the specified authorities.

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the financial statements are in compliance with the specified authorities referred to above,

The specified authorities include requirements that are subject to significant interpretation. Our interpretation may differ from other interpretations.

Crowe Mackay LLP

**Chartered Professional Accountants**

**Yellowknife, Canada**
**September 26, 2024**

## Yellowknife Catholic Schools
**(Yellowknife Public Denominational District Education Authority)**

### Consolidated Statement of Financial Position

| As at June 30, | 2024 | 2023 |
|---|---|---|
| **Financial Assets** | | |
| Cash and cash equivalents (Note 4) | $ **10,889,417** | $ 11,772,395 |
| Accounts receivable (Note 8) | **1,188,679** | 661,520 |
| Due from the Government of Canada (Note 13) | **251,213** | 163,335 |
| | **12,329,309** | **12,597,250** |
| **Liabilities** | | |
| Accounts payable and accrued liabilities (Note 10) | **818,528** | 655,268 |
| Accrued payroll liabilities (Note 10) | **4,037,839** | 4,023,508 |
| Deferred revenue (Note 12) | **804,529** | 1,697,343 |
| Payroll benefits payable | **90,512** | 27,591 |
| Pensions (Note 15) | **163,100** | 167,900 |
| Long-term debt (Note 16) | **64,523** | 177,636 |
| Post-employment benefits and compensated absences (Note 17) | **1,089,816** | 1,000,686 |
| | **7,068,847** | 7,749,932 |
| **Net Financial Assets** | **5,260,462** | 4,847,318 |
| **Non-Financial Assets** | | |
| Tangible capital assets (Note 19) | **33,840,516** | 35,449,454 |
| Prepaid expenses (Note 20) | **143,345** | 73,942 |
| | **33,983,861** | 35,523,396 |
| **Accumulated Surplus** | $ **39,244,323** | $ 40,370,714 |
| **Represented by:** | | |
| Operating fund surplus | $ **5,132,024** | $ 4,762,590 |
| Investment in tangible capital assets | **33,775,993** | 35,271,818 |
| Decentralized budget accumulated surplus | **336,306** | 336,306 |
| | $ **39,244,323** | $ 40,370,714 |

**Contractual Obligations (Note 22), Contingencies (Note 23)**

**Approved on behalf of the Board**

**Trustee** **Trustee**

## Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

### Consolidated Statement of Operations

| For the year ended June 30, | 2024 Budget | 2024 Actual | 2023 Actual |
|---|---|---|---|
| **Revenues** | | | |
| Government of the Northwest Territories | | | |
| ECE - Regular Contributions | $ 19,412,834 | $ 19,621,227 | $ 20,539,075 |
| ECE - Other contributions | 811,500 | 2,265,762 | 1,318,106 |
| **Total ECE contributions (Note 30)** | 20,224,334 | 21,886,989 | 21,857,181 |
| **GNWT - Other contributions (Note 31)** | 45,900 | 66,121 | 85,025 |
| **Total GNWT contributions** | 20,270,234 | 21,953,110 | 21,942,206 |
| Government of Canada | | | |
| Jordan's Principle (Schedule 6) | 5,962,500 | 6,798,677 | 5,348,016 |
| Menstrual Product Funding | - | 51,402 | 22,888 |
| **Total Government of Canada contributions** | 5,962,500 | 6,850,079 | 5,370,904 |
| **City of Yellowknife - property tax requisitioned** | 4,637,000 | 4,672,874 | 4,672,910 |
| **Other Education Authorities** | | | |
| Extra - jurisdictional tuition | 100,000 | 137,048 | 85,280 |
| **Education authority generated funds** | | | |
| Donations | 50,000 | 42,665 | 100,232 |
| Fees and Sales | 343,000 | 368,476 | 367,416 |
| Investments | 400,000 | 694,818 | 528,337 |
| Other | 200,000 | 428,913 | 342,878 |
| Rentals | 200,000 | 170,308 | 178,593 |
| **Total generated funds** | 1,193,000 | 1,705,180 | 1,517,456 |
| | $ 32,162,734 | $ 35,318,291 | $ 33,588,756 |

## Yellowknife Catholic Schools
**(Yellowknife Public Denominational District Education Authority)**

**Consolidated Statement of Operations (continued)**

| For the year ended June 30, | 2024 Budget | 2024 Actual | 2023 Actual |
|---|---|---|---|
| **Expenses** | | | |
| School Programs (Schedule 1) | $ **16,970,400** | $ **17,290,918** | $ 17,384,670 |
| Inclusive Schooling (Schedule 2) | **4,307,000** | **4,429,462** | 4,021,689 |
| Board Administration (Schedule 1) | **2,870,500** | **2,381,625** | 2,487,399 |
| Operations and Maintenance (Schedule 1) | **2,726,000** | **2,938,563** | 2,904,352 |
| Indigenous Languages and Culture (Schedule 3) | **913,000** | **846,874** | 619,354 |
| Jordan's Principle (Schedule 1) | **5,967,500** | **6,798,709** | 5,348,016 |
| Amortization (Schedule 1) | **1,666,000** | **1,751,643** | 1,742,130 |
| Debenture Interest (Schedule 1) | **4,000** | **6,888** | 9,880 |
| | **35,424,400** | **36,444,682** | 34,517,490 |
| **Annual operating deficit before other items** | **(3,261,666)** | **(1,126,391)** | (928,734) |
| **Other items** | | | |
| Greenhouse Gas ("GHG") Grant | **-** | **-** | 928,125 |
| Grant in-kind - GNWT assets provided at no cost | **-** | **40,551** | 40,551 |
| Rent expense - GNWT assets provided at no cost | **-** | **(40,551)** | (40,551) |
| | **-** | **-** | 928,125 |
| **Operating deficit after other items** | **(3,261,666)** | **(1,126,391)** | (609) |
| **Opening accumulated surplus** | **40,370,714** | **40,370,714** | 40,371,323 |
| **Closing accumulated surplus** | $ **37,109,048** | $ **39,244,323** | $ 40,370,714 |

## Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

### Consolidated Statement of Changes in Net Assets

| For the year ended June 30, | 2024 Budget | 2024 Actual | 2023 Actual |
|---|---|---|---|
| **Operating deficit** | $ (3,261,666) | $ (1,126,391) | $ (609) |
| Acquisition of tangible capital assets | - | (142,705) | (1,573,529) |
| Amortization of tangible capital assets | 1,600,000 | 1,751,643 | 1,742,130 |
| Change in prepaid expenses and deposits | - | (69,403) | 57,033 |
| **Increase (decrease) in net assets** | **(1,661,666)** | **413,144** | 225,025 |
| **Net assets, beginning of year** | **4,847,318** | **4,847,318** | 4,622,293 |
| **Net assets, end of year** | **$ 3,185,652** | **$ 5,260,462** | $ 4,847,318 |

## Yellowknife Catholic Schools
**(Yellowknife Public Denominational District Education Authority)**

**Consolidated Statement of Cash Flows**

| For the year ended June 30, | 2024 Actual | 2023 Actual |
|---|---|---|
| **Cash provided by (used in):** | | |
| **Operating transactions** | | |
| Operating deficit | $ (1,126,391) | $ (609) |
| Items not affecting cash: | | |
| Amortization | 1,751,643 | 1,742,130 |
| | 625,252 | 1,741,521 |
| **Changes in non-cash working capital items** | | |
| Increase in accounts receivable | (527,159) | (632,476) |
| Increase in due from the Government of Canada | (87,878) | (83,664) |
| Decrease (increase) in prepaid expenses | (69,403) | 57,033 |
| Increase (decrease) in accounts payable and accrued liabilities | 163,260 | (176,555) |
| Increase in accrued payroll liabilities | 14,331 | 409,913 |
| Increase (decrease) in pensions | (4,800) | 28,100 |
| Increase in post-employment benefits and compensated absences | 89,130 | 131,816 |
| Decrease in deferred revenue | (892,814) | (731,558) |
| Increase in payroll benefits payable | 62,921 | 9,416 |
| | (1,252,412) | (987,975) |
| **Cash provided by (used in) operating transactions** | **(627,160)** | 753,546 |
| **Financing transaction** | | |
| Repayment of long-term debt | (113,113) | (110,120) |
| **Capital transaction** | | |
| Acquisition of tangible capital assets | (142,705) | (1,573,529) |
| Deposit in Trust - Pellet Boiler | - | 1,505,000 |
| **(Decrease) increase in cash and cash equivalents** | (882,978) | 574,897 |
| **Cash and cash equivalents, beginning of year** | 11,772,395 | 11,197,498 |
| **Cash and cash equivalents, end of year** | **$ 10,889,417** | $ 11,772,395 |

## Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

### Consolidated Statement of Accumulated Surplus

| For the year ended June 30, | 2024 | 2023 |
|---|---|---|
| **Operating Fund Surplus** | | |
| Operating fund surplus, beginning of year | $ 4,762,590 | $ 4,704,718 |
| Operating deficit | (1,126,391) | (609) |
| Transfer from investment in tangible capital assets | 1,495,825 | 58,481 |
| **Operating fund surplus, end of year** | **$ 5,132,024** | $ 4,762,590 |
| Transfer from investment in tangible capital assets consists of: | | |
| Amortization | $ 1,751,643 | $ 1,742,130 |
| Capital acquisitions | (142,705) | (1,573,529) |
| Debenture principal repayment | (113,113) | (110,120) |
| | **$ 1,495,825** | $ 58,481 |
| **Investment in Tangible Capital Assets** | | |
| Investment in tangible capital assets, beginning of year | $ 35,271,818 | $ 35,330,299 |
| Amortization | (1,751,643) | (1,742,130) |
| Capital acquisitions | 142,705 | 1,573,529 |
| Debenture principal repayment | 113,113 | 110,120 |
| **Investment in tangible capital assets, end of year** | **$ 33,775,993** | $ 35,271,818 |
| **Decentralized Budget Accumulated Surplus** | | |
| Decentralized budget accumulated surplus, beginning of year | $ 336,306 | $ 336,306 |
| **Decentralized budget accumulated surplus, end of year** | **$ 336,306** | $ 336,306 |
| **Total Accumulated Surplus** | **$ 39,244,323** | **$ 40,370,714** |

## 1. Nature of Operations

Yellowknife Public Denominational District Education Authority, Yellowknife Catholic Schools ("YCS") was established in July 1951 and is presently the only Catholic school board in the Northwest Territories. A full range of instructional programs ranging from Junior Kindergarten through Grade 12 is offered by the YCS.

YCS is an independent legal and accounting entity with an elected Board of Trustees as stipulated in Section 82 of the *Education Act.* The Board of Trustees has decision making authority, the power to delegate authority, the ability to significantly influence operations and the sole accountability for all fiscal matters.

Section 81 of the *Education Act* outlines the powers of a Board of Education which for the YCS includes all aspects of operation and management relating to Catholic education within the boundaries of the City of Yellowknife. The Board of Trustees is the lowest (and sole) level of government exercising oversight responsibility. The consolidated financial statements of the YCS are not included in the financial statements of the City of Yellowknife as the YCS trustees are a separate governing body that is not under the control of the City of Yellowknife. The City of Yellowknife, however, does collect and remit property taxes requisitioned by the Board.

## 2. Significant Accounting Policies

### (a) Basis of Accounting

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards ("PSAS"). The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity, which is composed of all organizations which are controlled by YCS. These organizations include the three schools, a maintenance shop and the Kimberlite Career and Technical Centre.

The consolidated financial statements have, in management's opinion, been properly prepared with reasonable limits of materiality. The basis of accounting refers to the timing of when revenue and expense items are recognized in the accounts and reported in the financial statements. The accrual basis of accounting is utilized for all funds. Under the basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recorded when they are incurred.

YCS uses fund accounting to separate transactions between its operating fund surplus, investment in tangible capital assets, and decentralized budget accumulated surplus.

#### Operating Fund Surplus

The operating fund surplus is the general operating fund of the YCS in which all transactions concerned with current operations are recorded. Substantially all territorial, local (primarily property tax), and other operating revenues are accounted for in the operating fund surplus. In accordance with accounting principles that are considered appropriate for organizations of this type, tangible capital assets acquired and debenture debt repayment that are financed with operating funds are treated as expenses in the operating fund surplus and then transferred to the investment in tangible capital asset fund. The operating fund also accounts for expenses and contributions to or from other funds (transfers) which provide for day-to-day operations.

In summary, the operating fund surplus is used to account for all financial activities except those accounted

## 2. Significant Accounting Policies (continued)

### (a) Basis of Accounting (continued)

#### Operating Fund Surplus (continued)

for in the investment in tangible capital assets fund and decentralized budget accumulated surplus.

#### Investment in Tangible Capital Assets

The investment in tangible capital assets fund is used to account for financial transactions related to the acquisition of tangible capital assets in excess of $50,000.

Properties are carried at cost at the date of acquisition and amortization is recorded in the accounts. The cost of additions and repayment of debentures or other long-term debt is charged to the investment in tangible capital assets fund. This results in a corresponding increase in the equity in tangible capital assets. Other additions are initially charged to the Statement of Operations.

#### Decentralized Budget Accumulated Surplus

The decentralized budget accumulated surplus fund represents specific amounts eligible for carry-over to subsequent years for each school.

### (b) Cash and Cash Equivalents

Cash and cash equivalents are comprised of bank account balances, net of outstanding cheques.

## 2. Significant Accounting Policies (continued)

### (c) Financial Instruments

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 value is adjusted for financing fees and transactions costs that are directly attributable 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.

Financial assets subsequently measured at amortized cost include cash and cash equivalents, accounts receivable, and due from the Government of Canada.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, payroll benefits payable and accrued payroll liabilities, and long-term debt.

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 operations. Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal, to a maximum of the related accumulated impairment charges recorded in respect of the particular asset is recognized in operations.

### (d) Non-Financial Assets

Prepaid expenses and other non-financial assets are accounted for as assets by YCS because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of YCS.

## 2. Significant Accounting Policies (continued)

### (e) Tangible Capital Assets

Tangible capital assets acquired for more than $50,000 are capitalized and amortized. Tangible capital assets are recorded at cost plus any betterments less accumulated amortization. The cost includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The buildings, portables and equipment will be amortized using the straight line method, based on their useful life. The buildings, portables and equipment have useful lives of 40, 25 and 10 years respectively. Any additions to the buildings and portables will be amortized over the remaining useful life of the assets.

Capital facilities planning and construction with certain exceptions are funded by the Government of the Northwest Territories ("GNWT") and subject to their capital planning and approval process. Capital contributions received but not spent at year-end are recorded as deferred revenue.

The GNWT retains ownership of some tangible capital assets used by the Authority. These assets are used by the Authority and held on behalf of or in trust for, the GNWT are not recognized by the Authority in the financial statements.

The consolidated Statement of Operations reflects the amount that would otherwise be considered amortization expense for the fiscal year as rent expense with an offsetting corresponding amount as a grant in-kind revenue.

### (f) Revenue Recognition

**Government Transfers**
Revenues 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, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the consolidated statement of operations as the stipulation liabilities are settled.

Operating transfers are recognized as revenue in the period in which the events giving rise to the transaction occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

Capital transfers or transfers of tangible capital assets are initially recognized as deferred revenue and subsequently recognized as revenue when the related tangible capital assets are recognized as acquired or built.

**GNWT - Regular Contributions**
The regular contributions from the GNWT are determined by a funding formula, based on student enrolment, and are received in monthly installments. YCS retains surpluses and are responsible for deficits. Any funding requests, over and above those levels provided by the formula, must be first approved by the GNWT.

## 2. Significant Accounting Policies (continued)

### (f) Revenue Recognition (continued)

**Local Tax Revenue (property tax requisitioned)**
The *Education Act of the Northwest Territories,* by virtue of Section 136(2), empowers a Board of Education to determine the amount, after taking into consideration territorial grants and other revenues, that is to be requisitioned from the municipality within the territory under the jurisdiction of the Board.

The City of Yellowknife is advised subsequent to the adoption of the budget of the amount of the requisition of the YCS and is responsible for the collection of taxes.

Section 136(4) of the *Education Act of the Northwest Territories* requires the amount requisitioned to be paid to the YCS in equal quarterly installments on or before the first day of the months of June, September, December and March.

**Other Contributions**
YCS follows the deferral method of accounting for contributions from funding arrangements. Unrestricted contributions are recognized as revenue when they are received or receivable, if the amount can be reasonably estimated and its collection is reasonably assured. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred.

**Other Revenues**
Tuition fees revenue is recognized as educational services are provided. Revenue from rentals is earned as the facilities are used. Other revenues, and fees and sales are recorded as the service is provided and receipt of funds is reasonably assured.

**Deferred Revenue**
Deferred revenue consists of funds received in advance of providing the services or acquiring the goods. These amounts are taken into revenues when the eligible expenses are incurred.

**Investment Income**
Investment income is recognized when received or receivable, if the amount can be reasonably estimated.

**Special Purpose Funds**
School activity funds which are fully controlled by YCS with respect to when and how the funds available can be disbursed are included. The funds reported are internally restricted as to purpose and may include the proceeds of fundraising, contributions or fees paid related to a specific planned benefit. Examples may include planned student trips or funds specifically designated for the purchase of equipment or materials required to support an activity.

Student activity funds which are controlled by students or parties other than YCS are not included even if custody of the funds are held by YCS. Examples of excluded funds might be student clubs or associations for which YCS has no ongoing responsibility of liability for losses.

## 2. Significant Accounting Policies (continued)

### (g) Budget Data

The *Education Act of the Northwest Territories* requires that Education Authorities prepare an annual budget, as outlined in Section 117.

The priorities and funding allocations are determined by the Board of Trustees of each Education Authority and the budget is legally adopted by a motion of the Board in accordance with Section 135(3) of the *Education Act*.

The budget is legally adopted by a motion of the Board which also establishes a tax levy to support the approved budget in accordance with Section 135(3) of the *Education Act*.

Board approved budgets are submitted to the Minister of Education, Culture and Employment for final approval as directed by Sections 117(2) k, l and m of the *Education Act*.

This annual budget includes estimates of revenues and expenses for the Operating fund surplus along with estimates of source and application for the Investment in tangible capital assets fund. Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the YCS.

The budget may be amended within a given fiscal year in accordance with Board policy, regulations and approved budget procedures. The budget data presented in the consolidated financial statements reflects the Minister approved budget for the school year.

### (h) Measurement Uncertainty

The preparation of consolidated financial statements in conformity with Canadian Public Sector Accounting Standards 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 consolidated financial statements and the amounts of revenues and expenses during the period. Actual results could differ from these estimates.

### (i) Inventories Including Materials and Supplies

Inventories of books, materials, supplies and other expendables purchased by YCS are treated as expenses during the year of acquisition and are not recorded on the consolidated Statement of Financial Position.

### (j) Payroll Liabilities

Payroll costs for teachers are accrued for July and August. Payroll costs for members of the Union of Northern Workers ("UNW") and employees who work for 10 and 11 months during the fiscal year are accrued as appropriate.

## 2. Significant Accounting Policies (continued)

### (k) Employee Future Benefits

#### i) Post-employment benefits

YCS provides post-employment benefits for certain employees pursuant to certain contracts and collective agreements. These include removal assistance, severance, long and short term disability, and sick leave.

Teachers and UNW employees leaving Yellowknife within one year of the date of resignation, after completing a minimum of two years' experience with YCS, will receive removal assistance of $1,500 plus $400 for each year of consecutive service with YCS, excluding years on deferred salary leave. Teachers who leave the employment of YCS after twenty years of consecutive service will receive an additional payment of $2,000. This benefit is considered to vest and accumulate. YCS recognizes a liability and expense for this post-employment benefit in the period in which teachers and UNW employees render services to YCS.

YCS recognizes a liability and an expense for post-employment benefits and compensated absences that do not vest or accumulate when the event that obligates YCS occurs. This includes benefits to employees in the event of an accident or injury. The benefit would be accrued when the accident or injury occurs.

#### ii) Sick leave

Sick leave benefits accumulate but do not vest and are normally paid only upon an illness or injury-related absence. Such benefits are obligations and would be recognized. The actuarial company hired by the GNWT conducted a review and has estimated the sick leave obligation as at June 30, 2024.

#### iii) Pensions

Prior to May 1, 2013 all indeterminate full-time employees had the option to participate in a Defined Contribution (DC) pension plan. YCS contributions to this plan were recognized as an expense on a current year basis and represented YCS total pension obligations.

Effective May 1, 2013 the YCS added a Defined Benefit (DB) provision to the Pension Plan for the employees of Yellowknife Catholic Schools. The pension benefits under the DB provision are reported on an actuarial basis. This is done to determine the current value of future entitlements and uses various assumptions. When actual experience varies from assumptions, the resulting gains or losses are amortized on a straight line basis over the estimated average remaining service lives of the contributors. This plan has been approved to be terminated effective August 31, 2023 and ceased receiving contributions with the intention of being wound up.

Effective August 31, 2023, the YCS became a member of the Northern Employee Benefits Services pension plan.

### (l) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed. Transfers include entitlements and grants and are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

## 2. Significant Accounting Policies (continued)

### (m) Foreign Currency Translation

Foreign currency transactions are to be translated in Canadian dollars. Revenues and expenses denominated in a foreign currency are reported at a rate in the date of the transaction. Monetary items that have yet to be settled at the exchange rate are translated at the exchange rate in effect on the date of financial statements. Exchange gain or loss resulting from foreign exchange rate would be accounted for in the financial statements.

### (n) Employee Benefit Plans

The YCS contributes 100% of the premiums related to life insurance, long-term disability insurance and extended health care benefits for eligible employees, in accordance with negotiated salary agreements and employment practices. In addition, the YCS contributes 100% of the premiums related to dental insurance in accordance with negotiated salary agreements and employment practices. Employee and employer contributions are made on behalf of all employees for statutory federal deductions related to Canada Pension Plan and Employment Insurance.

### (o) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organize or radioactive material or live organism that exceeds an environmental standard. A liability would be recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met: an environmental standard exits; contamination exceeds the environmental standard; YCS is directly responsible or accepts responsibility and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available as at June 30, 2024.

At each financial reporting date, Management reviews the carrying amounts of the liability. Any revisions required to the amount previously recognized are accounted for in the period revisions are made. Management at YCS has concluded that there is no contamination that exceeds environmental standards and as a result there are no liabilities for contaminated sites.

### (p) Net Assets

YCS's financial statements are presented so as to highlight net financial assets (net debt) as the measurement of financial position. The net financial assets (net debt) of YCS is determined by its financial assets less its liabilities. Net debt combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.

## 2. Significant Accounting Policies (continued)

### (q) Segment Disclosure

The Schedule of Operating Fund - Detail of Expenses has been prepared in accordance with PS Handbook Section PS2700 - Segment Disclosures. The segments selected are to enable users to better understand the government reporting entity and the major revenue and expense activities of the Board. For each reported segment, revenues and expenses represent amounts directly attributable to each segment. Segments include:

**School Programs**: pertains to the provision of instructional services that fall under the basic public education mandate.

**Inclusive Schooling**: pertains to access to quality education for all students by effectively meeting their diverse needs.

**Operations and Maintenance**: pertains to the operations and maintenance of all YCS buildings and facilities.

**Board Administration**: pertains to the provision of board governance and central office administration.

**Indigenous Languages and Culture**: pertains to indigenous language resource development, support of language teachers and community engagement.

**Transfers and others**: pertains to amortization, debenture interest and gain or loss on sale (disposal) of tangible capital assets.

**Jordan's Principle:** pertains to the provision of products, services and supports related to health, social, and educational needs of the First Nations students at YCS.

### (r) Asset Retirement Obligation

Asset retirement obligations are recognized for the Authority's schools and buildings, some of which could contain asbestos, mercury and/or lead-based paint. Management's best estimate of the future expenditures required to settle the legal obligations are recognized to the extent that they can be reasonably estimated and are calculated based on the estimated future cash flows necessary to discharge the legal obligations, discounted using the Authority's cost of borrowing for maturity dates that coincide with the expected cash flows.

If an asset retirement obligation ("ARO") has been determined to exist, the estimated future expenditures to settle the legal obligations are to be recorded as a liability with a corresponding increase to tangible capital assets.

## 3. Future Accounting Changes and Adoption of New Accounting Standards

(a) Adoption of New Accounting Standards

Revenue, *Section PS 3400*

Section PS 3400, Revenues, was issued by the Public Sector Accounting Standards Board ("PSAB", or the "Board") November 15, 2018. It is effective for fiscal years beginning on or after April 1, 2023. The standard establishes how to account for and report on revenues. Specifically, it differentiates between revenues arising transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions".

The adoption of this standard has had no significant impact to the financial statements.

**(b) Future Accounting Changes**

*The Conceptual Framework for Financial Reporting in the Public Sector, PS 1202*

PSAB's Conceptual Framework for Financial Reporting in the Public Sector replaces the conceptual aspects of Section PS 1000, Financial Statement Concepts, and Section PS 1100, Financial Statement Objectives. The Conceptual Framework applies to fiscal years beginning on or after April 1, 2026 Earlier adoption is permitted. This Conceptual Framework is to be applied prospectively.

The impact of the transition to this proposed accounting standard is being reviewed by management.

## 4. Cash and Cash Equivalents

| | **2024** | 2023 |
|---|---|---|
| Cash and cash equivalents | **$ 10,889,417** | $ 11,772,395 |

The cash is held in a bank account with the Canadian Imperial Bank of Commerce ("CIBC") and is invested with the GNWT's investment pool.

## 5. Special Purpose Funds

YCS does not have special purpose funds.

## 6. Restricted Assets

YCS does not have any restricted assets.

## 7. Portfolio Investments

YCS does not have any portfolio investments.

## 8. Accounts Receivable

| | Accounts Receivable | Allowance for doubtful accounts | Net 2024 | 2023 |
|---|---|---|---|---|
| Due from GNWT | $ 895,811 | $ - | $ 895,811 | $ 532,781 |
| Due from other | 141,885 | - | 141,885 | 94,487 |
| Due from related parties | 150,983 | - | 150,983 | 34,252 |
| **Total** | **$ 1,188,679** | **$ -** | **$ 1,188,679** | $ 661,520 |

## 9. Inventories

YCS does not have any inventories.

## 10. Accounts Payable and Accrued Liabilities

| | 2024 | 2023 |
|---|---|---|
| Damage deposits | $ 4,310 | $ 3,662 |
| Trades payable | 814,218 | 651,606 |
| | **$ 818,528** | $ 655,268 |
| **Accrued payroll liabilities** | | |
| Teachers - Northwest Territories Teachers' Association | $ 2,825,377 | $ 2,625,162 |
| Non-Teacher - Union of Northern Workers | 1,109,141 | 1,303,740 |
| Excluded employees | 103,321 | 94,606 |
| | **$ 4,037,839** | $ 4,023,508 |

## 11. Contribution Repayable

YCS does not have any contribution repayable.

## 12. Deferred Revenue

| | June 30, 2023 | Funding received or receivable | Revenue recognized | June 30, 2024 |
|---|---|---|---|---|
| **Government of Canada** | | | | |
| First Nations and Inuit Health Branch - Jordan's Principle | $ 1,448,259 | $ 5,959,983 | $(6,798,677) | $ 609,565 |
| Menstrual Product Funding | 196,366 | - | (51,402) | 144,964 |
| | 1,644,625 | 5,959,983 | (6,850,079) | 754,529 |
| **Government of the Northwest Territories** | | | | |
| GNWT - ECIF Funding | - | 50,000 | - | 50,000 |
| GNWT - SCIP Funding | 52,718 | - | (52,718) | - |
| | 52,718 | 50,000 | (52,718) | 50,000 |
| | $ 1,697,343 | $ 6,009,983 | $(6,902,797) | **$ 804,529** |

Deferred revenue consists of amounts received for which project completion dates extending beyond the fiscal year end, or conditions attached to the use of the funds have not yet been met, or an operating advance received from a funding agency for the upcoming fiscal year. These amounts will be recognized in revenue as eligible expenses are incurred or conditions of funding are satisfied.

## 13. Due from the Government of Canada

| | Accounts Receivable | Allowance for doubtful accounts | Net 2024 | 2023 |
|---|---|---|---|---|
| GST Receivable | **$ 251,213** | **$ -** | **$ 251,213** | $ 163,335 |

## 14. Capital Lease Obligations

YCS does not have any capital lease obligations.

## 15 Pensions

### (a) Defined Contribution Plan

Since January 1, 1966 Yellowknife Catholic Schools indeterminate staff have had the option to participate in a voluntary Defined Contribution ("DC") pension plan. Since January 1, 1988, that participation has been in the Pension Plan for the Employees of Yellowknife Catholic Schools (the Plan).

All DC assets of the Plan are held by a Trustee in favour of individual employees. The only obligation to YCS is to match employee contributions. YCS fully funds its DC obligation under the Plan each month. YCS did not have any liability under the DC component of the Plan as of June 30, 2024.

Effective May 1, 2013 teaching and non-union staff could no longer contribute to the DC component. Instead all indeterminate teaching and non-unionized staff joined a new Defined Benefit ("DB") component of the Plan. Effective July 1, 2013, all indeterminate unionized non-teaching staff also ceased to make contributions to the DC component and joined the DB component of the Plan. After July 1, 2013, there are no employees making contributions to the DC component.

DC assets of the Plan will continue to be held in Trust for the individual employees unless they either elect to transfer their DC account to the DB component or leave the employment of Yellowknife Catholic Schools.

No assets or liabilities related to the DC component are recorded in the consolidated financial statements of Yellowknife Catholic Schools.

**15.Pensions (continued)**

**(b) Defined Benefit Plan**

Each permanent full-time employee, belonged to an eligible class of employees, automatically becoming a Member of the plan as of the first day of employment with YCS.

Each permanent part-time employee, belonged to an eligible class of employees, automatically becoming a Member of the plan if the employee earns at least 37% of the equivalent full-time earnings for his or her particular position.

All Members and the Employer have agreed to share the cost of benefits accrued annually, plus the administrative expenses of the DB plan in the following ratio:

- Employer 52.38%
- Employee 47.62%

Members were required to make contributions at 8.80% of earnings below the Year's Maximum Pensionable Earnings ("YMPE") and 11.60% of earnings above YMPE. The YMPE for the 2024 calendar year was $67,650 (2023 - $66,000).

The employer must contribute to the DB pension trust fund each year no less than its portion of the total current service cost as determined by the Actuary. In addition, YCS shall contribute to the Solvency Account such additional amounts as may be required, based on the advice of the Actuary, to amortize any going concern unfunded liabilities and solvency deficiencies of the Plan.

Normal retirement date for an employee is when they terminate employment with YCS having reached the age of 65. An employee would be entitled to an unreduced early retirement date when the Members' age plus years of service at YCS total 90. A Member may elect to retire up to 10 years prior to their normal retirement date or their unreduced retirement date and take a reduced pension benefit.

The annual pension payable to Member who retires at the normal retirement date is equal to 1.30% of the Member's Best Average Pensionable Earnings up to the Average YMPE plus 2% of the Member's Best Average Pensionable Earnings in excess of the Average YMPE, multiplied by years of Pensionable Service. Pensionable Earnings and the YMPE are averaged over the best 10 years prior to termination, death or retirement.

The plan provided inflation protection during retirement at 75% of the increase in the Northwest Territories Consumer Price Index. The Plan was approved to be terminated by the Board of Trustees effective August 31, 2023 and is the final dissolution of the plan is pending approval from the Office of the Superintendent of Financial Institutions ("OSFI").

Benefits are vested immediately.

During fiscal 2023/2024 Yellowknife Catholic Schools did not contribute to the plan ($1,883,000 in fiscal 2022/2023) in respect to the DB component as a result of the plan being approved for termination on August 31, 2023. .

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**15.Pensions (continued)**

**(b) Defined Benefit Plan (continued)**

The date of the most recent actuarial valuation of the Plan is August 31, 2023, and extrapolated to June 30, 2024. The Accrued Benefit Obligation was calculated using the projected unit credit method, pro-rated on service.

The DB Pension Trust fund assets are recorded at fair market value.

**(c) Supplementary Defined Benefit Pension Plan**

The supplementary plan applies to the Superintendent and the Assistant Superintendents. The supplementary plan provides a pension benefit for pensionable earnings in excess of the defined benefit limit set out in the *Income Tax Act*. This plan is a non-contributory plan and is not funded until the employee terminates their employment from Yellowknife Catholic Schools. The employer is responsible to provide a pension at retirement equivalent to what the employee would have earned under the Defined Benefit provision of the Pension Plan for the Employees of Yellowknife Catholic schools if there were no *Income Tax Act* maximum pension limits in place. The accrued benefit obligation was calculated using the projected unit credit method, pro-rated on service.

***Information about the Defined Benefit Plan and Supplementary Defined Benefit Pension Plan as at June 30, 2024 is as follows:***

**(d) Plan assets**

| | Pension Plan | Supplementary Plan | **2024** |
|---|---|---|---|
| Fair value, beginning of year | $ 35,117,200 | $ - | $ 35,117,200 |
| Expected return on plan assets | 1,712,000 | - | 1,712,000 |
| Employer contributions | 302,600 | - | 302,600 |
| Employee contributions | 274,400 | - | 274,400 |
| Benefit payments and expenses | (932,000) | - | (932,000) |
| Experience gain (loss) | (1,493,900) | - | (1,493,900) |
| **Fair value, end of year** | **$ 34,980,300** | **$ -** | **$ 34,980,300** |

**15.Pensions (continued)**

**(e) Accrued benefit obligations**

| | Pension Plan | Supplementary Plan | 2024 |
|---|---|---|---|
| Balance, beginning of year | $ 27,384,500 | $ 37,200 | $ 27,421,700 |
| Current service cost | 434,000 | 500 | 434,500 |
| Interest cost on accrued benefit obligation | 1,340,300 | 2,000 | 1,342,300 |
| Benefit payments and expenses | (932,000) | - | (932,000) |
| (Gains) / losses on accrued benefit obligation | (80,400) | (200) | (80,600) |
| **Balance, end of year** | **$ 28,146,400** | **$ 39,500** | **$ 28,185,900** |

**(f) Funded status**

| | Pension Plan | Supplementary Plan | 2024 |
|---|---|---|---|
| Plan surplus / (deficit) | $ 6,673,100 | $ 39,900 | $ 6,713,000 |
| Unrecognized (gains) losses | 1,630,400 | 123,200 | 1,753,600 |
| Accrued benefit asset (liability) before limit on assets | 8,303,500 | 163,100 | 8,466,600 |
| Impact of limit on assets | (8,303,500) | - | (8,303,500) |
| **Accrued benefit asset (liability) after limit on assets** | **$ -** | **$ 163,100** | **$ 163,100** |

**(g) Determination of pension cost**

| | Pension Plan | Supplementary Plan | 2024 |
|---|---|---|---|
| Current service cost | $ 159,600 | $ 500 | $ 160,100 |
| Interest on accrued benefit obligation | (371,700) | 2,000 | (369,700) |
| Amortization of losses / (gains) | 30,000 | (7,300) | 22,700 |
| Change in valuation allowance | 484,700 | - | 484,700 |
| **Pension expense** | **$ 302,600** | **$ (4,800)** | **$ 297,800** |

## 15.Pensions (continued)

***Information about the Defined Benefit Plan and Supplementary Defined Benefit Pension Plan as at June 30, 2023 is as follows:***

### (h) Plan assets

| | Pension Plan | Supplementary Plan | 2023 |
|---|---|---|---|
| Fair value, beginning of year | $ 30,046,600 | $ - | $ 30,046,600 |
| Expected return on plan assets | 1,525,100 | - | 1,525,100 |
| Employer contributions | 1,978,000 | - | 1,978,000 |
| Employee contributions | 1,707,500 | - | 1,707,500 |
| Benefit payments and expenses | (1,529,600) | - | (1,529,600) |
| Experience (loss) gain | (1,389,600) | - | (1,389,600) |
| Fair value, end of year | $ 32,338,000 | $ - | $ 32,338,000 |

### (i) Accrued benefit obligations

| | Pension Plan | Supplementary Plan | 2023 |
|---|---|---|---|
| Balance, beginning of year | $ 27,593,600 | $ 24,900 | $ 27,618,500 |
| Current service cost | 3,308,100 | 3,400 | 3,311,500 |
| Interest cost on accrued benefit obligation | 1,476,700 | 500 | 1,477,200 |
| Benefit payments and expenses | (1,529,600) | - | (1,529,600) |
| (Gains) / losses on accrued benefit obligation | (217,100) | (21,900) | (239,000) |
| Balance, end of year | $ 30,631,700 | $ 6,900 | $ 30,638,600 |

### (j) Funded status

| | Pension Plan | Supplementary Plan | 2023 |
|---|---|---|---|
| Plan surplus (deficit) | $ 7,732,700 | $ (155,200) | $ 7,577,500 |
| Unrecognized (gains) losses | 86,100 | (130,700) | (44,600) |
| Accrued benefit asset (liability) before limit on assets | 7,818,800 | (167,900) | 7,650,900 |
| Impact on limit of assets | (7,818,800) | - | (7,818,800) |
| Accrued benefit asset (liability) | $ - | $ (167,900) | $ (167,900) |

**15.Pensions (continued)**

**(k) Determination of pension cost**

| | Pension Plan | Supplementary Plan | 2023 |
|---|---|---|---|
| Current service cost | $ 1,600,600 | $ 3,400 | $ 1,604,000 |
| Interest on accrued benefit obligation | (48,400) | 500 | (47,900) |
| Amortization of losses/ (gains) | 143,200 | (6,100) | 137,100 |
| Extraordinary items | (3,247,200) | 30,300 | (3,216,900) |
| Change in valuation allowance | 3,529,800 | - | 3,529,800 |
| Pension expense | $ 1,978,000 | $ 28,100 | $ 2,006,100 |

**(l) Actuarial assumptions**

| | **2024** | 2023 |
|---|---|---|
| Discount rate - pension plan | **4.90%** | 4.90% |
| Discount rate - supplementary plan | **5.91%** | 5.91% |
| Expected return on plan assets - pension plan | **4.90%** | 4.90% |
| Expected return on plan assets - supplementary plan | **n/a** | n/a |
| Salary increase - pension plan | **2.00%** | 2.00% |
| Salary increase - supplementary plan | **2.00%** | 2.00% |
| Mortality table | **100% of the CPM 2014 table *** | 100% of the CPM 2014 table * |
| Expected average remaining services lifetime ("EARSL") - pension plan | **14.2 Years** | 14.2 Years |
| Expected average remaining services lifetime ("EARSL") - supplementary plan | **17.8 Years** | 17.8 Years |

* 2024 - 100% of the 2014 Canadian Pensioners' Public Sector Mortality Table with projection scale CPM-B;
2023 - 100% of the 2014 Canadian Pensioners' Public Sector Mortality Table with projection scale CPM-B.

**(m) Plan assets consist of:**

| | **2024** | 2023 |
|---|---|---|
| Fixed income securities | **60%** | 60% |
| Equity securities | **40%** | 40% |

## 16. Long-Term Debt

| | 2024 | 2023 |
|---|---|---|
| Government of the Northwest Territories debenture, repayable in monthly instalments of $10,000 including interest. Interest rate consistent with GNWT cost of borrowing at a current rate of 5.29% (2023 - 5.19%). If rates do not change, the final instalment will be due in 2025. | **$ 64,523** | $ 177,636 |

The debentures are registered.

## 17. Post-Employment Benefits and Compensated Absences

In addition to pension benefits, the YCS provides severance, removal and compensated absence (sick, accident or injury, special) benefits to its employees. The benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

Severance benefits are paid to YCS employees based on the appropriate combinations that include inputs such as when the employee was hired, the rate of pay, and the number of years of continuous employment. Removal benefits are paid to YCS employees based on the number of years of continuous employment. The benefits under these two categories were actuarially valued using the projected unit credit methodology.

Compensated absence benefits generally accrue as employees render service and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include, but are not limited to employee or dependent illness, and death of an immediate family member. Non-accruing benefits include maternity. Benefits that accrue under compensated absence were actuarially valued using the expected utilization methodology.

### Valuation results

The actuarial valuation was completed as at March 31, 2024. The liabilities are actuarially determined as the present value of the accrued benefits at March 31, 2024 and the results extrapolated to June 30, 2024. The values presented below are for all the benefits under the Compensated Absences and Termination Benefits for the Authority.

