

2023-2024 PUBLIC ACCOUNTS

SECTION I CONSOLIDATED FINANCIAL STATEMENTS

Government of
Northwest Territories



PUBLIC ACCOUNTS
OF THE
GOVERNMENT OF THE NORTHWEST TERRITORIES
FOR THE YEAR ENDED MARCH 31, 2024

SECTION I
CONSOLIDATED FINANCIAL STATEMENTS

HONOURABLE CAROLINE WAWZONEK

Minister of Finance



November 15, 2024

**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 and 35 of the *Financial Administration Act*, S.N.W.T. 2015, c.13, for the fiscal year ended March 31, 2024.



**Caroline Wawzonek
Minister of Finance**

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SECTION I

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FINANCIAL STATEMENT DISCUSSION AND ANALYSIS



November 15, 2024

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 permit 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 2024, 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 2024, 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 2023-2024, 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance 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.

A handwritten signature in black ink, appearing to read "Karen Hogan". The signature is fluid and cursive, with the first name "Karen" and the last name "Hogan" clearly distinguishable.

Karen Hogan, FCPA
Auditor General of Canada

Ottawa, Canada
15 November 2024

Government of the Northwest Territories

Consolidated Statement of Financial Position

As at March 31, 2024


(thousands of dollars)

	2024 \$	2023 \$
Financial assets		
Cash and cash equivalents (note 3)	223,144	126,445
Portfolio investments (note 5)	178,043	162,393
Due from the Government of Canada (note 13)	166,376	189,387
Accounts receivable (note 6)	120,938	132,091
Inventories for resale	53,038	49,683
Loans receivable (note 7)	67,792	69,759
Pension assets (note 16)	26,369	23,650
	835,700	753,408
Liabilities		
Short term loans (note 8)	613,155	486,806
Accounts payable and accrued liabilities (note 9)	495,327	447,174
Deferred revenue (note 10)	200,512	199,192
Environmental liabilities (note 11)	91,523	69,205
Liabilities for sewage lagoons and solid waste sites (note 12)	22,539	21,495
Asset retirement obligations (note 12)	133,138	140,214
Due to the Government of Canada (note 13)	38,409	67,101
Capital lease obligations (note 14)	15,139	15,545
Long-term debt (note 14)	624,886	554,267
Liabilities under public private partnerships (note 15)	254,045	262,172
Pension liabilities (note 16)	44,078	43,669
Other employee future benefits and compensated absences (note 17)	45,411	45,751
	2,578,162	2,352,591
Net debt	(1,742,462)	(1,599,183)
Non-financial assets		
Tangible capital assets (schedule A)	4,087,559	3,961,726
Inventories held for use	28,759	27,812
Prepaid expenses	21,452	19,115
	4,137,770	4,008,653
Accumulated surplus	2,395,308	2,409,470
Accumulated surplus is comprised of:		
Accumulated operating surplus	2,391,737	2,408,567
Accumulated remeasurement gains (losses)	3,571	903
Accumulated surplus	2,395,308	2,409,470
Contractual obligations and rights, guarantees and contingencies (notes 19 and 20)		

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, 2024

(thousands of dollars)

	2024 Budget (Note 1(b)) \$	2024 Actual \$	2023 Actual \$
Revenues			
Grant from the Government of Canada (note 2(o))	1,610,836	1,610,836	1,519,233
Transfer payments (note 21)	510,123	646,077	573,554
	2,120,959	2,256,913	2,092,787
Taxation, non-renewable resource and general revenues			
Corporate and personal income taxes (note 21)	157,498	201,072	177,038
Other taxes (note 21)	169,200	163,771	144,220
General (note 22)	107,068	113,755	98,751
Income from portfolio investments	840	10,074	4,794
Non-renewable resource revenues (note 22)	61,089	3,143	38,037
Sales (note 22)	170,909	176,700	193,154
Recoveries (note 22)	63,219	51,808	46,216
	729,823	720,323	702,210
Recoveries of prior years' expenses	3,000	22,721	9,473
	2,853,782	2,999,957	2,804,470
Expenses (schedule B) (note 23)			
Environment and Economic Development	209,934	322,606	192,012
Infrastructure	517,451	540,529	498,960
Education	460,940	461,269	445,290
Health and Social Services	713,024	786,149	734,919
Housing	142,034	113,618	109,552
Justice	145,883	146,435	147,007
General Government	514,358	620,104	545,410
Legislative Assembly and Statutory Offices	27,655	26,077	25,246
	2,731,279	3,016,787	2,698,396
Annual operating surplus (deficit)	122,503	(16,830)	106,074
Accumulated operating surplus at beginning of year	2,408,567	2,408,567	2,302,493
Accumulated operating surplus at end of year	2,531,070	2,391,737	2,408,567

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, 2024

(thousands of dollars)

	2024 Budget	2024 Actual	2023 Actual
	\$	\$	\$
Net debt at beginning of year	(1,599,183)	(1,599,183)	(1,510,461)
Items affecting net debt:			
Annual operating surplus (deficit)	122,503	(16,830)	106,074
Acquisition of tangible capital assets (<i>schedule A</i>)	(314,570)	(303,170)	(365,888)
Amortization of tangible capital assets (<i>schedule A</i>)	177,840	168,426	165,599
Revaluation of asset retirement obligations (<i>schedule A</i>)	-	3,762	3,792
Loss (gain) on disposal of tangible capital assets	2,400	5,136	6,315
Proceeds on disposal of tangible capital assets	-	13	146
	(11,827)	(142,663)	(83,962)
Consumption of inventories held for use	7,700	33,395	28,303
Purchase of inventories held for use	(7,700)	(34,342)	(29,678)
Change in prepaid expenses	-	(2,337)	(4,288)
	-	(3,284)	(5,663)
Increase in net debt excluding net remeasurement gains (losses)	(11,827)	(145,947)	(89,625)
Net remeasurement gains (losses)	-	2,668	903
Increase in net debt	(11,827)	(143,279)	(88,722)
Net debt at end of year	(1,611,010)	(1,742,462)	(1,599,183)

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, 2024

(thousands of dollars)

	2024 Actual	2023 Actual
	\$	\$
Accumulated remeasurement gains at beginning of year	903	-
Adjustments on adoption of the financial instruments related standards		
Portfolio investments		
Equity instruments quoted in an active market	-	3,297
Financial instruments designated at fair value	-	118
Adjusted accumulated remeasurement gains at beginning of year	903	3,415
Unrealized gain (loss) attributable to:		
Portfolio investments		
Equity instruments quoted in an active market	1,802	(1,869)
Financial instruments designated at fair value	341	(525)
Amount reclassified to the Consolidated Statement of Operations and Accumulated Operating Surplus		
Portfolio investments		
Financial instruments designated at fair value	525	(118)
Net remeasurement gains (losses) for the year	2,668	903
Accumulated remeasurement gains (losses) at end of year	3,571	903

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, 2024

(thousands of dollars)

	2024	2023
	\$	\$
Cash and cash equivalents provided by (used for)		
Operating transactions		
Annual operating surplus (deficit)*	(16,830)	106,074
Items not affecting cash and cash equivalents:		
Change in valuation allowances	5,923	3,134
Loss on disposal of tangible capital assets	5,136	6,315
Amortization of tangible capital assets	168,426	165,599
Revaluation of asset retirement obligations on surplus	(4,799)	3,792
Revaluation of environmental liabilities	29,500	1,005
Revaluation of liabilities for sewage lagoons and solid waste sites	(4,150)	-
Change from pension assets accruals	1,057	4,395
Change from pension liabilities accruals	6,458	3,128
Revaluation of other employee future benefits and compensated absences	447	1,135
Inflation adjustment on real return bonds	5,085	9,443
Accretion expense	5,162	3,531
	201,415	307,551
Changes in non-cash assets and liabilities:		
Change in due from the Government of Canada	23,011	(78,893)
Change in due to the Government of Canada	(28,692)	(39,883)
Change in accounts receivable	7,380	(11,673)
Change in inventories for resale	(3,355)	(12,325)
Change in accounts payable and accrued liabilities	59,139	36,115
Change in environmental liabilities	(7,182)	(22,926)
Change in liabilities for sewage lagoons and solid waste sites	4,346	21,495
Change in asset retirement obligations	(2,829)	-
Change in deferred revenue	1,320	9,014
Change in pension assets	(3,776)	(8,221)
Change in pension liabilities	(6,049)	(1,919)
Change in other employee future benefits and compensated absences	(787)	(3,013)
Change in inventories held for use	(947)	(1,375)
Change in prepaid expenses	(2,337)	(4,288)
Cash and cash equivalents provided by (used for) operating transactions	240,657	189,659

Continued on next page

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

Government of the Northwest Territories

Consolidated Statement of Cash Flow (continued)

For the year ended March 31, 2024

(thousands of dollars)

	2024	2023
	\$	\$
Subtotal carried forward from previous page	240,657	189,659
Investing transactions		
Disposition of portfolio investments	20,065	18,049
Acquisition of portfolio investments	(33,046)	(63,639)
Loans receivable receipts	8,463	8,269
Loans receivable advanced	(8,646)	(9,600)
Sinking fund withdrawals	-	500
Cash and cash equivalents provided by (used for) investing transactions	(13,164)	(46,421)
Capital transactions		
Acquisition of tangible capital assets	(314,157)	(308,854)
Proceeds of disposition of tangible capital assets	13	146
Cash and cash equivalents provided by (used for) capital transactions	(314,144)	(308,708)
Financing transactions		
Net proceeds from short term loans	126,349	120,884
Repayment of capital lease obligations	(406)	(405)
Acquisition of long-term debt	75,000	-
Repayment of long-term debt	(9,466)	(8,492)
Repayment of liabilities under public private partnerships	(8,127)	(36,088)
Cash and cash equivalents provided by (used for) financing activities	183,350	75,899
Increase (decrease) in cash and cash equivalents	96,699	(89,571)
Cash and cash equivalents at beginning of year	126,445	216,016
Cash and cash equivalents at end of year	223,144	126,445

*Total interest paid during the year \$67,318 (2023 - \$60,365).

Total interest received during the year \$18,653 (2023 - \$12,494).

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
- Ndilo 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, 2024, 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 18*) 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.

(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.

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

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)**(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) 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.

(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 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.

(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 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.

(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 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.

(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 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 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.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Other 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Other 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)

(r) Other 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 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.

(t) 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.

(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 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)

(v) 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.

(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 standard 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(x) Adoption of new accounting standards**

Effective April 1, 2023, the Government 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 and introduced the concepts of performance obligations which are recognized at a point in time or over a period of time. The Government 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 had no recognition or measurement impact but resulted in additional disclosures as described in note 2(r) and note 22.

Effective April 1, 2023, the Government adopted PS 3160 Public Private Partnerships (P3s). This standard provides guidance on how to account for and disclose public private partnerships. This standard applies when the Government procures infrastructure using a private sector partner that is obliged to design, build, acquire or better the infrastructure; finance the infrastructure past the point where the infrastructure is ready for use; and operate or maintain the infrastructure for a specified period after completion. When it acquires control of the infrastructure, the Government recognizes an asset measured at acquisition cost, and then amortizes the cost in a systematic manner over the useful life of the asset. The Government recognizes a related financial liability upon acquisition and subsequently measures the financial liability on an amortized basis using the effective interest rate method. The Government applied PS 3160 retroactively without restatement of the comparative information and the adoption of this standard did not result in any significant impacts to the consolidated financial statements.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are made of the following:

	2024	2023
	\$	\$
Cash	222,987	124,867
Cash equivalents	157	1,578
	<hr/> 223,144	<hr/> 126,445

4. 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, 2024 is \$8,370 (2023 - \$8,084) 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 3) as well as in portfolio investments (note 5).

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 Act*, 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 16). 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 14). 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.

4. DESIGNATED AND RESTRICTED ASSETS (continued)

	2024 \$	2023 \$
<i>Student Financial Assistance Act</i>		
Student Loan Fund:		
Authorized limit for loans receivable	45,000	45,000
Less: Loans receivable balance (<i>note 7</i>)	(41,444)	(40,225)
	3,556	4,775
<i>Northwest Territories Heritage Fund Act</i>		
Heritage Fund:		
Heritage Fund net assets	49,686	43,536
<i>Waste Reduction and Recovery Act</i>		
Environment Fund:		
Beverage Container Program net assets	9,501	8,808
<i>Pension Benefits Standard Act</i>		
Portfolio Investments, including cash and cash equivalents, for the Legislative Assembly Supplementary Retiring Allowance (<i>note 16</i>)		
	44,220	38,427
<i>Prosper NWT Act</i>		
Loan and Investment Funds	9,538	10,082
<i>Land Titles Act</i>		
Land Titles Assurance Fund net assets	6,103	5,656
Investments for repayment of bond		
Portfolio investments including cash and cash equivalents	14,205	9,624
Other		
Cash and cash equivalents	392	376
	137,201	121,284

March 31, 2024

(All figures in thousands of dollars)

5. PORTFOLIO INVESTMENTS

	2024 \$	2023 \$
Cost and amortized cost	144,862	133,460
Fair valued	33,181	28,933
Total portfolio investments	178,043	162,393

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

	2024 Cost \$	2024 Market Value \$	2023 Cost \$	2023 Market Value \$
Guaranteed Investment Certificates	45,882	45,691	45,352	44,615
Bonds	95,683	90,214	84,966	78,078
Equities not quoted in an active market and other financial instruments	3,297	3,297	3,142	3,142
	144,862	139,202	133,460	125,835

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

	Level 1 \$	Level 2 \$	2024 Level 3 \$	Total \$
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

	Level 1 \$	Level 2 \$	2023 Level 3 \$	Total \$
Other instruments designated at fair value				
Interest bearing securities	-	5,750	-	5,750
Equities quoted in an active market				
Pooled investments - Canadian	10,446	-	-	10,446
Pooled investments - Global	12,737	-	-	12,737
	23,183	5,750	-	28,933

March 31, 2024

(All figures in thousands of dollars)

6. ACCOUNTS RECEIVABLE

	Accounts Receivable \$	Allowance for Doubtful Accounts \$	Net 2024 \$	Net 2023 \$
General	114,054	(45,064)	68,990	48,559
Utilities	13,577	(254)	13,323	13,251
Non-renewable resource revenue	6,610	-	6,610	39,791
Government of Nunavut	11,074	-	11,074	15,892
Health related costs due from third parties	17,617	(8,021)	9,596	6,564
Revolving fund sales	10,439	(315)	10,124	7,310
Workers' Safety and Compensation Commission	1,221	-	1,221	724
	174,592	(53,654)	120,938	132,091

March 31, 2024

(All figures in thousands of dollars)

7. LOANS RECEIVABLE

	2024	2023
	\$	\$
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 11.00%, (2023 - between 1.75% and 7.95%) before valuation allowance of \$3,745 (2023 - \$4,038).	43,793	46,563
Students Loan Fund loans due in installments to 2045, bearing fixed interest between 0.00% and 10.00%, (2023 - between 0.00% and 11.75%) unsecured, before valuation allowance and loan remissions of \$16,958 (2023 - \$16,774).	41,444	40,225
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%, (2023 - between 0.00% and 10.50%) before valuation allowance of \$6,683 (2023 - \$6,832).	9,941	10,615
	95,178	97,403
Valuation allowances	(27,386)	(27,644)
	67,792	69,759

Interest earned on loans receivable during the year is \$2,823 (2023 - \$2,498).

Conditional grants have been provided by Housing Northwest Territories to eligible homeowners, which are fully forgivable on the condition that the property remains the principal residence and the homeowner's annual income remains below the core need income threshold for the term of the agreement. If the conditions are not met, the grants are repayable to Housing Northwest Territories. Conditional grants expensed during the year were \$9,966 (2023 - \$10,188).

March 31, 2024

(All figures in thousands of dollars)

8. SHORT TERM LOANS

Based upon operational needs, the Government may enter into short term borrowing arrangements with its banks. Short term loans of \$613,155 (2023 - \$486,806) incurred interest at a weighted average year-end rate of 5.85% (2023 - 5.06%). Interest expense on short term loans included in operations and maintenance expenses is \$21,494 (2023 - \$11,883).

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
	\$	\$
Trade	356,938	313,532
Employee and payroll-related liabilities	118,579	117,767
Other liabilities	15,469	10,890
Accrued interest	459	1,193
Government of Nunavut	666	707
Workers' Safety and Compensation Commission	3,216	3,085
	495,327	447,174

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2024

(All figures in thousands of dollars)

10. DEFERRED REVENUE

	2023 Balance \$	Increases \$	Decreases \$	2024 Balance \$
Government Transfers:				
Government of Canada	43,615	131,886	(146,580)	28,921
Government of Canada Agencies				
Canadian Northern Economic Development Agency	2,529	1,461	(1,543)	2,447
Canadian Mortgage and Housing Corporation	-	24,555	-	24,555
Crown - Indigenous Relations and Northern Affairs Canada	23,132	22,544	(18,408)	27,268
Department of National Defence	62,583	30,048	(62,790)	29,841
Environment and Climate Change	-	2,843	(797)	2,046
Health Canada	11,911	26,781	(19,346)	19,346
Indigenous Services Canada	6,932	7,544	(5,469)	9,007
Infrastructure Canada	1,727	15,675	(8,986)	8,416
Ministry of Finance	3,523	4,660	(3,523)	4,660
Natural Resources Canada	57	50	(17)	90
Natural Sciences and Engineering Research Canada	522	438	(468)	492
Parks Canada	47	41	(33)	55
Public Health Agency of Canada	3,615	416	(475)	3,556
Social Sciences and Humanities Research Council of Canada	9	76	(8)	77
Transport Canada	6,148	5,659	(6,156)	5,651
Bilateral Water Management Agreements	3,031	300	(410)	2,921
Government of Nunavut	362	7	-	369
	169,743	274,984	(275,009)	169,718
Taxation:				
Large emitters carbon tax	7,568	-	-	7,568
Other:				
General	6,075	7,279	(6,300)	7,054
Non-renewable resources	2,922	246	(166)	3,002
Restricted assets (note 4)	8,084	5,262	(4,976)	8,370
Ventura	4,800	-	-	4,800
	21,881	12,787	(11,442)	23,226
	199,192	287,771	(286,451)	200,512

11. 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 231 (2023 - 232) sites as potentially requiring environmental remediation at March 31.

Type of Site	2023 Liability	New Sites in 2024	Change in Estimate	Remediation Expenditures	2024 Liability	Number of Sites
	\$	\$	\$	\$	\$	
Abandoned mines ⁽¹⁾	13,198	-	22,998	(3,353)	32,843	8
Landfills ⁽²⁾	6,529	-	(888)	(1,121)	4,520	31
Abandoned infrastructure and schools ⁽³⁾	14,807	158	9,734	(1,323)	23,376	80
Airports, airport strips or reserves ⁽⁴⁾	4,193	-	(1,125)		3,068	25
Sewage lagoons ⁽⁵⁾	1,162	-	994	(199)	1,957	28
Fuel tanks and resupply lines ⁽²⁾	2,513	-	(682)	-	1,831	12
Abandoned lots and maintenance facilities ⁽³⁾	26,803	276	(1,531)	(1,620)	23,928	47
Total	69,205	434	29,500	(7,616)	91,523	231

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 \$181,264 (2023 - \$136,706) and the weighted average discount rate of 4.86% (2023 - 4.34%). The undiscounted cash flows are expected to be incurred between 1 to 67 years (2023 - between 1 to 68 years) and are expected to be settled between 2025 to 2092 (2023 - between 2024 to 2092).

There were 4 (2023 - 16) 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 (2023 - 3).

Included in the 231 (2023 - 232) sites, there are 65 (2023 - 67) 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.

12. 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	2023 Liability \$	New Liabilities Incurred \$	Remediation Expenditures \$	Accretion Expense \$	Revisions in Estimated Cash Flows \$	2024 Liability \$
Buildings	139,228	828	(3,836)	4,267	(8,481)	132,006
Infrastructure	986	186	(7)	47	(80)	1,132
	140,214	1,014	(3,843)	4,314	(8,561)	133,138

The carrying amount of the obligation is based on total expected undiscounted expenditures of \$219,555 (2023 - \$220,554) and the weighted average discount rate of 4.57% (2023 - 3.93%). The undiscounted cash flows are expected to be incurred between 1 to 59 years (2023 - between 1 to 60 years) and are expected to be settled between 2025 to 2084 (2023 - between 2024 to 2083).

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	2023 Liability \$	New Liabilities Incurred \$	Remediation Expenditures \$	Accretion Expense \$	Revisions in Estimated Cash Flows \$	2024 Liability \$
Sewage lagoons	2,641	726	-	104	(707)	2,764
Solid waste sites	18,854	3,620	-	744	(3,443)	19,775
	21,495	4,346	-	848	(4,150)	22,539

The carrying amount of the obligation is based on total expected undiscounted expenditures of \$127,869 (2023 - 127,211) and the weighted average discount rate of 4.58% (2023 - 3.95%). The undiscounted cash flows are expected to be incurred between 2 to 86 years (2023 - 1 to 88 years) and are expected to be settled between 2025 to 2111 (2023 - 2024 to 2111).

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2024

(All figures in thousands of dollars)

13. DUE TO (FROM) THE GOVERNMENT OF CANADA

	2024	2023
	\$	\$
Due from the Government of Canada		
Transfer payments and recoveries receivables	(166,376)	(189,387)
	(166,376)	(189,387)
Due to the Government of Canada		
Excess income tax advanced	16,007	37,258
Miscellaneous payables	22,402	29,843
	38,409	67,101
	(127,967)	(122,286)

March 31, 2024

(All figures in thousands of dollars)

14. LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

	2024 \$	2023 \$
Loans due to Canada Mortgage and Housing Corporation, repayable in annual installments until the year 2033, bearing interest at a rate of 6.97% (2023 - 6.97%), unsecured.	2,888	3,441
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% (2023 - between 0.68% and 1.01%), unsecured.	398	543
Mortgage payable to Canada Mortgage and Housing Corporation, repayable in monthly installments of \$7 (2023 - \$7) maturing June 2024, bearing interest at 3.30% (2023 - 3.30%), secured with real property.	22	110
Bond, due September 29, 2051, bearing interest at 2.20% (2023 - 2.20%) payable semi-annually, unsecured.	180,022	180,022
Debentures, due 2025 to 2053, bearing interest between 3.82% and 6.00% (2023 - between 3.82% and 6.00%), unsecured.	165,000	90,000
Amortizing Debentures, due 2032 to 2047, bearing interest between 3.98% and 6.42% (2023 - between 3.98% and 6.42%), unsecured.	94,692	98,109
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% (2023 - 3.17%) payable semi-annually, unsecured.	185,021	185,056
	628,043	557,281
Unamortized premium, discount and issuance costs	(3,157)	(3,014)
Total long-term debt	624,886	554,267
Capital lease obligations	15,139	15,545
Total long-term debt and capital lease obligations	640,025	569,812

14. 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:

	\$
2025	9,560
2026	24,985
2027	10,416
2028	10,749
2029	36,156
2030 and beyond	536,177
	628,043

Interest expense on long-term debt, included in operations and maintenance expenses, is \$28,170 (2023 - \$29,674).

Interest expenses related to capital lease obligations for the year is \$1,251 (2023 - \$1,282), at an implicit average interest rate of 9.60% (2023 - 9.60%). Capital lease obligations (expiring in 2061) are based upon contractual minimum lease obligations for the leases in effect as of March 31, 2024.

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.

	2024 \$	2023 \$
Short term loans (note 8)	613,155	486,806
Long-term debt (note 14)	628,043	557,281
Capital lease obligations (note 14)	15,139	15,545
Guarantees (note 20(a))	4,581	5,732
	1,260,918	1,065,364
Authorized borrowing limit	1,800,000	1,800,000
Available borrowing capacity before the following:	539,082	734,636
Liabilities under Public Private Partnerships (note 15)	254,045	262,172
Available Borrowing capacity	285,037	472,464

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:

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:

	2023 \$	Interest \$	Payments \$	2024 \$	Repayment date
Stanton Territorial Hospital Renewal	123,690	6,630	(10,170)	120,150	2049
Mackenzie Valley Fibre Link	67,100	4,400	(7,500)	64,000	2037
Tlicho All Season Road	71,382	4,700	(6,187)	69,895	2047
Total	262,172	15,730	(23,857)	254,045	

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

	\$
2025	8,000
2026	8,044
2027	8,838
2028	9,597
2029	9,815
2030 and beyond	209,751
Total	254,045

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 \$15,730 (2023 - \$16,220).

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 2024 were \$12,610 (2023 - \$11,512). 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 2024 were \$4,037 (2023 - \$4,410). 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 were \$5,401 in 2024 (2023 - \$4,504). 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 19 and schedule A.

16. 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 4). 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.

16. 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)

	2024 \$	2023 \$
Accrued benefit asset		
Legislative Assembly Retiring Allowance Plan	(5,718)	(4,434)
Hay River Health and Social Services Pension Plan	(20,651)	(19,216)
	<u>(26,369)</u>	<u>(23,650)</u>
Accrued benefit liability		
Judges Registered Pension Plan	658	699
Judges Supplemental Pension Plan	10,862	10,554
Legislative Assembly Supplemental Retiring Allowance Plan	32,390	32,276
Yellowknife Catholic School Registered Pension Plan	-	-
Yellowknife Catholic School Supplemental Pension Plan	168	140
	<u>44,078</u>	<u>43,669</u>
Total net (benefit) liability	<u>17,709</u>	<u>20,019</u>

16. 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 \$	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

	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 \$	2023 Total \$
Accrued benefit obligation	18,566	30,145	7,858	10,151	27,594	25	59,987	154,326
Pension fund assets - market related value	(25,112)	-	(7,681)	-	(25,758)	-	(79,203)	(137,754)
Unamortized actuarial gains (losses)	2,112	2,131	522	403	(1,836)	115	(1,952)	1,495
Impairment on value of accrued pension asset	-	-	-	-	-	-	1,952	1,952
Pension liabilities (assets)	(4,434)	32,276	699	10,554	-	140	(19,216)	20,019

16. 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 \$	2024 Total \$	2023 Total \$
Opening balance	(4,434)	32,276	699	10,554	-	140	(19,216)	20,019	22,637
Change from cash items:									
Contributions from plan members	(223)	-	(78)	-	(1,708)	-	(1,228)	(3,237)	(3,529)
Contributions from Government	(856)	-	(94)	-	(1,978)	-	(1,469)	(4,397)	(4,693)
Benefit payments to plan members	(2,143)	(1,647)	(477)	(544)	(1,530)	-	(2,661)	(9,002)	(10,342)
Drawdown from plan assets	2,143	-	477	-	1,530	-	2,661	6,811	8,423
Change from cash items	(1,079)	(1,647)	(172)	(544)	(3,686)	-	(2,697)	(9,825)	(10,141)
Change from accrual items:									
Current period cost	768	780	279	487	3,308	3	2,539	8,164	8,859
Amortization of actuarial (gains) losses	(645)	(584)	(159)	(111)	143	(6)	325	(1,037)	(171)
Change in valuation allowances	-	-	-	-	283	30	-	313	852
Interest on average accrued benefit obligation	950	1,565	365	476	1,477	1	3,294	8,128	7,553
Reduction in impairment of pension asset	-	-	-	-	-	-	(539)	(539)	(2,965)
Expected return on average plan assets	(1,278)	-	(354)	-	(1,525)	-	(4,357)	(7,514)	(6,605)
Change from accrual items	(205)	1,761	131	852	3,686	28	1,262	7,515	7,523
Ending balance	(5,718)	32,390	658	10,862	-	168	(20,651)	17,709	20,019

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, change in valuation allowance and contributions from plan members. The total expense is \$8,034 (2023 - \$7,759). 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 loss of \$285 (2023 - loss of \$1,892).

In addition to the above, the Government contributed \$61,205 (2023 - \$64,657) to the Public Service Pension Plan. The employees' contributions to this plan were \$59,651 (2023 - \$61,864).

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 2024.

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, 2020	January 31, 2024	April 1, 2024
Judges Registered Plan	April 1, 2022	January 1, 2024	April 1, 2025
Retirement Plan for Employees of the Hay River Health and Social Services Authority	January 1, 2024	March 31, 2024	January 1, 2025
Retirement Plan for Employees of the Yellowknife Catholic Schools	June 30, 2022	June 30, 2023	June 30, 2024

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.

March 31, 2024

(All figures in thousands of dollars)

16. 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 \$151,109 (2023 - \$140,639).

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.

<i>Actuarial assumptions</i>	Yellowknife Catholic Schools' plans	Hay River H&SS Authority plan	MLAs' plans	Judges' plans
Expected rate of return on plan assets	4.90%	5.50%	4.40%	4.70%
Rate of compensation increase	2.00%	2.00%	2.00%	3.00%
Annual inflation rate	2.00%	2.10%	2.00%	2.00%
Discount rate	4.90%	5.50%	5.20%	4.70%

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 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 11, 2022 and 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 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	36,261	8,949	45,210	48,337
Current period benefit cost	2,416	736	3,152	3,351
Interest accrued	1,732	445	2,177	1,977
Benefits payments	(4,304)	(747)	(5,051)	(7,207)
Plan amendments	-	-	-	(405)
Actuarial (gains)/losses	124	(364)	(240)	(843)
Accrued benefit obligations end of year	36,229	9,019	45,248	45,210
Unamortized net actuarial gain/(loss)	(4,626)	(4,551)	(9,177)	(9,624)
Net future liability	31,603	4,468	36,071	35,586
Other employee future benefits	6,563	-	6,563	7,075
Other compensated absences	-	2,777	2,777	3,090
Total other employee future benefits and compensated absences	38,166	7,245	45,411	45,751

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

	Severance and Removal \$	Compensated Absences \$	2024 \$	2023 \$
Benefits Expense				
Current period benefit cost	2,416	736	3,152	3,351
Interest accrued	1,732	445	2,177	1,977
Plan amendments	-	-	-	(405)
Amortization of actuarial (gain)/loss	(1,110)	1,319	209	(1,785)
	3,038	2,500	5,538	3,138

The discount rate used to determine the accrued benefit obligation is 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	4,555	799	5,354
2026	4,417	795	5,212
2027	4,294	861	5,155
2028	4,216	915	5,131
2029	4,149	981	5,130
	21,631	4,351	25,982

18. 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 \$118,791 (2023 - \$76,262) 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 \$794,689 (2023 - \$766,566) for the following:

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

19. CONTRACTUAL OBLIGATIONS AND RIGHTS

The Government has entered into agreements for, or is contractually committed to, the following payments subsequent to March 31, 2024:

	Expiry Date	2025 \$	2026 \$	2027 \$	2028 \$	2029 \$	2030+ \$	Total \$
Operational commitments	2048	251,188	128,252	57,850	8,821	1,100	4,393	451,604
RCMP policing agreement	2032	61,239	61,569	62,052	62,166	62,283	187,595	496,904
Commercial leases	2052	138,463	100,152	75,395	65,759	15,522	152,633	547,924
Equipment leases	2029	1,157	706	391	151	21	-	2,426
TCAs in progress at year end	2031	112,407	11,263	4,822	1,605	619	458	131,174
P3 Operational commitments	2049	20,565	21,307	21,257	21,765	22,561	459,349	566,804
		585,019	323,249	221,767	160,267	102,106	804,428	2,196,836

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, 2024:

	Expiry Date	2025 \$	2026 \$	2027 \$	2028 \$	2029 \$	2030+ \$	Total \$
Transfer Payments	2034	348,652	224,002	143,803	69,150	24,490	69,383	879,480
Regulatory Revenue	2027	2,512	1,799	1,259	-	-	-	5,570
Lease Revenue	2054	6,802	6,617	5,255	4,909	4,842	50,664	79,089
License Revenue	2051	547	305	190	128	106	286	1,562
Other	2039	27,908	22,684	22,532	22,010	4,623	16,650	116,407
		386,421	255,407	173,039	96,197	34,061	136,983	1,082,108

20. GUARANTEES AND CONTINGENCIES**(a) Guarantees**

The Government has guaranteed residential housing loans to banks totaling \$151 (2023 - \$223) and indemnified Canada Mortgage and Housing Corporation for third party loans totaling \$2,178 (2023 - \$3,236). 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 (2023 - one) outstanding loan to a Northern Community Futures organization totaling \$252 (2023 - \$273). 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 2024, no accounts were assigned to Prosper NWT (2023 - nil).

Prosper NWT has one (2023 - one) outstanding irrevocable standby letter of credit totaling \$2,000 (2023 - \$2,000) that will expire in fiscal 2025. 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 (2023 - 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 11, 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 12, 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.

20. 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 \$2,226 (2023 - \$3,408) 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 \$132,607 (2023 - \$89,151). 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, 2024.

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

March 31, 2024

(All figures in thousands of dollars)

21. TRANSFER PAYMENTS, CORPORATE AND PERSONAL INCOME TAXES AND OTHER TAXES

	2024	2023
	\$	\$
Transfer payments		
Capital transfers	75,469	72,256
Canada Health and Social Transfer Reform Fund	74,788	71,947
Federal cost shared	396,454	341,149
Other	99,366	88,202
	646,077	573,554
Corporate and personal income taxes		
Corporate income tax	76,775	48,468
Personal income tax	124,297	128,570
	201,072	177,038
Other taxes		
Cannabis	1,049	978
Carbon tax	33,595	16,299
Fuel	20,716	20,450
Tobacco	11,723	14,387
Payroll	51,477	47,522
Property and school levies	38,079	37,750
Insurance	7,132	6,834
	163,771	144,220

March 31, 2024

(All figures in thousands of dollars)

22. 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 \$	2024 \$	2023 \$
Sales					
Liquor and cannabis products	59,134	-	-	59,134	61,940
Petroleum Products	16,272	-	-	16,272	16,258
Marine Transportation Services	19,514	-	-	19,514	30,571
Power	81,229	-	-	81,229	83,617
Arts and crafts	551	-	-	551	768
	176,700	-	-	176,700	193,154
General					
Other	33,763	-	4,976	38,739	30,192
Rental and lease	21,048	-	-	21,048	19,197
Interest income	-	-	14,899	14,899	8,978
Gain on disposition of assets	-	-	-	-	221
Regulatory revenue	33,799	4,934	-	38,733	40,090
Grants in kind	-	-	336	336	73
	88,610	4,934	20,211	113,755	98,751
Non-renewable resource revenues					
Minerals, oil and gas royalties	-	-	-	-	35,356
Licenses, rental and other fees	3,078	-	-	3,078	2,599
Quarry fees	65	-	-	65	82
	3,143	-	-	3,143	38,037
Recoveries	51,808	-	-	51,808	46,216

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

Unsatisfied or partially satisfied performance obligations

Unsatisfied or partially satisfied performance obligations existing as at March 31, 2024 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 \$7,054 and \$3,002 as at March 31, 2024 (*note 10*).

March 31, 2024

(All figures in thousands of dollars)

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

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 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, and due from the Government of Canada.

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.

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	12,510	13,215	33,786	59,511

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.

March 31, 2024*(All figures in thousands of dollars)*

24. FINANCIAL RISK MANAGEMENT (CONTINUED)**a) Credit risk (continued)**

The Government's maximum exposure to credit risk at March 31, 2024 is as follows:

	\$
Cash and cash equivalents	223,144
Portfolio investments, excluding equities	148,180
Due from the Government of Canada	166,376
Accounts receivable	120,938
Loans receivable	67,792

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 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 \$4,211 (2023 - \$3,321).

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	613,155	-	-	613,155
Accounts payable and accrued liabilities	495,327	-	-	495,327
Due to the Government of Canada	38,409	-	-	38,409
Capital lease obligations	1,624	6,184	31,546	39,354
Long term debt	31,747	164,837	825,728	1,022,312
Liabilities under Public Private Partnerships	23,168	92,183	335,016	450,367
Total	1,203,430	263,204	1,192,290	2,658,924

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, 1 department (2023 - 0) exceeded their operations vote and 1 department (2023 - 0) 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 Executive and Indigenous Affairs (operations)	\$1,903
Department of Legislative Assembly (capital)	\$212

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".

26. COMPARATIVE FIGURES

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

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	2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost of tangible capital assets									
Opening balance	25,938	2,446,399	945,303	2,076,936	347,723	163,856	447,151	6,453,306	6,182,283
Transfers	2,242	62,470	112,122	37,241	18,391	7,030	(239,496)	-	-
Acquisitions	-	528	-	-	3,060	-	299,582	303,170	365,888
Write-downs	-	(4,151)	(343)	-	(5,744)	-	-	(10,238)	(13,023)
Revaluation of asset retirement obligations	-	(3,762)	-	-	-	-	-	(3,762)	(3,792)
Disposals	(3)	(8,681)	(2,262)	(1,095)	(646)	(2,140)	-	(14,827)	(78,050)
Closing balance	28,177	2,492,803	1,054,820	2,113,082	362,784	168,746	507,237	6,727,649	6,453,306
Accumulated amortization									
Opening balance	-	(1,080,893)	(388,618)	(707,040)	(182,561)	(132,468)	-	(2,491,580)	(2,410,593)
Amortization expense	-	(58,383)	(26,876)	(57,431)	(19,600)	(6,136)	-	(168,426)	(165,599)
Write-downs	-	4,151	343	-	5,744	-	-	10,238	13,023
Disposals	-	4,385	1,606	1,095	465	2,127	-	9,678	71,589
Closing balance	-	(1,130,740)	(413,545)	(763,376)	(195,952)	(136,477)	-	(2,640,090)	(2,491,580)
Net book value	28,177	1,362,063	641,275	1,349,706	166,832	32,269	507,237	4,087,559	3,961,726

¹ Included in buildings and leasehold improvements, infrastructure and other, and equipment are assets under capital lease cost \$32,597 (2023 - \$32,643); accumulated amortization, \$13,901 (2023 - \$13,338); net book value, \$18,696 (2023 - \$19,305).

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 \$2,826 (2023 - \$57,034).

⁵ Land with cost and net book value of \$0, market value \$2,575 (2023 - \$239) was contributed to third parties.

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 \$	2024 \$	2023 \$
Revenues						
Grant from the Government of Canada	1,610,836	-	1,610,836	-	1,610,836	1,519,233
Transfer Payments	546,711	99,366	646,077	-	646,077	573,554
	2,157,547	99,366	2,256,913	-	2,256,913	2,092,787
Taxation, non-renewable resource and general revenues						
Corporate and personal income taxes	201,072	-	201,072	-	201,072	177,038
Other taxes	152,987	11,475	164,462	(691)	163,771	144,220
General	79,706	987,255	1,066,961	(953,206)	113,755	98,751
Income from portfolio investments	7,365	2,709	10,074	-	10,074	4,794
Non-renewable resource revenues	557	-	557	2,586	3,143	38,037
Sales	159,015	89,882	248,897	(72,197)	176,700	193,154
Recoveries	30,019	25,058	55,077	(3,269)	51,808	46,216
	630,721	1,116,379	1,747,100	(1,026,777)	720,323	702,210
Recoveries of prior years' expenses	24,405	-	24,405	(1,684)	22,721	9,473
	2,812,673	1,215,745	4,028,418	(1,028,461)	2,999,957	2,804,470
Expenses						
Grants and contributions	1,187,568	36,903	1,224,471	(830,644)	393,827	373,991
Operations and maintenance	1,023,719	506,500	1,530,219	(209,007)	1,321,212	1,050,357
Compensation and benefits	474,627	653,418	1,128,045	(1,891)	1,126,154	1,102,082
Valuation allowances	5,939	1,229	7,168	-	7,168	6,367
Amortization of tangible capital assets	131,604	36,592	168,196	230	168,426	165,599
	2,823,457	1,234,642	4,058,099	(1,041,312)	3,016,787	2,698,396
Annual Operating surplus (deficit)	(10,784)	(18,897)	(29,681)	12,851	(16,830)	106,074

¹ Departments consist of all those listed in Note 23 that begin with the word "Department" and the Legislative Assembly.

² Public agencies consist of those listed in Note 23 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, 2024

HONOURABLE CAROLINE WAWZONEK
Minister of Finance

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EXECUTIVE SUMMARY

The consolidated results of operations for the fiscal year ended March 31, 2024, and the consolidated financial position as at March 31, 2024 are summarized below:

Consolidated Results of Operations

(in \$000s)	Budget 2024	Actual to Budget		Actual 2024	Actual to Prior		Actual 2023
		Amount	%		Amount	%	
Total Revenues	\$2,853,782	+ \$146,175	+ 5.1%	\$2,999,957	+ \$195,487	+ 7.0%	\$2,804,470
Total Expenses	\$2,731,279	+ \$285,508	+ 10.5%	\$3,016,787	+ \$318,391	+ 11.8%	\$2,698,396
Annual Operating Surplus (Deficit)	\$122,503	- \$139,333	- 113.7%	(\$16,830)	- \$122,904	- 115.9%	\$106,074

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 2023-24 consolidated financial statements report an actual annual operating deficit of \$16.8 million, which is \$139.3 million or 113.7% lower than budgeted. The annual operating deficit is \$122.9 million or 115.9% lower than the prior year's surplus.

- The increase in actual revenues is mainly due to a higher grant from Canada because of the Gross Expenditure Base increase, increased transfer payments to offset the cost of natural disasters and capital expenditures, increased corporate and personal incomes taxes from increased taxable incomes, capital expenditure on the Inuvik Airport Runway project and increase in general revenues. These increases were partially offset by lower revenues from non-renewable resources and sales.
- The increase in actual expenses is mainly due to the impact of the fire suppression activities for the 2023 wildfire, interest expenses due to increased short-term borrowing, and increased operational costs including higher diesel usage for power generation as a result of low water levels impacting hydroelectrical power generation.

Consolidated Financial Position

(in \$000s)	Actual 2024	Actual to Prior Year		Actual 2023
		Amount	%	
Financial Assets	\$835,700	+ \$82,292	+ 10.9%	\$753,408
Less: Liabilities	\$2,578,162	+ \$225,571	+ 9.6%	\$2,352,591
Net Debt	(\$1,742,462)	- \$143,279	- 9.0%	(\$1,599,183)
Non-Financial Assets	\$4,137,770	+ \$129,117	+ 3.2%	\$4,008,653
Accumulated Surplus	\$2,395,308	- \$14,162	- 0.6%	\$2,409,470

- The Government is in a net debt position of \$1.7 billion. In 2023-24, short term loans increased by \$126.3 million and accounts payable increased by \$48.2 million as a result of the 2023 wildfire season and increased operational costs including higher diesel usage and inflation. All these factors contributed to the increase in net debt. Combined with other changes in financial assets and liabilities, net debt increased by \$143.3 million during the 2023-24 fiscal year.
- Non-Financial Assets increased by \$129.1 million or 3.2% over the prior year. In 2023-24, the Government acquired \$303.2 million in tangible capital assets, of which \$73.0 million was added to the Inuvik Runway project; \$69.9 million consisted of NT Hydro Corporation’s power generating and distribution assets and equipment; \$48.4 million consisted of Housing NWT’s public, homeownership rental and market rental units; \$45.2 million on various road and bridges; \$20.9 million on various community health centres, schools, campground shelter & equipment and information systems & equipment; and \$5.8 million on Aurora College’s computers, equipment and buildings. The remaining spend of \$40.0 million related to various smaller capital projects.

The 2023-24 Consolidated Financial Statements report an actual annual operating deficit of \$16.8 million, which is \$300.5 million better than the revised budget deficit of \$317.4 million as shown and explained below:

(in \$000s)	Budget 2024			Actual 2024	Actual 2023
	Original Budget	Supplemental Appropriations	Revised Budget		
Total Revenues	\$2,853,782	\$0	\$2,853,782	\$2,999,957	\$2,804,470
Total Expenses	\$2,731,279	\$439,865	\$3,171,144	\$3,016,787	\$2,698,396
Annual Operating Surplus (Deficit)	\$122,503	(\$439,865)	(\$317,362)	(\$16,830)	\$106,074

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.

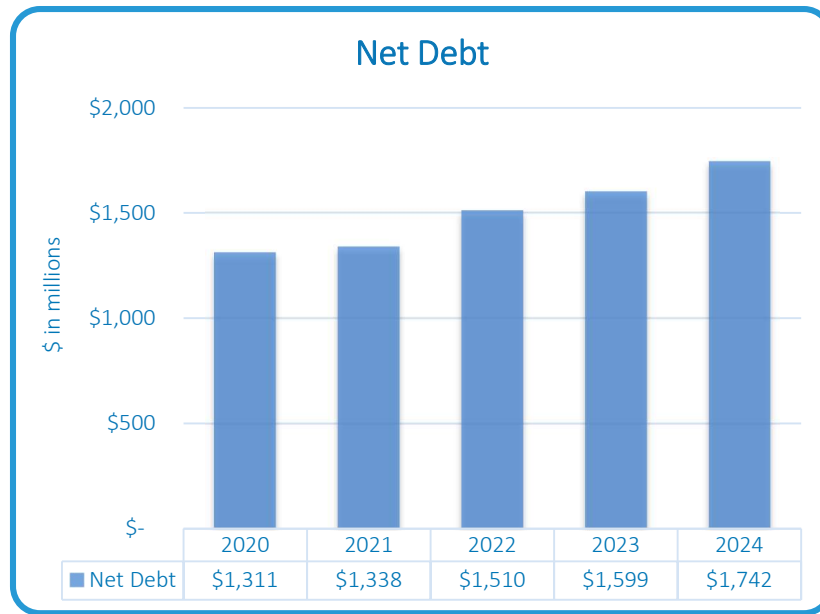
- There were no changes to the revenue budget through the supplementary appropriation process.
- Total consolidated actual expenses in 2023-24 are \$3.0 billion. This is \$154.4 million lower than the revised expense budget. The revised expense budget was increased to address the impact of the natural disaster costs, primarily the 2023 wildfire; increased funding for community government infrastructure projects under the Investing in Canada Infrastructure Plan; increased program costs as a result of additional funding agreements signed; increased expenditures related to short-term debt held by the Government.

FINANCIAL REVIEW

Net Debt

At the end of the 2023-24 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, accounts payable and accrued liabilities, environmental liabilities and long-term debt, which was partially offset by the increases in financial assets due largely to increases in cash and cash equivalents. The change in net debt is shown on the Consolidated Statement of Change in Net Debt within **Section I** of the Public Accounts.

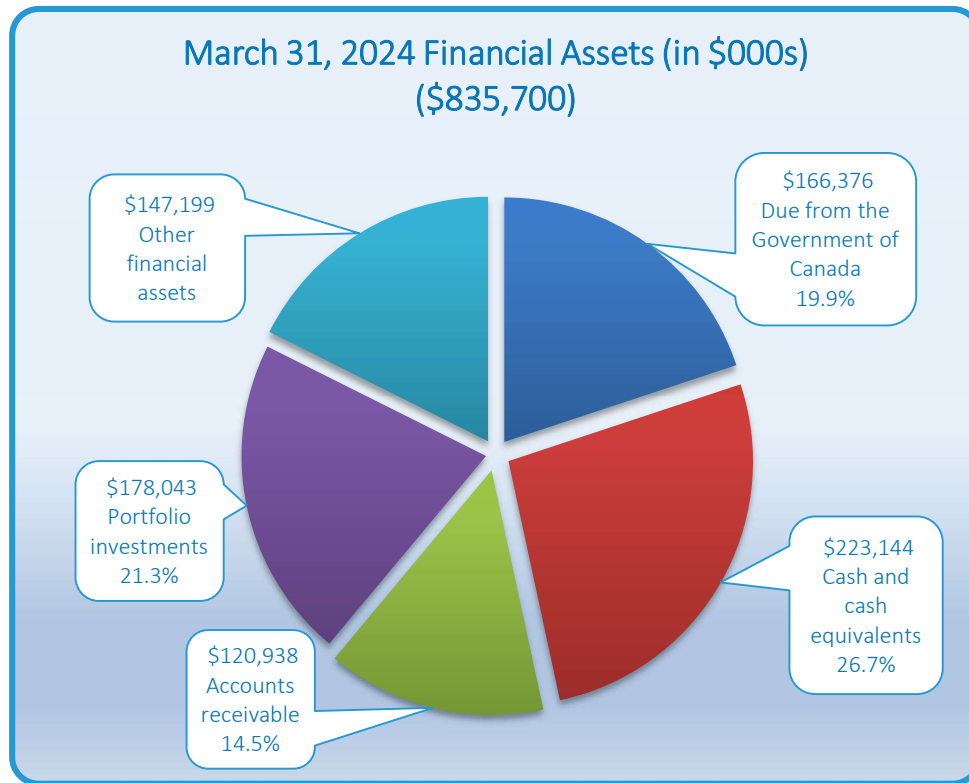
The graph below illustrates the Government’s net debt position at the end of each of the last five fiscal years.



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 \$67,792; pension assets \$26,369; and inventories for resale \$53,038.

26.7% of the Government's financial assets are cash and cash equivalents. The 73.3% 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 reports on the sources and uses of cash and cash equivalents during the fiscal year as summarized below:

(in \$000s)	Actual 2024	Actual 2023
Cash and cash equivalents provided by (used for):		
Operating transactions	\$240,657	\$189,659
Investing transactions	(\$13,164)	(\$46,421)
Capital transactions	(\$314,144)	(\$308,708)
Financing transactions	\$183,350	\$75,899
Increase (decrease) in cash and cash equivalents	\$96,699	(\$89,571)
Cash and cash equivalents at the beginning of year	\$126,445	\$216,016
Cash and cash equivalents at the end of year	\$223,144	\$126,445

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

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:

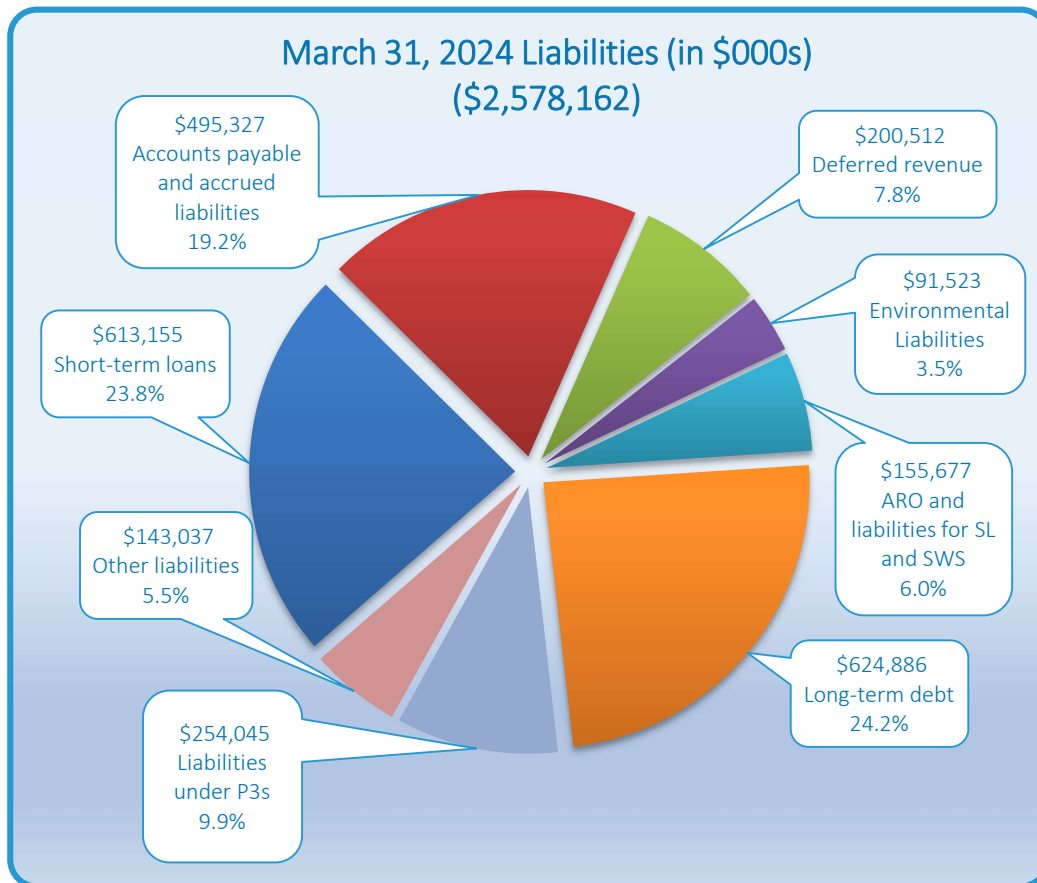
(in \$000s)	Cost 2024	Market 2024
Guaranteed Investment Certificates	\$45,882	\$45,691
Bonds	\$95,683	\$90,214
Other	\$3,297	\$3,297
Total	\$144,862	\$139,202

Due from the Government of Canada

During the year, the Government of Canada transfers funds to the Government on a schedule as agreed upon by both governments and in accordance with the transfer payment agreements. 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 present 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 \$143,037 is comprised of: due to the Government of Canada \$38,409; other employee future benefits \$45,411; pension liabilities \$44,078; and capital lease obligations \$15,139.

The Government presently has \$835.7 million in financial assets available to discharge liabilities of \$2.6 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 as one of the sources to funding for operational and capital expenditures. The amount of borrowing varies throughout the year as cash from revenues is collected and payments of amounts owed is satisfied. The Government's borrowing is established by the Borrowing Plan which requires that short-term debt be restricted to less than 365 days terms and not exceed the authorized limit.

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities include obligations to pay for goods and services acquired prior to year-end. Accounts payable and accrued liabilities increased by \$48.2 million (a 10.2% increase) from \$447.2 million in 2022-23 to \$495.3 million in 2023-24, mainly due to trade payables relating to natural disasters in 2023-24 compared to 2022-23.

Deferred Revenues

The Government often receives funds from the Government of Canada and other third parties in advance of the project. The Government initially records these amounts as deferred revenue and as eligible expenses are incurred, transfers are recognized as revenue.

(in \$000s)	Balance 2023	Increases	Decreases	Balance 2024
Government Transfers	\$169,743	\$274,984	(\$275,009)	\$169,718
Large emitters carbon tax	\$7,568	\$0	\$0	\$7,568
Other	\$21,881	\$12,787	(\$11,442)	\$23,226
Total	\$199,192	\$287,771	(\$286,451)	\$200,512

Environmental Liabilities

The nature of the Government's programs and services exposes the Government to costs associated with remediation of any site contamination that occurred because of government operations. These costs make up the Environmental Liabilities amount disclosed within Section I of the Public Accounts (note 11). In addition, the liability may include contaminated sites where the Government does not own the site but has accepted responsibility. **A summary of the Government's policy with respect to Environmental Liabilities can be found within Section I of the Public Accounts (note 2(i)).**

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 2023-24 year end, the environmental liability balance increased to \$91 million compared to \$69.3 million in 2022-23 primarily due to change in estimate of \$29.5 million, partially offset by \$7.6 million in remediation expenditures during the period.

<i>Environmental Liabilities</i>	<i>Number of Sites 2023</i>	<i>New in 2024</i>	<i>Closed in 2024*</i>	<i>Number of Sites 2024</i>
Abandoned Mines	8			8
Landfills	31	1	(1)	31
Abandoned Infrastructure and schools	80			80
Airports, airport strips or reserves	25			25
Sewage Lagoons	28			28
Fuel tanks and resupply lines	12			12
Abandoned lots and maintenance facilities	48	2	(3)	47

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

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

Asset Retirement Obligations (ARO), present the cost of legal obligations associated with the retirement of tangible capital assets (TCA).

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, 2024, the ARO liabilities consisted of the following:

<i>(in \$000s)</i>	<i>Actual 2023</i>	<i>Actual 2024</i>	<i>Description of 2024 Liability</i>
Government owned assets			
Buildings	\$139,228	\$132,006	Undiscounted expenditures of \$219,555 to be settled between 2025 to 2084.
Infrastructure	\$986	\$1,132	
Total	\$140,214	\$133,138	
Assumed liability			
Sewage Lagoons	\$2,641	\$2,764	Undiscounted expenditures of \$127,869 to be settled between 2025 and 2111.
Solid Waste Sites	\$18,854	\$19,775	
Total	\$21,495	\$22,539	

Further details on the Government's AROs can be found within **Section I** of the Public Accounts (note 12).

Public Private Partnerships

Public Private Partnerships (P3) are a means for a government to enter into cooperative ventures 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 major share 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.

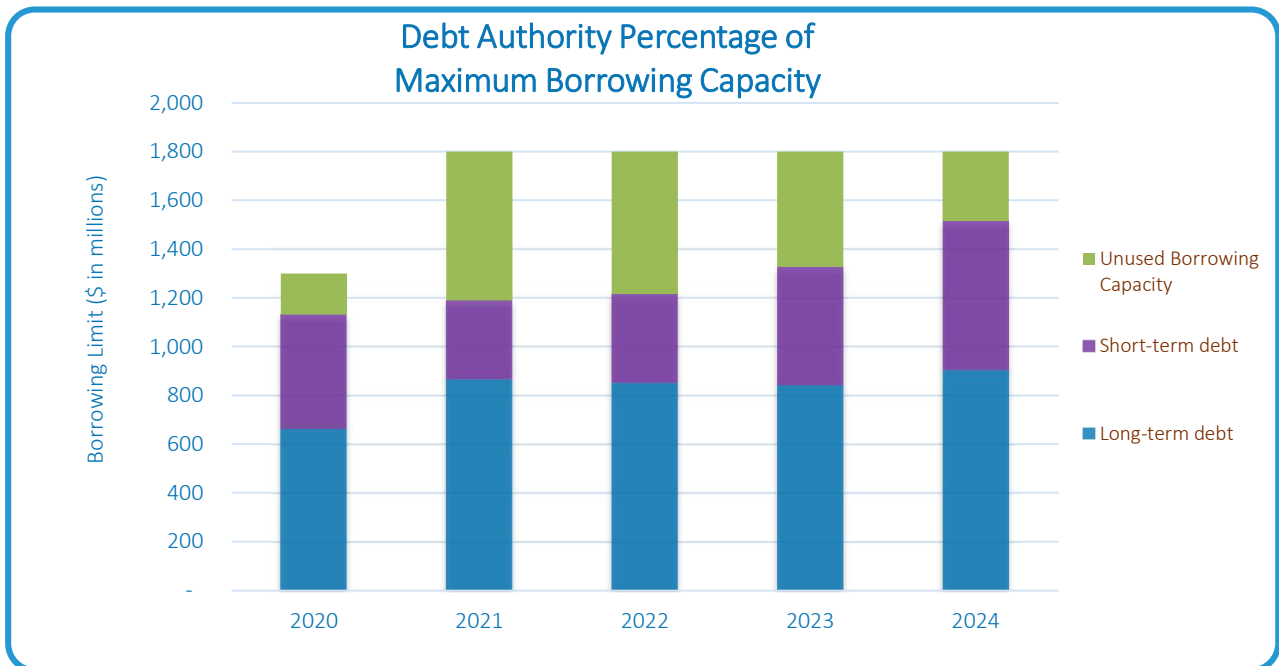
<i>P3 Project (in \$000s)</i>	Mackenzie Valley Fibre Link	Stanton Territorial Hospital Renewal	Tłįchq All Season Road
<i>Project Description</i>	1,154 km of high-speed fiber optic telecommunications cable from McGill Lake to Inuvik, NWT	280,000 square foot tertiary level facility in Yellowknife	97 km 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, 2023	\$67,100	\$123,690	\$71,382
GNWT Liability at Mar 31, 2024	\$64,000	\$120,150	\$69,985
Tangible capital asset cost	\$122,786	\$321,211	\$211,466
Interest expense for the 2023-24	\$4,400	\$6,630	\$4,700
Annual operation and maintenance payments *	\$4,037	\$12,610	\$5,401
Total remaining operational commitments to the end of the agreement *	\$64,293	\$362,999	\$139,512

* 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 \$1.8 billion, established pursuant to subsection 28(4) of the *Northwest Territories Act*. Additional detail is reflected within **Section I** of the Public Accounts (note 14).



Note: The GNWT at consolidation is not in an overdraft position, however the non-consolidated statements include overdraft. The territory’s borrowing limit was increased from \$1.3 billion to \$1.8 billion in fiscal 2021.

Non-Financial Assets

Non-financial Assets are assets that typically represent resources that the Government can use to provide services in the future. The Government's Non-Financial Assets consist primarily of tangible capital assets (TCAs) as well as inventories held for use 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

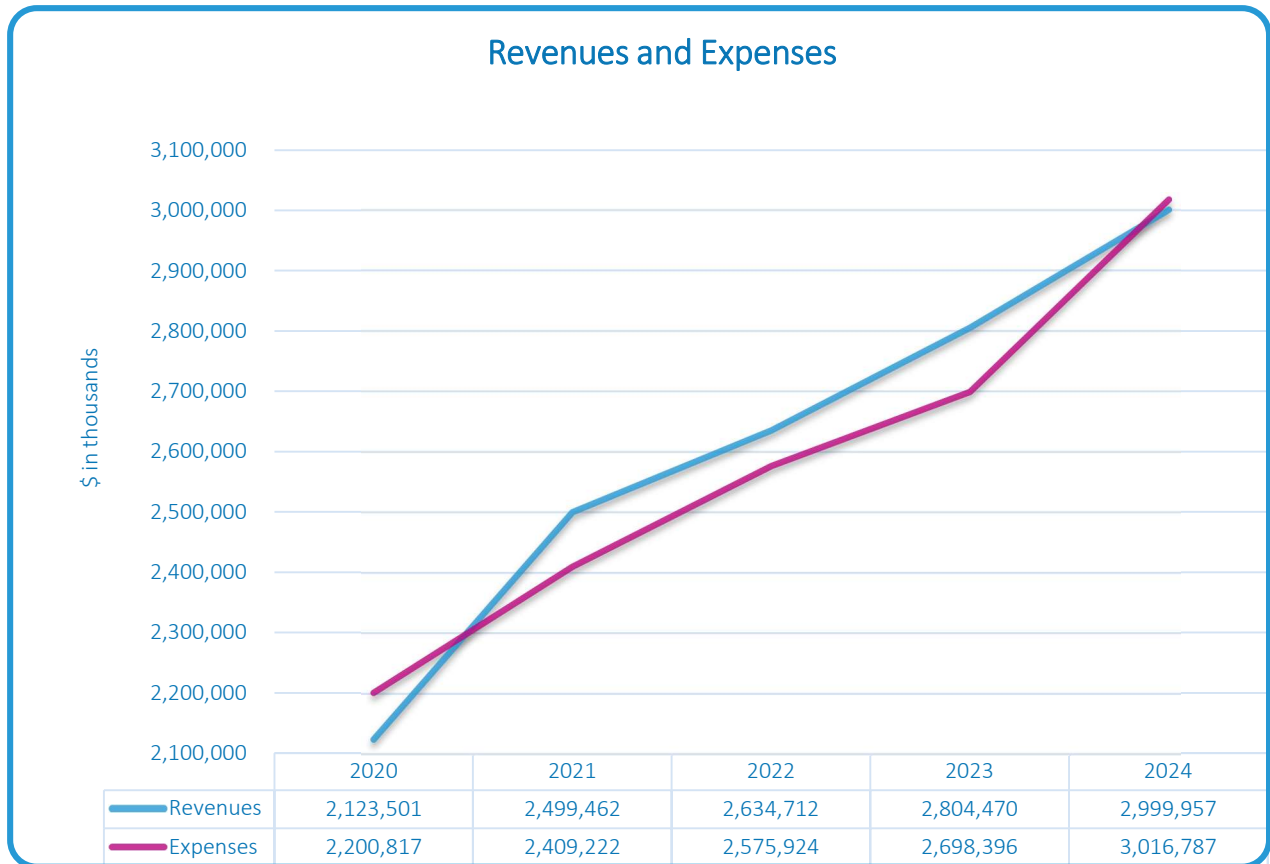
Under the Government's capitalization policy, tangible capital assets are capitalized and amortized over time in the Consolidated Statement of Operations and Accumulated Operating Surplus based on their estimated useful life. The Government plans capital expenditures to ensure that existing TCAs are replaced in a timely manner in conjunction with the Government's direction, priorities, and fiscal management strategy.

As illustrated by the table below, 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.

<i>(in \$000s)</i>	Acquisitions during the year
Inuvik runway project	\$72,976
NT Hydro Corporation's power generating and distribution assets and equipment	\$69,945
Housing NWT's public, homeownership rental and market rental units	\$48,429
Various road and bridges	\$45,193
Community health centres, field support offices, schools, campground shelter & equipment, information systems and equipment	\$20,877
Aurora College's computers, equipment and buildings	\$5,760
Other capital projects	\$39,990
Total	\$303,170

Revenues and Expenses

Revenues increased by \$195.5 million (a 6.4% increase) from \$2.8 billion in 2022-23 to \$3.0 billion in 2023-24 mainly due to a higher Territorial Formula Financing grant from Canada because of an increase in the Gross Expenditure Base, increased corporate income taxes, and increased federal transfer payments.



Total expenses increased by \$318.4 million (a 11.8% increase) from \$2.7 billion in 2022-23 to \$3.0 billion in 2023-24. The biggest increases were in Environment and Economic Development, Infrastructure, Health and Social Services, Education and General Government.

FINANCIAL COMPARISONS AND VARIANCES

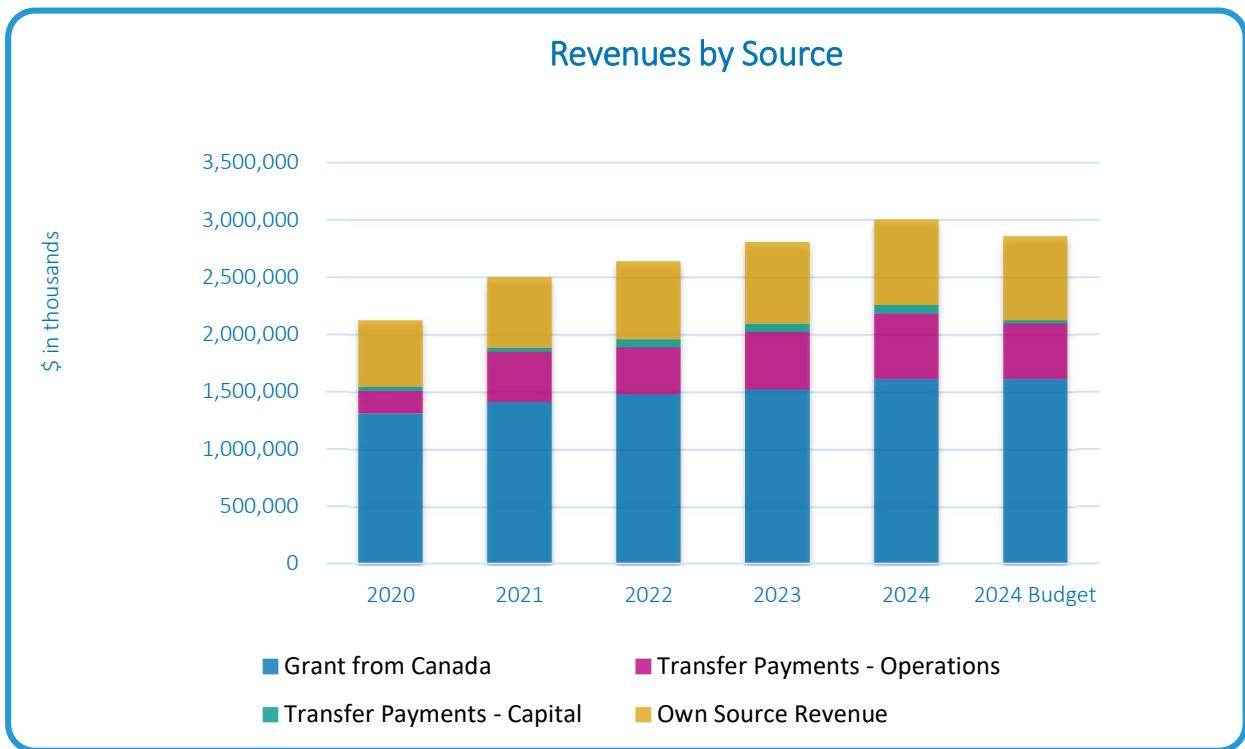
Balancing the budget entails not only controlling expenses but also finding the most effective and efficient mix of programs. During the fiscal year the variance review process assesses the present level of programs and services by monitoring the growth rates of revenues and expenditures on an ongoing basis as this is a key indicator of the long-term sustainability of the Government.

Any additional resources to improve a service often must be made at the expense of other important needs while recognizing that revenue generation tend to be more unpredictable than changes in expenses.

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 2023-24 is \$3.0 billion, an increase of \$146.2 million or 5.1% from the original budget. This increase is mainly due to increased transfer payments; corporate and personal incomes taxes; and own source revenues.



Revenue (in \$000s)		2023 Actual	2024 Budget	2024 Actual	Explanation
Transfers from Canada	Territorial Formula Financing Grant	\$1,519,233	\$1,610,836	\$1,610,836	The increase is due to a higher Gross Expenditure base as well as the reductions in other source revenues being substituted by the grant.
		Variance:	+ \$91,603	+ \$0	
	Transfer Payments	\$573,554	\$510,123	\$646,077	The budget was reduced to align with the capital program; the actuals were higher compared to both the budget and prior primarily due to the transfers for addressing the 2023 fire season including the evacuation costs and the Inuvik Airport transfer payments.
			Variance:	- \$63,431	
Own Source Revenues	Corporate & personal Income taxes	\$177,038	\$157,498	201,072	Budget is based on conservative estimates of taxable incomes; actual 2024 resulted from higher taxable incomes in the territory.
			Variance:	- \$19,540	
	Other taxes	\$144,220	\$169,200	\$163,771	Budget and actual 2024 are both higher due to increases in the tax rates for carbon taxes and increases in payroll taxes due to higher taxable incomes.
			Variance:	+ 24,980	
	General	\$98,751	\$107,068	\$113,755	Budget and actual higher mainly due to increased airport improvement fees revenue and interest income.
			Variance:	+ \$8,317	
	Income from portfolio investments	\$4,794	\$840	\$10,074	Budget is based on low rates of return; actuals 2024 exceed both budget and prior due to increase in the investment base and higher interest rates.
			Variance:	- \$3,954	
	Non-renewable resources	\$38,037	\$61,089	\$3,143	Budget estimate expected an improvement in global commodity prices; actual results are much lower as both commodity prices and volumes sold decreased.
			Variance:	+ \$23,052	
	Sales	\$193,154	\$170,909	\$176,700	Actual 2024 are lower due to sales in MTS being affected by prolonged evacuation from Hay River as well as less shipments due to low water levels.
			Variance:	- \$22,245	
Recoveries	\$46,216	\$63,219	\$51,808	Actual 2024 are lower due to budgeted third-party recoveries in NTHSSA not realized. The increase in actuals from prior year are due to higher health cost recoveries for NTHSSA.	
		Variance:	+ \$17,003		- \$11,411
Recoveries of prior years' expenses	\$9,473	\$3,000	\$22,721	Budget is set low as RPYE is not expected to be significant. Actual was due to recovery in the estimates for ARO and SWS and SL as a result of changes in discount rate.	
		Variance:	- \$6,473		+ \$19,721

Note: based on Government reporting entity at consolidated level and original approved budget tabled June 2, 2023.

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.

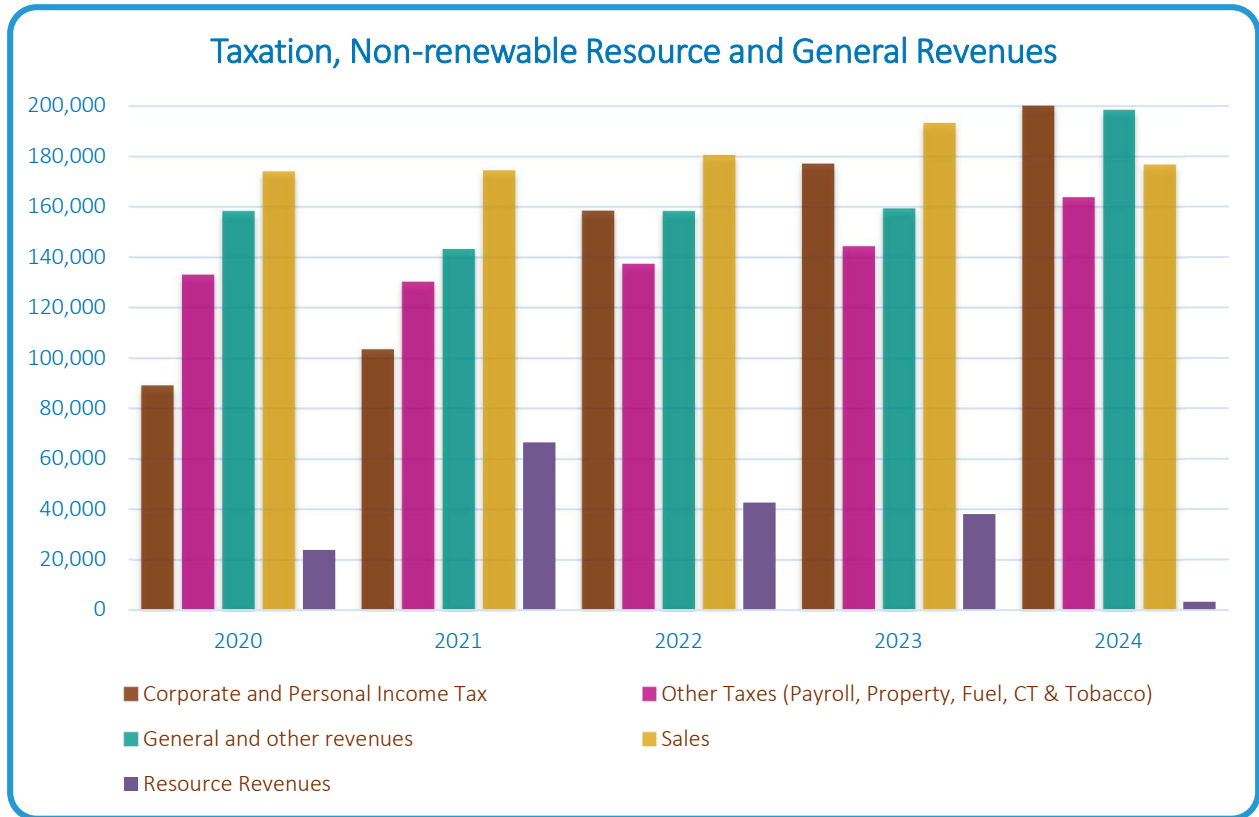
Corporate and personal income tax revenues derive from individual taxpayers, who are required to file their income tax returns by April 30th annually and corporate taxpayers file six months after the corporation fiscal year end for. To counter this delay, for a given tax year, the Government receives 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, and insurance tax.

General revenues include rental and lease, interest income, gain on disposition of assets, regulatory revenue, grants in kind and other miscellaneous items.

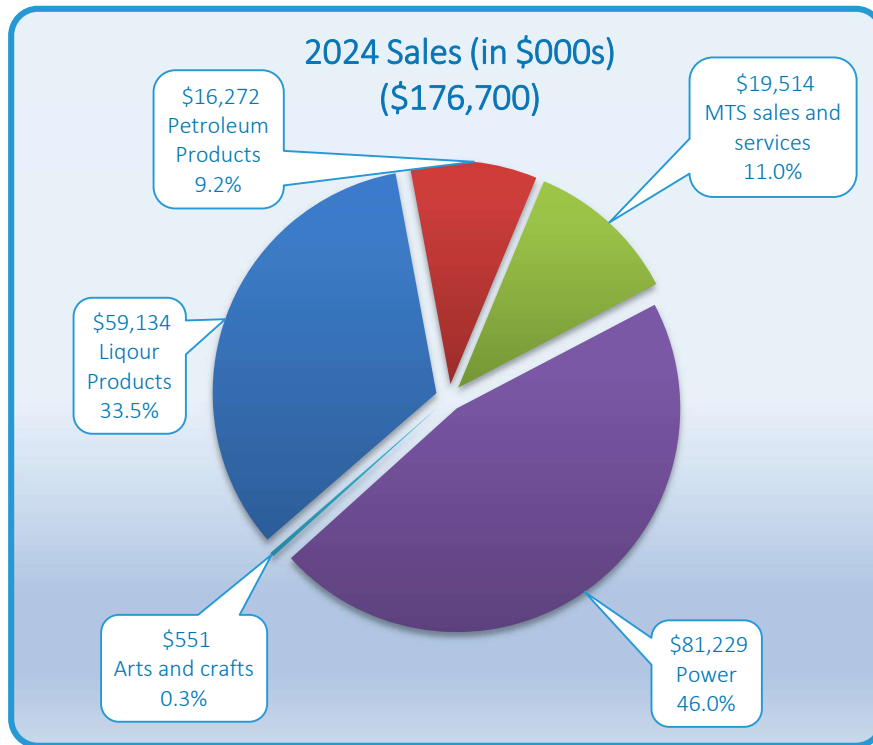
Income from Portfolio Investments includes interest earned and other income on guaranteed investment certificates, bonds, equity investments, and other financial instruments.

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 2023-24, there was a reduction in royalties due to significant drop in rough diamond demand and sales; and the growth in lab-grown diamond trade.



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.

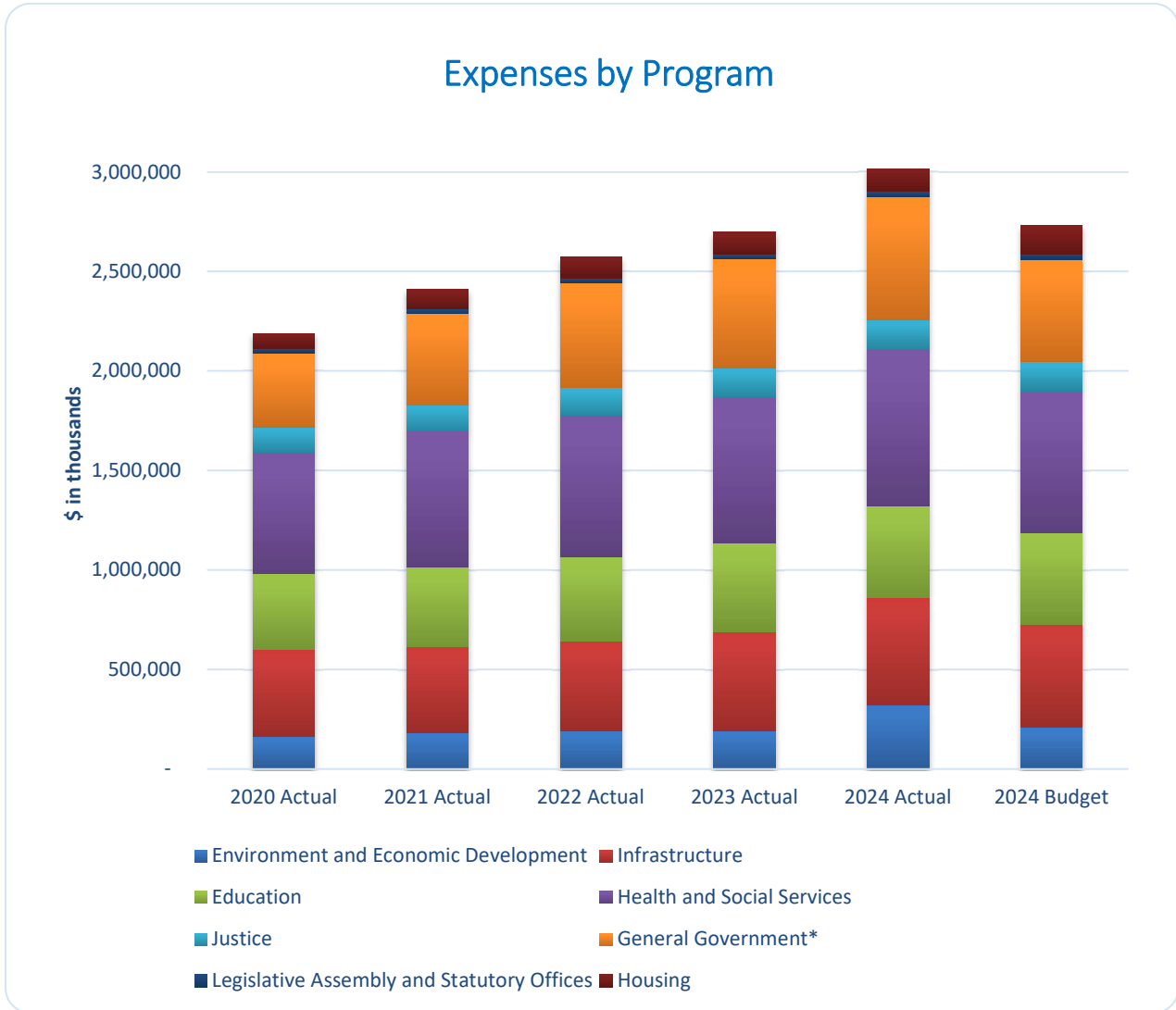
Sales revenues include sales of products and services from liquor, cannabis, fuel and petroleum products, cargo delivery services, shipyard services, sale of power, and art and crafts.



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 2023-2024. This represents an increase of \$318.4 million, or 11.8% over the prior year. The biggest increases were in Environment and Economic Development, Infrastructure, Health and Social Services, and General Government.

Financial Statement Discussion and Analysis 2023-2024

Type of Expenses by Program (in \$000s)	2023 Actual	2024 Budget	2024 Actual	Explanation
Environment & Economic Development	\$192,012	\$209,934	\$322,606	The increase in budget and actuals is mainly due to the 2023 wildfire season costs. In addition, starting in 2024, the Department of Lands is included in this program since merging with the Department of Environment and Natural Resources to form Department of Environment and Climate Change effective April 1, 2023 (previously reported under Infrastructure).
	Variance:	+ \$17,922	+ \$112,672	
Infrastructure	\$498,960	\$517,451	\$540,529	The increase in budget and actuals is mainly due to increased diesel purchases for power generation due to impact of low water levels on hydro power generation.
	Variance:	+ \$18,491	+ \$23,078	
Education	\$445,290	\$460,940	\$461,269	The increase in actuals is due to increased compensation and benefits expenses across school boards and departmental staff; increased costs for the student financial assistance program; and increased program expenses driven by increased funding. There is no significant difference between 2024 budget and actuals.
	Variance:	+ \$15,650	+ \$329	
Health & Social Services	\$734,919	\$713,024	\$786,149	The increase in actuals is due to mainly due to various additional funding received after the main estimates process through the supplementary appropriation process. In addition, there was higher utilization of out of territory services for services and supplemental health benefits program; and higher medical travel and locum services.
	Variance:	- \$21,895	+ \$73,125	
Housing	\$109,552	\$142,034	\$113,618	The decrease in actuals from budget is mainly due to lower grants and contributions, lower amortization, and budgetary compilation overstatement of operations and maintenance expenses. The actual spend has increased from the prior year mainly due to compensation and benefits expense annual increases.
	Variance:	+ \$32,482	- \$28,416	
Justice	\$147,007	\$145,883	\$146,435	There is no significant difference between actuals and budget.
	Variance:	- \$1,124	+ \$552	
General Government	\$545,410	\$514,358	\$620,104	The increase in actuals is due to the natural disaster recovery assistance and evacuation support payments; increased interest costs and increased environmental liabilities. The budget does not include supplementary appropriations.
	Variance:	- \$31,052	+ \$105,746	
Legislative Assembly & statutory offices	\$25,246	\$27,655	\$26,077	The budget and actual increase from 2023 to 2024 is a result of the 2024 election year.
	Variance	+ \$2,409	- \$1,578	

Note: For details of the program categories above see Note 23 **Section I**, Public Accounts.

Expense Variance Analysis by Object

Type of Expenses by Object (in \$000s)	2023 Actual	2024 Budget	2024 Actual	Explanation
Grants & contributions	\$373,991	\$396,068	\$393,827	The 2023 actuals were under budget due to less program uptake for various contribution funding. The 2024 actual contributions were lower than budget due to less uptake on projects due to most organizations' timelines impacted by the evacuations; partly offset by unbudgeted evacuation support payments.
	Variance:	+ \$22,077	- \$2,241	
Operations & maintenance	\$1,050,357	\$1,126,924	\$1,321,212	The Government budget has expectations of increased costs due to inflation; actual results were higher than budget as a result of wildfire costs and increases in costs associated with tacking the low water levels in the Territory.
	Variance:	+ \$76,567	+ \$194,288	
Compensation & benefits	\$1,102,082	\$1,030,447	\$1,126,154	The Government budget for compensation is based on funded positions; actual results are higher to account for unfunded positions as well as to account for the extra compensation for addressing the wildfires in 2023.
	Variance:	- \$71,635	+ \$95,707	
Valuation allowance	\$6,367	\$0	\$7,168	The Government does not expect to have valuation allowances and therefore does not budget this object.
	Variance:	- \$6,367	+ 7,168	
Amortization of TCAs	\$165,599	\$177,840	\$168,426	The Government budgeted a larger asset base as a result of completed projects as well as additions from ARO; actual results were based on less projects than budget completed and no significant increase in ARO assets.
	Variance:	+ \$12,241	- \$9,414	

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 June 2, 2023. (https://www.ntlegislativeassembly.ca/sites/default/files/legacy/td_957-192_2023-2024_consolidated_budget_for_government_of_the_northwest_territories.pdf)

INDICATORS OF FINANCIAL CONDITION

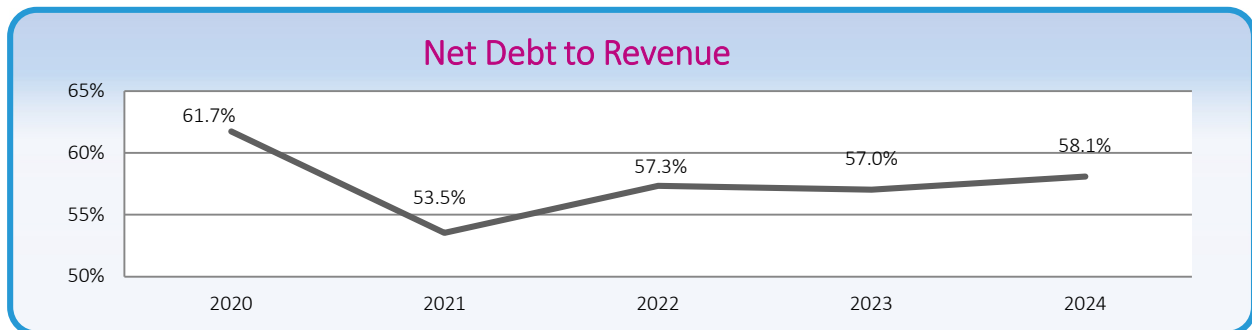
Financial condition describes a government's ability to meet its financial obligations with respect to its service commitments to the public and commitments to employees, creditors, and others.

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 2023-24 fiscal year the Government has a net debt position of \$1.74 billion compared to net debt of \$1.60 billion at the end of the prior fiscal year. The net debt represents 58.1% of revenue.

The graph below shows that Government's net debt to revenue has increased from 57.0% in 2022-23 to 58.1% in 2023-24 mainly due to new short-term and long-term debts to fund the acquisition of tangible capital assets, and higher expenses due to the 2023 wildfire season, inflation, and increased operational costs.



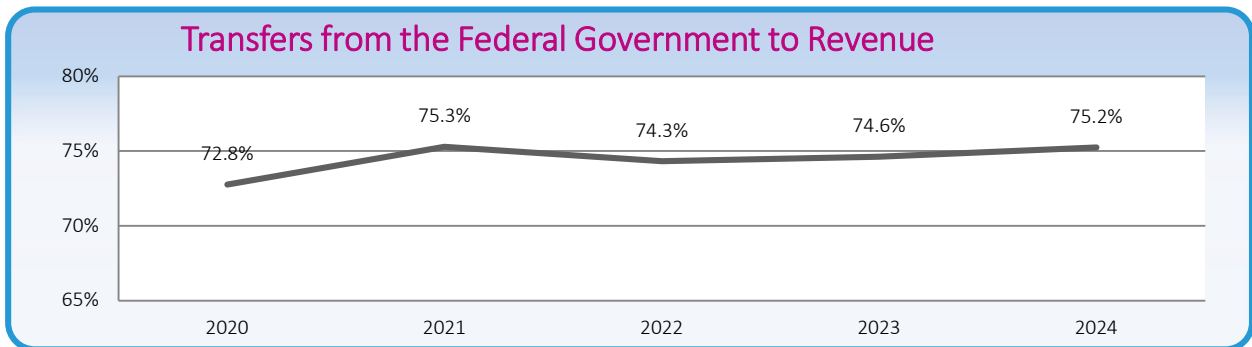
Net debt to revenue is an indicator of the Government's ability to service the debt burden, where a decreasing ratio is a positive indicator that the rate of increase in net debt is lower than the rate of increase in revenue. A lower net debt to revenue ratio indicates higher sustainability, as a higher 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 75.2% 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 increased slightly from 74.6% in 2022-23 to 75.2% in 2023-24.

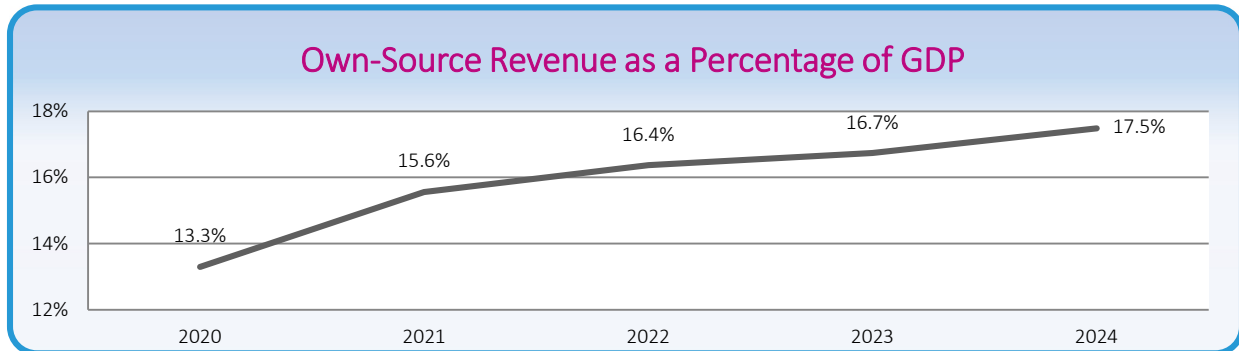


An increasing ratio typically reflects that the Government is more reliant on transfers from Canada to fund its programs.

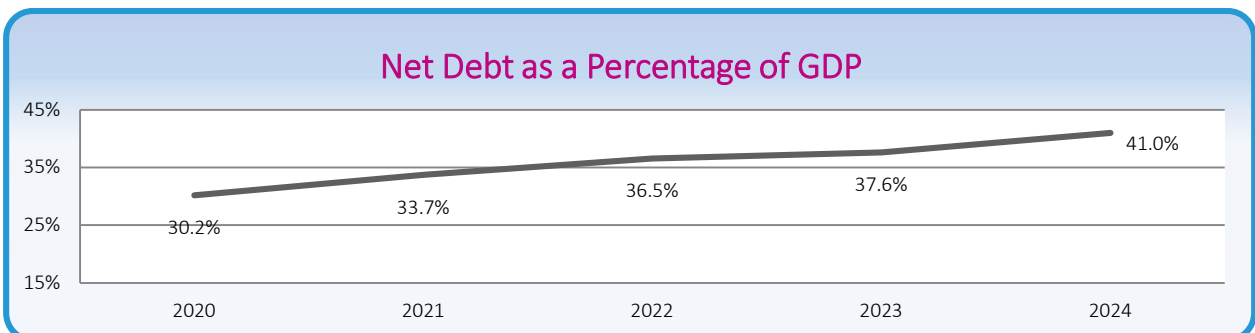
Flexibility: the degree to which a government can increase its financial resources to respond to rising commitments, by either expanding its revenues, or increasing its debt burden.

- At March 31, 2024, the Government has a federally imposed borrowing limit of \$1.8 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 75.2% of its total revenues, of which 53.7% comes from the Territorial Formula Financing Grant.
- The Government's own-source revenues, (net of \$3.1 million in non-renewable resource revenues), increased to 24.7% of total revenue in 2023-24 (24.0% - 2022-23). 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 37.6% in 2022-23 to 41.0% in 2023-24. The increase in this ratio is mainly due to new short-term and long-term debts to fund capital expenditure and higher operational expenditures due to the 2023 wildfire season, recovery cost for the 2022 floods and 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, 2014 to 2023

Indicator	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Real GDP (Chained \$)	4.7	1.0	-1.1	3.6	1.3	-6.1	-10.5	6.3	2.9	-0.1
Employment Rate (July 1)	-3.1	0.0	-2.9	-2.7	1.2	4.1	-11.7	15.3	3.6	-6.9
NWT consumer price index	2.0	1.1	1.4	1.6	2.3	1.9	0.7	3.4	6.8	3.3
Population (July 1)	43,884	44,237	44,649	44,891	44,981	44,504	44,579	44,685	44,972	44,681
Population growth	0.2	0.8	0.93	0.54	0.2	1	0.2	0.2	0.6	-0.6

(% 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 \$4.25 billion for 2023 (the latest year for which data is available), which represents a 0.1% decrease relative to 2022. The mining, oil and gas industry decreased by 5.6% between 2022 and 2023.

Canada, Provinces and Territories GDP Comparison

Real GDP at Basic Prices, calendar years 2022 and 2023

Millions of Chained (2017) Dollars*

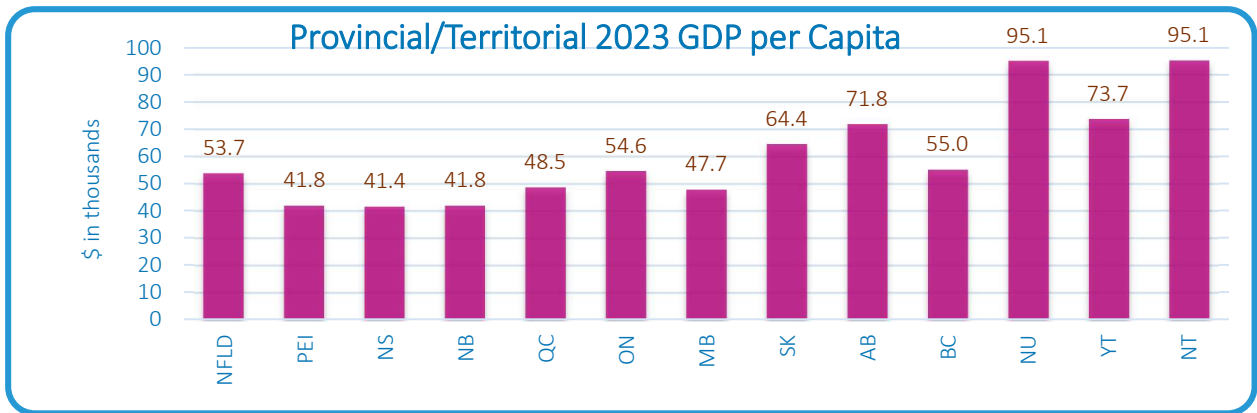
	2023	2022	Percent (%) Change
Canada	2,201,779	2,175,120	1.2
Northwest Territories	4,251	4,254	-0.1
Nunavut	3,869	3,741	3.4
Yukon	3,350	3,298	1.6
British Columbia	304,127	299,250	1.6
Alberta	336,300	331,489	1.5
Saskatchewan	77,899	76,673	1.6
Manitoba	69,390	68,483	1.3
Ontario	852,729	839,497	1.6
Quebec	429,219	428,252	0.2
New Brunswick	34,792	34,330	1.3
Nova Scotia	43,765	43,188	1.3
Prince Edward Island	7,267	7,110	2.2
Newfoundland and Labrador	28,950	29,690	-2.5

Source: Statistics Canada (2023) 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

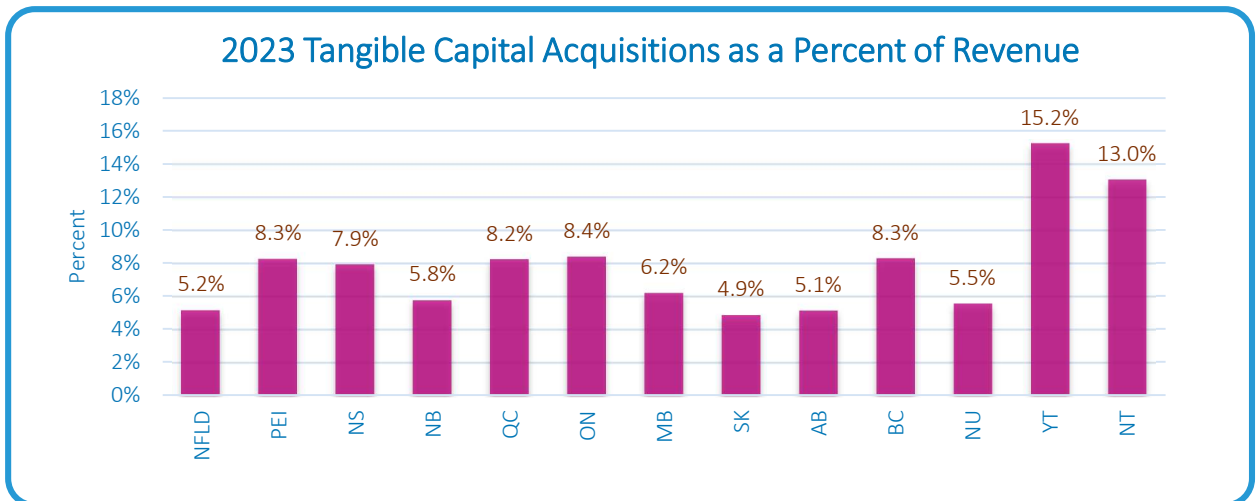
The NWT currently has the highest GDP per capita in Canada. This is an important indicator to note when considering GDP statistics as it shows that while the NWT has a relatively small population our GDP per capita is large by comparison. The NWT economy is less developed compared to provinces, with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



Statistics Canada. Population estimates July 1, 2023, and GDP Gross domestic product (GDP) at basic prices, by industry, Provinces, and Territories is calendar 2023.

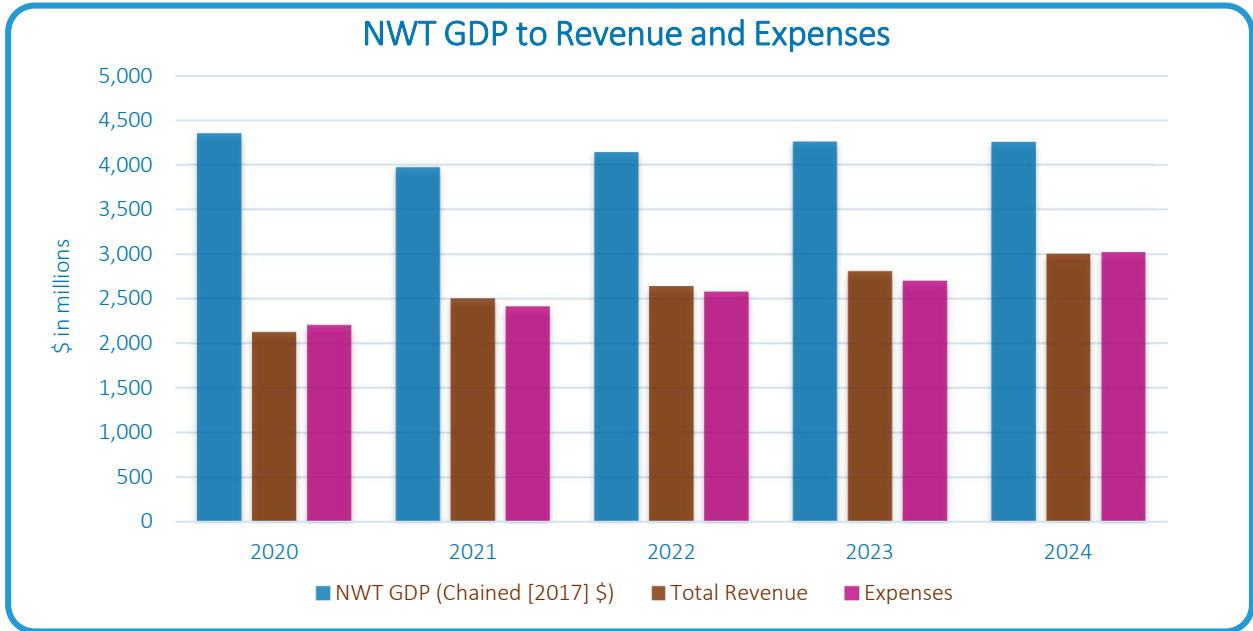
Provincial Comparisons – TCA Acquisitions as Percentage of Revenue Comparison

In 2023, at 13.0%, the Government has the second highest percentage of revenue invested in infrastructure compared to other Territories and Provinces.



Figures calculated based on fiscal 2022-23 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.

Natural Disasters: The Government, through the Emergency Management Organization, monitors conditions (such as flood or fire risk), conducts preparedness activities and supports the NWT communities, which are the lead on responses and recovery activities.

Each year the Government invests in people, equipment, technology, and communication to manage wildfires effectively, as the boreal forest is one of the Northwest Territories' most valuable natural resources. Under the right conditions, high-intensity wildfires often occurring naturally are virtually unstoppable; these wildfires have the potential to spread quickly over great distances and to place people and community infrastructure at risk.

During the fiscal year, the Territory experienced a third consecutive year of major natural disaster. In the summer 2023, the Northwest Territories experienced above normal wildfire conditions which resulted in increased costs and revenues, from government assistance programs. The costs incurred, as well as recoveries received and receivable, to March 2024 for the 2023 wildfires as well as the 2022 floods are reflected in the accompanying consolidated financial statements.

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 per cent (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 2023-24:

- 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)		
	2024	2023
	(\$ in Millions)	
Policy Provision 6(5)(a)- Debt Servicing Payments		
Revenues (Public Accounts, Section II, Schedule A)	2,611	2,448
<i>Maximum Debt Servicing Payments- 5% of Revenues</i>	131	122
Debt Servicing Payments		
Short-Term Interest Expense (Public Accounts, Section II, note 8)	20	10
Bond (Public Accounts, Section II, note 14)	4	4
Deh Cho Bridge (Public Accounts, Section II, note 14)	16	20
P3 Debt Servicing (Public Accounts, Section II, note 15)	<u>24</u>	<u>25</u>
Total Debt Servicing Payments	64	59
Actual Debt Servicing Payments as a % of Revenues	2.45%	2.40%
Provision 6(3)- Infrastructure Financing		
Capital Acquisitions (Public Accounts, Section II, Schedule 4)	174	216
<i>Cash Required for Infrastructure Investment Expenditures</i>	174	216
Operating Cash Required		
Minimum cash required from operating surplus (50% of Acquisitions less out of scope items)	87	108
<i>Total Operating Cash Requirement</i>	87	108
Operating Cash Available		
Operating (Deficit) Surplus (Public Accounts, Section II, Statement of Operations)	(8)	122
Add Non-Cash Item - Amortization (Public Accounts, Section II, Statement of Cash Flow)	<u>132</u>	<u>130</u>
<i>Total Operating Cash Available</i>	124	252
Net Cash Surplus for Infrastructure Investment	37	144

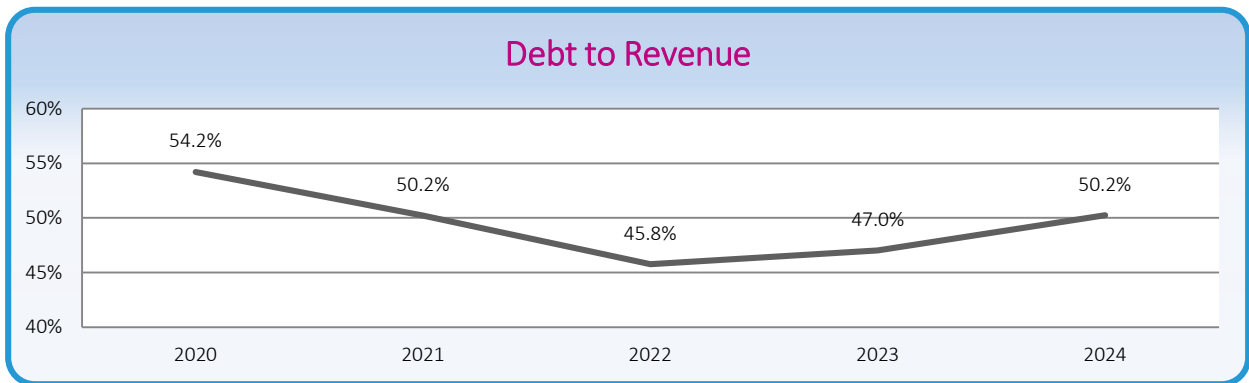
Effective April 1, 2023, the Government issued revised Fiscal Responsibility Policy.

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

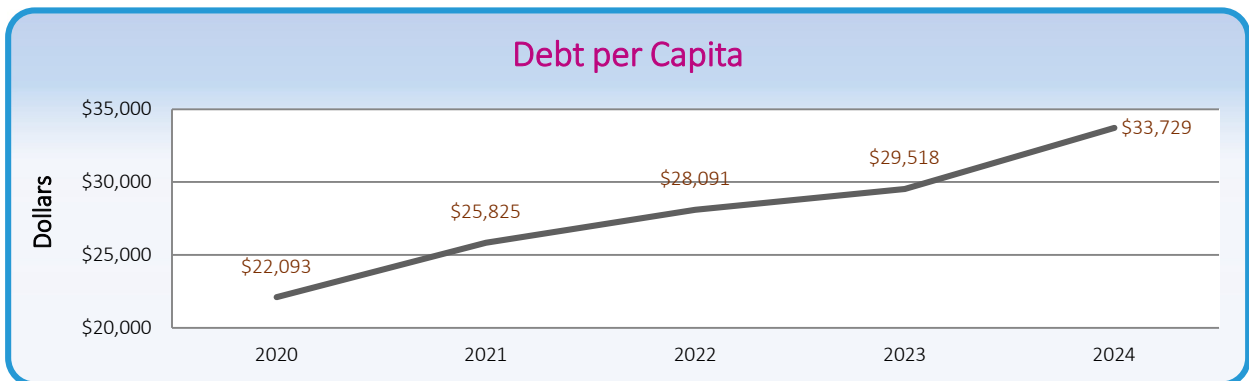
The Government’s debt to total revenue has increased from 47.0% in 2022-23 to 50.2% in 2023-24 because mainly due to increased short-term borrowing and increased long-term debt for NT Hydro.



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

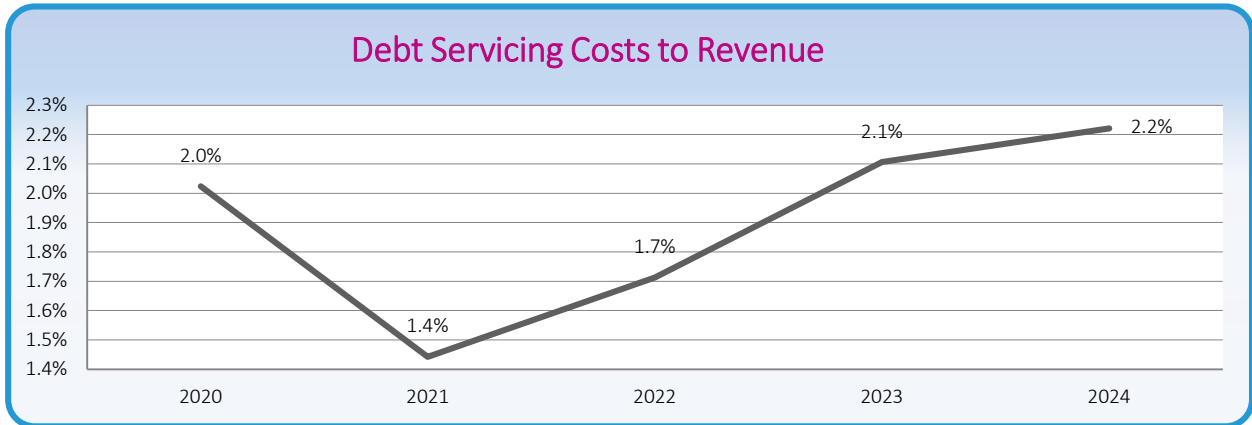
Debt per capita increased 14.3%; from \$29,518 in 2022-23 to \$33,729 in 2023-24. The debt per capita burden increased because high borrowing growth exceeded low population growth.



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

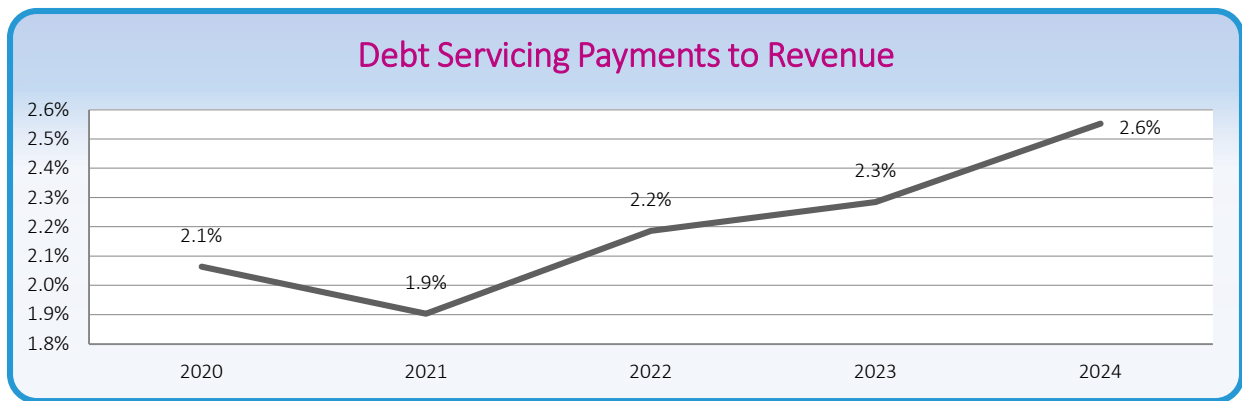
The Government’s debt servicing costs compared to total revenue has increased from 2.1% in 2022-23 to 2.2% in 2023-24 due to higher interest on the short-term borrowing.



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

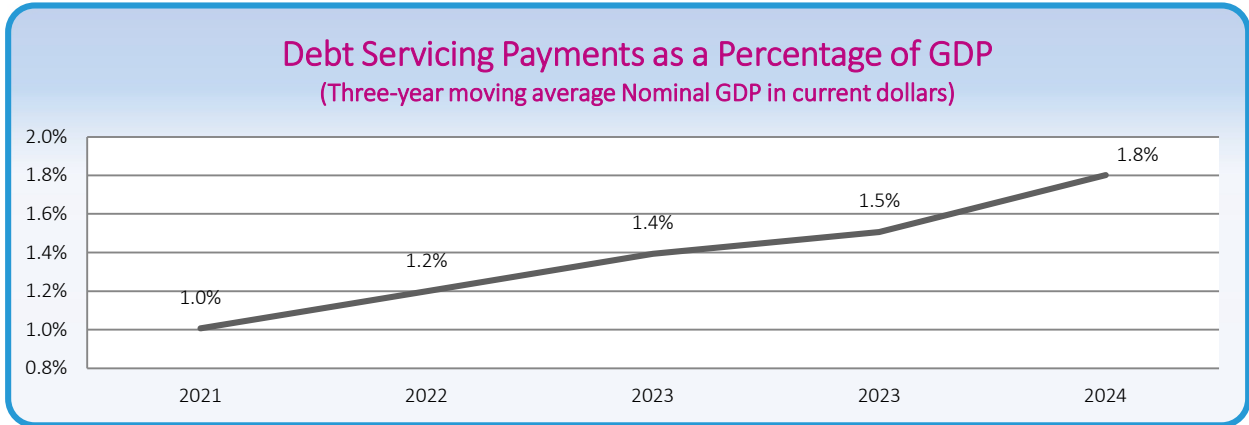
The Government’s debt servicing payments compared to total revenue has increased slightly from 2.3% in 2022-23 to 2.6% in 2023-24. This is mainly due to increased interest on short term borrowing.



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

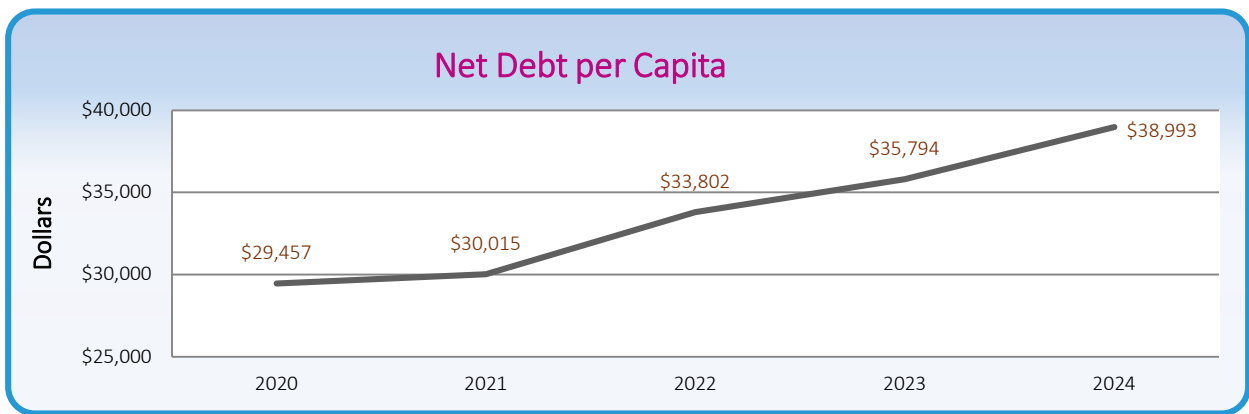
Debt servicing payments as a percentage of GDP for the Northwest Territories increased from 1.5% in 2022-23 to 1.8%, in 2023-24 mainly due to increased interest on short term borrowing.



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 \$3,199 per person from \$35,794 in 2022-23 to \$38,993 in 2023-24.



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.

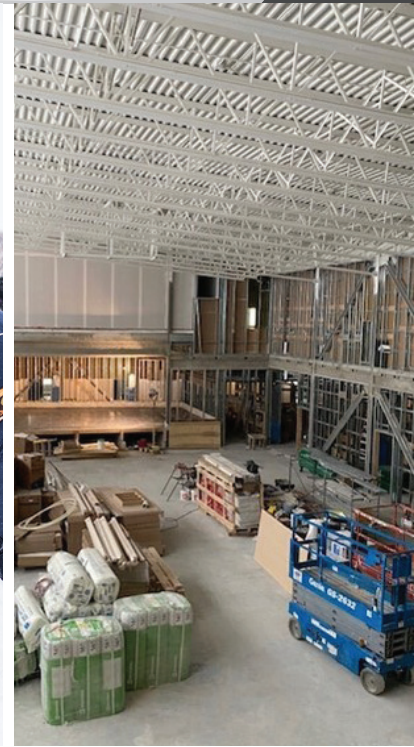
The Aa2 long term credit rating is the third highest rating available from Moody's from its 10-level investment grades scale for long-term investments.

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-2023	27-Nov-2023	1-Dec-2023
Beaufort Delta Divisional Education Council	28-Sep-2023	27-Nov-2023	31-Aug-2023
Commission scolaire francophone Territoires du Nord-Ouest	28-Sep-2023	27-Nov-2023	20-Nov-2023
Dehcho Divisional Education Council	28-Sep-2023	27-Nov-2023	27-Nov-2023
Dettah District Education Authority	28-Sep-2023	27-Nov-2023	25-Jan-2024
Ndilo District Education Authority	28-Sep-2023	27-Nov-2023	12-Dec-2023
Sahtu Divisional Education Council	28-Sep-2023	27-Nov-2023	30-Aug-2023
South Slave Divisional Education Council	28-Sep-2023	27-Nov-2023	19-Nov-2023
Yellowknife Catholic Schools	28-Sep-2023	27-Nov-2023	6-Nov-2023
Yellowknife District No.1 Education Authority	28-Sep-2023	27-Nov-2023	14-Nov-2023
Entities with March 31 year ends			
Arctic Energy Alliance	29-Jun-2024	28-Aug-2024	18-Jun-2024
Hay River Health and Social Services Authority	29-Jun-2024	29-Jul-2024	15-Jul-2024
Housing Northwest Territories	29-Jun-2024	28-Aug-2024	26-Aug-2024
Inuvialuit Water Board	29-Jun-2024		25-Jun-2024
Northwest Territories Health and Social Services Authority	29-Jun-2024	28-Aug-2024	23-Aug-2024
Northwest Territories Human Rights Commission	29-Jun-2024		28-Jun-2024
Northwest Territories Heritage Fund	29-Jun-2024	28-Aug-2024	28-Aug-2024
Northwest Territories Hydro Corporation	29-Jun-2024	28-Aug-2024	6-Aug-2024
Northwest Territories Surface Rights Board	29-Jun-2024		12-Jun-2024
Prosper NWT	29-Jun-2024	28-Aug-2024	26-Aug-2024
Status of Women Council of the Northwest Territories	29-Jun-2024		11-Jun-2024
Tłįchq Community Services Agency	29-Jun-2024		29-Jun-2024



2023-2024 PUBLIC ACCOUNTS

SECTION II NON-CONSOLIDATED FINANCIAL STATEMENTS

Government of
Northwest Territories



PUBLIC ACCOUNTS
OF THE
GOVERNMENT OF THE NORTHWEST TERRITORIES
FOR THE YEAR ENDED MARCH 31, 2024

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, 2024

(thousands of dollars)

	2024	2023
	\$	\$
Financial assets		
Cash and cash equivalents (note 3)	26,530	-
Portfolio investments (note 5)	52,668	51,729
Accounts receivable (note 6)	487,909	457,924
Due from the Government of Canada (note 11)	163,109	178,549
Inventories held for resale	52,767	49,342
Loans receivable (note 7)	85,555	86,152
Pension assets (note 16)	5,718	4,434
	874,256	828,130
Liabilities		
Bank overdraft (note 3)	-	50,708
Short-term loans (note 8)	574,189	432,334
Accounts payable and accrued liabilities (note 9)	457,190	404,811
Deferred revenue (note 10)	160,515	187,759
Due to the Government of Canada (note 11)	35,273	64,607
Environmental liabilities (note 12)	75,132	50,089
Liabilities for sewage lagoons and solid waste sites (note 13)	22,539	21,495
Asset retirement obligations (note 13)	78,761	85,020
Long-term debt (note 14)	362,732	362,783
Liabilities under public private partnerships (note 15)	254,045	262,172
Pension liabilities (note 16)	43,910	43,529
Other employee future benefits and compensated absences (note 17)	20,572	21,261
	2,084,858	1,986,568
Net Debt	(1,210,602)	(1,158,438)
Non-financial assets		
Tangible capital assets (schedule C)	3,047,473	3,006,278
Inventories held for use	2,638	3,080
Prepaid expenses	13,721	9,103
	3,063,832	3,018,461
Accumulated surplus	1,853,230	1,860,023
Accumulated surplus is comprised of:		
Accumulated operating surplus	1,851,585	1,859,182
Accumulated rereasurement gains	1,645	841
Accumulated surplus	1,853,230	1,860,023
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, 2024

(thousands of dollars)

	2024 Budget (Note 1(b))	2024 Actual	2023 Actual
	\$	\$	\$
Revenues			
Revenues by source (<i>schedule A</i>)	2,495,263	2,611,424	2,448,104
Recoveries of prior years' expenses (<i>schedule 3</i>)	3,000	24,405	9,006
	2,498,263	2,635,829	2,457,110
Expenses (<i>schedule B</i>)			
Environment and Economic Development	190,688	307,329	175,735
Infrastructure	343,657	345,886	335,669
Education	385,909	388,737	383,183
Health and Social Services	626,542	723,475	659,431
Housing	82,469	84,701	85,045
Justice	145,883	146,458	147,073
General Government	483,470	621,076	523,957
Legislative Assembly and statutory offices	27,655	26,076	25,302
	2,286,273	2,643,738	2,335,395
Annual operating surplus (deficit) before the following	211,990	(7,909)	121,715
Petroleum Products Stabilization Fund net profit for the year (<i>note 18</i>)	-	312	360
Annual operating surplus (deficit)	211,990	(7,597)	122,075
Accumulated operating surplus at beginning of year	1,859,182	1,859,182	1,737,107
Accumulated operating surplus at end of year	2,071,172	1,851,585	1,859,182

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 Change in Net Debt (unaudited)

for the year ended March 31, 2024

(thousands of dollars)

	2024 Budget (Note 1(b))	2024 Actual	2023 Actual
	\$	\$	\$
Net debt at beginning of year	(1,158,438)	(1,158,438)	(1,194,522)
Items affecting net financial resources:			
Annual operating surplus (deficit)	211,990	(7,597)	122,075
Change in tangible capital assets, net book value (<i>schedule C</i>)	(93,775)	(41,194)	(86,642)
Change in inventories held for use	-	437	(932)
Change in prepaid expenses	-	(4,614)	742
Decrease (increase) in net debt excluding net remeasurement gains	118,215	(52,968)	35,243
Net remeasurement gains	-	804	841
Decrease (increase) in net debt	118,215	(52,164)	36,084
Net debt at end of year	(1,040,223)	(1,210,602)	(1,158,438)

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, 2024

(thousands of dollars)

	2024	2023
	\$	\$
Accumulated remeasurement gains at beginning of year	841	-
Adjustments on adoption of the financial instruments related standards		
Portfolio investments		
Equity instruments quoted in an active market	-	2,371
Adjusted accumulated remeasurement gains at beginning of year	841	2,371
Unrealized gain (loss) attributable to:		
Portfolio investments		
Equity instruments quoted in an active market	804	(1,530)
Net remeasurement gains for the year	804	841
Accumulated remeasurement gains at end of year	1,645	841

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, 2024

(thousands of dollars)

	2024 \$	2023 \$
Cash and cash equivalents provided by (used for)		
Operating transactions		
Annual operating surplus (deficit)*	(7,597)	122,075
Items not affecting cash and cash equivalents:		
Provision for bad debts and forgivable loans	2,268	2,087
Recoveries of forgivable loans	184	(492)
Amortization of tangible capital assets	131,604	130,421
Accretion expense	1,809	1,540
	128,268	255,631
Changes in non-cash assets and liabilities:		
Change in due to (from) Canada	(13,894)	(114,082)
Change in other financial assets	(33,537)	(54,130)
Change in other financial liabilities	45,376	89,161
Change in prepaid expenses	(4,618)	742
Change in inventories held for use	439	(932)
Change in inventories for resale	(3,425)	(12,242)
Cash and cash equivalents provided by operating transactions	118,609	164,148
Investing transactions		
Designated cash and investments purchased	(11,686)	(20,656)
Designated cash and investments sold	11,239	10,075
Net loans receivable receipts (disbursements)	413	3,328
Sinking fund redemption	-	500
Cash and cash equivalents used for investing transactions	(34)	(6,753)
Capital transactions		
Acquisition of tangible capital assets	(173,902)	(248,870)
Disposal of tangible capital assets (net)	(1,112)	41
Cash and cash equivalents used for capital transactions	(175,014)	(248,829)
Financing transactions		
Acquisition (repayment) of short-term financing	141,855	67,362
Acquisition (repayment) of long-term financing	(8,178)	(3,477)
Cash and cash equivalents provided by financing activities	133,677	63,885
Increase (decrease) in cash and cash equivalents	77,238	(27,549)
Cash and cash equivalents at beginning of year	(50,708)	(23,159)
Cash and cash equivalents at end of year	26,530	(50,708)

* Interest paid during the year \$45,848 (2023 - \$36,751). Interest received during the year \$7,839 (2023 - \$6,031).

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

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2024

(All figures in thousands of dollars)

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 2023-2024 as tabled in the Legislative Assembly to the budget figures in the Statement of Operations and Accumulated Operating Surplus.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2024

(All figures in thousands of dollars)

1. AUTHORITY, OPERATIONS AND REPORTING ENTITY (continued)

(b) Budget (continued)

	2024 Main Estimates as Tabled \$	Projects on Behalf of Third Parties Adjustment ¹ \$	Carbon Tax Adjustment ² \$	Housing Northwest Territories Adjustment ³ \$	2024 Budget as Presented \$
Revenues					
Revenues by source	2,481,891	40,672	(27,300)	-	2,495,263
Recoveries of prior years' expenses	3,000	-	-	-	3,000
	2,484,891	40,672	(27,300)	-	2,498,263
Expenses					
Environment and Economic Development	185,785	4,903	-	-	190,688
Infrastructure	343,583	74	-	-	343,657
Education	385,780	129	-	-	385,909
Health and Social Services	610,276	16,266	-	-	626,542
Housing	-	-	-	82,469	82,469
Justice	145,613	270	-	-	145,883
General Government	574,209	19,030	(27,300)	(82,469)	483,470
Legislative Assembly and statutory offices	27,655	-	-	-	27,655
	2,272,901	40,672	(27,300)	-	2,286,273
Annual operating surplus before the following	211,990	-	-	-	211,990
Projects on behalf of third parties					
Expenses	(40,672)	40,672	-	-	-
Recoveries	40,672	(40,672)	-	-	-
Annual operating surplus	211,990	-	-	-	211,990

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.

(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 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.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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) Other 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) Other 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) Other 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 standard 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.

(x) Adoption of new accounting standards

Effective April 1, 2023, the Government 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, and introduced the concepts of performance obligations which are recognized at a point in time or over a period of time. The Government 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 had no recognition or measurement impact but resulted in additional disclosures as described in note 2(r) and note 22.

Effective April 1, 2023, the Government adopted PS 3160 Public Private Partnerships (P3s). This standard provides guidance on how to account for and disclose public private partnerships. This standard applies when the Government procures infrastructure using a private sector partner that is obliged to design, build, acquire or better the infrastructure; finance the infrastructure past the point where the infrastructure is ready for use; and operate or maintain the infrastructure for a specified period after completion. When it acquires control of the infrastructure, the Government recognizes an asset measured at acquisition cost, and then amortizes the cost in a systematic manner over the useful life of the asset. The Government recognizes a related financial liability upon acquisition and subsequently measures the financial liability on an amortized basis using the effective interest rate method. The Government applied PS 3160 retroactively without restatement of the comparative information and the adoption of this standard did not result in any significant impacts to the 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, 2024, the investment pool had no net overdraft balance (2023 - nil).

The investment pool had an average portfolio yield range for the year of 4.93% - 5.57% (2023 was 0.90% - 4.99%). In 2024, the Government received interest on short-term investments of \$2,570 (2023 - \$1,518).

(b) Investment pool

As at March 31, 2024, the Government's share in the investment pool was a surplus of \$26,530 (2023 - deficit of \$50,708).

The Government's cash position related to the investment pool carried interest at an average rate of 7.08% (2023 - 5.15%).

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, 2024 is \$8,370 (2023 - \$8,084) 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*.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2024

(All figures in thousands of dollars)

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:

	2024 \$	2023 \$
Student loan fund:		
Authorized limit for loans receivable	45,000	45,000
Less: Loans receivable balance	(41,444)	(40,225)
<hr/>		
Funds designated for new loans	3,556	4,775
<hr/>		
Environment Fund:		
Beverage Container Program net assets	9,501	8,808
<hr/>		
Land Titles Assurance Fund:		
Land Titles net assets	6,103	5,656
<hr/>		
Total designated assets in cash and cash equivalents	19,160	19,239
<hr/>		
Designated for repayment of bond	14,205	9,694
<hr/>		
Designated for the Legislative Assembly Supplementary Retiring Allowance Pension Plan	44,220	42,035
<hr/>		
Total designated assets in cash and portfolio investments	58,425	51,729
<hr/>		
Total designated assets	77,585	70,968

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2024

(All figures in thousands of dollars)

5. PORTFOLIO INVESTMENTS

	2024 \$	2023 \$
Cost and amortized Cost	31,147	32,488
Fair valued	21,521	19,241
Total portfolio investments	52,668	51,729

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

	2024 Cost \$	2024 Market Value \$	2023 Cost \$	2023 Market Value \$
Bonds	31,147	27,852	31,660	27,982
Equities not quoted in an active market and other financial instruments	-	-	828	828
	31,147	27,852	32,488	28,810

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

	2024			Total
	Level 1 \$	Level 2 \$	Level 3 \$	\$
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
	2023			Total
	Level 1 \$	Level 2 \$	Level 3 \$	\$
Other instruments designated at fair value				
Interest bearing securities	-	1,600	-	1,600
Equities quoted in an active market				
Pooled investments - Canadian	9,357	-	-	9,357
Pooled investments - Global	8,284	-	-	8,284
	17,641	1,600	-	19,241

Government of the Northwest Territories

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(All figures in thousands of dollars)

6. ACCOUNTS RECEIVABLE

	Accounts Receivable \$	Allowance for Doubtful Accounts \$	Net 2024 \$	Net 2023 \$
General	83,503	(32,135)	51,368	52,435
Government of Nunavut	7,541	-	7,541	12,192
Revolving fund sales	53,051	-	53,051	26,483
Non-renewable resource revenue	6,610	-	6,610	39,791
Workers' Safety Compensation Commission	331	-	331	214
	<hr/>	<hr/>	<hr/>	<hr/>
	151,036	(32,135)	118,901	131,115
Receivables from related parties:				
Divisional Education Councils and District Education Authorities	13,237	-	13,237	8,587
Health and Social Services Authorities	330,736	-	330,736	303,078
Prosper NWT	584	-	584	303
Housing Northwest Territories	4,230	-	4,230	2,717
Tlicho Community Services Agency	10,778	-	10,778	6,120
Northwest Territories Hydro Corporation	5,965	-	5,965	55
Aurora College	3,065	-	3,065	5,755
Inuvialuit Water Board	325	-	325	127
Arctic Energy Alliance	81	-	81	67
NWT Surface Rights Board	7	-	7	-
	<hr/>	<hr/>	<hr/>	<hr/>
	369,008	-	369,008	326,809
	<hr/>	<hr/>	<hr/>	<hr/>
	520,044	(32,135)	487,909	457,924

During the year, no accounts receivable (2023 - \$0) were written off and \$1,053 (2023 - \$1,051) were forgiven.

Government of the Northwest Territories

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(All figures in thousands of dollars)

7. LOANS RECEIVABLE

	2024	2023
	\$	\$
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.	24,377	24,898
Students Loan Fund loans due in installments to 2045, bearing fixed interest between 0.00% and 10.00%, unsecured.	41,444	40,225
Yellowknife Catholic School Board advance, unsecured, repayable in monthly installments of \$10 (2023 - \$10). Interest is calculated monthly based upon the Government's current borrowing rate.	93	205
Northwest Territories Power Corporation loan, unsecured, repayable in semi-annual installments of \$922, bearing fixed interest at 2.265%.	36,599	37,598
	102,513	102,926
Valuation allowance - Student Loan Fund	(16,958)	(16,774)
	85,555	86,152

During the year, \$1,982 in student loans (2023 - \$2,258) was remised with proper authority.

Interest earned on loans receivable during the year is \$2,118 (2023 - \$2,022).

8. SHORT-TERM LOANS

Based upon operational needs, the Government may enter into short term borrowing arrangements with its banks. Short term loans of \$574,189 (2023 - \$432,334) incurred interest at the weighted average year-end rate of 5.31% (2023 - 3.74%). Interest paid is \$20,224 (2023 - \$10,749).

The short-term borrowing limit under the *Appropriation Act* as at March 31, 2024 is \$563,797 (2023 - \$890,000).

Government of the Northwest Territories

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March 31, 2024

(All figures in thousands of dollars)

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
	\$	\$
Trade	354,677	270,287
Government of Nunavut	666	707
Employee and payroll-related liabilities	79,620	81,544
Other liabilities	3,287	2,468
Non-renewable resource sharing	3,186	8,410
Workers' Safety and Compensation Commission (Northwest Territories and Nunavut)	2,941	2,647
	444,377	366,063
Payables to related parties:		
Aurora College	3,512	207
Divisional Education Councils and District Education Authorities	1,002	1,447
Health and Social Services Authorities	6,586	35,292
Prosper NWT	-	5
Housing Northwest Territories	282	449
Northwest Territories Hydro Corporation	1,263	542
Tlicho Community Services Agency	168	806
	12,813	38,748
	457,190	404,811

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2024

(All figures in thousands of dollars)

10. DEFERRED REVENUE

	2023 Balance \$	Increases \$	Decreases \$	2024 Balance \$
Government Transfers:				
Government of Canada	42,548	130,141	(143,995)	28,694
Government of Canada Agencies				
Canadian Northern Economic Development Agency	2,456	571	(990)	2,037
Crown - Indigenous Relations and Northern Affairs				
Canada	21,938	19,131	(14,150)	26,919
Department of National Defence	62,585	30,048	(62,790)	29,843
Environment and Climate Change	-	2,843	(797)	2,046
Health Canada	11,911	26,781	(19,346)	19,346
Infrastructure Canada	1,727	15,675	(8,986)	8,416
Ministry of Finance	3,523	4,660	(3,523)	4,660
Parks Canada	47	41	(33)	55
Public Health Agency of Canada	3,615	416	(475)	3,556
Transport Canada	6,147	5,659	(6,156)	5,650
Bilateral Water Management Agreements	3,031	300	(410)	2,921
Government of Nunavut	362	6	-	368
	159,890	236,272	(261,651)	134,511
Taxation:				
Large emitters carbon tax	7,568	-	-	7,568
Other:				
General	4,495	1,420	(3,651)	2,264
Non-renewable resources	2,922	246	(166)	3,002
Restricted assets (note 4(b))	8,084	5,262	(4,976)	8,370
Ventura	4,800	-	-	4,800
	20,301	6,928	(8,793)	18,436
	187,759	243,200	(270,444)	160,515

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2024

(All figures in thousands of dollars)

11. DUE TO (FROM) THE GOVERNMENT OF CANADA

	2024	2023
	\$	\$
Due from Canada:		
Transfer payments and recoveries receivables	(163,109)	(178,549)
Due to Canada:		
Excess income tax advanced	16,007	37,258
Miscellaneous payables	19,266	27,349
	35,273	64,607
	(127,836)	(113,942)

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 191 (2023 - 191) sites as potentially requiring environmental remediation at March 31.

Type of Site	2023 Liability \$	Change in Estimate \$	Remediation Expenditures \$	2024 Liability \$	Number of Sites
Abandoned mines ⁽¹⁾	13,199	22,998	(3,355)	32,842	8
Landfills ⁽²⁾	6,529	(888)	(1,120)	4,521	31
Abandoned infrastructure and schools ⁽³⁾	14,627	9,733	(1,215)	23,145	78
Airports, airport strips or reserves ⁽⁴⁾	4,194	(1,125)		3,069	25
Sewage lagoons ⁽⁵⁾	1,162	994	(198)	1,958	28
Fuel tanks and resupply lines ⁽³⁾	2,513	(682)	-	1,831	12
Abandoned lots and maintenance facilities ⁽³⁾	7,865	74	(173)	7,766	9
Total environmental liabilities	50,089	31,104	(6,061)	75,132	191

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, 2024 is \$813 (2023 - \$1,116). 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 \$110,486 (2023 - \$65,885) and the weighted average discount rate of 4.92% (2023 - 4.79%). The undiscounted cash flows are expected to be incurred between 1 and 24 years (2023 - 2 and 16 years) and are expected to be settled between 2025 to 2048 (2023 - 2025 and 2039).

No sites were closed or derecognized during the fiscal year (2023 - 15).

12. ENVIRONMENTAL LIABILITIES (continued)

No sites were added during the fiscal year (2023 - 1). No sites were transferred to liabilities for sewage lagoons and solid waste sites (2023 - 3) .

Included in the 191 (2023 - 191) sites, the Government has identified 66 (2023 - 67) 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	2023 Liability \$	Accretion Expense \$	Revisions in Estimated Cash Flows \$	2024 Liability \$
Buildings	85,020	1,809	(8,068)	78,761

The carrying amount of the obligation is based on total expected undiscounted expenditures of \$159,763 (2023 - \$118,642) and the weighted average discount rate of 4.58% (2023 - 3.93%). The undiscounted cash flows are expected to be incurred between 1 to 59 years (2023 - between 1 to 60 years) and are expected to be settled between 2025 to 2084 (2023 - between 2024 to 2083).

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	2023 Liability \$	New Liabilities Incurred \$	Revisions in Estimated Cash Flows \$	2024 Liability \$
Sewage lagoons	2,641	726	(603)	2,764
Solid waste sites	18,854	3,620	(2,699)	19,775
	21,495	4,346	(3,302)	22,539

The carrying amount of the obligation is based on total expected undiscounted expenditures of \$127,869 (2023 - \$127,211) and the weighted average discount rate of 4.58% (2023 - 3.95%). The undiscounted cash flows are expected to be incurred between 2 to 86 years (2023 - 1 to 88 years) and are expected to be settled between 2025 to 2111 (2023 - 2024 to 2111).

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Notes to Non-Consolidated Financial Statements (unaudited)

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(All figures in thousands of dollars)

14. LONG-TERM DEBT

	2024 \$	2023 \$
Mortgage payable to Canada Mortgage and Housing Corporation, repayable in monthly installments of \$7 (2023 - \$7), maturing June 2024, bearing interest at 3.30% (2023 - 3.30%), secured with real property.	22	110
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% (2023 - 3.17%), payable semi-annually, unsecured.	185,021	185,056
Bond, due in September 2051, bearing interest at 2.20% semi-annually (2023 - 2.20%), unsecured.	180,022	180,022
	365,065	365,188
Unamortized discount and issuance costs	(2,333)	(2,405)
Total long-term debt	362,732	362,783

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

	\$
2025	5,306
2026	5,613
2027	5,961
2028	6,328
2029	6,716
Beyond 2029	332,808
	362,732

Interest expense on long-term debt, included in operations and maintenance expenses, is \$14,859 (2023 - \$19,297).

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Notes to Non-Consolidated Financial Statements (unaudited)

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(All figures in thousands of dollars)

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:

	2023 \$	Interest \$	Payments \$	2024 \$	Repayment date \$
Stanton Territorial Hospital Renewal	123,690	6,630	(10,170)	120,150	2049
Mackenzie Valley Fibre Link	67,100	4,400	(7,500)	64,000	2037
Tlicho All Season Road	71,382	4,700	(6,187)	69,895	2047
Total	262,172	15,730	(23,857)	254,045	

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

	\$
2025	8,000
2026	8,044
2027	8,838
2028	9,597
2029	9,815
2030 and beyond	209,751
	254,045

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 \$15,730 (2023 - \$16,220).

(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 2024 were \$12,610 (2023 - \$11,512). 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 2024 were \$4,037 (2023 - \$4,410). 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 were \$5,401 in 2024 (2023 - \$4,504). 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.

March 31, 2024

(All figures in thousands of dollars)

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)

	2024 \$	2023 \$
Accrued benefit asset		
Legislative Assembly Retiring Allowance Plan	(5,718)	(4,434)
Accrued benefit liability		
Judges Pension Plan	658	699
Judges Supplemental Pension Plan	10,862	10,554
Legislative Assembly Supplemental Retiring Allowance Plan	32,390	32,276
	43,910	43,529
Total net (benefit) liability	38,192	39,095

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(All figures in thousands of dollars)

16. PENSIONS (continued)

(c) Change in pension liabilities (assets)

	2024	2024	2024	2024	2024
	Legislative Assembly Retiring Allowance Plan \$	Legislative Assembly Supplemental Retiring Allowance Plan \$	Judges Registered Pension Plan \$	Judges Supplemental Pension Plan \$	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

	2023	2023	2023	2023	2023
	Legislative Assembly Retiring Allowance Plan \$	Legislative Assembly Supplemental Retiring Allowance Plan \$	Judges Registered Pension Plan \$	Judges Supplemental Pension Plan \$	Total \$
Accrued benefit obligation	18,566	30,145	7,858	10,151	66,720
Pension fund assets - market related value	(25,112)	-	(7,681)	-	(32,793)
Unamortized actuarial gains	2,112	2,131	522	403	5,168
Pension liabilities (assets)	(4,434)	32,276	699	10,554	39,095

16. PENSIONS (continued)

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

	2024	2024	2024	2024	2024
	Legislative Assembly Retiring Allowance Plan \$	Legislative Assembly Supplemental Retiring Allowance Plan \$	Judges Registered Pension Plan \$	Judges Supplemental Pension Plan \$	Total \$
Opening balance	(4,434)	32,276	699	10,554	39,095
Change to pension liabilities (assets) 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 liabilities (assets) from accrual items:					
Current period benefit cost	768	780	279	487	2,314
Amortization of actuarial gains	(645)	(584)	(159)	(111)	(1,499)
Interest on average accrued benefit obligation	950	1,565	365	476	3,356
Expected return on average 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)

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

	2023	2023	2023	2023	2023
	Legislative Assembly Retiring Allowance Plan \$	Legislative Assembly Supplemental Retiring Allowance Plan \$	Judges Registered Pension Plan \$	Judges Supplemental Pension Plan \$	Total \$
Opening balance	(3,916)	31,367	1,028	10,264	38,743
Change to pension liability (asset) from cash items:					
Contributions from plan members	(226)	-	(76)	-	(302)
Contributions from Government	(856)	-	(98)	-	(954)
Benefit payment to plan members	(1,188)	(1,542)	(380)	(377)	(3,487)
Drawdown from plan assets	1,188	-	380	-	1,568
Net change to pension assets from cash items	(1,082)	(1,542)	(174)	(377)	(3,175)
Change to pension liability (asset) from accrual items:					
Current period benefit cost	868	897	249	434	2,448
Amortization of actuarial (gains) losses	(146)	112	(411)	(221)	(666)
Interest on average accrued benefit obligation	890	1,442	356	454	3,142
Expected return on plan assets	(1,048)	-	(349)	-	(1,397)
Net change to pension liabilities from accrual items	564	2,451	(155)	667	3,527
Ending balance	(4,434)	32,276	699	10,554	39,095

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 \$2,239 (2023 - \$3,407). 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 loss of \$5,773 (2023 - \$6,919).

In addition to the above, the Government contributed \$32,494 (2023 - \$34,570) to the Public Service Superannuation Plan. The employees' contributions to this plan were \$31,116 (2023 - \$32,265).

(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 2024 (no changes in 2023).

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, 2020	January 31, 2024	April 1, 2024
Judges Registered Plan	April 1, 2022	January 1, 2024	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 \$23,921 (2023 - \$23,123). The asset valuation method for the Judges' plans is market value. The market value of the Judges' regular plan is \$8,475 (2023 - \$7,622).

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 3.5 years (2023 - 4.5 years) for the MLA's plans and 3.1 years (2023 - 4.1 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 11, 2022 and 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 of the benefits under the Compensated Absences and Termination Benefits for the Government.

	Severance and Removal \$	Compensated Absences \$	2024 \$	2023 \$
Changes in Obligation				
Accrued benefit obligations, beginning of year	15,892	4,525	20,417	21,749
Benefits earned	854	347	1,201	1,265
Interest	759	225	984	893
Benefits paid	(1,831)	(363)	(2,194)	(3,421)
Plan amendments	-	-	-	-
Actuarial (gains)/losses	(511)	(191)	(702)	(69)
Accrued benefit obligations, end of year	15,163	4,543	19,706	20,417
Unamortized net actuarial gain/(loss)	(2,420)	(2,116)	(4,536)	(5,743)
Net future liability	12,743	2,427	15,170	14,674
Other employee future benefits	4,306	-	4,306	5,022
Other compensated absences	-	1,096	1,096	1,565
Total other employee future benefits and compensated absences	17,049	3,523	20,572	21,261

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2024

(All figures in thousands of dollars)

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

	Severance and Removal \$	Compensated Absences \$	2024 \$	2023 \$
Benefits Expense				
Benefits earned	854	347	1,201	1,265
Implicit interest	759	225	984	893
Amortization of actuarial (gain)/loss	(129)	634	505	512
	1,484	1,206	2,690	2,670

The discount rate used to determine the accrued benefit obligation is 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	2,028	402	2,430
2026	1,911	404	2,315
2027	1,855	436	2,291
2028	1,778	459	2,237
2029	1,709	495	2,204
	9,281	2,196	11,477

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 (2023 - \$3,000).

	2024 \$	2023 \$
Deficit at beginning of the year	(2,362)	(2,722)
Add: Petroleum Products Stabilization Fund Net profit for the year	312	360
Deficit at end of the year	(2,050)	(2,362)

19. TRUST ASSETS UNDER ADMINISTRATION

The Government administers trust assets of \$117,814 (2023 - \$75,379) 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 \$794,689 (2023 - \$766,566). The majority of these guarantees are held against land use permits, environmental agreements and and water licenses issued to regulate the use of water and the deposit of waste.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2024

(All figures in thousands of dollars)

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, 2024:

	Expiry Date	2025 \$	2026 \$	2027 \$	2028 \$	2029 \$	2030+ \$	Total \$
Operational commitments	2048	235,537	121,600	56,803	8,752	1,048	4,185	427,925
RCMP policing agreement	2032	61,239	61,569	62,052	62,166	62,283	187,595	496,904
Commercial leases	2052	23,833	18,596	15,035	12,906	11,154	142,623	224,147
Equipment leases	2029	421	306	186	72	3	-	988
TCAs in progress at year end	2031	87,528	11,263	4,822	1,605	619	458	106,295
P3 Operational commitments	2049	20,565	21,307	21,257	21,765	22,561	459,349	566,804
		429,123	234,641	160,155	107,266	97,668	794,210	1,823,063

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 (2023 - 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 \$251 for the fiscal year ended 2024 (2023 - \$590). 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, 2024:

	Expiry Date	2025 \$	2026 \$	2027 \$	2028 \$	2029 \$	2030+ \$	Total \$
Transfer Payments	2034	343,783	223,518	143,553	68,900	24,240	68,633	872,627
Regulatory Revenue	2027	2,512	1,799	1,259	-	-	-	5,570
Lease Revenue	2052	4,830	4,721	3,566	3,274	3,207	28,618	48,216
Licence Revenue	2051	547	305	190	128	106	286	1,562
Other	2039	5,365	455	455	403	247	261	7,186
		357,037	230,798	149,023	72,705	27,800	97,798	935,161

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Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2024

(All figures in thousands of dollars)

21. GUARANTEES AND CONTINGENCIES

(a) Guarantees

The Government is contingently liable for the following guarantees:

	2024
	\$
Debentures issued by the Northwest Territories Power Corporation:	
maturing July 11, 2025	15,000
maturing August 1, 2028	25,000
maturing December 18, 2032	6,000
maturing December 15, 2034	25,000
maturing September 13, 2040	37,117
maturing February 17, 2047	51,575
maturing November 25, 2052	25,000
maturing April 14, 2053	75,000
Guaranteed residential housing loans of Housing Northwest Territories	151

Total Guarantees	259,843
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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 \$2,226 (2023 - \$3,320) 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 \$105,047 (2023 - \$81,828). 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, 2024.