### Reconciliation of Accrued Benefit Obligation

| | Severance and removal | Compensated absences | **2024** | 2023 |
|---|---|---|---|---|
| Accrued benefit obligation, beginning of year | $ 568,242 | $ 281,056 | $ 849,298 | $ 861,693 |
| Current service cost | 65,667 | 20,200 | 85,867 | 89,387 |
| Interest cost | 28,636 | 13,925 | 42,561 | 37,090 |
| Benefits paid | (35,654) | (22,291) | (57,945) | (24,418) |
| Actuarial gains/losses | (57,714) | (12,259) | (69,973) | (114,454) |
| Accrued benefit obligations, end of year | 569,177 | 280,631 | 849,808 | 849,298 |
| Unamortized net actuarial gain/loss | 111,926 | 128,082 | 240,008 | 151,388 |
| **Accrued benefit liability** | **$ 681,103** | **$ 408,713** | **$ 1,089,816** | $ 1,000,686 |

## 17. Post-Employment Benefits and Compensated Absences (continued)

### Benefits Expense

| | Severance and removal | Compensated absences | **2024** | 2023 |
|---|---|---|---|---|
| Current service cost | $ 65,667 | $ 20,200 | $ 85,867 | $ 89,383 |
| Interest cost | 28,636 | 13,925 | 42,561 | 37,090 |
| Amortization of net actuarial loss | (1,528) | 20,175 | 18,647 | 29,759 |
| Benefit expense, end of year | **$ 92,775** | **$ 54,300** | **$ 147,075** | $ 156,232 |

The discount rate used to determine the accrued benefit obligation was an average of 5.30% (2023 - 4.10%). The expected payments during the next five fiscal years are:

| | Severance and removal | Compensated absences | Total |
|---|---|---|---|
| 2025 | $ 72,181 | $ 22,028 | $ 94,209 |
| 2026 | 73,752 | 20,914 | 94,666 |
| 2027 | 79,771 | 24,053 | 103,824 |
| 2028 | 69,860 | 23,885 | 93,745 |
| 2029 | 67,401 | 25,957 | 93,358 |
| Total | **$ 362,965** | **$ 116,837** | **$ 479,802** |

## 18. Trust Assets Under Administration

YCS does not have any trust assets under administration.

## 19. Tangible Capital Assets

| | Cost | Additions | Disposals | Amortization | Accumulated Amortization | Net Book Value, June 30, 2024 | Net Book Value, June 30, 2023 |
|---|---|---|---|---|---|---|---|
| **Land and improvements** | **$ 1,838,825** | **$ -** | **$ -** | **$ -** | **$ -** | **$ 1,838,825** | $ 1,838,825 |
| **Equipment** | **2,434,549** | **142,705** | **-** | **152,777** | **841,471** | **1,735,783** | 1,745,855 |
| **Buildings and Portables** | | | | | | | |
| Career and Technical Centre | 2,878,916 | - | - | 73,888 | 1,475,042 | 1,403,874 | 1,477,762 |
| Central Services offices | 1,048,460 | - | - | 41,700 | 868,868 | 179,592 | 221,292 |
| Ecole St. Joseph School | 37,393,984 | - | - | 788,566 | 18,143,992 | 19,249,992 | 20,038,558 |
| Ecole St. Patrick High School | 12,292,334 | - | - | 321,853 | 8,724,868 | 3,567,466 | 3,889,319 |
| Tallah Building | 621,027 | - | - | 15,757 | 183,649 | 437,378 | 453,135 |
| Weledeh Catholic School | 13,096,660 | - | - | 357,102 | 7,669,054 | 5,427,606 | 5,784,708 |
| | **67,331,381** | **-** | **-** | **1,598,866** | **37,065,473** | **30,265,908** | 31,864,774 |
| | **$ 71,604,755** | **$ 142,705** | **$ -** | **$ 1,751,643** | **$ 37,906,944** | **$ 33,840,516** | $ 35,449,454 |

## 20. Prepaid Expenses and Deposits

| | 2024 | 2023 |
|---|---|---|
| **Total** | **$ 143,345** | $ 73,942 |

## 21. GNWT Assets Provided At No Cost

The following assets were provided to the Authority by the GNWT at no cost.

| | Cost | Accumulated Amortization | **Net Book Value 2024** | Net Book Value 2023 |
|---|---|---|---|---|
| St. Joseph Portables 4 Units | $ 1,622,045 | $ 219,652 | $ 1,402,393 | $ 1,442,944 |

Rent expense of $40,551 (2023 - $40,551) was offset by a grant in-kind.

## 22. Contractual Obligations

YCS has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to June 30, 2024.

YCS is committed to four janitorial contracts for various schools and buildings. All of the contracts expire in June 2024. YCS has a contract with First Canada ULC (o/a First Student Canada) for student transportation. The five year contract was implemented in September 2021, expiring August 2026. YCS has various contracts for courier services, elevator maintenance, employee assistance, phone service, photocopiers, and postage machines.

The future minimum payments are as follows.

| | **Expiry Date** | **2025** | **2026** | **2027** | **Total** |
|---|---|---|---|---|---|
| Courier services | June 2025 | $ 7,957 | $ - | $ - | $ 7,957 |
| Janitorial | June 2026 | 635,496 | 635,496 | - | 1,270,992 |
| Photocopier | April 2027 | 11,792 | 11,792 | 9,209 | 32,793 |
| Student bussing | August 2026 | 393,797 | 393,797 | - | 787,594 |
| Technology | February 2027 | 32,475 | 32,475 | 21,650 | 86,600 |
| | | **$ 1,081,517** | **$ 1,073,560** | **$ 30,859** | **$ 2,185,936** |

Yellowknife Catholic Schools have collective agreements with the Northwest Territories Teachers' Association and the Public Service Alliance of Canada as represented by its agent the Union of Northern Workers. A four-year agreement with the Northwest Territories Teachers' Association was signed for the period from September 2021 to August 2025. A four-year agreement with the Public Service Alliance of Canada as represented by its agent the Union of Northern Workers was signed for a period from July 2022 to June 2026.

## 23. Contingencies

The Authority does not have any contingencies.

## 24. Related Parties

YCS has the following transactions with government and other government controlled organizations:

**Due from related parties:**

| | Accounts Receivable | Allowance for doubtful accounts | 2024 | 2023 |
|---|---|---|---|---|
| **Government of the Northwest Territories** | | | | |
| Department of Education, Culture and Employment | $ 826,690 | $ - | $ 826,690 | $ 3,751 |
| Department of Finance | 57,902 | - | 57,902 | 529,030 |
| Department of Health and Social Services | 11,220 | - | 11,220 | - |
| Aurora College | 13,935 | - | 13,935 | 13,430 |
| Dettah District Education Authority | 137,048 | - | 137,048 | - |
| **Total due from related parties** | **$ 1,046,795** | **$ -** | **$ 1,046,795** | **$ 546,211** |

**Revenues from related parties:**

| | 2024 | 2023 |
|---|---|---|
| **Government of the Northwest Territories** | | |
| Department of Education, Culture and Employment | $ 21,886,989 | $ 21,857,181 |
| Department of Municipal and Community Affairs | 48,696 | 50,900 |
| Department of Health and Social Services | 9,425 | 10,425 |
| Department of Environment and Natural Resources | 8,000 | 10,000 |
| **Aurora College - Tallah building** | $ 124,188 | $ 123,198 |
| **Dettah District Education Authority** | 137,048 | 85,280 |

**Expenses from related parties:**

| | 2024 | 2023 |
|---|---|---|
| **Government of the Northwest Territories** | | |
| Department of Finance - debenture | $ 120,000 | $ 120,000 |

## 25. Budget Data

The *Education Act* of the Northwest Territories requires that Education Bodies prepare an annual budget, as outlined in Section 117, Duties and Powers of Education Bodies. The budget is legally adopted by a motion of the Education Body which includes the establishment of a tax levy to support the approved budget in accordance with Section 135, Assessment and Taxation, of the *Education Act*.

The annual budget includes estimates of revenues and expenses for the Operating Fund. Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of YCS.

The budget figures presented are those approved by the Trustees of YCS on May 17, 2023.

## 26. Economic Dependence

YCS receives its funding primarily from the GNWT. If the funding arrangements were to change management is of the opinion that YCS operations would be significantly affected.

## 27. Risk Management

YCS is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risks from the YCS's financial instruments is provided by type of risk below.

### (a) Credit risk

Credit risk is the risk of financial loss to the YCS if a debtor fails to make payments of interest and principal when due. The School Board is exposed to this risk relating to its cash and cash equivalents, due from the Government of Canada, and accounts receivable. The YCS holds its cash in accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the YCS's cash is is covered up to the insurable limit.

Credit risk related to accounts receivable is mitigated by controls over arrears accounts for ultimate collection and policies in place for debt collection. YCS's maximum exposure to credit risk at June 30, 2024 is as follows:

| | 2024 |
|---|---|
| Cash and cash equivalents | $ 10,889,417 |
| Due from the Government of Canada | 251,213 |
| Accounts receivable | 1,188,679 |
| Maximum credit risk exposure | **$ 12,329,309** |

At June 30, 2024, the following accounts receivable were past due but not impaired.

| 30 days | 60 days | 90 days |
|---|---|---|
| $ 109,844 | $ 250 | $ 172,616 |

At June 30, 2024, YCS does not have any impaired accounts receivable.

YCS does have concentration of credit risk in its accounts receivable. Concentration of credit risk is the risk that a customer has more than ten percent of the total accounts receivable balance and thus there is a higher risk to YCS in the event of a default. At June 30, 2024, receivables from one (2023 - one) customer comprised 85% (2023 - 92%) of the total outstanding receivable. YCS reduces this risk by monitoring overdue balances.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and method used to measure the risk.

### (b) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in interest rates. YCS has exposure to interest rate risk on its long-term debt of $64,523 (2023 - $177,636) may be adversely affected by a change in the interest rates.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and method used to measure the risk.

## 27.Risk Management (continued)

### (c) Liquidity risk

Liquidity risk is the risk that the YCS will not be able to meet all cash outflow obligations as they come due. The YCS mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining an adequate amount of cash to cover unexpected cash outflows should they arise.

The table below shows when various financial assets and liabilities mature.

| **Financial assets** | Up to 6 months | 6 months to 1 year | 1 to 5 years | Over 5 years |
|---|---|---|---|---|
| Cash and cash equivalents | $ 10,889,417 | $ - | $ - | $ - |
| Due from the government of Canada | 251,213 | - | - | - |
| Accounts receivable | 1,188,679 | - | - | - |
| **Total assets** | **$ 12,329,309** | **$ -** | **$ -** | **$ -** |
| Total assets - prior year | $ 12,597,250 | $ - | $ - | $ - |

| **Financial liabilities** | Up to 6 months | 6 months to 1 year | 1 to 5 years | Over 5 years |
|---|---|---|---|---|
| Accounts payable and accrued liabilities | $ 818,528 | $ - | $ - | $ - |
| Due to the Government of Canada | - | - | - | - |
| Long-term debt | 64,523 | - | - | - |
| Accrued payroll liabilities | 4,037,839 | - | - | - |
| **Total liabilities** | **$ 4,920,890** | **$ -** | **$ -** | **$ -** |
| Total liabilities - prior year | $ 4,734,963 | $ 57,591 | $ 63,858 | $ - |
| **Net total** | **$ 7,408,419** | **$ -** | **$ -** | **$ -** |
| Net total - prior year | $ 7,862,287 | $ (57,591) | $ (63,858) | $ - |

There have been no significant changes from the previous year in the exposure to risks or policies, procedures, and methods used to measure the risks.

## 28. Expenses By Object

| | 2024 Budget | **2024 Actual** | 2023 Actual |
|---|---|---|---|
| Amortization | $ 1,666,000 | $ 1,751,643 | $ 1,742,130 |
| Compensation | 28,929,500 | 28,257,337 | 27,217,218 |
| Interest on long-term debt | 4,000 | 6,888 | 9,880 |
| Materials/Freight | 843,000 | 1,963,006 | 1,657,149 |
| Services Purchased/Contracted | 3,981,900 | 4,465,808 | 3,891,113 |
| | **$ 35,424,400** | **$ 36,444,682** | **$ 34,517,490** |

## 29. Comparative Figures

The consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

## 30. ECE Contributions

| | **2024** | 2023 |
|---|---|---|
| **Original contribution** | $ 19,412,834 | $ 20,264,913 |
| Student Success Initiative | 103,000 | 103,000 |
| Termination benefits | 77,620 | 91,088 |
| Mentorship release time | 27,773 | 30,074 |
| Deferred SSI | - | 50,000 |
| **Updated contribution** | **$ 19,621,227** | $ 20,539,075 |
| After school program subsidy | 548,971 | 352,539 |
| Diplôme d'Études en Langue Française (DELF) | 40,000 | 40,000 |
| Extra French funding | - | 223,000 |
| French language funding | 579,922 | 280,500 |
| COVID-19 support funding | - | 414,067 |
| School based mental health and wellness services | 468,578 | - |
| 2023-2024 Collective bargaining increases | 619,791 | - |
| French Language Communication and Services | 8,500 | 8,000 |
| **Other contributions** | 2,265,762 | 1,318,106 |
| **TOTAL** | **$ 21,886,989** | $ 21,857,181 |

## 31. GNWT - Other Contributions

| | 2024 | 2023 |
|---|---|---|
| **Department of MACA** | | |
| Active After School | $ 43,696 | $ 45,900 |
| Cultural Leadership | 5,000 | - |
| Education Excursion | - | 5,000 |
| **Department of Health and Social Services** | | |
| Drop the Pop | 9,425 | 10,425 |
| **Department of Environment & Natural Resources** | | |
| Take a Kid Trapping | 8,000 | 10,000 |
| **TOTAL** | **$ 66,121** | $ 71,325 |

## 32. Contingent Assets

YCS does not have any contingent assets.

## 33. Contractual Rights

YCS has entered into a number of contracts that will become assets and revenues in the future when the terms of the contracts are met:

| | 2025 | 2026 | 2027 | 2028 and beyond | Total |
|---|---|---|---|---|---|
| Jordan's Principle | $ 6,495,141 | $ 6,960,269 | $ - | $ - | **$ 13,455,410** |
| Tallah Building | 123,489 | 123,489 | 123,489 | 123,489 | **493,956** |
| Core Funding | 19,644,090 | - | - | - | **19,644,090** |
| | $ 26,262,720 | $ 7,083,758 | $ 123,489 | $ 123,489 | **$ 33,593,456** |

YCS has entered a rental agreement with Aurora College for the rental of the Tallah Building. The lease agreement expires on June 30, 2028.

## 34. Northern Employee Benefits Services (NEBS) Pension Plan

Starting September 1, 2023, the School Board became a participating member in the Plan. The School Board is required to make contributions to the plan of 8% of pensionable earnings, and to remit employee contributions of 8%. These contributions cover service costs and a provision for adverse deviation.

The Plan is governed by the *Northern Employee Benefits Services Pension Plan Act* (in force October 1, 2015) (the "Act") and a Plan text document maintained by the administrator of the Plan. Both the Act and the Plan text document provide that participating employers are liable for their share of any funding shortfalls in the Plan as determined on a going concern basis, and on Plan windup. The Act and the Plan text document provide any going concern shortfalls, should they arise, are to be paid down over no more than 15 years and that contribution rates may be increased if necessary to do so.

Pursuant to the Act, the Plan is exempt from compliance with the *Pension Benefits Standards Act, 1985* (PBSA) and is not required to be funded on a solvency basis.

As at January 1, 2024, the NEBS Pension Plan had a going concern surplus of $66,573,900 (2023 - $81,300,000) and a funded ratio of 118.5% (2023 - 127%). The Plan serves 4,205 (2023 - 3,789) employee members and 118 (2023 - 117) participating employers. The NEBS Pension Plan did not perform a solvency analysis as at January 1, 2024.

During the year contributions made by the School Board to the NEBS pension plan totalled $1,286,425.

## Yellowknife Catholic Schools
**(Yellowknife Public Denominational District Education Authority)**

**Schedule 1**
**Operating Fund - Detail of Expenses**

**For the year ended June 30, 2024**

| | School Programs | Inclusive Schooling (Schedule 2) | Board Administration | Operations and Maintenance | Indigenous Languages and Culture (Schedule 3) | Transfer & Others | Jordan's Principle | **Total 2024** | **Budget 2024** | **Total 2023** |
|---|---|---|---|---|---|---|---|---|---|---|
| **Salaries** | | | | | | | | | | |
| Teachers | $ 11,078,428 | $ 2,067,980 | $ - | $ - | $ 569,287 | $ - | $ 1,197,092 | **$ 14,912,787** | **$ 15,979,000** | **$ 13,830,484** |
| Instruction assistants | - | 1,070,380 | - | - | - | - | 3,555,400 | **4,625,780** | **4,483,000** | **4,047,340** |
| Non-instructional | 1,224,536 | 314,087 | 913,507 | 260,518 | 107,110 | - | - | **2,819,758** | **2,861,000** | **3,070,069** |
| Board honoraria | - | - | 73,961 | - | - | - | - | **73,961** | **75,000** | **72,779** |
| | **12,302,964** | **3,452,447** | **987,468** | **260,518** | **676,397** | **-** | **4,752,492** | **22,432,286** | **23,398,000** | **21,020,672** |
| **Employee Benefits** | | | | | | | | | | |
| Employee benefits | 3,150,303 | 796,172 | 377,235 | 76,132 | 91,261 | - | 1,125,381 | **5,616,484** | **5,304,500** | **6,038,427** |
| Leave and termination benefits | 208,567 | - | - | - | - | - | - | **208,567** | **227,000** | **158,119** |
| | **3,358,870** | **796,172** | **377,235** | **76,132** | **91,261** | **-** | **1,125,381** | **5,825,051** | **5,531,500** | **6,196,546** |
| **Services Purchased/Contracted** | | | | | | | | | | |
| Advertising/publishing | 16,234 | - | 59,086 | - | - | - | - | **75,320** | **42,000** | **120,688** |
| Communication | 66,738 | - | 24,955 | 5,676 | - | - | - | **97,369** | **61,000** | **103,657** |
| Contracted services | 26,072 | 75,305 | 2,297 | 893,189 | 12,177 | - | 125,473 | **1,134,513** | **597,900** | **1,042,673** |
| Maintenance and repairs | 454 | 635 | - | 842,199 | 18,927 | - | - | **862,215** | **342,500** | **717,773** |
| Other | 82,341 | - | 395,587 | 13,741 | - | - | - | **491,669** | **-** | **111,987** |
| Professional/technical | 33,509 | 44,735 | 340,261 | - | 8,793 | - | - | **427,298** | **1,491,000** | **315,122** |
| Rental/leases | 36,987 | - | 11,991 | - | - | - | - | **48,978** | **15,000** | **43,969** |
| Student transportation | 440,209 | 5,407 | - | - | - | - | 3,724 | **449,340** | **465,000** | **452,260** |
| Travel | 35,332 | - | 6,768 | - | - | - | - | **42,100** | **36,500** | **29,998** |
| Utilities: Electricity | - | - | - | 393,194 | - | - | - | **393,194** | **416,000** | **426,113** |
| Heating | - | - | - | 332,280 | - | - | - | **332,280** | **408,000** | **412,231** |
| Water/sewage | - | - | - | 111,532 | - | - | - | **111,532** | **107,000** | **114,642** |
| | **737,876** | **126,082** | **840,945** | **2,591,811** | **39,897** | **-** | **129,197** | **4,465,808** | **3,981,900** | **3,891,113** |

Continued on next page

## Yellowknife Catholic Schools
**(Yellowknife Public Denominational District Education Authority)**

**Schedule 1 (continued)**
**Operating Fund - Detail of Expenses**

**For the year ended June 30, 2024**

| | School Programs | Inclusive Schooling (Schedule 2) | Board Administration | Operations and Maintenance | Indigenous Languages and Culture (Schedule 3) | Transfer & Others | Jordan's Principle | **Total 2024** | **Budget 2024** | Total 2023 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Materials/Freight** | | | | | | | | | | |
| Materials | $ 885,461 | $ 54,761 | $ 175,977 | $ 10,102 | $ 39,319 | $ - | $ 791,639 | **$ 1,957,259** | **$ 843,000** | $ 1,652,900 |
| Freight | 5,747 | - | - | - | - | - | - | **5,747** | **-** | 4,249 |
| | **891,208** | **54,761** | **175,977** | **10,102** | **39,319** | **-** | **791,639** | **1,963,006** | **843,000** | 1,657,149 |
| Amortization | - | - | - | - | - | 1,751,643 | - | **1,751,643** | **1,666,000** | 1,742,130 |
| Debenture Interest | - | - | - | - | - | 6,888 | - | **6,888** | **4,000** | 9,880 |
| | **-** | **-** | **-** | **-** | **-** | **1,758,531** | **-** | **1,758,531** | **1,670,000** | 1,752,010 |
| | **$ 17,290,918** | **$ 4,429,462** | **$ 2,381,625** | **$ 2,938,563** | **$ 846,874** | **$ 1,758,531** | **$ 6,798,709** | **$ 36,444,682** | **$ 35,424,400** | $ 34,517,490 |

## Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

**Schedule 2**
**Detail of Inclusive Schooling Expenses**

**For the year ended June 30, 2024**

| | Staff Development | General Inclusive Schooling | Assistive Technology | School Board Wellness Mentors | Total |
|---|---|---|---|---|---|
| **Salaries** | | | | | |
| Teachers | $ 37,735 | $ 2,037,849 | $ - | $ - | **$ 2,075,584** |
| Instruction assistants | - | 1,065,809 | - | - | **1,065,809** |
| Non-instructional | - | - | - | 314,087 | **314,087** |
| | **37,735** | **3,103,658** | **-** | **314,087** | **3,455,480** |
| **Employee Benefits** | **-** | **712,696** | **-** | **83,476** | **796,172** |
| **Services Purchased/Contracted** | | | | | |
| Contracted services | - | 75,305 | - | - | **75,305** |
| Maintenance and repairs | - | - | 636 | - | **636** |
| Professional/technical | - | 41,702 | - | - | **41,702** |
| Student transportation | - | 5,407 | - | - | **5,407** |
| | **-** | **122,414** | **636** | **-** | **123,050** |
| **Materials/Freight** | **190** | **18,880** | **35,690** | **-** | **54,760** |
| | **$ 37,925** | **$ 3,957,648** | **$ 36,326** | **$ 397,563** | **$ 4,429,462** |

## Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

**Schedule 3**
**Indigenous Languages and Culture Program Expenses**

**For the year ended June 30, 2024**

| | Student Instruction | Teacher/ Learning Resources | Professional Development | School and Community Programs | Total |
|---|---|---|---|---|---|
| **Salaries** | | | | | |
| Teachers | $ 569,287 | $ - | $ - | $ - | **$ 569,287** |
| Non-instructional | - | 54,946 | - | 52,164 | **107,110** |
| | **569,287** | **54,946** | **-** | **52,164** | **676,397** |
| **Employee Benefits** | **91,261** | **-** | **-** | **-** | **91,261** |
| **Services Purchased/Contracted** | | | | | |
| Contracted services | - | - | - | 12,177 | **12,177** |
| Maintenance and repairs | - | - | - | 18,927 | **18,927** |
| Professional/technical | - | - | 8,793 | - | **8,793** |
| | **-** | **-** | **8,793** | **31,104** | **39,897** |
| **Materials/Freight** | **-** | **-** | **-** | **39,319** | **39,319** |
| | **$ 660,548** | **$ 54,946** | **$ 8,793** | **$ 122,587** | **$ 846,874** |

## Yellowknife Catholic Schools
**(Yellowknife Public Denominational District Education Authority)**

**Schedule 4**
**French Language Programs**

**For the year ended June 30, 2024**

| | Contribution from GNWT | Commitment from YCS | Actual Expenses | (Over) under Expenses |
|---|---|---|---|---|
| **Bilateral Agreement Funding Special Projects** | | | | |
| Teacher Assistants (salary and benefits) | $ 45,500 | $ 30,000 | $ 81,130 | $ (5,630) |
| French Immersion Literacy Coach (salary and benefits) | 106,000 | 65,000 | 157,398 | 13,602 |
| Core French 1-12 (salary and benefits) | 150,000 | 182,000 | 775,250 | (443,250) |
| Resources | 17,000 | 8,000 | 17,000 | 8,000 |
| Cultural Activities | 4,000 | 5,000 | 4,000 | 5,000 |
| Professional Development | 17,000 | 8,000 | 17,000 | 8,000 |
| Immersion and Core French Consultant (salary and benefits) | 60,000 | 87,000 | 163,602 | (16,602) |
| Extension of French Immersion programming | 110,000 | - | 294,457 | (184,457) |
| **Teacher Recruitment and Retention Strategy** | | | | |
| 2023-2024 New to the North Initiative | 11,542 | - | - | 11,542 |
| **Education Retention and Recruitment Stategies** | | | | |
| Increasing Support to Educators | | | | |
| Training and Professional Development | 5,000 | 1,000 | 5,000 | 1,000 |
| Professional Learning fees | 5,000 | - | 5,000 | - |
| Coaching Linguistic Program | | | | |
| Training and Professional Development | 5,000 | - | 4,200 | 800 |
| Substitute Cost | 5,000 | 2,550 | - | 7,550 |
| Database: Creation and Implementation | | | | |
| Professional Fees | 1,500 | 12,500 | - | 14,000 |
| Substitute /Supply Teacher Fees | 3,500 | - | - | 3,500 |
| Job Fairs | | | | |
| Professional Fees | - | 7,200 | 7,200 | - |
| Travel Expenses | 15,000 | - | 15,000 | - |
| Promotional Expenses | 10,000 | 1,000 | 1,588 | 9,412 |
| Registration Costs | 5,000 | - | 609 | 4,391 |
| **Total** | **$ 576,042** | **$ 409,250** | **$ 1,548,434** | **$ (563,142)** |

## Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 5
Student Success Initiative Projects

For the year ended June 30, 2024

| | Student Agency | Student Wellness | Leadership Development | Numeracy | Math Project | Compacting the Curriculum | Total |
|---|---|---|---|---|---|---|---|
| **Revenues** | | | | | | | |
| Government of Northwest Territories - Department of Education, Culture and Employment | $ 1,919 | $ 4,583 | $ 32,998 | $ 24,465 | $ 4,390 | $ 34,645 | $ 103,000 |
| **Expenses** | | | | | | | |
| **Salaries** | 1,794 | 310 | 6,852 | 937 | - | 13,720 | 23,613 |
| **Employee Benefits** | 125 | 29 | - | 56 | - | 1,125 | 1,335 |
| **Services Purchased/Contracted** | | | | | | | |
| Contracted services | - | - | - | - | 2,400 | 22,944 | 25,344 |
| Professional/technical | - | - | 25,893 | - | - | - | 25,893 |
| **Services Purchased/Contracted** | - | - | 25,893 | - | 2,400 | 22,944 | 51,237 |
| **Materials/Freight** | - | 4,244 | 253 | 23,472 | 1,990 | - | 29,959 |
| | 1,919 | 4,583 | 32,998 | 24,465 | 4,390 | 37,789 | 106,144 |
| **Net surplus (deficit)** | $ - | $ - | $ - | $ - | $ - | $ (3,144) | $ (3,144) |
| **Deferred Revenue** | | | | | | | $ - |

## Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

**Schedule 6**
**Jordan's Principle**

**For the year ended June 30, 2024**

| | June 30, 2024 Budget | June 30, 2024 Actual | June 30, 2023 Actual | July 2023 to March 2024 Actual | April 2024 to June 2024 Actual |
|---|---|---|---|---|---|
| **Revenues** | | | | | |
| **Government of Canada** | | | | | |
| First Nation and Inuit Health Branch | $ 4,670,000 | $ 5,960,015 | $ 4,939,177 | $ 4,291,277 | $ 1,668,706 |
| Carry Forward from Previous Year | - | 1,448,259 | 1,857,098 | 1,448,259 | 640,528 |
| **Total Revenues** | **4,670,000** | **7,408,274** | **6,796,275** | **5,739,536** | **2,309,234** |
| **Expenses** | | | | | |
| Administration | 467,000 | 740,824 | 601,000 | 555,618 | 185,206 |
| Personnel | 4,203,000 | 6,007,221 | 4,682,690 | 4,505,424 | 1,501,797 |
| Materials and Supplies | - | 50,664 | 15,150 | 37,998 | 12,666 |
| Contracted Services | - | - | 44,374 | - | - |
| Other | - | - | 4,802 | - | - |
| **Total Expenses** | **4,670,000** | **6,798,709** | **5,348,016** | **5,099,040** | **1,699,669** |
| **Net surplus to carry forward to next year** | **$ -** | **$ 609,565** | **$ 1,448,259** | **$ 640,496** | **$ 609,565** |

## Yellowknife Catholic Schools
**(Yellowknife Public Denominational District Education Authority)**

**Schedule 7**
**Schedule of Utilities Expenses**

| For the year ended June 30, | 2024 | 2023 | 2022 | Total Expense | Average Expense |
|---|---|---|---|---|---|
| Fuel Oil | $ 218,203 | $ 374,424 | $ 362,534 | **$ 955,161** | $ 318,387 |
| Electricity | 393,194 | 426,113 | 431,289 | **1,250,596** | 416,865 |
| Pellets | 114,077 | 37,807 | 33,077 | **184,961** | 61,654 |
| Water | 78,072 | 80,249 | 76,075 | **234,396** | 78,132 |
| Garbage | 33,460 | 34,393 | 33,391 | **101,244** | 33,748 |
| | **$ 837,006** | **$ 952,986** | **$ 936,366** | **$ 2,726,358** | $ 908,786 |

# Yellowknife District No.1 Education Authority

(Yellowknife Education District No. 1)

# Consolidated Financial Statements

**June 30, 2024**

# Yellowknife District No. 1 Education Authority

**(the "Authority")**

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# Yellowknife District No. 1 Education Authority

**(the "Authority")**

**Management Responsibility for Financial Reporting**

**To the Minister of Education, Culture and Employment**
**Government of the Northwest Territories**

The Management Discussion & Analysis, Financial Statements, Schedules and Notes herein submitted are the responsibility of management. They provide full disclosure and accurately reflect the financial and non-financial condition of the authority in all material respects and in accordance with Canadian Public Sector Accounting Standards ("CPSAS") as well as the Financial Administration Manual ("FAM") and the Financial Administration Manual for Education Authorities ("FAMEA") of the Government of the Northwest Territories.

Management hereby asserts that adequate internal controls exist to ensure that transactions are complete, accurate and timely, appropriately authorized and include only valid transactions of the entity; that duties related to processes are appropriately segregated, that assets are safeguarded and that proper records are maintained. Controls further include quality standards regarding the hiring and training of employees, that ensure the adequate maintenance of written policies and procedural manuals and that further provide for appropriate accountability for performance within well-defined areas of responsibility. The operations and administration of Yellowknife District No. 1 Education Authority have been conducted within the statutory powers of the Authority. The operations and administration of the Education Body as well as the supporting internal controls of the entity are regularly monitored to ensure their effectiveness and their continued compliance with all relevant legislation, standards, directives and policies including but not limited to the Education Act, Financial Administration Act, CPSAS FAM, FAMEA, Human Resources Manual, Ministerial Directives and the policies of the Authority's Board. Any non-compliance has been specifically identified and has been previously communicated to the Minister and Deputy Minister.

Management hereby asserts that auditors have been provided with all relevant records and documentation as well as unrestricted access to the same. Management is not aware of any undisclosed irregularities involving management or employees with either current or potential impact on financial results, fraud or suspected fraud, disbursements made for purposes not consistent with an appropriation, irregular commitments including those in the form of guarantees, violations or possible violations of laws or regulations, claims or litigation, known or suspected environmental site contaminations or of any other undisclosed environmental or hazards within its jurisdiction.

The auditors 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. The auditors also consider whether the transactions that have come to their notice in the course of this audit are, in material respects, in accordance with specified legislation and directives from the Department of Education, Culture and Employment of the Government of the Northwest Territories.

Shirley Zouboules
Superintendent of Education / CEO
Yellowknife District No. 1 Education Authority

Lisa Vass
Secretary / Treasurer CFO
Yellowknife District No. 1 Education Authority

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## Independent Auditors' Report

**To the Minister of Education, Culture and Employment**
**Government of the Northwest Territories**

### Report on the Audit of the Consolidated Financial Statements

*Opinion*
We have audited the accompanying consolidated financial statements of the Yellowknife District No. 1 Education Authority (the "Authority"), which comprise of the consolidated statement of financial position as at June 30, 2024, consolidated statements of operations, changes in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Yellowknife District No. 1 Education Authority as at June 30, 2024, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Basis for Opinion*
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Emphasis of Matter - Restated Comparative Information*
We draw attention to Note 38 to the consolidated financial statements, which explains that certain comparative information presented for the year ended June 30, 2023 has been restated. Our opinion is not modified in respect of this matter.

*Other Information*
Management is responsible for the other information. The other information comprises the Management Discussion and Analysis, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Independent Auditors' Report (Continued)**

*Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*
Management is responsible for the preparation and fair presentation of these consolidated 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.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

*Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**Independent Auditors' Report (Continued)**

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Report on Compliance with Specified Authorities*
In conjunction with the audit of the consolidated financial statements, we have audited transactions of the Authority coming to our notice for compliance with specified authorities. The specified authority against which compliance was audited is the Government of the Northwest Territories - Department of Education, Culture and Employment.

In our opinion, the transactions of the Authority that came to our notice during the audit of the consolidated financial statements have complied, in all material respects, with the specified authorities referred to above.

Management is responsible for the Authority's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the entity to comply with the specified authorities.

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the consolidated financial statements are in compliance with the specified authorities referred to above.

Crowe Mackay LLP

**Yellowknife, Northwest Territories**
**September 25, 2024**

**Chartered Professional Accountants**

# Yellowknife District No. 1 Education Authority

**(the "Authority")**

## Consolidated Statement of Financial Position — Statement 1

| As at June 30, | 2024 | 2023 (Restated) |
|---|---|---|
| | $ | $ |
| **FINANCIAL ASSETS** | | |
| Cash (Note 4) | **9,285,377** | 10,223,962 |
| Restricted Cash (Note 6) | **758,832** | 699,164 |
| Portfolio Investments (Note 7) | **5,140,000** | 5,140,000 |
| Accounts Receivable (Note 8) | **2,688,211** | 698,441 |
| Due from Government of Canada (Note 13) | **127,881** | 113,339 |
| | **18,000,301** | 16,874,906 |
| **LIABILITIES** | | |
| Accounts Payable and Accrued Liabilities (Note 10) | **1,463,805** | 747,742 |
| Payroll Liabilities (Note 10) | **5,373,518** | 5,038,812 |
| Vacation Payable (Note 10) | **219,986** | 174,817 |
| Deferred Revenue (Note 11) | **110,366** | 282,154 |
| Contribution Repayable (Note 12) | **2,031,425** | 1,935,076 |
| Post-employment Benefits and Compensated Absences (Note 17) | **1,980,601** | 2,179,989 |
| Environmental Liabilities (Note 34) | **229,481** | 229,481 |
| Asset Retirement Obligations (Note 37) | **706,417** | 725,527 |
| | **12,115,599** | 11,313,598 |
| **NET FINANCIAL ASSETS** | **5,884,702** | 5,561,308 |
| **NON-FINANCIAL ASSETS** | | |
| Tangible Capital Assets (Note 18) | **11,519,580** | 12,400,377 |
| Prepaid Expenses (Note 19) | **23,668** | 3,723 |
| | **11,543,248** | 12,404,100 |
| **ACCUMULATED SURPLUS (Note 35)** | **17,427,950** | 17,965,408 |
| **Represented by:** | | |
| Operating Fund | **4,586,125** | 4,111,234 |
| Investment in Tangible Capital Assets | **10,813,163** | 11,674,852 |
| Decentralized Surplus | **237,557** | 447,833 |
| Capital Fund Reserve | **904,165** | 904,165 |
| LED Reserve | **148,583** | 148,583 |
| School Generated Funds | **738,357** | 678,741 |
| | **17,427,950** | 17,965,408 |

**Contractual Obligations (Note 21), Contingencies (Note 22)**

**Approved on behalf of the board:**

**Trustee** _____ **Trustee** _____

# Yellowknife District No. 1 Education Authority

(the "Authority")

## Consolidated Statement of Operations — Statement 2

| For the year ended June 30, | 2024 Budget | **2024 Actual** | 2023 Actual (Restated) |
|---|---|---|---|
| | $ | **$** | $ |
| **REVENUES** | | | |
| **Government of the Northwest Territories** | | | |
| Regular contributions | 29,708,543 | **30,094,127** | 30,502,105 |
| Other contributions | 873,000 | **1,553,830** | 932,727 |
| French languange revenues | 580,000 | **556,947** | 608,476 |
| **Total ECE (Note 30)** | 31,161,543 | **32,204,904** | 32,043,308 |
| **GNWT other contributions (Note 31)** | - | **198,758** | 162,424 |
| **Government of Canada** | | | |
| Jordan's Principle | 4,843,707 | **6,471,798** | 4,500,892 |
| Menstrual Product Funding | - | **129,187** | 63,128 |
| **Total Government of Canada** | 4,843,707 | **6,600,985** | 4,564,020 |
| **Other education bodies** | 238,500 | **248,885** | 233,340 |
| **Property tax requisitioned** | 6,880,000 | **6,905,998** | 6,801,835 |
| **Education authority generated funds** | | | |
| Portfolio investment income | 400,000 | **850,267** | 677,353 |
| School generated funds - revenues (Note 36) | - | **663,057** | 519,888 |
| Other | 19,562 | **195,820** | 116,126 |
| | 419,562 | **1,709,144** | 1,313,367 |
| **Total revenues** | 43,543,312 | **47,868,674** | 45,118,294 |
| **EXPENSES** | | | |
| School programs | 26,071,275 | **26,686,335** | 25,628,598 |
| Inclusive schooling | 7,192,602 | **7,714,711** | 6,863,392 |
| Operations and maintenance | 3,455,102 | **3,460,734** | 3,889,092 |
| Administration | 1,879,398 | **1,803,805** | 1,929,895 |
| Indigenous language/cultural programs | 1,349,535 | **1,308,208** | 1,321,448 |
| Jordan's Principle | 4,403,370 | **5,883,452** | 4,091,720 |
| Amortization | 1,000,000 | **945,446** | 949,602 |
| School generated funds - expenses (Note 36) | - | **603,441** | 502,818 |
| **Total operating expenses** | 45,351,282 | **48,406,132** | 45,176,565 |
| **Operating deficit before other items** | (1,807,970) | **(537,458)** | (58,271) |

# Yellowknife District No. 1 Education Authority

(the "Authority")

## Consolidated Statement of Operations (Continued) — Statement 2

| For the year ended June 30, | 2024 Budget | **2024 Actual** | 2023 Actual (Restated) |
|---|---|---|---|
| | $ | **$** | $ |
| **OTHER ITEMS** | | | |
| Grant in-kind - GNWT assets provided at no cost (Note 20) | - | **200,074** | 200,074 |
| Rent expense - GNWT assets provided at no cost (Note 20) | - | **(200,074)** | (200,074) |
| **Operating deficit** | (1,807,970) | **(537,458)** | (58,271) |
| **Opening accumulated surplus, as previously stated** | 17,965,408 | **17,756,558** | 18,023,681 |
| **Correction of accounting error (Note 38)** | - | **208,850** | - |
| **Opening accumulated surplus** | 17,965,408 | **17,965,408** | 18,023,679 |
| **Closing accumulated surplus** | 16,157,438 | **17,427,950** | 17,965,408 |

# Yellowknife District No. 1 Education Authority

**(the "Authority")**

## Consolidated Statement of Changes in Net Financial Assets — Statement 3

| For the ended June 30, | 2024 Budget $ | **2024 Actual $** | 2023 (Restated) Actual $ |
|---|---|---|---|
| Operating surplus (deficit) | (1,807,970) | **(537,458)** | (58,271) |
| Acquisition of tangible capital assets | - | **(112,273)** | - |
| Amortization of tangible capital assets | 1,000,000 | **945,446** | 949,602 |
| Adjustment to asset retirement obligations | - | **47,624** | 129,783 |
| | (807,970) | **343,339** | 1,021,114 |
| Purchase of prepaid expenses | - | **(23,668)** | (3,723) |
| Use of prepaid expenses | - | **3,723** | 6,006 |
| | - | **(19,945)** | 2,283 |
| **Increase (decrease) in net financial assets** | (807,970) | **323,394** | 1,023,397 |
| **Net financial assets at beginning of year** | 5,561,308 | **5,561,308** | 4,537,911 |
| **Net financial assets at end of year** | 4,753,338 | **5,884,702** | 5,561,308 |