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

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2024

(All figures in thousands of dollars)

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 ² \$	Other ³ \$	2024 \$	2023 \$
Non-renewable resource revenue					
Minerals, oil and gas royalties	(2,587)	-	-	(2,587)	35,356
Licenses, rental and other fees	3,078	-	-	3,078	2,599
Quarry fees	65	-	-	65	82
	556	-	-	556	38,037
General					
Other	32,240	-	-	32,240	33,531
Lease	4,674	-	-	4,674	4,579
Interest revenue	-	-	1,708	1,708	2,518
Gains on disposition of assets	1	-	-	1	221
Revolving Funds net revenue	23,227	-	2,205	25,432	26,190
Regulatory revenue	27,551	1,064	-	28,615	28,873
Investment income	-	-	6,866	6,866	2,662
Grants in kind	-	-	336	336	73
	87,693	1,064	11,115	99,872	98,647

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

Unsatisfied or partially satisfied performance obligations

Unsatisfied or partially satisfied performance obligations existing as at March 31, 2024 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 \$2,264 and \$3,002 as at March 31, 2024 (*note 10*).

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2024

(All figures in thousands of dollars)

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:

	2024	2023
	\$	\$
Arctic Energy Alliance	7,819	3,117
Aurora College	45,944	39,444
Inuvialuit Water Board	839	714
Divisional Education Councils and District Education Authorities	159,792	165,730
Health and Social Services Authorities	447,447	426,726
Northwest Territories Hydro Corporation	31,010	17,479
Tlicho Community Services Agency	41,963	40,672
Prosper NWT	2,072	2,102
Northwest Territories Heritage Fund	3,163	5,025
Housing Northwest Territories	86,057	85,499
Northwest Territories Human Rights Commission	181	180
Northwest Territories Surface Rights Board	349	328
Status of Women Council of the Northwest Territories	524	469
	827,160	787,485

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, and due from the Government of Canada.

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.

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	8,629	3,220	35,479	47,328

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, 2024 is as follows:

	\$
Cash and cash equivalents	26,530
Portfolio investments, excluding equities	32,747
Due from the Government of Canada	163,109
Accounts receivable	487,909
Loans receivable	85,555

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 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 \$3,821 (2023 - \$2,776).

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	574,189	-	-	574,189
Accounts payable and accrued liabilities	457,190	-	-	457,190
Due to the Government of Canada	35,273	-	-	35,273
Long term debt	15,150	63,328	486,820	565,298
Liabilities under Public Private Partnerships	23,168	92,183	335,016	450,367
Total	1,104,970	155,511	821,836	2,082,317

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, 1 department (2023 - 0) exceeded their operations vote and 1 department (2023 - 0) 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 Executive and Indigenous Affairs (operations)	\$1,903
Department of Legislative Assembly (capital)	\$212

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."

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, 2024

(thousands of dollars)

	2024 Main Estimates (Note 1(b)) \$	2024 Actual \$	2023 Actual \$
Revenue from the Government of Canada			
Grant	1,610,836	1,610,836	1,519,233
Transfer payments	382,010	546,100	481,667
	1,992,846	2,156,936	2,000,900
Taxation			
Corporate income tax	39,611	76,775	48,468
Personal income tax	117,887	124,297	128,570
	157,498	201,072	177,038
Other taxes			
Cannabis	1,040	1,049	978
Carbon tax	62,723	33,595	16,299
Fuel	20,083	20,716	20,450
Tobacco	16,354	11,723	14,387
Payroll	50,131	51,477	47,522
Property	29,247	27,296	27,012
Insurance	5,500	7,132	6,834
	185,078	152,988	133,482
Non-renewable resource revenue			
Minerals, oil and gas royalties	56,868	(2,587)	35,356
Licenses, rental and other fees	4,016	3,078	2,599
Quarry fees	205	65	82
	61,089	556	38,037
General			
Sundry and other	26,966	32,240	33,531
Lease	4,622	4,674	4,579
Interest revenue	1,319	1,708	2,518
Gains on disposition of assets	-	1	221
Revolving Funds net revenue	26,770	25,432	26,190
Regulatory revenue	25,303	28,615	28,873
Investment income	400	6,866	2,662
Grants in kind	-	336	73
	85,380	99,872	98,647
Total Revenues	2,481,891	2,611,424	2,448,104

Government of the Northwest Territories

Non-Consolidated Schedule of Expenses (unaudited)

Schedule B

for the year ended March 31, 2024

(thousands of dollars)

	Main Estimates (note 1b) \$	Compensation and Benefits \$	Grants and Contributions* \$	Valuation Allowances \$	Other \$	Amortization \$	2024 Total Expenses \$	2023 Total Expenses \$
Legislative Assembly	27,655	17,574	181	-	7,680	641	26,076	25,302
Executive and Indigenous Affairs	21,994	19,440	3,844	-	3,833	-	27,117	22,405
Finance	337,534	97,153	164,113	1,325	109,450	7,343	379,384	341,458
Municipal and Community Affairs	214,681	19,410	160,162	593	119,060	51	299,276	245,138
Infrastructure	343,583	66,733	38,212	43	170,328	70,570	345,886	314,397
Health and Social Services	610,276	30,120	490,981	(16)	181,450	20,940	723,475	659,432
Justice	145,613	64,326	5,534	11	73,138	3,449	146,458	147,072
Education, Culture and Employment	385,780	39,430	280,132	3,462	50,315	15,398	388,737	383,183
Environment and Climate Change	124,309	67,729	16,370	168	153,725	3,846	241,838	136,341
Industry, Tourism and Investment	61,476	25,768	21,994	352	15,064	2,313	65,491	60,667
	2,272,901	447,683	1,181,523	5,938	884,043	124,551	2,643,738	
Prior Year Totals	2,142,005	438,698	1,108,900	4,778	657,766	125,253		2,335,395

* 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.

As at March 31, 2024

(thousands of dollars)

	Land ⁴ \$	Buildings and Leasehold Improvements ¹ \$	Infrastructure and Other ² \$	Roads and Bridges \$	Equipment ^{1,3} \$	Computers \$	Work in Progress \$	2024 \$	2023 \$
Cost of tangible capital assets									
Opening balance	5,859	1,724,809	369,343	2,076,939	287,039	143,819	252,645	4,860,453	4,720,471
Transfers	-	7,305	509	37,241	16,683	6,403	(68,141)	-	-
Acquisitions	-	-	-	-	-	-	175,449	175,449	220,899
Revaluation of asset retirement obligations	-	(3,762)	-	-	-	-	-	(3,762)	(3,795)
Write-downs	-	(4,151)	(343)	-	(5,744)	-	-	(10,238)	(13,023)
Disposals	-	(1,260)	-	(1,095)	(293)	(1,998)	-	(4,646)	(64,099)
Closing balance	5,859	1,722,941	369,509	2,113,085	297,685	148,224	359,953	5,017,256	4,860,453
Accumulated amortization									
Opening balance	-	(728,952)	(159,631)	(707,041)	(141,114)	(117,437)	-	(1,854,175)	(1,800,835)
Amortization expense	-	(42,389)	(10,635)	(57,431)	(16,108)	(5,041)	-	(131,604)	(130,421)
Write-downs	-	4,151	343	-	5,744	-	-	10,238	13,023
Disposals	-	2,498	-	1,095	167	1,998	-	5,758	64,058
Closing balance	-	(764,692)	(169,923)	(763,377)	(151,311)	(120,480)	-	(1,969,783)	(1,854,175)
Net book value	5,859	958,249	199,586	1,349,708	146,374	27,744	359,953	3,047,473	3,006,278

¹ Included in buildings, leasehold improvements and equipment are assets under capital leases: cost, \$3,910 (2023 - \$3,910); accumulated amortization, \$2,354 (2023 - \$2,256); net book value, \$1,556 (2023 - \$1,654).

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 \$2,575 (2023 - \$240) was contributed to third parties.

Change in net book value of tangible capital assets	2024 \$	2023 \$
Assets transferred from work in progress	68,141	134,583
Disposals/write-downs/adjustments	(2,651)	(3,836)
Amortization	(131,604)	(130,421)
Increase (decrease) in work in progress	107,308	86,316
Increase	41,194	86,642

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1

for the year ended March 31, 2024

(thousands of dollars)

	Main Estimates \$	Projects on Behalf of Others \$	Increases (Decreases) \$	Revised Estimates \$	Actual Revenues \$	Over (Under) Budget \$
Legislative Assembly						
Service and miscellaneous	10	-	-	10	8	(2)
Lease	10	-	-	10	15	5
Regulatory revenue	-	-	-	-	19	19
Investment income	-	-	-	-	6,866	6,866
	20	-	-	20	6,908	6,888
Executive and Indigenous Affairs						
Transfer Payments						
Federal cost shared	-	-	-	-	3,883	3,883
General Revenue						
Regulatory revenue	-	975	-	975	-	(975)
Service and miscellaneous	-	-	-	-	2	2
	-	975	-	975	3,885	2,910
Industry, Tourism and Investment						
Transfer Payments						
Federal cost shared	732	75	1,686	2,493	4,245	1,752
Non-renewable Resources Revenue						
Licences, rental, and other fees	4,016	-	-	4,016	3,035	(981)
Minerals, oil and gas royalties	56,868	-	-	56,868	(2,587)	(59,455)
	60,884	-	-	60,884	448	(60,436)
General Revenues						
Regulatory revenue	846	-	-	846	2,054	1,208
Programs	323	-	-	323	741	418
Salary recoveries	-	-	127	127	-	(127)
	1,169	-	127	1,296	2,795	1,499
	62,785	75	1,813	64,673	7,488	(57,185)

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1 (continued)

for the year ended March 31, 2024

(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	6,513	4,828	14,939	26,280	22,709	(3,571)
Capital transfers	-	-	-	-	2,153	2,153
	6,513	4,828	14,939	26,280	24,862	(1,418)
Non-renewable Resource Revenue						
Licences, rental, and other fees	55	-	-	55	43	(12)
Quarry Royalties	150	-	-	150	65	(85)
	205	-	-	205	108	(97)
General Revenue						
Program	-	-	-	-	1,187	1,187
Regulatory revenue	1,124	-	633	1,757	2,342	585
Service and miscellaneous	2,032	-	-	2,032	682	(1,350)
Lease	3,066	-	-	3,066	3,170	104
	6,222	-	633	6,855	7,381	526
	12,940	4,828	15,572	33,340	32,351	(989)

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1 (continued)

for the year ended March 31, 2024

(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	1,610,836	-	-	1,610,836	1,610,836	-
Transfer Payments						
Federal cost shared	9,554	-	-	9,554	772	(8,782)
Canada Health Transfer	56,953	-	-	56,953	56,741	(212)
Canada Social Transfer	18,918	-	-	18,918	18,047	(871)
	85,425	-	-	85,425	75,560	(9,865)
Taxation						
Corporate	39,611	-	-	39,611	76,775	37,164
Personal	117,887	-	-	117,887	124,297	6,410
Fuel	20,083	-	-	20,083	20,716	633
Tobacco	16,354	-	-	16,354	11,723	(4,631)
Cannabis	1,040	-	-	1,040	1,049	9
Carbon	62,723	-	-	62,723	33,595	(29,128)
Payroll	50,131	-	-	50,131	51,477	1,346
Property	29,247	-	-	29,247	27,296	(1,951)
Insurance	5,500	-	-	5,500	7,132	1,632
	342,576	-	-	342,576	354,060	11,484
General Revenues						
Service and miscellaneous	2,000	-	-	2,000	2,173	173
Program	60	-	-	60	808	748
Revolving fund net revenue	25,900	-	(2,682)	23,218	23,227	9
Interest income	400	-	-	400	45	(355)
Regulatory revenue	600	-	-	600	832	232
	28,960	-	(2,682)	26,278	27,085	807
	2,067,797	-	(2,682)	2,065,115	2,067,541	2,426
Municipal and Community Affairs						
Transfer Payments						
Federal cost shared	36,860	18,055	-	54,915	134,496	79,581
General Revenues						
Regulatory revenue	1,269	-	-	1,269	1,124	(145)
Service and miscellaneous	6	-	-	6	(2,231)	(2,237)
	1,275	-	-	1,275	(1,107)	(2,382)
	38,135	18,055	-	56,190	133,389	77,199

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1 (continued)

for the year ended March 31, 2024

(thousands of dollars)

	Main Estimates \$	Projects on Behalf of Others \$	Increases (Decreases) \$	Revised Estimates \$	Actual Revenues \$	Over(Under) Estimates \$
Justice						
Transfer Payments						
Federal cost shared	8,562	-	317	8,879	10,973	2,094
General Revenue						
Service and miscellaneous	-	-	-	-	1	1
Program	1,452	270	-	1,722	1,462	(260)
Regulatory revenue	7,517	-	-	7,517	8,034	517
	8,969	270	-	9,239	9,497	258
	17,531	270	317	18,118	20,470	2,352

Infrastructure

Transfer Payments						
Federal cost shared	119,498	74	(8,253)	111,319	48,434	(62,885)
Capital transfers	26,766	-	47,184	73,950	66,013	(7,937)
	146,264	74	38,931	185,269	114,447	(70,822)
General Revenues						
Service and miscellaneous	3,750	-	(759)	2,991	3,479	488
Lease	1,546	-	-	1,546	1,489	(57)
Program	1,426	-	7,577	9,003	7,564	(1,439)
Interest revenue	979	-	-	979	1,327	348
Regulatory revenue	13,200	-	-	13,200	13,684	484
Revolving funds net revenue	870	-	-	870	2,205	1,335
	21,771	-	6,818	28,589	29,748	1,159
	168,035	74	45,749	213,858	144,195	(69,663)

Health and Social Services

Transfer Payments						
Federal cost shared	54,061	16,266	23,694	94,021	123,921	29,900
Capital transfers	-	-	225	225	5,623	5,398
	54,061	16,266	23,919	94,246	129,544	35,298
General Revenues						
Program	15,900	-	-	15,900	16,349	449
Grants in kind	-	-	-	-	336	336
Regulatory revenue	415	-	-	415	451	36
	16,315	-	-	16,315	17,136	821
	70,376	16,266	23,919	110,561	146,680	36,119

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1 (continued)

for the year ended March 31, 2024

(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	43,893	129	5,911	49,933	48,090	(1,843)
General Revenue						
Service and miscellaneous	7	-	-	7	16	9
Interest income	340	-	-	340	336	(4)
Regulatory revenue	32	-	-	32	75	43
	379	-	-	379	427	48
	44,272	129	5,911	50,312	48,517	(1,795)
<hr/>						
Total revenues by department	2,481,891	40,672	90,599	2,613,162	2,611,424	(1,738)

Government of the Northwest Territories

Non-Consolidated Schedule of Expenses by Department (unaudited)

Schedule 2

for the year ended March 31, 2024

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Operating Fund Expenses* \$	Under(Over) Appropriation \$
Legislative Assembly						
Office of the Clerk	10,081	26	-	10,107	11,283	(1,176)
Expenses on Behalf of Members	10,930	-	-	10,930	9,025	1,905
Office of the Chief Electoral Officer	1,973	-	-	1,973	1,663	310
Statutory Offices	4,126	-	-	4,126	3,690	436
Office of the Speaker	545	-	-	545	415	130
	27,655	26	-	27,681	26,076	1,605
Executive and Indigenous Affairs						
Executive Council Offices	4,176	-	-	4,176	4,985	(809)
Directorate	6,501	2,511	-	9,012	9,690	(678)
Cabinet Support	2,290	-	-	2,290	2,409	(119)
Indigenous and Intergovernmental Affairs	7,515	-	-	7,515	7,764	(249)
Corporate Communications	1,512	-	-	1,512	1,560	(48)
	21,994	2,511	-	24,505	26,408	(1,903)
Industry, Tourism and Investment						
Economic Diversification and Business Support	18,959	4,237	-	23,196	23,067	129
Corporate Management	9,253	89	-	9,342	8,955	387
Tourism and Parks	16,795	-	-	16,795	16,887	(92)
Minerals and Petroleum Resources	16,469	127	-	16,596	16,581	15
	61,476	4,453	-	65,929	65,490	439

* 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 Expenses by Department (unaudited)

Schedule 2 (continued)

For the year ended March 31, 2024

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Operating Fund Expenses* \$	Under(Over) Appropriation \$
Environment and Climate Change						
Policy and Strategic Planning	13,058	4,301	-	17,359	13,299	4,060
Wildlife and Forest Management	60,608	106,501	-	167,109	170,350	(3,241)
Corporate Management	11,789	219	-	12,008	12,987	(979)
Regional Operations	7,708	-	-	7,708	5,968	1,740
Environmental Stewardship and Climate Change	20,388	4,773	-	25,161	23,839	1,322
Regulatory Assessments and Authorizations	10,758	-	-	10,758	9,880	878
	124,309	115,794	-	240,103	236,323	3,780
Finance						
Directorate	89,303	23,834	-	113,137	119,210	(6,073)
Management Board Secretariat	110,692	-	-	110,692	63,507	47,185
Office of the Comptroller General	93,016	26,000	-	119,016	153,507	(34,491)
Office of the Chief Information Officer	21,834	-	-	21,834	21,519	315
Human Resources	22,689	-	-	22,689	21,641	1,048
	337,534	49,834	-	387,368	379,384	7,984
Municipal and Community Affairs						
Regional Operations	129,990	-	-	129,990	128,293	1,697
Community Operations	2,233	66,333	-	68,566	17,118	51,448
Directorate	66,463	103,603	-	170,066	123,414	46,652
School of Community Government	2,865	-	-	2,865	1,908	957
Community Governance	2,136	-	-	2,136	1,916	220
Sport, Recreation and Youth	8,459	894	-	9,353	9,029	324
Public Safety	2,535	400	-	2,935	3,145	(210)
	214,681	171,230	-	385,911	284,823	101,088

* 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 Expenses by Department (unaudited)

Schedule 2 (continued)

for the year ended March 31, 2024

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Operating Fund Expenses* \$	Under(Over) Appropriation \$
Justice						
Corrections	39,344	-	-	39,344	39,020	324
Policing Services	56,011	2,383	-	58,394	56,731	1,663
Court Services	15,321	300	-	15,621	15,485	136
Services to Government	13,446	979	-	14,425	13,829	596
Legal Aid Services	7,991	1,072	-	9,063	7,937	1,126
Services to the Public	5,859	-	-	5,859	5,063	796
Community Justice	6,411	1,180	-	7,591	7,292	299
Office of the Regulator of Oil and Gas Operations	1,230	-	-	1,230	840	390
	145,613	5,914	-	151,527	146,197	5,330
Health and Social Services						
Administration and Support Services	54,550	5,600	528	60,678	60,843	(165)
Health and Social Programs	368,795	28,712	2,123	399,630	393,925	5,705
Long Term and Continuing Care Services	67,960	10,458	766	79,184	74,122	5,062
Out of Territory Services	83,650	16,085	(3,417)	96,318	99,817	(3,499)
Supplementary Health Benefits	35,321	5,616	-	40,937	46,756	(5,819)
COVID Secretariat	-	-	-	-	14	(14)
	610,276	66,471	-	676,747	675,477	1,270
Education, Culture and Employment						
Corporate Management	10,982	1,875	(89)	12,768	12,617	151
Culture, Heritage and Languages	21,306	200	4	21,510	21,207	303
Early Learning and Child Care	22,969	-	(12)	22,957	20,182	2,775
Income Security	66,723	-	(3)	66,720	59,501	7,219
Labour Development and Advanced Education	63,606	8,181	(23)	71,764	69,360	2,404
Junior Kindergarten to Grade 12 School Services	200,194	759	123	201,076	205,733	(4,657)
	385,780	11,015	-	396,795	388,600	8,195

* 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 Expenses by Department (unaudited)

Schedule 2 (continued)

for the year ended March 31, 2024

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Operating Fund Expenses* \$	Under(Over) Appropriation \$
Infrastructure						
Corporate Management	7,989	745	-	8,734	10,242	(1,508)
Asset Management	19,946	6,295	(8,127)	18,114	23,979	(5,865)
Programs and Services	17,836	22,527	(10)	40,353	32,407	7,946
Regional Operations	248,478	-	-	248,478	251,819	(3,341)
Energy and Strategic Initiatives	49,334	(16,950)	8,137	40,521	27,428	13,093
	343,583	12,617	-	356,200	345,875	10,325
Total expenses by department	2,272,901	439,865	-	2,712,766	2,574,653	138,113

* 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, 2024

(thousands of dollars)

DEPARTMENT	Over-Accruals \$	Other Recoveries \$	Total \$
Legislative Assembly	-	555	555
Executive and Indigenous Affairs	-	2	2
Finance	492	11,944	12,436
Municipal and Community Affairs	-	324	324
Infrastructure	890	565	1,455
Health and Social Services	1,902	828	2,730
Justice	296	562	858
Education, Culture and Employment	1,561	3,513	5,074
Environment and Climate Change	156	372	528
Industry, Tourism and Investment	385	58	443
	5,682	18,723	24,405

DEPARTMENT	Main Estimates* \$	Supplementary Estimates \$	Total Appropriation \$	Actual Expenditure \$
Legislative Assembly	506	59	565	777
Finance	16,118	12,585	28,703	4,991
Municipal and Community Affairs	160	-	160	80
Infrastructure	159,122	61,793	220,915	133,087
Health and Social Services	33,616	1,833	35,449	14,333
Justice	1,480	1,321	2,801	915
Education, Culture and Employment	5,285	15,159	20,444	8,191
Environment and Climate Change	2,297	6,204	8,501	5,833
Industry, Tourism and Investment	3,078	6,304	9,382	5,768
	221,662	105,258	326,920	173,975

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.

* \$4,103 of the budget associated with Infrastructure Investment classified as non-capital in nature has been transferred to operations.

for the year ended March 31, 2024

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Executive and Indigenous Affairs						
Aboriginal Intergovernmental Meetings						
Fund	300	-	-	300	616	(316)
Annual General Assembly	-	-	-	-	16	(16)
Arctic Inspiration Prize	100	-	-	100	100	-
Core Funding to Métis Locals	225	-	-	225	225	-
Gender Equity Grant	50	-	-	50	25	25
Northern Premier's Forum	-	-	-	-	5	(5)
Special Events - Indigenous Organizations	50	-	-	50	76	(26)
Women's Initiatives	50	-	-	50	65	(15)
	775	-	-	775	1,128	(353)
Infrastructure						
Deh Cho Bridge Opportunities	200	-	-	200	200	-
Fuel Services Division Grant	-	-	-	-	950	(950)
Marine Transportation Grant	-	14,400	-	14,400	14,253	147
	200	14,400	-	14,600	15,403	(803)
Finance						
Aviation Sector Support	-	-	-	-	60	(60)
Carbon Tax Offset	47,175	-	-	47,175	17,989	29,186
Cost of Living Tax Credit	22,150	-	-	22,150	22,299	(149)
Evacuation Income Support Program	-	-	-	-	3,684	(3,684)
Evacuation Travel Support Program	-	6,000	-	6,000	6,110	(110)
Kristine McLeod Emerging Indigenous Leader Award	-	-	-	-	5	(5)
NWT Child Benefit	2,200	-	-	2,200	1,999	201
United Way NWT - Fire Relief	-	-	-	-	400	(400)
	71,525	6,000	-	77,525	52,546	24,979

for the year ended March 31, 2024

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Municipal and Community Affairs						
Community Government Funding	49,853	-	-	49,853	51,908	(2,055)
Community Mandate Funding	5,000	-	-	5,000	2,711	2,289
Deline Self-Government	3,699	-	-	3,699	3,699	-
Designated Authority Additional Funding	624	-	-	624	624	-
Grant-in-Lieu of Taxes	14,650	-	-	14,650	13,905	745
High Performance Athlete Grant	100	-	-	100	73	27
New Deal Taxation Revenue Program	565	-	-	565	609	(44)
Senior Citizens and Disabled Persons Property Tax Relief	1,232	-	-	1,232	1,166	66
	75,723	-	-	75,723	74,695	1,028
Environment and Climate Change						
Disaster Compensation	225	-	-	225	580	(355)
Fire Damage Compensation	100	-	-	100	583	(483)
Fur Price Program	605	-	(200)	405	196	209
Landscape-level Restoration in Boreal	-	75	-	75	-	75
	930	75	(200)	805	1,359	(554)
Health and Social Services						
Anti-Poverty Fund	94	-	-	94	94	-
First Nations and Inuit Home and Community Care Initiatives	-	9	-	9	9	-
Healthy Promotion Strategic Fund	-	-	172	172	172	-
Medical Professional Development	41	-	-	41	41	-
Northern Wellness Initiatives	-	10	-	10	10	-
	135	19	172	326	326	-
Justice						
National Justice Issues	9	-	-	9	10	(1)

for the year ended March 31, 2024

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Education, Culture and Employment						
Arts and Indigenous Organization Grant	-	130	-	130	-	130
Early Childhood Program Grants	105	-	-	105	43	62
Early Childhood Program Operator Subsidy	4,853	-	-	4,853	4,798	55
Early Childhood Scholarship	150	-	-	150	130	20
Early Childhood Worker Grant						
French Language Broadcasting	10	-	-	10	10	-
Indigenous Languages Broadcasting	150	-	-	150	150	-
Indigenous Scholarships	80	-	-	80	55	25
Labour Market Development Agreement	1,568	256	-	1,824	1,788	36
NWT Arts Council	700	-	-	700	645	55
Senior Home Heating Subsidy	2,192	-	518	2,710	2,563	147
Student Financial Assistance	13,534	-	-	13,534	12,879	655
Supporting Child Inclusion and Participation	-	-	82	82	36	46
Support to Northern Performers	101	-	-	101	88	13
Thank You for Making a Difference	-	-	30	30	30	-
Trades and Occupations Wage Subsidy	1,072	-	-	1,072	947	125
Workforce Development Agreement	931	425	-	1,356	685	671
	25,446	811	630	26,887	24,847	2,040
Total	174,743	21,305	602	196,650	170,314	26,336

Land with cost and net book value of \$0, market value \$2,576 (2023 - \$240) was contributed to third parties.

for the year ended March 31, 2024

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Legislative Assembly						
Human Rights Commission Core Funding	180	-	-	180	181	(1)
Executive and Indigenous Affairs						
National Action Plan to End Gender Based Violence	-	1,681	-	1,681	1,675	6
Native Women's Association	476	-	-	476	476	-
Self-Government Agreements	-	-	-	-	121	(121)
Status of Women Council	444	-	-	444	444	-
	920	1,681	-	2,601	2,716	(115)
Finance						
Net Fiscal Benefit Transfer to Aboriginal Parties	10,100	-	-	10,100	70	10,030
Northwest Territories Heritage Fund	7,600	-	-	7,600	3,163	4,437
Housing Northwest Territories Core Funding	82,469	2,232	-	84,701	84,701	-
Social Justice Fund	145	-	-	145	-	145
Territorial Power Subsidy Program	7,153	-	-	7,153	8,433	(1,280)
Northwest Territories Power Corporation Rate Stabilization	-	15,200	-	15,200	15,200	-
	107,467	17,432	-	124,899	111,567	13,332

for the year ended March 31, 2024

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Municipal and Community Affairs						
A Brilliant North	565	-	-	565	40	525
Annual Non-Government Organization						
Stabilization Fund	700	-	-	700	748	(48)
Canadian Sport Policy Implementation	272	394	-	666	909	(243)
Children and Youth Resiliency Program	450	-	-	450	393	57
Community Governments:						
Assistance	-	-	-	-	68	(68)
Capital Formula Funding	29,000	66,333	-	95,333	43,874	51,459
Community Financial Services	135	-	-	135	3	132
Recreation Funding	1,275	-	-	1,275	1,216	59
Water and Sewer Services Funding	19,887	-	-	19,887	20,240	(353)
Get Active NWT	100	-	-	100	100	-
Ground Ambulance and Highway Rescue	185	400	-	585	585	-
Healthy Choices Initiative	765	-	-	765	715	50
Partners Contribution - Assessment						
Services	125	-	-	125	125	-
Partners Contributions	460	-	-	460	460	-
Regional Youth Sport Events	400	250	-	650	625	25
Volunteer Contributions	70	-	-	70	28	42
Volunteer Recognition	30	-	-	30	13	17
Youth Centres	500	-	-	500	486	14
Youth Contribution Programs	225	-	-	225	172	53
Youth Corps - Regional Operations	1,175	-	-	1,175	815	360
	56,319	67,377	-	123,696	71,615	52,081

for the year ended March 31, 2024

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Health and Social Services						
Anti-Poverty Fund	1,656	-	-	1,656	1,624	32
Child and Family Services	222	-	-	222	250	(28)
Community Based Suicide Prevention	225	570	-	795	424	371
Community Based Wellness and Addictions Recovery Support Fund	-	-	3,055	3,055	1,613	1,442
Disabilities Fund	229	-	(2)	227	261	(34)
Early Childhood Development	349	-	-	349	256	93
Family Violence Prevention	404	982	-	1,386	645	741
First Nations and Inuit Home and Community Care Fund	-	383	-	383	253	130
French Language Services	970	-	-	970	984	(14)
Health and Social Services Authority Funding	424,600	39,536	102	464,238	465,215	(977)
Health Promotion Strategic Fund	-	-	416	416	233	183
Healthy Choices Fund	1,036	-	(618)	418	373	45
Healthy Family Program	292	-	-	292	292	-
Infrastructure Contributions:						
Avens Pavilion Laundry and Kitchen Facilities	-	-	2,555	2,555	2,555	-
Mental Wellness and Addictions Recovery and After Care Fund	1,050	-	(1,050)	-	-	-
Mental Wellness and Addictions Recovery Capacity Building Fund	100	-	-	100	103	(3)
Mental Wellness and Addictions Recovery Fund	102	-	23	125	144	(19)
Mental Wellness and Addictions Recovery Peer Support Fund	180	-	(180)	-	-	-
Northern Wellness Initiatives	6,000	4,452	-	10,452	11,625	(1,173)
On the Land Healing Fund	1,825	-	(1,825)	-	-	-
Respite Fund	480	-	-	480	500	(20)
Seniors Fund	310	-	-	310	211	99
Sexual Health Initiatives	-	-	-	-	5	(5)
Substance Use and Addictions Program	-	-	-	-	1,418	(1,418)
Supportive Care Initiative Fund	-	-	-	-	1,573	(1,573)
Tlicho Cultural Coordinator	35	-	-	35	-	35
Waste Water Surveillance	-	240	-	240	47	193
	440,065	46,163	2,476	488,704	490,604	(1,900)

for the year ended March 31, 2024

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Environment and Climate Change						
Adaptation Plan	25	-	-	25	20	5
Barren Ground Caribou - Drivers of Population Trend	-	650	-	650	650	-
Caribou Monitoring	100	-	-	100	91	9
Climate Change Community Adaptation	353	-	-	353	286	67
Conservation Planning	415	-	-	415	161	254
Cumulative Impact Monitoring Program	1,751	-	-	1,751	1,615	136
Disease Contaminants	16	-	-	16	16	-
Industry Development	50	-	-	50	165	(115)
Interim Resource Management Assistance Program	1,655	-	-	1,655	1,931	(276)
Inuvialuit Water Board	924	-	15	939	839	100
Mackenzie River Basin Board	40	-	-	40	-	40
Modelling and Remote Sensing	65	-	-	65	5	60
Monitoring and Range Planning	41	-	-	41	194	(153)
Nature Fund Protected Areas	-	1,141	154	1,295	461	834
Northwest Territories Surface Rights Board	328	-	-	328	349	(21)
Northwest Territories Environmental Audit	-	10	-	10	10	-
Stewardship Program	210	214	(195)	229	282	(53)
Supporting Integrated Resource Management Systems	75	-	-	75	3	72
Supporting Land Use Planning Initiatives	265	-	-	265	71	194
Supporting Sustainable Land Use Management	90	-	-	90	56	34
Sustainable Livelihoods	1,506	945	-	2,451	2,011	440
Traditional Knowledge	65	-	-	65	66	(1)
Transboundary Waters	285	-	195	480	731	(251)
Water Regulatory and Assessment	100	-	-	100	147	(47)
Water Research and Monitoring	370	-	-	370	503	(133)
Wildfire Research Support	25	-	-	25	-	25
Wildfire Risk Management Plan	75	-	-	75	50	25
Wildlife Management Boards	78	-	-	78	78	-
	8,907	2,960	169	12,036	10,791	1,245

for the year ended March 31, 2024

(thousands of dollars)

	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	163	287
Community Futures	843	-	-	843	828	15
Community Tourism Coordinators	350	-	-	350	330	20
Community Tourism Infrastructure	300	-	-	300	289	11
Community Transfers Initiative	1,622	-	-	1,622	1,652	(30)
Convention Bureau	100	-	-	100	100	-
Film Industry Rebate Program	300	150	-	450	365	85
Great Northern Arts Festival	25	-	-	25	25	-
Indigenous Mineral Development Support Program	100	-	-	100	121	(21)
Mineral Resources Act Implementation	12	-	-	12	22	(10)
Mining Incentive Program	1,500	-	-	1,500	1,426	74
Northern Food Development Program	550	-	-	550	540	10
Northwest Territories Chamber of Mines	55	-	-	55	194	(139)
NWT Producer Incentive Pilot Project	-	-	-	-	105	(105)
Prospector Training	80	-	-	80	130	(50)
Prosper NWT	2,072	7	-	2,079	2,079	-
Scientific Collaborative Research Projects	350	-	-	350	503	(153)
Support for Entrepreneur and Economic Development	3,866	1,375	-	5,241	5,757	(516)
Sustainable Canadian Agricultural Partnership	1,220	301	-	1,521	1,508	13
Tourism Industry Funding	3,656	-	-	3,656	3,656	-
Tourism Marketing Campaign	-	-	-	-	300	(300)
Tourism Product Diversification Program	1,150	-	-	1,150	1,086	64
Tourism Skills Development	50	-	-	50	67	(17)
Various Contributions Economic Diversification	-	-	-	-	166	(166)
Various Contributions Minerals and Petroleum Resources	-	-	-	-	183	(183)
Various Contributions Tourism and Parks	-	-	-	-	98	(98)
Visitor Information Centres	411	-	-	411	201	210
	19,162	1,833	-	20,995	21,994	(999)
Justice						
Community Justice Committees and Projects	2,387	362	-	2,749	2,568	181
Men's Healing Program	297	292	-	589	520	69
Offender Reintegration	179	-	-	179	-	179
Victims Assistance Support Projects	2,298	-	-	2,298	2,330	(32)
YWCA of Yellowknife	107	-	-	107	107	-
	5,268	654	-	5,922	5,525	397

for the year ended March 31, 2024

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Infrastructure						
Alternative and Renewable Energy						
Research	70	-	-	70	-	70
Alternative Energy Technologies Program	200	-	-	200	200	-
Arctic Energy Alliance Core Funding	1,600	-	-	1,600	1,600	-
Aurora Research Institute Energy						
Projects	70	-	-	70	100	(30)
Biomass Energy Program	100	-	-	100	100	-
Commercial Energy Conservation and						
Efficiency Program	200	-	-	200	200	-
Community Access Program	1,480	-	-	1,480	1,316	164
Community Government Retrofits	190	-	-	190	190	-
Community Renewable Energy Program	100	-	-	100	100	-
Electricity System Analysis	30	-	-	30	-	30
Electric Vehicle Charging Stations	114	-	-	114	-	114
Energy Action Plan:						
Additional Energy Auditing Capacity	150	-	-	150	-	150
Community Energy Planning	200	-	-	200	200	-
Electric Bicycles Rebate	10	-	-	10	30	(20)
Electric On-the-land Vehicles Rebate	20	-	-	20	20	-
Electric Vehicles Fast Charger Corridor	1,000	-	-	1,000	1,352	(352)
Electric Vehicles Rebate Program	200	-	-	200	200	-
Low Income Program to Address Energy						
Poverty	200	-	-	200	200	-
Youth Energy Mentorship	50	-	-	50	-	50
Energy Efficiency Incentive Program	200	-	-	200	200	-
Energy Rating Services Support Program	150	-	-	150	300	(150)
GDC Clean Energy Plan	-	-	-	-	50	(50)
Geological Data Compilation	-	-	-	-	5	(5)
Infrastructure Contributions:						
Investing in Canada Infrastructure						
Program	32,448	(18,500)	-	13,948	5,201	8,747
Low Carbon Economy Leadership Fund:						
Commercial Greenhouse Gas	-	2,590	-	2,590	3,190	(600)
Government Greenhouse Gas Grant Fund	292	4,008	-	4,300	3,186	1,114
Incremental Arctic Energy Alliance						
Programs and Services	3,227	1,716	-	4,943	4,199	744
NWT Energy Corporation - Lease						
Agreement	96	-	-	96	98	(2)
NWT Energy Efficiency Projects	300	-	-	300	250	50
Public Engage - Diesel Transition	-	-	-	-	257	(257)
Sambaa K'e Solar Project	-	-	-	-	25	(25)
Students Against Drinking and Driving	12	-	-	12	-	12
Transmission Line - Fort Providence and						
Kakisa	-	-	-	-	40	(40)
	42,709	(10,186)	-	32,523	22,809	9,714

for the year ended March 31, 2024

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Education, Culture and Employment						
Arts Organizations Operating Funding	470	-	-	470	448	22
Aurora College Funding	34,761	-	(304)	34,457	34,457	-
Aurora College Transformation Initiatives	-	2,768	-	2,768	2,768	-
Building Skills 4 Success in the NWT	1,681	1,687	-	3,368	3,245	123
Career Development and Training	30	-	-	30	99	(69)
Community Library Services	839	-	-	839	791	48
Cultural Organizations	433	-	-	433	496	(63)
Early Childhood Child Care Fee Reduction Subsidy	6,270	-	-	6,270	4,931	1,339
Early Childhood Infrastructure Fund	1,000	-	-	1,000	215	785
Early Childhood Program	1,926	-	-	1,926	2,196	(270)
Early Childhood Program Sustainability Funding	675	-	-	675	645	30
Early Childhood Worker Funding	2,300	-	-	2,300	2,371	(71)
Education Authority Funding	166,238	-	160	166,398	169,747	(3,349)
Education Renewal and Innovation	52	-	-	52	77	(25)
Francophone Affairs	159	-	-	159	165	(6)
Healthy Food for Learning	650	-	-	650	650	-
Heritage Centres	1,002	-	-	1,002	924	78
Indigenous Languages	5,385	-	-	5,385	5,282	103
Indigenous Languages Broadcasting	897	-	-	897	878	19
Indigenous Languages Revitalization	200	-	-	200	400	(200)
Infrastructure Contributions:						
Junior Kindergarten to Grade 12 School Services	-	659	-	659	146	513
Labour Development and Advanced Education	3,500	2,570	-	6,070	3,988	2,082
Labour Market Development Agreement	883	144	-	1,027	1,103	(76)
Language Proficiency Testing	-	-	-	-	49	(49)
Literacy Funding	2,356	-	-	2,356	2,298	58
Minority Language Education and Second Language Instruction (French)	5,278	-	-	5,278	5,410	(132)
Northern Distance Learning	1,945	-	-	1,945	2,026	(81)
Northern Youth Abroad	102	-	-	102	100	2
NWT Teachers' Association Professional Development Fund	2,019	-	-	2,019	2,087	(68)
Other Post Secondary Contributions	-	-	-	-	700	(700)
Skills Canada	70	-	-	70	85	(15)
Small Community Employment	4,083	-	-	4,083	3,788	295
Supporting Child Inclusion and Participation	1,700	-	(82)	1,618	1,461	157
Tlicho Cultural Coordinator	35	-	-	35	-	35
Treaty Simulation	-	-	-	-	26	(26)
Workforce Development Agreement	796	61	-	857	1,233	(376)
	247,735	7,889	(226)	255,398	255,285	113
Total	928,732	135,803	2,419	1,066,954	993,087	73,867

SPECIAL WARRANTS

There were no Special Warrants for the fiscal year ended March 31, 2024.

	Transfer to (from) \$	Explanation
OPERATIONS AND MAINTENANCE		
Environmental and Climate Change		
Policy and Strategic Planning	(200)	Transfer of budget from Policy and Strategic Planning and Wildlife and Forest Management to Environmental Management, Monitoring and Climate Change for: position salaries incorrectly allocated to Policy and Strategic Planning instead of Environmental Management, Monitoring and Climate Change; and budget allocations for Transboundary Water incorrectly allocated to Wildlife and Forest Management instead of Environmental Management, Monitoring and Climate Change.
Wildlife and Forest Management	(195)	
Environmental Management, Monitoring and Climate Change	395	
Health and Social Services		
Health and Social Programs	(1,294)	Transfer of budget from Health and Social Programs to Administrative and Support Services for funding agreements with federal partners, Policy Analyst positions, Xerox contract, and to Long Term and Continuing Care Services for positions and operations activities. Transfer of budget from Administrative and Support Services for operations activities under funding agreements with federal partners to Health and Social Programs and Long Term and Continuing Care Services. Transfer of budget from Long Term and Continuing Care Services for compensation adjustment to Administrative and Support Services and Health and Social Programs.
Administrative and Support Services	528	
Long Term and Continuing Care Services	766	
Infrastructure		
Programs and Services	(8,127)	Transfer of the Low Carbon Economy Leadership Fund from Programs and Services to Energy and Strategic Initiatives where it will be administered.
Energy and Strategic Initiatives	8,127	

	Transfer to (from) \$	Explanation
CAPITAL INVESTMENT		
Infrastructure		
Asset Management	(9,380)	Transfer of capital projects from Asset Management to Programs and Services where they will be administered.
Energy and Strategic Initiatives	9,380	
Justice		
Corrections	(572)	Transfer surplus capital project funds from Corrections to Court Services to meet the requirements of an NWT Human Rights Adjudication Panel order to upgrade washrooms in the Yellowknife Courthouse.
Court Services	572	

for the year ended March 31, 2024

ACCOUNTS RECEIVABLE WRITTEN OFF

No amounts were written off during the fiscal year ended March 31, 2024.

FORGIVENESS OF DEBT OVER \$500

The total debts forgiven over \$500 during the fiscal year ended March 31, 2024 was \$1,028,596.

	\$
Education, Culture and Employment	
Abel, Michael David Desjarlais	1,175
Abraham, Clara	1,050
Albert, Edward Frank	950
Allooloo, Pauloosie Gregor	4,219
Andrew, Rosie	823
Antoine, Jadine Rebecca	1,540
Apsimik, Robert	1,787
Arrowmaker, Crystal Cora	1,687
Ashoona, Joe Jaw	2,700
Assassin Safety Inc.	786
Bain, Rick Donald	2,100
Bartlett, Connie Anne	4,545
Baton, Amanda	809
Baton, Hunter Dallas Ferdinand	1,154
Bayha-Yallee, Samantha Rose Ann	2,000
Beaulieu, Beamer Arthur	1,429
Beaulieu, Betty Madeline	6,331
Beaulieu, Delores	850
Beaulieu, Star Bright	850
Bekale, April Rose	7,625
Berens, Donald	1,250
Biscaye, Julie Mary	3,025
Biscaye-Evans, Sarah Anne	600
Blake, Shannon Alexandra Carmane	3,303
Bluecoat, Jaime Mary-Lynn	1,085
Bonnetrouge, Nicole Grace	3,839
Boulet, Sherry Diane	2,079
Bouvier, Ernestine	3,284
Brightman, Christopher	1,400
Buggins, Carol Doris	1,150
Campbell, Wade Lawrence Pierce	775
Cardinal, Clifford John	750
Casaway, Kaya Marcy	1,466
Catholique, Doris	1,362
Charlene's Loving Daycare	6,750
Chicksi, Mavis Marie	1,360
Cleary, Lena	5,201
Click - Fort Smith Photo Club	4,380
Cluett, Diane	3,375

for the year ended March 31, 2024

FORGIVENESS OF DEBT OVER \$500 (continued)

Corrigan, Mary Darleen	671
Cotchilly, Michael George	1,662
Delorme, Armand	840
Drybones, Cynthia	2,484
Duford, Linda	5,400
Edwards, John	1,336
Edwards, Renie Katherine	7,250
Elanik, Jeanette Kristy	6,592
Essery, Diane Marie	5,165
Fehr, Sandra	1,625
Field, April May	750
Firth, Petra-Lynne	1,762
Fort Norman Historical & Heritage	4,000
Franki, Georgina	18,125
Fraser, Michael Robert	3,490
Gardiner, Danielle	1,165
Gargan, Derek Matthew	794
Gargan, Marcel William	917
Geggie, Andrew	1,276
Geremay, Yonas	3,720
Gordon, Clayton William	1,100
Gordon, Jeremy Dean	1,150
Gordon-Stewart, Sharon Shirley	900
Goulet, Suzanne	625
Grabke, Faye Erica	1,095
Graves, Lorraine	23,215
Greenland, Charlene Margaret	3,261
Greenland, Maria	1,200
Greenland, Mary Jane	526
Grooms, Marlene	3,150
Gullberg, Sarah Rosalie	3,009
Harry, Walter	1,885
Haslett, Karla Ann	3,590
Henderson-Powder, Heather Angie	2,859
Hoefler, Heidi Katarina	3,179
Hope, Jimmy D.	1,498
Horasey, Ashlie Stephanie	2,663
Howe, Norman Edward	1,460
Inuktalik, Mark Allen	11,995
Inuvik Child Development Centre	1,135
Inuvik Preschool Society	1,909
Inuvik Works	8,990
Isaiah, Miranda Marie	2,025
Jackson, Jenny Sara Jane	606
Johnson, Mark Walter	510
Johnson, Patricia	4,072
Kataoyak, Samantha Elsie Alikamik	850
Keevik, Henry Don	1,927

for the year ended March 31, 2024

FORGIVENESS OF DEBT OVER \$500 (continued)

Kendi, Wilbert	9,500
King, Peggy-Anne	7,000
Klengenberg, Charlene Rose	5,755
Klondike, Mary Rose	700
Koe, George Abraham	2,025
Kolausok, Edwin Dean	2,271
Kuneyuna, Evelyn	1,300
Kuneyuna, Leah Ann	5,970
Kunnizzi, Issac	1,000
Kunnizzie, Christopher Patrick	1,437
Lafferty, Aaron Derek	3,720
Lafferty, Margaret	1,250
Larocque, Carla	965
Lavelle, Theresa Mae	2,330
Leas, Amanda S.	6,738
Lennie, Ernest	915
Lennie, Joel Patrick	1,528
Lennie, Robyn Joan	1,975
Lucas, Howard Robert Allen	1,051
Lucas, Roger C	1,442
Lynch, Teresa	875
Mackeinzo, Earl	3,373
Malegana, Martina	830
Mangelana, Ivy Suzanne	700
Mangelana, Kathleen Jean	1,100
Mantla, Christel Yolanda	5,431
Mantla, John Phillip	1,263
Manuel, Vital	852
Martel, Jeanette Alice	850
Martin, Henry Ben	1,100
Mccrae, Joshua	1,362
Mcinnis, Sarah Elizabeth Ann	700
Mckay, Ronald H.	7,000
Mckeough, Peter	3,500
Mcneely, Billy John	3,987
Mcperson, Garfield John	1,150
Menacho, Sharon	2,310
Menard, Lionel Andrew	700
Michel, Shannon Ashley Rose	3,339
Migwi, Jennifer Joyce	2,786
Moore, Rosalyn Mae	5,670
Moran, Alicia Heather	700
Morrison, Brielle Bailey	587
Nana's Playschool	7,314
Nayally, Sally Edith	573
Neyelle, Freda Mary	800
Nielsen, Soren Christian	640
Nitsiza, Alice Joyce	2,755

for the year ended March 31, 2024

FORGIVENESS OF DEBT OVER \$500 (continued)

Nitsiza, Samantha Jane	1,100
Norn, Rodney Philip	750
Nutaradluluk, Simeonie Piala Komanga	1,495
Pambrun, Emerald Ann	2,071
Paulson, Margaret Anne	816
Peryouar, William	1,400
Peterson, Jordan Albert James	1,805
Peterson, Pauline	7,578
Poitras, Heather Ann Penelope	7,500
Pokhrel, Ashika	1,050
Porter, Darlene Agnes	5,642
Rabesca, Miles Daniel	512
Raymond, Jody Ann	1,028
Reid, Robert Lee	1,416
Rogers, James	1,744
Rogers, Natasha Margaret Ida	1,100
Ross, Carol Rose Marlene	2,119
Ross, Gary Clemmet	1,510
Ruben, Sadie	2,337
Rymer, Warren Donald	3,320
Sabourin, Dezerai Cheyan-Lynn	700
Sangris, Amanda Anne	6,375
Sangris, Rosanna Marie	1,467
Savas, Constantine Darryl Gus	3,500
Schiller, James V.	2,390
Scottie, Shannon Amma	900
Shingatok, Michael Danny	2,170
Silastiak, Audrey Marlene	3,775
Simon, Walter	1,749
Simpson, Oolani Morgan	3,315
Smith, Priscilla May	5,786
Squance, Janet K	737
Squirrel, Edna Ida	900
Stefansson, Wanda Marie	4,300
Stewart, James Warnock	2,282
Stewart, Kurt Alexis	600
Stewart, Patricia May	3,025
Stirrett, Harvey Brian Melton	630
Sutherland, Jennifer Nicole	750
Takazo, Dominic Lucas Johnny	3,348
Taptoona, Kitik A.	3,500
Tatti, Ian Christopher Roy	700
Taylor, Garry Robert James	6,449
Taylor, Gregory Allan	3,025
Taylor, Ronald Joachim	3,400
Therault, Rosaire	1,395
Thibert, Anne-Marie Jennifer	3,398
Thrasher, Julie Ann	1,220

for the year ended March 31, 2024

FORGIVENESS OF DEBT OVER \$500 (continued)

Thrasher, Tommy	951
Tiny Tots Day Home	4,576
Tot Spot	1,602
Tsatchia, Beverly	750
Tsetso, Angela Leona	1,400
Tumma, Richard Nicolous	2,351
Umaok, Frank Edward	600
Van Loon, Patricia Terry-Lynn	900
Verge, Dwayne	1,000
Villebrun, Ann-Marie	756
Villeneuve, Keone Kenzina	5,125
Villeneuve, Sharon	1,987
Wah-Shee, Sky Aurora	2,109
Waldman, Nathalie	12,575
Wandering Spirit, Justin	1,400
Wanderingspirit, Christopher John	1,702
Wanderingspirit, Jacqueline Melinda	1,545
Warren-Wedzin, Ashley Joan Elise	3,000
Washie, Florita	4,282
Watson, Joshua	1,113
Wawea, Belinda Jane	1,400
Wedawin, Alphonse	600
Wetrade, Pheobe Ann	6,253
Wilson, Shannon Marie	3,575
Youngman, Stefany Lynn	1,600
Yukon, Louise Beatrice	700
Zoe, Stella Joy	8,325
	<u>561,627</u>

Environment and Climate Change

Burt, Tanya	5,433
Essery, Diane Marie	5,249
	<u>10,682</u>

Health and Social Services

Burnett, Marci Lynn	3,000
Cardinal, Dina Lori	4,725
Dobbs, Chantalle Therese	4,746
Lafreniere, Holly	3,500
Raddi-Kuiksak, Kyla Lindsey Ann	4,950
Smith, Dawn Marie	30,000
	<u>50,921</u>

for the year ended March 31, 2024

FORGIVENESS OF DEBT OVER \$500 (continued)**Finance**

Burt, Tanya	632
Essery, Diane Marie	3,190
Watson, Joshua	1,112
Wood, Wendy	848
	<u>5,782</u>

Infrastructure

9135-8242 Quebec Inc.	32,725
A.T.R. Enterprises Inc.	1,463
Border Line Transport Ltd.	31,782
Brown, Glen M.	2,842
Delta Cabs Inc	1,260
Freemen Transport Incorporated	1,339
Gordon, Kyle Michael Mckenzie	3,491
Gordon, Scott	7,008
Great Slave Helicopters Ltd.	11,657
Hoefler, Heidi Katarina	3,641
Kd Contracting & Sales	1,560
Norwegian, Roy	1,658
Pearce, Rodney	4,561
Stride, Terry	4,896
Tanche, Dennis	1,979
Wu Air Corp	192
	<u>112,054</u>

Industry, Tourism and Investment

Beaverho, Archie	1,555
Benwell, Evelyn Marie	1,465
Black, Marguerite	1,500
Black, Tina	1,750
Bouvier (Nicholls), Margaret	4,200
Brule, Bryan	6,008
Byrne, Leah	2,205
Carpenter, Margaret Rose	753
Causeway Contracting	3,000
Chaplin-Harris, Tyler John	5,000
Chocolate, George	965
Clille, Corrine	2,900
Clille, Kyle Joseph Slade	1,495
Eagle Eye Concepts	16,204
Ekendia, Samantha	1,215
Ekpakohak, Joanne	1,477
Elemie, Judy M.	1,116
Estate Of Kenny, Marie Therese Jr.	2,097
Far North Paintball	12,000
Fish, Agnes	2,000
Frederick, Brandon M	9,536

for the year ended March 31, 2024

FORGIVENESS OF DEBT OVER \$500 (continued)

Funk, Frances T.	12,886
Gon, Rosa	1,000
Green Oil Ltd.	19,600
Green, Emma	1,051
Green, Tony	2,972
Gruben, Don	616
Gruben, Morgan	1,137
Haogak, Edith	753
J & J Construction	4,000
Johnson, Mark Walter	965
Jones, George Edward	2,779
Kaglik, Butch Alexander	623
Kendi, Andrew	3,180
Kenny, Dennis	4,488
Kikoak, Tina R.	663
Kimiksana, Leona	594
Koomuatuk, Curley (Kuzy)	1,302
Kowikchuk, Leslie Boyd	939
Kraus, Jennifer	2,300
Kudlak, Andy	8,900
Kudlak, Judy	828
Lacorne, Marie Louise	1,200
Lafferty, Arthur Douglas	1,305
Lafferty, Mary Jane	800
Lafferty, Peter John	1,984
Lamouelle, Laiza	2,167
Lepine, Cathy	2,037
Lester, Sadie M.	1,724
Lucas, Brenda Lee	819
Maarouf, Crisie	658
Mantla, Mary Ann	1,800
Mantla, Robyn	2,228
Martel, Sandra	1,645
Menacho, Bella	3,493
Mitchell, Peter	5,000
Nadli, Dora M.	800
Nasken, Rene David	500
Nasogaluak, David Sr.	827
Nevaeh Enterprise	5,500
Nitsiza, Bella	1,196
Nitsiza, Cindy	1,000
Noksana, Mabel	1,235
Norman, Donna	1,619
Ok Rentals	3,400
Opa's Taxi	7,415
Polar Bear Diamond Factory	1,520
Punch, Frederick Joseph	2,347
R. Tutcho Bookkeeping Services	4,162

for the year ended March 31, 2024

FORGIVENESS OF DEBT OVER \$500 (continued)

Rabesca Resources Ltd.	6,693
Raddi, Bessie	590
Raddi, Fred	763
Raymond's River Taxi	6,982
Ross, Phillip	2,112
Ruben, Angela Mae	684
Ruben, Nancy Bertha	1,000
Sabourin, Margaret	1,600
Simon, Walter	697
Simpson, Dorrina	1,200
Swagar, John Martin	1,365
Taylor, Ryan	1,507
Taylor, Troy Andrew	888
TJ's Nut Hut	7,000
Tourangeau, Marlene	1,005
T'Seleie, Frank Jr.	3,195
Vital, Christopher	1,170
Wedawin, Barbara	765
Winter, Jesse	603
Yakeleya, Gordon	4,825
Yelle, Garry Edward	1,000
Zoe, Miranda Alison	1,103
	<u>255,145</u>

Justice

Chutskoff, Kenneth	1,571
Deakin, Clinton Troy Timothy	3,264
Dragon, Darren	6,183
Felix, Dolly Mary-Jane	3,282
Graham, Sherry	2,999
Leblanc, Rachelle	1,057
Mohammad, Abdullah	3,662
Pascal, Wanda	7,228
Perley, Punikiok	1,000
Strueby, Lisa	2,139
	<u>32,385</u>

Total Forgiveness over \$500	<u><u>1,028,596</u></u>
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for the year ended March 31, 2024

FORGIVENESS OF DEBT UNDER \$500

The total debts forgiven under \$500 during the fiscal year ended March 31, 2024 was \$24,589.

Education, Culture and Employment

Aviugana, Elias	125
Bear, Ernest Paul	329
Beaulieu, Wesley James	300
Blackduck, Forrest Francis	425
Boline, Brenda Marie	120
Bonnetrouge, Cassandra Gloria Lee	400
Bruno, Lawrence Lloyd	400
Cardinal, Maurice Andrew	350
Carpenter, David Burton	475
Casaway, Miranda	350
Cayen, Minnie Bella	300
Cayen, Virginia Ann	200
Charlie, Trevor T.	614
Chocolate, Linda Lee	396
Cook, Timothy James Gordon	10
Corneille, Peter James	290
Corrigal, Mary Darleen	3
Coyen, Michael Edward	225
Edwards, Angus Terrance Christopher	200
Ekpakohak, Robert Epikghout	148
Elanik, Beverly Jane	380
Elias, Renie	25
Fabien, Eva Margaret	100
Fradsham, Kimberly	195
Francis, Karen	30
Gargan, Caroline	500
Gordon, Patricia Amber Lee	107
Heron, Alan Joseph	100
Heron, Tom	145
Horassi, Janice	423
Joss, Annie	425
Julian, Winnie	71
Kachkowski, Dennis	300
Kalinec, Doris	496
Kenny, Carla	200
Kent, Tetla Delvalyn	455
Kodakin, Daryl Betsidea	25
Koplomik, Betty Ann	400
Lacorne, Marie	350
Lafferty, Hank Mark	121
Landry, Charles	150
Landry, Jamie	375
Lipscomb, Jeremy James Frank	18
Moore, Rosalyn May	379
Mouse, Elizabeth Madeline	500

for the year ended March 31, 2024

FORGIVENESS OF DEBT UNDER \$500 (continued)

Nadary, Kimberly Celine	15
Nadary, Stacy Lynn	175
Nuttall, Raquel Elizabeth	413
Oliktoak, Shirley Joan Arhok	316
Omilgoituk, Jennifer Jean	122
Paul, Kimberly Ann	413
Peter, Mabel	250
Pierrot, Barbara Elizabeth	440
Pierrot, Verna Lucille	109
Pingo, Jenny Lee	100
Poitras, Judy Lynn	485
Rabesca, Florriann	425
Raymond, Ada	500
Raymond, James Brian	100
Ross, Jerry Ian	392
Sanderson, Sheldon	268
Simon, John Harry	500
Steen, Donna Selena	70
Takazo, Charmaine Marie	105
Tedjuk, Ronald Norman Jr James	100
Thatcher, Ronald Richard	243
Thrasher, Sophie	459
Tsetso, Frank Thomas	38
Wilson, Naomi Ruth	20
	<u>17,988</u>

Environment and Climate Change

Eskimo Point Lumber & Supply Airport	<u>126</u>
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Finance

Ashley, Tom o/a Phoenix Construction	25
Brule, Bryan	25
Clean Sweep	25
Gordon, Scott	165
Hendrie, Kara	473
Kelly, Allen Jr.	195
Mandeville, Delores Sylvia	413
Mitton, Amy	13
Nulmage Construction Ltd.	25
Verge, Dwayne	75
	<u>1,434</u>

for the year ended March 31, 2024

FORGIVENESS OF DEBT UNDER \$500 (continued)

Infrastructure

Abakan-Avia	98
Brockington, Trevor	18
Camp MGK Ltd.	388
Challenger, Khalil	18
Chassie, Ashley	17
Domaradzki, Sebastian	17
Lacasse, Lionel	45
Lepine, Janet	17
McLean, Curtis	17
Polar Bowl	388
Quartel, Franklin	17
R. Angus Ltd.	276
Shelley, Georgina	17
Testart, Tawanis D.	17
Van Loon, Shane & Patricia	17
YK Auto Repair & Car Wash	346
	1,713

Justice

Bernhardt, Albert	200
Blackduck, Daryle Jackson	500
Bonnetplume, Lena Mary	500
Illasiak, Robert George	500
Inglangasuk, Willie Ryan	500
Kaglik, Edwin	500
Mitchell, Benjamin Edward	250
Sangris, Mary Ann	178
Vaneltsi, Benjamin William	200
	3,328

Total Forgiveness under \$500	24,589
--------------------------------------	---------------

REMISSION OF STUDENT LOANS

The total student loans remised during the fiscal year ended March 31, 2024 was \$1,982,179.

for the year ended March 31, 2024

REMISSION OF TAXES AND PENALTY

The total taxes and penalties remised during the fiscal year ended March 31, 2024 was \$667,530.

	\$
Finance	
Beck, Eric and Kim	221
Belmont, Frinalyn and Charlo, Michael	1,742
Bernalda Karpan	1,935
Bertrand, Lawrence (Larry)	16,623
Bertrand, Mary Jane	9,916
Bouvier, Jonas and Lily Ann	635
Canadien, Albertine and Gargon, Vernon	11,470
Drybones, Beverly and McNeely, Shane	771
Drybones, Jason and Williah, Violet	945
Edda, Leon	46,756
Estate of Andre, Gabriel	23,103
Estate of Blake, Ralph	15,476
Estate of Carpenter, Les Lee	22,471
Estate of Dolphus, Victoria	774
Estate of Dryneck, Helen and Johnny	1,054
Estate of Esau, Shirley	619
Estate of Gardebois, Edward	4,813
Estate of Kakfwi, Everett	1,531
Estate of Mandeville, Dorothy	67,904
Estate of Pokiak, Randell	1,777
Estate of Simpson, Mary	14,187
Estate of Stewart, Andrew	206
Estate of Wellin, Isadore	858
Estate of White, Anthony	596
Franki, Marie	31,172
Geddes, Harriett	324
Gruben, Annie and Sam	295
Hardisty, Eric and Simba, Pauline	2,855
Hope, Brian	2,173
Kenny, Augstine and Wilfred	65
Lafferty, David and Wedzin, Louisa	302
Lafferty, Alfred	8,972
Martin, Grace	445
Matto, Angie and James	519
Nasken, Bernadette	161,876
Nitsiza, Albert	1,891
Nitsiza, Charlie	296
Nitsiza, Lena and Leon	15,401
Nitsiza, Theodore	20,748
Ross, Peter	12,204
Sabourin, Belinda and Edwin	507
Sayine, Robert	46,233
Simon, Teresa and Wilfred	50
Stewart, Abraham	26,678

for the year ended March 31, 2024

REMISSION OF TAXES AND PENALTY (continued)

Takazo, Leon	3,426
Tatti, Grace	542
Thrasher, Alice and Joe	1,756
Timbre, Helena	33,366
Wedzin, Joe	47,166
Wilson, Abraham and Lucy	1,885
	<u>667,530</u>

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, 2024

\$

Executive and Indigenous Affairs

Gwich'in Land Claim Implementation	44,385
Inuvialuit Land Claim Implementation	276,951
Sahtu Land Claim Implementation	35,105
Tlicho Land Claim Implementation	352,892
	<hr/>
	709,333

Municipal and Community Affairs

Clean Water and Waste Water Fund	12,745
Emergency Management Development	89,587
Gas Tax	14,351,000
	<hr/>
	14,453,332

Infrastructure

Gwich'in Land Claim Implementation	5,607
Sahtu Land Claim Implementation	5,606
	<hr/>
	11,213

Justice

Court-ordered Counsel	56,308
Estates Clerk	159,047
Gwich'in Land Claim Implementation	7,948
Personal Property Security Law	11,100
Sahtu Land Claim Implementation	18,150
Tlicho Land Claim Implementation	8,580
	<hr/>
	261,133

Health and Social Services

Federal-Provincial-Territorial Co-chair for Ministers Responsible for Social Services Forum	331,386
Non-insured Health Benefits	47,515,000
Non-insured Health Benefits - Dental	6,249
Pan-Territorial Health Investment Fund eMental Health	144,955
	<hr/>
	47,997,590

Government of the Northwest Territories

Non-Consolidated Schedule of Projects on
Behalf of Others - Expenditures Recovered (unaudited)

Schedule 10 (continued)

for the year ended March 31, 2024

\$

Education, Culture and Employment

Gwich'in Land Claim Implementation	27,836
Sahtu Land Claim Implementation	27,831
Tlicho Land Claim Implementation	80,975

136,642

Environment and Climate Change

Gwich'in Land Claim Implementation	246,489
Inuvialuit Implementation Funding	5,008,813
Knowledge on Resource Management	60,000
Sahtu Land Claim Implementation	171,540
Tlicho Agreement Implementation Funding	27,658

5,514,500

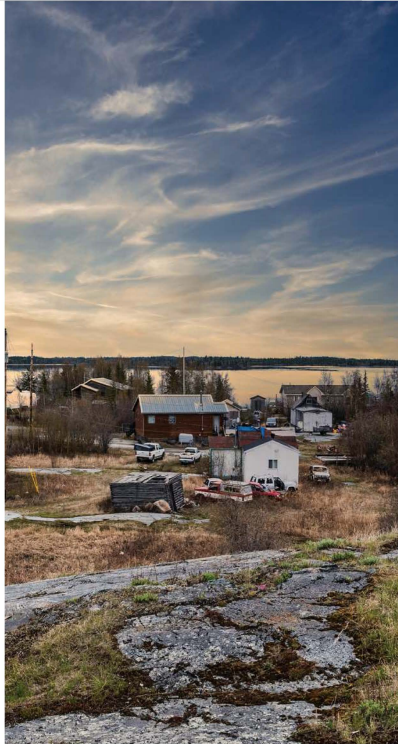
Industry, Tourism and Investment

Tlicho Land Claim Implementation	779
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779

Total

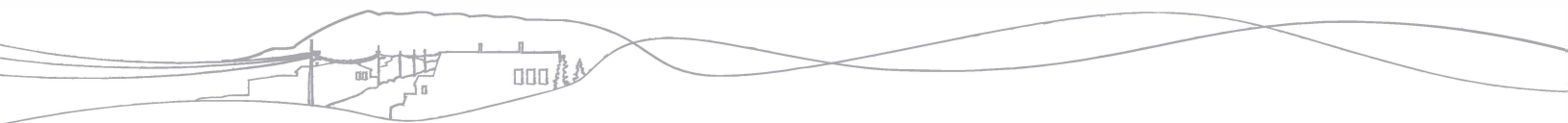
69,084,522



2023-2024 PUBLIC ACCOUNTS

SECTION III SUPPLEMENTARY FINANCIAL STATEMENTS - OTHER ENTITIES

Government of
Northwest Territories



PUBLIC ACCOUNTS
OF THE
GOVERNMENT OF THE NORTHWEST TERRITORIES
FOR THE YEAR ENDED MARCH 31, 2024

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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SECTION III

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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

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Legislative Assembly Retiring Allowance Fund
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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, 2024

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Management's Responsibility for Reporting	
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Website: www.aea.nt.ca
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Yellowknife NT X1A 1S7

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 control 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 provide an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards.

A handwritten signature in blue ink that reads "Mark Heyck". The signature is written in a cursive style.

Mark Heyck
Executive Director
June 18, 2024

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, 2024, 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, 2024, 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.

INDEPENDENT AUDITOR'S REPORT, continued

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.

Avery Cooper & Co. Ltd.
Chartered Professional Accountants
Yellowknife, NT

June 18, 2024

ARCTIC ENERGY ALLIANCE

STATEMENT OF FINANCIAL POSITION

March 31, 2024

ASSETS

	<u>2024</u>	<u>2023</u>
CURRENT		
Cash	\$ 1,133,528	\$ 2,388,250
Short term investments (note 3)	94,122	92,218
Accounts receivable (note 4)	1,353,593	329,972
Government remittances receivable (note 6)	<u>7,981</u>	<u>20,624</u>
	2,589,224	2,831,064
TANGIBLE CAPITAL ASSETS (note 5)	<u>127,936</u>	<u>46,049</u>
	<u>\$ 2,717,160</u>	<u>\$ 2,877,113</u>

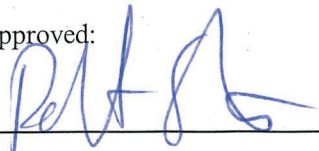
LIABILITIES

CURRENT		
Trade payables and accruals (note 7)	\$ 164,523	\$ 143,773
Wages and benefits payable	44,914	21,098
Deferred revenue (note 9)	50,000	50,000
Government remittances payable (note 6)	59,785	76,401
Contributions payable (note 8)	<u>256,028</u>	<u>835,205</u>
	575,250	1,126,477
DEFERRED GOVERNMENT ASSISTANCE (note 10)	<u>54,307</u>	<u>8,193</u>
	<u>629,557</u>	<u>1,134,670</u>


NET ASSETS

ACCUMULATED SURPLUS per page 3	886,271	699,774
RESERVES per page 3	1,135,703	1,012,813
INVESTED IN TANGIBLE CAPITAL ASSETS per page 3	<u>65,629</u>	<u>29,856</u>
	<u>2,087,603</u>	<u>1,742,443</u>
	<u>\$ 2,717,160</u>	<u>\$ 2,877,113</u>

Approved:



Director



Director

ARCTIC ENERGY ALLIANCE

STATEMENT OF OPERATIONS

For the year ended March 31, 2024

	(note 14) 2024 <u>Budget</u>	2024 <u>Actual</u>	2023 <u>Actual</u>
REVENUES			
Contributions from GNWT	\$ 6,777,000	\$ 6,107,496	\$ 4,174,331
Other source income	40,500	281,058	222,084
Membership fees	227,500	227,500	227,500
Interest income	30,000	127,989	45,660
Contributions from Canada	<u>108,865</u>	<u>27,000</u>	<u>324,483</u>
	<u>7,183,865</u>	<u>6,771,043</u>	<u>4,994,058</u>
EXPENSES			
Advertising and promotion	119,258	95,037	76,918
Amortization	12,494	28,476	10,273
Bad debts (recovered)	-	(35,820)	9,555
Fees and dues	22,357	18,720	17,383
Professional development	58,570	22,870	41,767
Consulting fees	383,322	291,864	339,939
Equipment rental	3,280	3,278	3,278
Insurance	17,000	16,543	15,921
Interest and bank charges	4,000	3,750	3,520
Rebates	3,163,406	2,807,479	1,382,412
Office and general	116,017	107,557	139,501
Professional fees	30,000	35,946	25,546
Rent and utilities	197,371	194,856	193,232
Facility rental and tradeshow fees	26,295	13,980	15,673
Telephone, Internet and Website	50,634	51,659	45,530
Travel and accommodation	472,440	284,464	282,656
Wages and benefits	2,586,175	2,466,992	2,344,607
Hospitality	<u>71,952</u>	<u>18,232</u>	<u>16,843</u>
	<u>7,334,571</u>	<u>6,425,883</u>	<u>4,964,554</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	<u>\$ (150,706)</u>	<u>\$ 345,160</u>	<u>\$ 29,504</u>

ARCTIC ENERGY ALLIANCE

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2024

	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 19)	(122,890)	122,890	-	-
Purchase of tangible capital assets	(110,364)	-	110,364	-
Amortization of tangible capital assets	28,476	-	(28,476)	-
Write-off 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
	2023			
	Accumulated Surplus	Reserves	Invested in Tangible Capital Assets	Total
BALANCE, opening	\$ 721,723	\$ 983,925	\$ 7,291	\$ 1,712,939
Excess of revenues over expenses	29,504	-	-	29,504
Transfer to reserves (note 19)	(28,888)	28,888	-	-
Purchase of tangible capital assets	(29,161)	-	29,161	-
Amortization of tangible capital assets	10,273	-	(10,273)	-
Amortization of deferred government assistance	(3,677)	-	3,677	-
BALANCE, closing	\$ 699,774	\$ 1,012,813	\$ 29,856	\$ 1,742,443

ARCTIC ENERGY ALLIANCE

STATEMENT OF CASH FLOWS

For the year ended March 31, 2024

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES (note 18)		
Cash received from:		
GNWT contributions	\$ 5,258,000	\$ 4,796,000
Other source income	231,487	388,643
Membership fees	227,500	232,500
Interest income	127,989	45,660
Canada contributions	<u>97,162</u>	<u>415,084</u>
	<u>5,942,138</u>	<u>5,877,887</u>
Cash paid for:		
Contributions repaid	729,682	-
Materials and services	3,897,021	2,648,964
Wages and benefits	<u>2,459,793</u>	<u>2,361,735</u>
	<u>7,086,496</u>	<u>5,010,699</u>
	<u>(1,144,358)</u>	<u>867,188</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible capital assets	(110,364)	(29,161)
Redemption of short-term investments	90,000	90,000
Purchase of short-term investments	<u>(90,000)</u>	<u>(90,000)</u>
	<u>(110,364)</u>	<u>(29,161)</u>
(DECREASE) INCREASE IN CASH	(1,254,722)	838,027
CASH, opening	<u>2,388,250</u>	<u>1,550,223</u>
CASH, closing	<u>\$ 1,133,528</u>	<u>\$ 2,388,250</u>

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

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:

Heating equipment	20 years Straight-line
Office equipment	40% Declining balance
Computer equipment	60% Declining balance
Computer software	5 years Straight-line

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.