# Yellowknife District No. 1 Education Authority

(the "Authority")

## Consolidated Statement of Cash Flows — Statement 4

| For the year ended June 30, | 2024 $ | 2023 (restated) $ |
|---|---|---|
| **OPERATING TRANSACTIONS** | | |
| Operating deficit | **(537,458)** | (58,271) |
| **Items not affecting cash:** | | |
| Amortization | **945,446** | 949,602 |
| Increase in school generated activities | **(59,667)** | (45,457) |
| Adjustments in asset retirement obligation | **47,624** | 129,783 |
| **Changes in non-cash assets and liabilities** | | |
| Decrease (increase) in due from Government of Canada | **(14,543)** | 13,092 |
| Decrease (increase) in accounts receivable | **(1,989,774)** | 104,575 |
| Increase in accounts payable | **716,066** | 10,313 |
| Increase in payroll liabilities | **334,706** | 623,471 |
| Increase in environmental liabilities | **-** | 49,830 |
| Decrease in asset retirement obligations | **(19,110)** | (102,623) |
| Decrease in leave and termination benefits | **(199,388)** | (337,391) |
| Increase (decrease) in vacation payable | **45,169** | (83,389) |
| Decrease in deferred revenue | **(171,787)** | (744,683) |
| Increase in contribution payable | **96,349** | 665,937 |
| Increase (decrease) in prepaid expenses | **(19,945)** | 2,283 |
| **CASH PROVIDED BY OPERATING TRANSACTIONS** | **(826,312)** | 1,177,072 |
| **INVESTING TRANSACTION** | | |
| Acquisition of portfolio investments | **-** | (1,000,000) |
| **CASH USED BY INVESTING TRANSACTION** | **-** | (1,000,000) |
| **CAPITAL TRANSACTIONS** | | |
| Acquisition of tangible capital assets | **(112,273)** | - |
| Receipt of deposit in trust for pellet boilers | **-** | 39,856 |
| **CASH PROVIDED FOR CAPITAL TRANSACTIONS** | **(112,273)** | 39,856 |
| **INCREASE (DECREASE) IN CASH** | **(938,585)** | 216,928 |
| **CASH AT BEGINNING OF YEAR** | **10,223,962** | 10,007,034 |
| **CASH AT END OF YEAR** | **9,285,377** | 10,223,962 |

# Yellowknife District No. 1 Education Authority

**(the "Authority")**

**Details of Expenses** **Statement 5**

| For the year ended June 30, | School Programs $ | Inclusive Schooling $ | Operations and Maintenance $ | Administration $ | Indigenous Languages $ | Jordan's Principle $ | Transfer and Other $ | **Total 2024 $** | Budget 2024 $ | Total 2023 $ |
|---|---|---|---|---|---|---|---|---|---|---|
| **SALARIES** | | | | | | | | | | |
| Honoraria | - | - | - | 84,133 | 74,766 | - | - | **158,899** | 168,850 | 179,423 |
| Instructional assistants | 1,147,968 | 2,822,229 | - | - | 200,330 | 3,670,515 | - | **7,841,042** | 7,231,564 | 6,575,160 |
| Non-instructional staff | 2,665,584 | 146,315 | 596,759 | 1,195,377 | - | - | - | **4,604,035** | 4,316,943 | 4,457,366 |
| Teachers | 16,069,363 | 3,044,893 | - | - | 655,042 | 1,080,044 | - | **20,849,342** | 19,316,695 | 19,143,798 |
| | 19,882,915 | 6,013,437 | 596,759 | 1,279,510 | 930,138 | 4,750,559 | - | **33,453,318** | **31,034,052** | 30,355,747 |
| **EMPLOYEE BENEFITS** | | | | | | | | | | |
| Employee benefits/allowances | 3,967,857 | 1,303,249 | 113,323 | 226,751 | 155,829 | 1,042,027 | - | **6,809,036** | 6,753,892 | 5,908,680 |
| Leave and termination benefits | (138,542) | 13,050 | (715) | (3,612) | (1,701) | - | - | **(131,520)** | - | (165,089) |
| | 3,829,315 | 1,316,299 | 112,608 | 223,139 | 154,128 | 1,042,027 | - | **6,677,516** | **6,753,892** | 5,743,591 |
| **SERVICES PURCHASED** | | | | | | | | | | |
| Advertising and printing | - | - | - | 8,893 | - | - | - | **8,893** | 36,480 | 122,476 |
| Communication | 119,866 | 1,494 | 7,785 | 53,092 | - | - | - | **182,237** | 117,100 | 174,539 |
| Contracted services | 373,394 | 110,860 | 164,399 | - | - | 13,869 | - | **662,522** | 468,761 | 547,296 |
| Maintenance and repairs | 24,573 | - | 443,304 | 6,686 | - | - | - | **474,563** | 835,470 | 1,119,964 |
| Other | 124,740 | - | - | 127,453 | - | - | - | **252,193** | 304,506 | 317,203 |
| Professional and technical | 412,101 | 78,133 | - | 59,014 | 310 | 37,677 | - | **587,235** | 553,006 | 703,575 |
| Rentals and leases | 82,358 | - | - | 2,664 | - | - | - | **85,022** | 167,700 | 136,097 |
| Student transportation | 303,484 | 21,807 | - | - | - | 667 | - | **325,958** | 587,000 | 558,260 |
| Travel | 194,921 | 7,950 | - | - | 13,984 | - | - | **216,855** | 150,000 | 213,194 |
| Utilities | | | | | | | | | | |
| Heating | - | - | 935,070 | - | - | - | - | **935,070** | 737,737 | 834,044 |
| Electricity | - | - | 1,023,771 | - | - | - | - | **1,023,771** | 886,820 | 1,019,591 |
| Water/Sewage | - | - | 175,338 | - | - | - | - | **175,338** | 213,015 | 193,969 |
| | 1,635,437 | 220,244 | 2,749,667 | 257,802 | 14,294 | 52,213 | - | **4,929,657** | **5,057,595** | 5,940,208 |
| **MATERIALS** | | | | | | | | | | |
| Awards and student events | 7,606 | - | - | 9,300 | - | - | - | **16,906** | - | 17,682 |
| Freight | 3,322 | - | 1,700 | 351 | - | - | - | **5,373** | 21,450 | 5,427 |
| Materials and supplies | 1,327,740 | 164,731 | - | 33,703 | 209,648 | 38,653 | 603,441 | **2,377,916** | 1,484,293 | 2,164,308 |
| | 1,338,668 | 164,731 | 1,700 | 43,354 | 209,648 | 38,653 | 603,441 | **2,400,195** | **1,505,743** | 2,187,417 |
| **AMORTIZATION** | - | - | - | - | - | - | 945,446 | **945,446** | **1,000,000** | 949,602 |
| **Total operating expenses** | 26,686,335 | 7,714,711 | 3,460,734 | 1,803,805 | 1,308,208 | 5,883,452 | 1,548,887 | **48,406,132** | **45,351,282** | 45,176,565 |

# Yellowknife District No. 1 Education Authority

**(the "Authority")**

**Details of Inclusive Schooling Expenses** **Statement 6**

| For the year ended June 30, | General Inclusive Schooling $ | Staff Development (SSI) $ | Assistive Technology $ | Magnet Facilities $ | School Based Mental Health and Wellness $ | Total 2024 $ |
|---|---|---|---|---|---|---|
| **SALARIES** | | | | | | |
| Program support teachers/counsellors | 2,406,570 | 45,813 | - | 571,010 | 167,815 | **3,191,208** |
| Support assistants | 2,822,229 | - | - | - | - | **2,822,229** |
| | 5,228,799 | 45,813 | - | 571,010 | 167,815 | **6,013,437** |
| **EMPLOYEE BENEFITS** | 1,175,274 | - | - | 103,229 | 37,796 | **1,316,299** |
| **SERVICES PURCHASED** | | | | | | |
| Professional and technical | 30,653 | - | - | - | 47,480 | **78,133** |
| Communication | 1,494 | - | - | - | - | **1,494** |
| Travel | | 7,950 | - | - | - | **7,950** |
| Student transportation | 21,807 | - | - | - | - | **21,807** |
| Other contracted services | 58,962 | 51,898 | - | - | - | **110,860** |
| | 112,916 | 59,848 | - | - | 47,480 | **220,244** |
| **MATERIALS** | | | | | | |
| Materials and supplies | 6,934 | 17,340 | 25,913 | 28,021 | 86,523 | **164,731** |
| **Total operating expenses** | 6,523,923 | 123,001 | 25,913 | 702,260 | 339,614 | **7,714,711** |

# Yellowknife District No. 1 Education Authority

**(the "Authority")**

**Details of Indigenous Language and Culture-Based Education Expenses** **Statement 7**

| For the year ended June 30, | Indigenous Education $ | Our Languages Curriculum Resource Development $ | Community Support $ | **Total 2024 $** |
|---|---|---|---|---|
| **SALARIES** | | | | |
| Indigenous language instruction | 321,356 | 333,686 | - | **655,042** |
| Cultural resource staff | 135,487 | - | 64,843 | **200,330** |
| Elders in schools | - | 5,998 | 68,768 | **74,766** |
| | 456,843 | 339,684 | 133,611 | **930,138** |
| **EMPLOYEE BENEFITS** | 75,439 | 58,960 | 19,729 | **154,128** |
| **SERVICES PURCHASED** | | | | |
| Professional/technical services | 310 | - | - | **310** |
| Travel | 13,984 | - | - | **13,984** |
| | 14,294 | | | **14,294** |
| **MATERIALS** | | | | |
| Materials | 173,396 | 38,379 | (2,127) | **209,648** |
| **TOTAL** | 719,972 | 437,023 | 151,213 | **1,308,208** |

## French Language Program

### BILATERAL AGREEMENT FUNDING
**For the year ended June 30, 2024**

| | Contribution from the Department $ | Commitment from the Authority $ | Expenses $ | Over (under) funding $ |
|---|---|---|---|---|
| Teacher assistants (Staff) | 35,000 | 35,000 | 91,865 | (21,865) |
| French immersion pedagogy specialist | 70,000 | 55,000 | 116,296 | 8,704 |
| Intensive & PIF French coach (staff) | 35,000 | 12,000 | 41,444 | 5,556 |
| Intensive & PIF French (staff) | 70,000 | 430,000 | 434,625 | 65,375 |
| Intensive PIF (elective courses) | 3,000 | 1,000 | 2,403 | 1,597 |
| Special Projects | | | | |
| French camps | 27,000 | 3,000 | 28,834 | 1,166 |
| Assessment, intensive & PIF | 30,000 | 5,000 | 32,196 | 2,804 |
| French resources | 41,000 | 5,000 | 49,637 | (3,637) |
| Cultural activities | 7,000 | 2,000 | 5,785 | 3,215 |
| Professional development | 43,000 | 6,000 | 38,032 | 10,968 |
| Consultant | 80,000 | 140,000 | 160,228 | 59,772 |
| Language coach (salary) reading & early literacy | 50,000 | - | 67,151 | (17,151) |
| Teacher retention & recruitment - New to the North Initiative | 4,614 | - | 4,486 | 128 |
| French language communication & services | 23,000 | - | 518 | 22,482 |
| YK1-SSDEC Partnership 2022-2023 (received in March 2024) | 35,000 | - | 45,917 | (10,917) |
| **Total** | **553,614** | **694,000** | **1,119,417** | **128,197** |

# Yellowknife District No. 1 Education Authority

**(the "Authority")**

**Report on Activities of Specific Programs** **Statement 9**

**Student Success Initiative Projects**

| **For the year ended June 30,** | **2024** Budget $ | **2024** **Actual** $ |
|---|---|---|
| **Revenues** | | |
| Government of the Northwest Territories | 123,000 | **123,000** |
| Carry Forward from 2022-2023 | 51,240 | **51,240** |
| **Total revenues** | 174,240 | **174,240** |
| **Expenses** | | |
| **Salaries/Wages** | | |
| Facilitator fees (including per diems) | 86,200 | **59,848** |
| Substitute teacher wages | 33,000 | **45,813** |
| **Other Expenses** | | |
| Materials and supplies | 55,040 | **12,821** |
| **Total operating expenses** | 174,240 | **118,482** |
| **Surplus** | - | **55,758** |

# Yellowknife District No. 1 Education Authority

## (the "Authority")

### Report on Activities of Specific Programs — Statement 10

**Jordan's Principle**

| | June 30, 2024 Approved Contributions $ | June 30, 2024 Actual $ | June 30, 2023 Actual $ | July 1, 2023 - March 31, 2024 Actual $ | April 1, 2024 - June 30, 2024 Actual $ |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| Government of Canada | | | | | |
| - First Nations and Inuit Health Branch | 6,780,994 | 6,780,994 | 5,859,573 | 4,106,007 | 2,674,987 |
| Administration fee | 678,099 | 678,099 | 409,173 | 410,601 | 267,499 |
| Total - Government of Canada | 7,459,093 | 7,459,093 | 6,268,746 | 4,516,608 | 2,942,486 |
| Carry Forward from Previous Year | | | | | |
| Carry Forward from Previous Year - Returned | | - | - | - | |
| Contributions not received | | | (80,375) | | |
| **Total Revenue** | 7,459,093 | 7,459,093 | 6,188,371 | 4,516,608 | 2,942,486 |
| **Expenses** | | | | | |
| Personnel | 6,664,724 | 5,830,263 | 3,952,275 | 3,398,839 | 2,431,424 |
| Transportation | 3,000 | 667 | - | | 667 |
| Materials and Supplies | 96,170 | 40,272 | 122,645 | 32,833 | 7,440 |
| Rent and Utilities | | - | - | | |
| Evaluation | 17,100 | 12,250 | 16,800 | 2,400 | 9,850 |
| Other | | - | - | | |
| **Total operating expenses (Schedule 2)** | 6,780,994 | 5,883,452 | 4,091,720 | 3,434,072 | 2,449,381 |
| Administration Fee 10% of Expenses | 678,099 | 588,345 | 409,172 | 343,407 | 244,938 |
| **Total Expenses** | 7,459,093 | 6,471,798 | 4,500,892 | 3,777,479 | 2,694,319 |
| **Net Surplus/(Deficit)** | - | 987,296 | 1,687,479 | 739,129 | 248,167 |
| **Contribution Repayable (Receivable) for July 1, 2023-June 30, 2024** | - | 987,296 | 1,687,479 | 739,129 | 248,167 |
| **Balance Repayable from April-June 30, 2023 and 2022** | | 686,520 | 247,597 | | |
| **Total Contribution Repayable as of June 30, 2024 and 2023** | | 1,673,816 | 1,935,076 | | |

# Yellowknife District No. 1 Education Authority

(the "Authority")

## Statement of Utilities Expenses

**Statement 11**

| School Year | 2023-2024 Expense | 2022-2023 Expense | 2021-2022 Expense | 2020-2021 Expense | 2019-2020 Expense | 2018-2019 Expense | Total Expense | Avg Expense |
|---|---|---|---|---|---|---|---|---|
| Fuel Oil | $ 606,624 | $ 609,504 | $ 514,203 | $ 388,209 | $ 579,220 | $ 635,999 | $ 3,333,758 | $ 555,626.41 |
| Electricity | $ 1,023,771 | $ 1,019,591 | $ 920,698 | $ 893,595 | $ 956,408 | $ 1,019,158 | $ 5,833,221 | $ 972,203.45 |
| Pellets | $ 328,446 | $ 224,539 | $ 286,349 | $ 178,727 | $ 163,310 | $ 192,471 | $ 1,373,842 | $ 228,973.68 |
| Water | $ 127,916 | $ 131,157 | $ 152,712 | $ 161,059 | $ 165,838 | $ 160,656 | $ 899,337 | $ 149,889.57 |
| Garbage | $ 47,422 | $ 62,812 | $ 52,683 | $ 45,163 | $ 54,542 | $ 47,606 | $ 310,227 | $ 51,704.54 |
| **Total Expense** | **$ 2,134,179** | **$ 2,047,604** | **$ 1,926,644** | **$ 1,666,752** | **$ 1,919,318** | **$ 2,055,889** | **$ 11,750,386** | **$ 1,958,398** |

## 1. Nature of the Organization

The Yellowknife District No. 1 Education Authority (the "Authority"), was established by the *Education Act* of the Government of the Northwest Territories ("GNWT"). Its purpose is to administer and maintain the standards of education programs defined under the *Education Act* in the City of Yellowknife.

The Authority is an independent legal and accounting entity with an elected Board of Trustees as stipulated in Section 82 of the *Education Act.* The Board of Trustees ("the Board") has decision making authority, the power to delegate authority, the ability to significantly influence operations and the sole accountability for all fiscal matters.

Section 81 of the *Education Act* outlines the powers of a Board of Education which for the Authority includes all aspects of operation and management relating to Public Education within the boundaries of the City of Yellowknife. The Board is the lowest (and sole) level of government exercising oversight responsibility. The financial statements of the Authority are not included in the financial statements of the City of Yellowknife as the Authority trustees are a separate governing body that is not under the control of the City of Yellowknife. The City of Yellowknife, however, does collect and remit property taxes requisitioned by the Authority.

## 2. Significant Accounting Policies

### a) Basis of Accounting

The financial statements of the Authority have been prepared in accordance with Canadian Public Sector Accounting Standards ("PSAS") as recommended by the Public Sector Accounting Board ("PSAB").

The financial statements have, in management's opinion, been properly prepared with reasonable limits of materiality. The basis of accounting refers to the timing of when revenue and expense items are recognized in the accounts and reported in the financial statements. The accrual basis of accounting is utilized for all funds. Under the basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recorded when they are incurred.

## 2. Significant Accounting Policies (Continued)

### b) Reporting Entity

These consolidated financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity. The reporting entity is comprised of all organizations accountable for the administration of their financial affairs and resources to the Authority and which are controlled by the Authority.

School generated funds, which include the assets, liabilities, revenues, and expenses of various schools and which are controlled by the Authority are reflected in the consolidated financial statements.

Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.

### c) Cash and Cash Equivalents

Cash and cash equivalents are comprised of bank account balances, net of outstanding cheques.

## 2. Significant Accounting Policies (Continued)

### d) Financial Instruments

Financial assets originated or acquired or financial liabilities issued or assumed in an arms'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 attributable 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.

Financial assets measured at amortized cost include cash, restricted cash, portfolio investments, accounts receivable, and due from Government of Canada.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, payroll liabilities, vacation payable, contribution repayable, and environmental liabilities.

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 operations. Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal, to a maximum of the related accumulated impairment charges recorded in respect of the particular asset is recognized in operations.

### e) Non-financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the operating surplus (deficit), provides the change in net financial assets for the year.

## 2. Significant Accounting Policies (Continued)

### f) Tangible Capital Assets

Tangible capital assets with a cost lower than a threshold value of $50,000 will be expensed in the year of acquisition or amortized at a rate of 100%. Assets with an acquisition value more than $50,000 are capitalized and amortized using the straight-line method.

| Asset Category | Amortization Period: |
|---|---|
| Land and improvements | Indefinite |
| School and Other Buildings | 40 years |
| Equipment and furnishings | 4 - 10 years |

All capital facilities planning and construction undertaken by the Authority, excluding the Administration Building, are funded by the Government of the Northwest Territories and subject to their capital planning and approval process. Capital contributions received but not spent at year end, are recorded as deferred revenue.

The GNWT may contribute some tangible capital assets to the Authority. The contributed tangible capital assets are recorded at fair value at the date of contribution in the Consolidated Statement of Financial Position, with a corresponding amount as a contribution revenue in the Consolidated Statement of Operations.

The GNWT retains ownership of some tangible capital assets used by the Authority. These assets are used by the Authority and held on behalf of, or in trust for, the GNWT are not recognized by the Authority in the Consolidated Statement of Financial Position.

The Consolidated Statement of Operations reflects the amount that would otherwise be considered amortization expense for the fiscal year as rent expense with an offsetting corresponding amount as a grant in-kind revenue for the assets provided at no cost.

## 2. Significant Accounting Policies (Continued)

### g) Revenue Recognition

**Government Transfers:**

Revenues 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, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the Consolidated Statement of Operations as the stipulation liabilities are settled.

Operating transfers are recognized as revenue in the period in which the events giving rise to the transaction occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

Capital transfers or transfers of tangible capital assets are initially recognized as deferred revenue and subsequently recognized as revenue when the related tangible capital asset are recognized as acquired or built.

**GNWT - Regular Contributions:**

The regular contributions from the Government of the Northwest Territories ("GNWT") are determined by a funding formula, based on student enrolment and price and volume fluctuation, and is received in monthly installments. The Authority retains surpluses and is responsible for deficits. Any funding requests, over and above those levels provided by the formula, must be first approved by the Government of the Northwest Territories.

## 2. Significant Accounting Policies (Continued)

### Local Tax Revenue:

The *Education Act of the Northwest Territories*, by virtue of Section 136(2), empowers a Board of Education to determine the amount, after taking into consideration territorial grants and other revenues, that is to be requisitioned from the municipality within the territory under the jurisdiction of the Board. The City of Yellowknife is advised subsequent to the adoption of the budget of the amount of the requisition of the Authority and is responsible for the collection of taxes.

### Other Contributions:

The Authority follows the deferral method of accounting for contributions from funding arrangements. Unrestricted contributions are recognized as revenues when they are received or receivable, if the amount can be reasonably estimated and its collection is reasonably assured. Restricted contributions are deferred and recognized as revenues in the year in which the related expenses are incurred.

Other revenues are recorded as the service is provided and receipt is reasonably assured.

### Deferred Revenue:

Deferred revenue consists of funds received in advance of providing the services or acquiring the goods. These amounts are taken into revenues when the eligible expenses are incurred.

### Investment Income:

Investment income is recognized when received or receivable, if the amount can be reasonably estimated.

## 2. Significant Accounting Policies (Continued)

### School Generated Funds

School generated funds are generated at the school level from fundraising, which may include the proceeds of fundraising, contributions or fees paid to a specific planned benefit. These revenues are recorded when received.

### h) Budget Data

The *Education Act* of the Northwest Territories requires that Boards of Education prepare an annual budget, as outlined in Section 128 and 129.

The final priorities and funding allocations are determined by the Board of Trustees at a special meeting called for the purposes of reviewing budget proposals, recommending changes, additions or deletions and adopting the proposed budget.

The budget is legally adopted by a motion of the Board which also establishes a tax levy to support the approved budget in accordance with Section 135(3) of the *Education Act.*

Board approved budgets are submitted to the Minister of Education, Culture and Employment for final approval as directed by Sections 117(2)k, l and m of the *Education Act.*

This annual budget includes estimates of revenues and expenses for the Operating Fund surplus (deficit) along with estimates of source and application for the Investment in Tangible Capital Assets fund. Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Board.

The budget may be amended within a given fiscal year in accordance with Board policy, regulations and approved budget procedures. The budget data presented in the financial statements reflects the original Ministerial approved budget for the school year. Schools carry forward surplus or deficit amounts from their school budgets.

## 2. Significant Accounting Policies (Continued)

### i) Measurement Uncertainty

The preparation of these consolidated financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the amounts of revenues and expenses during the period. Actual results could differ from these estimates.

### j) Inventories Including Materials and Supplies

Supplies inventory held for consumption or use are recorded at the lower of historical cost and replacement cost.

### k) Payroll Liabilities

Payroll costs for teachers are accrued for July and August.

### l) Post-employment Benefits, Compensated Absences and Termination Benefits

Under the terms and conditions of employment, education board employees may earn non-pension benefits for resignation, retirement and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment. Eligibility is based on a variety of factors including place of hire, date employment commenced, and reason for termination. Benefit entitlements are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render service. Termination benefits are also recorded when employees are identified for lay-off. Compensated absences include, sick, special, parental and maternity leave. Accumulating non-vesting sick and special leave are recognized in the period the employee provides service, whereas parental and maternity leave are event driven and are recognized when the leave commences. An actuarial valuation of the cost of these benefits (except maternal and parental leave) has been prepared using data provided by management and assumptions based on management's best estimates.

### m) Expenses

Expenses are recorded on an accrual basis. The cost of all goods consumed and services received during the year is expensed. Transfers include grants and contributions and are recorded as expenses when the transfer is authorized and eligibility criteria have been met by the recipient.

## 2. Significant Accounting Policies (Continued)

### n) Foreign Currency Translation

Foreign currency transactions are to be translated in Canadian dollars. Revenues and expenses denominated in a foreign currency are reported at a rate in the date of the transaction. Monetary items that have yet to be settled at the exchange rate are translated at the exchange rate in effect on the date of the consolidated financial statements. Exchange gain or loss resulting from foreign exchange rate would be accounted for in the consolidated financial statements.

### o) Fund Accounting

The Authority uses fund accounting to separate transactions between its Operating Fund surplus, Investment in Tangible Capital Assets, Decentralized Surplus, Capital Fund Reserve, the LED Reserve, the Pellet Boiler Reserve, and School Generated Funds.

### Operating Fund Surplus

The Operating fund surplus is the general operating fund of the Authority in which all transactions concerned with current operations are recorded. Substantially all territorial, local (primarily property tax), and other operating revenue is accounted for in the Operating fund surplus. In accordance with accounting principles that are considered appropriate for organizations of this type, tangible capital assets acquired and debenture debt repayment that are financed with operating funds are treated as expenses in the Operating fund surplus and then transferred to the Investment in tangible capital asset fund. The Operating fund also accounts for expenses and contributions to or from other funds (transfers) which provide for day-to-day operations. In summary, the Operating fund surplus is used to account for all financial activities except those accounted for in the Investment in tangible capital assets fund and decentralized surplus.

### Investment in Tangible Capital Assets

Investment in tangible capital assets is used to account for financial transactions related to the acquisition of tangible capital assets.

Properties are carried at cost at the date of acquisition and amortization is recorded in the accounts. The cost of additions and repayment of debentures or other long-term debt is charged to Investment in tangible capital assets. This results in a corresponding increase in the equity in tangible capital assets.

## 2. Significant Accounting Policies (Continued)

### Capital Fund Reserve

The Capital Fund Reserve is funding set aside by the Authority for any repairs or maintenance to the Authority's tangible capital assets.

### LED Reserve

The LED Lights Reserve represents the unspent portion of the ECE's utility funding since the 2014/2015 school year as a result of lower fuel costs. The reserve funds will be used for the Authority to convert current lights to LED lights which are expected to result in a decrease of at least 30% in electricity costs.

### Decentralized Surplus

The decentralized accumulated surplus represents specific amounts eligible for carry-over to subsequent years for each school.

### School Generated Funds

School generated funds are generated at the school level from fundraising, and used in a number of different ways to enhance the development of educational activities and to support school initiatives. The school generated funds are internally restricted as to purpose. Examples include student trips or funds specifically designated for the purchase of equipment or materials required to support an activity.

A summary of school generated funds administered by the Authority is disclosed in Note 36.

### p) Inter-entity transactions

Inter-entity transactions are transactions between commonly controlled entities and GNWT departments.

Inter-entity transactions are recorded at the exchange amount when they are undertaken on similar terms and conditions to those adopted if the entities were dealing at arm's length.

## 2. Significant Accounting Policies (Continued)

### q) Related parties

The Authority initially measures related party balances in accordance with the substance of the transactions that gave rise to them. The Authority subsequently measures related party balances in accordance with the Authority's policies for financial instruments, as set out in note (d). The Authority is related in terms of common control to all Government of the Northwest Territories departments, board and agencies.

The Authority enters into transactions with these entities in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

### r) Asset retirement obligations

Asset retirement obligations are recognized for Authority's schools (Mildred Hall School, NJ MacPherson School, Range Lake North School, William McDonald School) and buildings (the Administration building, maintenance shop, and portable classrooms), some of which contain asbestos, mercury and lead-based paint. Management's best estimate of the future expenditures required to settle the legal obligations are recognized to the extent that they can be reasonably estimated and are calculated based on the estimated future cash flows necessary to discharge the legal obligations, discounted using the Authority's cost of borrowing for maturity dates that coincide with the expected cash flows.

The estimated asset retirement obligation ("ARO") is recorded as a liability with a corresponding increase to tangible capital assets. The liability for AROs is increased annually for the passage of time by calculating accretion on the liability based on the discount rates implicit in the initial measurement. Changes in the obligation resulting from revisions to the timing or amount of the estimated undiscounted cash flows or revisions to the discount rate are recognized as an increase or decrease in the related carrying amount of the related tangible capital asset.

## 3. Future Accounting Changes and Adoption of New Accounting Standards

(a) Adoption of New Accounting Standards

Revenue, *Section PS 3400*

Section PS 3400, Revenues, was issued by the Public Sector Accounting Standards Board ("PSAB", or the "Board") November 15, 2018. It is effective for fiscal years beginning on or after July 1, 2023. The standard establishes how to account for and report on revenues. Specifically, it differentiates between revenues arising transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions".

The adoption of this standard has had no significant impact to the consolidated financial statements.

Public Private Partnerships, *Section PS 3160*

Effective July 1, 2023, the Authority adopted PS 3160 Public Private Partnerships. This standard provides guidance on how to account for and disclose public private partnerships. The adoption of this standard did not result in any significant impacts to the consolidated financial statements as a result of its application.

(b) Future Accounting Changes

*The Conceptual Framework for Financial Reporting in the Public Sector*

Effective July 1, 2026, the Authority will be required to adopt the new Conceptual Framework for Financial Reporting in the Public Sector. Earlier adoption of the new framework is allowed. The Authority is currently assessing the impact of this standard on the consolidated financial statements.

Financial Statement Presentation, *Section PS 1202*

Effective July 1, 2026, the Authority will be required to adopt PS 1202 Financial Statement Presentation. The standard sets out general and specific requirements for the presentation of information in financial statements. The financial statement presentation principles are based on the concepts in the Conceptual Framework. Earlier adoption is permitted if the Conceptual Framework for Financial Reporting in the Public Sector is early adopted. The Authority is currently assessing the impact of this standard on the financial statements.

## 4. Cash

| | 2024<br>$ | 2023<br>$ |
|---|---|---|
| Cash | **9,285,377** | 10,223,962 |

The cash is held in a bank account with RBC and is invested with the GNWT's investment pool.

## 5. Special Purpose Funds

The Authority does not have special purpose funds.

## 6. Restricted Cash

The Authority has restricted cash generated by schools in the amount of $758,832 (2023 - $699,164).

## 7. Portfolio Investments

| RBC Dominion Securities Investment 1 | **2024** **$** | 2023 **$** |
|---|---|---|
| Dollar value of interest accrued | - | 2,074 |
| Cost of investment | - | 1,140,000 |
| Market value at June 30 | - | 1,142,074 |
| Balance at March 31 | - | - |

Date purchased: 14 June 2022
Term of investment: 2 year
Maturity date: 14 June 2024
Annual interest rate: 4.150%

| RBC Dominion Securities Investment 2 | **2024** **$** | 2023 **$** |
|---|---|---|
| Dollar value of interest accrued | **1,630** | 1,863 |
| Cost of investment | **1,000,000** | 1,000,000 |
| Market value at June 30 | **1,001,630** | 1,001,863 |

Date purchased: 14 June 2022
Term of investment: 2 years
Maturity date: 14 June 2025
Annual interest rate: 4.250%

| RBC Dominion Securities Investment 3 | **2024** **$** | 2023 **$** |
|---|---|---|
| Dollar value of interest accrued | **1,668** | 1,907 |
| Cost of investment | **1,000,000** | 1,000,000 |
| Market value at June 30 | **1,001,668** | 1,001,907 |

Date purchased: 14 June 2022
Term of investment: 3 years
Maturity date: 16 June 2026
Annual interest rate: 4.350%

## 7. Portfolio Investments (Continued)

| RBC Dominion Securities Investment 4 | 2024 $ | 2023 $ |
|---|---|---|
| Dollar value of interest accrued | **1,374** | - |
| Cost of investment | **1,140,000** | - |
| Market value at June 30 | **1,141,374** | - |

Date purchased: 18 June 2024
Term of investment: 3 years
Maturity date: 18 June 2027
Annual interest rate: 4.400%

| RBC Dominion Securities Investment 5 | 2024 $ | 2023 $ |
|---|---|---|
| Dollar value of interest accrued | **3,490** | 4,027 |
| Cost of investment | **2,000,000** | 2,000,000 |
| Market value at June 30 | **2,003,490** | 2,004,027 |

Date purchased: 14 June 2023
Term of investment: 5 years
Maturity date: 15 June 2028
Annual interest rate: 4.900%

## 7. Portfolio Investments (Continued)

These are guaranteed investment certificates ("GIC") with RBC Investment Securities with fixed income interest rates and fixed term dates. The investments are low risk to the Authority. The total investments with prior year comparative figures are presented below:

| | **2024 Cost $** | **2024 Accrued interest $** | **2024 Market value $** | 2023 Market value $ |
|---|---|---|---|---|
| RBC Dominion Securities Investment 1 | **-** | **-** | **-** | 1,142,074 |
| RBC Dominion Securities Investment 2 | **1,000,000** | **1,630** | **1,001,630** | 1,001,863 |
| RBC Dominion Securities Investment 3 | **1,000,000** | **1,668** | **1,001,668** | 1,001,907 |
| RBC Dominion Securities Investment 4 | **1,140,000** | **1,374** | **1,141,374** | - |
| RBC Dominion Securities Investment 5 | **2,000,000** | **3,490** | **2,003,490** | 2,004,027 |
| Total portfolio investments | **5,140,000** | **8,162** | **5,148,162** | 5,149,871 |

## 8. Accounts Receivable

| | 2024 | 2023 |
|---|---|---|
| | $ | $ |
| Accrued interest receivable | **67,145** | 67,608 |
| Due from other related parties (Note 23) | **1,509,132** | 624,669 |
| Due from Government of the Northwest Territories (Note 23) | **1,099,955** | 5,998 |
| Other | **11,979** | 166 |
| **Total** | **2,688,211** | 698,441 |

Allowance for doubtful accounts at June 30, 2024 is $60,515 (2023 - $64,715).

## 9. Inventories

There is no inventory recorded as at June 30, 2024.

## 10. Accounts Payable and Accrued Liabilities

| | 2024 | 2023 (Restated) |
|---|---|---|
| | $ | $ |
| School Generated Trust Accounts - liabilities | **20,469** | 20,417 |
| Trade payables | **375,065** | 676,086 |
| SSI Accrual | **55,759** | 51,239 |
| Source deductions payable | **1,012,512** | - |
| | **1,463,805** | 747,742 |

| **Payroll Liabilities** | 2024 $ | 2023 $ |
|---|---|---|
| To teachers (July, August wages and deferred NEBS pension) | **5,245,094** | 5,038,812 |
| Vacation payable (annual leave) | **219,986** | 174,817 |
| Retroactive pay to United Steelworkers employees | **128,424** | - |
| | **5,593,504** | 5,213,629 |

## 11. Deferred Revenue

Deferred revenue consists of contributions or revenues received from contributors for expenses not yet incurred.

| | **2024** | 2023 |
|---|---|---|
| | **$** | $ |
| Menstrual Product Federal Funding | **110,366** | 239,554 |
| GNWT ECE - Active After School | **-** | 42,600 |
| | **110,366** | 282,154 |

## 12. Contribution Repayable

Contribution repayable consists of contribution or revenue received from funders that will be repaid within the next year.

| | **2024** | 2023 |
|---|---|---|
| | **$** | $ |
| Jordan's Principal - Government of Canada | **1,673,816** | 1,935,076 |
| GNWT ECE - Mental Health & Wellness | **357,609** | - |
| | **2,031,425** | 1,935,076 |

## 13. Due from Government of Canada

| | 2024 $ | 2023 $ |
|---|---|---|
| GST Receivable | **127,881** | 113,339 |

## 14. Capital Lease Obligations

The Authority does not have any capital lease obligations.

## 15. Pension

The Authority makes contributions to the Northern Employee Benefits ("NEBS") Pension Plan ("the Plan"), which is a multi-employer plan, on behalf of some members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to the NEBS pension was $4,648,322. The contributions are calculated at a rate of 8% of earning and allowances employee and employer contribution for a total of 16%. The maximum pensionable earnings is $204,475 as at January 2024, and $198,664 as at January 2023. The maximum monthly contributions is $3,610 as at January 2024, and $3,507 as at January 2023.

NEBS is an employer owned program and as such the Authority will be liable for its portion of any shortfall. The Plan serves 4,205 Employee Members and 118 Employer Members (total active, disabled and on leave: 2,265).

As of January 1, 2024, the excess (deficiency) of actuarial value of net assets over actuarial present value of defined benefits is estimated to be $66,573,900 - funded ratio 118.5% (2023 - $81,300,000and 127%) on a going concern valuation basis.

As of April 2004, the OSFI has exempted NEBS from compliance with the *Pension Benefits Standards Act*. On April 2015, the Legislative Assembly passed The *Northern Employee Benefits Act* (Bill 12) which was enacted October 1, 2015.

## 16. Long-Term Debt

The Authority does not have long-term debt.

## 17. Post-employment Benefits and Compensated Absences

In addition to the pension benefits, the Authority provides severance (resignation and retirement), removal and compensated absence (sick, special, maternity and parental leave) benefits to its employees. The benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

Severance benefits are paid to the Authority's employees based on the type of termination (e.g. resignation versus retirement) and appropriate combinations that include inputs such as when the employee was hired, the rate of pay, the number of years of continuous employment and age and the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology.

Compensated absence benefits for all staff are accrued as employees render service and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include, but are not limited to employee or dependent illness and death of an immediate family member. Non-accruing benefits include maternity and parental leave. Benefits that accrue under compensated absence benefits were actuarially valued using the expected utilization methodology. The Authority has included an additional severance of $948,500 (2023 - $948,500) as a plan amendment.

### Valuation results

The actuarial valuation was completed as at February 11, 2022. The effective date of the next actuarial valuation is March 31, 2025. The liabilities are actuarially determined as the present value of the accrued benefits at February 11, 2022 and the results extrapolated to June 30, 2024. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the Authority.

## 17. Post-employment Benefits and Compensated Absences (Continued)

| Changes in Obligation | Severance and Removal $ | Compensated Absences $ | 2024 $ | 2023 $ |
|---|---|---|---|---|
| Accrued benefit obligation beginning of year | 2,004,085 | 380,841 | 2,384,926 | 2,526,997 |
| Current period benefit cost | 143,156 | 30,815 | 173,971 | 120,354 |
| Interest accrued | 94,494 | 18,932 | 113,426 | 62,232 |
| Benefits payments | (442,940) | (34,463) | (477,403) | (557,702) |
| Actuarial loss | 88,530 | (13,134) | 75,396 | 187,016 |
| Plan amendments | - | - | - | 46,029 |
| **Accrued benefit obligation end of year** | **1,887,325** | **382,991** | **2,270,316** | 2,384,926 |
| Unamortized net actuarial gain | (175,637) | (114,078) | (289,715) | (204,937) |
| **Total employee future benefits and compensated absences** | **1,711,688** | **268,913** | **1,980,601** | 2,179,989 |

| Benefits expense | Severance and Removal $ | Compensated Absences $ | 2024 $ | 2023 $ |
|---|---|---|---|---|
| Current period benefit cost | 143,156 | 30,815 | 173,971 | 120,354 |
| Interest accrued | 94,494 | 18,932 | 113,426 | 62,232 |
| Amortization of net actuarial (gain)/loss | (52,834) | 43,452 | (9,382) | (27,539) |
| Plan amendments | - | - | - | 46,029 |
| **Total benefits expense** | **184,816** | **93,199** | **278,015** | 201,076 |

## 17. Post-employment Benefits and Compensated Absences (Continued)

The discount rate used in the 2024 fiscal year to determine the accrued benefit obligation was an average of 5.3% (2023 - 4.8%). The expected payments during the next five fiscal years are:

| | Severance and Removal | Compensated Absences | Total |
|---|---|---|---|
| | $ | $ | $ |
| 2025 | 224,016 | 37,433 | **261,449** |
| 2026 | 220,114 | 40,073 | **260,187** |
| 2027 | 224,089 | 45,053 | **269,142** |
| 2028 | 226,391 | 48,493 | **274,884** |
| 2029 | 233,233 | 50,562 | **283,795** |
| 2030-2034 | 1,066,800 | 251,100 | **1,317,900** |
| Total | **2,194,643** | **472,714** | **2,667,357** |

## 18. Tangible Capital Assets

| | Cost | Additions | ARO Adjustments | Disposals | Amortization | Accumulated Amortization beginning of year | Accumulated Amortization | 2024 Net Book Value | 2023 Net Book Value (Restated) |
|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| **Land and improvements** | 1,299,476 | - | - | - | - | - | - | **1,299,476** | 1,299,476 |
| **School buildings** | | | | | | | | | |
| Ecole Sir John Franklin | 2,253,436 | - | - | - | **(56,246)** | (1,417,021) | (1,473,267) | **780,169** | 836,415 |
| William McDonald | 9,668,033 | - | 6,289 | - | **(118,414)** | (7,541,918) | (7,660,332) | **2,013,990** | 2,126,115 |
| Mildred Hall | 11,949,336 | - | (60,580) | - | **(316,008)** | (7,862,715) | (8,178,723) | **3,710,033** | 4,086,621 |
| Range Lake North | 8,959,206 | - | 4,484 | - | **(242,132)** | (6,244,117) | (6,486,249) | **2,477,441** | 2,715,089 |
| N. J. Macpherson | 5,334,903 | - | 11,206 | - | **(137,004)** | (4,775,569) | (4,912,573) | **433,536** | 559,334 |
| | 38,164,914 | - | (38,601) | - | **(869,804)** | (27,841,340) | (28,711,144) | **9,415,169** | 10,323,574 |
| **Other buildings** | | | | | | | | | |
| Administration office | 1,077,492 | - | 8,312 | - | **(27,096)** | (807,748) | (834,844) | **250,960** | 269,744 |
| Maintenance shop | 102,141 | - | (17,333) | - | **(743)** | (70,905) | (71,648) | **13,160** | 31,238 |
| **Total land and buildings** | 40,644,023 | - | (47,622) | - | **(897,643)** | (28,719,993) | (29,617,636) | **10,978,765** | 11,924,032 |
| **Equipment and furnishings** | | | | | | | | | |
| Schools | 3,362,878 | - | - | - | **(13,874)** | (3,279,637) | (3,293,511) | **69,367** | 83,241 |
| Playgrounds | 605,859 | - | - | - | **(17,833)** | (249,195) | (267,028) | **338,831** | 356,664 |
| Administration office | 322,132 | - | - | - | - | (322,132) | (322,132) | - | - |
| Vehicles | 319,413 | 88,081 | - | - | **(16,096)** | (282,973) | (299,069) | **108,425** | 36,440 |
| | 4,610,282 | 88,081 | - | - | **(47,803)** | (4,133,937) | (4,181,740) | **516,623** | 476,345 |
| **Work in progress** | | | | | | | | | |
| Itlo School playgrounds | - | 24,192 | - | - | - | - | - | **24,192** | - |
| | 45,254,305 | 112,273 | (47,622) | - | **(945,446)** | (32,853,930) | (33,799,376) | **11,519,580** | 12,400,377 |

## 19. Prepaid Expenses

| | 2024 $ | 2023 $ |
|---|---|---|
| Professional Development | - | 3,723 |
| Materials and Supplies | **23,248** | - |
| Leases | **420** | - |
| | **23,668** | 3,723 |

## 20. GNWT Assets Provided at no Cost

The following assets were provided to the Authority by the GNWT at no cost.

| | Cost $ | Accumulated Amortization $ | 2024 Net Book Value $ | 2023 Net Book Value $ |
|---|---|---|---|---|
| Ecole Sir John Franklin | 25,965,232 | 25,965,232 | - | - |
| Ecole Sir John Franklin Portable Classrooms | 419,724 | 380,387 | **39,337** | 49,827 |
| Ecole Sir John Franklin NACC | 2,214,552 | 1,968,020 | **246,532** | 308,166 |
| Ecole Sir John Franklin Sewer Line | 108,852 | 32,293 | **76,559** | 80,913 |
| N.J. Macpherson Portable Classrooms | 1,413,831 | 591,875 | **821,956** | 857,309 |
| Ecole Sir John Franklin Wheelchair Lift | 100,708 | 44,479 | **56,229** | 66,300 |
| Ecole Sir John Franklin Boiler Replacement | 51,145 | 11,365 | **39,780** | 43,189 |
| William McDonald School Portable Classrooms | 2,242,917 | 286,594 | **1,956,323** | 2,031,086 |
| | 32,516,961 | 29,280,245 | **3,236,716** | 3,436,790 |
| **Deferred capital contributions** | | | | |
| Ecole Sir John Franklin | (1,442,500) | (1,442,500) | - | - |
| | 31,074,461 | 27,837,745 | **3,236,716** | 3,436,790 |

Rent expense of $200,074 (2023 - $200,074) was offset by a grant in-kind.

## 21. Contractual Obligations

The Authority has a contract with First Student for student transportation. The Authority is invoiced monthly and the amounts vary depending on a number of factors including: the number of students, routes, and bus passes sold. The contract is renewed until June 2026.

The Authority leases space for Route 51. The contract is renewed until June 2025.

The Authority has a collective bargaining agreement with the NWT Teachers Association ("NWTTA") for teachers, specialists and education assistants which expires on August 31, 2025.

The Authority has a collective bargaining agreement with the United Steelworkers for support staff, which expires on June 30, 2025.

| | Expiry Date | 2025<br>$ | 2026<br>$ | 2027<br>$ | Total<br>$ |
|---|---|---|---|---|---|
| **Operational Contracts:** | | | | | |
| First Student Bussing | 30 Jun 2026 | 500,000 | 500,000 | - | 1,000,000 |
| **Commercial & Residential Leases:** | | | | | |
| Route 51 | 30 Jun 2025 | 39,585 | - | - | 39,585 |
| **Total** | | **539,585** | **500,000** | **-** | **1,039,585** |

## 22. Contingencies

The Authority does not have any contingencies.

## 23. Related Parties

The Authority is related in terms of common control to all GNWT departments, boards, and agencies. During the year, the Authority entered into transactions with the following related parties:

Yellowknife Public Denominational Education Authority
Ndilo District Education Authority
Dettah District Education Authority
Commission Scolaire Francophone Territories du Nord Ouest (TNO)
South Slave Divisional Education Council
Government of the Northwest Territories:
- Department of Finance
- Department of Health and Social Services
- Department of Education, Culture and Employment
- Department of Municipal and Community Affairs
- Department of Environment and Climate Change
- Department of Infrastructure
- Department of Industry, Tourism and Investment
- Housing Northwest Territories

| | **2024** $ | 2023 $ |
|---|---|---|
| **Due from Related Parties (Accounts Receivable):** | | |
| **Other Education Bodies:** | | |
| Ndilo District Education Authority | **949,195** | 618,419 |
| Dettah District Education Authority | **559,937** | 6,250 |
| **Subtotal - other related parties** | **1,509,132** | 624,669 |
| **Government of the Northwest Territories:** | | |
| Department of Education, Culture and Employment | **1,099,955** | 5,998 |
| **Subtotal - Government of the Northwest Territories** | **1,099,955** | 5,998 |
| **Total Due from Related Parties** | **2,609,087** | 630,667 |

These balances due from related parties are unsecured, non-interest bearing with no specific terms of repayment.

## 23. Related Parties (Continued)

| | 2024<br>$ | 2023<br>$ |
|---|---|---|
| **Revenues from Related Parties:** | | |
| **Government of the Northwest Territories:** | | |
| Department of Education, Culture and Employment - Regular contributions | **30,094,127** | 30,502,105 |
| Department of Education, Culture and Employment - Other contributions | **1,553,830** | 932,727 |
| Department of Industry, Tourism and Investment | **7,053** | (11,151) |
| Department of Education, Culture and Employment - French languages | **556,947** | 608,476 |
| Department of Finance - Interest | **612,631** | 504,058 |
| Department of Health and Social Services - GNWT other contributions | **17,205** | 28,775 |
| Department of Municipal and Community Affairs - GNWT other contributions | **117,200** | 124,800 |
| Department of Environment and Climate Change - GNWT other contributions | **57,300** | 20,000 |
| **Other Education Bodies:** | | |
| Ndilo District Education Authority - Other education bodies | **40,000** | 40,000 |
| Dettah District Education Authority - Other education bodies | **193,885** | 178,340 |
| South Slave Divisional Education Council - Other education bodies | **15,000** | 15,000 |
| **Total Revenues from Related Parties** | **33,265,178** | 32,943,130 |

## 23. Related Parties (Continued)

| | 2024 $ | 2023 $ |
|---|---|---|
| **Expenses Paid to Related Parties:** | | |
| **Government of the Northwest Territories:** | | |
| Department of Infrastructure - Maintenance and repairs | **4,149** | 5,454 |
| Department of Financial and Employee Shared Services - Professional and technical | **-** | 2,492 |
| Department of Education, Culture & Employment - Professional and technical | **5,770** | 5,000 |
| **Other Education Bodies:** | | |
| Yellowknife Public Denominational Education Authority - Professional and technical | **7,033** | 6,185 |
| Commission Scolaire Francophone TNO - Professional | **-** | 2,982 |
| Yellowknives Dene First Nation Housing Division - Rental | **6,960** | - |
| **Total Expenses paid to Related Parties** | **23,912** | 22,113 |

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

## 24. Budget Data

The *Education Act* of the Northwest Territories requires that Education Bodies prepare an annual budget, as outlined in Section 117, Duties and Powers of Education Bodies. The budget is legally adopted by a motion of the Education Body which includes the establishment of a tax levy to support the approved budget in accordance with Section 135, Assessment and Taxation, of the *Education Act.*

The annual budget includes estimates of revenues and expenses for the Operating Fund. Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Authority.

The budget figures presented are those approved by the Trustees of the Authority on June 13, 2023 and submitted to the Minister of Education, Culture and Employment. The Budget for fiscal year 2023/2024 was submitted to the minister on June 30, 2023. The budget deficit is $1,807,970.

## 25. Economic Dependence

The Authority is economically dependent on the Government of the Northwest Territories to provide funding for continued operations. If the funding arrangements were to change, management is of the opinion that the Authority's operations would be significantly affected.

## 26. Financial Instruments

Financial instruments consist of recorded amounts of cash, portfolio investments, due from GNWT, due from Government of Canada, other accounts receivable and deposit in trust which will result in future cash receipts, as well as accounts payable and accrued liabilities, and wages and employee deductions payable which will result in future cash outlays.

The Authority is exposed to the following risks in respect of certain of the financial instruments held:

**a) Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Authority is exposed to credit risk from funding agencies and recipients of services. The Authority has a concentrated risk of credit from two other school districts, whose funding also comes from the Department of Education, Culture, and Employment. At June 30, 2024, receivables from these two districts is $1,509,132 (2023 - $624,669), which is 95% of total accounts receivable (2023 - 89%). Both districts have been current in paying the monthly invoices for their payroll costs.

There is a concentration risk in cash. The daily balance in the operating bank account is invested with the GNWT Investment Pool. The Authority's investments are managed by Government of Northwest Territories - Department of Education, Culture, and Employment and other stable organizations, which reduces its exposure to credit risk.

**b) Interest rate risk**

Interest rate risk is the risk that the fair value of financial instruments will fluctuate because of changes in market interest rate. The Authority is exposed to interest rate risk on its fixed and floating interest rate on cash. The Authority complies with the GNWT financial administration policies and guidelines which reduces its exposure to interest rate risk.

## 26. Financial Instruments (Continued)

### c) Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet all cash outflow obligations as they come due. The Authority mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining an adequate amount of cash to cover unexpected cash outflows should they arise. The Authority has disclosed future financial liabilities and commitments in Note 21.

## 27. Expenses By Object

| | **2024** Budget $ | **2024 Actual $** | 2023 Actual $ |
|---|---|---|---|
| Amortization | 1,000,000 | **945,446** | 949,602 |
| Compensation | 37,787,944 | **40,130,834** | 36,099,338 |
| Other | 6,563,338 | **7,329,852** | 8,336,475 |
| | 45,351,282 | **48,406,132** | 45,385,415 |

## 28. Subsequent Event

The Authority is awaiting GNWT to issue the Certificate of Completion for the Itlo School after August 2024. The value to be transferred to the Authority is estimated at $30,600,000.

## 29. Comparative Figures

The consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

## 30. ECE Contributions

| | Budget 2024 $ | **Actual 2024 $** | Actual 2023 $ |
|---|---|---|---|
| Original contribution | 29,708,543 | **30,094,127** | 29,945,867 |
| Student Success Initiatives ("SSI") project | 123,000 | **123,000** | 123,000 |
| NWTTA retroactive funding | - | **942,937** | - |
| Termination benefits | - | **-** | 521,973 |
| Mentorship release time | - | **-** | 34,265 |
| UNW collective bargaining adjustment | 750,000 | **-** | - |
| Insurance adjustment | - | **-** | - |
| **Updated Contribution** | 30,581,543 | **31,160,064** | 30,625,105 |
| COVID-19 ECE portion | - | **-** | 807,059 |
| French cultural resources | - | **3,333** | - |
| French video clips | - | **-** | 63,476 |
| French lanuage funding | 580,000 | **495,614** | 485,000 |
| French partnership funding SSDEC | - | **35,000** | 35,000 |
| French language communications | - | **23,000** | 25,000 |
| Support assistant training | - | **-** | 2,668 |
| School Based Mental Health & Wellness | - | **339,615** | - |
| Itlo new school deficiencies | - | **148,278** | - |
| **Total Contributions** | 31,161,543 | **32,204,904** | 32,043,308 |

## 31. GNWT Other Contributions

| | Budget 2024 $ | **Actual 2024 $** | Actual 2023 $ |
|---|---|---|---|
| Department of Municipal and Community Affairs ("MACA"): | | | |
| Active After School | - | **76,500** | 101,800 |
| Quebec Exchange Trip 2023-2024 | - | **8,000** | - |
| Youth Corp | - | **32,700** | 18,000 |
| Drumming | - | **-** | 5,000 |
| Department of Industry, Tourism and Investment ("ITI"): | - | **7,053** | (11,151) |
| Department of Health and Social Services ("HSS"): | | | |
| Drop the Pop | - | **17,205** | 28,775 |
| Department of Environment and Climate Change ("ECC"): | | | |
| Take a Kid Trapping | - | **24,000** | 20,000 |
| Sir John Franklin Laser/Engraver Project | - | **33,300** | - |
| **Total** | - | **198,758** | 162,424 |

## 32. Contingent Assets

The Authority does not have contingent assets.

## 33. Contractual Rights

The Authority is approved for the Jordan's Principle funding up to March 31, 2025. Jordan's Principle funding is for First Nations children in Canada to receive the services and supports they need. Funding can help with a wide range of health, social, and educational needs. The majority of the funding is used to hire educational assistants.

| Contracting Parties | Description of Contract | Expiry Date | 2025 $ | 2026 $ | Total $ |
|---|---|---|---|---|---|
| Government of Canada | Jordan's Principle | March 2025 | 5,754,840 | - | **5,754,840** |

## 34. Environmental Liabilities

The Authority contracted Associated Environmental to complete a Hazardous Building Materials Assessment on all of the Buildings owned and managed by the Authority in 2018 and an update report on estimated abatement costs in October 2023. Items that are recommended for abatement in the next 5-10 years are accrued as environmental liabilities. Building materials that are classified as low risk are earmarked for remediation when the building is demolished in the future and an accrual is recorded and reported under asset retirement obligation instead. Liabilities discovered as a result of the assessment were communicated to the GNWT Department of Education, Culture, and Employment, and the Department of Finance. The abatement for Sir John Franklin High School was partially completed by the GNWT in March 2018, and the abatement for the maintenance building was partially completed in March 2019. A liability totaling $229,481 has been recorded for the asbestos abatement of the Maintenance Shop and Mildred Hall School (2023 - $229,481). Management will continue to monitor these buildings under the Hazardous Materials management plan.

| | |
|---|---|
| **Location:** | 5402-50th Ave, Maintenance Shop |
| **Type of Site:** | School |
| **Description and Studies Completed:** | Hazardous Building Materials Assessment |
| **Type of Contamination:** | Asbestos |
| **Site Stage:** | Monitoring |
| **Status and Next Steps:** | Monitoring |
| **Operating Site:** | Yes |
| **Part Non-Operating** | No |
| **Total Liability at June 30, 2024** | $157,775 |

| | |
|---|---|
| **Location:** | 5408-50th Avenue, Mildred Hall School |
| **Type of Site:** | School |
| **Description and Studies Completed:** | Hazardous Building Materials Assessment |
| **Type of Contamination:** | Asbestos |
| **Site Stage:** | Monitoring, Abatement |
| **Status and Next Steps:** | Abatement |
| **Operating Site:** | Yes |
| **Part Non-Operating** | No |
| **Total Liability at June 30, 2024** | $71,706 |

## 35. Accumulated Surplus

A consolidated statements of funds and surplus and reserves have been prepared as follows:

**Details of Funds**

| For the year ended June 30, | 2024 | 2023 (Restated) |
|---|---|---|
| | $ | $ |
| **OPERATING FUND** | | |
| Balance, beginning of year | **4,111,234** | 3,276,102 |
| Operating deficit (Statement 2) | **(537,458)** | (58,271) |
| Acquisition of tangible capital assets | **(112,273)** | - |
| Transfer from Investment in Tangible Capital Assets | **945,446** | 949,602 |
| Transfer from (to) Decentralized Surplus - FY2022 adjustment | **-** | (10,438) |
| Transfer from (to) Decentralized Surplus | **210,276** | (65,813) |
| Transfer from (to) Pellet Boiler Reserve | **-** | 9,964 |
| Transfer from (to) School Generated Funds | **(59,616)** | (17,070) |
| Adjustment from asset retirement obligations | **28,516** | 27,158 |
| Balance, end of year | **4,586,125** | 4,111,234 |
| **INVESTMENT IN TANGIBLE CAPITAL ASSETS** | | |
| Balance, beginning of year | **11,674,852** | 12,651,612 |
| Acquisition of tangible capital assets | **112,273** | - |
| Adjustment from asset retirement obligations | **(28,516)** | (27,158) |
| Amortization | **(945,446)** | (949,602) |
| Balance, end of year | **10,813,163** | 11,674,852 |
| **Investment in tangible capital assets consists of:** | | |
| Tangible Capital Assets (Note 18) | **11,519,580** | 12,400,377 |
| Asset Retirement Obligations (Note 37) | **(706,417)** | (725,527) |
| | **10,813,163** | 11,674,850 |

## 35. Accumulated Surplus (Continued)

**Details of Surplus and Reserves**

| For the year ended June 30, | 2024<br>$ | 2023<br>$ |
|---|---|---|
| **DECENTRALIZED SURPLUS** | | |
| Balance, beginning of year | **447,833** | 371,582 |
| Transfer from (to) Operating Fund - FY2022 adjustment | **-** | 10,438 |
| Transfer from (to) Operating Fund | **(210,276)** | 65,813 |
| Balance, end of year | **237,557** | 447,833 |
| **PELLET BOILER RESERVE** | | |
| Balance, beginning of year | **-** | 9,964 |
| Transfer to operating fund | **-** | (9,964) |
| **CAPITAL FUND RESERVE** | | |
| Balance, beginning of year | **904,165** | 904,165 |
| Balance, end of year | **904,165** | 904,165 |
| **LED RESERVE** | | |
| Balance, beginning of year | **148,583** | 148,583 |
| Balance, end of year | **148,583** | 148,583 |
| **SCHOOL GENERATED FUNDS** | | |
| Balance, beginning of year | **678,741** | 661,671 |
| Transfer from (to) Operating Fund for surplus (deficit) | **59,616** | 17,070 |
| Balance, end of year | **738,357** | 678,741 |

## 36. School Generated Funds (Trusts under Administration)

School generated funds are funds that are raised and collected in the school or in the community in the name of the school by school councils, student groups or parent advisory council. The funds are administered by the school principal, and are raised or collected from sources other than the school board's operating and capital budgets.

The following balances represent the school generated funds that are held in trust by the Authority. They are recorded in the audited consolidated financial statements:

| | **2024** | 2023 |
|---|---|---|
| | **$** | $ |
| Balances, beginning of year | **678,741** | 661,671 |
| Fundraising revenues | **663,057** | 519,888 |
| Total funds available | **1,341,798** | 1,181,559 |
| Total related expenses | **(603,441)** | (502,818) |
| Balances, end of year | **738,357** | 678,741 |
| Net change | **59,616** | 17,070 |

## 37. Asset Retirement Obligations

The Authority recognizes that there are costs related to the retirement of certain assets for which the Authority is responsible.

| Type of Asset | 2023 liability | New liabilities incurred | Utilized in the year | Accretion expense | Revisions in estimated cash flows | Additions | Disposals | 2024 liability |
|---|---|---|---|---|---|---|---|---|
| Buildings | $ 725,527 | $ - | $ - | $ 28,514 | $ (47,624) | $ - | $ - | $ 706,417 |

The asset retirement obligation primarily consists of demolition and remediation costs related to disposing of asbestos in old buildings: the maintenance shop, Mildred Hall School, N.J. Macpherson School, Range Lake North School, École William McDonald Middle School, and administration building.

The carrying amount of the obligation is based on total expected undiscounted expenditures of $2,389,632 (2023 - $2,224,063), expected timing of undiscounted expenditures (majority to occur post-2036), and the weighted average discount rate of 4.57% (2023 - 3.93%). To adjust these undiscounted expenditures between periods, the weighted average discount rate is used to unwind the discount through amortization of tangible capital assets. This rate is estimated at the start of each year and is applied systematically over the year. These obligations will be funded through the regular operations of the Authority and recoveries cannot be estimated at date of the audit report.

## 38. Correction of accounting error

The consolidated statement of operations of the Authority has been restated to reduce the accounts payable and accrued liabilities by $208,850 of accrued maintenance expenses as of June 30, 2023. The effect of the change is to decrease prior year accounts payable and accrued liabilities, as well as the maintenance and repairs expense. The net impact to the Consolidated Statement of Operations and Consolidated Statement of Financial Position as a result of this restatement for the year ended June 30, 2023 is shown as below:

| | Previously Reported $ | As Restated $ | Change $ |
|---|---|---|---|
| Decrease accounts payable and accrued liabilities | 956,592 | 747,742 | (208,850) |
| Decrease maintenance and repairs expense | 1,328,814 | 1,119,964 | (208,850) |
| | - | - | - |

Financial Statements of

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

March 31, 2025

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Financial Statements

Year ended March 31, 2025

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| | | |
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Hay River Health & Social Services Authority | Administration des services de santé et des services sociaux de Hay River
37911 MacKenzie Highway | 37911, route MacKenzie
Hay River, NT X0E 0R6

**To the Minister of Health and Social Services**

**Management Responsibility for Financial Reporting for the year ended March 31, 2025**

The Management Discussion & Analysis, Financial Statements, Schedules and Notes herein submitted have been reviewed by management. They provide full disclosure and accurately reflect the financial and non-financial condition of the authority in all material respects and in accordance with Canadian Public Sector Accounting Standards (PSAS) as well as the Financial Administration Manual (FAM) of the Government of the Northwest Territories.

Management hereby asserts that adequate internal controls exist to ensure that transactions are complete, accurate and timely, appropriately authorized and include only valid transactions of the entity; that duties related to processes are appropriately segregated, that assets are safeguarded and that proper records are maintained. Controls further include quality standards regarding the hiring and training of employees, that ensure the adequate maintenance of written policies and procedural manuals and that further provide for appropriate accountability for performance within well-defined areas of responsibility. The operations and administration of the Hay River Health and Social Services Authority (the Authority) have been conducted within the statutory powers of the Authority. The operations and administration of the Authority and the supporting internal controls of the entity are regularly monitored to ensure the effectiveness and continued compliance with all relevant legislation, standards, directives and policies including, but not limited to the Financial Administration Act, CPSAS, FAM, Human Resources Manual, Ministerial Directives and the policies of the Authority's Public Administrator. Any non-compliance has been specifically identified and previously communicated to the Minister and Deputy Minister.

Management hereby asserts that auditors have been provided with all relevant records and documentation as well as unrestricted access to the same. Management is not aware of any undisclosed irregularities involving management or employees with either current or potential impact on financial results, fraud or suspected fraud, disbursements made for purposes not consistent with an appropriation, irregular commitments including those in the form of guarantees, violations or possible violations of laws or regulations, claims or litigation, known or suspected environmental site contaminations or of any other undisclosed environmental or safety hazards within its jurisdiction.

The auditors 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. The auditors also consider whether the transactions that have come to their notice in the course of this audit are, in all significant respects, in accordance with specified legislation and directives from the Department of Health and Social Services of the Government of the Northwest Territories.

**Approved and confirmed on behalf of the Hay River Health and Social Services Authority**

Erin Griffiths
Chief Executive Officer
Hay River Health & Social Services Authority

July 31, 2025
Date

ASHTON
Chartered Professional Accountants

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# INDEPENDENT AUDITORS' REPORT

To the Minister of Health and Social Services and
the Chief Executive Officer:

**Unqualified Opinion**

We have audited the accompanying financial statements of Hay River Health and Social Services Authority (the Authority) which comprise the statement of financial position as at March 31, 2025, the statements of operations, changes in net assets and cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Hay River Health and Social Services Authority as at March 31, 2025 and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards. Furthermore, in our opinion, these statements present fairly, in all material respects, the revenues and expenditures of all programs funded through contribution agreements with the Department of Health and Social Services which total $250,000 or more in Schedule A and A-1 for the year ended March 31, 2025, in accordance with the provisions established by the individual contribution agreements.

**Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



ASHTON
Chartered Professional Accountants

Hay River, NT
July 31, 2025

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Statement of Financial Position

Statement I

March 31, 2025

| | 2025 | 2024 |
|---|---|---|
| **Financial Assets** | | |
| Cash and cash equivalents, Note 4 | $ 6,361,182 | $ 5,457,792 |
| Accounts receivable, Note 7 | 1,438,610 | 2,549,620 |
| Due from Government of Canada, Note 10 | 2,968 | 3,757 |
| Trust assets, Note 15 | 139,907 | 158,322 |
| Pensions asset, Note 12 | 13,389,000 | 20,651,000 |
| Total Financial Assets | $ 21,331,667 | $ 28,820,491 |
| **Liabilities** | | |
| Accounts payable and accrued liabilities, Note 9 | 1,596,910 | 3,813,053 |
| Employee and payroll-related liabilities, Note 9 | 2,608,464 | 3,222,741 |
| Due to Government of Canada, Note 10 | 1,125 | - |
| Employee future benefits and compensated absences, Note 13 | 2,171,307 | 1,977,263 |
| Contributions repayable, Note 29 | 4,055,290 | 2,476,617 |
| Accountable capital advance from GNWT, Note 30 | 5,829 | 5,829 |
| Deferred revenue, Note 28 | 152,571 | 99,945 |
| Trust liabilities, Note 15 | 139,138 | 157,553 |
| Total Liabilities | 10,730,634 | 11,753,001 |
| Net Financial Assets (Debt) | $ 10,601,033 | $ 17,067,490 |
| **Non-Financial Assets** | | |
| Inventory held for use, Note 8 | $ 312,322 | $ 283,792 |
| Prepaid expenses and deposits, Note 27 | 13,366 | 221,629 |
| Total Non-Financial Assets | $ 325,688 | $ 505,421 |
| **Accumulated Surplus (Deficit), Note 31** | $ 10,926,721 | $ 17,572,911 |

* Reclassified for comparative purposes

Contractual obligations, Note 17
Contingent liabilities, Note 18

Approved on behalf of the Authority:

Public Administrator

Chief Executive Officer

Director of Finance

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Statement of Operations — Statement II

For the year ended March 31, 2025

| | 2025 Budget | **2025 Actual** | 2024 Actual |
|---|---|---|---|
| Revenue | | | |
| Contributions from the GNWT, Schedule A | $ 36,242,913 | $ **39,054,658** | $ 37,793,114 |
| Interest | 350,000 | **552,743** | 392,889 |
| Recoveries | 783,327 | **473,669** | 442,553 |
| Sales - Patient Revenues | 863,000 | **957,387** | 735,224 |
| Contributions from Other Sources | - | **238,399** | - |
| Other Income and Write-off of Contribution Repayable | - | **-** | 193,774 |
| Recoveries of prior years' expenses | - | **-** | - |
| Total Revenue | 38,239,240 | **41,276,856** | 39,557,554 |
| Expenses | | | |
| Administrative and Support Services | 5,622,377 | **6,295,673** | 7,906,919 |
| Health and Social Programs | 25,399,377 | **25,930,903** | 22,733,187 |
| Long Term and Continuing Care Services | 6,778,645 | **8,240,426** | 7,458,099 |
| Undistributed | - | **7,456,044** | (1,177,852) |
| Total Expenses, Note 25 | 37,800,399 | **47,923,046** | 36,920,353 |
| Operating Surplus (Deficit) | $ 438,841 | $ **(6,646,190)** | $ 2,637,201 |

Determination of the Adjusted operating surplus as adjusted below:

| | | |
|---|---|---|
| Operating Surplus (Deficit) | $ **(6,646,190)** | $ 2,637,201 |
| Unfunded items | | |
| (Increase) Decrease in post-employment benefits, Note 12 | **7,262,000** | (1,435,000) |
| (Increase) Decrease in employee future benefits and compensated absences, Note 13 | **194,044** | 257,148 |
| Adjusted operating surplus (deficit) before the undernoted | **809,854** | 1,459,349 |
| Tangible Capital Assets - Rent Expense, Note 16 | **2,205,782** | 2,184,434 |
| Grant-In-Kind - GNWT assets provided at no cost, Note 16 | **(2,205,782)** | (2,184,434) |
| **Adjusted operating surplus (deficit) for the year** | $ **809,854** | $ 1,459,349 |
| Opening Accumulated Surplus (Deficit) | $ **17,572,911** | $ 14,935,710 |
| Operating Surplus (Deficit) | **(6,646,190)** | 2,637,201 |
| **Closing Accumulated Surplus (Deficit)** | $ **10,926,721** | $ 17,572,911 |

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Statement of Changes in Net Financial Resources — Statement III

For the year ended March 31, 2025

| | | 2025 | | 2024 |
|---|---|---|---|---|
| Net financial resources, beginning of year | $ | **17,067,490** | $ | 14,616,177 |
| Items affecting net financial resources: | | | | |
| Annual operating surplus (deficit) | | **(6,646,190)** | | 2,637,201 |
| (Increase) Decrease in inventory | | **(28,530)** | | (69,268) |
| (Increase) Decrease in prepaids and deposits | | **208,263** | | (116,620) |
| Increase (Decrease) in net financial resources | | **(6,466,457)** | | 2,451,313 |
| Net financial resources, end of year | $ | **10,601,033** | $ | 17,067,490 |

# HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Statement of Cash Flow — Statement IV

For the year ended March 31, 2025

| | | 2025 | | 2024 |
|---|---|---|---|---|
| **Operating Activities** | | | | |
| Annual surplus (deficit) | $ | **(6,646,190)** | $ | 2,637,201 |
| Items not affecting cash: | | | | |
| (Increase) Decrease in pensions, Note 12 | | **7,262,000** | | (1,435,000) |
| | | **615,810** | | 1,202,201 |
| Changes in non-cash assets and liabilities | | | | |
| Decrease (Increase) in due to/from the Government of Canada | | **1,914** | | (3,757) |
| Decrease (Increase) in accounts receivable | | **1,111,010** | | (1,126,030) |
| Decrease (Increase) in inventory | | **(28,530)** | | (69,268) |
| Decrease (Increase) in prepaids | | **208,263** | | (116,620) |
| Increase (Decrease) in accounts payable and payroll liabilities | | **(2,830,420)** | | 1,516,641 |
| Increase (Decrease) in contributions repayable | | **1,578,673** | | 1,277,572 |
| Increase (Decrease) in employee future benefits | | **194,044** | | 257,148 |
| Increase (Decrease) in capital advances | | **-** | | - |
| Increase (Decrease) in deferred revenues | | **52,626** | | 1,582 |
| Increase (Decrease) in trust liability | | **(18,415)** | | 54,991 |
| | | **269,165** | | 1,792,259 |
| Cash from operations | | **884,975** | | 2,994,460 |
| **Financing Activities** | | | | |
| | | **-** | | - |
| **Investing Activities** | | | | |
| | | **-** | | - |
| Change in cash during the year | | **884,975** | | 2,994,460 |
| Cash, beginning of year | | **5,616,114** | | 2,621,654 |
| Cash, end of year | $ | **6,501,089** | $ | 5,616,114 |
| Cash consists of : | | | | |
| Cash and cash equivalents, Note 4 | $ | **6,361,182** | $ | 5,457,792 |
| Trust asset, Note 15 | | **139,907** | | 158,322 |
| | $ | **6,501,089** | $ | 5,616,114 |

Note 1. **Hay River Health & Social Services Authority**

The Hay River Health & Social Services Authority (the Authority) was established under the Societies Act on November 1, 2003. The Authority operates under the Hospital Insurance and Health and Social Services Act of the Northwest Territories to manage, control and operate the public health facilities and services assigned to it by the Government of the Northwest Territories Department of Health and Social Services.

The Authority is a public body performing a function of the Government of the Northwest Territories. Paragraph 149(1)(c) of the Federal Income Tax Act provides that a public body performing a function of government in Canada is exempt from taxation.

Note 2. **Significant Accounting Policies**

**Basis of Presentation**

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards prescribed for governments as recommended by the Canadian Public Sector Accounting Board and by the directive of the Government of the Northwest Territories - Department of Health and Social Services (DHSS). Significant aspects of the accounting policies adopted by the Authority are as follows:

The financial statements do not include the assets, liabilities and activities of any organizations that are related to the Authority, such as the Hay River Health and Wellness Foundation.

**Basis of Accounting**

The financial statements are prepared using the accrual basis of accounting. Revenues are recognized in the year in which they are earned and measurable. Expenses are recorded as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

**Fund Accounting**

The accounts of the Authority are maintained in accordance with fund accounting procedures. The operations of the Authority are segregated for the purpose of carrying on specific activities or attaining certain objectives. Funds established by the Authority are as follows:

Operating Fund - activities associated with the Authority's daily operations.

Employee Leave and Termination Liability Fund - reflecting activities in employee leave and termination benefits combined with any amounts transferred from operations to fund these liabilities. This fund represents liabilities which will be funded in the year they become due through regular annual allocations from the Government of the Northwest Territories (GNWT).

Endowment and Special Purpose Fund - reflecting activities relating to endowments and other special purpose funds made available to the Authority under conditions specified by donors and other providers.

**Revenue and Expenditure Recognition**

The basis of accounting followed in the financial statement presentation includes revenues 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, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimating is impracticable.

The Authority is primarily funded by the GNWT in accordance with budget arrangements established by the DHSS. Under the arrangement, the Authority is responsible for the net deficit from operations and is allowed to retain surpluses from core programs. Any capital funding not spent may be retained for future capital purchases. These policies do not apply to contribution agreements, where an accounting of and return of surpluses may be required

Other revenue is recognized when the performance obligation is complete, as the service is performed or the goods are provided.

Note 2. **Significant Accounting Policies (continued)**

**Revenue and Expenditure Recognition (continued)**

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenues when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Operating transfers are recognized as revenue in the period in which the events giving rise to the transaction occur, providing the transfers are authorized, any eligible criteria have been met and reasonable estimates of the amounts can be determined.

The Authority follows the deferral method of accounting for restricted contributions. These revenues are recognized in the year in which the related expenditures 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.

Expenditures are recognized in the period the goods and services are acquired, a liability is incurred or transfers are due.

**Cash and Cash Equivalents**

Cash and cash equivalents consists of cash on hand and balances within banks, net of outstanding cheques, and are not subject to significant risk of changes in value.

**Reserves**

The DHSS policy requires the Authority to establish the following reserves:

Surplus Reserve - reflects funds maintained in a reserve according to the DHSS Operations and Maintenance Surplus Retention Policy.

Employee Future Benefit Reserve - the funds received in advance for the severance liability of employees who were transferred to the Authority from the GNWT. These liabilities are reduced as employees are paid out upon termination of employment with the Authority.

Cash Reserve - established for the purpose of assisting with any future short-term cash deficiency. Withdrawals from the reserve will be made only when an insufficient cash balance exists to make necessary payments. Appropriations to this reserve will be done to maintain the $500,000 balance as approved by the GNWT.

The Authority does not have sufficient funds to cover these reserves.

**Tangible Capital Assets**

The GNWT retains ownership of all tangible capital assets (TCA) used by the Authority, or purchased by the Authority (regardless of source of funding for the purchase). The GNWT amortizes TCAs over the estimated useful lives of the assets at the rates established in the Financial Administration Manual of the GNWT over the following terms:

| | |
|---|---|
| Buildings | 40 years |
| Hardware and Software Systems | 5 - 10 Years |
| Major Medical Equipment | 5 - 15 Years |
| Leasehold Improvements | Lesser of useful life or lease term plus renewal |

The TCAs used by the Authority and held on behalf of, or in trust for, the GNWT are not recognized by the Authority in the financial statements.

The statement of operations reflects the rent expense amount that would otherwise be considered amortization expense for the fiscal year with an offsetting corresponding amount as a Grant-In-Kind revenue. The amortization expense would include amounts attributed to asset retirement obligation, where applicable.

Note 2. **Significant Accounting Policies (continued)**

**Inventories of Supplies**

Inventories of supplies include inventory held for use in the process of providing the services of the Authority. Inventories consist of equipment, parts, pharmaceuticals and office supplies, which are distributed to clients at no or nominal charges. Inventory is recorded at the lower of cost and replacement value. Cost is determined on a first-in, first-out basis using average cost.

**Employee Future Benefits and Compensated Absences**

Under the terms and conditions of employment, Health Authority employees may earn non-pension benefits for resignation, retirement and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment. Eligibility is based on a variety of factors including place of hire, date employment commenced and reason for termination. Benefit entitlements are paid upon resignation, retirement or death of an employee. The expected cost of providing these benefits is recognized as employees render services. Termination benefits are also recorded when employees are identified for lay-off. Compensated absences include sick, special, parental and maternity leave. Accumulating non-vesting sick and special leave are recognized in the period the employee provides services, whereas parental and maternity leave are event driven and are recognized when the leave commences. An actuarial valuation of the cost of these benefits (except maternal and parental leave) has been prepared using data provided by management and assumptions based on management's best estimates.

For benefits earned prior to September 1, 1996 but still outstanding, no accrual is made for contingent revenue as described in Note 13. The revenue is expected to be received in the year that the outstanding liability falls due.

**Pensions**

Pension benefits to the Retirement Plan for Employees of the Hay River Health and Social Services Authority are reported on an actuarial going concern basis. This is done to determine the current value of future entitlement and uses various estimates. When actual experience varies from estimates or when actuarial assumptions change, the adjustments are amortized on a straight line basis over the estimated average remaining service lives of the contributors. Recognition of actuarial gains and losses commences in the year following the effective date of the related actuarial valuations. In addition, immediate recognition of a previously unrecognized net actuarial gain or loss may be required upon a plan amendment, curtailment or settlement.

The Authority and its contracted physicians make contributions to a physician directed investment fund administered by the Government of Canada. These contributions represent the total pension liability of the Authority and are recognized in the accounts on a current basis.

**Financial Instruments**

The Authority classifies its financial instruments at cost or amortized cost.

All significant financial assets, liabilities and equity instruments of the Authority are either recognized or disclosed in the financial statements together with available information for a reasonable assessment of future cash flows, credit risk, liquidity risk and actuarial risk. Where practical the fair values of financial assets and liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed.

The Authority’s accounting policy for financial instruments is as follows:

This category includes cash, trust assets, accounts receivable, accounts payable, accrued liabilities, payroll liabilities, capital advances, and trust liabilities. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets. Financial instruments with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized costs and tested for impairment at each reporting date. Any impairments of the financial assets is charged to income in the period in which the impairment is determined. In the event that a previously impaired asset increases and the increase can be related to an event that occurred after the impairment was recognized, the previously recognized impairment loss is reversed to the extent of the improvement.

Note 2. **Significant Accounting Policies (continued)**

**Financial Instruments (continued)**

The Authority's accounting policy for financial instruments is as follows (continued):

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write down being recognized in the statement of operations

Transaction costs on the acquisition, sale or issue of financial instruments are expensed when incurred.

**Non-Financial Assets**

Non-financial assets are accounted for as assets by the Authority because they can be used to provide government services in futures periods. These assets are not available to discharge existing liabilities. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated change in net financial assets (debt) for the year.