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

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.

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

3. SHORT TERM INVESTMENTS

Short term investments consist of guaranteed investment certificates (GICs) held with the Bank of Nova Scotia as detailed below:

	2024	2023
4.75% interest, non-redeemable, matures October 21, 2024	\$ 90,000	\$ 90,000
Accrued interest	4,122	2,218
	\$ 94,122	\$ 92,218

4. ACCOUNTS RECEIVABLE

	2024	2023
Contributions receivable:		
Government of the Northwest Territories	\$ 1,346,804	\$ 278,456
Government of Canada	2,700	86,344
Total contributions receivable	1,349,504	364,800
Members	10,000	10,000
Other	34,793	31,696
Allowance for doubtful accounts	(40,704)	(76,524)
	\$ 1,353,593	\$ 329,972

5. TANGIBLE CAPITAL ASSETS

	2024		2023	
	Cost	Accumulated amortization	Net	Net
Heating equipment	\$ 36,242	\$ 20,039	\$ 16,203	\$ 18,015
Office equipment	48,452	47,460	992	1,654
Leasehold improvements	113,248	50,813	62,435	24,894
Computer equipment	36,010	36,010	-	-
Computer software	79,898	31,592	48,306	1,486
	\$ 313,850	\$ 185,914	\$ 127,936	\$ 46,049

Net assets invested in tangible capital assets as at March 31, 2024, are as follows:

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

5. TANGIBLE CAPITAL ASSETS, continued

	<u>2024</u>	<u>2023</u>
Tangible capital assets	\$ 127,936	\$ 46,049
Asset retirement obligation (note 7)	(8,000)	(8,000)
Deferred government assistance (note 10)	<u>(54,307)</u>	<u>(8,193)</u>
Net assets invested in tangible capital assets per page 3	<u>\$ 65,629</u>	<u>\$ 29,856</u>

6. GOVERNMENT REMITTANCES

	<u>2024</u>	<u>2023</u>
Goods & Services Tax rebates receivable	<u>\$ 7,981</u>	<u>\$ 20,624</u>
	<u>2024</u>	<u>2023</u>
Payroll remittances payable	\$ 53,714	\$ 71,068
Related parties:		
GNWT Finance - NWT Payroll Tax payable	<u>6,071</u>	<u>5,333</u>
	<u>\$ 59,785</u>	<u>\$ 76,401</u>

7. TRADE PAYABLES AND ACCRUALS

	<u>2024</u>	<u>2023</u>
Accrued liabilities		
Pellet boiler asset retirement obligation	\$ 8,000	\$ 8,000
Other	<u>56,988</u>	<u>57,378</u>
	64,988	65,378
Trade payables	<u>99,535</u>	<u>78,395</u>
	<u>\$ 164,523</u>	<u>\$ 143,773</u>

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

8. CONTRIBUTIONS PAYABLE

	Balance opening	Unexpended	Repaid	Reversed	Balance Closing
GNWT - Infrastructure					
LCELF	\$ 729,682	\$ -	\$ 729,682	\$ -	\$ -
GNWT - MACA					
NGO Stabilization	40,000	-	-	40,000	-
GNWT - Infrastructure					
Core and Energy Programs	-	256,028	-	-	256,028
Other	65,523	-	-	65,523	-
	\$ 835,205	\$ 256,028	\$ 729,682	\$ 105,523	\$ 256,028

9. DEFERRED REVENUE

During the year, the Society entered into contribution agreements with the GNWT, Department of Infrastructure (INF), and Health and Social Services (HSS), 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.

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

9. DEFERRED REVENUE, continued

	2024	2023
Restricted contributions balance, opening	\$ -	\$ 31,500
Receipts	5,092,300	4,773,138
Funding receivable	1,348,223	326,344
Transfer to funding repayable	(256,028)	(632,168)
Funding expended	(6,184,495)	(4,498,814)
Restricted contributions balance, closing	-	-
Membership fees received in advance: GNWT-ECC	50,000	50,000
Deferred revenue, closing	\$ 50,000	\$ 50,000

10. DEFERRED GOVERNMENT ASSISTANCE

	2024		2023	
	Capital contributions	Accumulated amortization	Net	Net
GNWT-ENR - Alternative Energy Technology: Wood pellet boiler	\$ 14,121	\$ 8,120	\$ 6,001	\$ 6,708
GNWT-ENR - Energy Efficiency Incentive Program: Database	14,853	14,853	-	1,485
EnergyGuide Rating Service (ERS) Program Database	53,673	5,367	48,306	-
	\$ 82,647	\$ 28,340	\$ 54,307	\$ 8,193

11. RESERVES

During the year, Arctic Energy Alliance transferred \$122,890 (2023 - \$28,888) from the unrestricted net assets to meet its capital management objectives as described in Note 19. The reserves at March 31, 2024 of \$1,135,703 (2023 - \$1,012,813) 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.

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

11. RESERVES, continued

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:

	<u>2024</u> Budget	<u>2024</u> Actual	<u>2023</u> Actual
(Deficiency) Excess of revenues over expenses per page 2	\$ (150,706)	\$ 345,160	\$ 29,504
	-	-	-
Amortization of tangible capital assets	12,494	28,476	10,273
Purchase of tangible capital assets	-	(110,364)	(29,163)
Amortization - deferred government assistance	-	(7,559)	(3,677)
Deferred government assistance additions	-	53,674	-
	(138,212)	309,387	6,937
Net financial assets, opening	<u>1,697,650</u>	<u>1,704,587</u>	<u>1,697,650</u>
Net financial assets, closing (note 17)	<u>\$ 1,559,438</u>	<u>\$ 2,013,974</u>	<u>\$ 1,704,587</u>

12. MEMBERSHIP FEES

Membership fees revenue for the year consist of the following:

	<u>2024</u>	<u>2023</u>
Government of the Northwest Territories	\$ 150,000	\$ 150,000
GNWT - Crown Corporations	67,500	67,500
Other	<u>10,000</u>	<u>10,000</u>
	<u>\$ 227,500</u>	<u>\$ 227,500</u>

Included in membership fees are amounts from the following related parties:

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

12. MEMBERSHIP FEES, continued

	<u>2024</u>	<u>2023</u>
GNWT:		
Department of Environment and Climate Change	\$ 50,000	\$ 50,000
Department of Infrastructure	50,000	50,000
Department of Municipal and Community Affairs	<u>50,000</u>	<u>50,000</u>
	<u>150,000</u>	<u>150,000</u>
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	<u>12,500</u>	<u>12,500</u>
	<u>67,500</u>	<u>67,500</u>
	<u>\$ 217,500</u>	<u>\$ 217,500</u>

13. TRUSTS UNDER ADMINISTRATION

At March 31, 2024, the Society holds \$nil (2023 - \$19,146) in a bank account in trust on behalf of the Tlicho Government. As trustee, the Society administers these funds in accordance with a partnership agreement under the Wood Stove program. These funds are excluded from the financial statements.

14. BUDGET

The 2024 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 20, 2023.

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, 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.

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

16. COMMITMENTS

The Society has entered into operating leases for office space for the Yellowknife, Hay River, Fort Simpson, Inuvik, and Norman Wells offices, expiring between June 30, 2023 and June 30, 2025 and office equipment expiring August 18, 2025 in Yellowknife. Future minimum lease payments are as follows.

	<u>Office Space</u>	<u>Office Equipment</u>	<u>Total</u>
2025	\$ 103,764	\$ 3,200	\$ 106,964
2026	<u>4,997</u>	<u>1,600</u>	<u>6,597</u>
	<u>\$ 108,761</u>	<u>\$ 4,800</u>	<u>\$ 113,561</u>

The lease for office space in Yellowknife carries an extension of term option for an additional two (1) year terms with the consideration of a CPI increase.

The lease for office space in Norman Wells carries an extension of term option for two years from September 1, 2024 to August 31, 2026.

During the year, included in other source income revenue are in-kind contributions with a total fair value of \$143,087 (2023 - \$143,087). These services are in connection with the Natural Resources Canada - Clean Energy in Rural and Remote Communities (CERRC) Program, and consist of salaries and benefits of \$109,567 (2023 - \$109,567), office expenses \$29,520 (2023 - \$29,520), and facility rental of \$4,000 (2023 - \$4,000).

17. 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, 2024, 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, 2024, are as follows:

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

17. CAPITAL MANAGEMENT, continued

	2024	2023
Accumulated surplus	\$ 886,271	\$ 699,774
Reserves	1,135,703	1,012,813
Invested in tangible capital assets	65,629	29,856
Net assets per page 3	2,087,603	1,742,443
Tangible capital assets	127,936	46,049
Deferred government assistance	(54,307)	(8,193)
	73,629	37,856
Net financial assets (note 11)	\$ 2,013,974	\$ 1,704,587

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	\$ 852,813	\$ 122,890	\$ 975,703
Credit Card Reserve	90,000	-	90,000
Contingency Reserve	70,000	-	70,000
	\$ 1,012,813	\$ 122,890	\$ 1,135,703

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

18. 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:

	2024	2023
Excess of revenues over expenses per page 2	\$ 345,160	\$ 29,504
Items not affecting cash:		
Amortization of tangible capital assets	28,476	10,273
Amortization of deferred government assistance	(7,559)	(3,676)
Increase in deferred government assistance	53,673	-
Change in accrued interest from GICs	(4,243)	(2,218)
Interest income received relating to short-term investments	2,340	380
Bad debts (recovered)	(35,820)	9,555
	382,027	43,818
Net change in non-cash operating working capital accounts:		
(Increase) decrease in accounts receivable	(987,801)	233,605
Decrease (increase) in GST receivable	12,643	(17,917)
Increase (decrease) in wages and benefits payable	23,816	(14,742)
Decrease in government remittances payable	(16,616)	(2,386)
Increase (decrease) in trade payables and accruals	20,750	(20,859)
(Decrease) increase in contribution repayable	(579,177)	632,169
Increase in deferred revenue	-	18,500
Decrease in deferred lease inducement liability	-	(5,000)
	(1,526,385)	823,370
Cash flows used for operating activities per page 4	\$ (1,144,358)	\$ 867,188

19. RELATED PARTIES

The Society is related in terms of common ownership to all Government of the 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.

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

19. RELATED PARTIES, continued

	<u>2024</u>	<u>2023</u>
Expenses		
Aurora College: Professional development	\$ 600	\$ 3,662
Workers' Safety and Compensation Commission	21,661	19,171
GNWT - Infrastructure: Fees, dues, and licence	<u>108</u>	<u>-</u>
	<u>\$ 22,369</u>	<u>\$ 22,833</u>
Payables to related parties:		
Workers' Safety and Compensation Commission	<u>\$ 6,272</u>	<u>\$ -</u>
Receivables from related parties:		
GNWT - Environment & Climate Change (ECC)	\$ -	\$ 37,176
GNWT - Infrastructure	<u>1,346,804</u>	<u>241,280</u>
	<u>\$ 1,346,804</u>	<u>\$ 278,456</u>

ARCTIC ENERGY ALLIANCE

Schedule I

SCHEDULE OF DEFERRED REVENUE

For the year ended March 31, 2024

Program	Opening balance	Cash funding received	Funding Receivable	Repayments	Transfers	Total funding available	Funding expended	Closing balance
CONTRIBUTIONS								
GOVERNMENT OF CANADA								
Department of Natural Resources (NRCan)								
Clean Energy in Rural and Remote Communities (CERRC)	\$ -	\$ 24,300	\$ 2,700	\$ -	\$ -	\$ 27,000	\$ 27,000	\$ -
GOVERNMENT OF THE NORTHWEST TERRITORIES (GNWT)								
Department of Infrastructure - Core and Program Funding								
Core Funding	-	1,600,000	-	-	-	1,600,000	1,600,000	-
Alternative Energy Technologies Program (AETP)	-	85,373	-	-	(4,508)	80,865	80,865	-
Energy Rating Services Support Program (ERS)	-	300,000	-	53,037	-	246,963	246,963	-
Energy Efficiency Incentive Program (EEIP)	-	199,553	-	98,476	-	101,077	101,077	-
Biomass Energy	-	100,000	-	-	4,508	104,508	104,508	-
Commercial Energy Conservation & Efficiency Program (CECEP)	-	250,000	-	8,650	-	241,350	241,350	-
Community Government Retrofits (CGERP)	-	3,074	-	-	-	3,074	3,074	-
Community Energy Planning	-	200,000	-	60,258	-	139,742	139,742	-
Electric Transportation	-	230,000	-	24,021	-	205,979	205,979	-
Reducing Energy Poverty	-	200,000	-	11,585	(188,018)	397	397	-
E-bike Supplemental CA	-	20,000	-	-	-	20,000	20,000	-
Community wood stoves	-	-	-	-	159,573	159,573	159,573	-
Low Income Energy Retrofits	-	-	-	-	28,445	28,445	28,445	-
	-	3,188,000	-	256,028	-	2,931,973	2,931,972	-
Department of Infrastructure - Low Carbon Economy Leadership Fund (LCELF)								
Alternative Energy Technologies Program (AETP)	-	433,410	178,398	-	-	611,808	611,808	-

Program	Opening balance	Cash funding received	Funding Receivable	Repayments	Transfers	Total funding available	Funding expended	Closing balance
Energy Efficiency Incentive Program (EEIP)	-	309,590	120,410	-	-	430,000	430,000	-
Commercial Energy Conservation & Efficiency Program (CECEP)	-	211,000	300,000	-	-	511,000	511,000	-
Community Government Building Energy Retrofit (CGBERP)	-	65,505	124,000	-	-	189,505	189,505	-
Deep Home Energy Retrofit	-	100,906	179,094	-	-	280,000	280,000	-
Low Income Energy Assistance	-	100,000	27,000	-	-	127,000	127,000	-
Energy Efficiency and Conservation Retrofits - NGO	-	165,000	108,233	-	-	273,233	273,233	-
Community Energy Plan Implementation	-	117,094	278,389	-	-	395,483	395,483	-
Community Wood Stoves	-	297,495	30,000	-	-	327,495	327,495	-
	-	1,800,000	1,345,523	-	-	3,145,523	3,145,523	-
Total INF	-	4,988,000	1,345,523	256,028	-	6,077,496	6,077,496	-
Department of Health & Social Services (HSS)								
Low Income Energy Retrofits	-	30,000	-	-	-	30,000	30,000	-
Total HSS	-	30,000	-	-	-	30,000	30,000	-
Total GNWT	-	5,018,000	1,345,523	256,028	-	6,107,496	6,107,496	-
Other Revenue								
Membership fee received in advance from ECC	50,000.00	50,000	-	-	-	100,000	50,000	50,000
Total Other Revenue	50,000.00	50,000	-	-	-	100,000	50,000	50,000
Total contributions	\$ 50,000	\$ 5,092,300	\$ 1,348,223	\$ 256,028	\$ -	\$ 6,234,496	\$ 6,184,496	\$ 50,000

ARCTIC ENERGY ALLIANCE
SCHEDULE OF CORE FUNDING AND ENERGY PROGRAMS
For the year ended March 31, 2024

Schedule II

	Total	Core Funding	Alternative Energy Technologies Program (AETP)	Energy Rating Services Support Program	Biomass Energy
REVENUES					
Contributions from GNWT	\$ 6,107,496	1,600,000	80,865	246,963	104,508
Contributions from Canada	27,000	-	-	-	-
Membership fees	227,500	227,500	-	-	-
Other source income	273,499	223,854	-	31,700	-
Interest income	127,989	127,989	-	-	-
	6,763,485	2,179,343	80,865	278,663	104,508
EXPENSES					
Advertising and promotion	95,037	75,162	-	-	10,959
Amortization	-	-	-	-	-
Bad debts (recovered)	(35,820)	(35,820)	-	-	-
Consulting fees	291,864	95,051	-	69,476	2,602
Equipment rental	3,278	3,278	-	-	-
Facility rental and tradeshow fees	13,980	10,772	-	-	666
Fees and dues	18,720	16,684	-	-	890
Hospitality	18,232	13,899	-	-	961
Insurance	16,543	16,543	-	-	-
Interest and bank charges	3,750	3,750	-	-	-
Office and general	107,558	104,122	-	183	-
Professional development	22,870	4,314	-	-	-
Professional fees	35,946	35,946	-	-	-
Rebates	2,807,479	-	80,865	-	-
Rent and utilities	194,856	194,856	-	-	-
Telephone, Internet and Website	51,659	51,659	-	-	-
Travel and accommodation	284,464	116,521	-	36,221	14,630
Wages and benefits	2,466,992	1,140,996	-	141,082	73,799
	6,397,408	1,847,732	80,865	246,963	104,508
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES					
	366,077	331,612	-	31,700	-
TRANSFERS					
Amortization of tangible capital assets	(28,476)	(28,476)	-	-	-
Amortization of government assistance	7,559	7,559	-	-	-
	(20,917)	(20,917)	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES					
	\$ 345,160	\$ 310,694	\$ -	\$ 31,700	\$ -

See accompanying notes.

ARCTIC ENERGY ALLIANCE
SCHEDULE OF CORE FUNDING AND ENERGY PROGRAMS
For the year ended March 31, 2024

Schedule II

	Commercial Energy Conservation & Efficiency Program (CECEP)	Community Government Retrofits (CGERP)	Energy Efficiency Incentive Program (EEIP)	Electric Transport (ET)	Community Energy Planning (CEP)	Reducing Energy Poverty (REP)
REVENUES						
Contributions from GNWT	241,350	3,074	101,077	225,979	139,742	397
Contributions from Canada	-	-	-	-	-	-
Membership fees	-	-	-	-	-	-
Other source income	-	2,765	-	-	-	-
Interest income	-	-	-	-	-	-
	<u>241,350</u>	<u>5,839</u>	<u>101,077</u>	<u>225,979</u>	<u>139,742</u>	<u>397</u>
EXPENSES						
Advertising and promotion	-	-	-	1,147	835	-
Amortization	-	-	-	-	-	-
Bad debts (recovered)	-	-	-	-	-	-
Consulting fees	-	-	-	-	54,311	-
Equipment rental	-	-	-	-	-	-
Facility rental and tradeshow fees	-	-	-	-	1,772	-
Fees and dues	-	-	-	-	263	-
Hospitality	-	-	-	-	2,568	-
Insurance	-	-	-	-	-	-
Interest and bank charges	-	-	-	-	-	-
Office and general	-	3,074	-	-	160	-
Professional development	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-
Rebates	241,350	-	101,077	212,774	-	-
Rent and utilities	-	-	-	-	-	-
Telephone, Internet and Website	-	-	-	-	-	-
Travel and accommodation	-	-	-	-	31,442	-
Wages and benefits	-	-	-	12,059	48,391	397
	<u>241,350</u>	<u>3,074</u>	<u>101,077</u>	<u>225,979</u>	<u>139,742</u>	<u>397</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>-</u>	<u>2,765</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TRANSFERS						
Amortization of tangible capital assets	-	-	-	-	-	-
Amortization of government assistance	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ 2,765</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.

ARCTIC ENERGY ALLIANCE
SCHEDULE OF CORE FUNDING AND ENERGY PROGRAMS
For the year ended March 31, 2024

Schedule II

	Alternative Energy Technologies LCELF	Energy Efficiency Incentive Program LCELF	Commercial Energy Conservation & Efficiency LCELF	Community Government Building Energy Retrofit LCELF	Deep Home Energy Retrofit LCELF
REVENUES					
Contributions from GNWT	611,808	430,000	511,000	189,505	280,000
Contributions from Canada	-	-	-	-	-
Membership fees	-	-	-	-	-
Other source income	-	-	-	-	-
Interest income	-	-	-	-	-
	<u>611,808</u>	<u>430,000</u>	<u>511,000</u>	<u>189,505</u>	<u>280,000</u>
EXPENSES					
Advertising and promotion	967	5,968	-	-	-
Amortization	-	-	-	-	-
Bad debts (recovered)	-	-	-	-	-
Consulting fees	9,086	3,169	3,160	7,584	25,574
Equipment rental	-	-	-	-	-
Facility rental and tradeshow fees	-	-	-	-	-
Fees and dues	187	-	80	144	198
Hospitality	22	253	-	-	-
Insurance	-	-	-	-	-
Interest and bank charges	-	-	-	-	-
Office and general	-	-	-	19	-
Professional development	3,918	-	1,674	3,015	4,158
Professional fees	-	-	-	-	-
Rebates	430,426	319,313	368,927	44,134	108,113
Rent and utilities	-	-	-	-	-
Telephone, Internet and Website	-	-	-	-	-
Travel and accommodation	968	653	-	-	9,976
Wages and benefits	166,235	100,646	137,159	134,609	131,981
	<u>611,808</u>	<u>430,000</u>	<u>511,000</u>	<u>189,505</u>	<u>280,000</u>
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, 2024

Schedule II

	Low Income Home Energy Assistance LCELF	Energy Efficiency & Conservation Retrofits NPOs LCELF	Community Energy Plan Implementation LCELF	Community Wood Stoves LCELF	Low Income Home Winterization GNWT
REVENUES					
Contributions from GNWT	127,000	273,233	395,483	327,495	58,445
Contributions from Canada	-	-	-	-	-
Membership fees	-	-	-	-	-
Other source income	-	-	-	-	-
Interest income	-	-	-	-	-
	<u>127,000</u>	<u>273,233</u>	<u>395,483</u>	<u>327,495</u>	<u>58,445</u>
EXPENSES					
Advertising and promotion	-	-	-	-	-
Amortization	-	-	-	-	-
Bad debts (recovered)	-	-	-	-	-
Consulting fees	540	763	82	11,315	-
Equipment rental	-	-	-	-	-
Facility rental and tradeshow fees	-	270	-	-	500.00
Fees and dues	132	57	20	66	-
Hospitality	147	132	-	-	250.00
Insurance	-	-	-	-	-
Interest and bank charges	-	-	-	-	-
Office and general	-	-	-	-	-
Professional development	2,769	1,204	422	1,395	-
Professional fees	-	-	-	-	-
Rebates	16,296	190,440	311,932	216,255	40,791
Rent and utilities	-	-	-	-	-
Telephone, Internet and Website	-	-	-	-	-
Travel and accommodation	7,678	-	23,855	17,850	3,078.53
Wages and benefits	99,438	80,367	59,171	80,614	13,825
	<u>127,000</u>	<u>273,233</u>	<u>395,483</u>	<u>327,495</u>	<u>58,445</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TRANSFERS					
Amortization of tangible capital assets	-	-	-	-	-
Amortization of government assistance	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

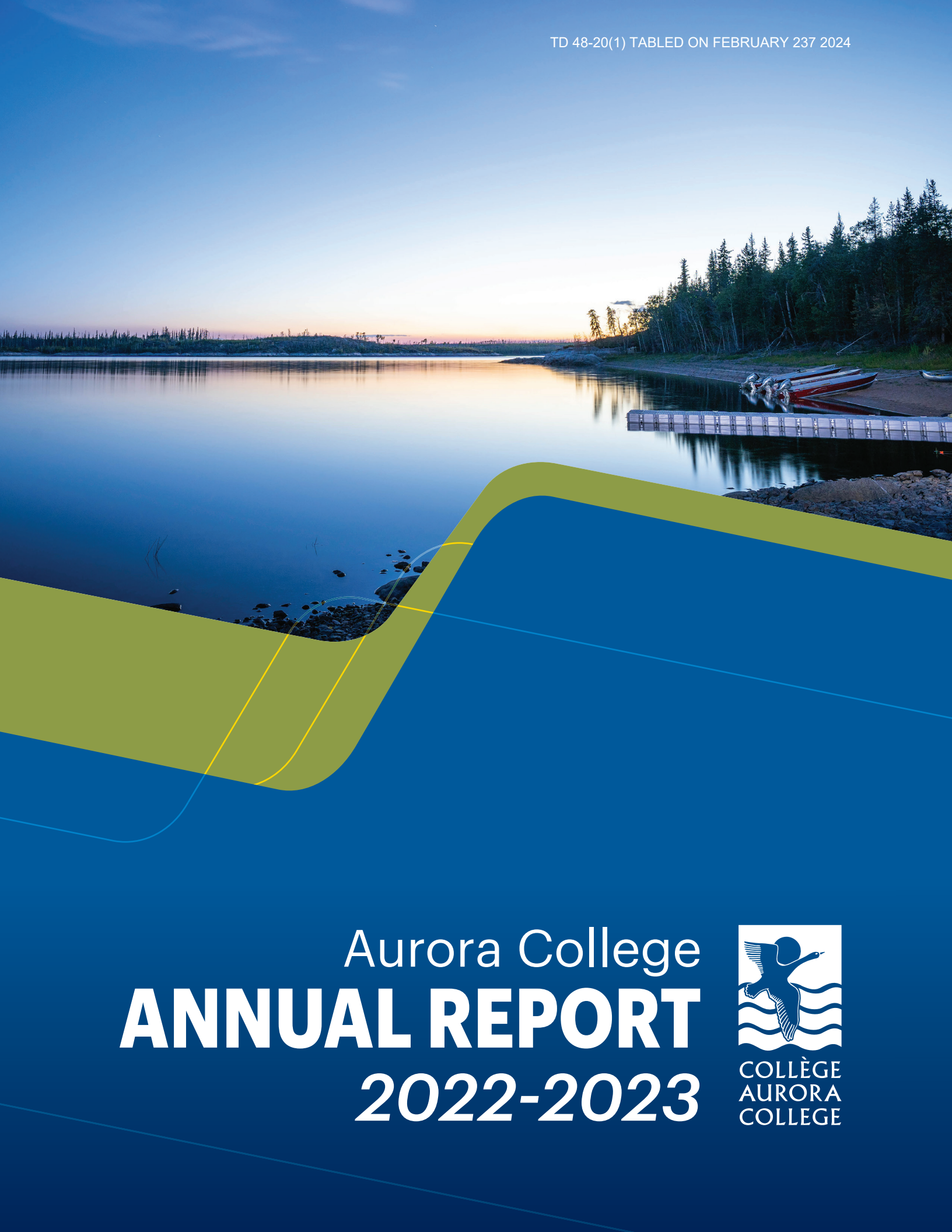
ARCTIC ENERGY ALLIANCE
SCHEDULE OF CORE FUNDING AND ENERGY PROGRAMS

Schedule II

For the year ended March 31, 2024

	<u>Community Wood Stoves GNWT</u>	<u>Community Energy Planning (CEP) Canada</u>
REVENUES		
Contributions from GNWT	159,573	\$ -
Contributions from Canada	-	27,000
Membership fees	-	-
Other source income	15,180	-
Interest income	-	-
	<u>174,753</u>	<u>27,000</u>
EXPENSES		
Advertising and promotion	-	-
Amortization	-	-
Bad debts (recovered)	-	-
Consulting fees	9,150	-
Equipment rental	-	-
Facility rental and tradeshow fees	-	-
Fees and dues	-	-
Hospitality	-	-
Insurance	-	-
Interest and bank charges	-	-
Office and general	-	-
Professional development	-	-
Professional fees	-	-
Rebates	124,787	-
Rent and utilities	-	-
Telephone, Internet and Website	-	-
Travel and accommodation	21,591	-
Wages and benefits	19,225	27,000
	<u>174,753</u>	<u>27,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>-</u>	<u>-</u>
TRANSFERS		
Amortization of tangible capital assets	-	-
Amortization of government assistance	-	-
	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes.



Aurora College
ANNUAL REPORT
2022-2023



VISION

Through the transformation of Aurora College into a polytechnic university, we will establish a university in the North and for the North that creates equitable opportunities for residents across the Northwest Territories to reach their full potential.

MISSION

Demonstrate leadership in the delivery of relevant and meaningful education and research rooted in strong connections to Northern land, tradition, community and people.

VALUES



RESPECT

We care for one another and foster relationships based on trust, respect and fairness. We respect others and the land, water, air and animals.



INCLUSIVENESS AND DIVERSITY

We foster a culture of equity and inclusion that celebrates different ways of being, knowing and doing.



INNOVATION

We inspire and nurture innovative thinking, continuous discovery and creative expression.



ACADEMIC INTEGRITY

We hold ourselves to high standards of ethical behaviour and take responsibility for our actions. We recognize and protect the right of the individual to search for knowledge, wherever knowledge is to be found.

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LAND ACKNOWLEDGEMENT

We respectfully acknowledge that Aurora College is situated on the traditional territories and homeland of the Dene, Inuit and Métis peoples of the Northwest Territories. We are grateful to the many Indigenous peoples of the NWT for allowing us the opportunity to learn, work and live on their lands. We are also deeply grateful for the generous sharing of Traditional Knowledge, wisdom and ways of knowing, being and doing with our students and employees.

2022-2023

AT A GLANCE

67 OF 80 CRITICAL AND KEY MILESTONES ACHIEVED
to prepare for transformation to a Polytechnic University

1 NEW PROGRAM READY TO PILOT
in three communities - Introduction to Skilled Trades Essentials Program prepares students to enter Fundamentals of Carpentry and Fundamentals of Electrical

1st ATTENDANCE BY AURORA COLLEGE FACULTY
at International Congress of Francophone Nurses

RESEARCH

in SSHRC
Research
Income

#3

- #3 for SSHRC Research Income as a percentage of Total Research Income for small colleges, as per InfoResearch Top 50 Research Colleges in Canada 2022;
- #10 for NSERC Research Income and #7 for NSERC Research Income as percentage of Total Research Income, 2022

55

Aurora Research
Institute-led projects



19

Northern Nursing
Research projects by
Bachelor of Science
in Nursing students

\$2,628,378 NEW

research funding awarded to Aurora Research Institute.

PARTNERSHIPS

8,500+

students and educators
from 21 NWT communities
attended ARI STEM
Outreach events and
activities

6

Aurora College staff
participated in UArctic's
inaugural north2north
exchange program

\$216,000

committed over nine
years by Gahcho Kué
Mine to support up to 12
annual scholarships of
\$2,000 each to students
graduating from the
distance Early Learning and
Child Care program

STUDENTS

134  **GRADUATES**

graduated from degree, diploma and certificate programs

40+

ACADEMIC UPGRADING COMPLETIONS

6 UCAP
3 OCAP
19 ALBE

72 **CERTIFICATES**

43 **DIPLOMAS**

19 **DEGREES**

6 **NWT SECONDARY SCHOOL DIPLOMAS**

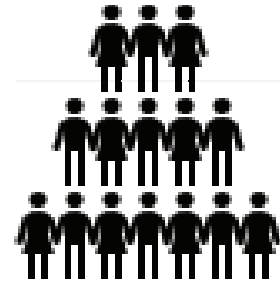
learners completed the requirements to receive NWT secondary school diplomas

STEM OUTREACH

450 **SCIENCE EVENTS** in JK-12 classrooms, reaching **8,500+** students and educators

- **87** hands-on science kits loaned to JK-12 for classroom use
- **38** teachers in STEM "Train the Trainer" sessions who then did **187** hands-on science events reaching **3,343** students in **18** schools in **13** communities
- **95** in-person class visits reaching **1,674** students in **13** communities
- **161** speaker events featuring **24** northern researchers and **459** participants
- **117** community and family events reached **2,710** youth and adults
- **8** training sessions with Aurora College Early Learning and Child Care students
- **5** workshops at NWTTA Teachers' Conference reaching hundreds of NWT teachers
- **Robotics** and **coding** clubs and camps for students in Inuvik and Fort Smith

EMPLOYEES



Aurora College Team

249
STRONG

20 have doctoral degrees

76 have masters degrees

21 have Red Seal or Journey person tickets

2 have CPA designations

35 have post-graduate diplomas or certificates

27.3% Indigenous Aboriginal

7.7% Indigenous non-Aboriginal

65.0% Non-Indigenous non-Aboriginal

CHAIR'S MESSAGE



I am pleased to share my first message as Chair of the Board of Governors in this 2022-2023 Aurora College Annual Report. Since the Board was re-established on March 6, 2023 we have been working diligently to shape the future of Aurora College.

The next steps towards implementing the new tri-cameral governance model involve the appointment of the Academic Council and the Indigenous Knowledge Holders Council (IKHC). Together, these three bodies will make decisions and recommendations regarding our strategic direction, college operations, academics, and research. This innovative governance structure is designed to make Aurora College increasingly effective, efficient, sustainable, and responsive to the needs of Northern residents. Importantly, the IKHC is not an advisory body, but will actively participate in governance, setting us apart from other post-secondary institutions in

Canada. The Academic Council is expected to be established by late 2023 and the Indigenous Knowledge Holders Council by early March 2024.

We are currently in the second of three phases of Aurora College's transformation journey. During Phase 2, the majority of changes to the College's organizational structure will be completed to reflect a polytechnic university model. The College will also undergo a quality assurance review to show that it has created sustainable processes, demonstrated financial and operational resources and shown that an atmosphere of academic freedom exists. The final step under Phase 2 will be the legislative process to enact a Polytechnic University Act that formally recognizes the new polytechnic university. Although the transformation is often presented as one project, it is a collection of more than 200 projects that will be completed over approximately eight years.

While 67 of the 80 critical and key milestones on the transformation journey have been completed, we still have an ambitious agenda ahead. During the 2023-2024 academic year, work will be underway to finalize the next three-year Strategic Plan (2024-2026), a new five-year Academic Plan (2024-2029), a new three-year Strategic Enrolment Management Plan (2024-2027) and a new three-year Marketing and Student Recruitment Plan (2024-2027). Additionally, we

will adopt and implement our Research Data Management strategy, execute the Equity, Diversity, and Inclusion Plan, strengthen the Research Advisory Committee and further advance elements of the Facilities Master Plan.

Our overarching goal is to continue making Aurora College the best post-secondary institution it can be—a place for every resident of the NWT who seeks to enhance their skills, knowledge, and abilities through post-secondary education. Achieving this goal will require us to meet students where they are in their educational journey and to support them throughout their entire path, from the initial application to a program offered by a community learning centre or campus, all the way to successful employment. To accomplish this, we must create a learning-centered approach that aligns institutional success with student success.

While we have achieved a great deal so far, there is still a significant amount of work to be done on this transformative journey. I have every confidence we have an exceptional team in place to continue and complete this important work.

Joseph Handley
Chair, Board of Governors
Aurora College

PRESIDENT'S MESSAGE



This past year was a busy one, between welcoming students and researchers back into our facilities after an extended absence and working on the dozens of transformation projects aimed at preparing Aurora College to become a polytechnic university.

One of the largest undertakings, which required effort from every division and area of the College, was the Self Study Report. New NWT legislation identifies the need for any new universities in the territory to undergo rigorous quality assurance exercises to ensure programming is of the utmost quality. The **Post-Secondary Education (PSE) Act** establishes the framework to recognize post-secondary education institutions in the NWT, including universities, colleges and private training institutions. It formalizes a quality assurance system for the accreditation of certificate, diploma, degree programs, and institutions. Creating a standardized system allows for greater integration with institutions in other jurisdictions, including transferring post-secondary credits earned in the

NWT. This process also looks at the whole of the post-secondary education system in the NWT to ensure the institutions and programs complement and enhance the existing system.

The PSE Act states: “The purpose of quality assurance bodies is to complete external reviews of institutions and programs before they are recognized or established. This is to maintain a quality post-secondary education system, in which NWT degrees and institutions are held to a high standard and therefore recognized across jurisdictions.”

The Campus Alberta Quality Council (CAQC) was chosen to be the quality assurance body for Aurora College’s transformation due to a track record of excellence in the accreditation of potential universities, past experience in the north and the geographical location in relation to Aurora College. CAQC reviews and recommends Alberta degree programs, as well as monitors degree programs to ensure they continue to meet standards.

In June 2023, an application was submitted to CAQC on Aurora College’s behalf by the Minister of Education, Culture and Employment. There are 11 standards which must be met, summarized broadly by themes: Mandate and Mission; Organization, Administration and Governance; Financial Structure and Resources; Curriculum and Instruction; Academic Staff; Strategic Planning and Accountability; Information and Library Services; Academic Policies; Student Services; Facilities; and Institutional

Publications. Initially, more than 250 pieces of information were identified as needed for the Self Study Report.

The CAQC will review the document, do site visits and speak with key individuals during the review, then provide one of three possible outcomes – ready to be accredited, some specific work required before accreditation, or not ready. It is not unusual to receive the second outcome, with a timeline to complete the work indicated.

Other key areas of focus in 2022-2023 were program development and improving the student experience. The Program Development team was created and staffed to research and develop new programming for the College. To date, the team has been working on the General Studies Diploma (which will be introduced in 2024-2025) as well as renewed Bachelor of Social Work and Bachelor of Education programs. A great deal of effort has been put into enhancing and expanding the student experience at Aurora College, beginning with applications and registration. Taking the lead from the Strategic Enrolment Management (SEM) Plan 2021-2024, a number of new processes and practices have been put in place to streamline and simplify those areas. Implementation of the SEM Plan will continue in 2023-2024, with much of the focus on recruitment, student life and student wellness.

Dr. Glenda Vardy Dell
President,
Aurora College

2022-2023

FACTS, FIGURES & FINANCE

STUDENTS

Number of Students by Campus

CAMPUS / YEAR	2022-2023		2021-2022		2020- 2021		2019-2020	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
Aurora	39	193	35	119	22	67	84	394
Thebacha	113	413	111	385	84	163	161	494
Yellowknife North Slave	182	268	266	179	167	189	224	471
Communities	48	441	31	317	19	953		
Distance	2	20						
TOTAL	384	1,335	443	1,000	292	1,372	469	1,359

NOTE: Until 2020-2021 students learning in Community Learning Centres were included in campus student counts. Beginning in 2022-2023, distance students are counted in a separate category.

Full-Time Equivalent (FTE) Students by Campus

CAMPUS / YEAR	2022-2023	2021-2022	2020-2021	2019-2020
Aurora	65.1	42.3	31.1	107.1
Thebacha	215.5	179.7	129.3	209.1
Yellowknife North Slave	253.3	310.1	204.3	283.4
Communities	99.4	58.3	100.7	
Distance	5.4			
TOTAL	638.7	590.4	468.4	599.6

NOTE: Until 2020-2021 students learning in Community Learning Centres were included in campus student counts. Beginning in 2022-2023, distance students are counted in a separate category.

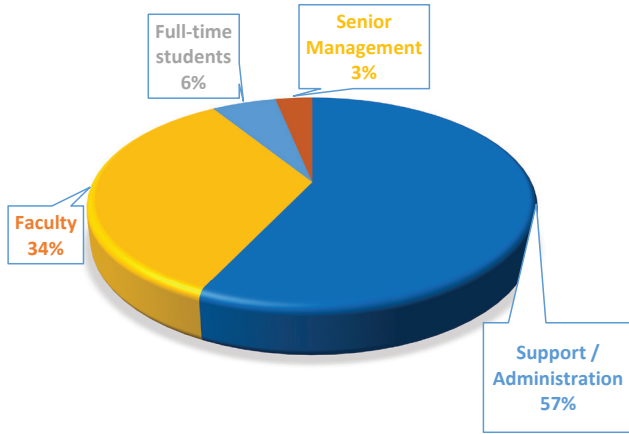
Full-Time Equivalent (FTE) Students by School - Division

SCHOOL-DIVISION / YEAR	2022-2023	2021-2022	2020-2021	2019-2020
Continuing Education	66.1	23.2	34.5	35.0
Developmental Studies	105.8	142.0	136.1	240.2
Arts & Science	27.1	26.7	22.2	18.0
Business & Leadership	68.2	105.9	50.5	72.9
Education	70.9	60.1	34.5	43.2
Health & Human Services	178.1	145.0	127.7	131.6
Trades, Apprenticeship & Industrial Training	122.5	87.5	59.9	58.7
TOTAL	638.7	590.4	465.4	599.6

NOTE: Full Time: FTE >= 0.6; Part Time: FTE < 0.6 course load

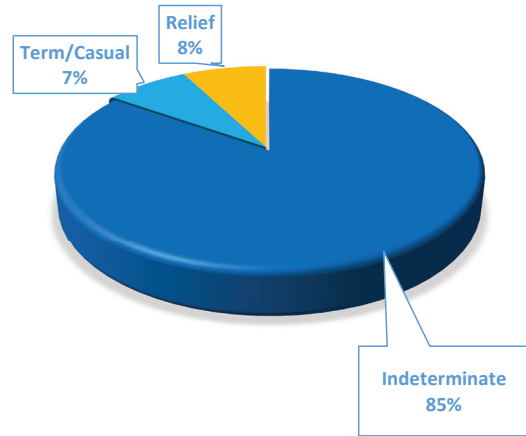
FACULTY & STAFF

Employees by Function*



Support/Administration	142
Faculty	85
Full-Time Students	14
Senior Management	8

Employees by Employment Status*

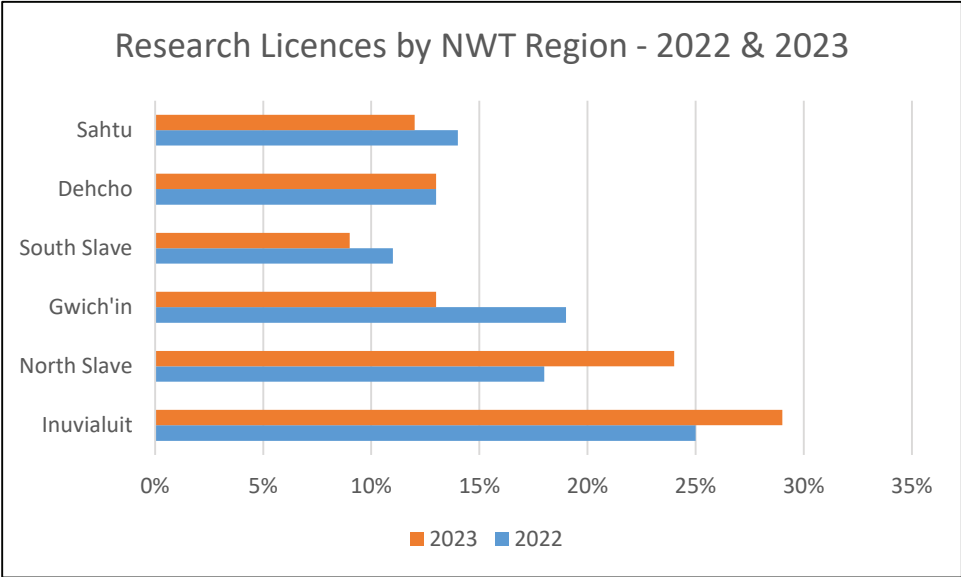


Indeterminate	211
Relief	19
Term / Casual	19

* These statistics are a snapshot of employees on June 30, 2023

*Instructor and casual employee numbers are lower on June 30 than during majority of academic year.

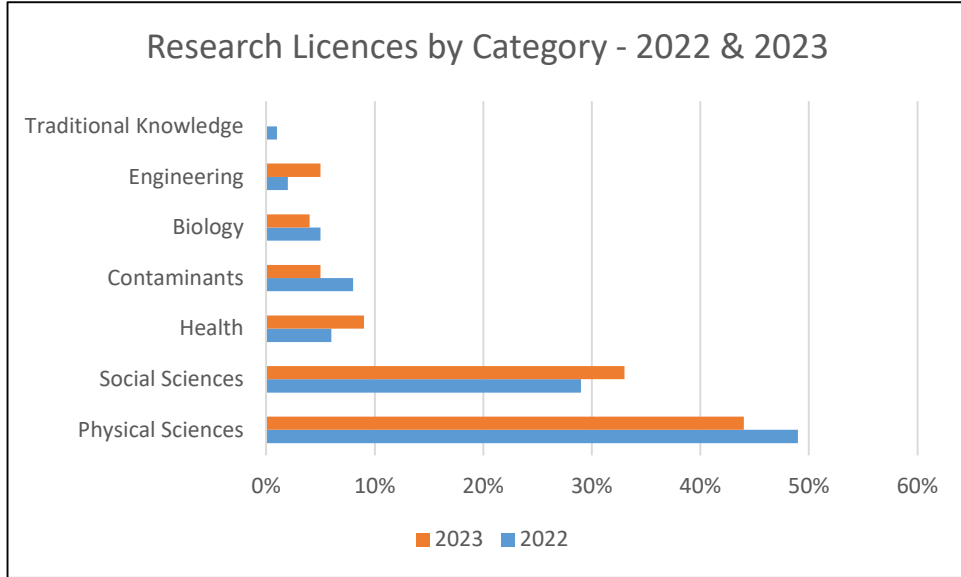
RESEARCH



Total Research Licences Issued:
 2022 - 227
 2023 - 98

*Some licences span multiple regions

Data:
 January 1 - December 31, 2022
 January 1 - December 31, 2023



Aurora Research Institute Metrics (July 1, 2022– June 30, 2023)

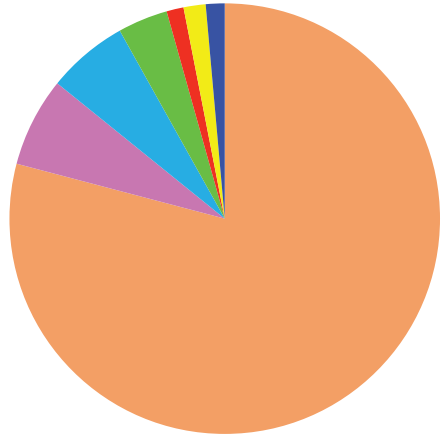


Research Projects – ARI Led	55
New funding (\$\$) awarded:	\$ 2,628,378
ArcticNet North by North Funding (2020-2024)	\$1,416,668

FINANCES AT A GLANCE

REVENUE BY SOURCE

Government of the Northwest Territories	79.1%
Government of Canada	6.7%
Other third party contributions	6.1%
Tuition	3.8%
Recoveries & Other	1.3%
Room & Board	1.7%
Interest	1.4%



EXPENDITURES BY SOURCE

Education & Training	34.9%
Student Services	19.2%
Pooled services	16.2%
Community & Extensions	15.5%
Aurora Research Institute	10.5%
Financial & Accounting Services	3.2%



2022-2023 HIGHLIGHTS

TRANSFORMING TO A POLYTECHNIC UNIVERSITY

Phase 1 complete

Phase 1 began with the launch of the transformation initiative in 2019 and was officially completed when An Act to Amend the Aurora College Act came into force on May 20, 2022, achieving a milestone in the transformation process. The changes have resulted in a new governance system that will help to ensure Aurora College is effective, efficient and sustainable. This includes the establishment of a competency-based Board of Governors, an Academic Council and an Indigenous Knowledge Holders Council. This approach to governance is ground-breaking for post-secondary education institutions in Canada, particularly around the way Indigenous knowledge holders will be empowered to support the growth and development of the institution. The new governance model will allow Aurora College, and the future polytechnic university, to be better positioned to identify and respond to the needs of Northern residents and do so at arm's length from government.

Phase 2 underway

The transformation initiative is well into Phase 2, which will see key aspects of the polytechnic university take shape over the coming years. Work to date has included extensive engagement around polytechnic facilities, both for the three campuses and the network of Community Learning Centres; establishing governance structures and bodies; and preparing structures and processes to ensure accountability, transparency and the success of the new institution. To that end, a number of critical milestones have been completed during the 2022-2023 academic year, while work continues on others. Phase 3 will end when all commitments have been met and all major projects have concluded.

Facilities Master Plan released

The Facilities Master Plan (FMP), released in September 2022, is a strategic documents developed by the GNWT and Aurora College that recommends how each of the institution's physical locations can offer an elevated experience of learning, research, innovation and community-building. It looks at the future needs of a polytechnic university, providing a roadmap for the enhancement and expansion of current Aurora College facilities over the next five, ten and 20 years and across the Northwest Territories, including those in the Fort Smith and Inuvik locations. This includes infrastructure such as academic buildings, student housing, outdoor learning and ceremonial spaces, as well as vehicle and pedestrian routes. Importantly, it will empower the polytechnic university Board of Governors, GNWT and other co-investment partners to collaborate in the ongoing growth of the institution. The FMP does not commit the GNWT or Aurora College to fund or move forward with any particular infrastructure project but will serve as a starting point for further conversations with partners and stakeholders to execute the vision for a polytechnic university in the NWT. The first FMP focuses on facilities in the three campus communities while a second plan will look at the community learning centres.

Service Standards drafted

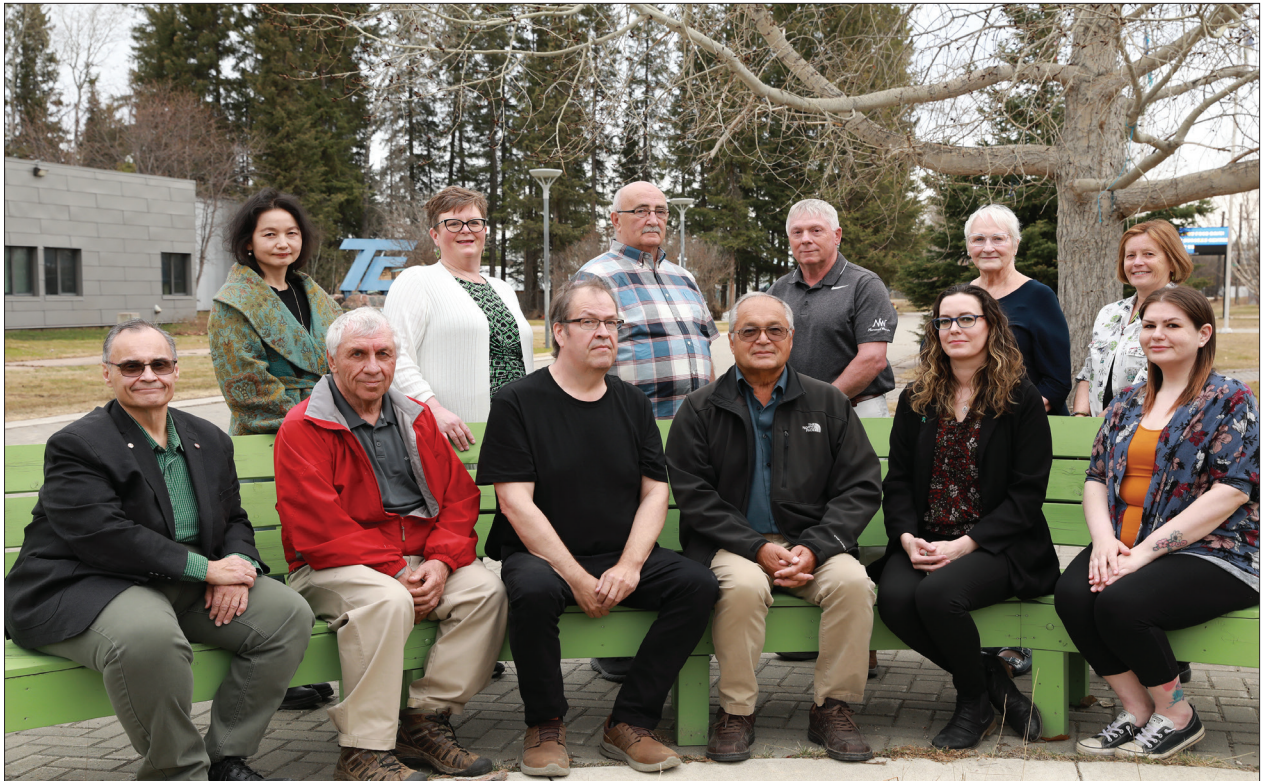
A coherent set of Service Standards that can be applied across all facets of the institution has been drafted for finalizing and implementation. This will serve as a baseline for many of the key performance indicators (KPIs) to be featured in future Aurora College Corporate Plans. This is a requirement to complete transformation.

Program review process established

Aurora College has created a program development team with responsibilities to develop and renew curriculum for new and exiting programs. To date, reviews of both the Social Work Diploma and Bachelor of Education (BEd) program have been completed and have led to the redevelopment of new curricula for both programs. A two-year General Studies Diploma will be launched in 2024-2025. Students who complete this program can ladder into the BEd or Bachelor of Social Work or any other Aurora College degree programs. The courses are being developed to also allow students to transfer to other post-secondary institutions. A review of the Environment and Natural Resources Technology Diploma is underway. A five-year schedule for the review of all existing programs at Aurora College has been established; the next program for review will be Office Administration. The polytechnic university will provide Northerners with an opportunity to study new and laddered programs within areas of teaching and research specialization and support the establishment of a place of higher learning focused on meeting NWT labour market needs. Northerners will be the first in line for northern jobs.

Board of Governors re-established

On March 6, 2023, the 13 members of the new Aurora College Board of Governors were announced. Board members were selected based on a list of competencies established under the Aurora College Act, that include: membership on a board of directors, leadership of large organizations, financial planning, facilities management, post-secondary education, reconciliation, understanding of small and remote communities, northern economic development, northern social development, and public policy. The board is made up of 10 members at large, two staff members and one student member. To support the Board of Governors, a comprehensive Board Operating Manual and a Board Orientation Process were established, which outline the roles and responsibilities as well as accountabilities and reporting requirements of individual members and the board as a collective.



Request to become polytechnic university

As a requirement of the Northwest Territories Post-Secondary Education Act, Aurora College must complete a quality assurance review process to be recognized as a degree-granting post-secondary institution. In June 2022, the Minister of Education, Culture and Employment – on behalf of Aurora College and the Department of Education – sent a request to the Campus Alberta Quality Council (CAQC) to conduct the review of Aurora College. It will set up a panel of experts with leadership experience in Canadian universities, which will assess the College’s overall ability to meet national standards and best practices and will recommend whether the institution is ready to become a polytechnic university. In advance of the review, Aurora College completed a comprehensive Self-Study document that outlined the current state as well as plans to prepare for transformation to a polytechnic university. Preparing for this wide-ranging review has been an ongoing process that Aurora College, with support from the GNWT, has been working towards since the start of transformation. At the same time, Aurora College has been implementing a continuous quality improvement policy, which is helping to drive a significant shift in strategy, processes, and organizational culture. If the reviewers recommend the College is ready to complete the transformation process, the Minister of ECE may then begin the formal legislative process of establishing Aurora College as a polytechnic university. At this stage, the Aurora College Act will be replaced by the Polytechnic University Act.

Organizational redesign underway

Another critical milestone that will support the requirements of the quality assurance review and prepare Aurora College to become a polytechnic university is the Aurora College organizational redesign. As the College undergoes transformation and establishes a more autonomous relationship with the GNWT, it becomes imperative to adapt the systems and structures that facilitate operations and more closely reflect post-secondary institutions. The pursuit of an updated academic organizational design aligns with current objectives and is a requirement of the quality assurance review. The organizational design project is future-thinking in its design, and the changes will begin in 2024.

Co-investment in transformation

Aurora College continues to work with the GNWT to establish co-investment partnerships. The term “co-investment partner” in the context of transformation, means any organization with a common interest in post-secondary education or research. Through a formal agreement, this organization contributes knowledge, resources, or funding to the polytechnic university. Potential co-investment partners include the federal government, Indigenous governments, industry, non-government organizations and other post-secondary institutions. The establishment of co-investment partnerships through formal agreements will support the transformation of Aurora College, as well as its long-term development and growth as a polytechnic university.

Tri-cameral governance structure close to complete

Once the Board of Governors was re-established in March 2023, work began in earnest to set up the processes and structures to create the Academic Council and the Indigenous Knowledge Holders Council. The Academic Council will be the senior academic body of the College. Its primary role will be to focus on the academic quality of all new and existing programs. Among other responsibilities, the Council advises on the academic standards and policies of the College and provides program approval and review. It is the Academic Council that is responsible to determine if a program meets the academic requirements and standards of the College. The Academic Council will be appointed in late 2023. In addition, the Indigenous Knowledge Holders Council (IKHC) is expected to be appointed by early March 2024. The creation of the IKHC underscores Aurora College’s commitment to incorporate Indigenous perspectives, values, knowledge and traditions into all areas and business of the institution, in a methodical, strategic, and collaborative manner. The main purpose of the Council will be to promote policies and operational decisions that foster the success of Indigenous students and staff, and the overall success of Aurora College.

Funding Framework

The GNWT-ECE is currently developing a post-secondary funding framework that will be applied to Aurora College and the future polytechnic university. The process has been experiencing some delays. There are several approaches to funding post-secondary institutions being considered – with most allowing considerable autonomy for institutions to internally allocate the funds determined by the formula. The approach to a funding framework for the polytechnic university will look at the institution’s operating conditions across the territory and its goal of increasing access to quality post-secondary education opportunities for all residents. It will also be shaped by the fact that the NWT only has one public institution that supports three campuses and a network of community learning and research facilities. Typical funding frameworks are comprised of three layers: core facilities and administration funding to support institutional sustainability, core program funding to support programs tied to long-term labour demands, and enrolment-based funding to support short and medium-term growth. Currently, the GNWT funds approximately 65 percent of Aurora College’s operating costs. Additional project specific or pilot funding may also come from the GNWT, including the potential for matching funds on federal grants.

Strategic Enrolment Management Plan progress

Aurora College implemented its first Strategic Enrolment Management (SEM) plan (2021-2024) in the fall of 2021. This work has been led by a SEM advisor, along with a SEM Leadership Committee, and sub-teams of staff to focus on the areas of recruitment, registration, data and student persistence. Priority focus for this year was placed on goals related to ensuring Aurora College provides a welcoming and smooth application and registration experience for students and takes a caring and individual approach to student support throughout each stage of the student journey. Considerable focus was placed on holding student engagement sessions and developing surveys, including student engagement on the admissions and registration processes, annual student surveys exploring overall student satisfaction with their college experience and a student led initiative to hear about the needs of Indigenous students. Students who responded to the annual survey reported an overall satisfaction with college services. Ninety-five percent of student respondents agreed that Aurora College provides relevant and meaningful education; 89 percent agreed that Aurora College encourages their creativity and 96 percent agree that the college provides quality program instruction. Importantly, 95 percent agreed that the college provides a culturally safe learning environment and 89 percent are likely to recommend Aurora College. Perhaps one of the greatest accomplishments of the SEM plan is an increased awareness of the importance of SEM principles and goals, and the increased communication between departments to ensure a student-centered approach to all our work. All Aurora College staff and departments have a responsibility to recruit and retain students.



2022-2023 HIGHLIGHTS

TEACHING AND LEARNING

Seven-year accreditation for Bachelor of Science in Nursing program

The Canadian Association of Schools of Nursing granted a seven-year accreditation to the Bachelor of Science in Nursing program this year, an increase from the original five-year accreditation term. This increase validates the continued high quality of Aurora College's BSN program and the commitment to education standards.

Level 2 of Northern Leadership Development Program (NLDP) introduced

Building on a decade of successful NLDP deliveries, Aurora College has introduced a second level to the program. NLDP Level 2 is a comprehensive training program designed to provide leaders with advanced knowledge, skills, and tools to lead their teams and organizations effectively. It is geared towards experienced leaders who are looking to develop and enhance their abilities and to take on challenges that are more significant. Level 2 mirrors the delivery style of Level 1 modules 1-9, going more in-depth with a specific focus on leadership in action. The focus is on developing skills in the areas of strategic thinking, decision-making, communication, conflict resolution, change management, and team building.

Pre-trades program developed for 2023-2024

The Introduction to Skilled Trades Essentials Program (ISTEP) will be piloted in 2023-2024, as an opportunity for people interested in continuing their education in any of the Fundamental Trades programs (Fundamentals of Carpentry, Fundamentals of Electrical, and Fundamentals of Plumbing). This program will equip students with theoretical knowledge, technical skill, and safety training that the Fundamental Trades programs require, giving them an advantage over other students without any exposure or experience. Program delivery may vary at each community location; however, it will occur mostly in a classroom setting with some work and demonstration of skills/competencies taking place in a lab environment. The program consists of four courses: Essentials of Learning Skilled Trades, Essentials of Carpentry, Essentials of Electrical, and Essentials of Pipe Trades. These courses collectively constitute the ISTEP curriculum and are intended to facilitate STEM project-based learning. ISTEP will be piloted in Fort Good Hope, Kát'odeeche First Nation and Ndilo.

Expanded online Adult Literacy and Basic Education

The Community & Extensions Division continued the development and delivery of online courses to the Community Learning Centres. The initiative is intended to provide consistent access to high-quality upgrading courses to students wanting to gain entry to post-secondary or access programs. As the learning centres shift to providing a wider range of services to meet the needs of a broader audience, there is a need to ensure that core upgrading courses are still being delivered at all community learning centres, and this can be achieved using coordinated distance (online) delivery. Core courses are considered to be mainly math and English at the junior high and Grade 10 level for now, and this range of courses will expand as the program builds. Courses have been developed, coordinated, and overseen internally by a committee of adult educators and program heads. Adult educators also deliver the courses and typically deliver two sections for each course: one is delivered as a synchronous class where students meet online at a set time together, and the other is asynchronous where students can work on the course at their own pace. The goal to having two sections for each course to provide more options to adult students in communities. A small number of higher level high school courses were also extended to community-based students. These were courses taught by campus-based instructors and were available through distance so that students could access courses such as Grade 11 Biology. The goal is to continue this expansion so that students will be able to access courses at the Grade 12 level.

Health programs recognize “Preceptors of the Year”

Preceptors play a critical role in mentoring student nurses and health care workers, acting as mentors in professional settings during practicums. While every preceptor is essential to students and programs, each year students nominate preceptors who serve as outstanding role models, demonstrate excellence in teaching and learning, promote the preceptor role among colleagues in practice, and who go above and beyond expectations in promoting student learning and achievement. For the first time, the Practical Nurse Diploma program awarded the honour; LPN Ashley Wiseman was nominated by student Geri Rocero for the outstanding learning experience she had on the Extended Care Unit at Stanton Territorial Hospital. Registered Nurse Meladine Salaveria was nominated by Bachelor of Science in Nursing student Zita Obi; her rotation was in the Mental Health Unit at Stanton Territorial Hospital. Two preceptors shared the Personal Support Worker program Preceptor of the Year distinction. Elham Mustafa and Jeffrey Lindaya, Home Support Workers with Home Care in Yellowknife were nominated by their student Nawal Al-Yousfy.

Program development team

In preparation for the re-establishment of Bachelor of Education and Social Work programs at Aurora College, the Program Development team has been set up to research and develop new post-secondary programs. General Studies, which will provide residents of the Northwest Territories access to a broad liberal arts and science education with a focus on northern, Indigenous content, delivered in the North will be offered beginning in fall 2024. The two-year program will feed students into other programs at the College, including Bachelor of Social Work (BSW) and Bachelor of Education (BEd). As well, credits earned in General Studies at Aurora College will be transferable to degree programs at other post-secondary institutions. Students who successfully complete General Studies will be able to enter the third year of Aurora College’s BEd and BSW, beginning in fall 2026.

Remediation and monitoring program

Two courses specializing in mine remediation are being considered for delivery by Aurora College. Yellowknife’s Giant Mine is one of the largest remediation projects in the world, and the NWT is home to hundreds of existing contaminated sites, including aging diamond mines, oil and gas wells and other types of facilities. Over the next few decades, these projects will require skilled and semi-skilled employees, jobs for which Northerners could train. The College has submitted a proposal to develop the Northern Technician program and Northern Remediation Monitoring. The technician program will provide professional development-style training to technicians already working at the mines or who are interested in transferring to the remediation sector. It will consider how to incorporate NWT-specific training needs, using traditional knowledge in environmental management and decision-making; northern legislative and regulatory regimes such as land claims, self-government agreements and the Mackenzie Valley River Resource Management Act; climate change; and green energy. The Northern Remediation Monitoring program would help northerners become semi-skilled monitoring technicians, and include a variety of skills required in long-term monitoring and remediation work. Examples include general monitoring methods, protocols for water, soil, air and wildlife monitoring.

New transfer agreement

Aurora College Early Learning and Child Care Diploma graduates can now transfer 30 credits towards a Bachelor of Education – Elementary Education at University of Alberta. This credit transfer opportunity opens more doors for northern students to ladder their educational journey through Aurora College.

2022-2023 HIGHLIGHTS

RESEARCH

Permafrost impacts on transportation infrastructure

The Western Arctic Research Centre (WARC) in Inuvik is actively engaged in permafrost research. One focus of the permafrost division is to enhance the knowledge base on how changing permafrost conditions affect transportation infrastructure in the Northwest Territories. This work brings together a diverse group of stakeholders, including scientists, industry and field experts, and Indigenous and Territorial government agencies focused on conducting permafrost research that will help with climate change adaptation in the decision making processes of northern



communities. Set against the challenges of a rapidly changing climate, this research emphasizes the importance of research communications and effective data management. With an approach that values both the input and the well-being of NWT residents, the findings should be relevant and beneficial to those who depend on the region's infrastructure. In 2022-2023, ARI research teams embarked on several key initiatives, including: enhancing data management strategies and processes with research partners; providing partnership support in the gathering, the stewardship, and the integration of permafrost and geotechnical information; developing standardized field protocols and documentation to ensure consistency and reliability in data collection; and fostering an continuous open dialogue among stakeholders through the organization of regular workshops and meetings. As part of this research, Aurora Research Institute (ARI) collects ground temperature data from more than 300 sites within the permafrost-monitoring network, and in conjunction with our permafrost research partnerships, collectively monitor over 800 ground temperature sites. We have made significant effort in ensuring community engagement and the dissemination of the permafrost information, through community events and community meetings, as our data network expands.

Climate Change Research Chair appointed

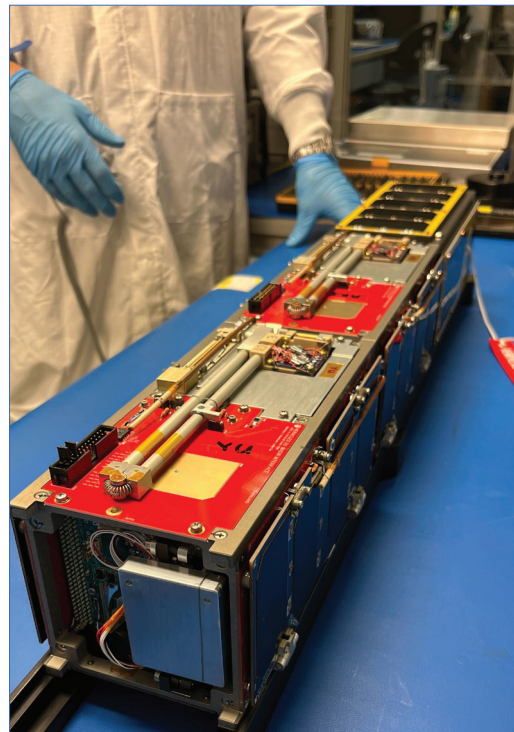
Dr. Garfield Giff was appointed to the position of Research Chair, Climate Change Adaptation. The role works with the Western Arctic communities, Indigenous and non-Indigenous governments and researchers in translating data collected into usable databases which will help provide better informed decision making related to climate change adaptation and resilience strategies. As one of the recent three Research Chair positions at Aurora College, announced in late 2020, the direction is to develop and implement an applied research program related to Aurora College's areas of specialization. The work aligns with Aurora College's strategic direction and values and will build Northern capacity and address Northern research needs. The positions are co-funded through ArcticNet, Network Centres of Excellence of Canada, providing \$1.4 million in support funding over four years.

Research Data Management (RDM)

As a Tri-Council Agency eligible institution, Aurora College is committed to developing a strong institutional Research Data Management (RDM) strategy and foster among our faculty, staff, students, and affiliates to incorporate RDM into their research activities. RDM refers to the organization, storage, preservation, and sharing of data collected and used during a research project. Aurora College has recently made significant strides in improving institutional Research Data Management (RDM), with the publication (March 2023) of a College institutional RDM strategy, developed by the RDM Working Group. As further strategic RDM development the formation of an RDM Advisory Committee was initiated in April 2023, tasked with steering the strategy's progress and addressing RDM-related issues. A draft RDM policy, shaped by the Advisory Committee's insights, was presented for review and ratification. Looking ahead, Aurora College is reinforcing its commitment through the provision of continuous training initiatives for its staff and researchers, including the facilitation of workshops and the enhancement of research support services. These steps demonstrate Aurora College's ongoing commitment to excellence in research data stewardship.

NWT-built nanosatellite AuroraSat launched into space

In mid-March, 2023, Aurora College's AuroraSat nanosatellite was launched from Cape Canaveral, Florida, to the International Space Station (ISS) via a SpaceX-27 Falcon 9 rocket and Cargo Dragon spacecraft. Upon arrival at the ISS, astronauts launched AuroraSat into an orbit around the earth. The satellite is expected to remain in orbit for approximately one year. High school students from the Inuvik Robotics Club helped Aurora Research Institute (ARI) staff to design and build the satellite. Nine students were involved during the life of the project, including a computer science student on a six-month internship. Since 2018, Aurora College has participated in the Canadian CubeSat Project (CCP) by constructing AuroraSat in collaboration with Yukon University and the University of Alberta. As part of the CCP, 15 student teams from post-secondary institutions in each province and territory designed and built their own CubeSats, with guidance from Canadian Space Agency experts and representatives from the Canadian space industry. A CubeSat is a miniaturized satellite that is a 10 cm x 10 cm cube, weighing less than two kilograms and typically using off-the-shelf electronic components. AuroraSat is a two-unit (2U – 10 cm x 10 cm x 22.70 cm) CubeSat. Aurora College has developed three outreach missions for AuroraSat called Northern Images, Northern Voices, and Northern Games, which aim to provide STEM outreach opportunities to youth and interested participants in the NWT at the elementary and high school levels. Alongside these outreach missions, AuroraSat will also fly a shared scientific mission, which will be conducted on the satellites built by Yukon University and the University of Alberta.



Renewable monitoring systems deployed

ARI recently worked with the community of Wekweèti and ATCO to deploy an NRG Flare Solar Resource Assessment System and a ZX 300 Wind Lidar near Wekweèti, an area with no year-round road access and long, severe winters. These turnkey renewable monitoring systems are paving the way for the potential installation of wind and solar projects to provide clean energy to the local First Nations community. NRG's wind and solar resource measurement solutions are trusted to deliver accurate and reliable data in remote locations and extreme conditions.

Top 50 Research College for seventh consecutive year

Aurora College was recognized by Research Infosource Inc. as one of Canada's Top 50 Research Colleges for 2022. Aurora College was ranked #42 overall among the nation's top research colleges. Among small colleges – defined as having an annual income of less than \$75 million – Aurora College was ranked #3 in both SSHRC Research Income and SSHRC Research Income as a Percentage of Total Research Income, was #10 for NSERC Research Income and #7 for NSERC Research Income as a Percentage of Total Research Income. SSHRC (Social Sciences and Humanities Research Council) and NSERC (Natural Sciences and Engineering Research Council) are two of the three major federal research funding bodies in Canada for post-secondary institutions. Aurora College also ranked #9 out of small colleges for Canadian Foundation for Innovation (CFI) Research Income and CFI Research Income as a Percentage of Total Research Income. For research dollars per researcher – research intensity – Aurora College was ranked #28 out of all colleges in Canada. The Top 50 Research Colleges rankings are determined by evaluating research income, number of research staff, number of students participating in research projects, number of research partnerships, and number of completed and on-going research projects.

Research licensing transferred to GNWT

On April 1, 2023, the Scientific Services Office and employees were transferred to the Government of the Northwest Territories (GNWT) Department of Education, Culture and Employment (ECE) from Aurora College. The transition ensures research licensing functions under the Scientists Act will continue to reside within the GNWT after Aurora College has fully transformed into an arm's-length polytechnic university. The Scientific Services Office licenses research in accordance with the NWT Scientists Act and promotes communication between researchers and the people of the communities in which they are conducting research. The transfer of responsibility does not affect the application process; research licence applicants can follow the same process as in past years.

STEM community outreach

The ARI Science, Technology, Engineering and Mathematics (STEM) Outreach Team delivers hands-on science programming to JK-12 students and teachers across the Beaufort Delta (Inuvik), South Slave (Fort Smith), and Tłı̨chǫ regions (Yellowknife). Offerings include in-class visits, teacher support for science activities, and exposure to northern science professionals and their research. The team's aim is to provide free access to practical science and digital literacy resources and activities. Additionally, adult outreach facilitates plain language research presentations (Speaker Series) that foster connections between NWT residents and northern researchers. Since starting as a six-week pilot in 2016, the program has expanded to include three Outreach Coordinators and temporary staff when funding permits. In 2022-2023, the STEM Outreach Team facilitated more than 450 events for more than 8,500 students and educators in 21 NWT communities.