**Measurement Uncertainty**

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

**Segmented Information**

The Hay River Health & Social Services Authority segments its operating expenses for financial reporting purposes based upon areas of service type. This information is provided on the statement of operations.

Note 3. **Future Accounting Changes**

Effective April 1, 2026, the Authority will be required to adopt the PSAB approved changes to the Conceptual Framework for Financial Reporting in the Public Sector. Earlier adoption of the new framework is permitted. At the reporting date of these statements, the Authority is assessing the impact of this standard on the consolidated financial statements.

Effective April 1, 2026, the Authority will be required to adopt PS 1202 Financial Statement Presentation. The standard sets out general and specific requirements for the presentation of information in financial statements. The financial statement presentation principles are based on the concepts in the Conceptual Framework. Earlier adoption is permitted if the Conceptual Framework for Financial Reporting in the Public Sector is early adopted. At the reporting date of these statements, the Authority has not reasonably, determined the impact of these changes.

Note 4. **Cash and Cash Equivalents**

| | | **2025** | | 2024 |
|---|---|---|---|---|
| Cash | $ | **6,361,182** | $ | 5,457,792 |

Note 5. **Special Purpose Funds - Nil Report**

Note 6. **Portfolio Investments - Nil Report**

Note 7. **Accounts Receivable**

| | Receivables 2025 | AFDA 2025 | **Net 2025** | Net 2024 |
|---|---|---|---|---|
| GNWT - HSS | $ 1,017,836 | $ (96,318) | $ **921,518** | $ 1,351,829 |
| GNWT - MACA | - | - | **-** | 674,504 |
| GNWT - Finance | 47,939 | - | **47,939** | 551 |
| GNWT - Infrastructure | 5,901 | - | **5,901** | 680 |
| GNWT - Justice | - | - | **-** | 489 |
| GNWT - Aborig. Diab. | 489 | - | **489** | 379 |
| GNWT - ECE | 8,039 | - | **8,039** | 8,218 |
| NTHSSA | 70,881 | - | **70,881** | - |
| Government of Nunavut | - | - | **-** | 33,622 |
| WSCC | 20,110 | - | **20,110** | 104,316 |
| Hay River Hospital & Wellness Foundation | 5,324 | - | **5,324** | 5,324 |
| GST rebate receivable | 52,201 | - | **52,201** | 34,221 |
| General accounts receivable | 497,017 | (190,809) | **306,208** | 335,487 |
| | $ 1,725,737 | $ (287,127) | $ **1,438,610** | $ 2,549,620 |

Note 8. **Inventory**

| | **2025** | 2024 |
|---|---|---|
| Medical and surgical | $ **243,549** | $ 214,664 |
| Pharmaceutical | **22,573** | 24,008 |
| Laboratory | **18,344** | 18,592 |
| Other supplies | **27,856** | 26,528 |
| | $ **312,322** | $ 283,792 |

Inventories are held for consumption in the process of providing services and are distributed at no charge or for a nominal fee.

Note 9. **Accounts Payable and Accrued Liabilities**

| | **2025** | 2024 |
|---|---|---|
| Due to GNWT - HSS | $ **213,762** | $ 431,000 |
| Due to GNWT - Finance | **55** | 524 |
| Due to GNWT - Infrastructure | **-** | 388 |
| Due to NTHSSA | **396,376** | 2,475,160 |
| Due to Government of Nunavut | **-** | - |
| Due to WSCC | **-** | - |
| Hay River Hospital & Wellness Foundation | **1,807** | 1,807 |
| Accounts payable and accrued liabilities | **901,055** | 820,281 |
| Unspent donations | **19,382** | 19,317 |
| Special purpose fund liabilities | **64,473** | 64,576 |
| | **1,596,910** | 3,813,053 |
| Payroll liabilities | **2,608,464** | 3,222,741 |
| | $ **4,205,374** | $ 7,035,794 |

Note 10. **Due From and To the Government of Canada**

| | **2025** | 2024 |
|---|---|---|
| Receivables | | |
| RCMP | $ **2,968** | $ 3,757 |
| Miscellaneous receivable | **-** | - |
| | $ **2,968** | $ 3,757 |
| Payables | | |
| Advances for projects on behalf of the Government of Canada | $ **-** | $ - |
| Miscellaneous payables | **1,125** | - |
| | $ **1,125** | $ - |

Note 11. **Capital Lease Obligations - Nil Report**

Note 12. **Pensions**

The Authority sponsors a contributory defined benefit pension plan for substantially all of its employees called "Retirement Plan for Employees of the Hay River Health and Social Services Authority". The net value of the plan asset and liability is recorded on the statement of financial position based on the funded status of the plan on a going concern valuation performed by an independent actuary. An actuary valuation is done on an annual basis as of January 1 and is extrapolated to March 31 for presentation on the financial statements. The extrapolation assumes that from January 1 to March 31 the plan will follow the pattern from the January 1 valuation exactly, but actual contribution amounts are used.

Employees are required to contribute 8.15% of their pensionable earnings up to the yearly maximum pensionable earnings (YMPE) plus 10.4% of their earnings, if any, in excess of the YMPE. The Authority current is not required to contribute to the plan until after the lesser of the going concern excess, and the amount by which the solvency assets exceed 105% of the solvency liabilities. As the going concern values exceed the solvency asset by more than 105% no special payment are required either. Prior to January 1, 2023 the Authority's contribution rate was 1.88 times the employee portion and was to provide additional funding when the present value of the obligation under the solvency method exceeds the accumulated assets available to fund the member's benefit entitlements in the plan.

The pension plan provides benefits based on the number of years of credited service limited to the maximum allowed within the plan. Benefits are determined by a formula set out within the plan; they are not based on the financial status of the pension plan. The basic benefit formula is 1.5 percent per year of pensionable service multiplied by the average of the best five consecutive years of earnings up to the YMPE and 2% for amounts in excess of the YMPE.

| | | **2025** | | 2024 |
|---|---|---|---|---|
| Accrued benefit obligation | $ | **68,156,000** | $ | 63,429,000 |
| Market-related value of pension fund assets | | **81,545,000** | | 84,080,000 |
| | | **(13,389,000)** | | (20,651,000) |
| Unamortized actuarial gains / (losses) | | **(7,289,000)** | | (1,413,000) |
| Pension liability (accrued asset) | $ | **(20,678,000)** | $ | (22,064,000) |
| Impairment on value of accrued pension asset | | **7,289,000** | | 1,413,000 |
| Adjusted pension liability (accrued asset) realizable by the Authority | $ | **(13,389,000)** | $ | (20,651,000) |

The pension liability (asset) includes the following components:

| | | **2025** | | 2024 |
|---|---|---|---|---|
| Pension liability (accrued asset) - beginning of year | $ | **(22,064,000)** | $ | (21,168,000) |
| Cash items: | | | | |
| Member contributions | | **(1,492,000)** | | (1,228,000) |
| Employer contributions | | **-** | | - |
| Benefit payments | | **2,519,000** | | 2,661,000 |
| Drawdown from plan assets | | **(2,519,000)** | | (4,130,000) |
| Net change to pension liability from cash items | | **(1,492,000)** | | (2,697,000) |
| Accrual items: | | | | |
| Current period benefit cost | | **3,401,000** | | 2,539,000 |
| Amortization of actuarial gains/losses | | **553,000** | | 325,000 |
| Interest on average accrued benefit obligation | | **3,478,000** | | 3,294,000 |
| Expected earnings on average pension fund assets | | **(4,554,000)** | | (4,357,000) |
| | | **2,878,000** | | 1,801,000 |
| Pension liability (accrued asset) before impairment | $ | **(20,678,000)** | $ | (22,064,000) |

Note 12. **Pensions (continued)**

The pension expense (revenue) is included in the statement of operations as a component of undistributed amounts.

| | | **2025** | | 2024 |
|---|---|---|---|---|
| Pension expense (revenue) | $ | **1,386,000** | $ | 1,435,000 |
| Expected earnings on plan assets | | **5.45%** | | 5.50% |
| Actual earnings on plan assets | | **9.70%** | | 9.06% |
| Difference between actual and expected | | **4.25%** | | 3.56% |

Valuation method and assumptions:

Actuarial valuations for accounting purposes are performed using the projected benefit method prorated on services. The net unamortized actuarial loss is to be amortized on a straight-line basis over the expected average remaining service life of the related employee groups.

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect the government's best estimates. The significant actuarial assumptions and rates are listed below:

| | **2025** | 2024 |
|---|---|---|
| Date of actuarial valuation | **1-Jan-25** | 1-Jan-24 |
| Date of next valuation | **1-Jan-26** | 1-Jan-25 |
| Discount rate at valuation | **5.45%** | 5.45% |
| Date of audited financial statements | **31-Mar-25** | 31-Mar-24 |
| Discount rate at March 31 extrapolation | **5.45%** | 5.50% |
| Market value of the plan assets | **$ 84,989,000** | $ 78,530,000 |
| Expected return on plan assets | **5.94%** | 5.50% |
| Future inflation | **2.00%** | 2.10% |
| Future compensation increases | **7.30%** | 2.00% |
| Expected average remaining service life (years) | **8.0** | 8.0 |

The asset was valued using an adjusted market value method, which spreads out any variance between the return on investment accrued in the year and the expected return on the investments using the going concern rates as outlined above. Inclusion rates for these variances adjusted over a 3 year period to market value. This assumption allows for a smoothed value of the asset.

The employer funding targets, under the going concern method, are valued using the actuarial cost method, which allows for a more accurate matching of accrued benefits to contributions. The funding target is equal to the present value of the benefit based on employee service years incurred prior to the valuation date and the projected average earnings upon retirement. A deficit results when the market value of the investment is less than the funding target. By law, a deficit must be funded over a max of 15 years through special payments and a surplus can be used to pay current employer contributions. There is a plan surplus under the going concern method. Under the solvency method of accounting, it is assumed that all employees that are eligible for the pension plan will cease being members and will be paid out based on their situation as of the valuation date. Under the solvency method there is a plan surplus in excess of the solvency ratio of 105%, therefore there is no requirements of the Pension Benefits Standards Act,1985 for the requirement of minimum special payments.

Plan amendments:

As at the valuation date, there have been no amendments to the plan since the date of the previous valuation.

Note 13. **Employee Future Benefits and Compensated Absences**

In addition to pension benefits, the Authority provides severance (resignation and retirement), removal and compensated absence (sick, special, maternity and parental leave) benefits to its employees. The benefits plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

Severance benefits are paid to the Hay River Health and Social Services Authority employees based on the type of termination (e.g. resignation versus retirement) and appropriate combinations that include inputs such as when the employee was hired, the rate of pay, the number of years of continuous employment and age. The benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being location of hire, employee category and length of service. The benefits under these categories were valued using a projection methodology based on the date employees are projected to leave the Authority.

Compensated absence benefits generally accrue as employees render services and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include, but are not limited to, employee or dependent illness, and death of an immediate family member. Non-accruing benefits include maternity and parental leave. Benefits that accrue under compensated absence benefits were actually valued using the expected utilization methodology.

Valuation Results

The actuarial valuation was completed as at March 31, 2025. The liabilities are actuarially determined as the present value of the accrued benefits at February 12, 2025 and the results extrapolated to March 31, 2025. The values presented below are the benefits under the Compensated Absences and Termination Benefits for the Authority extracted from the valuation report for the consolidated Government of the Northwest Territories.

| | Severance and Removal | Compensated Absences | **2025** | 2024 |
|---|---|---|---|---|
| Change in Obligation | | | | |
| Accrued benefit obligation, opening | $ 2,243,272 | $ 167,254 | $ **2,410,526** | 2,454,212 |
| Current period benefit costs | 178,828 | 12,593 | **191,421** | 197,507 |
| Interest accrued | 122,275 | 9,122 | **131,397** | 120,805 |
| Benefit payments | (275,670) | (15,463) | **(291,133)** | (270,187) |
| Plan amendments | - | - | **-** | - |
| Actuarial gains (losses) | 382,998 | 19,496 | **402,494** | (91,811) |
| Accrued benefit obligation, closing | 2,651,703 | 193,002 | **2,844,705** | 2,410,526 |
| Unamortized net actuarial (gain) loss | (345,509) | (327,889) | **(673,398)** | (433,263) |
| Total employee future benefits and compensated absences | $ 2,306,194 | $ (134,887) | $ **2,171,307** | $ 1,977,263 |
| Benefits Expense | | | | |
| Current period benefit cost | 178,828 | 12,593 | **191,421** | 197,507 |
| Interest accrued | 122,275 | 9,122 | **131,397** | 120,805 |
| Plan amendments | - | - | **-** | - |
| Amortization of actuarial (gain) loss | 22,076 | 140,283 | **162,359** | 209,023 |
| | $ 323,179 | $ 161,998 | $ **485,177** | $ 527,335 |

The discount rate used to determine the accrued benefit obligation is an average of 4.3%, down from the prior years rate of 5.3% . No inflation rate was applied. The expected payments during the next five fiscal years are:

| | Severance and Removal | Compensated Absences | **Total** |
|---|---|---|---|
| 2025 | $ 321,911 | $ 24,139 | $ **346,050** |
| 2026 | 295,839 | 19,452 | **315,291** |
| 2027 | 294,178 | 18,715 | **312,893** |
| 2028 | 305,480 | 20,406 | **325,886** |
| 2029 | 285,709 | 18,512 | **304,221** |
| | $ 1,503,117 | $ 101,224 | $ **1,604,341** |

Note 13. **Employee Future Benefits and Compensated Absences (continued)**

Contingent Revenue

Revenue of $31,468 representing accrued severance and removal for employees on August 31, 1996 and which, in management's view, pursuant to the terms of the transfer agreement on that date between the GNWT and the Town of Hay River, is owed to the Authority by GNWT, has not been recorded in these financial statements. Recognition of this amount is contingent upon GNWT agreeing to payment terms.

Note 14. **Environmental Liabilities - Nil Report**

Note 15. **Trust Assets and Liabilities**

The amount held in patient trust assets are funds held on behalf of the patients in residential care. The funds do not belong to the Authority as they are restricted for those patients. The amount in the patient trust liability is equivalent to the balance owed to the residential care patients. The discrepancy between the trust asset and liability are for amounts deposited into the bank account in error.

| | | **2025** | | 2024 |
|---|---|---|---|---|
| Patient Trust Asset | $ | **139,907** | $ | 158,322 |
| Patient Trust Liability | $ | **139,138** | $ | 157,553 |

Note 16. **Services Provided Without Charge**

During the year, the Authority received without charge from the Government various administrative services, the value of which is not reflected in these financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage, actuarial valuations and internal audit services provided by the Department of Finance and use of vehicles, building repairs and utilities by the Department of Public Works.

The Authority also receives from the Government, without any rental charges, the use of facilities and equipment to provide public health and social services. The rental facilities used include the new Hay River Regional Health Center, Woodland Manor, the Adult Supported Living units, the Children's Group Home and Women's Resource Center. Various medical equipment is also provided free of any rental fees.

The use of these facilities would have cost the Authority an estimated $2,205,782 ($2,184,434 in 2024) based on the Government's amortization expense for these assets.

Note 17. **Contractual Obligations**

Contractual obligations are obligations of the Authority to others that will become liabilities in the future when the terms of those contracts or agreements are met.

The Authority has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to March 31, 2025.

| Expires in fiscal year | Residential 2025 | Equipment 2027 | Operational 2027 | **Total** |
|---|---|---|---|---|
| 2026 | $ - | $ 34,144 | $ 59,939 | $ **94,083** |
| 2027 | - | 34,144 | 13,969 | **48,113** |
| 2028 | - | - | 8,008 | **8,008** |
| Subsequent | - | - | - | **-** |
| | $ - | $ 68,288 | $ 81,916 | $ **150,204** |

Note 18. **Contingent Liabilities**

In common with many health authorities, claims are made against the Authority and its staff. The Authority is currently defending two actions brought against them. It is expected that any liabilities will be covered by insurance.

With any employer, especially those with a union, there are always risks of employee grievances. At the end of the fiscal year a number of grievances were awaiting arbitration. In the opinion of management and legal council, no material accrued liability needs to be established. Should any further loss result from the resolution of these claims, such loss will be charged to operations in the year of resolution.

Note 18. **Contingent Liabilities (continued)**

The Authority's operations are affected by federal, territorial and local laws and regulations regarding Environmental Protection. The Authority is committed to meeting these existing laws and regulations. Management is not aware of any material environmental liabilities that resulted during the year.

Under the terms of the contribution agreement between the Government of the Northwest Territories, the Authority may be liable to repay any restricted or contributed fund not expended in accordance with contribution agreements. The Authority has recorded all known unexpended contribution funds repayable.

Note 19. **Budget**

The budget figures are the opening budgets as approved by the Authority's Public Administrator and the GNWT Department of Health and Social Services. The budget figures are not audited and are intended for information purposes only.

Note 20. **Economic Dependence**

The Authority receives its funding primarily from the GNWT. If the funding arrangements were to change, management is of the opinion that the Authority operations would be significantly affected.

Note 21. **Subsequent Events - Nil Report**

Note 22. **Comparative Figures**

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

Note 23. **Related Party Transactions**

The Authority is related in terms of common ownership to all GNWT created departments and public agencies. The Authority enters into transactions with these entities in the normal course of operations. The Authority is provided various administrative services by the GNWT, the value of which is not reflected in these financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage by the Department of Finance, internal audit services provided by the Department of Finance and repairs, utilities and facility and equipment rental provided by the Department of Infrastructure.

Transactions with related parties and balances at year-end are included in the financial statements, but not disclosed separately other than in this note:

| | Accounts Receivables 2025 | Allowance for Doubtful Accounts 2025 | **Net 2025** | Net 2024 |
|---|---|---|---|---|
| Due from related parties | | | | |
| Accounts Receivable | | | | |
| GNWT, Note 7 | | | | |
| Department of HSS | $ 1,017,836 | $ (96,318) | $ **921,518** | $ 1,351,829 |
| Department of Finance | 47,939 | - | **47,939** | 674,504 |
| Department of Infrastructure | 5,901 | - | **5,901** | 551 |
| Department of Justice | - | - | **-** | 680 |
| Department of Aboriginal Diabetes | 489 | - | **489** | 489 |
| Department of ECE | 8,039 | - | **8,039** | 379 |
| Department of EMR Develop. Project | - | - | **-** | 8,218 |
| | 1,080,204 | (96,318) | **983,886** | 2,036,650 |
| NTHSSA, Note 7 | 70,881 | - | **70,881** | 104,316 |
| Hay River Hospital Foundation | 5,324 | - | **5,324** | 5,324 |
| Total Receivables | $ 1,156,409 | $ (96,318) | $ **1,060,091** | $ 2,146,290 |

Note 23. **Related Party Transactions (continued)**

| | | **2025** | | 2024 |
|---|---|---|---|---|
| Due to related parties | | | | |
| Accounts Payable: | | | | |
| GNWT, Note 9 | | | | |
| Department of HSS | $ | **213,762** | $ | 431,000 |
| Department of Finance | | **55** | | 524 |
| Department of Infrastructure | | **-** | | 388 |
| | | **213,817** | | 431,912 |
| | | **-** | | |
| NTHSSA, Note 9 | | **396,376** | | 2,475,160 |
| Hay River Hospital Foundation | | **1,807** | | 1,807 |
| Total Payables | $ | **612,000** | $ | 2,908,879 |
| Deferred revenues, GNWT-HSSA, Note 28 | | **152,571** | | 99,945 |
| Contributions repayable, GNWT-HSSA, Note 29 | | **4,055,290** | | 2,476,617 |
| Accountable capital advances, GNWT-HSSA, Note 30 | | **5,829** | | 5,829 |
| Total Liabilities | $ | **4,825,690** | $ | 5,491,270 |

| | | **2025** | | 2024 |
|---|---|---|---|---|
| Revenues | | | | |
| GNWT | | | | |
| Department of Health & Social Services | $ | **39,054,658** | $ | 37,157,648 |
| Department of Municipal and Community Affairs | | **-** | | 674,504 |
| Department of Justice | | **-** | | 680 |
| | | **39,054,658** | | 37,832,832 |
| NTHSSA | | **240,954** | | 183,652 |
| Hay River Hospital Foundation | | **-** | | 5,324 |
| Total Revenues | $ | **39,295,612** | $ | 38,021,808 |

| | | **2025** | | 2024 |
|---|---|---|---|---|
| Expenses | | | | |
| GNWT | | | | |
| Department of Health & Social Services | $ | **-** | $ | - |
| Department of Infrastructure | | **-** | | 761 |
| | | **-** | | 761 |
| NTHSSA | | **2,675,174** | | **2,475,160** |
| Total Expenses | $ | **2,675,174** | $ | 2,475,921 |

Related party transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Note 24. **Financial Instruments**

The Authority is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risk from the Authority's financial instruments by type of risk is provided below:

Credit Risk

Credit risk is the risk of financial loss to the Authority if a debtor fails to make payments of interest and principal when due. The Authority is exposed to this risk relating to its, cash, special purpose funds, trust assets and accounts receivable.

The Authority holds its cash and trust assets, deposits in trust accounts, with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation.

Accounts receivable are due from various governments, government agencies, corporations and individuals. Credit risk related to accounts receivable is mitigated by internal controls as well as policies and oversight over arrears for ultimate collection. Management has determined that a portion of accounts receivable are impaired based on specific identification as well as age of receivables. These amounts are as disclosed in Note 7.

For accounts receivable, the Authority reviews balances and aging information to determine if a valuation allowance is necessary, and initiates collection actions.

The aging information for the Authority’s accounts receivable that are past due and not impaired is as follows:

| | 0-30 days | 30-60 days | 60-90 days | Over 90 days | Total |
|---|---|---|---|---|---|
| GNWT - HSS | $ 877,204 | $ 3,941 | $ 37,860 | $ 2,513 | $ 921,518 |
| GNWT - Finance | 47,939 | - | - | - | 47,939 |
| GNWT - Infrastructure | - | - | - | 5,901 | 5,901 |
| GNWT - Justice | - | - | - | - | - |
| GNWT - Aborig. Diab. | - | - | - | 489 | 489 |
| GNWT - ECE | - | - | - | 8,039 | 8,039 |
| Due from NTHSSA | 18,871 | 39,844 | - | 12,166 | 70,881 |
| WSCC | 3,735 | 15,315 | - | 1,060 | 20,110 |
| HR Hospital Foundation | - | - | - | 5,324 | 5,324 |
| GST rebate receivable | 13,996 | 15,650 | 17,681 | 4,874 | 52,201 |
| General receivable | 22,823 | 55,230 | 19,094 | 209,061 | 306,208 |
| | $ 984,568 | $ 129,980 | $ 74,635 | $ 249,427 | $ 1,438,610 |

The Authority's maximum exposure to credit risk is represented by the financial assets less the pension plan and trust asset for a total of $7,802,760 (2024 - $8,011,169).

Concentration of Credit Risk

Concentration risk arises when a customer has more than ten percent of the total accounts receivable, which increases the Authority's risk in the event the customer does not fulfill their obligation. The Authority does have concentration risk. At March 31, 2025, one customer in accounts receivable accounts for 64% (2024 - 77%) of the total balance which subjects the Authority to concentration risk. This risk is monitored through regular review of the outstanding balances in receivables.

As all the Authority's cash is held in one Canadian bank, they are subject to further concentration risk.

Liquidity Risk

Liquidity risk is the risk that the Authority will not be able to meet all cash outflow obligations as they come due. The Authority mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining an adequate amount of cash to cover unexpected cash outflows should they arise. Total financial assets are $21,331,667 including the $13,389,000 pension asset; financial liabilities are $10,730,633. The authority has disclosed future financial liabilities and commitments in Notes 13, 17 and 18.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is composed of currency risk, interest rate risk and other price risk. The defined benefit pension plan asset valuation holds significant risk due to market fluctuations which can significantly impact the value.

Note 24. **Financial Instruments (continued)**

Currency Risk

The Authority deals exclusively in Canadian funds held in the bank, but does carry some foreign investments within the pension plan and is reduced through ensuring that the pension plan has a widely divested portfolio.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures, and methods used to measure the risk.

Note 25. **Expenses by Object**

| | 2025 Budget | **2025 Actual** | 2024 Actual |
|---|---|---|---|
| Compensation | | | |
| Salaries and wages | $ 27,989,207 | $ **28,393,572** | $ **26,546,653** |
| Severance and removal | 150,000 | **423,382** | **563,088** |
| Pension plan special payments and valuation adjustment | - | **7,456,044** | **(1,177,852)** |
| Locums | 80,000 | **228,669** | **263,828** |
| Medical supplies | 1,406,605 | **1,397,981** | **1,256,450** |
| Referred out services | 3,833,351 | **4,696,563** | **3,481,556** |
| Grants and contributions | 695,000 | **695,000** | **680,000** |
| Travel assistance | 350,000 | **671,907** | **523,826** |
| Equipment maintenance | 397,454 | **353,815** | **446,184** |
| Rent | 234,190 | **89,476** | **240,512** |
| Foster care | 560,700 | **764,549** | **631,693** |
| Phone and postage | 310,835 | **298,684** | **325,751** |
| Locum removal | 55,000 | **777,286** | **556,309** |
| Travel | 221,980 | **343,239** | **946,454** |
| Professional fees | 196,800 | **242,029** | **305,777** |
| Training | 445,520 | **109,613** | **51,429** |
| Office supplies | 177,483 | **204,186** | **201,436** |
| Purchases service personnel | 112,000 | **102,894** | **206,818** |
| Minor equipment | 249,980 | **191,302** | **587,112** |
| Software licensing | 163,404 | **183,197** | **115,795** |
| Honorariums | 50,000 | **38,325** | **45,769** |
| Garbage | 30,000 | **33,302** | **21,074** |
| Memberships | 16,880 | **29,977** | **18,987** |
| Advertising | 65,150 | **38,044** | **55,901** |
| Interest and fees | 3,860 | **9,883** | **11,984** |
| Bad debt | 5,000 | **150,127** | **13,819** |
| | $ 37,800,399 | **$ 47,923,046** | $ 36,920,353 |

Note 26. **Tangible Capital Assets - Nil Report**

Note 27. **Prepaid Expenses and Deposits**

| | **2025** | 2024 |
|---|---|---|
| Service and maintenance packages | $ **11,366** | $ **103,789** |
| Family Support Centre | **-** | **115,840** |
| Deposit | **2,000** | **2,000** |
| | $ **13,366** | $ 221,629 |

Note 28. **Deferred Revenue**

Deferred revenue represents funds that have been received for specific programs but remain unspent at March 31, 2025 as follows:

| | **2025** | 2024 |
|---|---|---|
| Government of the Northwest Territories | | |
| Department of Health and Social Services | | |
| Professional Development Initiative | $ **56,633** | $ **56,633** |
| Traditional Food Project | **31,615** | **32,047** |
| Youth Transition and Navigation Worker | **48,298** | **-** |
| Outdoor Gatherings | **16,025** | **11,265** |
| | $ **152,571** | $ 99,945 |

Note 29. **Contributions Repayable**

Contributions repayable represents funds that have been received for specific programs and are required to be repaid to the contributor as of March 31, 2025:

| | | **2025** | | 2024 |
|---|---|---|---|---|
| Government of the Northwest Territories | | | | |
| Department of Health and Social Services | | | | |
| Grad Placement Program K. Miller 13/14 | $ | **8,064** | $ | **8,064** |
| Child and Family Services - 22/23 | | **1,364** | | **1,364** |
| Community Child & Youth Care Counsellors - 22/23 | | **206,597** | | **206,597** |
| Hay River Health Centre - 22/23 | | **141,215** | | **141,215** |
| Homecare - 22/23 | | **81,805** | | **81,805** |
| Covid-19 Endemic - 22/23 | | **760,000** | | **760,000** |
| Woodland Manor - 23/24 | | **24,843** | | **24,843** |
| Homecare - 23/24 | | **145,227** | | **145,227** |
| Midwifery - 23/24 | | **93,685** | | **93,685** |
| Physician Services - 23/24 | | **665,557** | | **665,557** |
| Health Professional Recruitment and Retention Strategies - 23/24 | | **46,876** | | **46,876** |
| Labour Market Supplement 23/24 | | **128,717** | | **128,718** |
| Covid-19 Endemic - 23/24 | | **172,666** | | **172,666** |
| Labour Market Supplement and Retro Funding - 24/25 | | **855,492** | | **-** |
| Child and Family Services - 24/25 | | **99,081** | | **-** |
| Community Child - 24/25 | | **74,857** | | **-** |
| Home Care - 24/25 | | **131,709** | | **-** |
| Midwifery Program - 24/25 | | **126,764** | | **-** |
| Territorial Renal - 24/25 | | **68,070** | | **-** |
| Health Professional Recruitment -24/25 | | **26,446** | | **-** |
| Physician Services -24/25 | | **196,255** | | **-** |
| | $ | **4,055,290** | $ | 2,476,617 |

Note 30. **Accountable Capital Advances from GNWT**

The Authority has received advances from GNWT under capital contribution agreements for purchases of capital assets. These advances are deferred by the Authority and purchases which fall under the agreements, reduce the balance carried forward.

| | | **2025** | | 2024 |
|---|---|---|---|---|
| Beginning balance | $ | **5,829** | $ | 5,829 |
| Capital purchases paid out of advanced funds | | **-** | | - |
| Ending balance | $ | **5,829** | $ | 5,829 |

Note 31. **Accumulated Surplus (Deficit)**

| | | **2025** | | 2024 |
|---|---|---|---|---|
| Operating fund accumulated surplus (deficit) | $ | **12,598,028** | $ | 19,050,174 |
| Employee leave and termination liability fund | | **(2,171,307)** | | (1,977,263) |
| Cash Reserve | | **500,000** | | 500,000 |
| | $ | **10,926,721** | $ | 17,572,911 |

**HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY**
Schedule of Contributions from the GNWT Schedule A

For the year ended March 31, 2025

| | 2025 Budget | **2025 Actual** | 2024 Actual |
|---|---|---|---|
| Contributions from the GNWT | | | |
| **Department of Health and Social Services** | | | |
| Core Contribution Department of Health | | | |
| Administrative and Support Services | $ 3,381,000 | $ **3,822,000** | $ **3,788,000** |
| Health and Social Programs formerly "Community Health Programs" | 25,292,759 | **27,871,000** | **26,288,000** |
| Long Term and Continuing Care Services formerly "Ambulatory Care" | 7,539,154 | **7,924,000** | **7,426,000** |
| Diagnostic and Therapeutic Services | - | | **-** |
| Nursing Inpatient Services | - | | **-** |
| Community Social Programs | - | | **-** |
| Supplementary Health Programs | 22,000 | **22,000** | **22,000** |
| Undistributed Funds | 8,000 | **-** | **-** |
| | 36,242,913 | **39,639,000** | 37,524,000 |
| Less: Reprofiling of 2023/2024 funding | - | **-** | **(401,000)** |
| Less: Net contributions repayable/deferred | - | **(1,578,674)** | **(1,252,854)** |
| | 36,242,913 | **38,060,326** | 35,870,146 |
| Other Department of Health and Social Services Contributions | | | |
| Home and Community Care (Schedule A-1) | - | **434,527** | 597,335 |
| Addictions Training | - | **234,500** | **237,759** |
| Medical Travel | - | **-** | **204,921** |
| Official Languages | - | **154,850** | **154,712** |
| Collective Kitchens | - | **20,400** | **20,787** |
| Working Together to Improve Health Care | - | **119,048** | **43,000** |
| Youth Transition and Navigation Worker | - | **35,702** | **-** |
| Substance Abuse Clinics (prior year) | - | **26,648** | **-** |
| Return of Funding: Optimizing Treatment Trajectory | - | **(11,207)** | **19,950** |
| Return of Funding: Working Together to Improve Health Care | - | **(20,136)** | **-** |
| Return of Funding: Recovery of Opioid Poison | - | **-** | **(30,000)** |
| | - | **994,332** | 1,248,464 |
| **Total Department of Health** | 36,242,913 | **39,054,658** | 37,118,610 |
| **GNWT Department of MACA** | - | **-** | **674,504** |
| Total Contribution from the GNWT | $ 36,242,913 | $ **39,054,658** | $ 37,793,114 |

**HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY**
Schedule of Detailed Contribution Funding and Expenditures Schedule A-1
Home and Community Care
PO-5224am2
For the year ended March 31, 2025

| | 2025 Actual | 2024 Actual |
|---|---|---|
| Funding | | |
| Government of the Northwest Territories | | |
| Department of Health and Social Services | $ **434,527** | $ **597,335** |
| less contributions repayable | **-** | - |
| | **434,527** | **597,335** |
| Expenditures | | |
| Compensation and benefits | **399,286** | **570,849** |
| Supplies | **13,013** | **12,637** |
| Sundry | **10,085** | **1,082** |
| Vehicle expense | **-** | **1,000** |
| Equipment expense | **9,293** | **9,675** |
| Training | **2,850** | **2,092** |
| | **434,527** | **597,335** |
| | $ **-** | $ **-** |

** Funds in the amount of $434,527 are receivable on the agreement as of the end of the year.

**HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY**
Schedule of Reserves

Schedule B

For the year ended March 31, 2025

| | Leave and Termination Benefits Reserve | | Cash Reserve | | Total Reserves | |
|---|---|---|---|---|---|---|
| | **2025** | 2024 | **2025** | 2024 | **2025** | 2024 |
| Balance, beginning of the year | $ **(1,977,263)** | $ (1,720,115) | $ **500,000** | $ 500,000 | $ **(1,477,263)** | $ (1,220,115) |
| Change to opening balances | | - | **-** | - | **-** | - |
| (Increase) Decrease in employee future benefits and compensated absence | **(194,044)** | (257,148) | **-** | - | **(194,044)** | (257,148) |
| Transfers between reserves | **-** | - | **-** | - | **-** | - |
| Balance, end of year | $ **(2,171,307)** | $ (1,977,263) | $ **500,000** | $ 500,000 | $ **(1,671,307)** | $ (1,477,263) |

NORTHWEST TERRITORIES
Health and Social Services Authority

# NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

## Financial Statements

## March 31, 2025

# Northwest Territories Health and Social Services Authority

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**March 31, 2025** **Page**


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# Management's Responsibility for Financial Reporting

Management is responsible for preparing the accompanying financial statements in accordance with Canadian public sector accounting standards ("PSAS"). Where PSAS permits alternative accounting methods, management has chosen those it deems most appropriate in the circumstances. A summary of significant accounting policies are described in Note 2 to the financial statements. Management is responsible for making certain estimates and judgments required for the preparation of the financial statements. Management is responsible for ensuring that financial information presented elsewhere in the annual report is consistent with the financial statements.

Management is responsible for maintaining financial and management systems and practices which are designed to provide reasonable assurance that reliable financial and non-financial information is available on a timely basis, that assets are acquired economically, are used to further the Authority's objectives, are protected from loss or unauthorized use and that the Authority complies with applicable legislation. Management recognizes its responsibility for conducting the Authority's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to an agent of the Territorial Government. Management reviews the operation of financial and management systems to promote compliance and to identify changing requirements or needed improvements.

The Auditor General of Canada provides an independent, objective audit for the purpose of expressing her opinion on the financial statements. She also considers whether the transactions that come to her notice in the course of the audit are, in all significant respects, in accordance with the specified legislation.

The financial statements have been approved by the Northwest Territories Health and Social Services Public Adminstrator (Public Adminstrator).

Kimberly Riles, MA BN, RN
Chief Executive Officer

Marissa Martin, CPA, CGA, MBA
Chief Financial Officer

August 13, 2025

Office of the Auditor General of Canada
Bureau du vérificateur général du Canada

# INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Northwest Territories Health and Social Services Authority

*Opinion*

We have audited the financial statements of the Northwest Territories Health and Social Services Authority (the Authority), which comprise the statement of financial position as at 31 March 2025, and the statement of operations and accumulated deficit, statement of change in net debt and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at 31 March 2025, and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Emphasis of Matter*

We draw attention to Note 1 of the financial statements, which provides information on the Authority's financial position, its continued economic dependence on the Government of the Northwest Territories to sustain its operations and its ability to continue as a going concern. Our opinion is not modified in respect of this matter.

*Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Authority's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

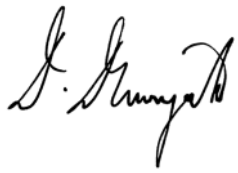
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Dusan Duvnjak, CPA, CMA
Principal
for the Auditor General of Canada

Ottawa, Canada
13 August 2025

## Northwest Territories Health and Social Services Authority

**Statement of Financial Position** (All figures in thousands of dollars)

| As at March 31, | 2025 | 2024 |
|---|---|---|
| | **$** | $ |
| **Financial Assets** | | |
| Cash | **13,299** | 3,979 |
| Accounts receivable (note 4) | **16,832** | 16,984 |
| Due from Government of the Northwest Territories (note 5) | **93,658** | 77,060 |
| Due from Government of Canada | **325** | 298 |
| | **124,114** | 98,321 |
| **Liabilities** | | |
| Accounts payable and accrued liabilities (note 7) | **42,793** | 43,865 |
| Due to Government of the Northwest Territories (note 5) | **384,335** | 330,152 |
| Due to Government of Canada | **29** | 21 |
| Employee future benefits and compensated absences (note 8) | **7,730** | 7,434 |
| | **434,887** | 381,472 |
| **Net Debt** | **(310,773)** | (283,151) |
| **Non-Financial Assets** | | |
| Inventory held for use (note 6) | **6,010** | 6,098 |
| Prepaid expense | **3,927** | 4,200 |
| | **9,937** | 10,298 |
| **Accumulated deficit** (note 9) | **(300,836)** | (272,853) |

**Contractual obligations and rights and Contingent Liabilities** (notes 10 and 11)

**Approved on behalf of the Authority:**



Dan Florizone MBA, BComm
Public Adminstrator

The accompanying notes are an integral part of these financial statements.

## Northwest Territories Health and Social Services Authority

**Statement of Operations and Accumulated Deficit** (All figures in thousands of dollars)

| For the year ended March 31, | 2025 Budget | 2025 Actual | 2024 Actual |
|---|---|---|---|
| | $ | $ | $ |
| **Revenues** | | | |
| Revenues from Government of the Northwest Territories | | | |
| Core contributions (note 17) | **364,535** | **422,155** | 385,860 |
| Non-core contributions (note 17) | **32,049** | **32,762** | 20,988 |
| Recoveries - other | **52,854** | **25,779** | 29,664 |
| Recoveries - non-insured health benefits | **15,950** | **54,190** | 42,664 |
| Recoveries - prior year expenses | **-** | **293** | 155 |
| Grants-in-kind (note 13) | **29,815** | **20,222** | 25,338 |
| | **495,203** | **555,401** | 504,669 |
| Other Revenues | | | |
| Revenues from Government of Canada | **755** | **928** | 750 |
| Recoveries from other sources | **20,566** | **24,071** | 17,633 |
| Recoveries from Government of Nunavut | **6,503** | **5,966** | 5,943 |
| Contributions from other sources | **1,750** | **1,584** | 1,022 |
| Interest income | **1,321** | **984** | 1,456 |
| Other income | **-** | **41** | 72 |
| | **30,895** | **33,574** | 26,876 |
| **Total Revenues** | **526,098** | **588,975** | 531,545 |
| **Expenses** (note 16) | | | |
| **Community social programs** | **133,574** | **137,357** | **136,441** |
| Child and family services | **14,959** | 16,878 | 15,569 |
| Program support | **2,333** | 3,060 | 2,210 |
| Community addiction and shelter services | **8,307** | 6,986 | 8,337 |
| Health promotions and community wellness | **3,734** | 3,268 | 3,156 |
| Family presentation | **1,784** | 1,597 | 1,785 |
| Foster care | **11,882** | 11,032 | 9,606 |
| Youth in territory services | **3,433** | 1,127 | 1,744 |
| Adult services | **32,299** | 33,957 | 35,573 |
| Community mental health | **12,445** | 11,899 | 11,600 |
| Southern placements | **42,398** | 47,553 | 46,861 |
| **Ambulatory care services** | **100,147** | **107,031** | **97,418** |
| **Administration and Support Services** | **104,115** | **92,269** | **81,189** |
| Administration | **38,975** | 37,384 | 35,818 |
| Support services | **65,140** | 54,885 | 45,371 |

The accompanying notes are an integral part of these financial statements.

## Northwest Territories Health and Social Services Authority

**Statement of Operations and Accumulated Deficit (continued)** (All figures in thousands of dollars)

| | 2025 Budget | 2025 Actual | 2024 Actual |
|---|---|---|---|
| **Nursing inpatient services** | **63,574** | **70,629** | **63,209** |
| Combined medical surgical nursing | **26,511** | 30,364 | 29,072 |
| Nursing inpatient services | **3,788** | 4,216 | 3,654 |
| Midwifery | **1,421** | 1,274 | 1,373 |
| Combined care obstetrics nursing | **7,606** | 6,238 | 6,594 |
| Operation room nursing | **6,582** | 8,647 | 7,180 |
| Paediatric nursing | **2,199** | 2,946 | 2,403 |
| Mental health and addiction nursing | **4,920** | 6,012 | 5,345 |
| Long term care | **10,547** | 10,932 | 7,588 |
| **Community health programs** | **59,699** | **65,130** | **60,741** |
| Health services | **7,049** | 2,869 | 2,833 |
| Community clinics | **35,964** | 45,723 | 42,527 |
| Health promotion and community programs | **16,686** | 16,538 | 15,381 |
| **Supplementary health programs** | **83,781** | **95,724** | **79,020** |
| Sale of goods/rental | **4,523** | 6,289 | 4,930 |
| Benefit administration | **79,258** | 89,435 | 74,090 |
| **Diagnostic and therapeutic services** | **42,515** | **48,818** | **40,997** |
| Diagnostic services | **22,119** | 27,187 | 21,783 |
| Therapeutic services | **20,396** | 21,631 | 19,214 |
| **Total Expenses** | **587,405** | 616,958 | 559,015 |
| **Annual operating deficit** | **(61,307)** | (27,983) | (27,470) |
| **Accumulated operating deficit, beginning of year** | **(272,853)** | **(272,853)** | **(245,383)** |
| **Accumulated operating deficit, end of year** | **334,160** | (300,836) | (272,853) |

The accompanying notes are an integral part of these financial statements.

## Northwest Territories Health and Social Services Authority

**Statement of Change in Net Debt** (All figures in thousands of dollars)

| For the year ended March 31, | 2025 | | 2024 |
|---|---|---|---|
| | **Budget** | **Actual** | Actual |
| | **$** | **$** | $ |
| **Annual operating deficit for the year** | **(61,307)** | **(27,983)** | (27,470) |
| **Adjustments** | | | |
| Acquisition of inventories held for use | **-** | **(9,343)** | (11,694) |
| Consumption of inventories held for use | **-** | **9,431** | 13,041 |
| Acquisition of prepaid expenses | **-** | **(2,349)** | (4,183) |
| Use of prepaid expenses | **-** | **2,622** | 2,262 |
| **Increase in net debt for the year** | **(61,307)** | **(27,622)** | (28,044) |
| **Net debt, beginning of year** | **(283,151)** | **(283,151)** | (255,107) |
| **Net debt, end of year** | **(344,458)** | **(310,773)** | (283,151) |

The accompanying notes are an integral part of these financial statements.

## Northwest Territories Health and Social Services Authority

**Statement of Cash Flow** (All figures in thousands of dollars)

| For the year ended March 31, | **2025** | 2024 |
|---|---|---|
| | **$** | $ |
| **Cash used in operating transactions** | | |
| Annual operating deficit | **(27,983)** | (27,470) |
| Changes in non-cash assets and liabilities | | |
| Change in accounts receivable | **152** | (2,842) |
| Change in accounts payable and accrued liabilities | **(1,072)** | 7,575 |
| Net change in due to/(from) Government of the Northwest Territories | **37,585** | 22,447 |
| Change in employee future benefits and compensated absences | **296** | 382 |
| Net change in due to/(from) Government of Canada | **(19)** | (704) |
| Change in inventory | **88** | 1,346 |
| Change in prepaid expenses | **273** | (1,920) |
| **Cash used in operating transactions** | **9,320** | (1,186) |
| **Increase in cash** | **9,320** | (1,186) |
| **Cash, beginning of year** | **3,979** | 5,165 |
| **Cash, end of year** | **13,299** | 3,979 |

There were no financing, investing, or capital transactions during the year.

Total interest received during the year was $984 (2024 - $1,456).

The accompanying notes are an integral part of these financial statements.

## 1. Authority and Operations

The Northwest Territories Health and Social Services Authority (the "Authority") operates pursuant to the *Hospital Insurance* and *Health and Social Services Administration Act* (the "Act") of the Northwest Territories ("NWT") and is an agency under Schedule A of the *Financial Administration Act* ("FAA") of the NWT. Accordingly, the Authority operates in accordance with its Act and regulations, and any directives issued to it by the Minister responsible for the Authority.

The Authority was established to manage, control and operate the public health facilities and services assigned to it by the Government of the Northwest Territories ("GNWT"). When the Authority was created, six of the eight Health and Social Services Authorities ("HSSAs") were amalgamated under the Authority. The reporting entity comprises the newly created Authority and the operations from six former HSSAs including Beaufort-Delta, Dehcho, Fort Smith, Sahtu, Yellowknife and Stanton Territorial Hospital.

Hay River Health and Social Services Authority ("HRHSSA") and Tlicho Community Services Agency ("TCSA") remain outside the Authority; however, the legislation does include provisions to bring the HRHSSA into the Authority at a later date. The Authority serves as a single integrated delivery system for Northwest Territories health and social service programs while recognizing that the TCSA retains a unique role through the provisions of the Tlicho Agreement.

As of December 16, 2024 the NTHSSA Leadership Council was replaced with a Public Admininstrator. Through the Chief Executive Officer, the Authority reports to and takes direction from the Northwest Territories Health and Social Services Public Administrator. The Authority is exempt from taxation pursuant to Paragraph 149 of the federal *Income Tax Act*.

### Budget

The budgeted figures represent the Authority's original fiscal plan for the year approved by the Leadership Council and the GNWT. To be consistent with the format of the financial statements, presentation changes have been applied as disclosed in note 19.

### Going concern and economic dependence

Upon amalgamation in 2016, the predecessor HSSAs had an accumulated operating deficit of $50,824 which was transferred to the Authority and included in its opening financial position. For the year ended March 31, 2025 the Authority had an annual operating deficit of $27,983 (2024 - $27,470), accumulated operating deficit of $300,836 (2024 - $272,853), liabilities of $434,887 (2024 - $381,472) which includes $384,335 (2024 - $330,152) due to the GNWT, and total financial assets of only $124,114 (2024 - $98,321).

The Authority was created as part of a system-wide transformation of the health and social services system in the NWT, including addressing financial pressures. The Authority remains economically dependent upon the annual appropriations received from the GNWT, the GNWT's authorization for incurring annual operating deficits, the GNWT’s continued support for payments of payroll costs on behalf of the Authority combined with the GNWT's continued financing of the payroll liability. The Authority anticipates that the GNWT will continue to provide the current financial support, while working collaboratively with the Authority to identify ways to address the financial pressures.

Since the Authority's inception, the GNWT has increased its funding to the Authority each year. The Authority's operations have also expanded with the opening of a health centre, long-term care facility and hospital. The going concern basis of accounting has been deemed appropriate for the current financial statements. These financial statements do not include any adjustments to the carrying value of assets and liabilities and the reported revenues and expenses.

## 2. Basis of presentation and significant accounting policies

### Basis of presentation

These financial statements have been prepared in accordance with Canadian public sector accounting standards as issued by the Canadian Public Sector Accounting Board. Significant aspects of the accounting policies adopted by the Authority are as follows:

### (a) Measurement uncertainty

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses recognized in the financial statements and disclosed in the accompanying notes. By their nature, all estimates are inherently subject to some measurement uncertainty. The estimates are based on facts and circumstances, historical experience and reflect management's best estimate of the related amount at the end of the reporting period. Estimates and underlying assumptions are reviewed annually at March 31.

Measurement uncertainty that is material exists when it is reasonably possible that a material variance could occur in the reported or disclosed amount in the near term. Near term is defined as a period of time not to exceed one year from March 31. Changes in estimates and assumptions will occur based on passage of time and occurrence or non-occurrence of certain future events. Revisions to accounting estimates are recognized in the period in which estimates are revised if revisions affect only that period or in the period of revision and future periods if revisions affect both current and future periods.

Contingent liabilities are subject to measurement uncertainty due to the use of estimates relating to both the outcome of the future event as well as the value of the potential loss. The estimate of the provision for claims is continuously reviewed and refined in light of several factors, including ongoing negotiations, recent settlements and decisions made by the courts. Accounts receivable and Due from GNWT includes accrued receivables based on estimates of patient services provided but not yet assessed for recoverability from third parties. Historical experiences related to these assessments can be inconsistent resulting in challenges predicting future outcomes. This may lead to a greater possibility of a material variance between estimates recognized in the financial statements and the results ultimately realized.

### (b) Cash

Cash is comprised of bank account balances, net of outstanding cheques.

### (c) Accounts receivable

Valuation allowances, determined on an individual basis, are based on past events, current conditions and all circumstances known at the date of the preparation of the financial statements and are adjusted annually to reflect the current circumstances by recording write downs or recoveries, as appropriate. Write-downs are recognized when the receivables have been deemed uncollectable. Recoveries are recorded when receivables previously written down are subsequently collected.

### (d) Tangible capital assets

The GNWT retains ownership of all tangible capital assets ("TCA") used by the Authority. The Public Accounts of the GNWT include these TCAs and as such the Authority has no TCAs recognised in its financial statements.

**2. Basis of presentation and significant accounting policies (continued)**

The Authority has recognized grants-in-kind revenue for the use of these TCAs provided free of charge by the GNWT. In addition, the Authority has recognized a corresponding rent expense for these TCAs based on the GNWT's amortization which is the GNWT's cost. This rent expense has been allocated to the Authority's programs in the Statement of Operations and Accumulated Deficit.

**(e) Inventories held for use**

Inventories consist of general supplies which includes hospital operating room supplies. Inventories held for use are valued at the lower of cost and replacement value. Where inventory has been donated it is measured at fair value at the date of acquisition.

**(f) Revenue recognition**

**Government transfers**

Government transfers are recognized as revenues when the transfer is authorized, reasonable estimates of the amounts can be determined and any eligibility criteria and stipulations have been met, except for the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the Statement of Operations and Accumulated Deficit as the stipulation liabilities are settled.

**Recoveries**

Recoveries include amounts recovered for expenses paid by the Authority primarily relating to hospital services, medical fees, client medical travel costs and non-insured health benefits.

The recoveries noted above are exchange transactions that have separate performance obligations. Revenue for these recoveries is recognized at a point in time once the service is rendered, amounts can be reasonably estimated, and collection is reasonably assured

**Recoveries of prior years' expenses**

Recoveries of prior years' expenses and reversal of prior years' expense accruals in excess of actual expenditures are reported separately from other revenues on the Statement of Operations and Accumulated operating Deficit. Pursuant to the FAA, these recoveries cannot be used to increase the amount appropriated for current year expenses.

**Other revenues**

Other revenues are recognized when the service is performed or the goods are provided. The Authority may provide uninsured medical services for which revenue is recognized including recoveries for providing uninsured services and sale of food at its hospital cafeterias.

**(g) Employee future benefits and compensated absences**

Under the terms and conditions of employment, employees may earn non-pension benefits for resignation, retirement and removal costs. Eligible employees earn benefits based on years of service to a maximum entitlement based on terms of employment. Eligibility is based on a variety of factors including place of hire, date employment commenced and reason for termination. Benefit entitlements are paid upon resignation, retirement or death of an employee.

**2. Basis of presentation and significant accounting policies (continued)**

The expected cost of providing these benefits is recognized as employees render service. Termination benefits are also recorded when employees are identified for lay-off. The benefits under these two categories are valued using the projected unit credit methodology. Compensated absences include sick, special, parental and maternity leave. Accumulating non-vesting sick and special leave are recognized in the period the employee provides service, whereas parental and maternity leave are event driven and are recognized when the leave commences. Benefits that accrue under compensated absence benefits are actuarially valued using the expected utilization methodology. An actuarial valuation of the cost of these benefits (except parental and maternity, annual, and lieu time leaves) has been prepared using data provided by management and assumptions based on management's best estimates. Unamortized actuarial gains or losses are amortized over the employees' average remaining service life which is 10.3 years (2024 - 10.3 years).

**(h) Pensions**

The Authority and its eligible employees make contributions to the Public Service Pension Plan administered by the Government of Canada. These contributions represent the total liability of the Authority and are recognized in the financial statements as expenses when they are incurred. The Authority is not required under present legislation to make contributions with respect to actuarial deficiencies of the Public Service Pension Plan.

The Authority and its contracted physicians make contributions to a physician directed investment fund administered by the Canadian Medical Association. These contributions represent the total pension liability of the Authority and are recognized in the financial statements as expenses when they are incurred.

**(i) Financial instruments**

The Authority classifies its financial instruments at cost or amortized cost.

This category includes cash, accounts receivable, due (to) from Government of the Northwest Territories, due (to) from Government of Canada, and accounts payable and accrued liabilities. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets. Transactions costs related to financial instruments in the amortized cost category are added to the carrying value of the instruments. Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the write down being recognized in the Statement of Operations and Accumulated Deficit.

**(j) Non-financial assets**

Non-financial assets are accounted for as assets by the Authority because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Authority unless they are sold.

## 2. Basis of presentation and significant accounting policies (continued)

### (k) Contractual obligations and contingencies

The nature of the Authority's activities requires entry into operational contracts that can be significant in relation to its current financial position or that will materially affect the level of future expenses. Contractual obligations are commitments for operating, commercial and residential leases. Contractual obligations are obligations of the Authority to others that will become liabilities in the future when the terms of those contracts or agreements are met.

The contingencies of the Authority are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. If the future event is considered likely to occur and is quantifiable, an estimated liability is accrued. If the occurrence of the confirming future event is likely but the amount cannot be reasonably estimated, the contingency is disclosed. If the occurrence of the confirming event is not determinable, the contingency is disclosed.

### (l) Expenses

Expenses are reported on an accrual basis. The cost of all goods and services received during the year is expensed, except for certain assets and services provided without charge. Assets provided at no cost are described in Note 13.

### (m) Related parties

Related party transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties, except for certain services and other contributions provided by the GNWT at no cost. The Authority is related in terms of common ownership to all GNWT created departments, public agencies and key management personnel and close family members. Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Authority.

Services provided at no cost, that are part of the central agency role of the GNWT and cannot be reasonably estimated are not recorded in these financial statements. These services include, building utilities, repairs and maintenance, payroll processing, insurance and risk management, legal counsel, construction management, records storage, computer operations, asset disposal, project management and translation services.

Other assets and services provided at no cost by the GNWT are recorded in the financial statements. Use of assets which include, buildings, leasehold improvements, equipment, and vehicles, are recorded as described in Note 2 (d). Donated assets are recognized as grants-in-kind in the Statement of Operations and Accumulated Deficit, when donations are received. Operating costs paid on the Authority's behalf are recognized as contracted services expense and grants-in-kind in the Statement of Operations and Accumulated Deficit. Grants-in-kind is measured using the cost incurred by the GNWT.

## 2. Basis of presentation and significant accounting policies (continued)

### (n) Accounts payable and accrued liabilities

Liabilities are present obligations arising from past transactions or events, the settlement of which is expected to result in the future sacrifice of economic benefits.

Accounts payable and accrued liabilities primarily include obligations to pay for goods and services acquired prior to year-end, reimbursement of medical related travel expenses, and to pay for employee compensation earned prior to year-end.

Annually, employees earn vacation and in lieu credits in accordance with their respective collective bargaining agreement or contract. Any unused credits that have not been paid out are recorded as payable at the employees' pay rate at year-end.

### (o) Adoption of new standards

Effective April 1, 2026, the Authority will be required to adopt the new Conceptual Framework for Financial Reporting in the Public Sector. Earlier adoption of the new framework is permitted. The Authority is currently assessing the impact of this new framework on the financial statements.

Effective April 1, 2026, the Authority will be required to adopt PS 1202 Financial Statement Presentation. The standard sets out general and specific requirements for the presentation of information in financial statements. The financial statement presentation principles are based on the concepts in the Conceptual Framework. Earlier adoption is permitted if the Conceptual Framework for Financial Reporting in the Public Sector is early adopted. At the reporting date of these statements, the Authority has not determined the impact of these changes.

## 3. Designated assets

The Authority records financial information in individual funds that are internally segregated for the purpose of carrying on specific activities or attaining certain objectives. These funds are included in cash on the Statement of Financial Position totaling $88 (2024 - $81). Funds established by the Authority include a special project reserve $88 (2024 - $81) which are donations made to the Authority under non-contractual conditions.

## 4. Accounts receivable

| | Accounts receivable | Allow. For Doubtful Accounts | 2025 | 2024 |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Trade receivable | **15,720** | **(7,229)** | **8,491** | 9,231 |
| Government of Nunavut | **4,404** | **(67)** | **4,337** | 3,261 |
| Due from Workers' Safety and Compensation Commission | **476** | **-** | **476** | 730 |
| Due from related parties (note 15) | **3,528** | **-** | **3,528** | 3,762 |
| Total accounts receivable | **24,128** | **(7,296)** | **16,832** | 16,984 |

## 5. Due from/(to) Government of the Northwest Territories

For core funding, the Authority receives transfer payments from the GNWT on a monthly basis. For other recoveries, the Authority receives payments within 30 days of submitting an invoice.

**Due from Government of the Northwest Territories**

| | 2025 | 2024 |
|---|---|---|
| | $ | $ |
| Health and Social Services | **87,243** | 69,823 |
| Finance | **1,433** | 1,176 |
| Justice | **13** | 102 |
| Education, Culture and Employment | **42** | 42 |
| Municipal and Community Affairs | **4,927** | 5,917 |
| Total due from Government of the Northwest Territories | **93,658** | 77,060 |

| Due to Government of the Northwest Territories | 2025 | 2024 |
|---|---|---|
| | $ | $ |
| Payroll liabilities | **376,261** | 319,651 |
| Health and Social Services | **2,338** | 4,396 |
| Finance | **5,500** | 5,801 |
| Justice | **4** | 85 |
| Infrastructure | **232** | 219 |
| Total due to Government of the Northwest Territories | **384,335** | 330,152 |

The due to Government of the Northwest Territories is unsecured, without interest and due on demand.

## 6. Inventory held for use

The Authority carries several types of inventory for use in operation.

| | 2025 | 2024 |
|---|---|---|
| | $ | $ |
| General supplies | **4,165** | 4,159 |
| Pharmaceutical | **1,845** | 1,939 |
| | **6,010** | 6,098 |

## 7. Accounts payable and accrued liabilities

| | 2025 | 2024 |
|---|---|---|
| | $ | $ |
| Trade payable | **28,998** | 31,251 |
| Annual leave and lieu time | **13,729** | 12,548 |
| Due to related parties (note 15) | **66** | 66 |
| Total accounts payable and accrued liabilities | **42,793** | 43,865 |

## 8. Employee future benefits and compensated absences

The Authority provides severance (resignation and retirement), removal and compensated absence (sick, special, maternity and parental leave) benefits to its employees. The benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation. Severance benefits are paid to Authority employees based on the type of termination (e.g. resignation versus retirement) and appropriate combinations that include inputs such as when the employee was hired, the rate of pay, the number of years of continuous employment and age and the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being location of hire, employee category and length of service.

Compensated absence benefits generally accrue as employees render service and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include but are not limited to employee or dependent illness and death of an immediate family member. Benefits that accrue under compensated absence benefits, excluding maternity and parental leave, were actuarially valued using the expected utilization methodology. Non-accruing benefits include maternity and parental leave and are recognized when leave commences.

**Valuation results**

The most recent actuarial valuation was completed as at February 12, 2025. The results were extrapolated to March 31, 2025. The effective date of the next actuarial valuation is March 31, 2028. The table below provides details on the change in the accrued benefit obligation as well as the liability for employee future benefits and compensated absences.

| | **2025** | 2024 |
|---|---|---|
| | **$** | $ |
| Accrued benefit obligations, beginning of year | **7,920** | 8,127 |
| Current period benefit cost | **602** | 620 |
| Interest accrued | **426** | 397 |
| Benefits payments | **(994)** | (1,062) |
| Actuarial loss | **1,076** | (162) |
| Accrued benefit obligations, end of year | **9,030** | 7,920 |
| Unamortized net actuarial gain/(loss) | **(2,753)** | (2,009) |
| Employee future benefits & compensated absence liability - actuarially valued | **6,277** | 5,911 |
| Other compensated absences liability - not actuarially valued | **1,453** | 1,523 |
| Total employee future benefits and compensated absences | **7,730** | 7,434 |

| **Benefits expense** | **$** | $ |
|---|---|---|
| Current period benefit cost | **602** | 620 |
| Interest accrued | **426** | 398 |
| Amortization of actuarial loss | **332** | 207 |
| | **1,360** | 1,225 |

The discount rate used to determine the accrued benefit obligation is an average of 4.3% (2024 - 5.3%).

## 9. Accumulated deficit

| | 2025 | 2024 |
|---|---|---|
| | $ | $ |
| Accumulated operating deficit upon amalgamation in 2016 | **50,824** | 50,824 |
| Addition to the accumulated deficit since amalgamation | **250,012** | 222,029 |
| Accumulated deficit | **300,836** | 272,853 |

## 10. Contractual obligations and rights

The Authority has entered into agreements for equipment, operations and services (GNWT Medical travel program) or is contractually committed to the following amounts which are currently expected to become liabilities subsequent to March 31, 2025:

| | Expires in Fiscal Year | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | Total |
|---|---|---|---|---|---|---|---|---|
| | | $ | $ | $ | $ | $ | $ | $ |
| Equipment leases | **2029** | 212 | 76 | 19 | 2 | - | - | 309 |
| Operational leases | **2026** | 4,880 | - | - | - | - | - | 4,880 |
| Service contracts | **2031** | 91,253 | 51,277 | 41,581 | 91 | 147 | 568 | 184,917 |
| | | 96,345 | 51,353 | 41,600 | 93 | 147 | 568 | 190,106 |

Contractual rights are rights of the Authority to economic resources arising from contracts or agreements that will result in both assets and revenues subsequent to March 31, 2025 when the terms of those contracts or agreements are met.

| | Expires in Fiscal Year | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | Total |
|---|---|---|---|---|---|---|---|---|
| | | $ | $ | $ | $ | $ | $ | $ |
| Contribution agreements | **2028** | 32,087 | 14,405 | 13,421 | - | - | - | 59,913 |
| | | 32,087 | 14,405 | 13,421 | - | - | - | 59,913 |

## 11. Contingent Liabilities

In the normal course of operations, the Authority is subject to claims and pending and threatened litigation against the Authority and its staff. At year-end, the Authority estimated the total claimed amount for which the outcome is not determinable at $22,200 (2024 - $24,350). No provision for such claims has been made in these financial statements as it is not determinable that any future event will confirm that a liability has been incurred as at March 31, 2025.

## 12. Trust assets under administration

The authority administers $430 (2024 - $432) of trust assets, consisting of cash held on behalf of patients, which are not included in the reported Authority's assets and liabilities.

## 13. Grants-in-kind

Details on assets and other contributions provided at no cost recognized in the financial statements are as follows:

| | **2025** | 2024 |
|---|---|---|
| | **$** | $ |
| Use of assets [1] | **20,222** | 17,538 |
| Stanton Territorial Hospital P3 costs [2] | **-** | 7,800 |
| **Total Grants-in-kind** | **20,222** | 25,338 |

[1] Included in Use of assets is the estimated costs to rent the new Stanton Territorial Hospital based on its current amortization expense of approximately $8,053 (2024 - $8,053).

[2] Stanton Territorial Hospital P3 cost relate to the operations and maintenance cost which the GNWT pays on behalf of the Authority. Beginning 2025 NTHSSA pays for the Stanton P3 costs directly through core funding.

## 14. Pensions

All eligible employees participate in Canada's Public Service Pension Plan ("PSPP"). The PSPP provides benefits based on the number of years of pensionable service to a maximum of 35 years. Benefits are determined by a formula set out in the legislation; they are not based on the financial status of the pension plan. The basic benefit formula is two percent per year of pensionable service multiplied by the average of the best five consecutive years of earnings.

The PSPP was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to age 65 for new members joining the plan on or after January 1, 2013. For members with start dates before January 1, 2013, the normal retirement age remains age 60. The employer contribution rate effective at the end of the year is 1.02 times (2024 – 1.02) the employees' contributions for employees who started prior to January 2013 and 1.0 times (2024 – 1.0) the employees' contributions for all other employees.

The Authority and the contracted physicians' contribute to the Physician Retirement Income Benefit ("PRIB"). The Physicians' contribution rate is 7.5 percent of the Physicians' base salary, minus the Physicians' contribution to the Canada Pension Plan. The Authority contribution rate is 15 percent of the Physicians' base salary, minus the Employer's contribution to the Canada Pension Plan on behalf of the Physician. The Authority contributed $16,001 (2024 – $13,652) to PSPP and $1,700 (2024 – $1,660) to the Physicians' fund. The employees' contributions were $16,098 (2024 – $13,659) and $762 (2024 – $755) respectively.

## 15. Related party balances and transactions

Related party transactions not disclosed elsewhere are as follows:

| Due from related parties | Accounts receivable | Allow. for doubtful accounts | Net 2025 | Net 2024 |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| Hay River Health and Social Services Authority | **2,732** | **-** | **2,732** | 2,496 |
| Tlicho Community Services Agency | **261** | **-** | **261** | 910 |
| Stanton Territorial Hospital Foundation | **535** | **-** | **535** | 356 |
| | **3,528** | **-** | **3,528** | 3,762 |

| Due to related parties: | 2025 | 2024 |
|---|---|---|
| | $ | $ |
| Tlicho Community Services Agency | **12** | 4 |
| Hay River Health and Social Services Authority | **42** | 53 |
| Fuel Services Division | **4** | 6 |
| Northwest Territories Power Corporation | **8** | 3 |
| | **66** | 66 |

| Revenues from related parties: | 2025 | 2024 |
|---|---|---|
| | $ | $ |
| Hay River Health and Social Services Authority | **3,042** | 2,962 |
| Tlicho Community Services Agency | **940** | 946 |
| Northwest Territories Power Corporation | **-** | 178 |
| Aurora College | **-** | 10 |
| Education Councils and Authorities | **2** | - |
| Stanton Territorial Hospital Foundation | **1,013** | 1,427 |
| | **4,997** | 5,524 |

## 15. Related party balances and transactions (continued)

| Expenses paid to related parties: | 2025 | 2024 |
|---|---|---|
| | $ | $ |
| Hay River Health and Social Services Authority | **291** | 186 |
| Tlicho Community Services Agency | **-** | 154 |
| Government of the Northwest Territories | **15,466** | 15,248 |
| Aurora College | **1,192** | 446 |
| Northwest Territories Power Corporation | **134** | 118 |
| Northwest Territories Housing Corporation | **52** | - |
| Non Insured Health Benefits | **64** | - |
| Fuel Services Division | **62** | 55 |
| Northwest Territories Liquor and Cannabis Commission | **2** | 2 |
| Housing Associations and Authorities | **371** | 156 |
| Education Councils and Authorities | **3** | 3 |
| | **17,637** | 16,368 |

## 16. Expenses by object and budget figures

| | 2025 | 2024 |
|---|---|---|
| | $ | $ |
| Compensation and benefits | **301,766** | 267,320 |
| Compensation - locums physician services | **35,716** | 36,101 |
| Contracted out services | **99,185** | 84,383 |
| Medical travel | **80,434** | 65,848 |
| Supplies | **27,064** | 27,289 |
| Grants-in-kind (note 13) | **20,222** | 25,356 |
| Contributions | **17,084** | 18,635 |
| Change in valuation allowances | **748** | 1,183 |
| Other operating costs | **34,739** | 32,900 |
| **Total expenses** | **616,958** | 559,015 |

Significant amounts included in Other operating costs are: general administration expense of $9,439 (2024 - $9,586), Foster care expenses $12,595 (2024 - $7, 917), Other travel $10, 049 (2024 - $8, 676), and equipment expense of $1,629 (2024 - $1,567).

The fiscal plan approved by the Leadership Council included budgeted expenses by program. The budget by activity was approved by the Authority's senior management as part of the preparation of the total budget by program.

## 17. Contributions from the Government of the Northwest Territories

| | 2025 Budget | 2025 Actual | 2024 Actual |
|---|---|---|---|
| | $ | $ | $ |
| **Total core contributions** | **364,535** | **422,155** | 385,860 |
| Territorial Health Investment Fund - System Non Sustainability | **7,103** | **7,103** | 7,244 |
| NWT Agreement to Work Together to Improve Health Care for Canadians Action Plan | **6,731** | **6,975** | 2,320 |
| Home and Community Care | **6,476** | **7,476** | 7,308 |
| NIHB Administrative Costs | **5,193** | **5,194** | - |
| Aging with Dignity | **2,681** | **2,704** | 879 |
| Territorial Health Investment Fund - System Sustainability | **969** | **844** | - |
| French Language Services | **812** | **812** | 812 |
| Federal Navigator | **478** | **367** | 171 |
| Family, Community and Culture Connection Project | **437** | **437** | 121 |
| Smoking Cessation | **344** | **135** | - |
| Youth Transition & Navigation Worker | **218** | **218** | - |
| Collective Kitchen | **168** | **152** | 102 |
| Lactation Program | **165** | **89** | 12 |
| Canadian Hospitals Injury Reporting and Prevention Program | **152** | **152** | 98 |
| Community Health Representative Education and Development in Health Promotion | **80** | **65** | 76 |
| Fort Smith Region Mold Remediation | **32** | **32** | - |
| Stop the Drugs: Take Back Our Community | **10** | **7** | |
| Tobacco Cessation | **-** | **-** | 83 |
| Outreach Services Support | **-** | **-** | 123 |
| Spruce Bough | **-** | **-** | 1,601 |
| Community Projects to Reduce Harms of Alcohol Use | **-** | **-** | 38 |
| **Total non-core contributions** | **32,049** | **32,762** | 20,988 |
| **Total contributions from the GNWT** | **396,584** | **454,917** | 406,848 |

## 18. Financial Instruments

The Authority is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risk from the Authority's financial instruments by type of risk is provided below:

### (a) Credit risk

Credit risk is the risk of financial loss of the Authority if a debtor fails to make payments of interest and principal when due. The Authority is exposed to this risk relating to its cash and accounts receivable.

The Authority holds its cash with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the Authority's cash is insured up to $100.

Accounts receivable are due from various governments, government agencies, corporations and individuals. Credit risk related to accounts receivable is mitigated by internal controls as well as policies and oversight over arrears for ultimate collection. The Authority has determined that accounts receivable include amounts that are past due and considered to be impaired.These amounts are as disclosed in Note 4.

The aging information for the Authority's accounts receivable that are past due and not impaired is as follows:

| | 31 - 60 days | 61-90 days | Over 90 days | Total |
|---|---|---|---|---|
| Accounts receivables | 8,879 | 3,597 | 5,145 | 17,621 |

The Authority's maximum exposure to credit risk is represented by the financial assets for a total of $124,114 (2024 - $98,321).

Concentration of credit risk

Concentration of credit risk is the risk that one or more customers has a significant portion (more than ten percent) of the total accounts receivable balance and thus there is a higher risk to the Authority in the event of a default. The Authority does have concentration of credit risk. At March 31, 2025, receivables from the GNWT comprised 85% of the total outstanding accounts receivables (2024 - 82%). The Authority manages this risk by monitoring overdue balances.

### (b) Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet all cash outflow obligations as they come due. The Authority mitigates this risk by monitoring cash activities and expected outflows through budgeting, deferring repayment to the GNWT (Note 1) and maintaining an adequate amount of cash to cover unexpected cash outflows should they arise. Accounts receivable are due within 30 days, due to the GNWT is due on demand and accounts payable are made within 30 days.

Total financial assets are $124,114 (2024 - $98,321) and liabilities are $434,887 (2024 - $381,472). The Authority has disclosed contractual obligations in Note 10. There have been no significant changes from the previous year in the exposure to risk or policies, procedures, and methods used to measure the risk.

## 19. Budget

The Authority's budget is approved at the start of the fiscal year. Adjustments to the budget relating to GNWT funding are approved throughout the fiscal year through Notice of Target Adjustments ("NOTAs") . The revised budget is detailed below:

| | Original Budget | NOTAs | Revised Budget | Actual Amount | Over (Under) Budget |
|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ |
| **Revenues** | | | | | |
| Revenues from Government of Northwest Territories | | | | | |
| Core contributions | **364,535** | **57,620** | **422,155** | **422,155** | **-** |
| Non-core contributions | **32,049** | **-** | **32,049** | **32,762** | **713** |
| Recoveries - other | **52,854** | **-** | **52,854** | **25,779** | **(27,075)** |
| Recoveries - non-insured health benefits | **15,950** | **-** | **15,950** | **54,190** | **38,240** |
| Recoveries - prior year expenses | **-** | **-** | **-** | **293** | **293** |
| Grants-in-kind | **29,815** | **-** | **29,815** | **20,222** | **(9,593)** |
| | **495,203** | **57,620** | **552,823** | **555,401** | **2,578** |
| Othe Revenues | | | | | |
| Revenues from Government of Canada | **755** | **-** | **755** | **928** | **173** |
| Recoveries from other sources | **20,566** | **-** | **20,566** | **24,071** | **3,505** |
| Recoveries from Government of Nunavut | **6,503** | **-** | **6,503** | **5,966** | **(537)** |
| Contributions from other sources | **1,750** | **-** | **1,750** | **1,584** | **(166)** |
| Interest income | **1,321** | **-** | **1,321** | **984** | **(337)** |
| Other income | **-** | **-** | **-** | **41** | **41** |
| | **30,895** | **-** | **30,895** | **33,574** | **2,679** |
| **Total Revenues** | **526,098** | **57,620** | **583,718** | **588,975** | **5,257** |
| **Expenses** | | | | | |
| Community social programs | **133,574** | **11,913** | **145,487** | **137,357** | **(8,130)** |
| Ambulatory care services | **100,147** | **12,807** | **112,954** | **107,031** | **(5,923)** |
| Administration and support services | **104,115** | **5,890** | **110,005** | **92,269** | **(17,736)** |
| Nursing inpatient services | **63,574** | **6,075** | **69,649** | **70,629** | **980** |
| Community health programs | **59,699** | **4,466** | **64,165** | **65,130** | **965** |
| Supplementary health programs | **83,781** | **381** | **84,162** | **95,724** | **11,562** |
| Diagnostic and therapeutic services | **42,515** | **3,186** | **45,701** | **48,818** | **3,117** |
| **Total Expenses** | **587,405** | **44,718** | **632,123** | **616,958** | **(15,165)** |
| **Annual operating deficit** | **(61,307)** | **12,902** | **(48,405)** | **(27,983)** | **20,422** |

## 20. Comparative figures

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

**Audited Financial Statements**
**Tlicho Community Services Agency**
Behchoko, NT

For the year ended March 31, 2025

**Tlicho Community Services Agency**
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For the year ended March 31, 2025


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Independent Auditor's Report

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**To the Ministers of Health and Social Services and Education, Culture and Employment**

**Government of the Northwest Territories**

**Management Responsibility for Financial Reporting for the year ended March 31, 2025**

The Management Discussion & Analysis, Financial Statements, Schedules and Notes herein submitted have been reviewed by management. They provide full disclosure and accurately reflect the financial and non-financial condition of the Agency in all material respects and in accordance with Canadian Public Sector Accounting Standards (CPSAS) as well as the Financial Administration Manual (FAM) of the Government of the Northwest Territories.

Management hereby asserts that adequate internal controls exist to ensure that transactions are complete, accurate and timely, appropriately authorized and include only valid transactions of the entity; that duties related to processes are appropriately segregated, that assets are safeguarded and that proper records are maintained. Controls further include quality standards regarding the hiring and training of employees, that ensure the adequate maintenance of written policies and procedural manuals and that further provide for appropriate accountability for performance within well-defined areas of responsibility. The operations and administration of Tlicho Community Services Agency have been conducted within the statutory powers of the Health Authority and Divisional Education Council. The operations and administration of the Health and Education Divisions as well as the supporting internal controls of the entity are regularly monitored to ensure their effectiveness and their continued compliance with all relevant legislation, standards, directives and policies including but not limited to the Financial Administration Act, CPSAS, FAM, Human Resources Manual, Ministerial Directives and the policies of the Health Authority Board and Divisional Education Council. Any non-compliance has been specifically identified and has been previously communicated to the Ministers and Deputy Ministers.

Management hereby asserts that EPR Yellowknife Accounting Professional Corporation have been provided with all relevant records and documentation as well as unrestricted access to the same. Management is not aware of any undisclosed irregularities involving management or employees with either current or potential impact on financial results, fraud or suspected fraud, disbursements made for purposes not consistent with an appropriation, irregular commitments including those in the form of guarantees, violations or possible violations of laws or regulations, claims or litigation, known or suspected environmental site contaminations or of any other undisclosed environmental or safety hazards within its jurisdiction.

The auditors 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. The auditors also consider whether the transactions that have come to their notice in the course of this audit are, in all significant respects, in accordance with specified legislation and directives from the Department of Health and Social Services and Department of ECE of the Government of the Northwest Territories.

**Approved and confirmed on behalf of the Tlicho Community Services Agency**



**Kevin Armstrong, Chief Executive Officer**

**Tlicho Community Services Agency**

**June 30, 2025**

YELLOWKNIFE
ACCOUNTING
PROFESSIONAL CORPORATION

CHARTERED PROFESSIONAL
ACCOUNTANTS

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# INDEPENDENT AUDITOR'S REPORT

**To the Ministers of Health and Social Services and Education, Culture and Employment**

*Qualified Opinion*
We have audited the financial statements of the Tlicho Community Services Agency, which comprise the statement of financial position as at March 31, 2025, and the statements of operations, statement of changes in net financial resources and cash flows for the year then ended. We have also audited the revenue and expenditures of programs funded through contribution agreements by the Department of Health and Social Services which total $250,000 or more listed in Schedule A.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying fmancial statements present fairly, in all material respects, the fmancial position of the Tlicho Community Services Agency as at March 31, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards. Further, these statements present fairly, in all material respects, the funding and expenditures of all Health and Social Services funded programs $250,000 or more in Schedule A for the year ended March 31, 2025 in accordance with the provisions established by the individual Contribution Agreements.

*Basis for Qualified Opinion*
The GNWT is responsible for the calculation and distribution of the salaries and wages that appear on the statement of operations, the accuracy of which is not susceptible to complete audit verification. We have satisfied ourselves that the payroll information provided by the GNWT was accurately reflected in the Agency's records.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Agency in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*
Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Agency or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Agency's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit 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 Agency's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Agency to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Report on Other Legal and Regulatory Requirements*
As required by the Hospital Insurance and Health and Social Services Administration Act and the Financial Administration Act, we report that proper books and records of account have been kept by the Agency, that the consolidated financial statements are in agreement therewith, and that the transactions that have come under our notice have been, in all material respects, within the statutory powers of the Agency.

EPR Yellowknife Accounting Prof. Corp.