School Outreach

- 95 in-person class visits reaching 1,674 students from 13 communities
- 3 regional science fair judging for 107 students in two NWT communities
- Science Literacy Week booklets created and downloaded by teachers at 8 schools in 6 communities reaching 318 students
- 17 DIY Seeds and Science Kits with supplies reaching 76 youth and educators in 5 communities

Teacher Training

- 5 hands-on Science and Digital Literacy workshops delivered at the Northwest Territories Teachers' Association Conference in Oct 2022; 135 Northern educators reached in sessions and hundreds more reached at booth during conference tradeshow
- 8 classroom training sessions with Aurora College Early Learning and Child Care students
- 5 teacher training events reaching 141 educators
- Train the Teacher, Loan the Gear Program: 87 classroom kits loaned to schools and 38 informal teacher-training sessions on how to use kits; Allowed for 187 hands-on science events, reaching 3,343 students at 18 schools in 13 communities

Community Outreach

- 117 community and family oriented events – 2,710 youth and adults
- Speaker Series – 3 virtual and 13 in-person research talks showcasing 24 northern scientists reaching 459 participants
- Ethnobotany Garden Tours in Inuvik – 3 events with 26 participants

Clubs/Camps

- 5-week Inuvik Jr. Coding Club reaching 86 students
- Support for NWT Skills Canada Robotics team – 3 members
- Inuvik Robotics and Engineering Club – 10 members
- 2 week Spring Break Coding Camps in Fort Smith – 20 participants

Highlights

- Community travel a priority. Community travel included Aklavik, Tuktoyaktuk, Tsiigehtchic, Fort McPherson, Norman Wells, and Behchokè
- Digital Literacy programming supported by CanCode funding through Let’s Talk Science and Actua.
- South Slave – hosted their first Science Rendezvous event
- North Slave – collaborative efforts to host Youth in STEAM events and STEM classroom sessions through Aurora College ELC diploma program
- Beaufort Delta – Junior Coding Club for grades 4-6 in Inuvik
- Team members from all three regions hosted events in Norman Wells in May 2023, the first time doing in-person workshops in the Sahtu Region

Western Arctic Research Centre Logistics Support

With the lifting of COVID-19 restriction, WARC experienced a significant influx of requests for research, accommodation, and logistical support for 2022-2023 from regional, national, and international research communities. The research and logistical support divisions successfully delivered on ARI’s broad mandates of research, education, and science outreach programming, emphasizing community engagement and safety in a manner that is culturally sensitive and responsive to the people served.

WARC logistics usage summary table (measured in days)

Long-term facility use	1,080
Short-term facility use	310
Technician support	125
Equipment rentals	599
Accommodation days	2,209

*(data for July 1, 2022-
June 30, 2023)*



2022-2023 HIGHLIGHTS

STUDENT SUCCESS

ELCC students participate in national conferences

Sarah Fleming, first year Early Learning and Child Care (ELCC) student, and instructor Anthoula Zachou attended the national Outdoor Play in the Early Years Conference in April 2023. They were part of a team of faculty and administration from Aurora College, Mount Royal University and University of Manitoba who attended the conference on a fact-finding mission. The team was exploring the potential for launching a Physical Literacy research project in the ELCC Program in September 2023. The pilot would examine strategies for promoting physical health and well-being in children and families in Northern communities. Several ELCC diploma students travelled to Toronto in May 2023 to participate in the NOW Play research conference on language and literacy development. Aurora College is a partner in the NOW Play research project led by Dr. Shelley Peterson at the University of Toronto. Their participation at the conferences will play a role in expanding research opportunities across programs as Aurora College transforms into a polytechnic university.



Bachelor of Science in Nursing students attend exchange with Denmark



Four third-year Aurora College Bachelor of Science in Nursing students (and one instructor) participated in a ten-day international nursing student exchange to Holstebro, Denmark, in collaboration with eight students from College of the Rockies in Cranbrook, BC and five students from VIA University College in Holstebro. The exchange was primarily a cultural one to explore differences in health care between the two countries. The Canadian students spent two days in clinical practice with their Danish counterparts, in preparation for the exchange, the students worked in small groups

(two Canadian and one Danish student per group) on a project focusing on specific Sustainable Development Goals as per the United Nations. The project aimed to find ways to achieve their specific goal in their respective countries. They continued to work with their group while in Denmark and presented their project on the final day.

Gahcho Kué Mine scholarships for distance Early Learning students

Gahcho Kué Mine presented twelve part-time distance Early Learning and Child Care students with \$2,000 scholarships in June. The multiple \$2,000 scholarships began in 2022 and will be awarded annually until 2030. The scholarships support part-time online certificate and diploma graduates who live in the NWT who, because of their part-time status may not be eligible for regular financial assistance. Most participants are already working in child care facilities or in classrooms as assistants in local schools. Gahcho Kué will provide \$24,000 annually to support the scholarships, totaling \$216,000 over the life of the program.

Northern Nursing Research Day: students share knowledge

On November 30, 2022, Aurora College's Bachelor of Science in Nursing students and faculty showcased their scholarly work at the Northern Nursing Research Day. Jointly hosted with Hotii ts'eeda, the event highlighted 23 posters, including 19 literature reviews by senior students under Andréanne Robitaille's mentorship and four faculty research projects. Guest speakers emphasized cultural safety, safe nursing practices, and integrating the UN Declaration on the Rights of Indigenous Peoples into Northern health services. This year's theme, "Clinical Safety in our Northern Context," underlined the significance of region-specific, decolonized research in improving care quality. Three awards were presented to students at the event: Creativity Award – Angela Roy for Managed Alcohol Programs: MAP-ping Out the NWT's Response to Alcohol Use Disorders in Homeless Populations; Scientific Rigour Award – Brook Dwyer for Colorectal Cancer in Indigenous Peoples: A Call to Action; and People's Choice Award - Obiageri Zita Korie for Why Are Nurses Leaving: Could Stanton Become a Magnet Hospital? The research projects are the culmination of the fourth-year students' Nursing Research course. The intent of the course is to increase understanding of nursing scholarship and enhance the students' ability to comprehend, critique and utilize nursing research in their practice. To create the final product, students develop a research question, search and collect literature and evidence, appraise the evidence, organize their findings, and then create recommendations for the clinical, research, education, and/or policy level, applicable to a northern context. More than 150 participants took part in the research day. Students were also invited by Hotii ts'eeda to display their research posters again for the Dene Nation during their leadership meetings.



ENRTP research and academic excellence

Environment and Natural Resources Technology second year diploma students presented their final technical research projects and top students were recognized. The projects are the culmination of many months of field work and research, and are conducted in collaboration with Indigenous, government, industry and university partners. Some of the project topics included were: Examining the relationship between fecundity and physiological traits in female Inconnu of the Slave River stock; Comparing plant diversity and tree height post-fire along the roadside in two forest habitats; Variation in insect abundance among different burned habitats in South Slave Region, NT; and Identifying the commercial, recreational, and subsistence values of fisheries in Great Slave Lake, NT by using social media.



Top male and female students in Aurora College's Environment and Natural Resources Technology (ENRTP) Diploma (Ibrahim Abdallah and Madison Menach-Melnyk) were honoured with Kristopher McKay Memorial Bursaries. The bursaries were awarded in memory of former ENRTP student Kristopher McKay by his parents and grandparents, who travelled to Thebacha Campus in Fort Smith to make the presentation. As well, Ibrahim Abdallah received the Award for Highest Academic Achievement, while Anthony Wood received the Technician of the Year Award.

2022-2023 HIGHLIGHTS

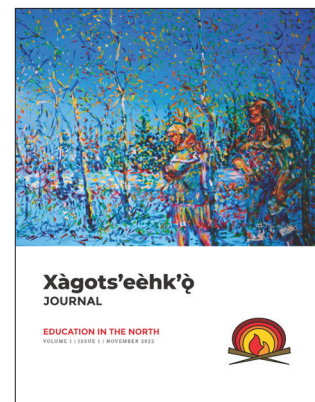
PARTNERSHIPS

north2north

Four students participated in exchanges through the north2north student mobility program. One Early Learning and Child Care student travelled to Sweden for an exchange tied to a research project with which she is involved, and three Bachelor of Science in Nursing (BSN) students visited the Arctic University of Norway (UiT) to complete a practicum placement. In addition, two staff participated in north2north exchanges. A Student Life and Wellness Coordinator went to Norway and a nursing faculty member accompanied the BSN students to UiT. Three other staff have been approved for exchanges scheduled to take place in 2023-2024. Aurora College hosted the first north2north participant from another post-secondary institution in 2022-2023. Nunavut Arctic College's manager of Research Design and Policy Development spent several days with research staff in February and gave presentations to staff and students about her current research.

Xàgots'eèhk'ò Journal publishes first issue

Xàgots'eèhk'ò Journal is a collaborative initiative involving Aurora College, Hotì ts'eeda: NWT SPOR Support Unit, and the Dechinta Centre for Research and Learning. The inaugural issue launched in Fall 2022 focuses on publishing a wide range of topics significant to those living in the North, celebrating their connections to land, language, culture, and lifestyle. The open-access Northern based journal provides a platform for sharing diverse perspectives through stories, research, philosophy, and art, bringing together Indigenous and non-Indigenous scholars, community members, and artists across various regions and disciplines. The second issue, 'Caribou Stories,' experienced a publication delay due to the 2023 NWT summer wildfires and subsequent evacuations but is now scheduled for release in winter 2024.



Visioning Day – Increasing nursing education in the north

Schools of Nursing across Canada have been approached by their respective health ministries to explore ways to increase seats in nursing programs to help address the current workforce shortage. In September 2022, the School of Health and Human Services hosted a visionary exercise for the nursing faculty and health partners to discuss the issue. Some of the questions posed included: How can Aurora College nursing programs be more accessible to Northerners? How can Aurora College collaborate with nursing practice partners to ensure quality hands-on learning if the number of seats are increased? How can more northern and Indigenous young people be encouraged to seek a career in nursing and health care? Partners in attendance included Registered Nurses Association of NWT and Nunavut (RNANTNU), University of Victoria nursing faculty, Stanton Territorial Hospital, NWT Health Authorities, Avens, and GNWT Department of Health and Social Services. Although there were no clear answers to the questions discussed it provided an opportunity to open the dialogue of how we may increase our nursing seats. The next step is to bring together a small working group to flush out the discussions.

Computer donation to Inuvik Personal Support Worker

Computers for Schools NWT generously donated 12 refurbished laptops to students in the Personal Support Worker (PSW) Certificate at Aurora Campus in Inuvik. Most of the students did not have a home computer on which to do their assignments and research. The donation of the laptops allowed students to be more productive and allowed them more time to look after family responsibilities by being able to work from home rather than the library or campus during non-school hours.

Attracting northern Indigenous youth to healthcare careers

In June 2023, Aurora College was awarded a \$150,000 Catalyst Grant from the Canadian Institutes of Health Research (CIHR) to investigate policy options, solutions, and strategies to tackle the NWT's pressing health workforce shortage. The initiative will reach across the NWT, drawing on the guidance of community leaders and elders to work with Indigenous youth to identify and address barriers to healthcare careers. The project seeks to nurture and maintain Indigenous youth within the NWT by fostering their engagement in healthcare fields, aligning with the "Strong Like Two People" philosophy. According to the 2016 Statistics Canada Census, slightly more than half of the NWT population is Indigenous, yet Indigenous persons are significantly under-represented in healthcare and social services professions. In addition, the Northwest Territories Health and Social Services Authority notes as of June 30, 2022, the vacancy rate for healthcare professionals in the NWT was 26 percent. Most NWT communities continue to struggle with a high turnover of healthcare workers, limited recruitment success and overburdened healthcare providers. The initiative represents a collaborative effort involving 22 researchers and numerous governmental agencies and health authorities.



Science Rendezvous celebrations

Science Rendezvous is celebrated in communities across Canada on May 13 as a way to showcase science and how it impacts our everyday life. The Western Arctic Research Centre in Inuvik has been a leader in organizing Science Rendezvous events for a number of years; 2023 saw the South Slave Research Centre (SSRC) in Fort Smith and the North Slave Research Centre (NSRC) in Yellowknife get involved for the first time. In Fort Smith, the SSRC, Thebacha Campus, Northern Life Museum and other partners put together a combination Science, Technology, Engineering and Mathematics (STEM) celebration, campus and trades open house and community art show that attracted nearly 300 people. In Yellowknife, NSRC joined with Makerspace YK to put on a three-day event for students, youth and the public.

Community Trade Shows and Career Fairs

After a few years of cancellations due to COVID-19, Career Fairs and community trade shows were once again held across the NWT. Aurora College had a substantial presence at several events, including the Yellowknife Spring



Trade Show and the Fort Smith Trade Show. Aurora College set up large interactive displays to showcase various programs and allow potential students to speak directly with instructors. The format was well received and will be replicated at future events.

2022-2023 HIGHLIGHTS

AURORA COLLEGE TEAM

STEM Outreach team co-recipients of Actua Experience Award

The Aurora Research Institute STEM Outreach team were co-recipients of the 2022 Actua Experience - Teacher Training Award. Actua is Canada's largest STEM (Science, Technology, Engineering and Mathematics) outreach organization, representing a national network of 43 universities and colleges that engage youth aged six to 26 in STEM learning experiences. The Actua Experience Award is presented annually in recognition of excellence in one of the organization's national program areas. This year, Excellence in Teacher Training was recognized. The Aurora Research Institute (ARI) STEM Outreach



team developed a “Train the Teacher, Loan the Gear” program during the COVID-19 pandemic and has continued to expand since. The program trains teachers to deliver experiential STEM programming in communities and loans classroom kits to those community teachers free of charge. The ARI STEM Outreach team has demonstrated creativity, innovation and a deep understanding of the unique local needs to develop STEM activities that captivate and educate Northern students. What began as a response to the challenges of the pandemic has grown into an exciting, thriving program that provides important supports for teachers and students across the NWT.



Advanced Degree and Post-Graduate credentials obtained

Professional development is a key component of any post-secondary institution. The following members of the Aurora College team recently earned advanced degrees and credentials:

Dr. Idowu Mogiji, Assistant Vice President, Community & Extensions: Doctor of Philosophy, Educational Administration, University of Saskatchewan

Brett Simmons, Instructor – Developmental Studies: Certificate in Adult Education, Aurora College.

Yellowknife Literacy Outreach Centre receives national literacy award

In recognition of International Literacy Day, Canada's premiers annually present one Council of the Federation Literacy Award per territory and province to celebrate exceptional achievement, innovative practice and excellence in literacy. The NWT recipient for 2023 was the Literacy Outreach Centre in Yellowknife. The Centre is a partnership between Aurora College and Inclusion NWT. The Centre works with people who want to improve their English literacy levels but who are not ready to enrol in Adult Literacy and Basic Education courses. It offers a gateway to lifelong learning that is open to everyone and offers programs onsite and in the community to individuals with or without disabilities. Some of the programs include: Adult Literacy, Introduction to Computer Basics, Family Literacy, Tutoring Services and Baker Centre Book Club.



Thebacha Campus staff named Northwest Territories Elder of the Year

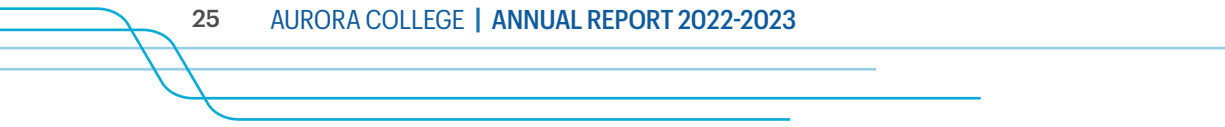
Dr. Kim Lemky, Business Administration instructor, attended the June 2022 Regional Medical Campuses Conference of the Association of American Medical Colleges (aamc.org) in Washington, DC. She shared research and coordinated a workshop regarding Assessing the Economic Impact of Regional Medical Campuses. Dr. Lemky's research on assessing economic impact contributes directly to courses she teaches at Aurora College, such as BUSI 0212 Community Economic Development.



STEM Outreach Team honoured with 2023 Premier's Award

Aurora Research Institute (ARI) STEM Outreach team has received the 2023 Premier's Award in the Teams category for their exceptional work providing experiential Science, Technology, Engineering and Math education to youth and educators across the Northwest Territories. The ARI STEM Outreach team has displayed innovation, creativity, service excellence, and a commitment to embracing inclusion and Traditional Knowledge in their work since 2016. Each year, the Premier of the Northwest Territories recognizes GNWT employees and teams that demonstrate excellence, innovation, and dedication through the Premier's Awards.

During the past year, the STEM Outreach team has delivered more than 500 hands-on STEM events, engaging NWT youth nearly 10,000 times, in more than 25 communities across five regions. They have successfully mentored hundreds of NWT teachers, providing them with the skills and tools necessary to make STEM programming in their classrooms more hands-on and inquiry-driven. This has created a sustainable approach to expanding STEM educational opportunities, ultimately working towards improving employment and economic opportunities.



AURORA COLLEGE
**AUDITED FINANCIAL
STATEMENTS**

AS OF JUNE 30, 2023

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.



Glenda Vardy Dell
President



Celestine Starling
Director of Finance/Chief Financial Officer

Fort Smith, Canada
December 1, 2023



Bureau du
vérificateur général
du Canada

Office of the
Auditor General
of 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 2023, 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 2023, 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
1 December 2023


AURORA COLLEGE
STATEMENT OF FINANCIAL POSITION
as at June 30, 2023
(in thousands of dollars)

	<u>2023</u>	<u>2022</u>
Financial assets		
Cash	\$ 20,322	\$ 18,974
Accounts receivable (Note 3)	3,534	3,985
Inventories for sale	<u>115</u>	<u>152</u>
	<u>23,971</u>	<u>23,111</u>
Liabilities		
Accounts payable and accrued liabilities (Note 13a and 18)	1,832	1,124
Payroll liabilities (Notes 13a and 17)	2,109	3,173
Deferred revenue (Note 15)	7,064	2,649
Due to the Government of the Northwest Territories (Note 9)	5,796	5,595
Employee future benefits (Note 4)	1,451	1,403
Professional development fund (Note 5)	<u>3,572</u>	<u>3,238</u>
	<u>21,824</u>	<u>17,182</u>
Net financial assets	<u>2,147</u>	<u>5,929</u>
Non-financial assets		
Prepaid expenses	720	708
Tangible capital assets (Note 6)	<u>8,681</u>	<u>5,798</u>
	<u>9,401</u>	<u>6,506</u>
Accumulated surplus (Note 7)	<u>\$ 11,548</u>	<u>\$ 12,435</u>

Contractual obligations and contractual rights (Notes 11 and 12)

The accompanying notes and schedule are an integral part of the financial statements.

Approved by the Board:



Joe Handley
Chairperson of the Board



Jack Rowe
Chairperson of the Audit & Finance Committee

AURORA COLLEGE
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
for the year ended June 30, 2023
(in thousands of dollars)

	Budget	<u>2023</u> Actual	<u>2022</u> Actual
Revenues (Schedule A)			
Government of the Northwest Territories revenues (Note 8)	\$ 48,745	\$ 47,127	\$ 43,090
Project income			
Government of Canada	2,856	3,875	4,141
Other third party	4,997	3,120	2,271
Own Source revenues			
Tuition fees	1,574	2,274	2,137
Room and board	990	1,004	1,146
Interest income	140	856	174
Recoveries and other	600	775	1,482
Western Arctic Research Centre expansion (Note 20 c)			
Government of Northwest Territories	-	791	-
Other third party	-	561	369
Government of Canada	-	190	240
	<u>59,902</u>	<u>60,573</u>	<u>55,050</u>
Expenses (Schedule A)			
Education and training	19,079	21,447	18,634
Student services	11,649	11,810	11,103
Pooled services	9,328	9,976	10,440
Community and extensions	12,002	9,520	9,566
Aurora Research Institute	8,352	6,483	5,686
Financial and accounting services	2,333	2,224	2,183
	<u>62,743</u>	<u>61,460</u>	<u>57,612</u>
Annual (deficit)	(2,841)	(887)	(2,562)
Accumulated surplus at beginning of year	<u>12,435</u>	<u>12,435</u>	<u>14,995</u>
Accumulated surplus at end of year	<u><u>\$ 9,594</u></u>	<u><u>\$ 11,548</u></u>	<u><u>\$ 12,433</u></u>

AURORA COLLEGE
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
for the year ended June 30, 2023
(in thousands of dollars)

	Budget	<u>2023</u> Actual	<u>2022</u> Actual
Annual (deficit)	\$ (2,841)	\$ (887)	\$ (2,560)
Acquisition of tangible capital assets	(2,130)	(4,804)	(1,817)
Amortization of tangible capital assets	<u>1,200</u>	<u>1,921</u>	<u>1,685</u>
	<u>(930)</u>	<u>(2,883)</u>	<u>(132)</u>
Decrease (increase) in prepaid expenses	<u>-</u>	<u>(12)</u>	<u>(198)</u>
(Decrease) in net financial assets	(3,771)	(3,782)	(2,890)
Net financial assets at beginning of year	<u>5,929</u>	<u>5,929</u>	<u>8,819</u>
Net financial assets at end of year	<u><u>\$ 2,158</u></u>	<u><u>\$ 2,147</u></u>	<u><u>\$ 5,929</u></u>

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, 2023
(in thousands of dollars)

	<u>2023</u>	<u>2022</u>
Operating transactions		
Cash received from:		
Government of the Northwest Territories	\$ 40,163	\$ 38,203
Students and other third parties	9,653	6,184
Government of Canada	7,249	2,755
Interest	856	174
 Cash paid for/to:		
Compensation and benefits	(36,682)	(33,507)
Suppliers	<u>(15,878)</u>	<u>(12,732)</u>
 Cash (used for) provided by operating transactions	 <u>5,361</u>	 <u>1,077</u>
 Capital transactions		
Acquisition of tangible capital assets	<u>(4,013)</u>	<u>(1,817)</u>
 Cash used for capital transactions	 <u>(4,013)</u>	 <u>(1,817)</u>
 (Decrease) increase in cash	 1,348	 (740)
 Cash at beginning of year	 <u>18,974</u>	 <u>19,714</u>
 Cash at end of year	 <u>\$ 20,322</u>	 <u>\$ 18,974</u>

The accompanying notes and schedule are an integral part of the financial statements.

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

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.

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

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

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

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.

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) Own source revenues

Tuition fees, room and board, and recoveries and other are reported as revenue at the time the services are substantially provided, or the products are delivered. Tuition fees received in advance of courses being delivered are deferred and recognized when the courses are delivered.

Interest income is recognized on an accrual basis.

g) Project income and deferred revenue

The College provides education and research services to private companies, federal and territorial government departments, agencies, and corporations through contractual arrangements. Payments received under these contracts for which the development and delivery of courses and projects are not completed are recorded as deferred revenue until completion in accordance with the stipulations of these agreements.

Revenue from federal and territorial government departments, agencies and corporations is recorded once the eligibility criteria are met; the payments are authorized, except to the extent that funding stipulations give rise to an obligation that meets the definition of a liability.

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.

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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, 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 10). 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 payable and liabilities, accrued payroll and benefits and vacation pay payable. These liabilities are valued at cost.

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2 c).

s) New accounting standard

On July 1, 2022, the College adopted Public Accounting Standard for Asset Retirement Obligations - PS 3280. The standard was adopted prospectively from the date of adoption. The new section established standards on how to report a liability for asset retirement obligations.

The new standard has an immaterial effect on the financial statements.

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

3. ACCOUNTS RECEIVABLE

	<u>2023</u>		<u>2022</u>	
	(in thousands)			
	<u>Accounts Receivable</u>	<u>Allowance</u>	<u>Net</u>	<u>Net</u>
Other	\$ 1,999	\$ 168	\$ 1,831	\$ 1,345
Government of the Northwest Territories	1,246	-	1,246	346
Students	567	430	137	113
Government of Canada	320	-	320	2,181
	<u>\$ 4,132</u>	<u>\$ 598</u>	<u>\$ 3,534</u>	<u>\$ 3,985</u>

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

4. 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 (2022 - \$1.02) for every dollar contributed by the employee, and \$5.29 (2022 - \$5.91) for every dollar contributed by the employee for the portion of the employee's salary above \$196,200 (2022 - \$191,300).

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 (2022 - \$1.00) for every dollar contributed by the employee, and \$5.29 (2022 - \$5.91) for every dollar contributed by the employee for the portion of the employee's salary above \$196,200 (2022 - \$191,300).

The College's and employees' contributions to the Plan for the year were as follows:

	<u>2023</u>	<u>2022</u>
	(in thousands)	
College's contributions	\$ 2,488	\$ 2,248
Employees' contributions	<u>2,479</u>	<u>2,291</u>
	<u>\$ 4,967</u>	<u>\$ 4,539</u>

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.

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

4. 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, 2023. 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, 2023. 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 Compensated		2023	2022
	Removal	Absences		
			(in thousands)	
Accrued benefit obligation, beginning of year	\$1,016	\$354	\$1,370	\$1,289
Current service cost	52	31	83	89
Interest cost	42	15	57	43
Benefits paid	(47)	(22)	(69)	(116)
Actuarial (gain)/loss	(78)	(22)	(100)	68
Plan amendment	-	-		(3)
Accrued benefit obligation, end of year	985	356	1,341	1,370
Unamortized net actuarial (gain)/loss	(4)	114	110	33
Accrued benefit liability	\$ 981	\$ 470	\$ 1,451	\$ 1,403

Benefits Expense	Severance and Compensated		2023	2022
	Removal	Absences		
			(in thousands)	
Current service cost	\$52	\$31	\$83	\$89
Interest cost	42	15	57	43
Amortization of net actuarial (gain)	(13)	(10)	(23)	(31)
Plan amendment	-	-	-	(3)
Total	\$81	\$36	\$117	\$98

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

4. EMPLOYEE FUTURE BENEFITS (continued)

Assumptions

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Discount Rate	4.8% per annum	4.1% 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:

	<u>Severance and Removal</u>	<u>Compensated Absences</u>	<u>Total</u>
	(in thousands)		
2024	\$ 90	\$ 25	\$ 115
2025	94	23	117
2026	104	27	131
2027	118	31	149
2028	120	36	156
Total	\$ 526	\$ 142	\$ 668

5. 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.

	<u>2023</u>	<u>2022</u>
	(in thousands)	
Professional development fund, beginning of year	\$3,238	\$2,750
Contributions	617	623
Professional development paid during the year	<u>(283)</u>	<u>(135)</u>
Professional development fund, end of year	<u>\$3,572</u>	<u>\$3,238</u>

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

6. TANGIBLE CAPITAL ASSETS

June 30, 2023

(in thousands)	Mobile equipment	Building additions and renovations	Furniture and equipment ¹	Leasehold improvements	Work in progress	2023 Total	2022 Total
Cost							
Opening balance	\$ 5,904	\$ 1,991	\$ 10,577	\$ 1,875	\$ 240	\$ 20,587	\$ 18,875
Additions	485	-	540	49	3,730	4,804	1,817
Disposals	(81)	-	-	-	-	(81)	(105)
Closing balance	<u>6,308</u>	<u>1,991</u>	<u>11,117</u>	<u>1,924</u>	<u>3,970</u>	<u>25,310</u>	<u>20,587</u>
Accumulated amortization							
Opening balance	4,146	1,991	7,190	1,462	-	14,789	13,209
Amortization	352	-	1,465	104	-	1,921	1,685
Disposals	(81)	-	-	-	-	(81)	(105)
Closing balance	<u>4,417</u>	<u>1,991</u>	<u>8,655</u>	<u>1,566</u>	<u>-</u>	<u>16,629</u>	<u>14,789</u>
Net book value	<u>\$ 1,891</u>	<u>\$ -</u>	<u>\$ 2,462</u>	<u>\$ 358</u>	<u>\$ 3,970</u>	<u>\$ 8,681</u>	<u>\$ 5,798</u>

¹ Computer equipment totaling \$ - are capitalized in furniture and equipment but not put into service and not amortized (2022 - \$252,791).

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

7. 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:

Reserves	(in thousands)				Balance, ending June 30, 2023
	Balance, opening July 1, 2022	Net results of operations	Appropriated	Used in operations	
a) Northern strategic research reserve	\$ 625	\$ -	\$ -	\$ -	625
b) Program delivery	300	-	-	-	300
c) Research & development	349	-	22	-	371
d) Restricted donations	35	-	-	-	35
Total reserves	1,309	-	22	-	1,331
Appropriated	-	-	(22)	-	(22)
Operating surplus (deficit)	11,126	(887)	-	-	10,239
Total accumulated surplus	\$ 12,435	\$ (887)	\$ -	\$ -	11,548

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

7. 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.

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

8. GOVERNMENT OF THE NORTHWEST TERRITORIES REVENUES

	<u>2023</u>	<u>2022</u>
	(in thousands)	
Operating transfers	\$ 33,050	\$ 32,689
Project income	7,313	4,514
Services received without charge (Note 10)	<u>6,764</u>	<u>5,887</u>
	<u>\$ 47,127</u>	<u>\$ 43,090</u>

The College received 78% (2022 - 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.

9. RELATED PARTIES

The College has Government receivables from project income and the base funding transfer disclosed in Note 8. In addition, the Government transfers tuition revenue, the value of which is \$211,000 (2022 - \$150,000) and this is recognized on the Statement of Operations and accumulated surplus within Own source revenues under 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.

	<u>2023</u>	<u>2022</u>
	(in thousands)	
Due from Government of the Northwest Territories (Note 3)	\$ 1,246	\$ 346
Due to the Government of the Northwest Territories		
Liability for payroll services provided	\$ 4,838	\$ 4,283
Other & Repayable program advances	<u>\$ 958</u>	<u>\$ 1,312</u>
Total amount due to Government of the Northwest Territories	<u>\$ 5,796</u>	<u>\$ 5,595</u>

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 \$36,626,000 during 2023 (2022 - \$36,588,000) which are recorded at the exchange amount.

Under the terms of administrative agreements, the Government charges for certain support

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

9. RELATED PARTIES (continued)

services provided to the College. The College reimbursed the Government \$3,830,000 (2022 – \$1,723,000) 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 \$1,805,000 (2022 - \$2,786,000) for costs to transform to a polytechnic university, which are recorded at the exchange amounts in these statements.

10. 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 in place between the College and the Government without any rental charges for the use of two facilities for two campuses, certain housing units and community learning centers. 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.

	<u>2023</u>	<u>2022</u>
	(in thousands)	
Building utilities	\$ 2,696	\$ 2,624
Building leases	2,083	1,633
Repairs and maintenance	1,638	1,339
Contract services	347	291
	<u>\$6,764</u>	<u>\$5,887</u>

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.

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

11. CONTRACTUAL OBLIGATIONS

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:

	<u>Service</u> <u>agreements</u>	<u>Operating</u> <u>leases</u>	<u>Capital</u> <u>projects</u>
	(in thousands)		
2024	\$ 538	\$ 4,873	\$ 6,070
2025	84	4,268	-
2026	39	3,206	-
2027	29	2,825	-
Thereafter	-	2,813	-
	\$ 690	\$ 17,985	\$ 6,070
	\$ 690	\$ 17,985	\$ 6,070

12. 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, 2023:

<u>Funding Partner</u>	<u>2023- 2024</u>	<u>2025-2031</u>	<u>Total</u>
	(in thousands)		
Government of the Northwest Territories	\$5,019	\$3,200	\$ 8,219
Government of Canada	2,364	1,075	3,439
Other	2,340	675	3,015
	\$ 9,723	\$4,950	\$ 14,673
	\$ 9,723	\$4,950	\$ 14,673

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

13. 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.

	<u>0-90 days</u>	<u>91-365 days</u>	<u>1 to 2 years</u>	<u>over 2 years</u>
	(in thousands)			
Payroll liabilities	\$ 2,109	\$ -	\$ -	\$ -
Accounts payable and accrued liabilities	1,787	45	-	-
	<u>\$ 3,896</u>	<u>\$ 45</u>	<u>\$ -</u>	<u>\$ -</u>

(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 \$20,322,000 (2022 - \$18,974,000).

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, 2023, 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 \$3,534,000 (2022 - \$3,985,000).

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

13. FINANCIAL RISK MANAGEMENT (continued)

At June 30, 2023, the following accounts receivable were past due but not impaired.

	<u>91-365</u> <u>days</u>	<u>1 to 2 years</u>	<u>over 2</u> <u>years</u>
	(in thousands)		
Other third parties	\$ 230	\$ 15	\$ -
Students	57	15	12
Government of Canada	42	2	-
Government of the Northwest Territories	4	-	-
	<u>\$ 333</u>	<u>\$ 32</u>	<u>\$ 12</u>

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.

14. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The fair values of cash, accounts receivable, accounts payable and accrued liabilities, payroll liabilities, due to Government, and professional development fund approximate their carrying amounts because of the short term to maturity.

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

15. DEFERRED REVENUE

Deferred revenues are set aside for specific purposes as required either by legislation, regulation or agreement:

	<u>Contracts</u>	<u>Tuition</u>	<u>Research funds</u>	<u>2023</u>	<u>2022</u>
	(in thousands)				
Balance, beginning of year	\$ 2,470	\$ 93	\$ 86	\$ 2,649	\$ 2,027
Additions	20,658	145	40	20,843	4,092
Revenue recognized	(16,253)	(93)	(82)	(16,428)	(3,470)
Balance, end of year	<u>\$ 6,875</u>	<u>\$ 145</u>	<u>\$ 44</u>	<u>\$ 7,064</u>	<u>\$ 2,649</u>

16. SUBSEQUENT EVENTS

Minister approves request to establish a polytechnic university

The Minister of the Education, Culture and Employment (ECE) department of the Government approved the College's request to begin the process to become a polytechnic university.

As a requirement of the Northwest Territories *Post-Secondary Education Act*, the College must go through a quality assurance review to be recognized as a degree-granting post-secondary institution. The Campus Alberta Quality Council will conduct the review of the College. It will set up a panel of experts with leadership experience in Canadian universities, which will assess the College's overall ability to meet national standards and best practices and will recommend whether the institution is ready to become a polytechnic university.

Preparing for this comprehensive review has been an ongoing process that the College, with support from the Government, has been working towards since the start of transformation. At the same time, the College has been implementing a continuous quality improvement policy, which is helping to drive a significant shift in strategy, processes, and organizational culture.

If the reviewers recommend the College is ready to complete the transformation process, the Minister of ECE may then begin the formal legislative process of establishing the College as a polytechnic university. At this stage, the *Aurora College Act* will be replaced by the *Polytechnic University Act*.

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

16. SUBSEQUENT EVENTS (continued)

NWT wildfires

In August 2023, the community of Fort Smith was evacuated for five weeks due to wildfires, where Thebacha Campus resides. The community of Yellowknife was evacuated for two weeks due to the wildfires, where Yellowknife North Slave Campus resides. These evacuations caused disruptions to operations, which led to the delay of the fall 2023 semester and in turn the winter 2024 semester. As a result of the evacuations, most students did not occupy student housing in September and those that did occupy, were not charged rent for the month of September. The estimated lost rent revenue due to the wildfire is \$105,000. The additional costs the College incurred because of the wildfires are estimated at \$196,000.

Due to the wildfires, the College missed the statutory reporting deadline of November 27, 2023.

Training Well

On September 28, 2023, the College obtained an operation authorization from the Office of the Regulator of Oil and Gas Operations (OROGO) to abandon the training well in Inuvik, NWT.

On October 16, 2023, Canadian Petroleum Engineering Inc., on behalf of the College, submitted the final well abandonment program to the OROGO. The revised schedule estimates an abandonment date of August 30, 2024. The College has recorded a liability of \$654,000 in the financial statements for the costs to abandon the training well.

Academic Council

On November 30, 2023, the Academic Council was established under subsection 20. (1) of the *Aurora College Act*. The Council is one of three governing bodies and is the senior academic body of the College committed to the highest principles of academic governance with a primary focus on the academic quality of all new and existing programs.

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

17. PAYROLL LIABILITIES

	<u>2023</u>	<u>2022</u>
	(in thousands)	
Vacation leave accrual	\$ 1,929	\$ 2,548
Time off in lieu of overtime	180	142
Special leave and salaries accrual	-	483
	\$2,109	\$3,173
	\$2,109	\$3,173

18. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2023</u>	<u>2022</u>
	(in thousands)	
Accrued accounts payable	\$ 924	\$ 281
Trade accounts payable	885	813
Other payables	23	30
	\$1,832	\$1,124
	\$1,832	\$1,124

19. COMPARATIVE FIGURES

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

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

20. TRANSFORMATION

a) Transformation to a polytechnic university

The College plans to transform into an effective, efficient and sustainable polytechnic university by May 2025.

To date, the College has spent \$10,420,000 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, \$9,236,000 has been funded internally and \$1,184,000 has been funded by the Government.

The College has committed \$750,000 and has secured \$4,286,000 in Government funding in order to continue the transformation after June 30, 2023 to completion.

	<u>2023</u>	<u>2022</u>	<u>2019 - 2021</u>	<u>Total</u>
	(in thousands)			
Revenues				
Government of the Northwest Territories	\$ 1,184	\$ -	\$ -	\$ 1,184
Revenue total	1,184	-	-	1,184
Expenses				
Contract services	1,382	871	521	2,774
Compensation and benefits	1,229	2,131	3,897	7,257
Materials and supplies	27	16	182	225
Travel and accommodation	6	-	46	52
Small equipment	3	6	25	34
Building leases	-	-	7	7
Communication, postage and freight	-	-	6	6
Fees and payments	-	3	66	69
Repairs and maintenance	(14)	2	8	(4)
Expense total	2,633	3,029	4,758	10,420
Aurora College contribution	\$ (1,449)	\$ (3,029)	\$ (4,758)	\$ (9,236)

b) Possible new site for Yellowknife North Slave Campus

Related to the transformation, the Government, Aurora College, and the City of Yellowknife signed a Memorandum of Understanding (MOU) on June 27, 2022 confirming Tin Can Hill in Yellowknife as the possible site for a Yellowknife North Slave Campus. The Government and

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

20. TRANSFORMATION (continued)

Aurora College began necessary steps to determine the feasibility of the site.

c) 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 process of being built (Note 6 – 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.

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.

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2023

21. SEGMENTED DISCLOSURE (continued)

Student services

Student services include Fort Smith, Yellowknife, and Inuvik locations facilities and the registrar and regional admission offices.

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, 2023

Schedule A

	<u>Financial and accounting</u>	<u>Pooled services*</u>	<u>Student services</u>	<u>Education and training</u>	<u>Community and extensions</u>	<u>Aurora Research Institute</u>	<u>2023 Total</u>	<u>2023 Budget</u>	<u>2022 Total</u>
For the year ended June 30, 2023									
(in thousands)									
Revenues									
Government of the Northwest Territories revenues	\$ 2,187	\$ 3,768	\$ 10,485	\$ 18,923	\$ 8,263	\$ 3,501	\$ 47,127	\$ 48,745	\$ 43,090
Project income									
Government of Canada	-	-	-	335	1,190	2,350	3,875	2,856	4,141
Other third party	55	-	13	1,460	470	1,122	3,120	4,997	2,271
Own Source revenue									
Tuition fees	-	-	28	1,583	663	-	2,274	1,574	2,137
Room and board	-	-	895	-	-	109	1,004	990	1,146
Interest income	856	-	-	-	-	-	856	140	174
Recoveries and other	66	213	136	128	16	216	775	600	1,482
Western Arctic Research Centre expansion									
Government of Northwest Territories	-	791	-	-	-	-	791	-	-
Other third party	-	561	-	-	-	-	561	-	369
Government of Canada	-	190	-	-	-	-	190	-	240
	3,164	5,523	11,557	22,429	10,602	7,298	60,573	59,902	55,050
Expenses									
Compensation and benefits	2,020	2,753	5,070	13,984	8,129	4,670	36,626	35,559	36,588
Building leases	-	(111)	5,546	2,123	84	12	7,654	6,922	6,788
Contract services	18	2,466	228	352	715	1,025	4,804	6,590	3,372
Utilities	-	1	100	2,728	5	23	2,857	2,455	2,753
Repairs and maintenance	2	1,625	164	287	47	13	2,138	2,140	2,028
Amortization of tangible capital assets	-	1,921	-	-	-	-	1,921	1,200	1,685
Materials and supplies	13	255	163	960	180	308	1,879	2,302	1,487
Fees and payments	118	741	68	319	64	54	1,364	2,084	1,279
Travel and accommodation	44	181	12	355	141	196	929	1,042	337
Communication, postage and freight	9	128	347	96	85	138	803	1,045	809
Small equipment	-	8	112	90	54	44	308	773	288
Professional services	-	8	-	153	16	-	177	631	198
	2,224	9,976	11,810	21,447	9,520	6,483	61,460	62,743	57,612
Annual (deficit) surplus	\$ 940	\$(4,453)	\$(253)	\$ 982	\$ 1,082	\$ 815	\$(887)	\$(2,841)	\$(2,562)

* Pooled Services includes the revenues and expenses for the President's Office and transformation projects

APPENDIX A

UNAUDITED WRITE-OFFS

Balance Exceeds 7 Years		
Customer Name	Accounting Date	Amount
Star Bright Beaulieu	2016-01-08	\$398.81
Barry Cadieux	2015-10-13	\$250.00
Kara Lola Hendrie	2016-01-29	\$972.24
William Hurst	2016-05-12	\$1,717.24
Inuvik First Aid & Safety Training	2016-05-31	\$850.00
Toby J Kotchilea	2016-01-26	\$111.00
Effie Norman	2015-11-02	\$585.00
Tiffany Thrasher	2015-09-03	\$1,537.89
Dene Vital	2015-11-30	\$3,320.55
Ketrick Whane	2015-10-01	\$853.00
Kellyann Whitehead	2016-05-09	\$247.00
Shannon Wilson	2013-09-09	\$1,260.01
Total		\$12,102.74

Balance Under \$30		
Customer Name	Accounting Date	Amount
Violet Burombo	2023-04-28	\$25.00
Nigel Brian Kelly	2023-03-10	\$23.84
Leighanna Lennie	2022-06-08	\$5.98
Katherine Sittichinli	2023-03-31	\$25.00
Caroline Tom	2022-06-06	\$25.18
Total		\$105.00

Credit Balance Under \$10		
Customer Name	Accounting Date	Amount
Logan Andrew	2023-01-31	-\$1.00
John Ansdell	2022-10-11	-\$9.99
Naomi Bonnetplume-Drescher	2023-05-01	-\$1.17
Canadian Northern Economic Development Agency	2022-10-13	-\$0.01
Roger Catholique	2022-07-29	-\$0.15
Ernestine Champlain	2022-06-23	-\$0.75
Monica Herrell	2022-09-06	-\$2.70
Crystal Kodzin	2023-01-26	-\$4.50
Mylene Pascual	2022-05-24	-\$9.53
	Total	-\$29.80



COLLÈGE
AURORA
COLLEGE

**Housing Northwest Territories
Consolidated Financial Statements
March 31, 2024**

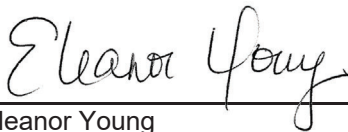
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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



Eleanor Young
President and CEO



Jim Martin, FCPA, FCGA, MBA, MA
Vice President
Finance and Infrastructure Services



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 2024, 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 2024, 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.

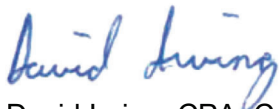
As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance 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
26 August 2024

HOUSING NORTHWEST TERRITORIES

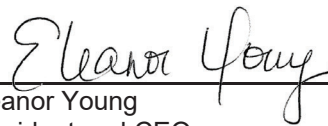
Consolidated Statement of Financial Position As at March 31, 2024 (in thousands)

	2024	2023
Financial assets		
Cash and cash equivalents	\$ 88,415	\$ 61,748
Portfolio investments (Note 3)	70,426	61,964
Accounts receivable (Note 4)	11,197	16,828
Mortgages and loans receivable (Note 5)	<u>3,258</u>	<u>3,783</u>
	<u>173,296</u>	<u>144,323</u>
Liabilities		
Accounts payable and accrued liabilities (Note 6)	28,706	32,273
Deferred revenue (Note 7)	24,924	326
Loans and mortgages payable to CMHC (Note 8)	3,286	3,984
Environmental liabilities (Note 10)	1,095	967
Retirement, post-employment, and other leave benefits	2,268	2,197
Asset retirement obligations (Note 9)	<u>46,931</u>	<u>48,552</u>
	<u>107,210</u>	<u>88,299</u>
Net financial assets	66,086	56,024
Non-financial assets		
Tangible capital assets (Schedule A)	406,155	375,375
Inventories held for use	2,464	2,731
Prepaid expenses	<u>74</u>	<u>485</u>
	<u>408,693</u>	<u>378,591</u>
Accumulated surplus	<u>\$ 474,779</u>	<u>\$ 434,615</u>
Contractual rights, contractual obligations and contingencies (Notes 13, 14 and 15)		

Approved by:



Hon. Lucy Kuptana
Minister Responsible for Housing Northwest
Territories



Eleanor Young
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, 2024 (in thousands)

	2024	2024	2023
	Budget	Actual	Actual
Revenues			
Government funding:			
Government of the Northwest Territories	\$ 82,469	\$ 87,046	\$ 88,869
CMHC (Note 11)	20,872	26,511	20,566
CIRNAC (Note 12)	30,000	30,050	30,000
Other grants and transfers	-	1,235	968
	<u>133,341</u>	<u>144,842</u>	<u>140,403</u>
Generated revenues:			
Rental revenue	11,673	13,505	14,159
Recoveries from mortgages and loans	475	258	807
Income from portfolio investments	440	6,195	3,160
Other revenue and recoveries	419	2,691	1,721
Interest revenue on mortgages and loans	90	55	82
	<u>13,097</u>	<u>22,704</u>	<u>19,929</u>
	<u>146,438</u>	<u>167,546</u>	<u>160,332</u>
Expenses (Note 16)			
Public housing program	76,576	72,714	71,068
Unilateral CMHC programs and other programs	2,572	2,588	2,386
HELP and market housing	8,877	11,285	11,186
Non-residential building operations	372	473	897
Rent subsidy program	2,583	382	1,054
Homelessness fund program	4,252	7,339	5,961
Homeownership assistance grants	16,784	9,966	10,188
Housing operations and support	22,103	22,635	22,234
	<u>134,119</u>	<u>127,382</u>	<u>124,974</u>
Annual surplus	<u>\$ 12,319</u>	<u>\$ 40,164</u>	<u>\$ 35,358</u>
Accumulated surplus, beginning of year	<u>434,615</u>	<u>434,615</u>	<u>399,257</u>
Accumulated surplus, end of year	<u>\$ 446,934</u>	<u>\$ 474,779</u>	<u>\$ 434,615</u>

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, 2024 (in thousands)

	2024	2024	2023
	Budget	Actual	Actual
Net financial assets, beginning of the year	\$ 56,024	\$ 56,024	\$ 55,057
Items affecting net financial assets:			
Annual surplus	12,319	40,164	35,358
Acquisition of tangible capital assets (Schedule A)	(10,625)	(48,962)	(51,895)
Amortization of tangible capital assets (Note 16, Schedule A)	15,900	12,809	12,896
Proceeds from disposal of tangible capital assets	-	-	357
Loss on disposal of tangible capital assets and write-down	-	1,537	150
Asset retirement cost adjustment (Note 9)	-	3,836	4,952
Other transfers	-	-	(280)
Acquisition of inventories held for use	-	(1,987)	(2,080)
Consumption of inventories held for use	-	2,254	1,878
Acquisition of prepaid expenses	-	(51)	(439)
Consumption of prepaid expenses	-	462	70
Increase (decrease) in net financial assets	17,594	10,062	967
Net financial assets, end of the year	<u>\$ 73,618</u>	<u>\$ 66,086</u>	<u>\$ 56,024</u>

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, 2024 (in thousands)

	2024	2023
Operating transactions		
Annual surplus	\$ 40,164	\$ 35,358
Items not affecting cash:		
Amortization of tangible capital assets	12,809	12,896
Accretion of asset retirement obligations	2,215	1,687
Non-cash other grants and transfers	(4,985)	(280)
Loss on disposal of tangible capital assets and write-down	1,539	150
Non-cash portfolio investment income	(382)	-
Non-cash mortgage funding adjustments	19	113
Change in valuation allowance	368	34
	11,583	14,600
Change in non-cash assets and liabilities:		
Change in accounts receivable	5,185	(10,702)
Change in inventories held for use	267	(202)
Change in prepaid expenses	411	(369)
Change in accounts payable and accrued liabilities	882	1,691
Change in deferred revenue	24,598	(33)
Change in environmental liabilities	128	54
Change in retirement, post-employment, and other leave benefits	71	(39)
	31,542	(9,600)
Cash provided by operating transactions	83,289	40,358
Capital transactions		
Acquisition of tangible capital assets	(48,427)	(45,479)
Proceeds from disposal of tangible capital assets	-	357
Cash used for capital transactions	(48,427)	(45,122)
Financing transactions		
Repayment of loans payable to CMHC	(698)	(661)
Cash used for financing transactions	(698)	(661)

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, 2024

(in thousands)

	2024	2023
Investing transactions		
Proceeds from sale of portfolio investments	8,000	6,522
Acquisition of portfolio investments	(16,002)	(31,000)
Repayments of mortgages and loans receivable	505	186
Cash used for investing transactions	(7,497)	(24,292)
Increase (decrease) in cash and cash equivalents	26,667	(29,717)
Cash and cash equivalents at beginning of the year	61,748	91,465
Cash and cash equivalents at end of the year	\$ 88,415	\$ 61,748

Total interest paid during the year was \$238 (2023 - \$276).

Total interest received during the year was \$5,813 (2023 - \$3,242).

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 \$88,258 (2023 - \$60,170) of cash and \$157 (2023 - \$1,578) of cash equivalents.

The accompanying notes and schedule form an integral part of the consolidated financial statements.

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (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.

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (in thousands)

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	Lutsel K'e Housing Authority
Behchokö Kö Gha K'òodèe	Norman Wells Housing Authority
Deline Housing Association	Paulatuk Housing Association
Fort Liard Housing Authority	Radilih Koe Housing Association
Fort McPherson Housing Association	Sachs Harbour Housing Association
Fort Providence Housing Association	Tsiigehtchic Housing Association
Fort Resolution Housing Authority	Tuktoyaktuk Housing Association
Fort Simpson Housing Authority	Tulita Housing Association
Fort Smith Housing Authority	Ulukhaktok Housing Association
Gameti Housing Authority	Whati Housing Authority
Hay River Housing Authority	Yellowknife Housing Authority
Inuvik 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.

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (in thousands)

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.

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (in thousands)

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.

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (in thousands)

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.

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (in thousands)

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'òdèè	Inuvik Housing Authority
Deline Housing Association	Lutsel K'e Housing Authority
Fort McPherson Housing Association	Radlilh 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.

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (in thousands)

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.

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (in thousands)

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.

(o) Adoption of accounting standard

Effective April 1, 2023, the Housing NWT adopted Canadian Public Sector Accounting Standard PS 3400, Revenue ("PS 3400"). The Section sets out general guidance for how entities recognize, measure, present and disclose revenue. Under the new accounting 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 implementation of this new Section did not have a material impact on the financial statements of Housing NWT.

3. PORTFOLIO INVESTMENTS

	2024	2023
Marketable securities (fair value \$69,483; 2023 - \$60,281)	\$ <u>70,426</u>	\$ <u>61,964</u>

4. ACCOUNTS RECEIVABLE

	2024	2023
Tenant rents receivable, before allowance of \$10,061 (2023 - \$9,874)	13,363	12,559
Trade accounts receivable, before allowance of \$1,386 (2023 - \$1,205)	\$ <u>6,399</u>	\$ <u>4,667</u>
	19,762	17,226
Less allowance for doubtful accounts	<u>(11,447)</u>	<u>(11,079)</u>
	8,315	6,147
Receivables from CMHC	997	8,777
Receivables from Government of Canada	60	-
Receivables from related parties:		
Government of the Northwest Territories	<u>1,825</u>	<u>1,904</u>
	\$ <u>11,197</u>	\$ <u>16,828</u>

Tenant rents receivable of \$761 were forgiven (2023 - \$2,133) during the year.

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (in thousands)

5. MORTGAGES AND LOANS RECEIVABLE

	2024	2023
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% (2023 - 0.00% and 10.50%).	\$ 9,941	\$ 10,615
Less allowance for impaired mortgages and loans receivable	(6,683)	(6,832)
	\$ 3,258	\$ 3,783

There were 33 accounts forgiven in the current year totaling \$1,235 (2023 - 20 accounts totalling \$989).

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Trade payables	\$ 14,323	\$ 17,645
Contractor holdbacks	3,657	3,254
Wages and employee benefits	2,463	2,555
Damage deposits	2,553	2,537
Tender and security deposits	591	981
Accrued interest	51	61
Payables to related parties:		
Government of the Northwest Territories	5,068	5,240
	\$ 28,706	\$ 32,273

7. DEFERRED REVENUE

Deferred revenue of \$24,924 (2023 - \$326) is mainly comprised of CMHC Rapid Housing Initiative (RHI) - project stream to build a 50 unit apartment building in amount of \$19,141 (2023 - \$0), CMHC Rapid Housing Initiative (RHI) - city stream to repair a 36 unit apartment building in amount of \$4,885 (2023 - \$0), City of Yellowknife funding for housing units to be utilized in Transitional Housing Addictions Recovery Program (THARP) in amount of \$529 (2023 - \$0).

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (in thousands)

8. LOANS AND MORTGAGES PAYABLE TO CMHC

	2024		2023	
	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 2025 to 2039, at interest rates from 7.63% to 19.00% (2023 - 7.63% to 19.00%).	\$ 17,648	\$ (17,648)	-	\$ -
Loans payable to CMHC (NHA Section 82 debt), repayable in annual installments until the year 2033, bearing interest of 6.97% (2023 - 6.97%). These loans are guaranteed by the Government.	6,498	(3,610)	2,888	3,441
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%, (2023 - 0.68% to 1.01%).	<u style="border-bottom: 1px solid black;">398</u> <u style="border-bottom: 3px double black;">\$ 24,544</u>	<u style="border-bottom: 1px solid black;">-</u> <u style="border-bottom: 3px double black;">\$ (21,258)</u>	<u style="border-bottom: 1px solid black;">398</u> <u style="border-bottom: 3px double black;">\$ 3,286</u>	<u style="border-bottom: 1px solid black;">543</u> <u style="border-bottom: 3px double black;">\$ 3,984</u>

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 \$2,647 (2023 - \$2,785) and would have made additional principal debt repayments to CMHC of \$1,519 (2023 - \$1,402).

The above mortgages and loans payable to CMHC are not secured.

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (in thousands)

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
2025	\$ 711	\$ 207	\$ 918
2026	695	166	861
2027	638	126	764
2028	458	88	546
2029	324	58	382
2030-2033	460	65	525
	\$ 3,286	\$ 710	\$ 3,996

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 - \$90,773 (2023 - \$88,671)
- Expected timing of payments of the cash flow - asset removal and/or site remediation is expected to occur between 2026 and 2054 (2023 - 2025 and 2050) with the majority occurring after 2038 (2023 - 2037).
- The discount rate is the year-end cost of borrowing of 4.57% (2023 - 3.92%).
- The inflation rate is based on the Bank of Canada's targeted inflation rate of 2.00% (2023 - 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 \$5,578
- A 1% decrease in the discount rate would increase the obligation by \$6,591
- A 1% increase in the inflation rate would increase the obligation by \$6,701
- A 1% decrease in the inflation rate would decrease the obligation by \$5,758

Following is a summary of the ARO:

	2024	2023
Opening Balance	\$ 48,552	\$ 51,817
Accretion expense	2,215	1,687
Valuation adjustment	(3,836)	(4,952)
Balance, end of year	\$ 46,931	\$ 48,552

The valuation adjustment is comprised of:

- \$4,401 decrease (2023 - \$4,717 decrease) due to 0.65% increase (2023 - 0.65%) in discount rate
- \$73 decrease (2023 - \$235 decrease) due to the disposition of assets where no remediation was required and the liability is now extinguished.
- \$638 increase (2023 - \$0) due to new liabilities incurred through acquisition of buildings.

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (in thousands)

10. ENVIRONMENTAL LIABILITIES

Housing NWT has identified sixteen fuel spill sites and no other contaminated sites (2023 - sixteen fuel spill sites and no other contaminated sites) for which an environmental liability has been recorded. There were two sites (2023 - zero sites) closed during the fiscal year. Two new sites (2023 - 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 (2023 - nil). Housing NWT has not identified any sites where an environmental liability may exist but no liability has been recorded.

11. FUNDING FROM CMHC

	2024	2023
Funding from CMHC recognized as government funding under the:		
SHA:		
Contributions for public housing rental subsidies	\$ 6,861	\$ 7,415
Contributions to non-profit housing sponsor groups and cooperatives	3,251	3,406
Repairs, maintenance and other costs	1,909	1,047
Rapid Housing Initiative	1,660	-
Aspen Building	4,160	-
Bilateral Agreement	8,670	8,698
	26,511	20,566

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 (2023 - August 24, 2022), Housing NWT signed the CIRNAC Agreements with the Government of Canada to provide one-time funding in the amount of \$30,050 (2023 - \$30,000). Funding under these agreements are provided to assist with financing of expenditures related to infrastructure including housing needs.

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (in thousands)

13. CONTRACTUAL RIGHTS

	Expiry Date	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030+</u>	<u>Total</u>
CMHC SHA	2039	\$ 9,659	\$ 8,394	\$ 7,346	\$ 5,753	\$ 4,377	\$ 16,388	\$ 51,917
CMHC Bilateral	2028	11,642	13,004	14,463	15,854	-	-	54,963
RCMP Lease	2044	1,635	1,635	1,635	1,635	1,635	22,046	30,221
Other Lease	2027	<u>337</u>	<u>261</u>	<u>54</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>652</u>
		<u>\$ 23,273</u>	<u>\$ 23,294</u>	<u>\$ 23,498</u>	<u>\$ 23,242</u>	<u>\$ 6,012</u>	<u>\$ 38,434</u>	<u>\$137,753</u>

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 2025 contractual obligations are capital construction commitments for housing construction projects with contracts signed prior to year-end.

	Expiry Date	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030+</u>	<u>Total</u>
Lease	2033	\$ 5,284	\$ 3,026	\$ 2,789	\$ 2,681	\$ 1,441	\$ 877	\$ 16,098
Construction	2025	<u>18,531</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,531</u>
		<u>\$ 23,815</u>	<u>\$ 3,026</u>	<u>\$ 2,789</u>	<u>\$ 2,681</u>	<u>\$ 1,441</u>	<u>\$ 877</u>	<u>\$ 34,629</u>

15. CONTINGENCIES

Housing NWT provided guarantees to banks in financing certain new or renovated residential housing construction. As at March 31, 2024 a total of five (2023 - five) loan guarantees were in effect, and the outstanding balance of loans guaranteed was \$151 (2023 - \$223). All of these loans are secured by registered charges against real property. The period covered by these guarantees extends up to 2028 (2023 - 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, 2024 was \$2,178 (2023 - \$3,236). 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, 2024 is nil (2023 - nil).

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (in thousands)

16. EXPENSES BY OBJECT

	2024	2023
Amortization	\$ 12,809	\$ 12,896
Accretion of AROs	2,215	1,687
Compensation and benefits	34,419	33,313
Computer costs	57	90
Contract services	8,141	7,345
Controllable assets	352	271
Fees and payments	372	334
Grants and contributions	18,268	18,449
Interest on long-term debt	238	276
Loss on disposal of tangible capital assets	1,539	150
Materials and supplies	4,099	3,232
Minor modernization and improvements	4,512	7,605
Other expenses	1,860	1,186
Property taxes and land leases	2,706	2,506
Purchased services	587	1,066
Rental leasing	4,152	4,243
Travel	944	954
Utilities	30,066	29,337
Valuation allowances	46	34
	\$ 127,382	\$ 124,974

Public Service Pension Plan

Total employer contributions to the Public Service Pension Plan of \$1,431 (2023 - \$1,476) and to the NEBS of \$514 (2023 - \$488) were recognized as an expense in the current year. Total employee contributions were \$1,319 and \$515 respectively (2023 - \$1,362 and \$487).

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:

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (in thousands)

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	<u>Up to 1 year</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Accounts payable and accrued liabilities	\$ 28,706	\$ -	\$ -	\$ 28,706
Loans and mortgages payable to CMHC	<u>918</u>	<u>2,553</u>	<u>525</u>	<u>3,996</u>
Total financial liabilities	<u>\$ 29,624</u>	<u>\$ 2,553</u>	<u>\$ 525</u>	<u>\$ 32,702</u>

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 \$158,841 (2023 - \$123,713).

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 \$11,197 (2023 - \$16,828).

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 \$3,258 (2023 - \$3,783).

As at March 31, 2024, \$890 (2023 - \$995) 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, 2024, the following financial assets were past due but not impaired:

Financial assets	<u>30 days</u>	<u>60 days</u>	<u>90 days</u>	<u>120+ days</u>	<u>Total</u>
Tenants rent receivable	\$ 564	\$ 439	\$ 7,516	\$ 420	\$ 8,939
Trade accounts receivable	83	-	316	162	561
Mortgages and loans receivable	27	-	-	1	28

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2024 (in thousands)

17. FINANCIAL RISK MANAGEMENT (continued)

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.

	<u>2024</u>	<u>2023</u>
Related party expenses		
Arctic Energy Alliance	\$ 50	\$ 50
Aurora College	10	1
Fuel Services Division	4,278	3,624
Government of the Northwest Territories Departments	4,345	4,260
Northwest Territories Power Corporation	<u>7,347</u>	<u>7,334</u>
	<u>\$ 16,030</u>	<u>\$ 15,269</u>

HOUSING NORTHWEST TERRITORIES

Consolidated Schedule of Tangible Capital Assets

As at March 31, 2024

(in thousands)

	Cost					Accumulated amortization			Net Book Value (NBV)		
	Opening balance	Acquisitions	Transfers	Disposal ⁽¹⁾	Closing balance	Opening balance	Amortization	Disposals	Closing balance	2024	2023
Lands and Buildings:											
Land	\$ 10,971	\$ -	\$ 2,242	\$ (4)	\$ 13,209	\$ -	\$ -	\$ -	\$ -	\$ 13,209	\$ 10,971
Public Housing HELP and market housing	433,282	-	35,421	(6,568)	462,135	214,842	7,515	(1,560)	220,797	241,338	218,440
Non-residential properties	121,941	-	18,260	(619)	139,582	42,483	4,415	(261)	46,637	92,945	79,458
Work in Progress	6,237	-	-	(3)	6,234	3,462	135	-	3,597	2,638	2,775
	56,411	48,429	(56,890)	-	47,950	-	-	-	-	47,950	56,411
Sub-total	628,842	48,429	(967)	(7,194)	569,110	260,787	12,065	(1,821)	271,031	398,080	368,055
Property and equipment:											
Warehouses and offices	12,535	-	967	-	13,502	7,134	289	-	7,423	6,079	5,401
Mobile equipment	4,702	533	-	-	5,235	3,095	375	-	3,470	1,765	1,607
Leasehold improvements	1,739	-	-	-	1,739	1,610	26	-	1,636	103	129
Office furniture and equipment	6,073	-	-	-	6,073	5,894	53	-	5,947	126	179
Software	114	-	-	-	114	110	1	-	111	3	4
Sub-total	25,163	533	967	-	26,663	17,843	744	-	18,587	8,076	7,320
Total	\$ 654,005	\$ 48,962	\$ -	\$ (7,194)	\$595,773	\$ 278,630	\$ 12,809	\$ (1,821)	\$ 289,618	\$ 406,155	\$ 375,375

(1) Included in disposals is the asset retirement cost adjustment of \$3,778 (2023 - \$4,790).

(2) Not included in acquisition of tangible capital assets on the Consolidated Statement of Cash Flow are non-cash items of \$ 4,985 (2023 - \$nil)

(3) There were no capital leases as at March 31, 2024

Inuvialuit Water Board

Financial Statements

March 31, 2024

Inuvialuit Water Board

Financial Statements

March 31, 2024

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Management's Responsibility for the Financial Statements

June 25, 2024

**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**



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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, 2024, 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, 2024, 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 25, 2024**

Chartered Professional Accountants

Inuvialuit Water Board

Statement of Operations and Accumulated Surplus

For the year ended March 31,	Budget (Note 12)	2024	2023
Revenue			
Contributions from GNWT	\$ 939,000	\$ 939,000	\$ 939,000
Donation in-kind (Note 12)	61,693	61,693	61,693
Other revenue	-	8,947	4,160
Total revenues before repayable contributions	-	1,009,640	1,004,853
Repayable contributions (Note 7)	-	(210,663)	(239,442)
Total revenues	1,000,693	798,977	765,411
Expenses			
Advertising	4,500	3,133	1,802
Amortization	10,000	11,685	10,025
Board review and evaluation	5,000	-	33,825
Board travel and training	23,500	15,681	14,503
Communications	60,000	46,610	27,952
Communication strategy implementation	25,000	10,781	-
Community capacity initiative	30,000	17,881	21,850
Community tour	10,000	3,989	10,343
Conferences	12,000	6,345	8,366
Equipment maintenance	38,000	5,384	4,003
Equipment rental	6,000	5,812	5,961
Honoraria	80,000	78,941	82,857
Hospitality	3,000	2,520	533
Interest and bank charges	500	142	179
Office supplies	3,500	2,551	1,482
Postage	2,000	605	296
Professional fees	35,000	32,701	67,908
Publications - French translation	5,000	-	-
Rent (Note 12)	61,693	61,693	61,693
Salaries and benefits	570,000	444,062	391,586
Staff travel	15,000	12,234	15,986
Staff training	1,000	750	-
Total expenses	1,000,693	763,500	761,150
Loss on disposal of tangible capital assets	-	5,349	-
Operating surplus	-	30,128	4,261
Transfer to (from) tangible capital assets	(20,000)	(21,181)	(102)
Surplus	\$ (20,000)	\$ 8,947	\$ 4,159
Accumulated surplus, Balance, at beginning of year		\$ 320,070	\$ 315,809
Operating surplus	-	30,128	4,261
Accumulated surplus, Balance, at end of year		\$ 350,198	\$ 320,070

Inuvialuit Water Board

Statement of Change in Net Financial Assets

For the year ended March 31,	Budget (Note 12)	2024	2023
Operating surplus	\$ -	\$ 30,128	\$ 4,261
Acquisition of tangible capital assets	(20,000)	(38,215)	(10,127)
Amortization of tangible capital assets	-	11,685	10,025
Loss on disposal of tangible capital assets	-	5,349	-
Net change in financial assets	(20,000)	8,947	4,159
Net financial assets, beginning of year	296,333	296,333	292,174
Net financial assets, end of year	\$ 276,333	\$ 305,280	\$ 296,333

Inuvialuit Water Board

Statement of Financial Position

As at March 31,

2024

2023

Financial Assets

Cash		
Portfolio Investments (Note 4)	\$ 690,726	\$ 507,395
Accounts receivable (Note 5)	214,282	205,352
	4,566	4,567
	909,574	717,314

Liabilities


Accounts payable and accrued liabilities (Note 6)	154,189	181,539
Repayable contributions (Note 7)	450,105	239,442
	604,294	420,981
Net financial assets	305,280	296,333

Non-Financial Assets

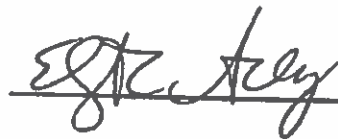
Tangible capital assets (Note 8)	44,918	23,737
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Accumulated surplus	\$ 350,198	\$ 320,070
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Approved on behalf of the Board



Director



Director

Inuvialuit Water Board

Statement of Cash Flows

For the year ended March 31,	2024	2023
Cash provided by (used in)		
Operating activities		
Operating surplus	\$ 30,128	\$ 4,261
Item not affecting cash:		
Amortization of tangible capital assets	11,685	10,025
Loss on disposal of tangible capital assets	5,349	-
Changes in non-cash operating working capital		
Accounts receivable	-	(1,559)
Accounts payable and accrued liabilities	(27,350)	52,902
Repayable contributions	210,664	(104,929)
	230,476	(39,300)
Investing activities		
Purchase of portfolio investments	(214,282)	(206,259)
Maturity of portfolio investments	205,352	202,106
	(8,930)	(4,153)
Capital activity		
Acquisition of tangible capital assets	(38,215)	(10,127)
Increase (decrease) in cash	183,331	(53,580)
Cash, beginning of year	507,395	560,975
Cash, end of year	\$ 690,726	\$ 507,395

Inuvialuit Water Board

Notes to Financial Statements

March 31, 2024

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. Impact of the Change in the Basis of Accounting

Section PS 3400, Revenue, was issued by the Public Sector Accounting Standards Board (PSAB or the "Board") November 2018. It is effective for fiscal years beginning on or after April 1, 2023. The standard provides guidance on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. The adoption of this new standard had no impact on the financial statements.

3. 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 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.

Inuvialuit Water Board

Notes to Financial Statements

March 31, 2024

2. Accounting Policies (continued)

(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.

(e) Revenue Recognition

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.

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.

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 4.50% (2023 - 4.15%) per annum and mature on November 12, 2024.

Inuvialuit Water Board

Notes to Financial Statements

March 31, 2024

5. Accounts Receivable

	2024	2023
Goods and Services Tax Rebate	\$ 4,566	\$ 4,567

6. Accounts Payable and Accrued Liabilities

	2024	2023
Government of the Northwest Territories - wages payable	\$ 131,784	\$ 158,701
Accrued liabilities	16,500	13,314
Credit card payable	5,905	2,575
Other accounts payable	-	6,949
	\$ 154,189	\$ 181,539

7. Repayable Contributions

	2024	2023
Government of the Northwest Territories		
Department of Environment and Climate Change 2022/2023	\$ 239,442	\$ 239,442
Department of Environment and Climate Change 2023/2024	\$ 210,663	\$ -
	\$ 450,105	\$ 239,442

8. Tangible Capital Assets

	Rate	Cost	Accumulated Amortization	2024 Net Book Value	2023 Net Book Value
Furniture and equipment	20%	\$ 27,245	\$ 20,230	\$ 7,015	\$ 13,994
Computer equipment	30%	35,020	26,084	8,936	9,641
Website	5 yrs s/l	32,312	3,345	28,967	-
		\$ 94,577	\$ 49,659	\$ 44,918	\$ 23,635

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.

Inuvialuit Water Board

Notes to Financial Statements

March 31, 2024

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:

2025	\$	10,549
2026		10,549
2027		10,549
2028		7,662
2029 and later		-
	\$	<u>39,309</u>

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 \$909,574 (2023 - \$717,314).

(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, 2024, 100% (2023 - 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.

Inuvialuit Water Board

Notes to Financial Statements

March 31, 2024

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 \$604,294 (2023 - \$420,981). 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, 2024, 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, 2024, the Board has a concentration of liquidity risk as 96.2% (2023 -96.1%) 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.

NORTHWEST TERRITORIES HERITAGE FUND

Financial Statements

For the Year Ended March 31, 2024



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 Fund by Metrix Group LLP, in accordance with Canadian public sector accounting standards.

Mandi Bolstad,
Deputy Secretary, Financial Management Board

Yellowknife, Northwest Territories
August 28, 2024

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, 2024, and the statements of operations and accumulated surplus, statement of rereasurement 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, 2024, 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.

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 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.