Yellowknife, NWT
June 30, 2025

***EPR Yellowknife Accounting Professional Corporation***
Chartered Professional Accountants

**Tlicho Community Services Agency**
**Statement of Financial Position**
**As at March 31, 2025**

| | March 31, 2025 | March 31, 2024 |
|---|---|---|
| **Financial Assets** | | |
| Cash and Cash Equivalents (Note 4) | $ 215,072 | $ 1,808,506 |
| Accounts Receivable (Note 8) | 4,586,590 | 2,166,681 |
| Due from the Government of Canada (Note 9) | 352,823 | 793,097 |
| | 5,154,485 | 4,768,284 |
| **Liabilities** | | |
| Accounts Payable and Accrued Liabilities (Note 11) | 1,744,203 | 2,757,318 |
| Payroll Liabilities (Note 11) | 15,353,835 | 11,196,798 |
| Due to the Government of Canada (Note 9) | 1,137,680 | 369,029 |
| Deferred Revenue (Note 12) | 372,470 | 463,697 |
| Employee Future Benefits (Note 16) | 1,745,063 | 866,601 |
| | 20,353,251 | 15,653,443 |
| **Net Financial Debt** | (15,198,766) | (10,885,159) |
| **Non-Financial Assets** | | |
| Inventory Held for Use (Note 10) | 159,000 | 114,000 |
| Tangible Capital Assets (Note 18) | 308,067 | 409,573 |
| | 467,067 | 523,573 |
| **Accumulated Surplus (Deficit) (Page 6)** | **$ (14,731,699)** | **$ (10,361,586)** |

**Contractual Obligations (Note 21)**



**Chief Executive Officer**



**Chairman of the Board**

**Tlicho Community Services Agency**
**Consolidated Operations**
**Statement of Operations**
**For the year ended March 31, 2025**

| | Unaudited 2025 Budget | 2025 Actual | 2024 Actual |
|---|---|---|---|
| **Revenue** | | | |
| Health & Social Services (Page 3) | $ 24,404,566 | $ 28,125,938 | $ 23,951,543 |
| Education (Page 4) | 28,093,339 | 30,112,504 | 27,972,636 |
| Other Operations (Page 5) | 150,000 | 147,200 | 175,326 |
| | 52,647,905 | 58,385,642 | 52,099,505 |
| **Expenditure** | | | |
| Health & Social Services - Compensation | 18,518,629 | 21,903,626 | 18,862,265 |
| Health & Social Services - Other | 6,252,027 | 8,575,007 | 7,918,798 |
| Total Health & Social Services (Page 3) | 24,770,656 | 30,478,633 | 26,781,063 |
| Education - Compensation | 24,720,619 | 27,047,680 | 22,919,543 |
| Education - Other | 4,933,326 | 4,957,517 | 5,054,891 |
| Total Education (Page 4) | 29,653,945 | 32,005,197 | 27,974,434 |
| Other Operations - Other | 300,000 | 271,925 | 275,152 |
| Total Other Operations (Page 5) | 300,000 | 271,925 | 275,152 |
| | 54,724,601 | 62,755,755 | 55,030,649 |
| **Operating Surplus (Deficit)** | **$ (2,076,696)** | **$ (4,370,113)** | **$ (2,931,144)** |
| Rent Expense - GNWT Assets provided at no cost (Note 20) | | 1,662,001 | 853,631 |
| Grant-In-Kind - GNWT Assets provided at no cost (Note 20) | | (1,662,001) | (853,631) |
| Change to Employee Leave and Termination Benefits | | 878,462 | 6,361 |
| **Annual Surplus (Deficit)** | | **$ (3,491,651)** | **$ (2,924,783)** |

**Tlicho Community Services Agency**
**Health & Social Services**
**Statement of Operations**
**For the year ended March 31, 2025**

| | Unaudited 2025 Budget | 2025 Actual | 2024 Actual |
|---|---|---|---|
| **Revenue** | | | |
| Contributions from GNWT (Schedule A) | $ 22,727,752 | $ 26,589,714 | $ 23,146,670 |
| Interest Income | 35,000 | 92,581 | 151,512 |
| Other Income | 816,814 | 873,523 | 177,138 |
| Recoveries | 825,000 | 570,120 | 476,223 |
| | 24,404,566 | 28,125,938 | 23,951,543 |
| **Expenditure** | | | |
| Administrative & Support Services | 2,522,635 | 2,503,991 | 1,795,716 |
| Ambulatory Care Services | 1,382,240 | 1,892,363 | 1,608,190 |
| Community Health Programs | 6,806,891 | 9,169,294 | 8,069,796 |
| Community Social Programs | 8,312,178 | 9,748,009 | 8,447,352 |
| Long Term and Continuing Care | 5,746,712 | 7,164,976 | 6,347,178 |
| Emergency Response | - | - | 512,831 |
| | 24,770,656 | 30,478,633 | 26,781,063 |
| **Operating Surplus (Deficit)** | **$ (366,090)** | **$ (2,352,695)** | **$ (2,829,520)** |
| Rent Expense - GNWT Assets provided at no cost (Note 20) | | 591,262 | 18,340 |
| Grant-In-Kind - GNWT Assets provided at no cost (Note 20) | | (591,262) | (18,340) |
| Change to Employee Leave and Termination Benefits | | 381,302 | (14,878) |
| **Annual Surplus (Deficit)** | | **(1,971,393)** | **(2,844,398)** |
| **Opening Accumulated Operating Deficit** | | **(10,191,216)** | **(7,361,696)** |
| **Closing Accumulated Operating Deficit** | | **$ (12,543,911)** | **$ (10,191,216)** |

**Tlicho Community Services Agency**
**Education**
**Statement of Operations**
**For the year ended March 31, 2025**

| | Unaudited 2025 Budget | 2025 Actual | 2024 Actual |
|---|---|---|---|
| **Operating Fund - Revenue** | | | |
| Government of the Northwest Territories | | | |
| Regular Contribution from ECE | $ 17,632,189 | $ 19,458,397 | $ 18,037,540 |
| Other ECE Contribution | 273,750 | 559,761 | 666,305 |
| Total ECE Contributions | 17,905,939 | 20,018,158 | 18,703,845 |
| Contributions from Other GNWT Departments | 147,000 | 164,850 | 154,390 |
| Total GNWT Contributions | 18,052,939 | 20,183,008 | 18,858,235 |
| Government of Canada - Jordan's Principle | 9,750,200 | 9,343,175 | 8,222,753 |
| Board Generated Funds | | | |
| Other Contributions and Miscellaneous | 230,200 | 493,741 | 740,136 |
| Investment Income | 60,000 | 92,580 | 151,512 |
| Total Generated Funds | 290,200 | 586,321 | 891,648 |
| **Total Revenue** | 28,093,339 | 30,112,504 | 27,972,636 |
| **Operating Fund Expenses - Per Schedule C** | | | |
| Aboriginal Language/Cultural Programs | 2,345,029 | 2,335,495 | 1,823,756 |
| Administration | 1,295,150 | 1,958,579 | 1,289,607 |
| Inclusive Schooling | 3,656,284 | 3,814,566 | 2,827,512 |
| School Programs | 12,505,776 | 14,451,877 | 13,721,957 |
| Jordan's Principle | 9,750,200 | 9,343,174 | 8,222,753 |
| Amortization | 101,506 | 101,506 | 88,849 |
| **Total Expense** | 29,653,945 | 32,005,197 | 27,974,434 |
| **Operating Surplus (Deficit)** | **$ (1,560,606)** | **$ (1,892,693)** | **$ (1,798)** |
| Rent Expense - GNWT Assets provided at no cost (Note 20) | | 1,070,739 | 835,292 |
| Grant-In-Kind - GNWT Assets provided at no cost (Note 20) | | (1,070,739) | (835,292) |
| Change to Employee Leave and Termination Benefits | | 497,160 | 21,239 |
| **Annual Surplus (Deficit)** | | **$ (1,395,533)** | **$ 19,441** |

**Tlicho Community Services Agency**
**Other Operations**
**Statement of Operations**
**For the year ended March 31, 2025**

| | Unaudited 2025 Budget | 2025 Actual | 2024 Actual |
|---|---|---|---|
| **Revenue** | | | |
| Recoveries - Housing | $ 150,000 | $ 147,200 | $ 175,326 |
| | - | - | - |
| **Expenses** | | | |
| General Administrative Expenditures | - | 61,150 | 41,042 |
| Lease Property - Housing | 300,000 | 210,775 | 234,110 |
| | 300,000 | 271,925 | 275,152 |
| **Operating Surplus (Deficit)** | **$ (150,000)** | **$ (124,725)** | **$ (99,826)** |

**Tlicho Community Services Agency**
**Statement of Changes in Net Debt**
**For the year ended March 31, 2025**

| | Unaudited 2025 Budget | 2025 Actual | 2024 Actual |
|---|---|---|---|
| Annual Operating Surplus (Deficit) (Page 2) | $ (2,076,696) | $ (4,370,113) | $ (2,931,144) |
| Decrease (Increase) in Inventories Held for Use | - | (45,000) | (2,000) |
| Decrease (Increase) in Prepaid Expenses | - | - | 9,900 |
| Acquisition of Tangible Capital Assets | - | - | (314,586) |
| Amortization of Tangible Capital Assets | - | 101,506 | 88,849 |
| Increase (Decrease) in Net Financial Resources | - | (4,313,607) | (3,148,981) |
| Opening Net Financial Resources (Debt) | (10,885,159) | (10,885,159) | (7,736,179) |
| **Closing Net Financial Resources (Debt)** | **$ (10,885,159)** | **$ (15,198,766)** | **$ (10,885,159)** |
| **Accumulated Operating Deficit** | | | |
| **Health & Social Services** | | | |
| Opening Deficit - Health & Social Services | $ (10,191,216) | $ (10,191,216) | $ (7,361,696) |
| Current Year's Operating Deficit (Page 3) | (366,090) | (2,352,695) | (2,829,520) |
| Closing Surplus (Deficit) | (10,557,306) | (12,543,911) | (10,191,216) |
| **Education** | | | |
| Opening Surplus (Deficit) - Education | (67,772) | (67,772) | (65,974) |
| Current Year's Operating Surplus (Deficit) (Page 4) | (1,560,606) | (1,892,693) | (1,798) |
| Closing Surplus (Deficit) | (1,628,378) | (1,960,465) | (67,772) |
| **General** | | | |
| Opening Surplus - Other | (102,598) | (102,598) | (2,772) |
| Current Year's Surplus (Deficit) (Page 5) | (150,000) | (124,725) | (99,826) |
| Closing Surplus (Deficit) | (252,598) | (227,323) | (102,598) |
| **Total Closing Accumulated Operating Deficit** | **$ (12,438,282)** | **$ (14,731,699)** | **$ (10,361,586)** |

**Tlicho Community Services Agency**
**Statement of Cash Flow**
**For the year ended March 31, 2025**

| | 2025 | 2024 |
|---|---|---|
| **Cash Provided by (used in) Operating Transactions** | | |
| Annual Operating Surplus (Deficit)* | $ (4,370,113) | $ (2,931,144) |
| Items Not Affecting Cash: | | |
| Amortization | 101,506 | 88,849 |
| Increase (decrease) in due to (from) the Government of Canada | 440,274 | 350,261 |
| Decrease (increase) in Accounts Receivable | (2,419,909) | (238,004) |
| Decrease (increase) in Due fto Government of Canada | 768,651 | (490,137) |
| Increase (decrease) in Accounts Payable | (1,013,115) | 713,230 |
| Increase (decrease) in Payroll Liabilities | 4,157,037 | 4,205,911 |
| Decrease (increase) in Inventories Held for Use | (45,000) | (2,000) |
| Increase(decrease) in Employee Future Benefits | 878,462 | 6,361 |
| Decrease (increase) in Deferred Revenue | (91,227) | 52,558 |
| Decrease (increase) in Prepaid Expenses | - | 9,900 |
| **Net Cash Provided by (used in) Operating Transactions** | (1,593,434) | 1,765,785 |
| **Cash Provided by (used in) Investing Transactions** | | |
| Disposition (Acquisition) of Tangible Capital Assets | - | (314,586) |
| **Net Cash Provided by Investing Transactions** | - | (314,586) |
| **Cash Provided by (used in) Financing Transactions** | | |
| | - | - |
| **Net Cash Provided by Financing Transactions** | - | - |
| **Decrease in Cash** | (1,593,434) | 1,451,199 |
| **Cash, Beginning of the Year** | 1,808,506 | 357,307 |
| **Cash, End of the Year** | **$ 215,072** | **$ 1,808,506** |

**Tlicho Community Services Agency**
**Notes to the Financial Statements**
**March 31, 2025**

## 1. Nature of Organization

The Agency was established under the Tlicho Government Act by order of the Minister dated August 4, 2005. Its purpose is to administer and maintain the standards of Health and Educational programs defined under the respective Acts in the Member communities of the Tlicho Region.

The Agency was formerly known as the Dogrib Community Services Board and the Dogrib Divisional Board of Education. On May 22, 1997, an agreement was signed between the Dogrib Community Services Board and the Government of the Northwest Territories, Department of Health and Social Services, with the support of the Treaty 11 Council, to deliver Health and Social Service programs in the Dogrib region. The Tlicho Community Services Agency (TCSA) is an integrated Education and Health & Social Services Agency.

The Agency is dependent upon funding from the Government of the Northwest Territories and is a registered charity.

## 2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian public sector accounting standards established by the Canadian Public Sector Accounting Board of the Chartered Professional Accountants of Canada and by the directives of the Government of the Northwest Territories - Department of Health and Social Services ("DHSS") and Department of Education, Culture and Employment ("ECE"). Significant accounting policies are as follows.

### a) Cash

Cash and cash equivalents are comprised of bank account balances, net of outstanding cheques.

### b) Funds

The Agency records financial information in individual funds that are segregated for the purpose of carrying on specific activities or attaining certain objectives. Funds established by the Agency are:
Operating Fund- reflecting activities associated with the Agency's day-to-day operations.

Leave and Termination Liability Fund - reflecting activities in employee leave and termination benefits combined with any amounts transferred from operations to fund these liabilities. This fund represents liabilities which will be funded in the year they become due through the regular annual allocations from the Government of the Northwest Territories ("GNWT").

Endowment and Special Purpose Fund - reflecting activities relating to endowments and other special purpose funds made available to the Agency under conditions specified by donors and other providers.

### c) Surplus Reserves

The DHSS policy requires the Agency to establish the following reserves:
Surplus Reserve - reflects funds maintained in a reserve according to the DHSS Operations and Maintenance Surplus Retention Policy.
Employee Future Benefit Reserve - the funds received in advance for the severance liability of employees who were transferred to the Agency from the GNWT. These liabilities are reduced as employees are paid out upon termination of employment with the agency.

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

**d) Tangible Capital Assets**

The GNWT retains ownership of all tangible assets (TCA) used by the Agency or purchased by the Agency (regardless of source of funding for the purchase). The GNWT amortizes TCAs over the estimated useful lives of the assets at the rates established in the Financial Administration Manual over the following terms:

| | |
|---|---|
| Buildings | 40 years |
| Mainframe and software systems | 5-10 years |
| Leasehold Improvements | Lesser of useful life or lease term plus renewal option |

The TCAs used by the Agency and held on behalf of, or in trust for, the GNWT are not recognized by the Agency in the financial statements.

The statement of operations reflects the Rent Expense amount that would otherwise be considered amortization expense for the fiscal year with an offsetting corresponding amount as a Grant-In-Kind revenue.

**e) Inventory of Supplies**

Inventories of supplies include inventories held for use in the process of providing services and are distributed to clients at no charge or for a nominal charge. Inventories consist of pharmacy items, parts for various equipment, and office supplies. Inventories of supplies are valued at the lower of cost and replacement value.

**f) Accrued Employee Leave and Termination Benefits**

In accordance with GNWT accounting policies specified for public agencies, the Agency annually accrues estimated employee leave and termination benefits payable

**g) Pension Contributions**

The Agency and its employees make contributions to the Public Service Superannuation Plan administered by the Government of Canada. These contributions represent the total liability to the Agency and are recognized in the accounts on a current basis.

**h) Revenue Recognition**

The Agency is primarily funded by the GNWT in accordance with budget arrangements established by the DHSS and ECE. Under the arrangements, the Agency is responsible for the net deficit from operations and is allowed to retain surpluses from core programs. Any capital funding not spent may be retained for future capital purchases. These policies do not apply to contribution agreements, where an accounting of and return of surpluses may be required.

Other revenue is recognized when the service is performed or the goods are provided.

**Government Transfers**

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except for the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Operating transfers are recognized as revenue in the period in which the events giving rise to the transaction occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be determined

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

**i) Financial Instruments**

The Agency classifies it financial instruments at cost or amortized cost. The Agency's accounting policy for this financial instrument category is as follows:
Financial instruments held at cost or amortized cost includes cash, accounts receivable, bank indebtedness, accounts payable and accrued liabilities, payroll liabilities and deferred revenues. They are initially recorded at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instruments.

Write-downs on financial assets in the amortized cost category are recognized when the amount of a loss is known with.

**j) Non-Financial Assets**

Non-financial assets are accounted for as assets by the Agency because they can be used to provide government services in futures periods. These assets do not normally provide resources to discharge the liabilities of the Agency unless they are sold.

**k) Measurement Uncertainty**

The preparation of these financial statements, in conformity with Canadian public sector accounting standards, requires management to make estimates and assumptions. This affects 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 revenue and expenses during the period. Significant estimates include accounts receivable and doubtful accounts and the actuarial valuation of employee leave and termination benefits. Actual results could differ from these estimates.

### 3. Future Accounting Changes

Effective April 1, 2026, the Agency will be required to adopt the new Conceptual Framework for Financial Reporting in the Public Sector. Earlier adoption of the new framework is permitted. The Government is currently assessing the impact of this standard on the consolidated financial statements.

Effective April 1, 2026, the Authority will be required to adopt PS 1202 Financial Statement Presentation. The standard sets out general and specific requirements for the presentation of information in financial statements. The financial statement presentation principles are based on the concepts in the Conceptual Framework. Earlier adoption is permitted if the Conceptual Framework for Financial Reporting in the Public Sector is early adopted. At the reporting date of these statements, the Authority has not reasonably, determined the impact of these changes.

### 4. Cash and Cash Equivalents

| | 2025 | 2024 |
|---|---|---|
| Cash | $ 215,072 | $ 1,808,506 |

Credit facility: the Agency does not have its own credit facility with the bank. Rather, as an Agency under the GNWT, its funds are pooled together with those of the GNWT and its other entities forming a Common Offset Balance (COB) agreement. Under the COB, the Agency and other entities of the GNWT have their respective funds pooled together whereby any negative balances are offset against positive balances in other entities ofthe GNWT. Therefore, the Agency will not incur fees and interest charges on the overdrawn amount and the amount of credit available is not limited.

### 5. Special Purpose Funds

Nil Report

### 6. Restricted Assets

Nil Report

### 7. Portfolio Investments

Nil Report

### 8. Accounts Receivable

| | Accounts Receivable 2025 | Allowance for Doubtful Accounts 2025 | Net Amount 2025 | Net Amount 2024 |
|---|---|---|---|---|
| Due from the Government of Northwest Territories | $ 3,412,662 | $ - | $ 3,412,662 | $ 1,249,354 |
| Due from Northwest Territories Health and Social Services Authority | 128,655 | - | 128,655 | 175,248 |
| Health and Social Services Related Cost due from Third Parties | 233,198 | (51,498) | 181,700 | 111,505 |
| Due from Workers' Safety and Compensation Commission | 1,958 | - | 1,958 | 1,958 |
| Due from Third Parties | 861,615 | - | 861,615 | 628,616 |
| | $ 4,638,088 | $ (51,498) | $ 4,586,590 | $ 2,166,681 |

**8. Accounts Receivable (continued)**

| | 0-30 days | 31-60 days | 61-90 days | 90+ days | Total |
|---|---|---|---|---|---|
| Due from the Government of Northwest Territories | $ 2,572,075 | $ - | $ - | $ 840,586 | $ 3,412,661 |
| Due from Northwest Territories Health and Social Services Authority | 46,046 | 13,844 | 1,500 | 67,264 | 128,654 |
| Workers' Safety and Compensation Commission | - | - | - | 1,958 | 1,958 |
| Due from Third Parties | 344,908 | 34,967 | 14,222 | 649,220 | 1,043,317 |
| | $ 2,963,029 | $ 48,811 | $ 15,722 | $ 1,559,028 | $ 4,586,590 |

| | 0-30 days | 31-60 days | 61-90 days | 90+ days | Total |
|---|---|---|---|---|---|
| Due from Canada | 253,773 | 65,950 | - | 33,100 | 352,823 |

**9. Due from and to the Government of Canada**

| Receivables | 2025 | 2024 |
|---|---|---|
| Indigenous Services Canada - Jordan's Principle | $ 199,898 | $ 698,622 |
| Indigenous Services Canada - Non-Insured Health Benefit | 152,925 | 94,475 |
| | $ 352,823 | $ 793,097 |

| Payables | 2025 | 2024 |
|---|---|---|
| Indigenous Services Canada - Jordan's Principle | $ 1,136,232 | $ 366,336 |
| Canada Revenue Agency | 1,448 | 2,693 |
| | $ 1,137,680 | $ 369,029 |

**10. Inventory Held for Use**

| | 2025 | 2024 |
|---|---|---|
| Inventory Held for Use | | |
| Health Centre Supplies | $ 159,000 | $ 114,000 |

## 11. Accounts Payable and Accrued Liabilities

| | 2025 | 2024 |
|---|---|---|
| Due to the Government of the Northwest Territories | $ 424,116 | $ 402,878 |
| Due to Housing NWT | - | 17,160 |
| Due to NWT Power Corporation | 965 | 1,059 |
| Due to Northwest Territories Health and Social Services Authority | 130,050 | 749,757 |
| Due to Workers' Safety and Compensation Commission | - | 220,127 |
| Due to Third Parties on Health and Social Services Related Cost | 592,138 | 766,516 |
| Due to Third Parties | 596,934 | 599,821 |
| Total | $ 1,744,203 | $ 2,757,318 |

| | 2025 | 2024 |
|---|---|---|
| **Payroll Liabilities** | | |
| Due to GNWT Payroll Liabilities | 14,294,038 | 10,315,847 |
| Accrued Vacation and Lieu | 1,059,797 | 880,951 |
| Total | $ 15,353,835 | $ 11,196,798 |

## 12. Deferred Revenue

Deferred revenue consists of contributions received in advance for activities with dates beyond the fiscal year end. These amounts will be recognized in revenue as expenditures are incurred.

| | 2025 | 2024 |
|---|---|---|
| AAS-Burgundy Diamond Mines (Ekati) | $ 29,339 | $ 14,798 |
| AAS-Food First Foundation | - | 1,873 |
| AAS-Miscellaneous Account | 13,653 | 20,000 |
| AAS-On The Land Collaborative | - | 11,383 |
| CJBS-Burgundy Diamond Mine (Ekati) | 15,000 | - |
| CJBS-Fitness Program | 2,500 | - |
| CJBS-Fundraising Account | 39,712 | 18,195 |
| CJBS-Greenhouse | 959 | 959 |
| CJBS-Literacy Account | 2,725 | 3,805 |
| CJBS-Miscellaneous Account | 4,122 | - |
| CJBS-On The Land Collaborative | - | 49,458 |
| CJBS-Youth Contribution (Sport/Curriculum) | - | 1,400 |
| EMES-Breakfast Club | 1,405 | 35,035 |
| EMES-Burgundy Diamond Mine (Ekati) | 15,000 | - |
| EMES-Food First Foundation | 7,071 | 14,130 |
| EMES-On The Land Collaborative | 5,590 | - |
| EMES-Breakfast Club | 3,420 | 14,191 |
| JWGS-Burgundy Diamond Mine (Ekati) | 20,750 | 5,750 |
| JWGS-Miscellaneous Account | 2,000 | - |
| JWGS-Youth Contribution (Sport/Curriculum) | 12,075 | - |
| MEZI-Burgundy Diamond Mine (Ekati) | 15,000 | - |
| MEZI-Food First Foundation | 3,914 | 9,425 |
| Regional-Jordan's Principle | 160,223 | 263,295 |
| Regional-Trade's Awareness | 17,036 | - |
| JESH-Rent for Senior Home | 976 | - |
| | $ 372,470 | $ 463,697 |

**13. Contribution Repayable**

Nil Report

**14. Capital Lease Obligations**

Nil Report

**15. Pensions**

The TCSA's employees participate in Canada's Public Service Plan (PSPP). The PSPP provides benefits based on the number of years of pensionable service to a maximum of 35 years. Benefits are determined by a formula set out in the legislation; they are not based on the financial status of the pension plan. The basic benefit formula is 2 percent per year of pensionable service multiplied by the average of the best five consecutive years of earnings.

The public service plan was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to 65 for new members joining the plan on or after January 1, 2013. For existing members, the normal retirement age remains age 60. Furthermore, contribution rates for current service for all members of the public service will increase gradually to an employer: employee cost sharing ratio of 50:50 by 2017. The employer contribution rate effective at the end of the year is 1 times (2016 - 1.15) the employees' contributions for employees who started prior to January 2013 and 1 times (2016 - 1.1) the employees' contributions for all other employees.

Other benefits include survivor pensions, minimum benefits in the event of death, unreduced by early retirement, pensions and disability pensions.

Contributions to the PSPP are broken down as follows.

| | 2025 | 2024 |
|---|---|---|
| HSS Activities | | |
| Employee | $ 1,225,928 | $ 1,032,831 |
| Employer | 1,259,127 | 1,049,681 |
| | 2,485,055 | 2,082,512 |
| EDU Activities | | |
| Employee | 1,796,738 | 1,559,056 |
| Employer | 1,799,092 | 1,583,703 |
| | 3,595,830 | 3,142,759 |
| | $ 6,080,885 | $ 5,225,271 |

## 16. Employee Future Benefits and Compensated Absences

In addition to pension benefits, Tlicho Community Service Agency provides severance (resignation and retirement), removal and compensated absence (sick, special, maternity and parental leave) benefits to its employees. The benefit plans are not pre-funded and thus have no assets, resulting in a plan deficit equal to the accrued benefit obligation.

Severance benefits are paid to the Tlicho Community Services Agency employees based on the type of termination (e.g. resignation versus retirement) and appropriate combinations that include inputs such as when the employee was hired, the rate of pay, the number of years of continuous employment and age and the benefit is subject to maximum benefit limits. Removal benefits are subject to several criteria, the main ones being location of hire, employee category and length of service. The benefits under these two categories were valued using the projected unit credit methodology.

Compensated absence benefits generally accrue as employees render service and are paid upon the occurrence of an event resulting in eligibility for benefits under the terms of the plan. Events include, but are not limited to employee or dependent illness and death of an immediate family member. Non-accruing benefits include maternity and parental leave. Benefits that accrue under compensated absence benefits were actuarially valued using the expected utilization methodology.

**Valuation Result**

The actuarial valuation was completed February 12, 2025. The effective date of the next actuarial valuation is March 31, 2025. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the Agency.

Employee Long Term Benefits Consist of:

| | EDU | HSS | 2025 | 2024 |
|---|---|---|---|---|
| Severance and removal | $ 947,279 | $ 559,312 | $ 1,506,591 | $ 596,110 |
| Compensated absences | 171,757 | 66,715 | 238,472 | 270,491 |
| | $ 1,119,036 | $ 626,027 | $ 1,745,063 | $ 866,601 |

| | Severance and Removal | | Compensated Absences | | | |
|---|---|---|---|---|---|---|
| | EDU | HSS | EDU | HSS | 2025 | 2024 |
| **Changes in obligation** | | | | | | |
| Accrued benefit obligation, beginning of year | $ 442,689 | $ 153,421 | $ 179,187 | $ 91,304 | $ 866,601 | $ 860,241 |
| Current period benefit cost | 39,135 | 12,378 | 15,876 | 7,700 | 75,089 | 77,923 |
| Interest accrued | 24,745 | 8,450 | 9,977 | 5,059 | 48,231 | 43,214 |
| Benefits payments | (21,736) | (16,427) | (13,637) | (7,113) | (58,913) | (121,754) |
| Plan amendment | - | - | - | - | - | - |
| Actuarial (gain)/loss | 462,446 | 401,490 | (19,646) | (30,235) | 814,055 | 6,977 |
| **Accrued benefit obligation, end of year** | **947,279** | **559,312** | **171,757** | **66,715** | **1,745,063** | **866,601** |
| Unamortized net actuarial gain/(loss) | (503,559) | (348,685) | (2,544) | (122,546) | (977,334) | (177,112) |
| **Net future obligation** | **443,720** | **210,627** | **169,213** | **(55,831)** | **767,729** | **689,489** |
| Other employee future benefits | - | - | - | - | - | - |
| Other compensated absences | - | - | - | - | - | - |
| **Total employee future benefits and compensated absences** | **$ 443,720** | **$ 210,627** | **$ 169,213** | **$ (55,831)** | **$ 767,729** | **$ 689,489** |

**16. Employee Future Benefits and Compensated Absences (continued)**

| | Severance and Removal | | Compensated Absences | | 2025 | 2024 |
|---|---|---|---|---|---|---|
| | EDU | HSS | EDU | HSS | | |
| **Benefits expense** | | | | | | |
| Current period benefit cost | 39,135 | 12,378 | 15,876 | 7,700 | 75,089 | 77,923 |
| Interest accrued | 24,745 | 8,450 | 9,977 | 5,059 | 48,231 | 43,214 |
| Plan amendments | - | - | - | - | - | - |
| Amortization of actuarial gains | (44,184) | (2,239) | 1,762 | 58,494 | 13,833 | (17,279) |
| | **$ 19,696** | **$ 18,589** | **$ 27,615** | **$ 71,253** | **$ 137,153** | **$ 103,858** |

The discount rate used to determine the accrued benefits obligation is an average of 4.30%. No inflation rate is applied. The expected payments during the next five years are:

| | Severance and Removal | Compensated Absences | Total |
|---|---|---|---|
| Year 2026 | $ 246,309 | $ 21,794 | $ 268,103 |
| Year 2027 | 134,685 | 22,194 | 156,879 |
| Year 2028 | 129,791 | 18,401 | 148,192 |
| Year 2028 | 134,328 | 22,869 | 157,197 |
| Year 2029 | 130,382 | 20,041 | 150,423 |
| | **$ 775,495** | **$ 105,299** | **$ 880,794** |

**17. Trust Assets and Liabilities**

Nil Report

**18. Tangible Capital Assets**

The Agency has purchased buses from operating funds provided by the Department of ECE. These vehicles are being amortized on a straight line basis over 7 Years.

| | Cost | Addition | Accumulated Amortization | Net Book Value 2025 | Net Book Value 2024 |
|---|---|---|---|---|---|
| School Buses | $ 883,859 | $ - | $ (575,792) | $ 308,067 | $ 409,573 |

**19. Services Provided Without Charge**

Nil Report

**20. GNWT Assets Provided At No Cost**

Tangible Capital Assets (TCA) are owned by the Government of the Northwest Territories. TCA are amortized over the estimated useful life of the assets at the following rates.

Buildings - 40 Years
Leasehold Improvements - Lesser of useful life or lease term plus renewal option
Mobile Equipment - 15 years

**Health and Social Services**

| | Cost (Unaudited) | Addition (Unaudited) | Accumulated Amortization (Unaudited) | Net Book Value 2025 (Unaudited) | Net Book Value 2024 (Unaudited) |
|---|---|---|---|---|---|
| Ambulances | $ 646,762 | $ - | $ (303,713) | $ 343,049 | $ 375,422 |
| Buildings | 19,926,257 | - | (6,886,107) | 13,040,150 | 13,552,656 |
| Leasehold Improvements | 252,800 | - | (252,800) | - | - |
| Medical Equipment | 338,467 | - | (258,532) | 79,935 | 113,782 |
| Mobile Equipment | 55,514 | 165,783 | (37,254) | 184,043 | 27,756 |
| Other Equipment | 76,007 | - | (29,136) | 46,871 | 49,911 |
| Total | **$ 21,295,807** | **$ 165,783** | **$ (7,767,542)** | **$ 13,694,048** | **$ 14,119,527** |

The TCA information was provided by the Government of the Northwest Territories. Amortization expense for 2024 - 2025 - $591,262 (2023 - 2024 - $18,340).

**Education**

| | Cost (Unaudited) | Addition (Unaudited) | Accumulated Amortization (Unaudited) | Net Book Value 2025 (Unaudited) | Net Book Value 2024 (Unaudited) |
|---|---|---|---|---|---|
| Alexis Arrowmaker School | $ 2,412,271 | $ 586,698 | $ (1,866,922) | $ 1,132,048 | $ 686,102 |
| Chief Jimmy Bruno School | 9,459,123 | - | (9,054,949) | 404,174 | 516,132 |
| Elizabeth MacKenzie School | 5,637,997 | 331,654 | (4,722,491) | 1,247,160 | 1,145,388 |
| Jean Wetrade School | 10,360,806 | - | (5,633,235) | 4,727,571 | 5,055,476 |
| Mezi Community School | 6,310,511 | 339,524 | (6,047,998) | 602,037 | 522,755 |
| Nishi Khon - Leasehold Improvements | 190,000 | - | (190,000) | - | - |
| Total | **$ 34,370,708** | **$ 1,257,876** | **$ (27,515,595)** | **$ 8,112,990** | **$ 7,925,853** |

The TCA information was provided by the Government of the Northwest Territories. Amortization expense for 2024 - 2025 - $1,070,739 (2023-2024 - $835,292).

**21**. **Contractual Obligations (aka Commitments)**

The Agency has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to March 31, 2024.

| | Expires in Fiscal Year | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 and Thereafter | Total |
|---|---|---|---|---|---|---|---|---|
| Office Leases | 2026-2027 | $ 255,401 | $ 15,000 | $ - | $ - | $ - | $ - | $ 270,401 |
| Residential Leases | 2026-2027 | 240,593 | 42,900 | - | - | - | - | 283,493 |
| Equipment Leases | 2026-2029 | 84,654 | 17,895 | 14,316 | 8,128 | - | - | 124,993 |
| | | **$ 580,648** | **$ 75,795** | **$ 14,316** | **$ 8,128** | **$ -** | **$ -** | **$ 678,887** |

**22**. **Contingent Liabilities**

In the normal course of operations, the Agency is subject to claims and pending and threatened litigation against the Agency and its staff. The Agency is defending actions brought against it and the Agency has recorded an allowance for any claim or litigation where it is likely that there will be a future payment and a reasonable estimate of the loss can be made. The allowance is based upon estimates determined by the Agency's legal experts experience or case law in similar circumstances.

The Agency did not have any environmental liabilities during the year.

**23. Budget**

Budget figures for Health and Social Services Division of the TCSA are the opening budgets that were approved on March 31, 2024 by the Agency's board of directors, and DHSS. Budget figures for Education Division of the TCSA are the opening budgets that were approved on July 15, 2024 by the Agency's board of directors and ECE. The budget figures are not audited and are intended for information purposes only. These figures represent the Agency's original fiscal plan for the year and do not reflect subsequent changes arising from amendments made by the Departments.

**24. Economic Dependence**

The Agency receives its funding primarily from the GNWT. If the funding arrangements were to change management is of the opinion that the Agency operations would be significantly affected.

**25. Subsequent Events**

Nil Report

**26. Comparative Figures**

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

## 27. Related Parties And Inter-Entity Transactions

The Agency is related in terms of common ownership to all GNWT created departments and public agencies. The Agency enters into transactions with these entities in the normal course of business. The Agency is provided with various administrative services by the GNWT, the value of which is not reflected in these financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage by the Department of Finance, compensation services by the Department of Human Resources, and internal audit services by the Department of Finance.

| | 2025 | 2024 |
|---|---|---|
| Due from Related Parties | | |
| Government of the Northwest Territories | | |
| Department of Education, Culture and Employment | $ 232,317 | $ 185,368 |
| Department of Finance | 5,912 | 61,818 |
| Department of Health and Social Services | 3,160,754 | 817,040 |
| Department of Municipal and Community Affairs | 13,678 | 185,127 |
| Northwest Territories Health and Social Services Authority | 128,655 | 175,248 |
| | $ 3,541,316 | $ 1,424,601 |
| Due to Related Parties | | |
| Government of the Northwest Territories | | |
| Department of Education, Culture and Employment | $ 343,118 | $ 19,824 |
| Department of Finance | 74,615 | 79,985 |
| Department of Health and Social Services | 682 | 302,000 |
| Department of Infrastructure | - | 101 |
| Petroleum Products Division | 5,702 | 969 |
| NWT Power Corporation | 965 | 1,059 |
| NWT Housing Corporation | - | 17,160 |
| Northwest Territories Health and Social Services Authority | 130,050 | 749,757 |
| | $ 555,132 | $ 1,170,855 |
| Department of Finance - Payroll Liabilities | $ 14,294,038 | $ 10,315,847 |

**27. Related Parties And Inter-Entity Transactions (continued)**

Revenue received from Related Parties not otherwise disclosed in the statements or schedules:

| | 2025 | 2024 |
|---|---|---|
| Northwest Territory Heath & Social Services Authority | $ 110,569 | $ 95,227 |
| GNWT - Department of Health and Social Services | (155) | 1,500 |
| | $ 110,414 | $ 96,727 |
| Expenses paid to Related Parties | | |
| GNWT - Department of Education, Culture and Employment | $ 627,484 | $ 388,348 |
| GNWT - Department of Finance | 669,471 | 569,716 |
| GNWT - Department of Health and Social Services | 301,338 | - |
| GNWT - Department of Infrastructure | - | 850 |
| GNWT - Petroleum Products Division | 36,171 | 35,283 |
| Hay River Health and Social Services Authority | 235 | - |
| Northwest Territories Health and Social Services Authority | 820,476 | 788,790 |
| NWT Education Boards | 37,375 | 2,300 |
| NWT Housing Corporation | 115,920 | 122,760 |
| NWT Power Corporation | 14,452 | 10,010 |
| James Company Limited (Owned by a Board Member) | 18,000 | 19,500 |
| | $ 2,640,922 | $ 1,937,557 |

Related party transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

**28. Workers' Safety and Compensation Commission Transactions**

| | 2025 | 2024 |
|---|---|---|
| Due from the WSCC | $ 1,958 | $ 1,958 |
| Due to the WSCC | - | 220,127 |
| Expenses | 1,388 | 910 |

**29. Financial Instruments**

The Agency is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the:
(i) Credit risk

Credit risk is the risk of financial loss to the Agency if a debtor fails to make payments of interest and principal when due. The Agency is exposed to this risk relating to its, cash, special purpose funds, trust assets and accounts receivable.

The Agency holds its cash, special purpose funds and trust assets deposits in trust accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation.

Accounts receivable are due from various governments, government agencies, corporations and individuals. Credit risk related to accounts receivable is mitigated by internal controls as well policies and oversight over arrears for ultimate collection. Management has determined that a portion of accounts receivable are impaired based on specific identification as well as age of receivables.

These amounts are as disclosed in Note 8.

The Agency's maximum exposure to credit risk is represented by the financial assets for a total of $4,586,590 (2023-2024 - $2,166,681).

**29. Financial Instruments (continued)**

(ii) Concentration of credit risk

Concentration of credit risk is the risk that a customer(s) has a significant portion (more than ten. percent) of the total accounts receivable balance and thus there is a higher risk to the Agency in the event of a default. The Agency does have concentration of risk. At March 31, 2025, receivables from the GNWT and related parties accounted for 77% of the total outstanding accounts receivables. The Agency reduces this risk by monitoring overdue balances.

The Agency also has concentration of credit risk as deposits are held in one Canadian chartered bank.

(iii) Liquidity Risk

Liquidity risk is the risk that the Agency will not be able to meet all cash outflow obligations as they come due. The Agency mitigates this risk by monitoring cash activities and expected outflows through budgeting and maintaining an adequate amount of cash to cover unexpected cash outflows should they arise. The Agency's cash balances stands at $213,072 (2023 - 2024 - $1,808,506). Total financial assets are $5,154,485 (2023 - 2024 - $4,768,284) and financial liabilities are $20,353,251 (2023 - 2024 - $15,653,443). The agency has disclosed future financial liabilities and commitments in Note 21.