(continues)



Independent Auditors' Report to the Members of Northwest Territories Heritage Fund *(continued)*

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 28, 2024

NORTHWEST TERRITORIES HERITAGE FUND

Statement of Financial Position

As at March 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash	\$ 3,662,389	\$ 301,068
Interest receivable	252,467	273,133
Portfolio investments (Note 2)	<u>45,820,257</u>	42,997,486
	<u>49,735,113</u>	<u>43,571,687</u>
LIABILITIES		
Accounts payable and accrued liabilities	<u>49,097</u>	35,714
ACCUMULATED SURPLUS		
	<u>\$ 49,686,016</u>	<u>\$ 43,535,973</u>
ACCUMULATED SURPLUS CONSISTS OF:		
Accumulated surplus from operations	\$ 47,760,865	\$ 43,473,718
Accumulated remeasurement gains	<u>1,925,151</u>	<u>62,255</u>
	<u>\$ 49,686,016</u>	<u>\$ 43,535,973</u>

ON BEHALF OF THE BOARD



Chair 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, 2024

	2024 (Budget)	2024 (Actual)	2023 (Actual)
REVENUE			
Contributions from the Government of the Northwest Territories	\$ 7,636,000	\$ 3,162,821	\$ 5,024,851
Investment income	-	1,224,772	1,344,322
	7,636,000	4,387,593	6,369,173
EXPENSES			
Professional fees	-	100,446	78,684
ANNUAL SURPLUS	7,636,000	4,287,147	6,290,489
ACCUMULATED SURPLUS, BEGINNING OF YEAR	43,473,718	43,473,718	37,183,229
ACCUMULATED SURPLUS, END OF YEAR	\$ 51,109,718	\$ 47,760,865	\$ 43,473,718

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, 2024

	2024	2023
ACCUMULATED REMEASUREMENT GAIN - BEGINNING OF YEAR	\$ 62,255	\$ -
Unrealized gain from adoption of PS 3450:		
Quoted in an active market	-	925,251
Designated at fair value	-	118,621
Amounts reclassified to statement of operations:		
Designated at fair value	-	(118,621)
Unrealized gain (loss) attributed to:		
Quoted in an active market	997,616	(338,248)
Designated at fair value	865,280	(524,748)
Net remeasurement for the year	<u>1,862,896</u>	<u>62,255</u>
ACCUMULATED REMEASUREMENT GAIN - END OF YEAR	<u>\$ 1,925,151</u>	<u>\$ 62,255</u>

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, 2024

	2024 (Budget)	2024 (Actual)	2023 (Actual)
ANNUAL SURPLUS	\$ 7,636,000	\$ 4,287,147	\$ 6,290,489
Increase in accumulated remeasurement gains	-	1,862,896	62,255
INCREASE IN NET FINANCIAL ASSETS	7,636,000	6,150,043	6,352,744
NET FINANCIAL ASSETS, BEGINNING OF YEAR	43,535,973	43,535,973	37,183,229
NET FINANCIAL ASSETS, END OF YEAR	\$ 51,171,973	\$ 49,686,016	\$ 43,535,973

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, 2024**

	2024	2023
OPERATING ACTIVITIES		
Annual surplus	\$ 4,287,147	\$ 6,290,489
Items not affecting cash:		
Amortization of investment premiums/discounts	(52,567)	(74,339)
Gain on disposal of investments	-	-
	<u>4,234,580</u>	<u>6,216,150</u>
Changes in non-cash working capital:		
Interest receivable	20,667	(113,866)
Accounts payable and accrued liabilities	13,383	4,487
	<u>34,050</u>	<u>(109,379)</u>
	<u>4,268,630</u>	<u>6,106,771</u>
INVESTING ACTIVITIES		
Purchase of investments	(907,309)	(7,188,049)
Proceeds from disposals and redemptions of investments	-	1,361,900
	<u>(907,309)</u>	<u>(5,826,149)</u>
INCREASE IN CASH FLOWS	3,361,321	280,622
CASH, BEGINNING OF YEAR	301,068	20,446
CASH, END OF YEAR	\$ 3,662,389	\$ 301,068

The accompanying notes are an integral part of these financial statements

NORTHWEST TERRITORIES HERITAGE FUND

Notes to Financial Statements

Year Ended March 31, 2024

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.

<u>Financial Statement Component</u>	<u>Measurement</u>
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)

NORTHWEST TERRITORIES HERITAGE FUND

Notes to Financial Statements

Year Ended March 31, 2024

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) Adoption of new accounting standards

Effective April 1, 2023, the Fund adopted Canadian public sector accounting standards PS 3160 Public Private Partnerships, PS 3400 Revenue and PSG-8 Purchased Intangible Assets. Adoption of these standards had no effect on the Fund's financial statements.

(continues)

NORTHWEST TERRITORIES HERITAGE FUND

Notes to Financial Statements

Year Ended March 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(h) 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.

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.

NORTHWEST TERRITORIES HERITAGE FUND

Notes to Financial Statements

Year Ended March 31, 2024

2. PORTFOLIO INVESTMENTS

	2024	2023
Portfolio investments - amortized cost	\$ 34,160,603	\$ 33,305,894
Portfolio investments - fair valued	<u>11,659,654</u>	<u>9,691,592</u>
	<u>\$ 45,820,257</u>	<u>\$ 42,997,486</u>

The composition of portfolio investments measured at amortized cost is as follows:

	2024 Cost	2024 Market value	2023 Cost	2023 Market value
Canadian papers	\$ 2,242,000	\$ 2,242,000	\$ 28,778,485	\$ 26,831,493
Bonds	<u>31,918,603</u>	<u>30,428,963</u>	<u>4,527,409</u>	<u>4,202,187</u>
	<u>\$ 34,160,603</u>	<u>\$ 32,670,963</u>	<u>\$ 33,305,894</u>	<u>\$ 31,033,680</u>

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	\$ -	\$ 5,015,133	\$ -	\$ 5,015,133
Equities				
Pooled investments - Canadian	1,199,234	-	-	1,199,234
Pooled investments - Global*	<u>5,445,287</u>	<u>-</u>	<u>-</u>	<u>5,445,287</u>
	<u>\$ 6,644,521</u>	<u>\$ 5,015,133</u>	<u>\$ -</u>	<u>\$ 11,659,654</u>

*Global equity includes investments in Canadian markets, equating to 30.8% (2022 - 31.7%) of the pooled investment instrument as at March 31, 2024.

	2023			
	Level 1	Level 2	Level 3	Total
Interest bearing securities				
Other debt instruments	\$ -	\$ 4,149,852	\$ -	\$ 4,149,852
Equities				
Pooled investments - Canadian	1,088,374	-	-	1,088,374
Pooled investments - Global	<u>4,453,481</u>	<u>-</u>	<u>-</u>	<u>4,453,481</u>
	<u>\$ 5,541,855</u>	<u>\$ 4,149,852</u>	<u>\$ -</u>	<u>\$ 9,691,707</u>

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).

NORTHWEST TERRITORIES HERITAGE FUND

Notes to Financial Statements

Year Ended March 31, 2024

3. 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, 2024.

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 1.5% (2022 - 1.4%). 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.

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:

	2024	2023
Investment Grade (AAA to BBB)	100 %	100 %
Non-Investment Grade (BB or lower)	- %	- %
Unrated	- %	- %
	100 %	100 %

(continues)

NORTHWEST TERRITORIES HERITAGE FUND

Notes to Financial Statements

Year Ended March 31, 2024

3. FINANCIAL RISK MANAGEMENT *(continued)*

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.

4. BUDGET

Budget figures presented in these financial statements are based on the 2023-2024 Government of Northwest Territories "Main Estimates".

Northwest Territories Human Rights Commission

Financial Statements

March 31, 2024

Northwest Territories Human Rights Commission

Financial Statements

March 31, 2024

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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 28, 2024**



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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, 2024, 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, 2024 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.

Other matters

This report has been amended to include an accrual for \$30,174 owing from the Legislative Assembly previously recorded as an Expense reimbursement on the Statement of Operations. 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 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.

Yellowknife, Northwest Territories
June 28, 2024 and July 22, 2024

Crowe MacKay LLP
Chartered Professional Accountants

Northwest Territories Human Rights Commission

Statement of Operations

For the year ended March 31,	Budget	2024	2023
Revenue			
Legislative Assembly of the Northwest Territories			
Operating grant	\$ 180,000	\$ 180,000	\$ 180,000
Expense reimbursement (Note 4)	-	(49,826)	(74,880)
	180,000	130,174	105,120
Expenses			
Accounting	8,000	9,383	8,775
Advertising and promotion	24,400	17,656	12,244
Benefits and pension	2,000	436	772
Contracts - administration (Note 7)	5,000	21,530	-
Contributions and donations	12,000	997	6,000
Events	24,100	6,668	16,065
Honorarium - commission chair	13,300	23,693	25,248
Honorarium - commission members	42,000	34,023	38,080
Legal expenses	11,000	255	15,785
Membership fees	2,000	2,259	2,200
Office and administration	6,200	7,150	1,816
Professional development	3,600	11,005	-
Translation & interpretation	-	539	-
Travel - commission members	26,400	-	414
	180,000	135,594	127,399
Excess expenses	\$ -	\$ (5,420)	\$ (22,279)

Northwest Territories Human Rights Commission

Statement of Changes in Net Assets

For the year ended March 31,	2024	2023
	Total	Total
Balance, beginning of year	\$ 339,915	\$ 362,194
Excess expenses	(5,420)	(22,279)
Balance, end of year	\$ 334,495	\$ 339,915

Northwest Territories Human Rights Commission

Statement of Financial Position

As at March 31, **2024** **2023**

Assets

Current

Cash	\$ 315,072	\$ 351,918
Due from the Legislative Assembly of the Northwest Territories	30,174	120
Prepaid expenses	700	6,080

\$ 345,946 **\$ 358,118**

Liabilities

Current

Accounts payable and accrued liabilities	\$ 11,451	\$ 18,203
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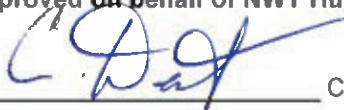
Net Assets

General Fund	334,495	339,915
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\$ 345,946 **\$ 358,118**

Contingency (Note 6)

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,	2024	2023
Cash provided by (used in)		
Operating activities		
Excess expenses	\$ (5,420)	\$ (22,279)
Change in non-cash operating working capital		
Due from the Legislative Assembly of the Northwest Territories	(30,054)	22,786
Prepaid expenses	5,380	(4,080)
Accounts payable and accrued liabilities	(6,752)	10,576
Increase (decrease) in cash	(36,846)	7,003
Cash, opening	351,918	344,915
Cash, closing	\$ 315,072	\$ 351,918

Northwest Territories Human Rights Commission

Notes to Financial Statements

March 31, 2024

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. Impact of the Change in the Basis of Accounting

Revenue, Section PS 3400

This new section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. This section is effective for fiscal periods beginning on or after April 1, 2023. The adoption of this new standard had no impact on the financial statements.

3. 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.

Northwest Territories Human Rights Commission

Notes to Financial Statements

March 31, 2024

3. 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.

Northwest Territories Human Rights Commission

Notes to Financial Statements

March 31, 2024

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. In the current year, \$15,696 of the \$180,000 funding was given to the Legislative Assembly of the Northwest Territories for travel. The GNWT spent \$49,826 on behalf of the Commission and \$30,174 is shown as a receivable.

	Account 5784 Chair travel	Account 5785 Member travel	Account 5786 Staff Travel	Account 5892 Member Fees	Account Misc	TOTAL 2024	TOTAL 2023
Administration	\$ -	\$ -	\$ -	\$ 4,300	\$ 5,590	\$ 9,890	\$ 6,918
Commission meetings	-	6,198	-	-	5,875	12,073	8,936
Legal	-	-	-	-	300	300	2,942
Community visits	3,499	5,999	-	-	6,901	16,399	35,695
Community events	-	-	-	-	2,864	2,864	9,635
Publishing	-	-	-	-	210	210	3,516
Materials	-	-	-	-	8,090	8,090	7,238
Total	\$ 3,499	\$ 12,197	\$ -	\$ 4,300	\$ 29,830	\$ 49,826	\$ 74,880

Northwest Territories Human Rights Commission

Notes to Financial Statements

March 31, 2024

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 \$315,072 (2023 - \$351,918) 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 \$345,246 (2023 - \$352,038).

(b) Concentration of credit risk

The Commission does have concentration of credit risk. At March 31, 2024, 100% (2022 - 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 \$11,449 (2023 - \$18,203). 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 2025. To date, \$21,530 of the expense has been recognized for work performed on the contract.

**NORTHWEST TERRITORIES HYDRO CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2024**

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 judgments. 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
August 6, 2024



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 2024, 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 2024, 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance 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 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, 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.

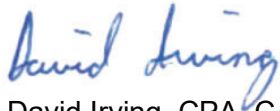
Responsibilities of Management for Compliance with Specified Authorities

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
6 August 2024

NORTHWEST TERRITORIES HYDRO CORPORATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at March 31 (in thousands of dollars)

	2024	2023
Financial assets		
Cash	\$ 866	\$ 761
Revenues receivable (Note 4)	14,901	15,196
Government contributions receivable (Note 20)	936	7,451
Investment in Aadrii Ltd.	415	386
	17,118	23,794
Liabilities		
Operating line of credit (Note 5)	38,966	54,472
Accounts payable and accrued liabilities (Note 6)	75,817	51,857
Debenture debt owing to third parties (Note 7)	258,868	187,500
Debenture debt owing to the GNWT (Note 7)	36,599	37,596
Asset retirement obligations (Note 8)	6,440	6,498
Environmental liabilities (Note 9)	15,066	17,970
Capital lease obligation (Note 10)	15,139	15,545
Other employee future benefits (Note 11)	2,092	1,985
Deferred government contributions (Note 20)	8,192	2,199
	457,179	375,622
Net debt	(440,061)	(351,828)
Non-financial assets		
Tangible capital assets (Note 12)	574,469	524,642
Inventories (Note 13)	17,158	14,230
Prepaid expenses	2,261	2,033
	593,888	540,905
Accumulated surplus / equity (Note 14)	\$ 153,827	\$ 189,077

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:



Stephen Loutitt, Board Chair



William MacKay, Vice Chair

NORTHWEST TERRITORIES HYDRO CORPORATION

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS FOR THE YEAR ENDED MARCH 31 (in thousands of dollars)

	2024 Budget	2024 Actual	2023 Actual
Revenues			
Sale of power (Note 15)	\$ 120,215	\$ 110,583	\$ 112,269
Fuel rider revenue	2,312	2,019	2,123
Other revenue (Note 16)	2,397	3,597	3,463
Interest income (Note 18)	75	79	92
Insurance proceeds	-	1,260	-
Income (loss) from investment in Aadrii Ltd.	75	29	14
	125,074	117,567	117,961
Expenses (Note 17)			
Thermal generation	98,330	115,238	83,602
Hydro generation	22,104	21,306	19,044
Corporate services	15,449	15,818	15,070
Transmission, distribution and retail	12,895	13,226	13,081
Purchased power	4,899	3,959	5,039
Alternative power generation	239	283	219
	153,916	169,830	136,055
Deficit for the year before government contributions	(28,842)	(52,263)	(18,094)
Government contributions			
Other government contributions (Note 19)	4,094	17,013	25,535
Surplus (Deficit) for the year	\$ (24,748)	\$ (35,250)	\$ 7,441
Accumulated surplus / equity, beginning of year	189,077	189,077	181,636
Accumulated surplus / equity, end of year	\$ 164,329	\$ 153,827	\$ 189,077

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)

	2024 Budget	2024 Actual	2023 Actual
Surplus for the year	\$ (24,748)	\$ (35,250)	\$ 7,441
Tangible capital assets			
Additions	(72,871)	(65,521)	(81,203)
Capitalized overhead	(3,500)	(2,402)	(3,877)
Capitalized interest (Note 18)	(1,900)	(2,022)	(1,546)
Disposals	2,400	745	971
Amortization (Note 12)	19,821	19,373	17,209
	(56,050)	(49,827)	(68,446)
Acquisition of inventories	(7,700)	(20,592)	(14,643)
Use of inventories	7,700	17,664	10,872
Acquisition of prepaids	(3,300)	(3,810)	(4,069)
Use of prepaids	3,300	3,582	3,508
	-	(3,156)	(4,332)
Increase in net debt for the year	\$ (80,798)	\$ (88,233)	\$ (65,337)
Net debt, beginning of year	(351,828)	(351,828)	(286,491)
Net debt, end of year	\$ (432,626)	\$ (440,061)	\$ (351,828)

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)

	2024	2023
Cash provided by operating activities		
Cash receipts from customers	\$ 117,001	\$ 115,979
Government contributions received	29,521	10,672
Insurance Proceeds	1,260	-
Cash paid to suppliers	(84,311)	(66,926)
Cash paid to employees	(29,841)	(31,683)
Interest paid	(12,290)	(10,948)
Interest received	77	92
	21,417	17,186
Cash provided by investing activities		
Loan receivable receipts	-	-
	-	-
Cash used in capital activities		
Acquisition and development of tangible capital assets	(76,031)	(75,249)
Proceeds on sale of tangible capital assets	44	51
	(75,987)	(75,198)
Cash provided by financing activities		
Issuance of debenture debt	75,000	-
Repayment of capital lease obligation	(406)	(405)
Repayment of debenture debt	(4,413)	(4,271)
(Repayments of) Proceeds from operating line of credit	(15,506)	53,522
	54,675	48,846
(Decrease) increase in cash	\$ 105	\$ (9,166)
Cash, beginning of year	761	9,927
Cash, end of year	\$ 866	\$ 761

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. NWTEC is also responsible for the joint operation and shared ownership (50%) in one residual heat project in Fort McPherson, Aadrii Ltd.

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.

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. In Decision 6-2023 the PUB approved a return on equity of 8% which will remain into effect until it is reassessed in the next General Rate Application (GRA) filing. As actual operating conditions will vary from forecast, actual returns achieved may differ from approved returns.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 1. The Corporation (continued)

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 in the last two years. PUB Decision 4-2019 approved the rider effective May 1, 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 Decision 8-2024 approved a rider increase to 1.07 cents/kWh which came into effect May 1, 2024.

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 0.23 cents/kWh and was approved by the PUB in Decision 8-2024. The rider came into effect May 1, 2024.

The PUB directed NTPC to file a GRA application in Decision 1-2024 by December 31, 2024. Due to this decision NTPC has filed for interim rate increases on May 9, 2024 for increases of 15% in the Thermal Zone, 4.4% in the Snare Zone and 4.9% in the Taltson Zone. Upon approval from the PUB, these rate increases are expected to come into effect July 1, 2024.

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.

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 statement of NT Hydro consist 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. NTPC'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.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 2. Significant accounting policies (continued)

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 life, 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 write-downs to net realizable value.

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.

A provision 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 receivables 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.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 2. Significant accounting policies (continued)

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 2023-24 was 4.46% (2022-23 – 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.

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.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 2. Significant accounting policies (continued)

iv) Amortization

Management has utilized amortization rates approved by the PUB in 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:

	2024	2023
	Rates (%)	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) Government contributions

Government contributions are recognized as revenue when the contributions are authorized and any 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.

g) Contributions in aid of construction

Certain tangible capital asset additions are made with the assistance of cash contributions from external parties. These contributions are recorded as other revenues when all restrictions or stipulations imposed by the external party have been satisfied, generally when the resources are used for the purposes intended.

h) 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.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 2. Significant accounting policies (continued)

i) 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.

j) Asset retirement obligations (ARO)

An asset retirement obligation 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
- a reasonable estimate of the amount can be made.

The estimate of an asset retirement obligation 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.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 2. Significant accounting policies (continued)

k) 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.

l) 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.

m) 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.

n) Expenses

Expenses are recognized on an accrual basis.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 2. Significant accounting policies (continued)

o) 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.

p) 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.

3. Adoption of PS 3400 Revenue

NT Hydro adopted PS 3400 *Revenue*, effective 1 April 2023, which establishes standards on how to account for and report on revenue. The Section sets out general guidance for how entities recognize, measure, present and disclose revenue arising from transactions that include performance obligations (exchange transactions) and transactions that do not have performance obligations (non-exchange transactions). 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 in these consolidated financial statements and, as permitted by the transitional provisions, prior periods were not restated.

The implementation of this new Section did not have a material impact on the consolidated financial statements.

NORTHWEST TERRITORIES HYDRO CORPORATION

4. Revenues receivable

At March 31, 2024, the aging of revenues receivable was as follows:

	2024			Total
	Current (less than 28 days)	29-90 days	Over 90 days	
Utility	\$ 12,428	\$ 694	\$ 280	\$ 13,402
Non-utility	1,458	140	155	1,753
Allowance for doubtful accounts	-	-	(254)	(254)
	<u>\$ 13,886</u>	<u>\$ 834</u>	<u>\$ 181</u>	<u>\$ 14,901</u>

At March 31, 2023, the aging of revenues receivable was as follows:

	2023			Total
	Current (less than 28 days)	29-90 days	Over 90 days	
Utility	\$ 12,727	\$ 852	\$ 246	\$ 13,825
Non-utility	1,290	93	165	1,548
Allowance for doubtful accounts	-	-	(177)	(177)
	<u>\$ 14,017</u>	<u>\$ 945</u>	<u>\$ 234</u>	<u>\$ 15,196</u>

The changes in the allowance for doubtful accounts were as follows:

	2024	2023
Balance, beginning of the year	\$ (177)	\$ (203)
Receivables written off	61	60
Change to allowance	(138)	(34)
Balance, end of the year	<u>\$ (254)</u>	<u>\$ (177)</u>

Revenues receivable on utility and non-utility accounts are generally due in 28 days and interest is charged after 28 and 30 days, respectively, at rates in the terms of service agreement. As at March 31, 2024, NT Hydro provided an allowance for doubtful accounts for the estimated portion of its revenues receivable accounts that will not be collected. Additional disclosures on NT Hydro's exposure and management of credit risk associated with revenues receivable can be found in Note 22.

NORTHWEST TERRITORIES HYDRO CORPORATION

5. Operating line of credit

NT Hydro has a \$75,000 (2022-23 - \$75,000) operating line of credit with its bank. 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, 2024, NT Hydro has borrowed \$38,966 (2022-23 - \$54,472) 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:

	<u>2024</u>	<u>2023</u>
Payable to related party (Note 20)	\$ 39,689	\$ 16,734
Trade payables and accrued liabilities	24,097	26,148
Payroll liabilities	6,403	4,290
Interest payable	3,192	1,695
Other payables	2,436	2,990
	<u>\$ 75,817</u>	<u>\$ 51,857</u>

NORTHWEST TERRITORIES HYDRO CORPORATION

7. Debenture debt

a) Owing to third parties

	2024	2023
3.982% amortizing debenture, due February 17, 2047 repayable semi-annually in blended payments of \$1,722	\$ 51,575	\$ 52,926
5.16% amortizing debenture, due September 13, 2040 repayable semi-annually in blended payments of \$1,684	37,117	38,516
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 payment is interest only, the second payment is interest plus \$667 principal	6,000	6,667
4.344% debenture – interest payable semi-annually, principal is due April 14, 2053	75,000	-
	\$ 259,692	\$ 188,109
Less: unamortized premium, discount and issuance costs	(824)	(609)
	\$ 258,868	\$ 187,500

The GNWT guarantees all third party debenture debt.

b) Owing to the GNWT

	2024	2023
2.265% amortizing debenture, due September 30, 2050 repayable semi-annually in blended payments of \$922	\$ 36,599	\$ 37,596

Principal repayments for future years on all debenture debt are as follows:

<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>Thereafter</u>	<u>Total</u>
\$ 4,566	\$ 19,721	\$ 4,885	\$ 5,055	\$ 30,235	\$231,829	\$ 296,291

NORTHWEST TERRITORIES HYDRO CORPORATION

8. Asset retirement obligations

ARO include costs related to the disposal of generating plants on leased land, storage tank systems and the associated piping for petroleum products in all communities served by NTPC. 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 - \$13,020 (2022-23 -- \$13,241).
- Expected timing of payments of the cash flow – asset removal and/or site remediation is expected to occur between 1 and 38 years with the majority occurring after 2035.
- The discount rate is the year-end cost of borrowing of 4.34% (2022-23 – 3.96%) for those obligations to be settled in less than 10 years and 4.575% (2022-23 – 4.34%) for those obligations to be settled in 10 years or longer.
- Inflation was assumed to be 2% (2022-23 – 2%).

Following is a summary of the asset retirement obligations:

	<u>2024</u>	<u>2023</u>
Opening balance	\$ 6,498	\$ 7,313
Liabilities settled	(7)	(35)
Accretion expense	251	257
Valuation adjustment	(313)	(1,037)
Additions	11	-
Balance, end of year	<u>\$ 6,440</u>	<u>\$ 6,498</u>

The valuation adjustments relate to changes in discount rates, timing of cash flows and estimated costs to retire assets or 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 (2022-23 - 23 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 - \$69,683 (2022-23 -- \$69,854).
- Expected timing of payments of the cash flow – asset removal and/or site remediation is expected to occur between 2 and 67 years with the majority occurring after 2059.
- The discount rate is the year-end cost of borrowing of 4.34% (2022-23 – 3.96%) for those obligations to be settled in less than 10 years and 4.575% (2022-23 – 4.34%) for those obligations to be settled in 10 years or longer.
- Inflation was assumed to be 2% (2022-23 – 2%).

Following is a summary of the estimated environmental liabilities:

	<u>2024</u>	<u>2023</u>
Opening balance	\$ 17,970	\$ 17,619
Liabilities settled	(1,078)	(2,877)
Valuation adjustment	(1,826)	3,228
Balance, end of year	<u>\$ 15,066</u>	<u>\$ 17,970</u>

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, 2024 was 7.75% (2022-23 – 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:

	2025	\$	1,624
	2026		1,593
	2027		1,562
	2028		1,530
	2029		1,499
	Thereafter		31,546
			39,354
Less: amounts representing imputed interest			(24,215)
Total capital lease obligation		\$	15,139

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 1.02 times (2022-23 – 1.02) the employees' contributions for employees who started prior to January 2013 and 1.00 times (2022-23 – 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 \$202 (2022-23 - \$196) was 4.63 times (2022-23 – 5.29) the employee's contributions. Employer contributions of \$1,910 (2022-23 - \$2,577) were recognized as an expense in the current year. The employees' contribution to this plan was \$1,749 (2022-23 - \$2,348).

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:

	2024			2023		
	Severance and Removal Benefit	Accumulated Sick Leave Benefit	Total	Severance and Removal Benefit	Accumulated Sick Leave Benefit	Total
Accrued benefit obligation, beginning of year	\$ 3,133	\$ 246	\$ 3,379	\$ 3,297	\$ 267	\$ 3,564
Benefits earned	266	18	284	279	19	298
Interest	134	10	144	115	9	124
Benefits paid	(480)	(26)	(506)	(563)	(37)	(600)
Actuarial (gains) losses	101	(6)	95	5	(12)	(7)
Accrued benefit obligation, end of year	3,154	242	3,396	3,133	246	3,379
Unamortized net actuarial gain/(loss)	(1,109)	(195)	(1,304)	(1,134)	(260)	(1,394)
Net future obligation	<u>\$ 2,045</u>	<u>\$ 47</u>	<u>\$ 2,092</u>	<u>\$ 1,999</u>	<u>\$ (14)</u>	<u>\$ 1,985</u>

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:

	<u>2024</u>	<u>2023</u>
Current benefits earned	\$ 284	\$ 298
Interest	144	124
Amortization of net actuarial loss	185	186
	<u>\$ 613</u>	<u>\$ 608</u>

The actuarial valuation reflects management's best estimate based upon a number of assumptions including:

	<u>2024</u>	<u>2023</u>
Expected inflation rates	2%	2%
Discount rate used to determine the accrued benefit obligation	4.5%	4.1%
Expected average remaining service life of related employee groups (EARSL)	<u>10.4 years</u>	<u>10.4 years</u>

NORTHWEST TERRITORIES HYDRO CORPORATION

12. Tangible capital assets

March 31, 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
March 31, 2023						
	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	\$ 402,630	\$ 108,650	\$ 79,353	\$ 28,733	\$ 95,430	\$ 714,796
Additions	-	-	-	-	86,626	86,626
Transfers – completed projects	26,854	4,355	13,184	-	(44,393)	-
Disposals and adjustments	(868)	(285)	(1,568)	-	-	(2,721)
Closing balance	428,616	112,720	90,969	28,733	137,663	798,701
Accumulated amortization						
Opening balance	(158,589)	(42,774)	(46,636)	(10,601)	-	(258,600)
Amortization	(10,668)	(2,653)	(3,407)	(481)	-	(17,209)
Disposals and adjustments	108	244	1,398	-	-	1,750
Closing balance	(169,149)	(45,183)	(48,645)	(11,082)	-	(274,059)
Net book value	\$ 259,467	\$ 67,537	\$ 42,324	\$ 17,651	\$ 137,663	\$ 524,642

The cost of land as of March 31, 2024 included in electric power plants asset cost is approximately \$5,594 (2022-23 - \$5,594). Amortization is not recorded on land.

NORTHWEST TERRITORIES HYDRO CORPORATION

13. Inventories

	<u>2024</u>	<u>2023</u>
Materials, supplies and lubricants	\$ 11,899	\$ 9,490
Critical spare parts	4,925	4,244
Fuel	334	496
	<u>\$ 17,158</u>	<u>\$ 14,230</u>

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.

14. Accumulated surplus/equity

	<u>2024</u>	<u>2023</u>
Share capital, common and preferred shares	\$ 43,129	\$ 43,129
Accumulated operating surplus / equity	110,698	145,948
	<u>\$ 153,827</u>	<u>\$ 189,077</u>

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, 2024, 1 common share (2022-23 – 1 common share), at \$43,129 per share (2022-23 – \$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

	<u>2024</u>	<u>2023</u>
Power sales to external customers	\$ 81,161	\$ 83,647
Power sales to GNWT and related parties	17,823	17,431
GNWT TPSP payments	6,856	6,601
GNWT HSP payments	4,743	4,590
	<u>\$ 110,583</u>	<u>\$ 112,269</u>

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.

NORTHWEST TERRITORIES HYDRO CORPORATION

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

	<u>2024</u>	<u>2023</u>
Contract work	\$ 2,486	\$ 1,687
Connection fees	369	310
Heat revenues	326	670
Pole rental	277	355
Other	139	441
	<u>\$ 3,597</u>	<u>\$ 3,463</u>

17. Expenses

The following is a summary of the expenses for the year by object:

	<u>2024</u>	<u>2023</u>
Fuel and lubricants (Notes 20, 21)	\$ 74,267	\$ 45,419
Salaries and wages	32,041	30,572
Supplies and services	26,049	28,908
Amortization (Note 12)	19,374	17,209
Interest expense (Note 18)	13,571	10,971
Travel and accommodation	3,036	2,701
Loss on disposal of assets	1,241	18
Accretion on ARO (Note 8)	251	257
	<u>\$ 169,830</u>	<u>\$ 136,055</u>

During the year, fuel expenses exceeded budget because of the effects of ongoing low water conditions. Subsequent to March 31, 2024, the GNWT authorized a contribution of \$30,000 towards the additional costs incurred. Refer to Note 23(a).

NORTHWEST TERRITORIES HYDRO CORPORATION

18. Interest expense and interest income

Interest expense

	<u>2024</u>	<u>2023</u>
Interest on debenture debt and capital leases (Notes 6, 9)	\$ 14,323	\$ 11,383
Short-term debt financing costs	1,270	1,134
Capitalized interest during construction	<u>(2,022)</u>	<u>(1,546)</u>
	<u>\$ 13,571</u>	<u>\$ 10,971</u>

Interest income

	<u>2024</u>	<u>2023</u>
Income from overdue accounts and bank balances	\$ 79	\$ 92
	<u>\$ 79</u>	<u>\$ 92</u>

19. Other government contributions

NTPC has entered in agreements with the GNWT under the Government of Canada's Investing in Canada Infrastructure Program (ICIP) & Low Carbon Economy Leadership Fund (LCELf) for capital programs that have been completed in the fiscal year.

In June 2023, the GNWT contributed \$15,200 towards increased fuel prices and additional fuel consumption incurred as a result of low water conditions.

	<u>2024</u>	<u>2023</u>
GNWT Fuel Contribution	\$ 15,200	\$ -
EV Charging Stations Program	931	68
Sachs Harbour Power Plant Program	445	1,771
NT Energy Bridge Funding Program	250	250
NT Energy Rent Program	98	98
Fort Providence/Kakisa Transmission Line Program	72	303
Fort Simpson LNG Program	17	28
Inuvik High Point Wind Program	-	20,344
Lutsel K'e Power Plant Program	-	1,620
Inuvik LNG Tank Program	-	730
Snare Forks Overhaul Program	-	323
	<u>\$ 17,013</u>	<u>\$ 25,535</u>

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 in these consolidated financial statements are as follows:

Revenues	2024	2023
Other revenue	\$ 320	\$ 652
Fuel rider revenue	441	448
	\$ 761	\$ 1,100
Expenses		
Purchases of fuel from Fuel Services Division of the GNWT (FSD) (Note 21)	\$ 50,885	\$ 30,761
Other operating expenses	949	1,070
	\$ 51,834	\$ 31,831
Financial assets		
Revenues receivable		
Utility	\$ 978	\$ 468
Non-utility	243	93
Government contributions receivable	936	7,451
	\$ 2,157	\$ 8,012
Liabilities		
Accounts payable to FSD for fuel (Note 21)	\$ 39,689	\$ 16,734
Deferred government contributions	8,192	2,199
Other accounts payable and accrued liabilities	3	12
	\$ 47,884	\$ 18,945

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, 2024.

	2025	2026 and subsequent
Operational and lease commitments	\$ 10,888	\$ 89

Capital projects

NT Hydro has contractual obligations of \$7,134 related to capital projects, of which payments are expected to be made in 2024-25.

In addition, NT Hydro had entered into the following contractual obligations with related parties:

Fuel management services agreement

NTPC has a fuel management services agreement with 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 13,000 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, 2024.

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.

	<u>2024</u>	<u>2023</u>
Revenues receivable	\$ 14,901	\$ 15,196
Government contributions receivable	936	7,451
Cash	866	761
	<u>\$ 16,703</u>	<u>\$ 23,408</u>

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. Thirty-five percent (2022-23 - 37%) of NTPC's sales of power are to two other utilities. Twenty-seven percent (2022-23 - 25%) 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 \$75,000 operating line of credit with a reputable financial institution. The following table shows the maturities of the debenture debt, operating line of credit, and capital lease obligation:

	March 31, 2024				
	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	\$ 17,522	\$ 121,530	\$ 203,084	\$ 161,384	\$ 503,520
Operating line of credit	38,966	-	-	-	38,966
Capital lease obligation	1,624	7,651	17,245	12,834	39,354
	\$ 58,112	\$ 129,181	\$ 220,329	\$ 174,218	\$ 581,840

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) Contribution from the GNWT for costs related to the effects of ongoing low water conditions.

Low water in the Snare/Yellowknife zone occurred in 2022-23 and has persisted in 2023-2024 and 2024-25. In May 2024, the GNWT authorized a contribution to NTPC of \$30,000 to assist with additional fuel costs related to increased fuel prices and additional fuel consumption.

b) Hay River Franchise

In March 2024 the PUB approved the transfer of the Hay River Franchise to NTPC in Decision 1-2024. This will result in the sale of assets in the Hay River community to NTPC. The purchase of the assets is anticipated to occur in the 2024-25 fiscal year. Information about the financial effects is not yet available.

c) Contribution from the GNWT for the Inuvik High Point Wind project

In June 2024, the GNWT authorized a contribution to NTPC of \$38,000 to assist with the additional costs related to completing the Inuvik High Point Wind Turbine.

**NORTHWEST TERRITORIES
SURFACE RIGHTS BOARD**

Audited Financial Statement

March 31, 2024

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
Financial Statements
Year ended March 31, 2024

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Independent Auditor's Report

Management's Responsibility for Financial Reporting

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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, 2024, 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, 2024, 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 the 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.

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 12, 2024

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 itself 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 The Northwest Territories Surface Rights Board and meet when required.

On behalf of the Northwest Territories Surface Rights Board



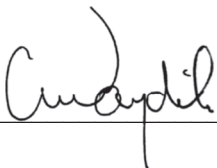
Doug Rankin, Executive Director
Northwest Territories Surface Rights Board
June 12, 2024

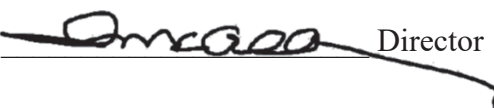
NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
Statement of Financial Position
As At March 31, 2024

Statement I

	2024	2023
Financial Assets		
Cash & cash equivalents <i>(Note 4)</i>	\$ 305,917	\$ 193,659
Accounts receivable <i>(Note 5)</i>	-	1,173
Total Financial Assets	305,917	194,832
Liabilities		
Accounts Payable <i>(Note 6)</i>	28,433	28,770
Deferred Revenue <i>(Note 7)</i>	277,484	166,062
Total Liabilities	305,917	194,832
Net Financial Debts	-	-
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 of Operations
For the Year Ended March 31, 2024

Statement II

	2024	2023
Revenues		
Government of NWT contributions	349,244	328,010
Prior year surplus	166,063	156,574
Interest revenue	11,135	4,306
Transferred to deferred revenue	(277,484)	(166,062)
Total Revenues	248,958	322,828
Expenses		
Bank charges and interest	443	836
Board travel and other costs	22,994	27,364
Honorarium	30,770	68,934
Insurance	2,900	2,130
Office and other supplies	13,762	26,513
Professional fees	72,685	90,694
Rent	28,626	28,237
Staff Travel and training	647	1,468
Telephone, fax and internet	3,740	5,252
Wages and benefits	72,391	71,400
Total Expenses	248,958	322,828
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 of Changes in Net Financial Debts
For The Year Ended March 31, 2024

Statement III

	2024	2023
Net Financial Assets, Beginning of Year	\$ -	\$ (2,130)
Items Affecting Net Financial Asset:		
Operating Surplus for the Year	-	-
Acquisition of Prepaid	-	2,130
Net Financial Debts, End of Year	\$ -	\$ -

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
Statement of Cash Flows
For the Year Ended March 31, 2024

Statement IV

	2024	2023
Cash Provided by (Used in)		
Operating Activities		
Operating surplus for the Year	\$ -	\$ -
Net change in non-cash working capital balances:		
Decrease (Increase) in accounts receivable	1,173	(1,172)
Decrease in prepaid expenses	-	2,130
(Decrease) in accounts payable	(337)	(2,374)
Increase in deferred revenue	111,422	9,489
	112,258	8,073
Net increase in cash and cash equivalents	112,258	8,073
Cash and cash equivalents, beginning of year	193,659	185,586
Cash & cash equivalents, end of year	305,917	193,659
Cash consists of :		
Cash in bank	28,300	15,899
GIC	277,617	177,760
	\$ 305,917	\$ 193,659

The accompanying notes and schedules form an integral part of the financial statements.

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
NOTES TO FINANCIAL STATEMENTS
For the Year Ended March 31, 2024

1. Nature of Organization

The 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, Tlicheo 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.

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
Notes to Financial Statements
For the Year Ended March 31, 2024

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 risk 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.

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD

Notes to Financial Statements

For the Year Ended March 31, 2024

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. Cash & Cash Equivalents

	2024	2023
Royal Bank Chequing	\$ 20,552	\$ 4,603
Royal Bank Savings	7,748	11,296
Royal Bank Cashable GIC	223,834	127,475
Royal Bank Non-redeemable GIC	53,783	50,285
	\$ 305,917	\$ 193,659

GIC's are for investment purpose, interest rate is per annum and is paid on maturity. Interest is paid at 4% for \$128,417.21 , 4% for \$90,000.00 and 5.25% for \$52,296.19. These term deposits matured on June 14, 2024, October 16, 2024 and September 15, 2024 respectively.

5. Accounts Receivable

	2024	2023
Interest Receivable	-	1,173
	\$ -	\$ 1,173

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
Notes to Financial Statement
For the Year Ended March 31, 2024

6. Accounts Payable

	2024	2023
Trades payable	\$ 11,985	\$ 9,969
Wages and honoraria fee payable	-	6,138
Vacation payable	7,418	3,226
WCB payable	174	240
Payroll remittances payable	682	8,486
GNWT payroll tax payable	2,527	711
GNWT overcontribution- repayable	5,270	-
RRSP payable	377	-
	\$ 28,433	\$ 28,770

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 \$277,484 is repayable to GNWT.

	2024	2023
Balance, Beginning of Year	\$ 166,062	\$ 156,573
Deferred Revenue recognized as revenue during the year	(166,062)	(156,573)
Deferred revenue for processing applications	277,484	166,062
Balance, End of Year	\$ 277,484	\$ 166,062

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.

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD

Notes to Financial Statements

For the Year Ended March 31, 2024

8. Economic Dependence (Cont'd..)

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. Wages payable to the Executive Director:

The Board has recently approved to raise the Executive Director pay rate from existing step 5 rate to step 6 rate. Since the rate has not been finalized yet, the amount payable has not been recorded in the financial statement. Once the step 6 rate for year 2023 is finalized, the retro payment from April 1, 2023 will be paid to the Executive Director.

11. Commitments

The Board is committed to estimated annual payments under rental lease agreement over the next two years as follows.

2025	\$28,591
2026	\$28,591

	\$57,182

Prosper NWT
Consolidated Financial Statements
For the year ended
March 31, 2024

**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 judgement 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 fulfils 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, CPA, CGA
Director, Finance and Programs

August 26, 2024



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 2024, 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 2024, 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 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 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

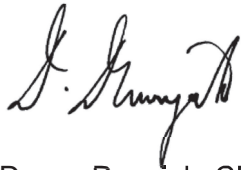
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance 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
26 August 2024

Prosper NWT
Consolidated Financial Statements March 31, 2024

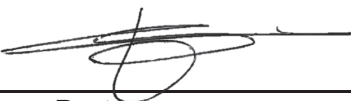
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Prosper NWT**Consolidated Statement of Financial Position (000's)**

	March 31, 2024	March 31, 2023
	\$	\$
Financial Assets		
Cash (Notes 3 and 18)	17,427	18,156
Accounts receivable (Notes 4, 15 and 18)	386	409
Inventories held for resale (Note 5)	155	189
Loans receivable (Notes 6, 7 and 18)	40,048	42,525
Venture investments (Note 8)	2,725	350
	<hr/> 60,741	<hr/> 61,629
Liabilities		
Accounts payable and accrued liabilities	1,069	1,145
Other employee future benefits and compensated absences (Note 9)	179	282
Advances from the Government of the Northwest Territories (Notes 10 and 15)	23,377	24,898
Asset retirement obligations	272	260
	<hr/> 24,897	<hr/> 26,585
Net financial assets	<hr/> 35,844	<hr/> 35,044
Non-financial assets		
Tangible capital assets (Schedule A)	134	145
Prepaid expenses	15	5
	<hr/> 149	<hr/> 150
Accumulated surplus	<hr/> 35,993	<hr/> 35,194

Contractual Obligations and Contingencies (Notes 13 and 14)

Approved by:



Kenny Ruptash
Chairperson of the Board of Directors



Joyce Taylor, CPA, CA
Chief Executive Officer

The accompanying Notes and Schedule 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 2024	Actual 2024	Actual 2023
	\$	\$	\$
Annual surplus (deficit)	(60)	799	90
Amortization of tangible capital assets	24	11	27
Acquisition of prepaid expenses	-	(15)	(5)
Use of prepaid expenses	-	5	2
	-	(10)	(3)
Increase (decrease) in net financial assets	(36)	800	114
Net financial assets, beginning of year	35,044	35,044	34,930
Net financial assets, end of year	35,008	35,844	35,044

The accompanying Notes and Schedule 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 2024	Actual 2024	Actual 2023
	\$	\$	\$
Revenues			
Interest on loans receivable	2,633	2,543	2,104
Sales and other income	635	581	801
Interest on pooled cash (Note 3)	218	937	582
	3,486	4,061	3,487
Government transfers (Note 11)	3,128	3,014	3,106
	6,614	7,075	6,593
Expenses (Note 12)			
Lending and investments	5,516	4,977	4,984
Retail and manufacturing	1,158	1,299	1,519
	6,674	6,276	6,503
Annual surplus (deficit)	(60)	799	90
Accumulated surplus, beginning of year	35,194	35,194	35,104
Accumulated surplus, end of year	35,134	35,993	35,194

The accompanying Notes and Schedule are an integral part of these consolidated financial statements.

Prosper NWT**Consolidated Statement of Cash Flow (000's)**

For the year ended March 31	2024	2023
	\$	\$
Operating transactions		
Cash received from:		
Governments	2,325	4,380
Customers	637	801
Interest	3,074	2,882
	6,036	8,063
Cash paid for:		
Compensation and benefits	3,205	2,572
Payments to suppliers	1,082	1,566
Interest on advances from the Government of the Northwest Territories (Note 10)	1,341	392
Grants and contributions	772	199
	6,400	4,729
Cash (used for) provided by operating transactions	(364)	3,334
Investing transactions		
Loans receivable disbursed	(1,745)	(4,087)
Venture investments disbursed	(2,375)	-
Loans receivable repaid	4,914	5,044
Cash provided by investing transactions	794	957
Financing transactions		
Repayment of advances from the Government of the Northwest Territories (Note 10)	(1,159)	(1,608)
Advances from the Government of the Northwest Territories (Note 10)	-	-
Cash (used for) financing transactions	(1,159)	(1,608)
Increase (Decrease) in cash	(729)	2,683
Cash, beginning of year	18,156	15,473
Cash, end of year	17,427	18,156

The accompanying Notes and Schedule are an integral part of these consolidated financial statements.

1. The Corporation**(a) Authority**

The passing of Bill 84 on October 6, 2023 to the *Northwest Territories Business Development and Investment Corporation Act* resulted in renaming of that Act as well as the entity, to Prosper NWT (the Corporation), formerly known as the Northwest Territories Business Development and Investment Corporation. The name change was effective on February 27, 2024 when the Act came into force. The Corporation's legal status, operations, and management remain unaffected by this change of name.

The Corporation is a territorial corporation of the Government of the Northwest Territories (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 Northwest Territories (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.

(c) Government of the NWT transfers and advances

In accordance with Section 30 of the Act, the Corporation must annually submit a corporate plan, operating budget and capital budget identifying the transfers requested from the Government of the NWT for approval by the Financial Management Board (the FMB) prior to the commencement of the fiscal year. The transfers received from the Government of the NWT are for the purposes of financing the Corporation's general operations; making capital investments in, and providing working capital advances and operating subsidies to business enterprises based on need; providing transfers for business development projects; and purchasing tangible capital assets for the Corporation. The transfers are repayable to the Government of the NWT if not completely spent within the fiscal year in which they were provided.

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 purposes of providing financial assistance to, or making investments in, business enterprises. These advances are repayable to the Government of the NWT on demand.

(d) 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(1)(d) of the *Income Tax Act* of Canada.

(e) Budget

The consolidated budget figures are derived from the budgets approved by the FMB and the Corporation's board of directors. Other budgeted amounts are approved by senior management.

Prosper NWT

Notes to the Consolidated Financial Statements (000's) March 31, 2024

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.

(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
Dene Fur Clouds Ltd.	Fort Providence, NT	100%	December 18, 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

2. Summary of significant accounting policies (continued)**(c) Cash**

Cash is comprised of bank account balances (net of outstanding cheques). Surplus 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 which can be withdrawn at any time and are not restricted by maturity dates on investments made by the Government of the 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.

(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 (NRV), 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.

(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.

2. Summary of significant accounting policies (continued)**(f) Loans receivable (continued)**

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.

(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 judgement 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.

2. Summary of significant accounting policies (continued)**(h) Venture investments**

Venture 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 venture investments are included in revenue when received. When they are received, they are deposited to the Venture Investment Fund to be used for additional investments in venture 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.

(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 recognized when the title passes to the customers, 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, 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.

(o) 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 net financial assets during the year.

2. Summary of significant accounting policies (continued)**(p) Segment disclosure**

The Corporation presents segment information for lending and investment and retail and manufacturing activities. Lending and investment represent 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.

(q) Adoption of new accounting standards

On April 1, 2023, the Corporation adopted Public Sector Accounting Standard Section PS 3400 Revenue. The standard was adopted prospectively. There were no adjustments required to the financial statements as a result of adoption of the new standard.

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 \$937 in interest at an average investment yield of 5.33% during the year (2023: \$582 at an average investment yield of 3.42%).

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.

Prosper NWT**Notes to the Consolidated Financial Statements (000's)**
March 31, 2024

3. Cash (continued)

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).

	000's	
	2024	2023
	\$	\$
Cash held by the Corporation for operations	6,241	6,128
Cash held by the Corporation's organizations	1,648	1,946
	7,889	8,074
Venture Investment Fund	1,193	3,805
Capital Fund	873	873
Subsidy Fund	327	610
Venture Reserve Fund	758	521
Loans and Bonds Fund	6,240	4,126
Capital Reserve Fund	147	147
	9,538	10,082
	17,427	18,156

4. Accounts receivable

	000's	
	2024	2023
	\$	\$
Receivables	195	257
Receivables from the Government of the NWT	88	85
Receivables from the Government of Canada	219	175
Less: provision for doubtful accounts	(116)	(108)
	386	409

Prosper NWT**Notes to the Consolidated Financial Statements (000's)**
March 31, 2024

5. Inventories held for resale

	000's	
	2024	2023
	\$	\$
Arts and crafts	52	48
Canvas products	103	141
	155	189

During the year, \$23 of inventories were written down (2023: \$45) and no inventories were pledged as security. Also, during the year, the Corporation had \$91 in recoveries on inventory that had been previously written down (2023: \$99). Inventory write-downs and recoveries are included in the cost of goods sold. Effective April 1, 2022, the Corporation changed the write-down estimate from three to 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, clients' management ability, the clients' 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			
		2024		2023	
		Rate Range	Balances	Rate Range	Balances
		%	\$	%	\$
Performing	1 year	2.95-6.75	3,292	5.45-7.45	3,307
loans due	1-2 years*	1.75-6.45	7,167	2.95-6.75	3,640
within:	2-3 years*	1.75-6.45	10,478	1.75-6.45	6,853
	3-4 years	3.00-8.95	9,365	1.75-6.45	10,335
	over 4 years	2.95-11.0	4,135	3.00-8.95	9,972
			34,437		34,107
Accrued loan interest receivable			332		328
Impaired loans			9,024		12,128
			43,793		46,563
Less: allowance for credit losses			3,745		4,038
(Note 7)					
			40,048		42,525

* See Loans with concessionary terms below.

Prosper NWT**Notes to the Consolidated Financial Statements (000's)**
March 31, 2024

6. Loans receivable (continued)

In 2024, no Loans receivable were written off (2023: nil) by the board of directors. No Loans receivable were forgiven (2023: one Loans receivable amounting to \$179 including impaired interest of \$57 not recognized) by the FMB. Recoveries on Loans receivable previously written off totalled \$24 (2023: \$28).

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 both industry sector and geographic concentrations are displayed in the following tables:

Industry sector concentration

Sectors	000's			
	2024		2023	
	Performing	Impaired	Performing	Impaired
	\$	\$	\$	\$
Accommodations, food and beverage	4,993	2,342	4,436	2,557
Agriculture	181	2,255	183	2,386
Arts and craft	3	322	4	333
Business services	301	-	331	3
Communication	-	406	-	450
Construction	5,809	1,799	5,488	2,545
Educational services	11	-	14	-
Entertainment and recreation	521	-	539	-
Finance and insurance	252	-	273	-
Fisheries and wildlife	22	10	29	11
Forestry and logging	-	-	23	-
Health care	37	-	52	-
Information and cultural industries	36	-	52	-
Management of companies	1,144	-	1,486	-
Manufacturing	1,193	-	1,292	-
Mining	269	-	97	-
Oil and gas	-	339	-	337
Other services	1,891	33	2,074	33
Professional, scientific and technical services	377	-	265	-
Real estate	5,496	127	7,138	140
Retail	7,748	658	7,058	1,184
Transportation and storage	3,157	25	2,129	1,396
Travel and tourism	436	708	492	753
Wholesale	560	-	652	-
	34,437	9,024	34,107	12,128

Prosper NWT**Notes to the Consolidated Financial Statements (000's)
March 31, 2024**

6. Loans receivable (continued)**Geographic concentration**

Regions	000's			
	2024		2023	
	Performing	Impaired	Performing	Impaired
	\$	\$	\$	\$
Beaufort-Delta	2,958	387	3,360	451
Dehcho	6,287	508	5,053	2,064
North Slave	6,186	5,737	5,850	5,904
Sahtu	3,313	15	3,614	49
South Slave	15,693	2,377	16,230	3,660
	34,437	9,024	34,107	12,128

The following table illustrates performing loans outstanding classified by the Corporation's credit risk rating system:

Credit risk rating	000's	
	2024	2023
	\$	\$
Low	19,165	17,730
Medium	13,659	14,971
High	1,613	1,406
	34,437	34,107

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	2024	2023
31 – 60 days	3	3
61 – 90 days	-	-
Over 90 days	-	-
	3	3

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 2024 (2023: nil).

Prosper NWT**Notes to the Consolidated Financial Statements (000's)**
March 31, 2024

6. Loans receivable (continued)

The table represents loans receivable with and without concessionary terms before allowance:

Concessionary loans	000's	
	2024	2023
	\$	\$
With no concessionary terms	42,742	45,153
With concessionary terms	719	1,082
Accrued loan interest receivable	332	328
	43,793	46,563

Economic relief measures 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 \$40 (2023: \$86) under the concessionary terms.

The specific allowance on loans with concessionary terms is \$75 (2023: \$77).

7. Allowance for credit losses

	000's	
	2024	2023
	\$	\$
Balance, beginning of year	4,038	3,593
Provision (recoveries) for credit losses	165	742
Loans written off and forgiven	-	-
Recoveries from repayments of allowance	(458)	(297)
Balance, end of year	3,745	4,038
Comprised of:		
Specific allowance*	3,282	3,354
General allowance	463	684
Balance, end of year	3,745	4,038

* The specific allowance includes \$75 (2023: \$89) for the economic relief working capital loans that were disbursed in 2021 (Note 6).

Prosper NWT**Notes to the Consolidated Financial Statements (000's)
March 31, 2024**

8. 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, 2024, the Corporation does not have significant influence in the companies in which it has invested.

The total cumulative venture investments at March 31, 2024 were \$3,318 (2023: \$943) with accumulated write-downs of \$593 (2023: \$593). In 2024, no venture investments were approved for write-off (2023: nil) by the board or for forgiveness by the FMB (2023: nil).

Preferred shares and dividends

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.

9. Other employee future benefits and compensated absences**(a) Pension benefits**

Substantially all of the employees of the Corporation are covered by the Plan (Note 2(l)(ii)). 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.

Prosper NWT**Notes to the Consolidated Financial Statements (000's)
March 31, 2024**

9. Other employee future benefits and compensated absences (continued)**(b) Pension benefits (continued)**

For employment start dates before January 1, 2013, the Corporation's contribution rate effective at year-end was 1.03 times (2023: 1.02) 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 (2023: 1.0) the employee's contribution. Total contributions of \$160 (2023: \$163) 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	
	2024	2023
	\$	\$
Corporation's contributions	160	163
Employees' contributions	158	162

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.

(c) 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 June 2024 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.

Change in Obligation	000's	
	2024	2023
	\$	\$
Accrued benefit obligation, beginning of year	159	198
Current period benefit cost	9	9
Interest cost	7	7
Benefit payments	(106)	(4)
Actuarial loss (gain)	66	(51)
Accrued benefit obligation, end of year	135	159
Unamortized net actuarial gain	44	123
Accrued benefit liability*	179	282

*Total retirement, post-employment, and other leave benefits includes \$147 (2023: \$250) related to severance and removal and \$32 (2023: \$32) related to compensated absences.

Prosper NWT**Notes to the Consolidated Financial Statements (000's)**
March 31, 2024

9. Other employee future benefits and compensated absences (continued)**(b) Termination, removal benefits and leave (continued)**

Benefit Expense	000's	
	2024	2023
	\$	\$
Current period benefit cost	9	9
Interest cost	7	7
Amortization of actuarial (gain) loss	(13)	(8)
Post-employment benefits	3	8

The discount rate used in determining the accrued benefit obligation is an average of 5.30% (2023: 4.80%). The assumed rate of compensation increase is 2% (2023: 2%). Unamortized actuarial gains and losses are amortized straight line over the expected average remaining service lives of active employees which is 10.3 years (2023: 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 (2023: \$45 million) as at March 31, 2024.

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 3.48% to 4.72% (2023: 2.54% to 3.94%) during the year.

	000's	
	2024	2023
	\$	\$
Balance, beginning of year	24,898	26,067
Interest expense and cost of interest (Note 12)	979	831
Repayment of Advances (Note 18)	(2,500)	(2,000)
Advances received	-	-
Balance, end of year	23,377	24,898

During the year, no advances were provided to the Corporation (2023: nil) to cover new loans receivable. The \$2,500 (2023: \$2,000) paid during the year represents \$1,159 (2023: \$1,608) in principal and \$1,341 (2023: \$392,000) in interest.

Prosper NWT**Notes to the Consolidated Financial Statements (000's)**
March 31, 2024

11. Government transfers

	000's					
	Lending/ Investme nts	2024 Retail/ Manufact uring	Total	Lending/ Investme nts	2023 Retail/ Manufact uring	Total
	\$	\$	\$	\$	\$	\$
Government of the NWT:						
Operations and maintenance	1,924	200	2,124	1,692	450	2,142
Services received without charge (Note 16)	598	-	598	746	-	746
	2,522	200	2,722	2,438	450	2,888
Federal programs	292	-	292	218	-	218
	2,814	200	3,014	2,656	450	3,106

A stipulation included in the agreement is for any unspent funds to be repaid to the Government of the NWT. There were no unspent amounts in 2024 (2023: nil).

Prosper NWT

Notes to the Consolidated Financial Statements (000's)
March 31, 2024

12. Consolidated budgeted figures and expenses by object

The consolidated budgeted figures have been approved by the Minister and the FMB.

	Consolidated (000's)						
	2024			2023			
	Total Budget	Lending / Investments	Retail / Manufacturing	Total Budget	Lending / Investments	Retail / Manufacturing	Total
Advertising and promotion	\$ 49	12	1	\$ 13	47	18	\$ 25
Amortization	24	-	11	11	72	8	27
Asset retirement	3	-	12	12	1	-	2
Bad debts (recovery)	3	-	(10)	(10)	4	-	27
Bank charges and interest	29	2	23	25	26	2	29
Board members	69	32	1	33	79	29	31
Business Development Fund*	200	-	-	-	200	199	199
Business Service Centre	275	240	-	240	282	275	275
Compensation and benefits	3,035	2,546	245	2,791	3,276	2,301	2,564
Computers and communications	134	115	24	139	137	96	124
Cost of goods sold	607	-	731	731	625	-	825
Digital technology support*	159	141	-	141	-	218	218
Emergency support services*	-	752	-	752	-	-	-
Insurance	33	-	32	32	26	-	32
Interest expense and cost of interest rate reduction	860	979	-	979	230	831	831
Office and general	80	53	20	73	59	137	175
Provision for (recovery of) credit losses (net)	558	(293)	-	(293)	750	445	445
Professional services	236	191	122	313	248	220	314
Rent	185	186	16	202	179	169	184
Repairs and maintenance	-	-	16	16	19	-	26
Site clean up	-	-	-	-	-	-	70
Training and workshops	-	18	-	18	-	17	17
Travel	90	3	12	15	28	19	22
Utilities	45	-	43	43	59	-	41
	6,674	4,977	1,299	6,276	6,347	4,984	6,503
							1,519

* These expenses represent the total of NWT business contribution funding. The budget of \$359 was increased by \$1,100 during the year, when the Minister approved a transfer from the accumulated operating surplus in accordance with the Prosper NWT Act to offset pressures from the Wildfire Assistance Relief Measures (WARM) initiative.

13. Contractual obligations

As at March 31, 2024, there were no loans to businesses approved but not yet disbursed (2023: nil). These loans do not form part of the loans receivable balance until disbursed. Also, as at March 31, 2024, there were no approved ventures not disbursed (2023: nil) and all contributions to businesses approved have been disbursed (2023: all).

14. Contingencies**Loans**

The Corporation has one outstanding loan to a Northern Community Futures organization for their own lending purposes totalling \$252 (2023: one loan totalling \$273). 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 2024, no accounts were assigned to the Corporation (2023: nil).

Letters of credit

The Corporation has one outstanding irrevocable standby letter of credit in the amount of \$2,000 (2023: \$2,000) that expires in fiscal 2025. Payment by the Corporation is due from this letter in the event that the applicant is in default of the underlying debt. To the extent that the Corporation must pay third parties as a result of this agreement, this payment will be owed to the Corporation by the applicant. The letter of credit is secured by promissory note, general security agreement, guarantee or collateral mortgage. During the year, no payment was made (2023: 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).

Prosper NWT**Notes to the Consolidated Financial Statements (000's)
March 31, 2024**

15. Related party transactions (continued)

Transactions with related parties during the year and balances at year end are as follows:

	000's	
	2024	2023
	\$	\$
Revenues		
Sales	22	31
Government of the NWT transfers (Note 11)	2,850	2,888
Expenses		
Purchases	155	202
Services received without charge (Note 16)	598	746
Interest on advances from the Government of the NWT	979	831
Balances at year end		
Accounts receivable	81	86
Accounts payable and accrued liabilities	381	293
Advances from the Government of the NWT	23,377	24,898

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	
	2024	2023
	\$	\$
Staff support from the Department of Industry Tourism and Investment	372	524
Accommodation provided by the Department of Infrastructure	226	222
	598	746

17. Economic dependence

The Corporation received 38.5% (2023: 45.6%) 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.

Prosper NWT**Notes to the Consolidated Financial Statements (000's)
March 31, 2024**

18. Risk management

The Corporation is exposed to the following risks as a result of holding financial instruments:

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 greater 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 agreement.

As at March 31, 2024, \$2,075 (2023: \$4,323) 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, 2024:

	000's	
	2024	2023
	\$	\$
Cash	17,427	18,156
Accounts receivable	386	409
Loans receivable	40,048	42,525
Letters of credit	2,000	2,000

Prosper NWT**Notes to the Consolidated Financial Statements (000's)
March 31, 2024**

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 \$2,500 (Note 10) were made to the Government (2023: \$2,000).

Based on the Corporation's advances from the Government of the NWT as at March 31, 2024 and the monthly cash balance on hand, a 100-basis point increase in interest rates would decrease annual surplus by \$78 (2023: decrease of \$89). A 100-basis point decrease in interest rates would increase annual surplus by \$75 (2023: increase of \$89).

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its obligations associated with its 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.

19. Comparative figures

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

Prosper NWT**Consolidated Schedule of Tangible Capital Assets
March 31, 2024****Schedule A**

000's

	Land	Buildings	Vehicle and Equipment	Leasehold Improvements	Computer Equipment	March 31, 2024	March 31, 2023
	\$	\$	\$	\$	\$	\$	\$
Cost of tangible capital assets, opening	78	1,789	640	540	9	3,056	3,074
Acquisitions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	(18)
Cost of tangible capital assets, closing	78	1,789	640	540	9	3,056	3,056
Accumulated amortization, opening	-	1,722	640	540	9	2,911	2,902
Amortization expense	-	11	-	-	-	11	27
Disposals	-	-	-	-	-	-	(18)
Accumulated amortization, closing	-	1,733	640	540	9	2,922	2,911
Net book value	78	56	-	-	-	134	145

STATUS OF WOMEN COUNCIL OF THE NWT
Yellowknife, NT

FINANCIAL STATEMENTS
For the year ended March 31, 2024

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Status of Women Council of the NWT

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.

A handwritten signature in blue ink, appearing to read 'Avery Cooper', is written over a light blue circular stamp. The signature is fluid and cursive.

Executive Director
June 11, 2024



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Chartered Professional Accountants

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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, 2024, 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, 2024, 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.

INDEPENDENT AUDITOR'S REPORT, continued

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.

INDEPENDENT AUDITOR'S 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 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.

Avery Cooper & Co. Ltd.
Chartered Professional Accountants
Yellowknife, NT

June 11, 2024

STATUS OF WOMEN COUNCIL OF THE NWT

STATEMENT OF FINANCIAL POSITION

March 31, 2024

ASSETS

	<u>2024</u>	<u>2023</u>
CURRENT		
Cash	\$ 665,122	\$ 778,277
Accounts receivable (note 3)	198,835	-
Prepaid expenses	<u>4,759</u>	<u>2,000</u>
	868,716	780,277
DESIGNATED CASH	82,095	81,761
TANGIBLE CAPITAL ASSETS (note 4)	<u>14,806</u>	<u>3,725</u>
	<u>\$ 965,617</u>	<u>\$ 865,763</u>

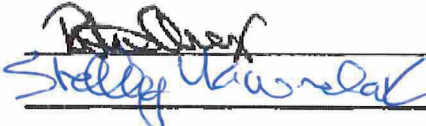
LIABILITIES

CURRENT		
Trade payables and accruals (note 5)	\$ 684,440	\$ 99,416
Wages and benefits payable (note 6)	13,163	-
Deferred revenue (note 7)	60,252	559,548
Government remittances payable	<u>7,639</u>	<u>5,316</u>
	<u>765,494</u>	<u>664,280</u>

FUND BALANCES

UNRESTRICTED SURPLUS (DEFICIT) per page 3	89,779	102,220
INVESTED IN TANGIBLE CAPITAL ASSETS per page 3	14,806	3,725
CONTINGENCY FUND per page 3	65,538	65,538
BENEFITS FUND per page 3	<u>30,000</u>	<u>30,000</u>
	<u>200,123</u>	<u>201,483</u>
	<u>\$ 965,617</u>	<u>\$ 865,763</u>

Approved:


Stelley Kivonlak

Chairperson

Member

STATUS OF WOMEN COUNCIL OF THE NWT

STATEMENT OF OPERATIONS

For the year ended March 31, 2024

	<u>2024</u>	<u>2023</u>
REVENUES		
Core - Schedule 1	\$ 594,877	\$ 357,488
Family Violence Prevention Month - Schedule 2	29,746	-
Self Care Kits - Schedule 3	29,000	-
Victim Awareness Week - Schedule 4	45,000	-
NGO Stabilization Fund - Schedule 5	20,000	-
Economic Abuse - Schedule 6	233,008	30,553
Trauma and Violence Informed - Schedule 7	-	38,365
Workplace Sexual Harassment - Schedule 8	490,615	15,033
Wage Systemic Change - Schedule 9	5,294	-
	<u>1,447,540</u>	<u>441,439</u>
EXPENSES		
Core - Schedule 1	348,400	357,488
Family Violence Prevention Month - Schedule 2	29,746	-
Self Care Kits - Schedule 3	29,000	-
Victim Awareness Week - Schedule 4	45,000	-
NGO Stabilization Fund - Schedule 5	20,000	-
Economic Abuse - Schedule 6	233,008	30,553
Trauma and Violence Informed - Schedule 7	-	38,365
Workplace Sexual Harassment - Schedule 8	491,750	15,033
Wage Systemic Change - Schedule 9	5,519	-
	<u>1,202,423</u>	<u>441,439</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	245,117	-
CONTRIBUTION REPAYABLE		
Core - Schedule 1	<u>246,477</u>	<u>-</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (1,360)</u>	<u>\$ -</u>

STATUS OF WOMEN COUNCIL OF THE NWT

STATEMENT OF CHANGES IN FUND BALANCES

For the year ended March 31, 2024

	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	<u>3,270</u>	<u>(3,270)</u>	<u>-</u>	<u>-</u>	<u>-</u>
BALANCE, closing	<u>\$ 89,779</u>	<u>\$ 14,806</u>	<u>\$ 65,538</u>	<u>\$ 30,000</u>	<u>\$ 200,123</u>
	2023				
	Unrestricted Surplus (Deficit)	Invested in Tangible Capital Assets	Contingency Fund	Benefits Fund	Total
BALANCE, opening	\$ 100,624	\$ 5,321	\$ 65,538	\$ 30,000	\$ 201,483
Excess of revenues over expenses	-	-	-	-	-
Amortization of tangible capital assets	<u>1,596</u>	<u>(1,596)</u>	<u>-</u>	<u>-</u>	<u>-</u>
BALANCE, closing	<u>\$ 102,220</u>	<u>\$ 3,725</u>	<u>\$ 65,538</u>	<u>\$ 30,000</u>	<u>\$ 201,483</u>

STATUS OF WOMEN COUNCIL OF THE NWT

STATEMENT OF CASH FLOWS

For the year ended March 31, 2024

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from contributions and donations	\$ 678,409	\$ 939,422
Cash paid for materials and services	(657,303)	(288,710)
Cash paid for wages and benefits	<u>(119,575)</u>	<u>(178,882)</u>
	(98,469)	471,830
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of tangible capital assets	<u>(14,352)</u>	<u>-</u>
(DECREASE) INCREASE IN CASH	(112,821)	471,830
CASH, opening	<u>860,038</u>	<u>388,208</u>
CASH, closing	<u><u>\$ 747,217</u></u>	<u><u>\$ 860,038</u></u>
 REPRESENTED BY:		
Cash	\$ 665,122	\$ 778,277
Designated cash	<u>82,095</u>	<u>81,761</u>
	<u><u>\$ 747,217</u></u>	<u><u>\$ 860,038</u></u>

STATUS OF WOMEN COUNCIL OF THE NWT

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

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:

STATUS OF WOMEN COUNCIL OF THE NWT

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

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:

Computer equipment	30%
Equipment	20%

(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.

STATUS OF WOMEN COUNCIL OF THE NWT

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

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

	<u>2024</u>	<u>2023</u>
GNWT - Health & Social Services	\$ 14,746	\$ -
Canada - Justice	166,809	-
Canada - Women and Gender Equality (WAGE)	<u>17,280</u>	<u>-</u>
	<u>\$ 198,835</u>	<u>\$ -</u>

STATUS OF WOMEN COUNCIL OF THE NWT

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

4. TANGIBLE CAPITAL ASSETS

			<u>2024</u>	<u>2023</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>	<u>Net</u>
Computer equipment	\$ 72,433	\$ 57,627	\$ 14,806	\$ 3,725
Equipment	<u>4,870</u>	<u>4,870</u>	<u>-</u>	<u>-</u>
	<u>\$ 77,303</u>	<u>\$ 62,497</u>	<u>\$ 14,806</u>	<u>\$ 3,725</u>

5. TRADE PAYABLES AND ACCRUALS

	<u>2024</u>	<u>2023</u>
Trade payables	\$ 201,728	\$ 1,999
Scotiabank Visa	36,011	18,307
Accrued liabilities	21,966	19,550
GNWT funds repayable	<u>424,735</u>	<u>59,560</u>
	<u>\$ 684,440</u>	<u>\$ 99,416</u>

6. WAGES AND BENEFITS PAYABLE

	<u>2024</u>	<u>2023</u>
Wages payable	\$ 3,641	\$ -
Vacation and lieu payable	<u>9,522</u>	<u>-</u>
	<u>\$ 13,163</u>	<u>\$ -</u>

STATUS OF WOMEN COUNCIL OF THE NWT

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

7. DEFERRED REVENUE

Deferred revenue as at March 31, 2024, consists of the following:

	<u>2024</u>	<u>2023</u>
Core fund	\$ -	\$ 178,258
Economic Abuse	-	129,358
Elimination of Violence	5,000	-
Gender Equity	2,237	2,237
Gender Violence	45,000	-
Public Awareness	-	5,000
Wise women	8,015	8,015
Workplace Sexual Harassment	<u>-</u>	<u>236,680</u>
	<u>\$ 60,252</u>	<u>\$ 559,548</u>
Deferred revenue, opening	559,548	48,617
Receipts	786,242	952,370
Funding expended	(860,803)	(441,439)
Contribution repayable	<u>(424,735)</u>	<u>-</u>
	<u>60,252</u>	<u>559,548</u>

STATUS OF WOMEN COUNCIL OF THE NWT

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

8. CONTRACTUAL RIGHTS

As at March 31, 2024, the Council had entered into contribution agreements with the GNWT - Department of Status of Women with the term April 1, 2021 - March 31, 2026 and Canada Women and Gender Equity with the term March 1, 2024 to March 31, 2026. The future maximum contributions are as follows:

	GNWT - Department of Status of Women	WAGE Canada	Total
2024-2025	\$ 444,000	\$ 165,677	\$ 609,677
2025-2026	<u>444,000</u>	<u>233,909</u>	<u>677,909</u>
	<u>\$ 888,000</u>	<u>\$ 399,586</u>	<u>\$ 1,287,586</u>

9. 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.

10. REVENUES BY OBJECT

	<u>2024</u>	<u>2023</u>
Government grants and contributions	\$ 1,296,663	\$ 349,693
Contributed rent	71,000	71,000
Sponsorship, donations and events	950	10,650
Administration fees	78,447	10,086
Interest income	<u>480</u>	<u>10</u>
	<u>\$ 1,447,540</u>	<u>\$ 441,439</u>

STATUS OF WOMEN COUNCIL OF THE NWT

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

11. COMMITMENT

As at March 31, 2024, the Council has outstanding quarterly commitments of \$1,356 with respect to an office equipment lease expiring March 31, 2026 as follows:

2025	\$	5,424
2026		<u>5,424</u>
	\$	<u>10,848</u>

12. 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:

	<u>2024</u>	<u>2023</u>
Benefits Fund	<u>\$ 30,000</u>	<u>\$ 30,000</u>

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.

13. 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:

	<u>2024</u>	<u>2023</u>
Contingency Fund	\$ 65,538	\$ 51,732
Transfer from unrestricted surplus	<u>-</u>	<u>13,806</u>
Contingency Fund, closing	<u>\$ 65,538</u>	<u>\$ 65,538</u>

The Council maintains designated cash to cover the required fund balance. There are insufficient funds to cover the balance in the current year.

STATUS OF WOMEN COUNCIL OF THE NWT

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

14. 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.

15. 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.

	<u>2024</u>	<u>2023</u>
Revenue		
GNWT - Executive & Indigenous Affairs	\$ 444,000	\$ 444,000
GNWT - Executive & Indigenous Affairs GED	5,000	-
GNWT - Department of Justice	74,000	-
GNWT - Health & Social Services	29,746	-
GNWT - Municipal & Community Affairs	20,000	-
GNWT - Infrastructure (Contributed rent)	71,000	71,000
GNWT - Women's Initiative Grant	-	5,000
	<u>\$ 643,746</u>	<u>\$ 520,000</u>
Expenses		
GNWT - Infrastructure (Contributed rent)	\$ 71,000	\$ 71,000
GNWT - Financial Shared Services	787	1,435
Northwest Territories Health and Social Services Authority	11,200	-
Dehcho DEC	-	20,000
	<u>\$ 82,987</u>	<u>\$ 92,435</u>

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.

STATUS OF WOMEN COUNCIL OF THE NWT

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

16. 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, 2024

SCHEDULE OF CORE	Schedule 1	
	<u>2024</u>	<u>2023</u>
REVENUES		
GNWT - Executive & Indigenous Affairs	\$ 444,000	\$ 265,742
GNWT - Contributed Rent	71,000	71,000
Administration Recovery	78,447	10,086
Miscellaneous	<u>1,430</u>	<u>10,660</u>
	<u>594,877</u>	<u>357,488</u>
EXPENSES		
Advertising	74,729	11,329
Amortization	3,270	1,596
Catering	-	5,026
Community support	24,826	66,593
Contributed Rent	71,000	71,000
Equipment Rental	5,695	5,955
Facilitators/Contractors	23,271	3,494
Honoraria	10,950	5,750
Interest & Bank Charges	1,753	453
Mail Service	967	1,447
Meetings	3,503	3,163
Professional Development - Staff	-	372
Professional/Contract Services	38,219	49,564
Resources/Subscriptions	-	1,838
Supplies	13,326	1,710
Technology	10,619	6,524
Telecommunications	9,339	11,176
Travel	18,745	10,881
Wages & Benefits	<u>38,188</u>	<u>99,617</u>
	<u>348,400</u>	<u>357,488</u>
EXCESS OF REVENUES OVER EXPENSES BEFORE OTHER EXPENSES	246,477	-
OTHER EXPENSES		
Repayable to GNWT	<u>246,477</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>

STATUS OF WOMEN COUNCIL OF THE NWT

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

SCHEDULE OF FAMILY VIOLENCE PREVENTION MONTH

Schedule 2

	<u>2024</u>	<u>2023</u>
REVENUES		
GNWT - Health & Social Services	\$ 29,746	\$ -
EXPENSES		
Administration	1,400	-
Community Events	11,174	-
Community Support	15,400	-
Postage & printing	<u>1,772</u>	<u>-</u>
	<u>29,746</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENSES	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

STATUS OF WOMEN COUNCIL OF THE NWT

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

SCHEDULE OF SELF CARE KITS

Schedule 3

	<u>2024</u>	<u>2023</u>
REVENUES		
GNWT - Justice	\$ 29,000	\$ -
EXPENSES		
Materials	<u>29,000</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENSES	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

STATUS OF WOMEN COUNCIL OF THE NWT

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

SCHEDULE OF VICTIM AWARENESS WEEK

Schedule 4

	<u>2024</u>	<u>2023</u>
REVENUE		
GNWT - Department of Justice	\$ 45,000	\$ -
EXPENSES		
Administration Fees	3,499	-
Community events	893	-
Community support	11,200	-
Materials	28,473	-
Professional fees	<u>935</u>	<u>-</u>
	<u>45,000</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENSES	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

STATUS OF WOMEN COUNCIL OF THE NWT

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

SCHEDULE OF NGO STABILIZATION FUND	<u>2024</u>	<u>2023</u>
REVENUE		
GNWT - Municipal & Community Affairs	\$ 20,000	\$ -
EXPENSES		
Professional Fees	<u>20,000</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>

STATUS OF WOMEN COUNCIL OF THE NWT

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

SCHEDULE OF ECONOMIC ABUSE

Schedule 6

	<u>2024</u>	<u>2023</u>
REVENUE		
Canada - Women and Gender Equity	\$ 233,008	\$ 30,553
EXPENSES		
Administration	8,760	-
Advertising	65,693	-
Facility Rental	846	-
Other	482	-
Professional Fees	125,817	29,249
Project travel	-	1,304
Salaries and benefits	28,550	-
Travel and accommodation	<u>2,860</u>	<u>-</u>
	<u>233,008</u>	<u>30,553</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>

STATUS OF WOMEN COUNCIL OF THE NWT

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

SCHEDULE OF TRAUMA AND VIOLENCE INFORMED

Schedule 7

	<u>2024</u>	<u>2023</u>
REVENUE		
Canada - Women and Gender Equity	\$ -	\$ 38,365
EXPENSES		
Marketing & Communications	-	5,506
Print/Publication & Distribution	-	7,773
Professional fees	-	15,000
Salaries and Benefits	-	10,086
	<u>-</u>	<u>38,365</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ -</u>

STATUS OF WOMEN COUNCIL OF THE NWT

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

SCHEDULE OF WORKPLACE SEXUAL HARASSMENT

Schedule 8

	<u>2024</u>	<u>2023</u>
REVENUE		
Justice Canada	\$ 490,615	\$ 15,033
EXPENSES		
Accounting & Legal	5,322	-
Administration Recovery	63,993	-
Marketing & Communications	11,061	769
Print/Publication & Distribution	22,212	-
Professional Fees	-	8,100
Program Delivery	288,937	5,492
Project Travel	34,225	672
Wages & Benefits	<u>66,000</u>	<u>-</u>
	<u>491,750</u>	<u>15,033</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (1,135)</u>	<u>\$ -</u>

STATUS OF WOMEN COUNCIL OF THE NWT

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

SCHEDULE OF WAGE SYSTEMIC CHANGE

Schedule 9

	<u>2024</u>	<u>2023</u>
REVENUE		
WAGE (Women and Gender Equity) Canada	\$ 5,294	\$ -
EXPENSES		
Administration Fees	794	-
Research/Contract Fees	<u>4,725</u>	<u>-</u>
	<u>5,519</u>	<u>-</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u><u>\$ (225)</u></u>	<u><u>\$ -</u></u>

STATUS OF WOMEN COUNCIL OF THE NWT

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2024

SCHEDULE OF EXPENSES BY OBJECT

Schedule 10

	<u>2024</u>	<u>2023</u>
Administration	\$ 18,373	\$ 8,298
Administration Fees	78,447	897
Amortization	3,270	1,596
Bookkeeping, audit and legal	42,114	39,506
Community events	2,587	2,410
Community support	61,251	60,000
Computer	10,619	6,524
Compensation and Benefits	132,738	109,703
Contributed Rent	71,000	71,000
Fees and Dues	1,002	73
Equipment Rental	5,695	5,955
Freight/ Postage	1,348	1,447
Honoraria	10,950	5,750
Interest and bank charges	751	380
Marketing and communications	125,972	19,179
Materials and supplies	59,177	6,710
Print/Publication & Distribution	48,556	6,199
Professional/Contract Services	174,748	65,168
Program delivery costs	288,656	6,238
Telecommunications	9,339	11,176
Travel and Accommodation	55,830	12,858
Staff Training	-	372
	<u>\$ 1,202,423</u>	<u>\$ 441,439</u>

Fuel Services Division

Financial Statements

March 31, 2024

Fuel Services Division

Financial Statements

March 31, 2024

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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 14, 2024

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, 2024, 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, 2024, 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

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.

Yellowknife, Canada
June 14, 2024


Chartered Professional Accountants

Fuel Services Division

Statement of Financial Position

March 31, **2024** **2023**

Financial Assets

Accounts receivable (note 5)	\$ 46,405,900	\$ 23,077,196
Inventory held for resale (note 6)	49,540,040	46,237,579
	95,945,940	69,314,775

Financial Liabilities

Accounts payable and accrued liabilities (note 7)	8,393,818	5,448,625
Salaries payable	199,876	163,485
Employee future benefits payable (note 8)	65,204	45,732
Due to the Government of the Northwest Territories (note 9)	89,337,522	66,019,917
	97,996,420	71,677,759

Net Debt **\$ (2,050,480)** **\$ (2,362,984)**


Non-financial Assets

Prepaid expenses	-	282
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Accumulated Deficit **\$ (2,050,480)** **\$ (2,362,702)**

Commitments (note 11)

Approved


Lorne Browne
Director
Fuel Services Division
Renalyn Pascua-Matte,
Comptroller
Fuel Services Division

Fuel Services Division

Statement of Changes in Net Financial Debt

For the year ended March 31,	2024 Budget	2024 Actual	2023 Actual
Annual surplus	\$ -	\$ 312,222	\$ 360,466
Change in prepaid expenses	-	282	629
Decrease in net financial debt		312,504	361,095
Net financial debt, beginning of year	(2,362,984)	(2,362,984)	(2,724,079)
Net financial debt, end of year	\$ (2,362,984)	\$ (2,050,480)	\$ (2,362,984)

Fuel Services Division

Statement of Operations

For the year ended March 31,	2024 Budget	2024 Actual	2023 Actual
Revenues			
Sales of petroleum products (note 12)	\$ 67,500,000	\$ 74,737,685	\$ 53,610,994
Cost of sales			
Cost of goods sold	59,000,000	66,175,694	44,795,234
Loss due to evaporation	100,000	373	7,484
Commission	3,200,000	3,129,218	3,212,980
	62,300,000	69,305,285	48,015,698
Gross margin	5,200,000	5,432,400	5,595,296
Gross margin percentage	7.7 %	7.3 %	10.4 %
Expenses			
Bad debts (recovered)	140,000	(26,599)	315,276
Contracts and purchased services	700,000	630,085	600,187
Operating and maintenance	1,100,000	1,042,408	932,334
Office and administration	60,000	76,345	62,741
Salaries, wages and employee benefits	2,300,000	2,398,624	2,510,065
Travel	300,000	425,594	353,686
Utilities	600,000	573,721	500,627
	5,200,000	5,120,178	5,274,916
Annual surplus before other items	-	312,222	320,380
Other revenue (expenses)			
Grant contribution - air freight (note 15)	-	949,842	1,922,540
Grant-in-kind, Government assets provided at no cost (note 16)	-	6,330,521	4,015,074
Tangible capital assets - rent expenses (note 16)	-	(2,061,341)	(2,115,738)
Financing charges (note 16)	-	(4,269,180)	(1,899,336)
Other revenues and expenses (note 17)	-	-	40,086
Air freight	-	(949,842)	(1,922,540)
	-	-	40,086
Annual surplus	\$ -	\$ 312,222	\$ 360,466

Fuel Services Division**Statement of Accumulated Deficit**

For the year ended March 31,	2024	2023
Accumulated deficit, beginning of year	\$ (2,362,702)	\$ (2,723,168)
Annual surplus	312,222	360,466
Accumulated deficit, end of year	\$ (2,050,480)	\$ (2,362,702)

Fuel Services Division

Statement of Cash Flows

For the year ended March 31,	2024	2023
Cash provided by (used for)		
Operating activities		
Annual surplus	\$ 312,222	\$ 360,466
Change in non-cash working capital items		
Accounts receivable	(23,328,704)	(14,845,977)
Inventory held for resale	(3,302,461)	(12,535,616)
Accounts payable and accrued liabilities	2,945,193	(102,179)
Salaries payable	36,391	(81)
Employee future benefits payable	19,472	18,607
Due to the Government of the Northwest Territories	23,317,605	27,104,151
Prepaid expenses	282	629
Cash, beginning and end of year	\$ -	\$ -

Fuel Services Division

Notes to the Financial Statements

March 31, 2024

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 (2023 - \$3,000,000) at the end of the fiscal year. The balance in the Stabilization Fund at March 31, 2024 is a deficit of \$2,050,480 (2023 - deficit of \$2,362,702).

2. Change in accounting policies

(a) Revenue, Section PS 3400

This Section is effective for fiscal periods beginning on or after April 1, 2023. This section establishes standards on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations.

The adoption of this new standard had no impact on the financial statements.

Fuel Services Division

Notes to the Financial Statements

March 31, 2024

3. 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.

(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 16.

(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 16.

(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) Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the weighted average method.

Fuel Services Division

Notes to the Financial Statements

March 31, 2024

3. Significant accounting policies (continued)

(f) 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. The Fund contributes at a rate of 1.4 times that of the employees. During the year the Fund contributed \$157,261 (2023 - \$153,870) to the Plan which was recognized as an expense while employees contributed \$160,473 (2023 - \$151,956). 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.

Fuel Services Division

Notes to the Financial Statements

March 31, 2024

3. Significant accounting policies (continued)

(g) 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.

(h) 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.

(i) 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.

Fuel Services Division

Notes to the Financial Statements

March 31, 2024

3. Significant accounting policies (continued)

(j) 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.

(k) 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 the Government owns the assets of the Fund, it also accepts responsibility for any asset retirement obligations. As a result, the Fund does not record any liabilities associated with asset retirement obligations.

Fuel Services Division

Notes to the Financial Statements

March 31, 2024

3. 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 weighted average cost of petroleum products consumed.

Fuel Services Division

Notes to the Financial Statements

March 31, 2024

3. 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.

4. 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.

Fuel Services Division

Notes to the Financial Statements

March 31, 2024

5. Accounts receivable

	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

	Balance	Allowance	2023
Non-Government	\$ 2,158,597	\$ 180,590	\$ 1,978,007
Government of Canada	44,197	3,335	40,862
Government of the Northwest Territories			
Boards and Agencies			
Education Authorities	4,073	-	4,073
Northwest Territories Health and Social Services Authority	2,678	-	2,678
Marine Transportation Services - Revolving Fund	207,094	-	207,094
Housing NWT	1,784,988	-	1,784,988
Northwest Territories Power Corporation	17,145,795	-	17,145,795
Tlicho Community Services Agency	12,913	3,958	8,955
Departments			
Education, Culture and Employment	255,850	3,448	252,402
Environment and Climate Change	5,055	-	5,055
Infrastructure	253,947	28	253,919
Local (Municipalities, Community Governments)	1,580,188	186,820	1,393,368
	\$ 23,455,375	\$ 378,179	\$ 23,077,196

Fuel Services Division

Notes to the Financial Statements

March 31, 2024

6. Inventory for resale

	2024	2023
Diesel	\$ 40,342,016	\$ 39,163,088
Gasoline	5,515,146	4,785,630
Jet A1	3,525,066	2,246,519
Naphtha	157,812	42,342
	\$ 49,540,040	\$ 46,237,579

An inventory write-down of \$373 (2023 - \$7,484) 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.

7. Accounts payable and accrued liabilities

	2024	2023
Non-Government trade accounts payable	\$ 7,828,715	\$ 5,045,152
Government of Canada - Federal excise tax	47,395	53,316
Government of Canada - Goods and services tax	366,244	342,370
Government of the Northwest Territories Boards and Agencies		
Northwest Territories Power Corporation	23,450	6,314
Marine Transportation Services - Revolving Fund	128,014	-
Department of Infrastructure	-	1,473
	\$ 8,393,818	\$ 5,448,625

8. 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.

Fuel Services Division

Notes to the Financial Statements

March 31, 2024

8. Employee future benefits payable (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 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 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 of the benefits under the Compensated Absences and Termination Benefits for the Fund.

Changes in Liability	Severance and Removal	Compensated Absences	2024	2023
Accrued benefit obligation, beginning of year	\$ 112,736	\$ 34,764	\$ 147,500	\$ 154,934
Benefits earned	4,680	2,233	6,913	7,148
Interest	5,135	1,661	6,796	6,327
Benefits paid	-	(4,780)	(4,780)	(6,782)
Actuarial (gains)/losses	(23,225)	(991)	(24,216)	(14,127)
Accrued benefit obligation, end of year	99,326	32,887	132,213	147,500
Unamortized net actuarial loss	(44,377)	(22,632)	(67,009)	(101,768)
Accrued benefit liability	\$ 54,949	\$ 10,255	\$ 65,204	\$ 45,732

Benefits expense

	Severance and Removal	Compensated Absences	2024	2023
Current service cost	\$ 4,680	\$ 2,233	\$ 6,913	\$ 7,148
Interest cost	5,135	1,661	6,796	6,326
Amortization of net actuarial loss	6,105	4,438	10,543	11,915
	\$ 15,920	\$ 8,332	\$ 24,252	\$ 25,389

The discount rate used in the 2024 fiscal year to determine the accrued benefit obligation is an average of 5.3% (2023 - 4.8%). The expected payments during the next five fiscal years are as follow:

Fuel Services Division

Notes to the Financial Statements

March 31, 2024

8. Employee future benefits payable (continued)

	Severance and Removal	Compensated Absences	Total
2023	\$ 23,845	\$ 5,258	\$ 29,103
2024	17,317	4,321	21,638
2025	14,277	5,301	19,578
2026	10,722	4,356	15,078
2027	10,041	4,316	14,357
Subsequent 5 years	27,887	13,074	40,961
	\$ 104,089	\$ 36,626	\$ 140,715

9. 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:

	2024	2023
Balance, beginning of year	\$ 66,019,917	\$ 38,915,766
Payments made by the Government of the Northwest Territories		
Purchases of petroleum products	69,478,155	57,330,850
Other cash disbursements	11,547,593	9,826,388
Cash paid to the Government of the Northwest Territories	(57,949,746)	(40,053,087)
	\$ 89,337,522	\$ 66,019,917

10. Subsequent events

On May 23, 2024 Marine Transportation Services cancelled their barge service for the south end of the Mackenzie River. This impacts the Fund in that delivery to Tulita and Norman Wells will not happen in the summer of 2024. The Fund feels it has sufficient inventories of petroleum products in Tulita to service the community until the winter road is opened in 2025. However, factors such as changes in consumption patterns and weather may impact the endurance of the inventory. Should an airlift to for petroleum products be required, additional costs may be realized. Those costs may be covered by the Government.

Additionally, gasoline will have to be trucked to Tuktoyaktuk rather than transiting north on the river by barge. The assessment of the additional cost, if any, for this trucking operation has not yet been determined.

The Marine Transportation Services has advised the Fund that it is of the opinion that barge transportation to Lutsel K'e will proceed as planned.

Fuel Services Division

Notes to the Financial Statements

March 31, 2024

11. Commitments

Fuel resupply contracts

The Fund has entered into contracts with Imperial Oil Limited, Midnight Petroleum Ltd., Glencore Ltd. and Arctic Petroleum Services for the supply and transportation of bulk petroleum destined for delivery to communities served by marine by barge, or by road by tanker truck. There are varying contracts with different termination dates; the earliest contract terminates in September 2024 and the last contract terminates in September 2026.

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 \$129,636,206 (2023 - \$27,818,635) as follows:

2025	\$	67,645,364
2026		45,642,677
2027		16,245,153
2028		103,012
		<hr/>
		\$ 129,636,206

12. Sales of petroleum products

	2024	2023
Non-Government	\$ 10,714,583	\$ 11,009,437
Government of Canada	143,429	382,767
Government of the Northwest Territories		
Boards and Agencies		
Education Authorities	28,000	19,359
Northwest Territories Health and Social Services Authority	50,284	48,681
Northwest Territories Housing Corporation	4,085,249	3,708,086
Northwest Territories Power Corporation	50,535,968	30,202,973
Tlicho Community Services Agency	47,325	30,271
Departments		
Education, Culture and Employment	1,071,921	1,027,340
Environment and Climate Change	43,545	26,012
Infrastructure	2,321,200	2,026,559
Municipality and Community Affairs	-	4,280
Marine Transportation Services - Revolving fund	138,818	-
Local (Municipalities, Community Governments)	5,557,363	5,125,229
		<hr/>
		\$ 74,737,685

Fuel Services Division

Notes to the Financial Statements

March 31, 2024

13. Budget information

The budget figures are from the 2023-2024 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 contribution - air freight

A one-time grant 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.

16. Grant in kind

Financing charges

Management estimated that the Fund required up to \$89 million (2023 - \$66 million) in working capital with an estimated annual financing cost of \$4,269,180 (2022 - \$1,899,336).

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	2024	2023
Fuel storage facilities	\$ 61,488,608	\$ 34,911,153	\$ 26,577,455	\$ 28,107,048
Fuel delivery vehicles	5,186,583	3,830,393	1,356,190	1,434,271
Construction in process	3,404,031	-	3,404,031	2,690,855
Buildings	561,513	197,340	364,173	378,208
	\$ 70,640,735	\$ 38,938,886	\$ 31,701,849	\$ 32,610,382

Rent expense for 2024 is \$2,061,341 (2023 - \$2,115,738).

Fuel Services Division

Notes to the Financial Statements

March 31, 2024

17. Other revenues and expenses

Other revenues are transactions that generally occur outside of normal operations. They are generally comprised of transactions that have a flow-through effect such as direct expenses that are fully charged back to another party, as well as one-time transactions. Other transactions can include charged back revenue where the revenue is not directly related to expenses, and other miscellaneous revenue transactions such as returned cheque fees.

The transactions consist of the following:

	2024	2023
Other revenues		
Northwest Territories Power Corporation - Tank maintenance	\$ -	\$ 40,086

18. Related party transactions

Significant expenses incurred from related parties are as follows:

	2024	2023
Government of the Northwest Territories		
Marine Transportation Services - Revolving Fund - Cost of goods sold	\$ 7,713,001	\$ 8,068,218
Marine Transportation Services - Revolving Fund - Contracts and purchased services	26,891	6,946
Department of Infrastructure - Contracts and purchased services	4,174	8,333
Northwest Territories Power Corporation - Utilities	527,833	495,928
	\$ 8,271,899	\$ 8,579,425

19. 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.

Fuel Services Division

Notes to the Financial Statements

March 31, 2024

19. Risk management (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 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 \$46,405,900 (2023 - \$23,077,196). The risk has increased 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, 2024, receivables from one customer comprised 89% of the total outstanding accounts receivables (2023 - 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, 2024, the following accounts receivable were past due:

	30 days	60 days	90 days	Total
Accounts receivable	\$ 7,547,463	\$ 6,447,185	\$ 20,440,862	\$ 34,435,510
Allowance for doubtful accounts	-	-	(351,580)	(351,580)
	\$ 7,547,463	\$ 6,447,185	\$ 20,089,282	\$ 34,083,930

(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 through budgeting.

The Fund's maximum exposure to liquidity risk is represented by the financial liabilities for a total of \$97,996,420 (2023 - \$71,677,759). 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.

Fuel Services Division

Notes to the Financial Statements

March 31, 2024

19. Risk management (continued)

(c) 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.

March 31, 2024

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)

	<u>2023/24 Actuals</u>	<u>2023/24 Revised Estimates</u>	<u>2023/24 Main Estimates</u>	<u>2022/23 Actuals</u>
Authorized Limit	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>
Opening Accounts Receivable	1,017	1,016	893	967
Advances to Trappers	310	308	731	296
Repayment of Fur Account Loans	<u>(329)</u>	<u>(279)</u>	<u>(659)</u>	<u>(246)</u>
Closing Accounts Receivable	<u>998</u>	<u>1,045</u>	<u>965</u>	<u>1,017</u>
Cash	(1,727)			(1,885)
Other Asset Accounts	1			1
Asset (Liability) Accounts	498			364
Clearing Accounts	68			68
Closing Balance Fund 12	<u><u>(162)</u></u>			<u><u>(435)</u></u>
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 10th, 2024.

 Jessica St. Arnaud, DFA

May 09, 2024

**Marine Transportation Services
(Marine Transportation Services Revolving Fund)**

Financial Statements

March 31, 2024

Marine Transportation Services
(Marine Transportation Services Revolving Fund)

Financial Statements

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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.



Steve Hagerman, Director
Marine Transportation Services Revolving Fund
Hay River, Northwest Territories
June 24, 2024

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, 2024, 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, 2024, 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, 2023, and payroll liabilities, employee future benefits, net financial resources, and accumulated surplus (deficit) as at March 31, 2023, 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)

Independent Auditor's Report to the Members of Marine Transportation Services Revolving Fund
(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 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.

The logo for Ashton Chartered Professional Accountants, featuring the word "Ashton" in a stylized, handwritten-style font.

Hay River, Northwest Territories
June 24, 2024

Ashton Chartered Professional Accountants

**Marine Transportation Services
(Marine Transportation Services Revolving Fund)**

Statement I

Statement of Financial Position

March 31,	2024	2023
Financial Assets		
Accounts receivable (note 4)	\$ 5,021,518	\$ 4,251,301
	5,021,518	4,251,301
Liabilities		
Bank indebtedness (note 5)	25,938,194	20,360,103
Accounts payable and accrued liabilities (note 6)	15,634,549	13,040,072
Deferred revenue	-	167,671
Employee future benefits (note 7)	21,060	3,010
Due to Government of Northwest Territories - Revolving fund (note 8)	5,391,624	16,420,515
Due to Government of Northwest Territories - long-term loan (note 9)	10,260,438	10,260,438
Net financial debt	(52,224,347)	(56,000,508)
Non-financial assets		
Tangible capital assets (note 10)	49,748,224	52,167,176
Prepaid expenses and deposits (note 11)	326,216	1,463,237
Inventory (note 12)	2,149,907	2,370,095
	52,224,347	56,000,508
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,	2024 Budget	2024 Actual	2023 Actual
Net financial debt, beginning of year	\$ (56,000,508)	\$ (56,000,508)	\$ (54,884,188)
Deficiency of revenues over expenses	-	-	-
Amortization	2,920,731	3,925,385	2,613,678
Consumption (acquisition) of inventories	-	220,188	(911,530)
Use (acquisition) of prepaid expenses	-	1,137,021	(100,404)
Purchase of tangible capital assets	(2,037,278)	(1,506,433)	(2,718,064)
Change in net financial debt	883,453	3,776,161	(1,116,320)
Net financial debt, end of year	\$ (55,117,055)	\$ (52,224,347)	\$ (56,000,508)

Marine Transportation Services
(Marine Transportation Services Revolving Fund)

Statement III

Statement of Operations

For the year ended March 31,	2024 Budget	2024 Actual	2023 Actual
Revenues			
Cargo delivery revenue	\$ 7,828,835	\$ 4,861,995	\$ 9,374,638
Fuel delivery revenue	13,284,870	9,802,346	12,980,307
Fuel sales	9,020,000	5,368,983	12,456,269
Shipyard services	3,782,250	4,179,396	2,021,934
Charter revenue	1,700,000	3,016,137	3,601,184
Rental and other revenue	452,600	708,752	988,064
	36,068,555	27,937,609	41,422,396
Expenses (note 14)			
Fuel cost of sales	9,020,000	5,403,215	12,516,848
Maintenance	8,817,212	8,635,378	10,424,521
Marine operations	12,877,827	13,407,796	15,067,507
Shipyard service	1,190,000	2,543,061	1,451,077
Terminal operations	3,043,070	3,465,519	3,343,856
General and administrative	3,548,401	3,692,018	3,030,922
	38,496,510	37,146,987	45,834,731
Deficiency of revenue over expenses before other expenses and items	(2,427,955)	(9,209,378)	(4,412,335)
Other expenses			
Amortization	2,920,731	3,925,385	2,613,678
Finance charges (note 15)	1,008,695	1,327,395	1,224,337
Loss on disposal of capital asset	152,083	-	-
	4,081,509	5,252,780	3,838,015
Deficiency of revenue over expenses before other item	(6,509,464)	(14,462,158)	(8,250,350)
Other item			
Grant contributions (note 16)	6,509,464	14,462,158	8,250,350
Deficiency of revenue over expenses	\$ -	\$ -	\$ -

See accompanying notes

Marine Transportation Services
(Marine Transportation Services Revolving Fund)

Statement IV

Statement of Accumulated Surplus (Deficit)

For the year ended March 31,	2024	2023
Accumulated surplus (deficit), beginning of year	\$ -	\$ -
Excess (deficiency) of revenue over expenses	-	-
Accumulated surplus (deficit), end of year	\$ -	\$ -

Marine Transportation Services
(Marine Transportation Services Revolving Fund)

Statement V

Statement of Cash Flows

For the year ended March 31,	2024	2023
Cash provided by (used for)		
Operating activities		
Deficiency of revenues over expenses	\$ -	\$ -
Items not affecting cash		
Amortization	3,925,385	2,613,678
Finance charges	1,327,395	1,224,337
	5,252,780	3,838,015
Changes in non-cash working capital items		
Accounts receivable	(770,217)	(2,952,857)
Accounts payable and accrued liabilities	2,594,477	9,065,164
Deferred revenue	(167,671)	(40,746)
Employee future benefits	18,050	12,150
Inventory	220,188	(911,530)
Prepaid expenses and deposits	1,137,021	(100,404)
	8,284,628	8,909,792
Financing activities		
Payments to Government of Northwest Territories	(12,356,286)	(3,963,925)
Investing activity		
Purchase of tangible capital assets	(1,506,433)	(2,718,064)
(Decrease) increase in cash	(5,578,091)	2,227,803
Cash (bank indebtedness), beginning of year	(20,360,103)	(22,587,906)
Cash (bank indebtedness), end of year	\$ (25,938,194)	\$ (20,360,103)

Marine Transportation Services (Marine Transportation Services Revolving Fund)

Notes to the Financial Statements

March 31, 2024

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.

Marine Transportation Services

(Marine Transportation Services Revolving Fund)

Notes to the Financial Statements

March 31, 2024

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 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.

(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.

Marine Transportation Services (Marine Transportation Services Revolving Fund)

Notes to the Financial Statements

March 31, 2024

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.

Marine Transportation Services (Marine Transportation Services Revolving Fund)

Notes to the Financial Statements

March 31, 2024

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

Marine Transportation Services (Marine Transportation Services Revolving Fund)

Notes to the Financial Statements

March 31, 2024

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.

Marine Transportation Services (Marine Transportation Services Revolving Fund)

Notes to the Financial Statements

March 31, 2024

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, 2024, 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.

Marine Transportation Services (Marine Transportation Services Revolving Fund)

Notes to the Financial Statements

March 31, 2024

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

	2024	2023
Customer receivable	\$ 2,772,025	\$ 392,277
Government of Canada		
Fisheries and Oceans	2,696,224	1,292,527
Transport Canada	-	2,080,982
Government of Northwest Territories		
Department of Infrastructure - Fuel Services Division	129,126	-
Department of Environment and Climate Change	34,830	-
Department of Finance	13,400	-
Department of Health and Social Services	4,217	-
Department of Industry, Tourism and Investment	650	-
Lutsel K'e Housing Authority	186	-
Northwest Territories Energy Corporation	-	638,409
Northwest Territories Power Corporation	-	412
	5,650,658	4,404,607
Less: Allowance for doubtful accounts	629,140	153,306
	\$ 5,021,518	\$ 4,251,301

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.

Marine Transportation Services (Marine Transportation Services Revolving Fund)

Notes to the Financial Statements

March 31, 2024

6. Accounts payable and accrued liabilities

	2024	2023
Trade accounts payable and accrued liabilities	\$ 15,501,763	\$ 12,685,287
Government of Canada		
Goods and service tax	91,279	77,636
Federal excise tax	-	58,054
Government of Northwest Territories		
Department of Infrastructure	15,382	5,643
Tulita Housing Association	7,540	-
Northwest Territories Health and Social Services Authorities	6,620	-
Department of Finance - Carbon tax	6,211	-
Department of Finance - Petroleum tax	3,252	-
Northwest Territories Power Corporation	2,502	6,358
Department of Infrastructure - Fuel Services Division	-	207,094
	\$ 15,634,549	\$ 13,040,072

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 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 of the benefits under the Compensated Absences and Termination Benefits for the Marine Transportation Services Revolving Fund.

Marine Transportation Services
(Marine Transportation Services Revolving Fund)

Notes to the Financial Statements

March 31, 2024

7. Employee future benefits (continued)

	2024	2023
Accrued benefit obligation, beginning of year	\$ 75,546	\$ 85,478
Benefits earned	4,208	4,332
Interest	3,627	3,384
Benefit paid	(2,165)	(8,805)
Actuarial gain	(8,158)	(8,843)
Plan amendment	-	-
Accrued benefit obligation, end of year	73,058	75,546
Unamortized net actuarial loss	(51,998)	(72,536)
Employee future benefit liability, end of year	\$ 21,060	\$ 3,010

	2024	2023
Benefits Expense		
Current service cost	4,208	4,332
Interest cost	3,627	3,384
Amortization of net actuarial loss	12,380	13,239
Plan amendment	-	-
	\$ 20,215	\$ 20,955

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 contributions during the next five fiscal years are as follows:

	Total
2025	\$ 11,229
2026	9,700
2027	10,515
2028	14,059
2029	10,656
Total	\$ 56,159

Marine Transportation Services
(Marine Transportation Services Revolving Fund)

Notes to the Financial Statements

March 31, 2024

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 has no specific term of repayment and bears interest at the Bank of Canada prime rate per annum plus 0.35%. During the year the Government of Northwest Territories charged financing charges of \$1,218,700 (2023 - \$1,095,066).

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 \$108,695 (2023 - \$129,271).

Fund made \$nil (2023 - \$nil) payment against the Government of Northwest Territories long-term loan.

	2024	2023
Government of Northwest Territories long-term loan, due in December 2027	\$ 10,260,438	\$ 10,260,438
Estimated principal repayments are as follows:		
2025	\$ 6,651,605	
2026	1,181,079	
2027	1,202,811	
2028	1,224,943	
2029	-	
	\$ 10,260,438	

Marine Transportation Services
(Marine Transportation Services Revolving Fund)

Notes to the Financial Statements

March 31, 2024

10. Tangible capital assets

For the year ended March 31,					2024	2023
	Land	Vessels and barges	Machinery and equipment	Capital work in progress	Total	Total
Cost						
Balance, beginning of the year	\$ 2,212,843	\$ 49,442,821	\$ 1,729,805	\$ 6,915,158	\$ 60,300,627	\$ 57,582,561
Addition during the year	-	6,170,339	1,267,727	1,506,433	8,944,499	4,872,984
Capitalized from capital work in progress	-	-	-	(7,438,066)	(7,438,066)	(2,154,918)
Balance, end of year	2,212,843	55,613,160	2,997,532	983,525	61,807,060	60,300,627
Accumulated amortization						
Balance, beginning of the year	-	7,697,999	435,452	-	8,133,451	5,519,773
Annual amortization	-	3,768,483	156,902	-	3,925,385	2,613,678
Balance, end of year	-	11,466,482	592,354	-	12,058,836	8,133,451
Net book value	\$ 2,212,843	\$ 44,146,678	\$ 2,405,178	\$ 983,525	\$ 49,748,224	\$ 52,167,176

11. Prepaid expenses and deposits

	2024	2023
Insurance	\$ 326,216	\$ 262,873
Other	-	1,200,364
	\$ 326,216	\$ 1,463,237

Prepaid expenses other includes \$nil (2023 - \$1,018,589) in costs related to cargo deliveries in transit that will be completed next fiscal year.

12. Inventory

	2024	2023
Fuel	\$ 1,790,603	\$ 1,995,148
Parts and supplies	359,304	374,947
	\$ 2,149,907	\$ 2,370,095

Marine Transportation Services
(Marine Transportation Services Revolving Fund)

Notes to the Financial Statements

March 31, 2024

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, 2024 the Government of Northwest Territories made accumulated contributions of \$32,556,852 (2023 - \$19,631,318).

14. Expenses

	Fuel cost of sales	Maintenance	Marine operations	Shipyards service	Terminal operations	General and administrative	2024 Actual
Wages and benefits	\$ -	\$ 5,372,316	\$ 7,046,946	\$ -	\$ 1,817,852	\$ 1,709,735	\$ 15,946,849
Fuel cost of sales	5,403,215	-	-	-	-	-	5,403,215
Insurance	-	254,883	983,580	-	267,737	-	1,506,200
Fuel consumption	-	186,045	1,532,139	-	146,955	-	1,865,139
Shipyards service cost of sales	-	-	-	2,543,061	-	-	2,543,061
Other	-	2,822,134	3,845,131	-	1,232,975	1,982,283	9,882,523
	\$ 5,403,215	\$ 8,635,378	\$ 13,407,796	\$ 2,543,061	\$ 3,465,519	\$ 3,692,018	\$ 37,146,987

15. Financing charges

	2024	2023
Interest on revolving fund - due to Government of Northwest Territories	\$ 1,218,700	\$ 1,095,066
Interest on long-term loan - due to Government of Northwest Territories	108,695	129,271
	\$ 1,327,395	\$ 1,224,337

16. Grant contributions

	2024	2023
Government of Canada		
Transport Canada - Ocean Protection Fund - 75% of doubled hulled barges	\$ 209,229	\$ 1,105,981
Government of Northwest Territories - Department of Infrastructure		
Operating losses	12,925,534	4,271,803
Finance charges	1,327,395	1,224,337
Airlift recovery	-	1,648,229
	\$ 14,462,158	\$ 8,250,350

Marine Transportation Services (Marine Transportation Services Revolving Fund)

Notes to the Financial Statements

March 31, 2024

17. Related party transactions

During the year the Fund incurred the following transactions with the related parties:

	2024	2023
Revenue		
Government of Northwest Territories		
Department of Infrastructure - Fuel Services Division	\$ 7,849,735	\$ 8,068,218
Northwest Territories Energy Corporation	419,487	2,220,197
Department of Environment and Climate Change	95,930	108,678
Northwest Territories Power Corporation	64,237	347,660
Department of Infrastructure	19,069	25,433
Department of Health and Social Services	14,822	-
Department of Finance	12,762	-
Lutsel K'e Housing Authority	7,837	-
NWT Housing Corporation	5,594	54,645
Department of Justice	4,726	-
Department of Industry, Tourism and Investment	2,310	173
Northwest Territories Health and Social Services Authorities	1,991	8,405
Beaufort Delta Divisional Education Council	1,157	23,265
Sachs Harbour Housing Association	562	-
Sahtu Divisional Education Council	-	5,234
Department of Infrastructure - Yellowknife Airport Revolving Fund	-	972
Ulukhaktok Housing Association	-	692
Sahtu Divisional Board of Education	-	539
	\$ 8,500,219	\$ 10,864,111
Expenses		
Government of Northwest Territories		
Department of Finance	\$ 329,572	\$ 281,371
Department of Infrastructure - Fuel Services Division	248,733	219,158
Northwest Territories Power Corporation	132,427	67,305
Department of Infrastructure	61,449	104,909
	\$ 772,181	\$ 672,743

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.

Marine Transportation Services (Marine Transportation Services Revolving Fund)

Notes to the Financial Statements

March 31, 2024

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 \$5,021,518 (2023 - \$4,251,301). At March 31, 2024, the Fund's management has determined that \$629,140 (2023 - \$153,306) 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 not have concentration risk. At March 31, 2024, receivables from three customers comprised 91% (2023 - 97%) 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 Fund's 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 \$57,224,805 (2023 - \$60,081,128). 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.

**Marine Transportation Services
(Marine Transportation Services Revolving Fund)**

Notes to the Financial Statements

March 31, 2024

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.

A photograph of a sunset over the ocean, with the sun low on the horizon and its light reflecting on the water. The sky is filled with soft, golden clouds. The entire image is framed by a dark green border with white geometric lines.

70th Annual Report

2023–2024



**NORTHWEST TERRITORIES
LIQUOR AND
CANNABIS
COMMISSION**

Photo credit:
JCVossler

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July 30, 2024

MEMBERS OF LEGISLATIVE ASSEMBLY

NWT Liquor & Cannabis Commission Annual Report

I am pleased to present, for the information of the Members of the Legislative Assembly, the seventieth Annual Report for the Northwest Territories Liquor & Cannabis Commission for the fiscal year ending March 31, 2024.

A handwritten signature in black ink, appearing to read 'Caroline Wawzonek'.

Caroline Wawzonek
Minister Responsible for the
NWT Liquor Commission

Attachment



HONOURABLE CAROLINE WAWZONEK
MINISTER OF FINANCE

NWT Liquor & Cannabis Commission

Pursuant to Subsection 64 (1) of the Liquor Act, we are pleased to submit the seventieth Annual Report of the Northwest Territories Liquor & Cannabis Commission for the fiscal year ending March 31, 2024.

We wish to express our thanks to our staff for all their support and contributions to the progress of the Commission during the year.

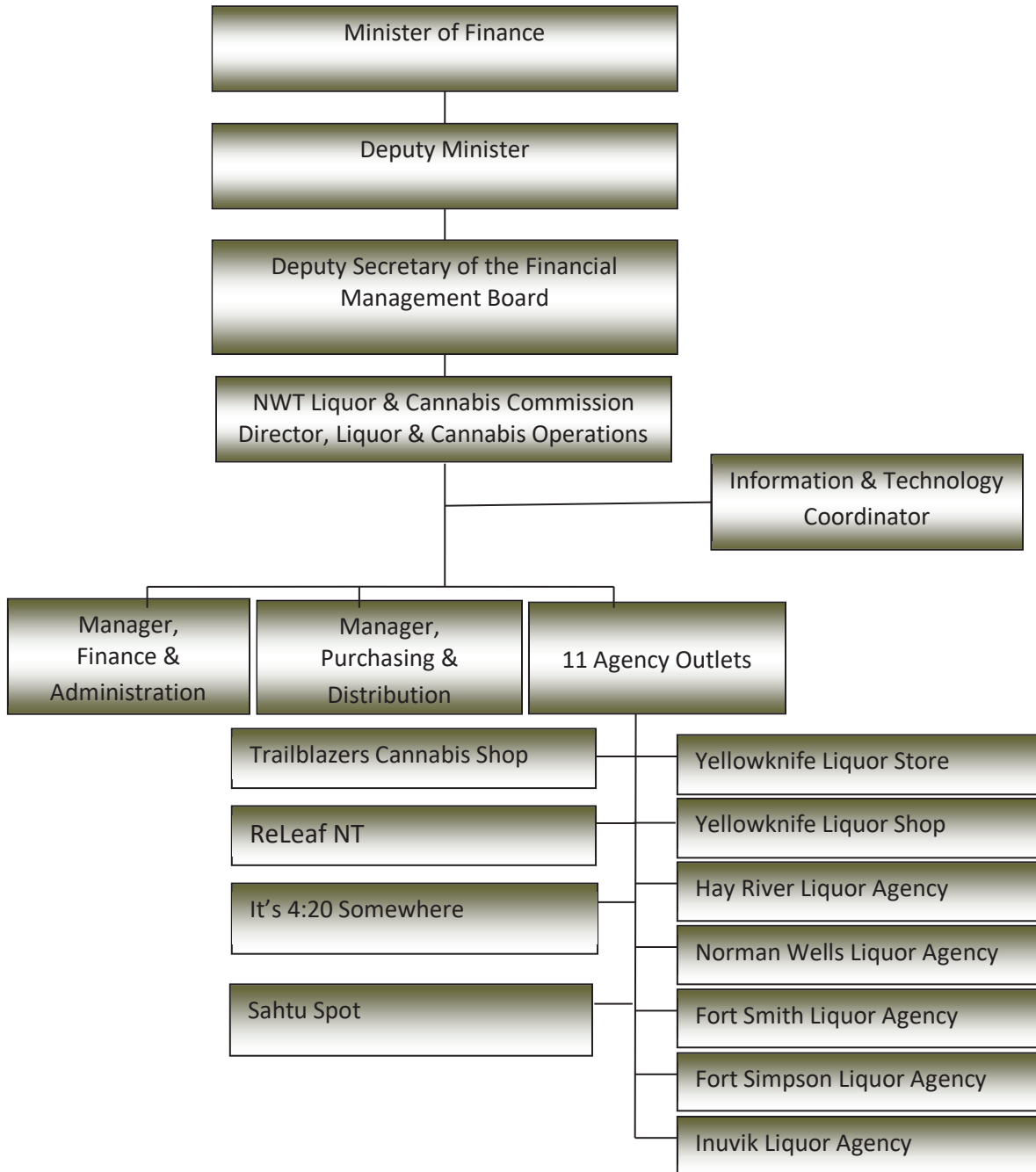
A handwritten signature in black ink, appearing to read "Kim Wilkins".

Kim Wilkins
Director, Liquor & Cannabis Operations
NWT Liquor & Cannabis Commission

A handwritten signature in black ink, appearing to read "William MacKay".

William MacKay
Deputy Minister
Department of Finance

Organization Chart





Northwest Territories Liquor & Cannabis Commission

Suite 201 – 31 Capital Drive
Hay River, NT X0E 1G2
Ph: 867 874 8700
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www.fin.gov.nt.ca



Report on Liquor



Director of Liquor & Cannabis Operations' Report

The Northwest Territories Liquor & Cannabis Commission (NTLCC) is established under the *Liquor Act*. The *Liquor Act* and the *Cannabis Products Act* of the Northwest Territories authorizes the NTLCC to purchase, sell, classify, and distribute liquor and cannabis in the Northwest Territories.

The 2023-2024 fiscal year showed a sales decrease of (6.76%) over the prior fiscal year at \$51 million in liquor sales. The overall volume of liquor sold, in litres, decreased by (9.19%) over 2022-2023. Subsequently, the annual surplus for liquor was 4.23% below budget targets. The decrease in sales can be attributed to the multiple evacuations within several NWT communities which resulted in four of our seven stores closed anywhere between 4-8 weeks.

Cannabis sales increased over 2022-23 by 11.5%, at \$8.4 million in cannabis sales. Product selection and supply continue to improve across Canada.

Combined sales for liquor and cannabis products of \$59 million provided a total of \$22.8 million dividend payment to the Government of the Northwest Territories.

Sale and distribution of liquor is carried out through a network consisting of seven retail outlets, which are contracted to private sector operators. Two of the seven retail outlets also sell cannabis. There is one private cannabis store in Hay River, one private store in Norman Wells and two in Yellowknife; one which also has a website offering an online option to NWT residents to purchase legal cannabis products.

The strategic plan of the Commission for Liquor and Cannabis focuses on three key areas for measuring performance:

1. Efficient operation, and compliance with legislation, regulation, and policy;
2. Social Responsibility; and
3. Financial Income Targets

These areas serve as a guideline for incorporating our mission statement into day-to-day activities. The success of the organization should not be measured in financial performance alone, and the responsibility of the Commission includes ensuring performance as a responsible industry partner, and as a socially responsible member of society.

I would like to thank our staff, agents, customers, and partners for a safe and successful year.

A handwritten signature in black ink, appearing to read "Kim Wilkins".

Kim Wilkins
Director Liquor & Cannabis Operations



Mandate

Vision

Our customers will have a healthy and responsible attitude toward alcohol consumption, and we will provide them the opportunity to discover, enjoy and share a wide variety of beverage alcohol.

Mission Statement

We will be an innovative, efficient and profitable organization, dedicated to the retail and wholesale distribution of beverage alcohol, and promote the development of a healthy and responsible drinking culture.

Values

We value our customers and employees.

We encourage and support the responsible use of alcohol.

We will be efficient and cost effective.

We will be responsible for our actions and will be honest and fair.

We will treat others with dignity and courtesy.

We will support one another to achieve our goals.



Operations

To respond to the needs and concerns of our customers and stakeholders in the fiscal year 2023–2024 we:

- Delivered a wide variety of quality beverage alcohol products through our network of stores.
- Promoted safe and responsible use of beverage alcohol.

Strategic Objectives

Goal #1 – Management & Compliance

Operations are managed efficiently and comply with legislation, regulation, and policy.

Performance Highlights

The operational structure of the NTLCC is designed to deliver optimal service levels for the best possible costs and consists of a headquarters administrative staff of ten and a network of seven stores - operated by private contractors.

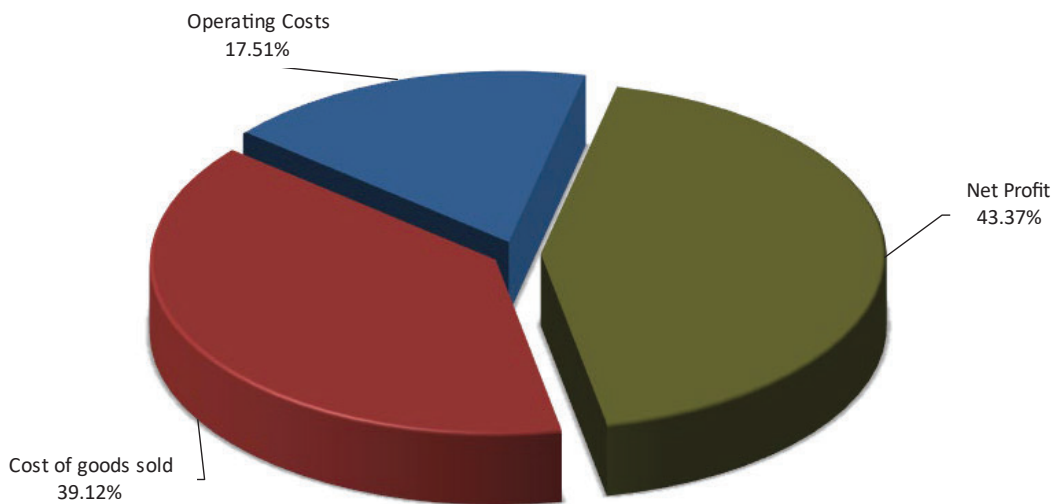
All seven of the private agency stores operate with inventory on consignment from the Commission. Sales to consumers and licensees are incurred through sales by the consignment stores.

Operational compliance with contracts, regulation and legislation by the store operators was maintained throughout the year. The operations of all liquor outlets are monitored monthly and visited periodically by headquarters management.

Application of Revenues

The cost to deliver the sales and administration throughout the year was 17.51% of sales revenue, of which 14.15% was paid to liquor store contractors in Commissions.

for the year ended March 31, 2024



Goal #2 – Social Responsibility

Actively and continuously promote the responsible use of alcohol.

Performance Highlights

Liquor server training is mandatory in all NWT liquor stores. The SafeServe Certification Program is available online and is open to anyone working in the liquor server industry or those seeking employment as a liquor server.

Social Responsibility, cont.

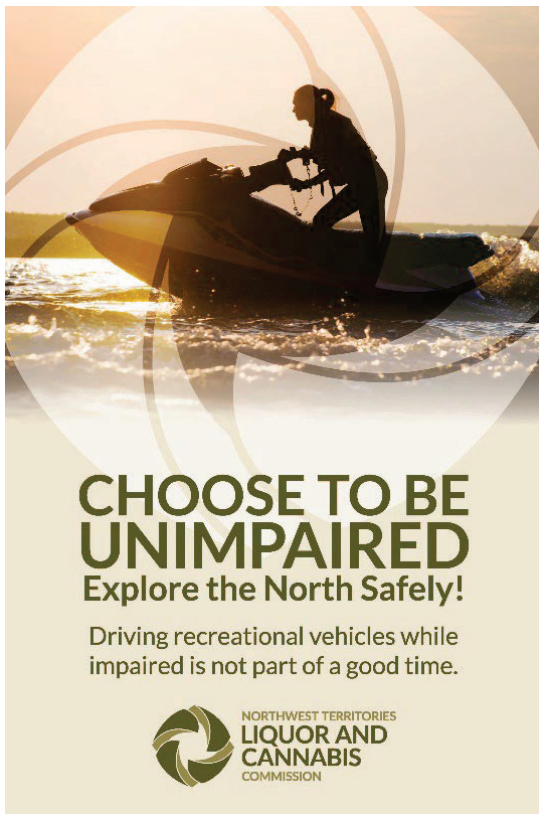
The Check 25 program is intended to strengthen controls concerning service to minors. The program conditions our customers to expect to be asked for proof of identification if they appear to be under the age of 25.

The NTLCC applies warning labels to beverage alcohol containers. The labels warn of the Dangers of Alcohol Consumption during pregnancy, and while driving.

Reusable bags are available in our liquor stores as an alternative to single use paper or plastic bags.

The NTLCC participates with the Canadian Association of Liquor Jurisdictions (CALJ) Social Responsibility Committee in support of socially responsible liquor retailing on a nationwide basis. NTLCC works with other jurisdictions to monitor trends, work collaboratively, facilitate cross-jurisdictional activities where opportunities exist for efficiency/effectiveness, share campaign initiatives, exchange information, present best practices and discuss themes or trends emerging in the field.

We continue to promote awareness that drinking and driving extends to the use of recreational vehicles, through our Choose to be Unimpaired posters.



Social Responsibility, cont.

The NTLCC promotes increased awareness of Canada’s Low-Risk Drinking Guidelines; Stores make available pamphlets and display posters as provided by the Canadian Centre on Substance Use and Addictions.

The NTLCC, in partnership with the Foster Family Coalition, Mom's Boobs & Babies, and the Government of the NWT launched the joint FASD Awareness Campaign.

We provided the posters to communities to display in Liquor Stores, Licensees (who agreed to participate), Recreational Centres, Community Offices, and any other location that would have an impact on residents.



The NTLCC assists with annual sponsoring of the Foster Family Coalition of the NWT FASD Awareness Day activities on Sept 9.

The NTLCC continued their “Moderation is always in Good Taste! – Drink Responsibly” campaign with My True North Now radio station during 2023-24.

Goal #3 – Financial Targets

Meet financial income targets.

Performance Highlights

An extremely active fire season and extended evacuations in many of the NWT’s largest communities resulted in a decline in sales volumes of (6.76%).

Overall litre sales were down (9.19%) with decreases in all categories. The NTLCC annual surplus was (8.27%) below the previous fiscal year.

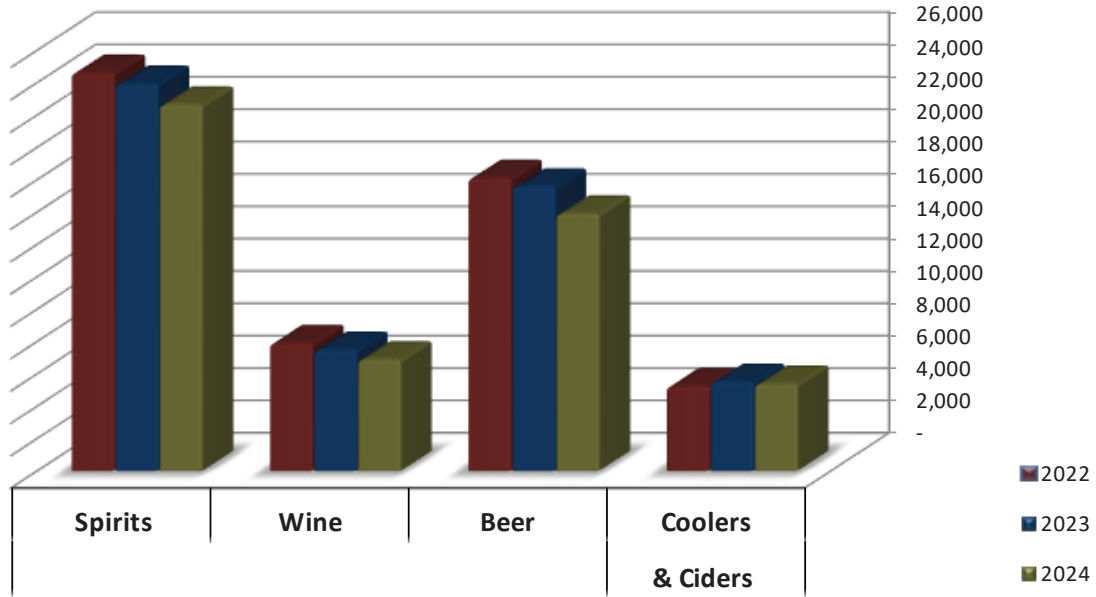
Five Year Performance History

for the year ending March 31
(000's)

	2024	2023	2022	2021	2020
Gross Sales	50,697	54,374	55,741	60,865	52,508
Gross Profit	30,860	33,594	34,892	38,638	33,310
as a % of sales	60.9%	61.8%	62.6%	63.5%	63.4%
Other Income	8	15	6	19	28
Net Surplus	21,989	23,972	25,721	29,338	24,652
as a % of sales	43.4%	44.1%	46.1%	48.2%	47.5%
Operating Expenses	8,879	9,637	9,177	9,319	8,686
as a % of sales	17.5%	17.7%	16.5%	15.3%	16.5%

Three Year Dollar Sales by Category

Gross Dollar Sales had an over-all decrease of (6.76%) from 2023; with decreases in the Spirits (5.43%), Wine (7.95%), Beer (9.53%) and Coolers & Ciders (2.13%).



Three Year Dollar Sales by Category

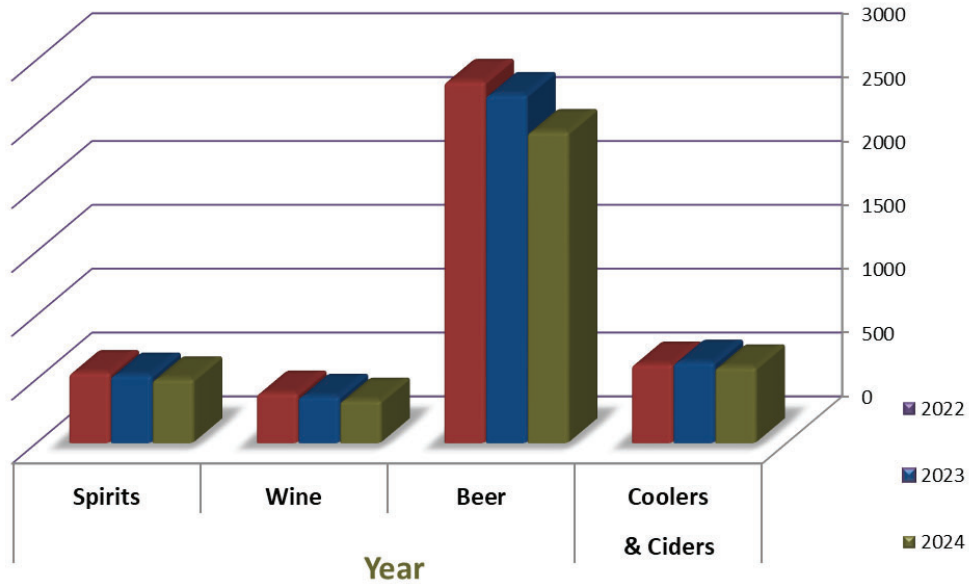
for the year ending March 31

(000's)

	Spirits	Wine	Beer	& Ciders Coolers	Total
2022	24,575	7,875	18,078	5,213	55,741
2023	23,904	7,453	17,545	5,472	54,374
2024	22,607	6,861	15,873	5,356	50,697

Three Year Litre Sales by Category

Litre Sales had an overall decrease of (9.19%) from 2023. There was a decline in Spirits (5.74%), Wine (8.68%), Beer (10.66%) and Coolers & Ciders (5.93%).



Three Year Litre Sales by Category

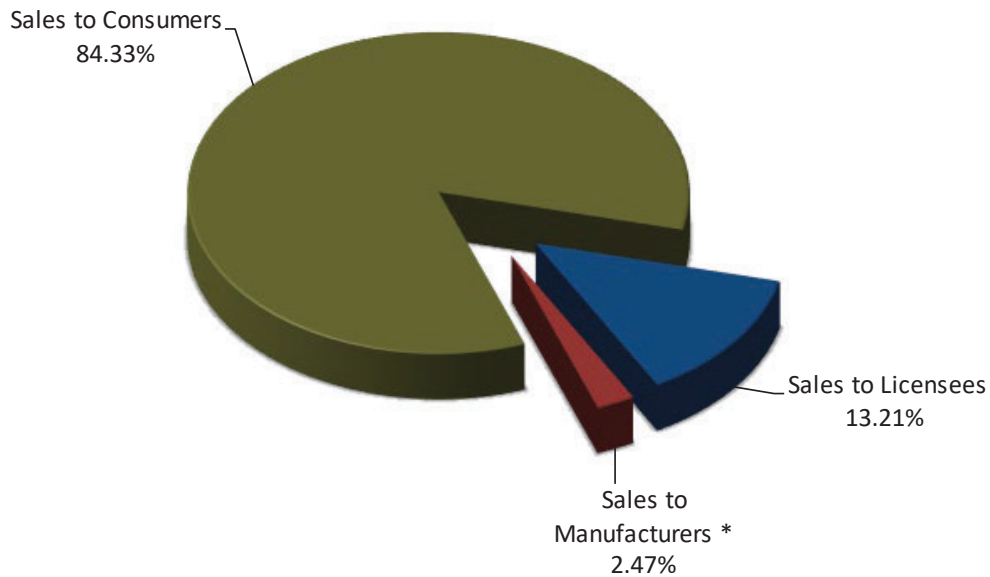
for the year ending March 31
(000's)

	Spirits	Wine	Beer	Coolers & Ciders	Total
2022	543	382	2,823	609	4,357
2023	523	357	2,720	624	4,224
2024	493	326	2,430	587	3,836

Litre Sales by Distribution Channel

Litre Sales by Distribution decreased in all categories in 2023. There was a decrease in Consumer Sales of (9.70%), Licensee Sales (6.70%), and Manufacturer Sales (4.46%).

for the year ended March 31, 2024



* Manufacturer's license markup; per the Liquor Regulations (4.1) A licence holder referred to in paragraph (4)(a) or (b) who sells liquor directly to patrons in the Northwest Territories is deemed to have first sold the liquor to the Commission and purchased it back from the Commission.

Three Year Litre Sales by Distribution Channel

for the year ending March 31

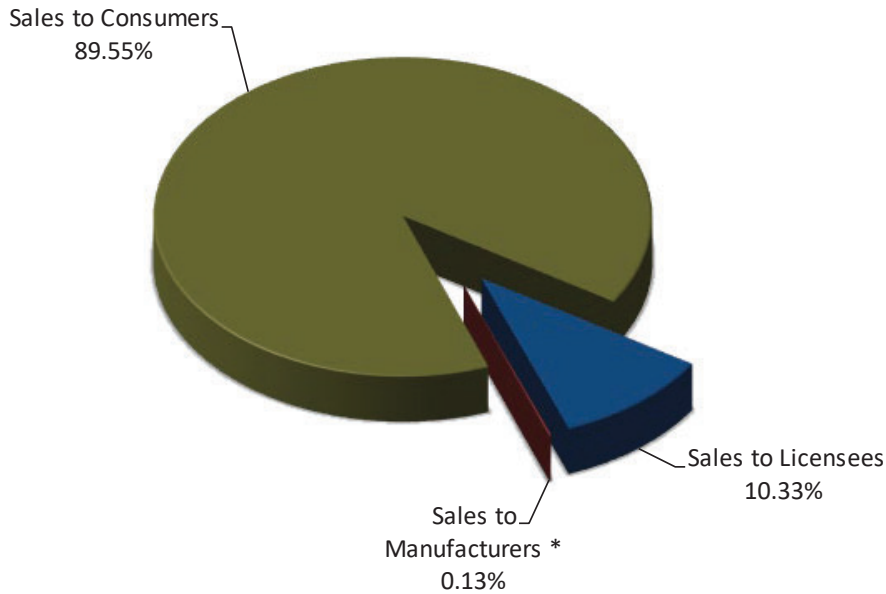
(000's)

	2024	2023	2022
Sales to Consumers	3,235	3,582	3,802
Sales to Licensees	507	543	469
Sales to Manufacturers *	95	99	87
Total	3,836	4,224	4,358

Dollar Sales by Distribution Channel

Gross Dollar Sales by Distribution decreased from 2023. Consumer Sales decreased (6.99%), Licensee Sales decreased (4.89%), while Manufacturer Sales increased 3.23%.

for the year ended March 31, 2024



* Manufacturer's license markup; per the Liquor Regulations (4.1) A licence holder referred to in paragraph (4)(a) or (b) who sells liquor directly to patrons in the Northwest Territories is deemed to have first sold the liquor to the Commission and purchased it back from the Commission.

Three Year Dollar Sales by Distribution Channel

for the year ending March 31

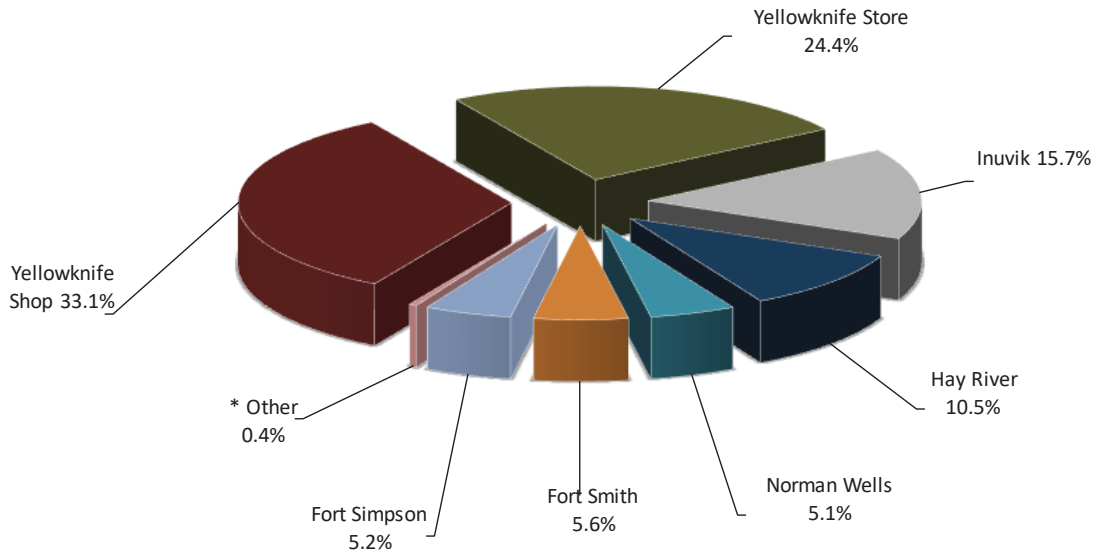
(000's)

	2024	2023	2022
Sales to Consumers	45,397	48,807	51,048
Sales to Licensees	5,236	5,505	4,635
Sales to Manufacturers *	64	62	58
Total	50,697	54,374	55,741

Store Operations

Location Sales

for the year ending March 31, 2024



Sales by Location

for the year ending March 31

(000's)

	2024	2023	2022	2021	Increase (Decrease)
Yellowknife Shop	16,790	18,157	17,864	18,951	(1,367)
Yellowknife Store	12,392	13,262	13,444	15,724	(870)
Inuvik	7,975	7,876	8,145	8,420	99
Hay River	5,315	6,272	7,217	8,057	(957)
Norman Wells	2,571	2,588	2,417	2,755	(17)
Fort Smith	2,816	3,264	3,304	3,477	(448)
Fort Simpson	2,613	2,616	3,036	3,177	(3)
* Other	225	339	314	304	(114)
Total	50,697	54,374	55,741	60,865	(3,677)

* Other consists of miscellaneous sales that do not conform to the prescribed commission sales.

Statement of Operations by Location

(for the year ended March 31, 2024 with comparative figures for 2023)
 (revenue and expenses directly related to sales per location)

Yellowknife Shop (\$000's)

					2024	2023
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Consumers	5,837	2,245	4,145	1,573	13,800	14,970
Licensees	832	491	1,386	281	2,990	3,188
	6,669	2,736	5,531	1,854	16,790	18,158
Cost of goods sold	2,227	1,365	2,451	860	6,903	7,370
Gross margin	4,442	1,371	3,080	994	9,887	10,788
Other income					-	-
Operating expenses					2,438	2,810
Net income					7,449	7,978

Yellowknife Store (\$000's)

					2024	2023
	Spirits	Wine	Beer	Coolers	Total	Total
Sales						
Consumers	5,985	2,323	3,071	1,013	12,392	13,262
Licensees	-	-	-	-	-	-
	5,985	2,323	3,071	1,013	12,392	13,262
Cost of goods sold	1,872	1,105	1,372	463	4,812	5,047
Gross margin	4,113	1,218	1,699	550	7,580	8,215
Other income					-	-
Operating expenses					1,335	1,283
Net income					6,245	6,932

Statement of Operations by Location, Cont.

(for the year ended March 31, 2024 with comparative figures for 2023)
 (revenue and expenses directly related to sales per location)

Inuvik Operations

(\$000's)

	Spirits	Wine	Beer	Coolers	2024 Total	2023 Total
Sales						
Consumers	3,743	627	2,106	954	7,430	7,379
Licensees	111	19	332	83	545	497
	3,854	646	2,438	1,037	7,975	7,876
Cost of goods sold	1,208	289	1,075	496	3,068	2,923
Gross margin	2,646	357	1,363	541	4,907	4,953
Other income					-	-
Operating expenses					874	946
Net income					4,033	4,007

Hay River Operations

(\$000's)

	Spirits	Wine	Beer	Coolers	2024 Total	2023 Total
Sales						
Consumers	1,709	454	1,471	491	4,125	4,927
Licensees	513	23	598	56	1,190	1,345
	2,222	477	2,069	547	5,315	6,272
Cost of goods sold	681	206	847	242	1,976	2,310
Gross margin	1,541	271	1,222	305	3,339	3,962
Other income					-	-
Operating expenses					911	1,003
Net income					2,428	2,959

Statement of Operations by Location, Cont.

(for the year ended March 31, 2024 with comparative figures for 2023)
 (revenue and expenses directly related to sales per location)

Norman Wells Operations

(\$000's)

	Spirits	Wine	Beer	Coolers	2024 Total	2023 Total
Sales						
Consumers	1,331	154	810	161	2,456	2,477
Licensees	26	8	70	11	115	11
	<u>1,357</u>	<u>162</u>	<u>880</u>	<u>172</u>	<u>2,571</u>	<u>2,588</u>
Cost of goods sold	<u>422</u>	<u>79</u>	<u>504</u>	<u>89</u>	<u>1,094</u>	<u>922</u>
Gross margin	935	83	376	83	1,477	1,666
Other income					-	-
Operating expenses					<u>615</u>	<u>660</u>
Net income					862	1,006

Fort Smith Operations

(\$000's)

	Spirits	Wine	Beer	Coolers	2024 Total	2023 Total
Sales						
Consumers	1,014	262	971	400	2,647	3,086
Licensees	48	5	97	19	169	178
	<u>1,062</u>	<u>267</u>	<u>1,068</u>	<u>419</u>	<u>2,816</u>	<u>3,264</u>
Cost of goods sold	<u>338</u>	<u>120</u>	<u>434</u>	<u>179</u>	<u>1,071</u>	<u>1,205</u>
Gross margin	724	147	634	240	1,745	2,059
Other income					-	-
Operating expenses					<u>545</u>	<u>663</u>
Net income					1,200	1,396

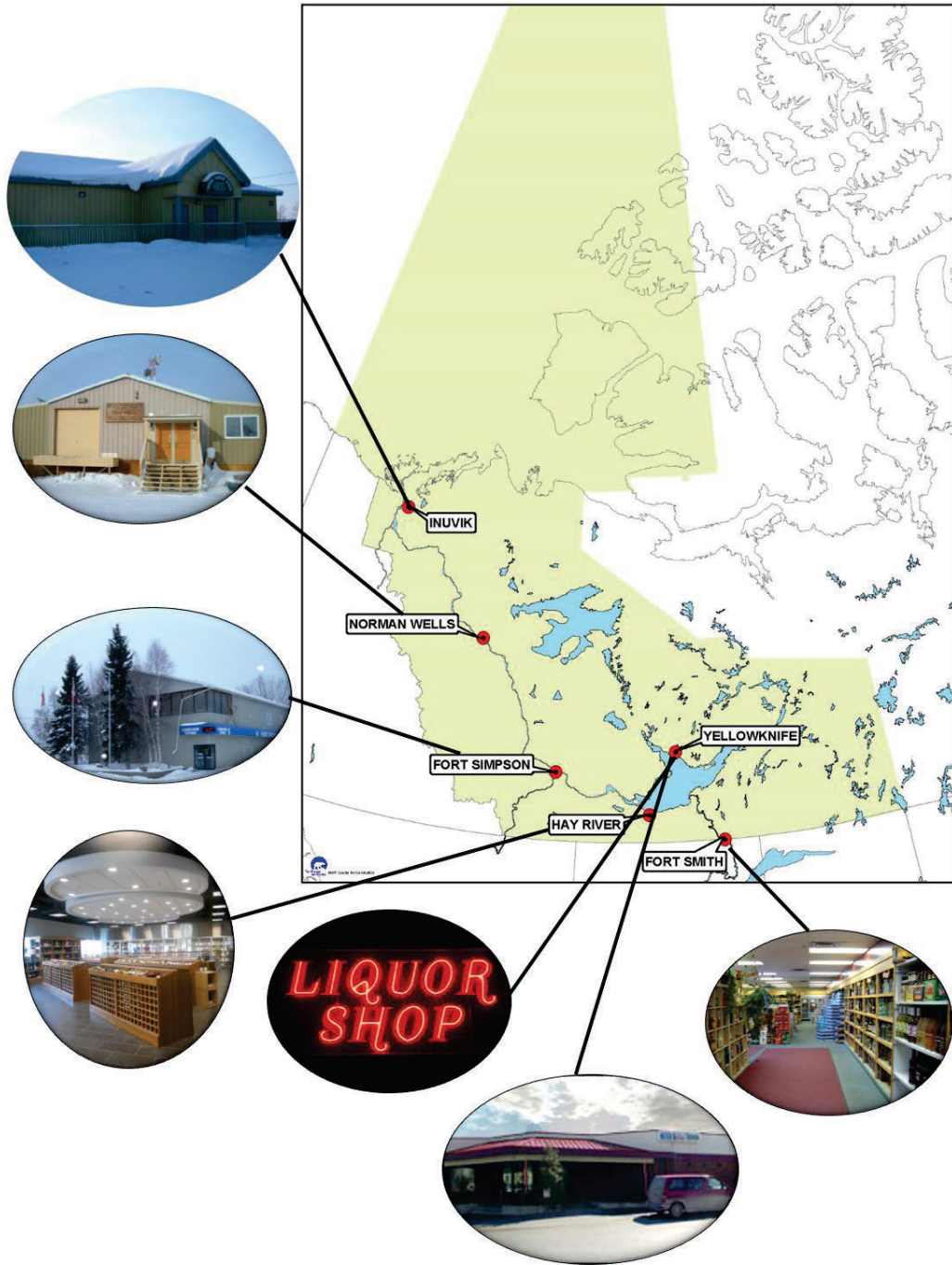
Statement of Operations by Location, Cont.