**30. Contingent Assets**

Nil Report

**31. Contractual Rights**

Nil Report

## 32. Expenses By Object

| | | 2025 | 2024 |
|---|---|---|---|
| **Health & Social Services** | | | |
| | **Compensation and Benefits** | | |
| | Salaries and wages | $ 20,745,793 | $ 18,099,073 |
| | Severance and Superannuation | 381,302 | (14,878) |
| | Other | 776,531 | 778,070 |
| | | **$ 21,903,626** | **$ 18,862,265** |
| | **Operations and Maintenance** | | |
| | Amortization | $ - | $ - |
| | Contracted & General Services | 4,150,287 | 4,180,499 |
| | Grants and Contributions | 2,435,688 | 1,743,966 |
| | Medical and Surgical Supplies | 578,790 | 416,793 |
| | Valuation Allowance | - | - |
| | Other | 1,410,242 | 1,577,540 |
| | | **$ 8,575,007** | **$ 7,918,798** |
| **Education** | | | |
| | Compensation and Benefits | $ 27,047,680 | $ 22,919,543 |
| | Operations and Maintenance | 4,856,011 | 4,966,042 |
| | Amortzation | 101,506 | 88,849 |
| | | **$ 32,005,197** | **$ 27,974,434** |
| **Other** | | | |
| | Compensation and Benefits | $ - | $ - |
| | Operations and Maintenance | 271,925 | 275,152 |
| | | **$ 271,925** | **$ 275,152** |
| **Overall** | | | |
| | Compensation and Benefits | $ 48,951,306 | $ 41,781,808 |
| | Operations and Maintenance | 13,804,449 | 13,248,841 |
| | | **$ 62,755,755** | **$ 55,030,649** |

**Tlicho Community Services Agency**
**Schedule A**
**Schedule of Contributions from the GNWT**
**For the year ended March 31, 2025**

| | Unaudited 2025 Budget | 2025 Actual | 2024 Actual |
|---|---|---|---|
| **Contributions from the GNWT** | | | |
| Core contribution - Department of Health & Social Services | | | |
| Administration & Support Services | | | |
| Administration | $ 783,000 | $ 1,178,000 | $ 783,000 |
| Finance | 192,000 | 213,000 | 192,000 |
| Human Resources | 156,000 | 168,000 | 156,000 |
| System Support | 124,000 | 149,000 | 124,000 |
| Community Health Programs | | | |
| Community Clinics & Health Centres | 6,191,000 | 7,200,000 | 6,265,000 |
| Diagnostic Services | - | - | - |
| Emergency Response | - | - | 381,087 |
| Health Promotion & Community Wellness | 315,000 | 315,000 | 315,000 |
| Physician Services | 990,000 | 1,106,000 | 1,001,000 |
| Community Social Programs | | | |
| Child & Family Services | 6,414,000 | 7,526,000 | 6,327,000 |
| Child & Youth Care Counselling | 294,000 | 294,000 | 394,000 |
| Family Violence Prevention | 31,000 | 31,000 | 31,000 |
| Mental Health & Addictions | 1,114,000 | 1,222,000 | 1,114,000 |
| Long Term and Continuing Care Counselling | | | |
| Homecare & Support Services | 825,000 | 963,000 | 839,000 |
| Residential Care Children & Adults | 3,870,000 | 4,285,000 | 3,905,000 |
| Supplementary Health Programs | | | |
| Medical Travel | 517,000 | 830,000 | 517,000 |
| | 21,816,000 | 25,480,000 | 22,344,087 |
| Other Contribution - Department of Health & Social Services | | | |
| Aging with Dignity Action Plan | - | 23,000 | - |
| Enhanced Home Care - Schedule A-1 | 724,752 | 787,704 | 802,583 |
| NIHB Administration Costs | - | 112,010 | - |
| Shared Health Priorities | 187,000 | 187,000 | - |
| Total Contributions from GNWT | **$ 22,727,752** | **$ 26,589,714** | **$ 23,146,670** |

**Tlicho Community Services Agency**
**Schedule A-1**
**Schedule of Detailed Contribution Funding and Expense**
**Home and Community Care Enhancement**
**Health & Social Services - GNWT**
**For the year ended March 31, 2025**

| | Unaudited 2025 Budget | 2025 Actual | 2024 Actual |
|---|---|---|---|
| **Funding** | | | |
| GNWT - Department of Health & Social Services | $ 724,751 | $ 787,704 | $ 802,583 |
| | 724,751 | 787,704 | 802,583 |
| **Expenses** | | | |
| Salaries | 581,895 | 710,319 | 646,861 |
| Material & Supplies | 16,000 | 10,993 | 15,852 |
| Gasoline | 3,000 | 3,943 | 3,055 |
| Food | 14,000 | 13,984 | 17,048 |
| Vehicle Maintenance | 7,000 | 6,999 | 7,872 |
| Medical and Surgical Supplies | 11,200 | 6,603 | 6,220 |
| Delivery & Courier | 1,000 | 1,052 | 1,000 |
| Telephone | 1,320 | 776 | 710 |
| Training | 10,000 | 3,419 | 37,649 |
| Travel | 6,060 | 15,237 | 15,272 |
| Minor Equipment | 51,276 | 6,143 | 6,992 |
| Contract Services | 22,000 | 8,236 | 44,052 |
| | 724,751 | 787,704 | 802,583 |
| **Excess Funding over Expense** | **$ -** | **$ -** | **$ -** |

**Tlicho Community Services Agency**
**Schedule B**
**Schedule of Reserves**
**For the year ended March 31, 2025**

| | Surplus | | Leave & Termination | | Special Projects | | Total Reserves | |
|---|---|---|---|---|---|---|---|---|
| Balance, beginning of the year | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Additions/Reductions to/from Reserves | - | - | - | - | - | - | - | - |
| Transfers between Reserves | - | - | - | - | - | - | - | - |
| Balance, end of the year | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |

The Agency has no funds in reserves.

**Tlicho Community Services Agency**
**Schedule C**
**Education Division**
**Schedule of Expenses**
**For the year ended March 31, 2025**

| | Aboriginal Languages | Administration | Inclusive Schooling | School Programs | Jordan's Principle | Total |
|---|---|---|---|---|---|---|
| **Salaries** | | | | | | |
| Teachers | $ 1,382,407 | $ | $ 1,424,349 | $ 8,554,460 | $ 2,008,192 | $ 13,369,408 |
| Instructional Asst. | 457,395 | - | 1,668,407 | 226,941 | 4,681,478 | 7,034,221 |
| Non-Instructional Staff | 216,008 | 1,099,993 | 299,520 | 3,216,378 | 743,789 | 5,575,688 |
| Board Honoraria | - | 36,722 | - | - | - | 36,722 |
| **Employee Benefits** | | | | | | |
| Benefits/Allowance | - | 505,566 | - | 526,074 | - | 1,031,640 |
| **Services Purchased/Contracted** | | | | | | |
| Postage/Communication | 1,089 | 6,720 | - | 42,844 | - | 50,653 |
| Travel/Training | 17,932 | 77,649 | 70,177 | 80,021 | 13,860 | 259,639 |
| Adverting/Printing/ Publishing | - | - | - | 1,493 | - | 1,493 |
| Maintenance and Repairs | 2,894 | 1,982 | - | 46,471 | - | 51,347 |
| Rentals and Leases | 12,690 | 4,496 | - | 27,951 | - | 45,137 |
| Vehicle Expense | - | 2,304 | - | 68,213 | - | 70,517 |
| Other | 1,800 | 116,092 | - | 20,984 | 789,484 | 928,360 |
| Contributed Services | - | 1,908 | - | 1,014 | - | 2,922 |
| Contract Services | 84,137 | 45,906 | 220,896 | 66,467 | 983,341 | 1,400,747 |
| Materials | 157,543 | 51,924 | 131,110 | 1,292,371 | 123,030 | 1,755,977 |
| Furniture and Equipment | - | 5,032 | - | 243,491 | - | 248,523 |
| Freight | 1,600 | 2,285 | 107 | 36,704 | - | 40,696 |
| **Sub Total** | **2,335,495** | **1,958,579** | **3,814,566** | **14,451,877** | **9,343,174** | **31,903,691** |
| Amortization | - | - | - | 101,506 | - | 101,506 |
| **Total Expense** | **$ 2,335,495** | **$ 1,958,579** | **$ 3,814,566** | **$ 14,553,383** | **$ 9,343,174** | **$ 32,005,197** |

**Tlicho Community Services Agency**
**Schedule C.1**
**Education - Contribution Agreements**
**Other Education Contributions**
**For the year ended March 31, 2025**

| **Contribution Agreement Revenues** | | **2025** | **2024** |
|---|---|---|---|
| Public Library Services | Schedule C-1 | $ 132,259 | $ 144,000 |
| Self-Regulation | Schedule C-2 | - | 1,412 |
| Northern Distance Learning | Schedule C-3 | 67,427 | 166,100 |
| Take a Kid Trapping Program | Schedule C-4 | 40,000 | 32,000 |
| Active After School | Schedule C-5 | 76,500 | 76,500 |
| Indigenous Health & Wellness Elders - Tlicho Government | Schedule C-6 | - | 19,418 |
| Drop the Pop | Schedule C-7 | 10,500 | 10,000 |
| Literacy Program | Schedule C-8 | 21,531 | 12,947 |
| Jordan's Principle | Schedule C-9 | 9,329,353 | 8,128,254 |
| Indigenous Services Canada - Home & Community Care Program | Schedule C-9.1 | 13,821 | 94,499 |
| First Food Foundation | Schedule C-10 | 41,443 | 38,307 |
| PC Children Charity Nutrition Snack | Schedule C-11 | 12,960 | 6,165 |
| Breakfast Club | Schedule C-12 | 100,251 | 145,584 |
| Burgundy Diamond Mines (Ekati) | Schedule C-13 | 459 | 203,896 |
| On the Land Collaborative | Schedule C-14 | 106,251 | 41,719 |
| Youth Contribution | Schedule C-15 | 17,850 | 15,890 |
| Youth Contribution (Cultural Leadership) | Schedule C-16 | 20,000 | 20,000 |
| Dog Mushing | Schedule C-17 | 12,785 | - |
| National Food Program | Schedule C-18 | 270,103 | - |
| Greenhouse | Schedule C-19 | - | 1,487 |
| School Based Mental Health & Wellness Services | Schedule C-20 | 153,075 | 241,334 |
| Beverly & Qaminirjuaq Caribou Management Board | Schedule C-21 | 10,000 | - |
| Stem Learning | Schedule C-22 | 50,000 | - |
| Miscellaneous | Schedule C-23 | 40,242 | 211,745 |
| Total Contribution Agreement Revenues | | **$ 10,526,810** | **$ 9,611,257** |

**Tlicho Community Services Agency**
**Schedule C.1**
**Education - Contribution Agreements**
**Other Education Contributions**
**For the year ended March 31, 2025**

| **Contribution Agreement Expenditures** | | **2025** | **2024** |
|---|---|---|---|
| Public Library Services | Schedule C-1 | $ 132,259 | $ 144,000 |
| Self-Regulation | Schedule C-2 | - | 1,412 |
| Northern Distance Learning | Schedule C-3 | 67,427 | 166,100 |
| Take a Kid Trapping Program | Schedule C-4 | 40,000 | 32,000 |
| Active After School | Schedule C-5 | 76,500 | 76,500 |
| Indigenous Health & Wellness Elders - Tlicho Government | Schedule C-6 | - | 19,418 |
| Drop the Pop | Schedule C-7 | 10,500 | 10,000 |
| Literacy Program | Schedule C-8 | 21,531 | 12,947 |
| Jordan's Principle | Schedule C-9 | 9,329,354 | 8,128,254 |
| Indigenous Services Canada - Home & Community Care Program | Schedule C-9.1 | 13,821 | 94,499 |
| First Food Foundation | Schedule C-10 | 41,570 | 36,233 |
| PC Children Charity Nutrition Snack | Schedule C-11 | 12,960 | 6,192 |
| Breakfast Club | Schedule C-12 | 100,251 | 145,584 |
| Burgundy Diamond Mines (Ekati) | Schedule C-13 | 459 | 203,895 |
| On the Land Collaborative | Schedule C-14 | 106,251 | 41,704 |
| Youth Contribution | Schedule C-15 | 17,850 | 15,890 |
| Youth Contribution (Cultural Leadership) | Schedule C-16 | 20,000 | 20,000 |
| Dog Mushing | Schedule C-17 | 12,785 | - |
| National Food Program | Schedule C-18 | 270,103 | - |
| Greenhouse | Schedule C-19 | - | 1,487 |
| School-Based Mental Health & Wellness Services | Schedule C-20 | 153,075 | 241,334 |
| Beverly & Qamanirjuaq Caribou Management Board | Schedule C-21 | 10,000 | - |
| Stem Learning | Schedule C-22 | 50,000 | - |
| Miscellaneous | Schedule C-23 | 40,242 | 211,745 |
| Total Contribution Agreement Expenditures | | **$ 10,526,938** | **$ 9,609,194** |
| Excess of Funding over Expenditures | | **$ (128)** | **$ 2,063** |

**Tlicho Community Services Agency**
**Schedule C-1**
**Schedule of Detailed Contribution Funding and Expenses**
**Public Library Services**
**For the year ended March 31, 2025**

| | 2025 Budget | CJBS | MEZI | JWGS | EMES | 2025 Actual | 2024 Actual |
|---|---|---|---|---|---|---|---|
| **Funding** | | | | | | | |
| GNWT - ECE | $ 154,000 | $ 38,500 | $ 38,500 | $ 38,500 | $ 38,500 | $ 154,000 | $ 144,000 |
| GNWT - ECE A/P | - | - | - | (21,741) | - | (21,741) | - |
| **Total Funding** | **154,000** | **38,500** | **38,500** | **16,759** | **38,500** | **132,259** | **144,000** |
| **Expenses** | | | | | | | |
| Salaries & Benefits | 218,222 | 38,500 | 32,622 | 13,050 | 38,500 | 122,672 | 102,013 |
| Materials & Supplies | 12,000 | - | 5,878 | 2,696 | - | 8,574 | 41,987 |
| Contract Services | - | - | - | 1,013 | - | 1,013 | - |
| **Total Expenses** | **230,222** | **38,500** | **38,500** | **16,759** | **38,500** | **132,259** | **144,000** |
| **Excess Funding over Expense** | **$ (76,222)** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |

**Tlicho Community Services Agency**
**Schedule C-2**
**Schedule of Detailed Contribution Funding and Expenses**
**Self Regulation**
**For the year ended March 31, 2025**

| | 2025 Budget | 2025 Actual | 2024 Actual |
|---|---|---|---|
| **Funding** | | | |
| GNWT - ECE | $ - | $ - | 1,412 |
| **Total Funding** | - | - | 1,412 |
| **Expenses** | | | |
| Materials & Supplies | - | - | 1,412 |
| **Total Expenses** | - | - | 1,412 |
| **Excess Funding over Expense** | $ - | $ - | - |

**Tlicho Community Services Agency**
**Schedule C-3**
**Schedule of Detailed Contribution Funding and Expenses**
**Northern Distance Learning**
**For the year ended March 31, 2025**

| | 2025 Budget | CJBS | MEZI | JWGS | WEKWEETI | 2025 Actual | 2024 Actual |
|---|---|---|---|---|---|---|---|
| **Funding** | | | | | | | |
| GNWT - ECE | $ 119,750 | $ 15,535 | $ 17,275 | $ 17,330 | $ 17,287 | $ 67,427 | $ 29,204 |
| GNWT - ECE - A/R | - | - | - | - | - | - | 136,896 |
| **Total Funding** | **119,750** | **15,535** | **17,275** | **17,330** | **17,287** | **67,427** | **166,100** |
| **Expenses** | | | | | | | |
| Salaries | 119,750 | 15,535 | 17,275 | 17,330 | 17,287 | 67,427 | 157,520 |
| Contract Services | - | - | - | - | - | - | 8,580 |
| **Total Expenses** | **119,750** | **15,535** | **17,275** | **17,330** | **17,287** | **67,427** | **166,100** |
| **Excess Funding over Expense** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |

**Tlicho Community Services Agency**
**Schedule C-4**
**Schedule of Detailed Contribution Funding and Expenses**
**Take a Kid Trapping Program**
**For the year ended March 31, 2025**

| | 2025 Budget | CJBS | MEZI | JWGS | EMES | WEKWEETI | 2025 Actual | 2024 Actual |
|---|---|---|---|---|---|---|---|---|
| **Funding** | | | | | | | | |
| GNWT - ENR | $ 40,000 | $ 8,000 | $ 8,000 | $ 8,000 | $ 8,000 | $ 8,000 | $ 40,000 | $ 32,000 |
| **Total Funding** | **40,000** | **8,000** | **8,000** | **8,000** | **8,000** | **8,000** | **40,000** | **32,000** |
| **Expenses** | | | | | | | | |
| Materials & Supplies | 40,000 | 7,698 | 8,000 | 8,000 | 8,000 | 8,000 | 39,698 | 31,252 |
| Gasoline | - | 302 | - | - | - | - | 302 | 748 |
| **Total Expenses** | **40,000** | **8,000** | **8,000** | **8,000** | **8,000** | **8,000** | **40,000** | **32,000** |
| **Excess Funding over Expense** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |

**Tlicho Community Services Agency**
**Schedule C-5**
**Schedule of Detailed Contribution Funding and Expenses**
**After School Physical Activity**
**For the year ended March 31, 2025**

| | 2025 Budget | CJBS | MEZI | JWGS | EMES | Wekweeti | 2025 Actual | 2024 Actual |
|---|---|---|---|---|---|---|---|---|
| **Funding** | | | | | | | | |
| GNWT - MACA | $ 76,500 | $ 15,300 | $ 15,300 | $ 15,300 | $ 15,300 | $ 15,300 | $ 76,500 | $ 76,500 |
| **Total Funding** | **76,500** | **15,300** | **15,300** | **15,300** | **15,300** | **15,300** | **76,500** | **76,500** |
| **Expenses** | | | | | | | | |
| Materials & Supplies | 61,200 | 15,300 | 13,033 | 15,300 | 15,300 | 15,300 | 74,233 | 76,500 |
| Client Travel | - | - | 567 | - | - | - | 567 | - |
| Contract Services | 15,300 | - | 1,700 | - | - | - | 1,700 | - |
| **Total Expenses** | **76,500** | **15,300** | **15,300** | **15,300** | **15,300** | **15,300** | **76,500** | **76,500** |
| **Excess Funding over Expense** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |

**Tlicho Community Services Agency**
**Schedule C-6**
**Schedule of Detailed Contribution Funding and Expenses**
**Indigenous Health & Wellness Elders - Tlicho Government**
**For the year ended March 31, 2025**

| | 2025 Budget | MEZI | 2025 Actual | 2024 Actual |
|---|---|---|---|---|
| **Funding** | | | | |
| Tlicho Government Deferred - PY | $ - | $ - | $ - | 19,418 |
| **Total Funding** | **-** | **-** | **-** | **19,418** |
| **Expenses** | | | | |
| Materials & Supplies | - | - | - | 19,418 |
| **Total Expenses** | **-** | **-** | **-** | **19,418** |
| **Excess Funding over Expense** | **$ -** | **$ -** | **$ -** | **-** |

**Tlicho Community Services Agency**
**Schedule C-7**
**Schedule of Detailed Contribution Funding and Expenses**
**Drop the Pop**
**For the year ended March 31, 2025**

| | 2025 Budget | REG | CJBS | MEZI | JWGS | EMES | Wekweeti | 2025 Actual | 2024 Actual |
|---|---|---|---|---|---|---|---|---|---|
| **Funding** | | | | | | | | | |
| GNWT - HSS | $ 10,500 | $ 500 | $ 3,000 | $ 2,100 | $ 1,300 | $ 2,000 | $ 1,600 | $ 10,500 | $ - |
| GNWT - HSS A/R | - | - | - | - | - | - | - | - | 10,000 |
| **Total Funding** | **10,500** | **500** | **3,000** | **2,100** | **1,300** | **2,000** | **1,600** | **10,500** | **10,000** |
| **Expenses** | | | | | | | | | |
| Materials & Supplies | 10,000 | - | 3,000 | 2,100 | 1,300 | 999 | 1,600 | 8,999 | 8,706 |
| Contract Services | - | - | - | - | - | 1,001 | - | 1,001 | 1,294 |
| Dues & Fees | 500 | 500 | - | - | - | - | - | 500 | - |
| **Total Expenses** | **10,500** | **500** | **3,000** | **2,100** | **1,300** | **2,000** | **1,600** | **10,500** | **10,000** |
| **Excess Funding over Expense** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |

**Tlicho Community Services Agency**
**Schedule C-8**
**Schedule of Detailed Contribution Funding and Expenses**
**Literacy Program**
**For the year ended March 31, 2025**

| | 2025 Budget | CJBS | Regional | 2025 Actual | 2024 Actual |
|---|---|---|---|---|---|
| **Funding** | | | | | |
| DE Beers Canada | $ - | $ - | $ 12,000 | $ 12,000 | $ 12,549 |
| DE Beers Canada, AR | - | - | 4,951 | 4,951 | - |
| NWT Literacy Council Deferred - CY | - | 3,805 | - | 3,805 | (3,805) |
| NWT Disabilities Council | - | 3,500 | - | 3,500 | 4,203 |
| NWT Disabilities Council - CY | - | (2,725) | - | (2,725) | - |
| **Total Funding** | **-** | **4,580** | **16,951** | **21,531** | **12,947** |
| **Expenses** | | | | | |
| Salaries & Benefits | - | - | 12,000 | 12,000 | - |
| Materials & Supplies | - | 4,580 | 4,951 | 9,531 | 12,947 |
| **Total Expenses** | **-** | **4,580** | **16,951** | **21,531** | **12,947** |
| **Excess Funding over Expense** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |

**Tlicho Community Services Agency**
**Schedule C-9**
**Schedule of Detailed Contribution Funding and Expenses**
**Jordan's Principle**
**For the year ended March 31, 2025**

| | 2025 Budget | SLP ISC-214528 | Counselling ISC-214593 | Transition ISC-214507 | Literacy ISC-2146449 | BEH Interv ISC-214619 | 2025 Actual | 2024 Actual |
|---|---|---|---|---|---|---|---|---|
| **Funding** | | | | | | | | |
| Government of Canada, Min. of Indigenous Services | $ 9,750,200 | $ 3,318,118 | $ 2,215,776 | $ 630,900 | $ 1,576,080 | $ 2,723,059 | $ 10,463,933 | $ 8,384,394 |
| Government of Canada, Min of Indigenous Services - Receivable - CY | - | - | 121,603 | 78,295 | - | - | 199,898 | 698,622 |
| Government of Canada, Min. of Indigenous Services Deferred - CY | - | (83,022) | - | - | (8,208) | (29,693) | (120,923) | - |
| Government of Canada, Min. of Indigenous Services Receivable - PY | - | - | (133,049) | (139,543) | (271,833) | (154,197) | (698,622) | (333,462) |
| Government of Canada, Min. of Indigenous Services - Deferred- PY | - | 254,963 | - | - | - | - | 254,963 | (254,963) |
| Government of Canada, Min. of Indigenous Services - Payable ( 2022-2024 SY) | - | (736,652) | (131,876) | 113,905 | 149,778 | (165,050) | (769,895) | (366,336) |
| **Total Funding** | **9,750,200** | **2,753,407** | **2,072,454** | **683,557** | **1,445,817** | **2,374,119** | **9,329,353** | **8,128,254** |
| **Expenses** | | | | | | | | |
| Salaries & Benefits | 7,768,304 | 2,095,838 | 1,480,140 | 542,795 | 1,306,661 | 2,034,183 | 7,459,617 | 6,259,703 |
| Materials & Supplies | 206,000 | - | 3,031 | 92,684 | 2,687 | 749 | 99,151 | 134,643 |
| Staff Travel & Training | 62,000 | 13,676 | 184 | - | - | - | 13,860 | 565 |
| Dues & Fees | 837,591 | 254,386 | 154,507 | 48,077 | 121,753 | 210,761 | 789,484 | 626,458 |
| Contract Services | 876,305 | 389,506 | 434,592 | - | 14,717 | 128,426 | 967,241 | 1,106,885 |
| **Total Expenses** | **9,750,200** | **2,753,407** | **2,072,454** | **683,557** | **1,445,817** | **2,374,119** | **9,329,354** | **8,128,254** |
| **Excess Funding over Expense** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | $ - | **$ -** | **$ -** |

**Tlicho Community Services Agency**
**Schedule C- 9.1**
**Schedule of Detailed Contribution Funding and Expenses**
**Indigenous Services Canada - Home & Community Care Program**
**For the year ended March 31, 2025**

| | 2025 Budget | 2025 Actual | 2024 Actual |
|---|---|---|---|
| **Funding** | | | |
| Gov't of Canada, Min. of Indigenous Services | $ - | $ 44,790 | $ 72,328 |
| Gov't of Canada, Min. of Indigenous Servics Deferred - CY | - | (39,300) | (8,331) |
| Gov't of Canada, Min. of Indigenous Services Deferred - PY | - | 8,331 | 30,502 |
| **Total Funding** | **-** | **13,821** | **94,499** |
| **Expenses** | | | |
| Materials & Supplies | - | 13,821 | 94,499 |
| **Total Expenses** | **-** | **13,821** | **94,499** |
| **Excess Funding over Expense** | **$ -** | **$ -** | **$ -** |

**Tlicho Community Services Agency**
**Schedule C-10**
**Schedule of Detailed Contribution Funding and Expenses**
**Food First Foundation**
**For the year ended March 31, 2025**

| | 2025 Budget | CJBS | MEZI | EMES | Wekweeti | 2025 Actual | 2024 Actual |
|---|---|---|---|---|---|---|---|
| **Funding** | | | | | | | |
| Food First Foundation | $ - | $ - | $ 5,000 | $ 9,000 | $ 2,000 | $ 16,000 | $ 50,340 |
| Food First Foundation Deferred - AY | - | 11,000 | - | - | - | 11,000 | - |
| Food First Foundation Deferred - PY | - | - | 9,425 | 14,130 | 1,873 | 25,428 | 13,395 |
| Food First Foundation Deferred - CY | - | - | (3,914) | (7,071) | - | (10,985) | (25,428) |
| **Total Funding** | **-** | **11,000** | **10,511** | **16,059** | **3,873** | **41,443** | **38,307** |
| **Expenses** | | | | | | | |
| Materials & Supplies | - | 11,000 | 10,511 | 16,059 | 4,000 | 41,570 | 36,233 |
| **Total Expenses** | **-** | **11,000** | **10,511** | **16,059** | **4,000** | **41,570** | **36,233** |
| **Excess Funding over Expense** | **$ -** | **$ -** | **$ -** | **$ -** | **$ (127)** | **$ (127)** | **$ 2,074** |

**Tlicho Community Services Agency**
**Schedule C-11**
**Schedule of Detailed Contribution Funding and Expenses**
**PC Children Charity Nutrition Snack**
**For the year ended March 31, 2025**

| | 2025 Budget | CJBS | 2025 Actual | 2024 Actual |
|---|---|---|---|---|
| **Funding** | | | | |
| PC Children Charity | $ - | $ 12,960 | $ 12,960 | $ - |
| PC Children Charity Deferred - PY | - | - | - | 6,165 |
| PC Children Charity Deferred - CY | - | - | - | - |
| **Total Funding** | **-** | **12,960** | **12,960** | **6,165** |
| **Expenses** | | | | |
| Materials & Supplies | - | 12,960 | 12,960 | 6,192 |
| **Total Expenses** | **-** | **12,960** | **12,960** | **6,192** |
| **Excess Funding over Expense** | **$ -** | **$ -** | **$ -** | **$ (27)** |

**Tlicho Community Services Agency**
**Schedule C-12**
**Schedule of Detailed Contribution Funding and Expenses**
**Breakfast Club**
**For the year ended March 31, 2025**

| | 2025 Budget | CJBS | JWGS | EMES | 2025 Actual | 2024 Actual |
|---|---|---|---|---|---|---|
| **Funding** | | | | | | |
| Breakfast Club of Canada | $ - | $ 23,100 | $ 5,300 | $ 15,900 | $ 44,300 | $ 63,817 |
| Breakfast Club of Canada Deferred - PY | - | - | 14,191 | 35,035 | 49,226 | 107,892 |
| Breakfast Club of Canada Deferred - CY | - | - | (3,420) | (1,405) | (4,825) | (49,225) |
| Breakfast Club of Canada - Deferred- AR | - | 11,550 | - | - | 11,550 | 23,100 |
| **Total Funding** | **-** | **34,650** | **16,071** | **49,530** | **100,251** | **145,584** |
| **Expenses** | | | | | | |
| Materials & Supplies | - | 34,650 | 16,071 | 49,530 | 100,251 | 145,584 |
| **Total Expenses** | **-** | **34,650** | **16,071** | **49,530** | **100,251** | **145,584** |
| **Excess Funding over Expense** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |

**Tlicho Community Services Agency**
**Schedule C-13**
**Schedule of Detailed Contribution Funding and Expenses**
**Burgundy Diamond Mines Ltd. (Ekati - Cultural Program)**
**For the year ended March 31, 2025**

| | 2025 Budget | CJBS | MEZI | JWGS | EMES | Wekweeti | 2025 Actual | 2024 Actual |
|---|---|---|---|---|---|---|---|---|
| **Funding** | | | | | | | | |
| Burgundy Diamond Mines Ltd. | $ 125,000 | $ 15,000 | $ 15,000 | $ 15,000 | $ 15,000 | $ 15,000 | $ 75,000 | $ 125,000 |
| Burgundy Diamond Mines Ltd. Defeered - CY | - | (15,000) | (15,000) | (20,750) | (15,000) | (29,339) | (95,089) | 99,443 |
| Burgundy Diamond Mines Ltd. Defeered -PY | - | - | - | 5,750 | - | 14,798 | 20,548 | (20,548) |
| **Total Funding** | **125,000** | **-** | **-** | **-** | **-** | **459** | **459** | **203,895** |
| **Expenses** | | | | | | | | |
| Materials & Supplies | 125,000 | - | - | - | - | - | - | 102,790 |
| Gasoline | - | - | - | - | - | - | - | 81 |
| Food | - | - | - | - | - | - | - | 208 |
| Rental/Lease Equipment | - | - | - | - | - | - | - | 8,694 |
| Delivery & Courier | - | - | - | - | - | 459 | 459 | - |
| Minor Equipment <$5K | - | - | - | - | - | - | - | 92,122 |
| **Total Expenses** | **125,000** | **-** | **-** | **-** | **-** | **459** | **459** | **203,895** |
| **Excess Funding over Expense** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |

**Tlicho Community Services Agency**
**Schedule C-14**
**Schedule of Detailed Contribution Funding and Expenses**
**On the Land Collaborative**
**For the year ended March 31, 2025**

| | 2025 Budget | CJBS | EMES | Wekweeti | 2025 Actual | 2024 Actual |
|---|---|---|---|---|---|---|
| **Funding** | | | | | | |
| Make Way Foundaion | $ - | $ 40,000 | $ 11,000 | $ - | $ 51,000 | $ 90,000 |
| Make Way Foundation Deferred - PY | - | 49,458 | - | 11,383 | 60,841 | 12,560 |
| Make Way Foundation Deferred - CY | - | - | (5,590) | - | (5,590) | (60,841) |
| **Total Funding** | **-** | **89,458** | **5,410** | **11,383** | **106,251** | **41,719** |
| **Expenses** | | | | | | |
| Salaries & Benefits | - | 45,455 | 5,410 | 11,383 | 62,248 | - |
| Materials & Supplies | - | 25,012 | - | - | 25,012 | 20,707 |
| Gasoline | - | 4,804 | - | - | 4,804 | 997 |
| Food | - | 10,000 | - | - | 10,000 | - |
| Equipment Maintenance | - | 4,087 | - | - | 4,087 | - |
| Rental/Lease Equipment | - | 100 | - | - | 100 | - |
| Capital Eqipment>$5K<$50K | - | - | - | - | - | 20,000 |
| **Total Expenses** | **-** | **89,458** | **5,410** | **11,383** | **106,251** | **41,704** |
| **Excess Funding over Expense** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ 15** |

**Tlicho Community Services Agency**
**Schedule C-15**
**Schedule of Detailed Contribution Funding and Expenses**
**Youth Contribution**
**For the year ended March 31, 2025**

| | 2025 Budget | MEZI | JWGS | 2025 Actual | 2024 Actual |
|---|---|---|---|---|---|
| **Funding** | | | | | |
| GNWT - MACA | $ - | $ 17,850 | $ - | $ 17,850 | $ 15,890 |
| Aborginal Sports Circle | - | - | 12,075 | 12,075 | 1,400 |
| Aborginal Sports Circle Deferred - CY | - | - | (12,075) | (12,075) | (1,400) |
| **Total Funding** | **-** | **17,850** | **-** | **17,850** | **15,890** |
| **Expenses** | | | | | |
| Materials & Supplies | - | 5,850 | - | 5,850 | 15,890 |
| Contract services | - | 12,000 | - | 12,000 | - |
| **Total Expenses** | **-** | **17,850** | **-** | **17,850** | **15,890** |
| **Excess Funding over Expense** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |

**Tlicho Community Services Agency**
**Schedule C-16**
**Schedule of Detailed Contribution Funding and Expenses**
**Youth Contribution (Cultural Leadership)**
**For the year ended March 31, 2025**

| | 2025 Budget | CJBS | 2025 Actual | 2024 Actual |
|---|---|---|---|---|
| **Funding** | | | | |
| GNWT - MACA | $ - | $ 20,000 | $ 20,000 | $ 20,000 |
| **Total Funding** | **-** | **20,000** | **20,000** | **20,000** |
| **Expenses** | | | | |
| Materials & Supplies | - | - | - | 11,432 |
| Salaries & Benefits | - | 20,000 | 20,000 | 8,568 |
| **Total Expenses** | **-** | **20,000** | **20,000** | **20,000** |
| **Excess Funding over Expense** | **$ -** | **$ -** | **$ -** | **$ -** |

**Tlicho Community Services Agency**
**Schedule C-17**
**Schedule of Detailed Contribution Funding and Expenses**
**Dog Mushing**
**For the year ended March 31, 2025**

| | 2025 Budget | CJBS | 2025 Actual | 2024 Actual |
|---|---|---|---|---|
| **Funding** | | | | |
| Aboriginal Sports Circle, AR | $ - | $ 12,785 | $ 12,785 | $ - |
| **Total Funding** | **-** | **12,785** | **12,785** | **-** |
| **Expenses** | | | | |
| Materials & Supplies | - | 12,785 | 12,785 | - |
| **Total Expenses** | **-** | **12,785** | **12,785** | **-** |
| **Excess Funding over Expense** | **$ -** | **$ -** | **$ -** | **$ -** |

**Tlicho Community Services Agency**
**Schedule C-18**
**Schedule of Detailed Contribution Funding and Expenses**
**National Food Program**
**For the year ended March 31, 2025**

| | 2025 Budget | CJBS | MEZI | JWGS | EMS | WEKWEETI | 2025 Actual | 2024 Actual |
|---|---|---|---|---|---|---|---|---|
| **Funding** | | | | | | | | |
| | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| GNWT ECE, A/R | - | 242,893 | 5,568 | 3,312 | 16,733 | 1,597 | 270,103 | - |
| **Total Funding** | **-** | **242,893** | **5,568** | **3,312** | **16,733** | **1,597** | **270,103** | **-** |
| **Expenses** | | | | | | | | |
| Materials & Supplies | - | 6,047 | - | - | - | - | 6,047 | - |
| Food | - | 5,566 | 5,568 | 3,312 | - | 1,597 | 16,043 | - |
| Minor Equipment <$5K | - | 171,808 | - | - | - | - | 171,808 | - |
| Capital Equipment <$5K <$50k | - | 54,272 | - | - | 16,733 | - | 71,005 | - |
| Contract Services | - | 5,200 | - | - | - | - | 5,200 | - |
| **Total Expenses** | **-** | **242,893** | **5,568** | **3,312** | **16,733** | **1,597** | **270,103** | **-** |
| **Excess Funding over Expense** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** | **$ -** |

**Tlicho Community Services Agency**
**Schedule C-19**
**Schedule of Detailed Contribution Funding and Expenses**
**Greenhouse**
**For the year ended March 31, 2025**

| | 2025 Budget | CJBS | 2025 Actual | 2024 Actual |
|---|---|---|---|---|
| **Funding** | | | | |
| Tlicho Government | $ - | $ - | $ - | $ - |
| Jane Goodall Foundation Deferred - PY | - | - | - | 446 |
| Ecology North | - | - | - | 2,000 |
| Ecology North Deferred -pCY | - | 959 | 959 | (959) |
| Ecology North Deferred - CY | - | (959) | (959) | - |
| **Total Funding** | **-** | **-** | **-** | **1,487** |
| **Expenses** | | | | |
| Materials & Supplies | - | - | - | 987 |
| Contract services | - | - | - | 500 |
| **Total Expenses** | **-** | **-** | **-** | **1,487** |
| **Excess Funding over Expense** | **$ -** | **$ -** | **$ -** | **$ -** |

**Tlicho Community Services Agency**
**Schedule C-20**
**Schedule of Detailed Contribution Funding and Expenses**
**School-Based Mental Health & Wellness Services**
**For the year ended March 31, 2025**

| | 2025 Budget | Regional | 2025 Actual | 2024 Actual |
|---|---|---|---|---|
| **Funding** | | | | |
| GNWT - ECE | $ - | $ 153,075 | $ 153,075 | $ 241,334 |
| **Total Funding** | **-** | **153,075** | **153,075** | **241,334** |
| **Expenses** | | | | |
| Salaries & Benefits | - | 153,075 | 153,075 | 241,334 |
| **Total Expenses** | **-** | **153,075** | **153,075** | **241,334** |
| **Excess Funding over Expense** | **$ -** | **$ -** | **$ -** | **$ -** |

**Tlicho Community Services Agency**
**Schedule C-21**
**Schedule of Detailed Contribution Funding and Expenses**
**Beverly & Qamanirjuaq Caribou Management Board**
**For the year ended March 31, 2025**

| | 2025 Budget | CJBS | 2025 Actual | 2024 Actual |
|---|---|---|---|---|
| **Funding** | | | | |
| BQCMB | $ - | $ 10,000 | $ 10,000 | $ - |
| **Total Funding** | **-** | **10,000** | **10,000** | **-** |
| **Expenses** | | | | |
| Materials & Supplies | - | 10,000 | 10,000 | - |
| **Total Expenses** | **-** | **10,000** | **10,000** | **-** |
| **Excess Funding over Expense** | **$ -** | **$ -** | **$ -** | **$ -** |

**Tlicho Community Services Agency**
**Schedule C-22**
**Schedule of Detailed Contribution Funding and Expenses**
**Stem Learning**
**For the year ended March 31, 2025**

| | 2025 Budget | Regional | 2025 Actual | 2024 Actual |
|---|---|---|---|---|
| **Funding** | | | | |
| Sanofi-Aventois Canada Inc. | $ - | $ 50,000 | $ 50,000 | $ - |
| **Total Funding** | **-** | **50,000** | **50,000** | **-** |
| **Expenses** | | | | |
| Materials & Supplies | - | 50,000 | 50,000 | - |
| **Total Expenses** | **-** | **50,000** | **50,000** | **-** |
| **Excess Funding over Expense** | **$ -** | **$ -** | **$ -** | **$ -** |

**Tlicho Community Services Agency**
**Schedule C-23**
**Schedule of Detailed Contribution Funding and Expenses**
**Miscellaneous**
**For the year ended March 31, 2025**

| | 2025 Budget | Regional | CJBS | JWGS | Wekweeti | 2025 Actual | 2024 Actual |
|---|---|---|---|---|---|---|---|
| **Funding** | | | | | | | |
| Tilcho Government | $ - | $ 22,930 | $ 37,909 | $ - | $ - | $ 60,839 | $ 179,286 |
| Tilcho Government, Deferred - CY | - | (17,036) | - | - | - | (17,036) | - |
| CJBS Fundraising Deferred - PY | - | - | 18,195 | - | - | 18,195 | (18,195) |
| CJBS Fundraising Deferred - CY | - | - | (39,713) | - | - | (39,713) | 45,654 |
| CJBS Miscellaneous | - | - | 8,532 | - | - | 8,532 | 5,000 |
| CJBS Miscellaneous, Deferred - CY | - | - | (4,122) | - | - | (4,122) | - |
| CJBS Fitness | - | - | 2,500 | - | - | 2,500 | - |
| CJBS Fitness Deferred - CY | - | - | (2,500) | - | - | (2,500) | - |
| JWGS Miscellaneous | - | - | - | 2,000 | - | 2,000 | - |
| JWGS Fundraising Deferred - CY | - | - | - | (2,000) | - | (2,000) | - |
| AAS Miscellaneous | - | - | - | - | 7,200 | 7,200 | 20,000 |
| AAS Miscellaneous Deferred - PY | - | - | - | - | (13,653) | (13,653) | - |
| AAS Miscellaneous Deferred - CY | - | - | - | - | 20,000 | 20,000 | (20,000) |
| **Total Funding** | **-** | **5,894** | **20,801** | - | **13,547** | **40,242** | **211,745** |
| **Expenses** | | | | | | | |
| Tlicho Government ( Trade Awareness Program) | - | 5,894 | - | - | - | 5,894 | - |
| CJBS Miscellaneous | - | - | 4,410 | - | - | 4,410 | 5,000 |
| CJBS fundraising | - | - | 16,391 | - | - | 16,391 | 206,745 |
| AAS Miscellaneous | - | - | - | - | 13,547 | 13,547 | - |
| **Total Expenses** | **-** | **5,894** | **20,801** | - | **13,547** | **40,242** | **211,745** |
| **Excess Funding over Expense** | **$ -** | $ - | $ - | $ - | $ - | **$ -** | **$ -** |