(for the year ended March 31, 2024 with comparative figures for 2023)
 (revenue and expenses directly related to sales per location)

Fort Simpson Operations (\$000's)

	Spirits	Wine	Beer	Coolers	2024 Total	2023 Total
Sales						
Consumers	1,336	153	616	281	2,386	2,430
Licensees	99	3	98	27	227	186
	<u>1,435</u>	<u>156</u>	<u>714</u>	<u>308</u>	<u>2,613</u>	<u>2,616</u>
Cost of goods sold	<u>404</u>	<u>65</u>	<u>272</u>	<u>130</u>	<u>871</u>	<u>867</u>
Gross margin	1,031	91	442	178	1,742	1,749
Other income					-	-
Operating expenses					<u>516</u>	<u>544</u>
Net income					<u>1,226</u>	<u>1,205</u>

Store Locations





Report on Cannabis



Mandate

On June 1, 2018, the Legislative Assembly of the Northwest Territories enacted Bill 6, the “*Cannabis Legalization and Regulation Implementation Act*”, which legalized the sale and use of cannabis in the Northwest Territories once the federal legislation was passed.

The federal legislation, *Bill C45, Cannabis Act* was passed by Royal Assent June 21, 2018. Cannabis became legal for sale by order of the Governor in Council October 17, 2018; as the day on which certain provisions of the *Cannabis Act* Come into Force. The *Cannabis Act* was amended October 17, 2019, to include edible cannabis, cannabis extracts, and cannabis topicals.

The *Cannabis Legalization and Regulation Implementation Act* was amended March 31, 2020, to the *Cannabis Products Act and Regulations*, which authorizes the NTLCC to purchase, sell, classify, and distribute cannabis in the Northwest Territories.

Cannabis products are distributed from the NTLCC Cannabis warehouse in Hay River.

NWT residents can purchase cannabis at NTLCC liquor stores in Fort Smith, and Fort Simpson, and four private stores: two in Yellowknife, one in Hay River, and a newly opened one in Norman Wells. During 2023-24 the NTLCC liquor store in Norman Wells ceased sales of cannabis, as a new private store opened in the community.

NWT residents also have the option to purchase cannabis on-line from ReLeaf NT, one of the private stores in Yellowknife, the only legal NWT on-line store.

Operations

To respond to the needs and concerns of our customers and stakeholders in the fiscal year 2023–2024 we:

- Delivered a wide variety of quality cannabis products through our network of NWT stores and our on-line store.
- Promoted safe and responsible use of cannabis.

Strategic Objectives

Goal #1 – Management & Compliance

Operations are managed efficiently and comply with legislation, regulation, and policy.

Performance Highlights

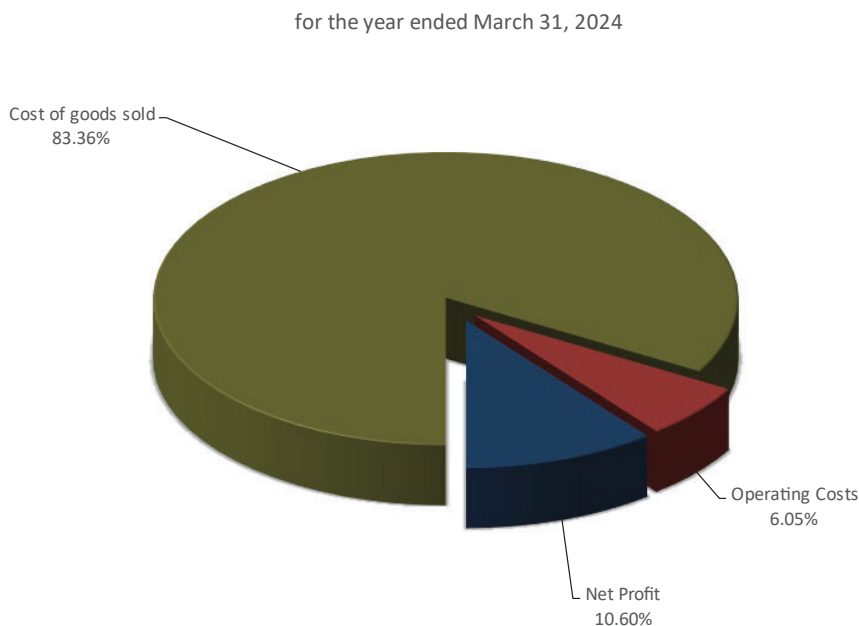
The operational structure of the NTLCC is designed to deliver optimal service levels for the best possible costs and consists of a headquarters administrative staff of ten and a network of two consignment stores operated by private contractors in conjunction with our liquor stores, four private cannabis retail stores, including one also operating as an online cannabis store.

Cannabis inventory is owned by the NTLCC until it is sold to the retail customer from the Liquor Stores selling cannabis and wholesaled to the Private Stores.

Operational compliance with contracts, regulation and legislation, by the retail stores was maintained throughout the year. The operations of all contracted retail stores selling cannabis product are monitored monthly and visited periodically by headquarters management.

Application of Revenues

The cost to deliver the sales and administration of cannabis product throughout the year was 6.05% of sales revenue, of which 2.50% was paid to liquor retail stores for selling cannabis in commissions.



Goal #2 – Social Responsibility

Actively and continuously promote the responsible use of cannabis.

Performance Highlights

The NTLCC supports the responsible use of cannabis through various awareness programs and initiatives.

The NTLCC participates with the Canadian Cannabis Jurisdictional Leadership (CCJL) Social Responsibility Subcommittee in support of socially responsible cannabis retailing on a nationwide basis. NTLCC works with the other jurisdictions to identify opportunities for collaboration, share best practices and evidence-informed education and streamline social responsibility efforts.

The committee works together to facilitate a space and community for knowledge sharing and partnership among jurisdictions. We work together to ensure cannabis messaging is current and standardized as much as possible across jurisdictions, with the focus being on responsible consumption.

The NTLCC jointly supports the responsible use of cannabis with other GNWT departments including:

- Department of Health & Social Services – Health Effects of Cannabis,
- Worker’s Safety and Compensation Commission – Workplace Impairment
- NTLCC – “Recreational Vehicle: Choose to be UnImpaired”.
- CRISM - Canada’s Lower-Risk Cannabis Use Guidelines
- Department of Infrastructure – Drug Impaired Driving

Goal #3 – Financial Targets

Meet financial income targets.

Performance Highlights

The NTLCC’s annual surplus decreased (1.74%) from the previous fiscal year. The change in Gross Profit Percentage from 2021 to current is a result of a change in sales model from consignment to private stores in Yellowknife, Hay River and now Norman Wells, as well as the private online store. Private Stores purchase Cannabis from the NTLCC at a wholesale price rather than receiving a commission on sales. Operating expenses have declined due to the closure of the NTLCC’s own online store. They are starting to increase as we become better able to identify and allocate the resources required for the operations.

Five Year Performance History

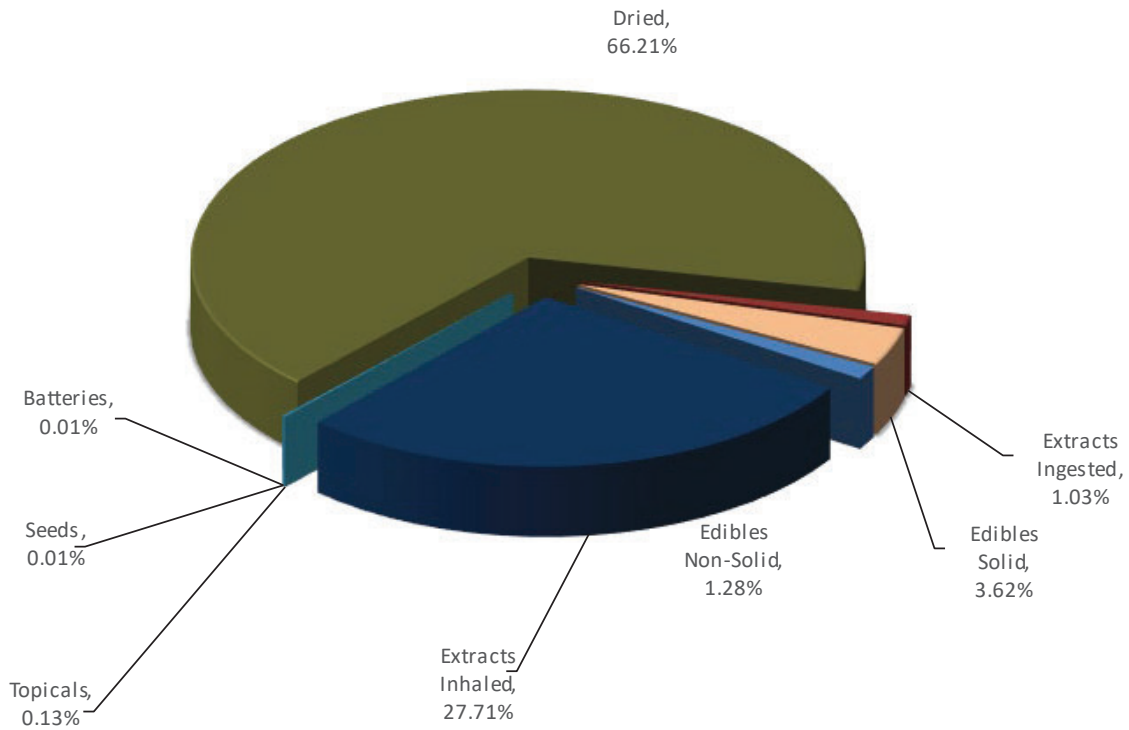
for the year ending March 31
(000's)

	2024	2023	2022	2021	2020
Gross Sales	8,437	7,566	7,447	5,141	3,252
Gross Profit	1,405	1,305	1,405	1,581	1,200
as a % of sales	16.7%	17.2%	18.9%	30.8%	36.9%
Net Surplus	895	911	818	709	405
as a % of sales	10.6%	12.0%	11.0%	13.8%	12.5%
Operating Expenses	510	394	587	872	795
as a % of sales	6.0%	5.2%	7.9%	17.0%	24.4%

Cannabis Dollar Sales by Category

Dollar Sales of Cannabis by Sales Category; Dried Cannabis represents 66.21% of product sold in the NWT, Extracts Ingested 1.03%, Edibles Solid 3.62%, Edibles Non-Solid 1.28%, Extracts Inhaled 27.71%, Topicals 0.13%, and both Seeds and other at 0.01%.

for the year ended March 31, 2024

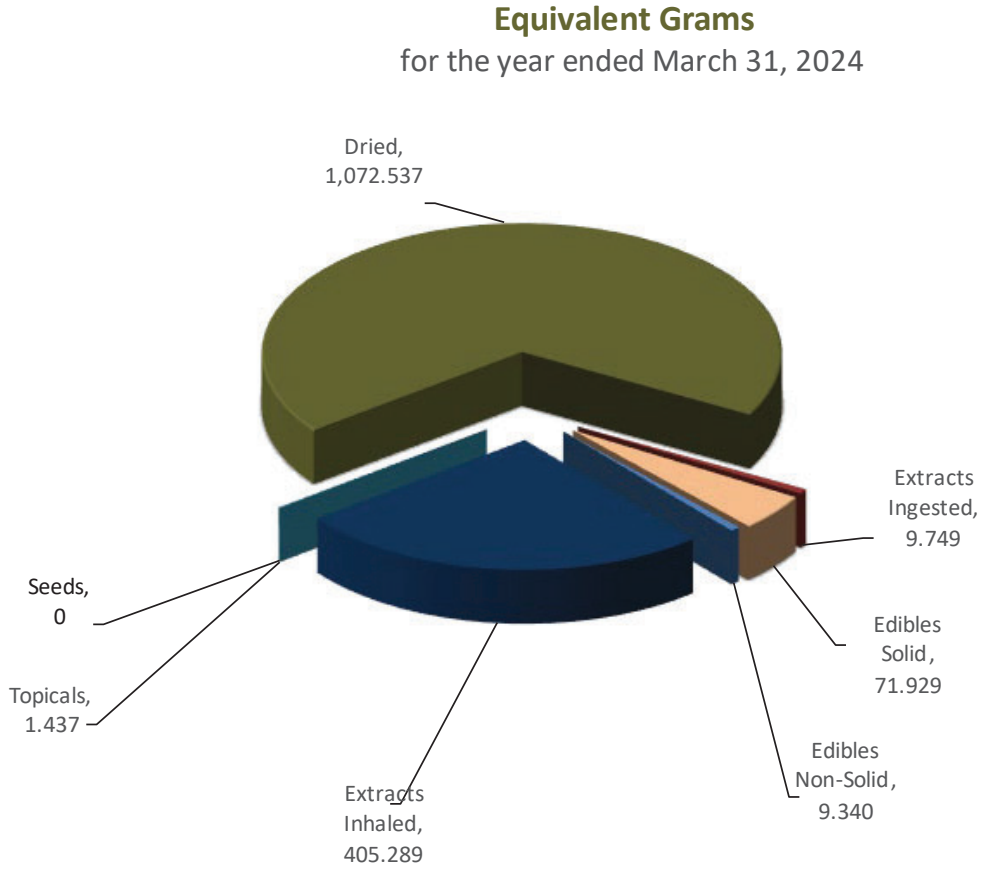


Dollar Sales by Category

for the year ending March 31
(000's)

	Extracts		Edibles		Edibles	Extracts	Topicals	Seeds	Batteries	Total
	Dried	Ingested	Solid	Non-Solid	Inhaled					
2021	4,324	326	126	50	283	0	3	30	5,141	
2022	5,465	255	254	104	1,318	23	23	5	7,447	
2023	5,653	161	277	103	1,349	21	1	1	7,566	
2024	5,586	87	305	108	2,338	11	1	1	8,437	

Cannabis Volume Sales by Category



Volume Sales by Category

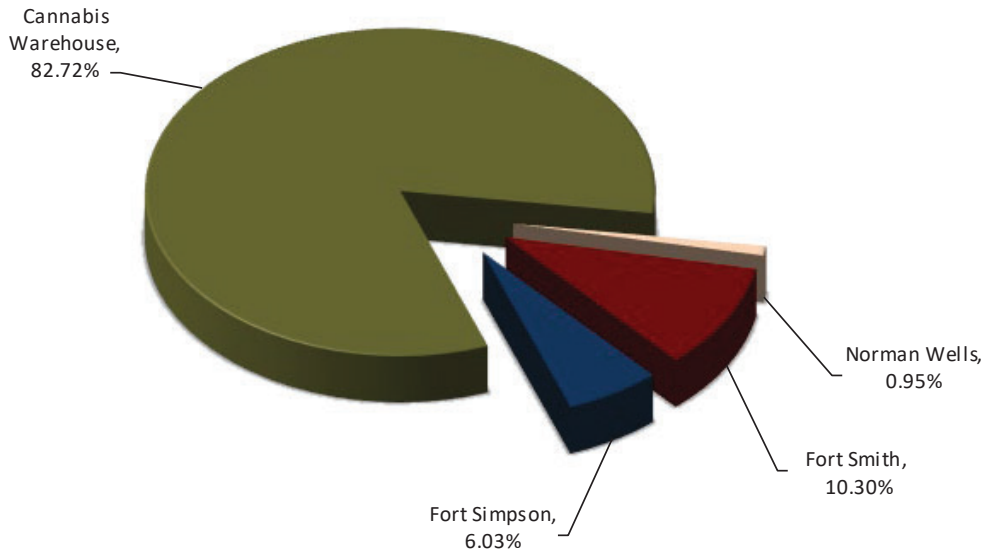
for the year ending March 31
(\$000's)

Cannabis, Grams and Equiv:	2024	2023	2022	2021
Dried	1072.537	626.429	676.17	482.68
Extracts Ingested	9.749	9.996	7.87	15.52
Edibles Solid	71.929	94.461	42.49	22.95
Edibles Non-Solid	9.34	11.676	69.04	45.96
Extracts Inhaled	405.289	167.668	104.16	10.54
Topicals	1.437	3.044	0.47	-
Seeds **	0	280	640	264

** Seeds are reported by total number of seeds

Store Operations

Location Sales
for the year ending March 31, 2024



Sales by Location

for the year ending March 31
(000's)

	2024	2023	2022	2021	Increase (Decrease)
On-line Store	-	-	8	20	-
Yellowknife Shop	-	-	-	1,730	-
Hay River	-	-	448	740	-
Cannabis Warehouse	6,979	6,037	5,547	1,453	942
Norman Wells	80	341	344	335	(261)
Fort Smith	869	729	641	444	140
Fort Simpson	509	459	459	419	50
	8,437	7,566	7,447	5,141	871

Statement of Operations by Location

(for the year ended March 31, 2024, with comparative figures for 2023)
 (revenue and expenses directly related to sales per location)

Norman Wells Operations

(\$000's)

	Extracts		Edibles		Edibles		Extracts		2024	2023
	Dried	Ingested	Solid	Non-Solid	Inhaled	Topicals	Seeds	Other	Total	Total
Sales										
Consumers	66	1	-	-	13	-	-	-	80	341
Cost of goods sold	49	1	-	-	10	-	-	-	60	238
Gross margin	17	0	-	-	3	-	-	-	20	103
Operating expenses									11	49
Net income									9	54

Fort Smith Operations

(\$000's)

	Extracts		Edibles		Edibles		Extracts		2024	2023
	Dried	Ingested	Solid	Non-Solid	Inhaled	Topicals	Seeds	Other	Total	Total
Sales										
Consumers	572	20	24	13	238	1	-	1	869	729
Cost of goods sold	343	12	14	8	143	1	-	1	520	495
Gross margin	229	8	10	5	95	-	-	-	349	234
Operating expenses									126	106
Net income									223	128

Statement of Operations by Location, cont.

(for the year ended March 31, 2024, with comparative figures for 2023)
(revenue and expenses directly related to sales per location)

Fort Simpson Operations

(\$000's)

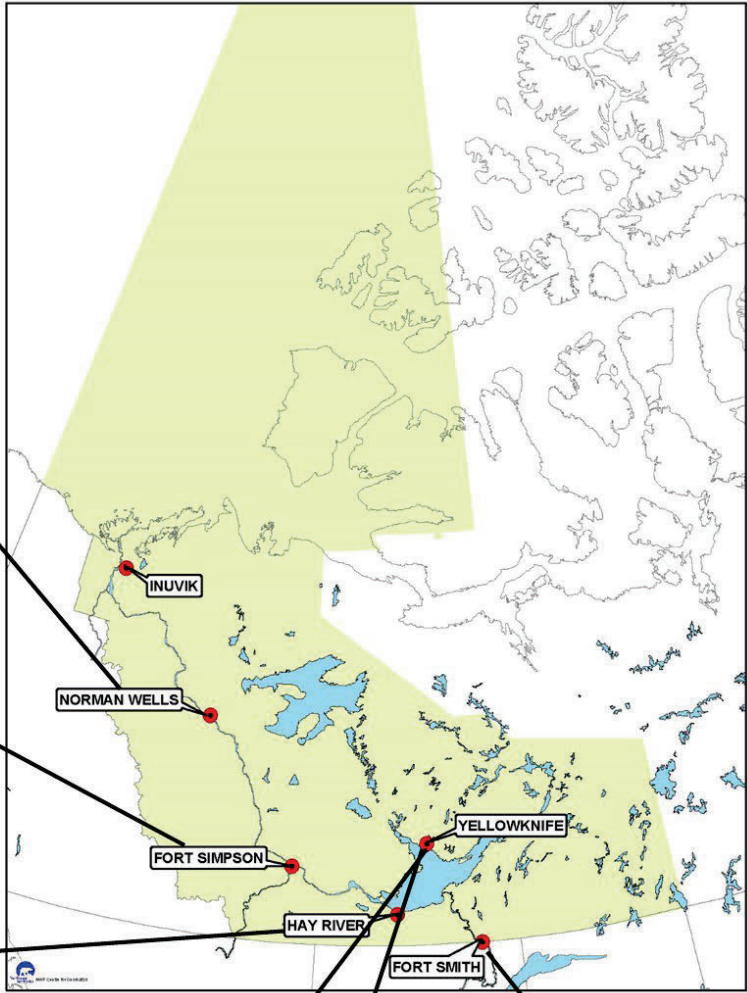
	Extracts		Edibles	Edibles	Extracts				2024	2023
	Dried	Ingested	Solid	Non Solid	Inhaled	Topicals	Seeds	Other	Total	Total
Sales										
Consumers	397	6	12	5	88	1	-	-	509	459
Cost of goods sold	320	5	10	4	71	1	-	-	410	316
Gross margin	77	1	2	1	17	0	-	-	99	143
Operating expenses									73	66
Net income									26	77

Cannabis Warehouse

(\$000's)

	Extracts		Edibles	Edibles	Extracts				2024	2023
	Dried	Ingested	Solid	Non Solid	Inhaled	Topicals	Seeds	Other	Total	Total
Sales										
Consumers	4,552	60	268	91	2,000	8	-	-	6,979	6,037
Cost of goods sold	3,941	52	232	79	1,732	7	-	-	6,042	5,212
Gross margin	611	8	36	12	268	1	-	-	937	825
Operating expenses									299	286
Net income									539	539

Store Locations



The map displays the Northwest Territories with a light green shaded area indicating the commission's jurisdiction. Six red dots mark the store locations: Inuvik, Norman Wells, Fort Simpson, Hay River, Yellowknife, and Fort Smith. Lines connect these dots to various images: Inuvik to a building photo; Norman Wells to another building photo; Fort Simpson to the 'IT'S 4:20 Somewhere CANNABIS' logo; Yellowknife to the 'TRAILBLAZERS CANNABIS SHOP' logo; Hay River to the 'releaf nt' logo; and Fort Smith to an interior photo of a store.

IT'S 4:20 Somewhere CANNABIS

TRAILBLAZERS CANNABIS SHOP

releaf nt



Audited Financial Report Statements

2022 - 2023

Northwest Territories Liquor & Cannabis Commission

Financial Statements

Year ended March 31, 2024

Northwest Territories Liquor & Cannabis Commission

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March 31, 2024

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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
June 30, 2024

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, 2024, 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, 2024, 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.

The logo for Ashton Chartered Professional Accountants, featuring the word "Ashton" in a stylized, handwritten-style font.

Hay River, Northwest Territories
June 28, 2024

Ashton Chartered Professional Accountants

Northwest Territories Liquor & Cannabis Commission

Statement of Financial Position

As at March 31 (\$000)	2024	2023
Financial Assets		
Cash	\$ 3,839	\$ 4,637
Accounts receivable	822	151
Inventories for resale (note 3)	3,227	3,104
	<u>7,888</u>	<u>7,892</u>
Financial Liabilities		
Accounts payable and accrued liabilities (note 7)	2,130	1,676
Pension and other employee benefits (note 4)	54	62
Due to the NWT Liquor Licensing Board (note 5)	117	92
	<u>2,301</u>	<u>1,830</u>
Net Financial Assets	<u>5,587</u>	<u>6,062</u>
Non-Financial Assets		
Tangible capital assets (note 6)	351	434
Prepaid expenses	166	115
	<u>517</u>	<u>549</u>
Accumulated Surplus	<u>\$ 6,104</u>	<u>\$ 6,611</u>

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)

	2024	2024	2023
	Budget	Actual	Actual
Sales			
Spirits	\$ 23,751	\$ 22,607	\$ 23,904
Wine	8,537	6,861	7,453
Beer	19,141	15,873	17,545
Coolers and Ciders	5,784	5,356	5,472
Cannabis	9,487	8,437	7,566
	66,700	59,134	61,940
Cost of goods sold			
Spirits	7,253	7,153	7,458
Wine	3,945	3,271	3,525
Beer	7,958	6,954	7,426
Coolers and Ciders	2,456	2,458	2,371
Cannabis	7,808	7,033	6,261
	29,420	26,869	27,041
Gross profit on sales	37,280	32,265	34,899
Other income			
Government contribution - services provided without charge (note 7)	-	1	6
Import fees and Income	8	7	9
	8	8	15
Expenses (notes 7)			
Commissions to agents - Liquor	7,176	6,041	6,510
Commissions to agents - Cannabis	216	211	221
Licensee Discounts	581	523	554
Salaries, wages and employee benefits	1,251	1,279	1,270
Administration - Liquor	710	652	801
Administration - Cannabis	150	152	173
Travel	30	38	26
Rent	352	329	313
Amortization of tangible capital assets (note 6)	109	122	120
Professional Fees	42	42	43
	10,617	9,389	10,031
Annual surplus	\$ 26,671	\$ 22,884	\$ 24,883

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)	2024		2023	
	Budget	Actual	Actual	
Accumulated surplus, beginning of the year	\$ 6,611	\$ 6,611	\$	8,452
Annual surplus	26,671	22,884		24,883
Amounts transferred to the Consolidated Revenue Fund	(25,900)	(22,900)		(26,233)
Amounts Transferred to the NWT Liquor Licensing Board (note 5)	(771)	(491)		(491)
Increase in accumulated surplus	-	(507)		(1,841)
Accumulated surplus, end of year	\$ 6,611	\$ 6,104	\$	6,611

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)	2024		2024		2023	
	Budget		Actual		Actual	
Net financial assets, beginning of year	\$	6,062	\$	6,062	\$	7,951
Items affecting net financial resources:						
Increase (decrease) in accumulated surplus		-		(507)		(1,841)
Net investment in tangible capital assets:						
Acquisitions		-		(39)		(145)
Amortization expense		109		122		120
Increase in prepaid expenses		-		(51)		(23)
Net financial assets, end of year	\$	6,171	\$	5,587	\$	6,062

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)	2024	2023
Operating activities		
Cash received from customers	\$ 59,219	\$ 61,870
Cash paid to employees and suppliers	(36,612)	(37,240)
Cash provided by operating activities	22,607	24,630
Capital activities		
Purchase of tangible capital assets	(39)	(145)
Financing activities		
Cash transferred to the Consolidated Revenue Fund	(22,900)	(26,233)
Cash transferred to the NWT Licensing Board	(466)	(513)
Cash provided by financing activities	(23,366)	(26,746)
Change in cash	(798)	(2,261)
Cash, beginning of year	4,637	6,898
Cash, end of Year	\$ 3,839	\$ 4,637

The accompanying notes are an integral part of the financial statements.

Northwest Territories Liquor & Cannabis Commission

Notes to Financial Statements

March 31, 2024 (\$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, 2024 the Fund's assets exceeded the liabilities by \$5,587 (2023 – \$6,062).

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.

Northwest Territories Liquor & Cannabis Commission

Notes to Financial Statements

March 31, 2024 (\$000)

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
Leasehold improvements	Over the life of the lease plus any additional renewal period

Northwest Territories Liquor & Cannabis Commission

Notes to Financial Statements

March 31, 2024 (\$000)

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

	2024	2023
Spirits	\$ 1,171	\$ 1,163
Wine	531	531
Beer	821	694
Coolers and ciders	298	258
Cannabis	406	458
	\$ 3,227	\$ 3,104

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.

Northwest Territories Liquor & Cannabis Commission

Notes to Financial Statements

March 31, 2024 (\$000)

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 11, 2022. The results were extrapolated to March 31, 2024. The values presented below are for all the benefits under the Compensated Absences and Termination Benefits for the Commission.

	2024			2023		
	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	\$ 77	\$ 14	\$ 92	\$ 88	\$ 14	\$ 102
Current Service Costs	2	1	3	2	1	4
Actuarial (gain)/loss	7	(1)	7	4	1	5
Interest Cost	4	1	4	0	(1)	(1)
Benefits paid during the year	(21)	(1)	(22)	(17)	(1)	(18)
Accrued benefit obligation,						
end of the year	\$ 69	\$ 14	\$ 84	\$ 78	\$ 14	\$ 92
Unamortized net actuarial gain (loss)	(6)	(24)	(30)	1	(30)	(29)
Accrued benefit (liability)/asset	\$ 63	\$ (9)	\$ 54	\$ 79	\$ (16)	\$ 63

Northwest Territories Liquor & Cannabis Commission

Notes to Financial Statements

March 31, 2024 (\$000)

4. Other employee future benefits (continued)

	<u>2024</u>	<u>2023</u>
Expected inflation rate	2.0%	2.0%
Discount rate used to determine the accrued benefit obligation	5.3%	4.8%
Expected average remaining service life of related employee groups (EARSL)	10.3	10.3

Timing of expected payments for other employee benefits are as follows:

2025	\$	13
2026		17
2027		13
2028		11
2029		9
2030 and beyond		<u>36</u>
	\$	<u>99</u>

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.

Northwest Territories Liquor & Cannabis Commission

Notes to Financial Statements

March 31, 2024 (\$000)

6. Tangible capital assets

	Computer				
	Furniture and	hardware	Leasehold	2024	2023
	fixtures	and software	improvements		
Cost:					
Opening balance	\$ 145	\$ 891	\$ 860	\$ 1,896	\$ 1,751
Acquisitions	2	17	20	39	144
Disposals and write-downs	-	-	-	-	-
Closing balance	147	908	880	1,935	1,895
Accumulated Amortization:					
Opening balance	(132)	(741)	(589)	(1,462)	(1,341)
Amortization	(5)	(77)	(40)	(122)	(120)
Disposals and write-downs	-	-	-	-	-
	(137)	(818)	(629)	(1,584)	(1,461)
Net book value	\$ 10	\$ 90	\$ 251	\$ 351	\$ 434

Northwest Territories Liquor & Cannabis Commission

Notes to Financial Statements

March 31, 2024 (\$000)

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 \$1,278 (2023 – \$1,270) 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 \$1 (2023 – \$6). 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 \$147 (2023 – \$153) for bottle deposits payable to the Department of Environment and Natural Resources, \$219 (2023 – \$80) for salaries, wages, and employee benefits payable to the Department of Finance, and \$0 (2022 - \$0) other various Government Departments.

8. Contractual obligations

The Commission has a five-year lease agreement ending April 30, 2026 for its office premises. The Commission also has a five-year lease agreement ending September 30, 2026 with the option of extending the lease for one further term of five years for the Hay River Liquor Store. The minimum annual lease payments for the leases over the next five year(s) are:

2024/25	\$ 248
2025/26	\$ 248
2026/27	\$ 88

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.



**70th Annual Report
2023-2024**





June 24th, 2024

Honourable Caroline Wawzonek
Minister Responsible for the NWT Liquor Licensing Board

Dear Minister Wawzonek:

In accordance with the *Liquor Act*, I am pleased to present the Northwest Territories Liquor Licensing Board's 2023 - 2024 Annual Report.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Louis Sebert'. The signature is fluid and cursive, with a prominent initial 'L'.

Louis Sebert
Chairperson

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Board Overview

The Northwest Territories Liquor Licensing Board (the Board) is established under Subsection 2(1) of the Northwest Territories *Liquor Act*. The Minister of Finance appoints Board Members for a term of three years.

The Board is a regulatory and quasi-judicial administrative tribunal that is independent from government. The Board administers several parts of the NWT *Liquor Act* and the NWT *Liquor Regulations*.

The Liquor Licensing Board regulates:

- the issuance of Licences and Permits;
- liquor sales and service in restaurants, bars, and at special events; and
- the manufacture of liquor.

The Board also adjudicates alleged violations of liquor laws by Licence Holders.

Board Members and Staff

Louis Sebert – Chairperson

Paul Falvo – Board Member

Michael Hansen - Board Member

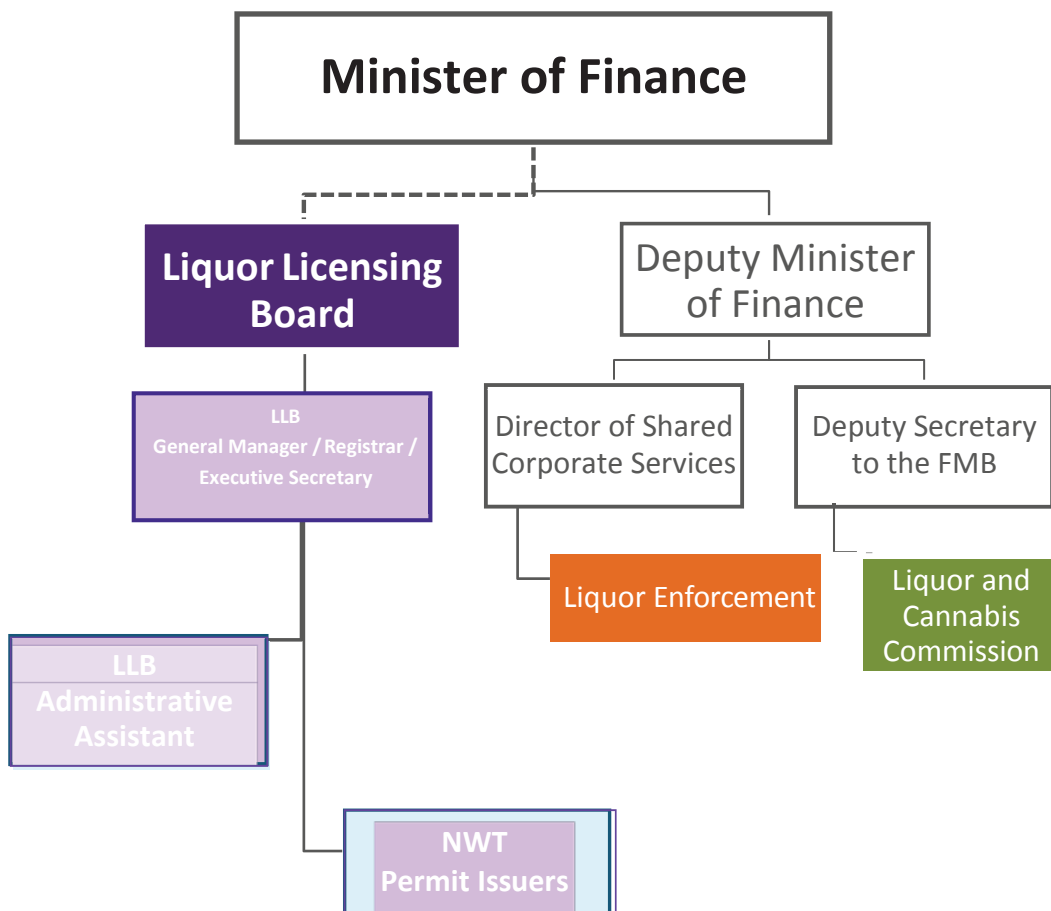
Jaimie Graham – General Manager/Registrar/Executive Secretary

Harley Beaulieu - Administrative Assistant

In addition to the Liquor Licensing Board, the Northwest Territories liquor system also includes:

- Liquor Enforcement – Inspections of licensed premises, educating Licence and Permit Holders, and enforcement of liquor laws and Board conditions.
- Liquor and Cannabis Commission – Purchasing and retail sales of liquor.

Each of the three liquor entities is established by the *Liquor Act* and is **independent from each of the other two**. The Board, while at arm’s length from the Liquor and Cannabis Commission and Enforcement, often interacts with them on matters of mutual interest.



Board Activity

Total Meetings

Board Meeting Type	2022 - 2023	2023-2024
Orientation	0	0
Administrative	0	1
Teleconferences	0	0
Public Hearings	0	0
Compliance Hearings	0	0
Total	0	1

Administration and Orientation Meetings

The Board proposed legislative amendments to the GNWT Department of Finance in order to modernize the Board-related provisions of the *Liquor Act* and its Regulations. Where possible, the Board meets by teleconference, but it also meets in person where other business such as compliance hearings are scheduled. In this reporting period, any Board items were primarily performed by email, and there was one administrative in-person meeting.

Licence Applications and Public Hearings

The Board must consider each application for a liquor licence and other specific requests. Most often applications are dealt with by the Executive Secretary, but there may be times the Board must meet in person and/or conduct a public hearing of an application.

Compliance Hearings

Where Liquor Enforcement alleges that a Licence Holder has failed to comply with the *Liquor Act* or a condition of their liquor licence, the matter may be brought before the Board for adjudication.

As with other administrative tribunals, the Board does not operate on a cost recovery basis. Applying that requirement could impact the rights of parties to fair and unbiased decision-making. Just as there is no cost recovery requirement for policing and the Courts, the cost of administering and enforcing the *Liquor Act* and its Regulations is balanced against the requirements of procedural fairness.

One of the key requirements of administrative justice is to hear matters in a timely manner. A person accused of a statutory or regulatory infraction has the right to have the matter heard without undue delay.

Should the Board find a Licence Holder is noncompliant, a monetary penalty may be ordered. A licence may also be suspended for up to one year, or cancelled.

There were no compliance hearings conducted during this reporting period.

Liquor Licences

The Liquor Licensing Board regulates liquor sales and service in licensed premises and at special events. The Board also regulates liquor manufacturers. A person, company, or organization that holds a Liquor Licence is known as a Licence Holder. There are six types of Liquor Licences:

Class A (liquor primary) - allows a Licence Holder to sell liquor to patrons in a bar or similar business. The business must generate revenue primarily from the sale and service of liquor.

Class B (food primary) - allows a Licence Holder to sell liquor to patrons in a restaurant or similar business. The business must generate revenue primarily from the sale and service of meals.

Class C (mobile) - allows a Licence Holder to sell and serve liquor under one of three circumstances:

- Catering – where someone other than the Licence Holder hosts events at various locations, and the Licence Holder’s primary source of revenue is derived from catering food.
- Ship – where the Licence Holder operates a ship that generates revenue primarily from the sale and service of food, entertainment or services related to tourism.
- Special Events – where the Licence Holder organizes special events from time to time, and revenue is primarily generated from the sale and service of entertainment.

Class D (liquor incidental) - allows a Licence Holder to sell and serve liquor under one of five circumstances:

- Canteen – The Licence Holder is an authorized organization operating a canteen for its authorized patrons. An authorized organization includes a division of the military, the RCMP, and a fire department.
- B & B, Lodge – The Licence Holder operates a bed & breakfast or a remote lodge, and the sale or use of liquor is for its authorized patrons.
- Community, Recreational, Cultural Activities – the Licence Holder operates a facility that provides benevolent, philanthropic, charitable, religious, scientific, artistic, musical, literary, social, educational, recreational, sporting or other like activities, and the sale or use of liquor is for its authorized patrons.
- Tourist Facility – The Licence Holder operates a tourist facility without a licensed premises, but has a mini-bar extension.
- Personal Services – The Licence Holder operates a business that offers to the public hair styling or barber services, nail or skin care services or therapeutic massage services, and the use of liquor is for its authorized patrons.

Manufacturing Licence - authorizes the Licence Holder to manufacture a specified type of liquor. The holder of a Manufacturing Licence may only sell its manufactured liquor to the NWT Liquor and Cannabis Commission or to a liquor commission or other similar authority outside the Northwest Territories.

Manufacturer’s Retail Outlet Licence - A Manufacturer’s Retail Outlet Licence may only be issued to a person who holds a Manufacturing Licence. A Manufacturer’s Retail Outlet Licence authorizes the Licence Holder to operate a retail outlet within the manufacturing facility in order to sell its own liquor to the public, including Licence and Permit Holders.

Total Liquor Licences

Community	Class A	Class B	Class C	Class D	MFG.	Retail Outlet	2023-24	2022-23
Fort Providence	2	1	0	0	0	0	3	3
Fort Simpson	1	1	0	2	0	0	4	4
Fort Smith	1	1	0	2	0	0	4	4
Hay River	2	3	0	5	0	0	9	12
Inuvik	2	3	0	4	0	0	9	7
Norman Wells	2	2	0	2	0	0	6	6
Remote Lodges	-	-	-	7	-	-	7	8
Yellowknife	12	21	1	10	1	1	46	48
Total	21	32	1	32	1	1	88	92

Special Occasion Permits

There are three types of Special Occasion Permits (SOP's):

Class 1 - Anyone 19 years of age or older may apply for a Class 1 Permit. There must not be an admission charge for the event and liquor may not be directly or indirectly sold. A Class 1 permit is intended for events where liquor is given to guests such as a business "meet and greet" where wine is served, or a wedding reception with an open bar.

Class 2 (resale) - Anyone 19 years of age or older may apply for a Class 2 Permit. Liquor may be sold, but not for a profit. The Board sets the maximum amount a Permit Holder may charge for liquor, and presently, the limit is \$5.00 per drink. This class of permit is intended for events where the organizer wants to provide liquor but does not want to give it away. The per-drink limit is intended to offset some of the organizer's costs.

Class 3 (fundraising) - Class 3 Resale Permits are available to organizations only, and not to individuals. Organizations eligible for a Class 3 permit include:

- a society incorporated under the *Societies Act*;
- a body incorporated under *Part II* of the *Canada Corporations Act*;
- a service club that holds a premises licence; or
- an unincorporated group of persons that:
 - i. has been in existence for a period not less than six months before the date of application,
 - ii. has an executive elected by its members, and
 - iii. conducts a community, recreational or cultural activity, and does not carry on a trade or business for the pecuniary gain of its members.

After the event, a Class 3 Permit Holder must provide the Board with a statement of account, which reflects the profit from liquor sales and the purpose to which the proceeds will be put.

Total Special Occasion Permits

Community	Class 1	Class 2	Class 3	2023-24	2022-23
Fort Providence	0	0	1	1	8
Fort Resolution	0	0	0	0	1
Fort Simpson	0	1	8	9	13
Fort Smith	7	17	9	33	26
Hay River	9	4	50	63	45
Inuvik	1	2	19	22	21
Norman Wells	0	1	2	3	3
Ulukhaktok	0	0	0	0	1
Yellowknife	103	20	94	217	196
*Total	120	45	183	348	314

*Please note that totals reflect issued permits and do not reflect actual events, as some permits did not occur due to the wildfire evacuations in the Northwest Territories during this reporting period - some permit holders were issued a refund in these specific exceptional circumstances.

Special Purpose Permits

A Special Purpose Permit authorizes a Permit Holder to possess and use liquor for a medicinal, scientific or other special purpose. All applications for Special Purpose Permits require the approval of the Liquor Licensing Board.

The Liquor Licensing Board may issue a Special Purpose Permit to:

- a medical practitioner, dentist, nurse practitioner, registered midwife or veterinarian;
- a person requiring liquor for a legitimate scientific or research purpose; or
- a person in charge of a facility that provides health services pursuant to the *Hospital Insurance and Health and Social Services Administration Act*, or a person in charge of a nursing home.

There were three Special Purpose Permits in effect on March 31st, 2024.

Board Office

The Liquor Licensing Board office is located in Hay River.

NWT Liquor Licensing Board
Suite 204 - 31 Capital Drive
Hay River, NT X0E 1G2

Toll-free: 1-800-351-7770

Phone: (867) 874-8715

Email: LLBinfo@gov.nt.ca

Website: www.fin.gov.nt.ca/services/liquor/liquor-licensing-board



Government of Northwest Territories
Gouvernement des Territoires du Nord-Ouest

NORTHWEST TERRITORIES LIQUOR ENFORCEMENT ANNUAL REPORT 2023-24

**SUITE 204 - 31 CAPITAL DRIVE
HAY RIVER NT X0E 1G2
PH: 867 874 8719
Cell: 867 875 7898
FAX: 867 874 8722
TOLL FREE: 1 800 351 7770**

ENFORCEMENT ACTIVITY

The Liquor Enforcement Division is responsible for ensuring compliance with the Northwest Territories Liquor Act, by supervising liquor inspectors, conducting liquor inspections, and administering community options on behalf of communities.

Contracted liquor inspectors monitor the activities of licensed premises by conducting liquor inspections at irregular intervals at licensed premises and at licensed special occasion permit functions where liquor is being served or sold. The inspection program strives for voluntary compliance through regular liquor inspections, training courses, newsletters, and on-site visits from the Manager of Enforcement. The inspections program targets high risk premises (those most likely to offend) for inspections more frequently than those considered to be a lower risk (e.g. Restaurants).

The RCMP also conducts walkthroughs at licensed premises and at licensed special occasion permit functions. The frequency of RCMP inspections are not reported to Enforcement, however, violations are reported to Liquor Enforcement when found.

INSPECTION OF LICENSED PREMISES

Community	Inspections	
	2022/23	2023/24
Fort Providence	18	16
Fort Simpson	17	40
Fort Smith	15	N/A
Hay River	196	121
Inuvik	39	N/A
Norman Wells	292	226
Yellowknife	726	630
TOTAL	1,300	1,033

Fluctuations in the number of inspections performed are affected by the availability of the inspectors and vacancies in inspector positions.

PUBLIC TRAINING

SafeServe Certification Program

Liquor Enforcement offers an online SafeServe Certification Program free of charge. SafeServe is an online certification program that provides responsible liquor service training. SafeServe is designed to ensure that liquor is sold and served in a way that keeps customers, guests, and others safe from alcohol-related harms.

The NWT online SafeServe Certification Program was released to Licence Holders on March 11, 2022 and released to the public on March 15, 2022. As of June 26, 2024, **990** individuals have completed this training.

Currently, the Liquor Licensing Board requires the on-site managers, bartenders, and servers to obtain training for licence renewals and some special occasion permit holders. The Liquor Commission also has the option to use the program for Vendors and their employees. SafeServe educates the license and permit holders on their responsibilities under the *Liquor Act and Regulations* and on-Board policy. The training covers recognizing intoxication, identifying minors, responsible serving, managing crowd control, providing a safe environment and liability issues.

Liquor Enforcement with Policy and Communications are in the final stages of development of policy guidelines to support the SafeServe Certification Program.

Special Occasions Permit Training

Liquor Enforcement is initiating the development of a training program focused on liquor service for those who are not in the liquor service industry, for non-paid positions, volunteers under Special Occasion Permits. The Training will focus on social responsibilities, providing a safe and enjoyable atmosphere at the event while reducing liability, understand and apply relevant liquor legislation.

COMMUNITY LIQUOR STATUS

Communities in the Northwest Territories can choose whether or not they will permit alcohol to be brought into the community or if the quantity of alcohol will be restricted or unrestricted. For more information and details by community, please refer to the information below.

BACKGROUND:

Communities in the Northwest Territories are classed as either:

Unrestricted There are no restrictions beyond those that are described in the *Liquor Act* and Regulations.

Restricted The restriction may limit the quantity and/or frequency of alcohol brought into a community; limit the quantity and hours of sale at a liquor store or require individuals to seek prior approval from a community alcohol education committee to bring in a limited amount of alcohol into a community.

Prohibited There is a complete ban on alcohol being brought into the community.

CURRENT STATUS:

1. Unrestricted Communities

Aklavik	Fort Simpson*	Norman Wells*
Behchokö	Fort Smith*	Sachs Harbour
Colville Lake	Hay River*	Tsiigetichic
Enterprise	Inuvik*	Wrigley
Fort Providence	Jean Marie River	Yellowknife*
Fort Resolution	Kakisa	

*These communities have licensed premises and/or a liquor store(s).

2. Restricted Communities

Déline	Fort McPherson	Tuktoyuktuk
Dettah	Fort Simpson	Tulita
Fort Good Hope	Paulatuk	Uluhuktuk
Fort Liard	Saamba Ke	

There are **two** types of restrictions that can apply:

- i) Through community options; or
- ii) The Minister may impose a restriction on the operating hours of a liquor store and/or the amount of liquor to be purchased in a certain period.

Déline

No person shall bring into the restricted area, in any 24-hour period, within a radius of 25km of the Déline Got'ine Government John Tetso office building, a quantity of liquor that exceeds the amounts described in any one of the following combinations:

- a) Combination 1: 1140 *ml* of spirits and 12 355 *ml* containers of beer;
- b) Combination 2: 1140 *ml* of spirits and two *litres* of wine;
- c) Combination 3: 12 355 *ml* containers of beer and two *litres* of wine;
- d) Combination 4: 24 355 *ml* containers of beer and one *litre* of wine.

Combinations do not apply to a person authorized by the Déline Got'ine Government to bring into and possess in the restricted area greater quantities of liquor for consumption at a wedding, community dance or other special event.

Dettah

No person shall at any time have in his or her possession in, or in any month take into Dettah a quantity of liquor that is in excess of the following combinations:

- a) Twelve 355 *ml* containers of beer and one 750 *ml* container of spirits; or
- b) 4,500 *ml* of wine in sealed containers.

Fort Good Hope

No person shall bring into the restricted area, in any 24-hour period, within 25km of the Fort Good Hope Community Complex, a quantity of liquor in excess of one unit of liquor of the following types:

- a) Type 1: 1140 *ml* of spirits and one dozen 355 *ml* containers of beer;
- b) Type 2: 1140 *ml* of spirits and two *litres* of wine;
- c) Type 3: one dozen 355 *ml* containers of beer and two *litres* of wine;
- d) Type 4: two dozen 355 *ml* containers of beer and one *litre* of wine.

Fort Liard

No person shall purchase, sell or transport within a radius of 15km of the building in the Hamlet of Fort Liard commonly known as the Community Centre, more liquor in one week than any three units of the following types:

- a) Type 1: 1140 *ml* of spirits;
- b) Type 2: two dozen 355 *ml* containers of beer;
- c) Type 3: two 750 *ml* containers of wine.

The restriction does not apply to the purchase, sale or transport of liquor by the Municipal Council or Band Council where liquor shall be consumed at community dances.

Fort McPherson

No person shall bring into the restricted area, in any seven-day period, within a radius of 25km of the Tetlit Co-op Store of the Hamlet:

- a) a quantity of spirits in excess of 2280 ml.
- b) no person shall operate within the restricted area a vehicle having two or more occupants and transporting a quantity of spirits that exceed 4560ml.

The restriction does not apply to a person authorized by the Hamlet Council to bring into the restricted area a greater quantity of spirits for consumption at a wedding, community event or other special occasion.

Paulatuk

No person shall bring into the restricted area, in any seven-day period, within a radius of 2km of the Paulatuk Hamlet Office, a quantity of liquor that exceeds the amounts described in any one of the following combinations:

- a) Combination 1: 1140 *ml* of spirits and 12 355 containers *ml* of beer;
- b) Combination 2: 1140 *ml* of spirits and two *litres* of wine;
- c) Combination 3: 12 355 *ml* containers of beer and two *litres* of wine;
- d) Combination 4: 24 355 *ml* containers of beer and 750 *ml* of spirits;
- e) Combination 5: 1175 *ml* of spirits.

Sambaa Ke

No person shall bring into the restricted area, in any 24-hour period, within 15km of the Sambaa K'e Dene Band Administration Office, a quantity of liquor that exceeds the amount described in any one of the following combinations:

- a) Combination 1: 750 *ml* of spirits and 12 355 *ml* containers of beer;
- b) Combination 2: 750 *ml* of spirits and two *litres* of wine;
- c) Combination 3: 12 355 *ml* containers of beer and two *litres* of wine;
- d) Combination 4: 24 355 *ml* containers of beer and one *litre* of wine.

Tuktoyaktuk

No person shall bring into the restricted area or possess within the restricted area, at any time, within a 25 km of the Tuktoyaktuk Hamlet Office:

- a) a quantity of spirits in excess of 2280 ml
- b) within the restricted area, no person shall operate a vehicle
 - having one to three adult occupants and transporting a quantity of spirits that exceed 2280ml per adult occupant; or

- having four or more adult occupants and transporting a quantity of spirits that exceeds 9120 ml.

The restriction does not apply to a person authorized by the Hamlet Council to bring into the restricted area a greater quantity of spirits for consumption at a wedding, community event or other special event.

Tulita

No person shall bring into the residential area, in any 24-hour period, within a radius of 25km of the Tulita Dene Band Office, a quantity of liquor that exceeds the amounts described in any one of the following combinations:

- Combination 1: 1140 *ml* of spirits and 12 355 *ml* containers of beer;
- Combination 2: 1140 *ml* of spirits and two *litres* of wine;
- Combination 3: 12 355 *ml* containers of beer and two *litres* of wine;
- Combination 4: 24 355 *ml* containers of beer and one *litre* of wine.

Ulukhaktok

No person shall bring into the restricted area, in any seven-day period, within a radius of 2 km from the Ulukhaktok Hamlet Office, a quantity of liquor that exceeds the amounts described in any one of the following combinations:

- Combination 1: 200 *ml* of spirits and 12 355 *ml* containers of beer;
- Combination 2: 200 *ml* of spirits and two *litres* of wine;
- Combination 3: 12 355 *ml* containers of beer and two *litres* of wine;
- Combination 4: 24 355 *ml* containers of beer and one 100 *ml* bottle of spirits;

The restriction does not apply to a person authorized by the Hamlet Council to bring into the restricted area a greater quantity of spirits for consumption at a wedding, community event or other special event.

3. Prohibited Communities

Gamèti	Nahanni Butte	Whati
Lutselk'e	Wekweètì	K'at'l'odeeche First Nation

A prohibition may include the consumption, possession, purchase, sale or transport of liquor into a community. Any liquor being transported through a prohibited area must be sealed during the time the traveler is in the prohibited area.

Gamèti

Prohibited area lies within a 20 km of the building in Gamèti commonly known as the Gamèti School

Lutselk'e

Prohibited area lies within a radius of 25 km of the building in Lutselk'e commonly known as the Community Hall

Guests and other persons who does not reside within the Prohibited Area may sell and purchase liquor at the Frontier Fishing Lodge for consumption within the lodge or its immediate precincts. The owner/operator may transport, arrange for transport of liquor required to stock, provided that no seals on any of the liquor containers are broken

No person who is a resident of the prohibited area and who works in or is a guest of the lodge shall purchase, sell or consume any liquor in the prohibited area and in particular lodge.

Nahanni Butte

Prohibited area lies within a radius of 15km from the building in the community commonly known as the Old School.

Wekweètì

Prohibited area lies within a radius of 30 km from the Wekweètì Community Office Building.

Whatì

Prohibited area lies withing a radius of 25 km from the building in Whatì commonly known as the Mezi Community School.

K'atl'odeeche First Nation

K'atl'odeeche First Nation is prohibited under the *Indian Act* of Canada.

**Northwest Territories Liquor Licensing Board and Liquor
Enforcement**

Financial Statements

Year ended March 31, 2024

Northwest Territories Liquor Licensing Board and Liquor Enforcement

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March 31, 2024

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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
June 30, 2024

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, 2024, 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 organization as at March 31, 2024, 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.

The logo for Ashton Chartered Professional Accountants, featuring the word "Ashton" in a stylized, handwritten-style font.

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Statement of Financial Position

As at March 31, (\$000)	2024	2023
Financial Assets		
Accounts Receivable	\$ -	\$ -
Due from NWT Liquor & Cannabis Commission (note 3)	117	92
Pension and other employee benefits (note 4)	7	14
	124	106
Financial Liabilities		
Accounts payable (Note 6)	98	74
Deferred revenue	26	32
	124	106
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)	2024	2024	2023
	Budget	Actual	Actual
Revenue			
License fees and permits	\$ 65	\$ 49	\$ 50
Government contribution - services provided without charge (note 6)	-	-	-
	<u>65</u>	<u>49</u>	<u>50</u>
Expenses (notes 5 and 6)			
Salaries, wages and employee benefits	534	388	414
Honoraria	50	4	3
Inspector's fees	68	51	52
Rent	30	40	37
Travel	75	10	14
Professional fees	29	22	6
Administration	40	16	15
Server Training	10	9	0
	<u>836</u>	<u>540</u>	<u>541</u>
Annual loss	<u>\$ (771)</u>	<u>\$ (491)</u>	<u>\$ (491)</u>

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)	2024 Budget	2024 Actual	2023 Actual
Accumulated surplus, beginning of the year	\$ -	\$ -	\$ -
Annual loss	(771)	(491)	(491)
Amounts transferred from the NWT Liquor & Cannabis Commission	771	491	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)	2024	2024	2023
	Budget	Actual	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)	2024	2023
Operating activities		
Cash received from customers	\$ 43	\$ 54
Cash paid to employees and suppliers	(509)	(567)
Cash provided by operating activities	(466)	(513)
Financing activities		
Cash transferred from the NWT Liquor & Cannabis Commission	466	513
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, 2024 (\$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, 2024, the Fund's assets exceeded the liabilities by \$5,587 (2023 – \$6,062).

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.

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Notes to Financial Statements

March 31, 2024 (\$000)

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.

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Notes to Financial Statements

March 31, 2024 (\$000)

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.

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Notes to Financial Statements

March 31, 2024 (\$000)

4. Other employee future benefits (continued)

Valuation results

The last actuarial valuation was completed as at Feb 11, 2022. The results were extrapolated to March 31, 2024. The values presented below are for all the benefits under the Compensated Absences and Termination Benefits for the Board.

	2024			2023		
	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	\$ 3	\$ 2	\$ 5	\$ 3	\$ 2	\$ 5
Current Service Costs	0	0	0	0	0	0
Actuarial (gain)/loss	0	0	0	0	0	0
Interest Cost	0	0	0	0	0	0
Benefits paid during the year	0	0	0	0	0	0
Accrued benefit obligation, end of the year	\$ 3	\$ 2	\$ 5	\$ 3	\$ 2	\$ 5
Unamortized net actuarial gain (loss)	(4)	(8)	(12)	(6)	(14)	(20)
Accrued benefit (liability)/asset	\$ (1)	\$ (6)	\$ (7)	\$ (3)	\$ (12)	\$ (15)

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Notes to Financial Statements

March 31, 2024 (\$000)

4. Pension and other employee benefits (continued)

The actuarial valuation at March 31, 2024 reflects management's best estimate based upon a number of future orientated assumptions including:

	<u>2024</u>	<u>2023</u>
Expected inflation rate	2.0%	2.0%
Discount rate used to determine the accrued benefit obligation	5.3%	4.8%
Expected average remaining service life of related employee groups (EARSL)	10.3	10.3

Timing of expected payments for other employee benefits are as follows:

2025	\$	0
2026		0
2027		0
2028		0
2029		0
2030 and beyond		<u>2</u>
	\$	<u>2</u>

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Notes to Financial Statements

March 31, 2024 (\$000)

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		
	2024 Budget	2024 Actual	2023 Actual
Expenses			
Salaries, wages and employee benefits	\$ 328	\$ 193	\$ 200
Inspector's fees	54	51	52
Rent	19	24	23
Travel	18	9	14
Professional fees	5	7	0
Administration	14	9	11
Server Training	10	9	0
	448	302	300
Annual loss	\$ (448)	\$ (302)	\$ (300)

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 \$388 (2023 – \$414) related to salaries, wages, and employee benefits for the Board's employees and \$4 (2023 - \$3) 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 (2023 – \$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 \$53 (2023 – \$22) for salaries, wages, board honoraria, employee benefits including Worker's Compensation and Medical Travel, payable to the Government of the NWT.

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Notes to Financial Statements

March 31, 2024 (\$000)

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:

2024/25	\$ 31
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, 2024

Unaudited

**Schedule of Public Stores Revolving Fund Inventories
for the year ended March 31, 2024**

Public Stores	Balance March 31, 2023	Net Receipts	Net Issues	Board of Survey	Inventory (Write- downs) Write- ups	Balance March 31, 2024
	\$	\$	\$	\$	\$	\$
Yellowknife	212,662	75,986	(95,677)	0	0	212,662
						(19,690)
	212,662	75,986	(95,677)	0	0	192,972

Prepared by: Shamir Siraj



Date July 11, 2024

Finance and Administration Manager (NSRO)

Approved: Jason Carroll



Date July 11, 2024

Regional Superintendent (NSRO)

Yellowknife Airport Revolving Fund

Financial Statements

March 31, 2024

Yellowknife Airport Revolving Fund
Financial Statements

March 31, 2024

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Management's Responsibility for Financial Reporting

Independent Auditor's Report

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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 25, 2024**



**YELLOWKNIFE
ACCOUNTING**
PROFESSIONAL CORPORATION

CHARTERED PROFESSIONAL
ACCOUNTANTS

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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, 2024, 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, 2024 and March 31, 2023 and payroll liabilities, employee future benefits, net financial assets, and accumulated surplus as at April 1 and March 31 for both the 2024 and 2023 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, 2024, 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 runways 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 2024 and 2023 years and amortization expense and annual surplus for the years ended March 31, 2024 and March 31, 2023. The audit opinion on the financial statements for the year ended March 31, 2023 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, 2023 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, 2024.

An Independent
Canadian Member
of AGN International



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.

EPR Yellowknife Accounting Prof. Corp.

Yellowknife, NT

July 25, 2024

EPR Yellowknife Accounting Professional Corporation

Chartered Professional Accountants

Yellowknife Airport Revolving Fund

Statement of Financial Position

March 31,	2024	2023
Financial Assets		
Accounts receivable (Note 4)	\$ 1,815,636	\$ 2,419,359
Due from the Government of the Northwest Territories (Note 5)	19,279,741	13,590,238
	<u>21,095,377</u>	<u>16,009,597</u>
Financial Liabilities		
Accounts payable and accrued liabilities	1,264,719	600,720
Deferred revenue (Note 7)	9,103,998	9,236,698
Employee future benefits (Note 8)	53,026	599
	<u>10,421,743</u>	<u>9,838,017</u>
Net Financial Assets	<u>10,673,634</u>	<u>6,171,580</u>
Non-Financial Assets		
Inventories held for use	298,110	497,290
Tangible capital assets	40,471,692	42,567,760
Prepaid expenses	4,500	6,128
	<u>40,774,302</u>	<u>43,071,178</u>
Accumulated Surplus	<u>\$ 51,447,936</u>	<u>\$ 49,242,758</u>

Contractual Obligations (Note 13)
Contractual Rights (Note 14)

Approved:



July 26, 2024

See accompanying notes

Yellowknife Airport Revolving Fund

Statement of Changes in Net Financial Assets

For the year ended March 31,	Budget	2024	2023
Annual Surplus	\$ 2,205,178	\$ 2,205,178	\$ 1,870,448
Change in prepaid expenses	-	1,628	(1,408)
Acquisition of tangible capital assets	-	(700,065)	(2,212,719)
Inventory write down	-	199,180	-
Amortization of tangible capital assets	-	2,796,133	2,575,438
Increase (decrease) in Net Financial Asset	2,205,178	4,502,054	2,231,759
Net Financial assets, beginning of year	6,171,580	6,171,580	3,939,821
Net financial assets, end of year	\$ 8,376,758	\$ 10,673,634	\$ 6,171,580

See accompanying notes

Yellowknife Airport Revolving Fund

Statement of Operations and Accumulated Surplus

For the year ended March 31,	Budget	2024	2023
Revenue			
Aeronautical revenue (Note 15)	\$ 5,000,000	\$ 5,596,238	\$ 6,021,912
Non-aeronautical revenue (Note 15)	3,000,000	3,102,072	3,009,024
	8,000,000	8,698,310	9,030,936
Government transfers (Note 10)	-	401,625	2,578,674
Airport improvement fees	4,000,000	4,975,952	624,784
	12,000,000	14,075,887	12,234,394
Expenses (Note 16)			
Amortization	2,200,000	2,796,133	2,575,438
Finance and administration	-	1,117,897	1,080,179
Operations and maintenance	-	4,498,978	3,580,418
Safety and security	-	3,485,588	3,188,818
	11,130,000	11,898,596	10,424,853
Operating Surplus before other items	870,000	2,177,291	1,809,541
Other items			
Grant-in-kind, occupancy costs (Note 11)	-	1,116,559	1,439,801
Occupancy costs (Note 11)	-	(1,116,559)	(1,439,801)
Recovery of prior year expenses	-	27,887	60,907
	-	27,887	60,907
Annual Surplus	870,000	2,205,178	1,870,448
Accumulated surplus, beginning of year	49,242,758	49,242,758	47,372,310
Accumulated surplus, end of year	\$ 50,112,758	\$ 51,447,936	\$ 49,242,758

See accompanying notes

Yellowknife Airport Revolving Fund

Statement of Cash Flows

For the year ended March 31,	2024	2023
Cash provided by (used in)		
Operating activities		
Annual Surplus	\$ 2,205,178	\$ 1,870,448
Items not affecting cash:		
Amortization	2,796,133	2,575,438
	5,001,311	4,445,886
Changes in non-cash assets and liabilities		
Accounts receivable	603,723	(765,970)
Accounts payable and accrued liabilities	663,998	7,341
Deferred revenue	(132,700)	1,809,695
Employee future benefits	52,428	(38,552)
Prepaid expenses	1,628	(1,408)
Inventory	199,180	-
Security deposits	-	(81,769)
Due from Government of the Northwest Territories	(5,689,503)	(3,162,504)
Cash from operating activities	700,065	2,212,719
Investing activities		
Acquisition of tangible capital assets	(700,065)	(2,212,719)
Disposal of capital assets	-	-
Cash used in investing activities	(700,065)	(2,212,719)
Increase in cash	5,001,311	4,445,886
Cash, beginning and end of period.	\$ -	\$ -

See accompanying notes

Yellowknife Airport Revolving Fund

Notes to the Financial Statements

March 31, 2024

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.

Yellowknife Airport Revolving Fund

Notes to the Financial Statements

March 31, 2024

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.

Yellowknife Airport Revolving Fund

Notes to the Financial Statements

March 31, 2024

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.

Yellowknife Airport Revolving Fund

Notes to the Financial Statements

March 31, 2024

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.

Yellowknife Airport Revolving Fund

Notes to the Financial Statements

March 31, 2024

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.

Yellowknife Airport Revolving Fund

Notes to the Financial Statements

March 31, 2024

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.

Yellowknife Airport Revolving Fund

Notes to the Financial Statements

March 31, 2024

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 2024	Net 2023
Accounts receivable	\$ 1,818,525	\$ 2,889	\$ 1,815,636	\$ 2,419,359

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:

	2024	2023
Balance, beginning of year	\$ 13,590,238	\$ 10,427,735
Add: cash received by Treasury on behalf of the Fund	11,522,654	9,212,156
Less: payments made by the Treasury on the Fund's behalf	(5,833,151)	(6,049,653)
Balance, end of the year	\$ 19,279,741	\$ 13,590,238

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.

Yellowknife Airport Revolving Fund

Notes to the Financial Statements

March 31, 2024

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:

	2024	2023
Cumulative AIF revenue	\$ 21,929,288	\$ 16,666,992
Cumulative AIF expenses	(13,558,820)	(8,582,868)
Surplus of revenue over expenses	\$ 8,370,468	\$ 8,084,124

The excess of AIF revenues over expenses is recorded as deferred revenue.

7. Deferred revenue

Deferred revenue is composed of:

	2024	2023
Airport Improvement fees	\$ 8,370,468	\$ 8,084,124
Government transfers - ACAP equipment purchases	578,624	1,030,195
Prepaid lease revenues	154,906	122,379
Surplus of revenue over expenses	\$ 9,103,998	\$ 9,236,698

Yellowknife Airport Revolving Fund

Notes to the Financial Statements

March 31, 2024

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 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 of the benefits under the Compensated Absences and Termination Benefits for the Fund.

Changes in Liability	2024	2023
Accrued benefit obligation, beginning of year	\$ 51,903	\$ 52,747
Benefits earned	3,265	3,446
Interest	2,559	2,237
Benefits paid	(64,174)	(45,203)
Actuarial (gains)/losses	58,280	38,675
Accrued benefit obligation, end of year	104,859	51,902
Unamortized net actuarial loss	(51,833)	(51,303)
Accrued benefit liability	\$ 53,026	\$ 599

Yellowknife Airport Revolving Fund

Notes to the Financial Statements

March 31, 2024

8. Employee future benefits (continued)

	2024	2023
Current service cost	\$ 3,265	\$ 3,446
Interest cost	2,559	2,238
Amortization of net actuarial (gain) loss	4,724	969
	\$ 10,548	\$ 6,653

The discount rate used to determine the accrued benefit obligation is an average of 5.3% (2023 - 4.8%). The expected payments during the next five fiscal years are:

	Total
2025	\$ 5,136
2026	4,836
2027	4,682
2028	4,226
2029	4,726
	\$ 23,606

9. Tangible capital assets

	Cost	Accumulated Amortization	March 31, 2024	March 31, 2023
Buildings	\$ 29,938,383	\$ 7,064,938	\$ 22,873,445	\$ 24,071,803
Fuel tanks	109,924	10,992	98,932	102,596
Machinery, equipment and vehicles	11,294,276	3,604,012	7,690,264	7,794,012
Water/sewer works	453,919	167,970	285,947	309,945
Airstrips/runways	12,873,907	3,430,425	9,443,482	10,209,784
Work in progress	79,620	-	79,620	79,620
	\$ 54,750,028	\$ 14,278,337	\$ 40,471,692	\$ 42,567,760

Schedule 1 provides a breakdown of tangible capital assets and work in progress

Yellowknife Airport Revolving Fund

Notes to the Financial Statements

March 31, 2024

10. Government transfers

The Fund received and recorded as revenue the following grants:

Received from	Type of transfer	Project	2024	2023
Transport Canada	Capital	Plow Truck	\$ 401,625	\$ 2,578,674

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 2023-2024 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, 2024 the commitments amounted to \$2,339,169. The annual payments for these commitments are as follows:

	2025	2026	2027	2028
Service contracts	\$ 1,850,725	\$ 408,148	\$ 58,264	\$ 22,032

Yellowknife Airport Revolving Fund

Notes to the Financial Statements

March 31, 2024

14. 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:

	2025	2026	2027	2028	2029 and thereafter
Leases	\$ 2,038,218	\$ 1,917,020	\$ 1,788,414	\$ 1,684,980	\$ 17,588,864
Licenses	469,331	390,952	329,596	184,414	783,644
	\$ 2,507,549	\$ 2,307,972	\$ 2,118,010	\$ 1,869,394	\$ 18,372,508

15. Revenue by object

The following is a summary of aeronautical and non-aeronautical revenues by object:

For the year ended March 31,	Budget	2024	2023
Concession fees	\$ 250,000	\$ 212,513	\$ 190,034
Aeronautical	5,000,000	5,596,238	6,021,912
Leases	2,600,000	2,606,094	2,606,877
Recoveries	150,000	271,693	211,084
Other	-	11,772	1,029
	\$ 8,000,000	\$ 8,698,310	\$ 9,030,936

16. Expenses by object

For the year ended March 31,	Budget	2024	2023
Amortization	\$ 2,200,000	\$ 2,796,133	\$ 2,575,438
Computer hardware and software	250,000	251,490	203,914
Contract services	2,000,000	2,076,161	1,608,895
Fees and payments	40,000	22,986	13,912
Materials and supplies	910,000	1,025,765	783,659
Purchased services	60,000	66,987	71,790
Travel	30,000	9,089	5,112
Utilities	140,000	181,679	209,720
Salaries and benefits	5,500,000	5,468,306	4,952,413
	\$ 11,130,000	\$ 11,898,596	\$ 10,424,853

Yellowknife Airport Revolving Fund

Notes to the Financial Statements

March 31, 2024

17. 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 \$21,095,377 (2023 - \$16,009,597). 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, 2024, the accounts receivable aging profile is as follows:

	0-30 days	31-60 days	61-90 days	Over 90 days	Total
Accounts receivable	\$ 1,633,341	\$ 17,487	\$ 5,309	\$ 159,499	\$ 1,815,636

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 \$2,889 (2023 - \$16,373).

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, 2024, two (2023 - two) customers comprise 55% (2023 - 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 liquidity risk is represented by financial liabilities totaling \$1,264,719 (2023 - \$600,720). Financial liabilities consist of accounts payable and accrued liabilities. All of the Fund's financial assets and financial liabilities as at March 31, 2024 mature within the next six months.

The Fund has disclosed future financial liabilities and commitments in Note 13.

Yellowknife Airport Revolving Fund
Schedule of Tangible Capital Assets

SCHEDULE 1

March 31, 2024

	Buildings	Fuel Tanks	Machinery, Equipment and Vehicles	Water & sewer Works	Airstrips	Work-In- Progress	2024	2023
Cost								
Balance, beginning of the year	\$ 29,938,383	\$ 109,924	\$ 10,594,211	\$ 453,919	\$ 12,873,907	\$ 79,620	\$ 54,049,963	\$ 51,837,244
Add: additions during the year	-	-	700,065	-	-	-	700,065	2,212,719
Balance, end of year	29,938,383	109,924	11,294,276	453,919	12,873,907	79,620	54,750,028	54,049,963
Accumulated amortization								
Balance, beginning of the year	5,866,580	7,328	2,800,198	143,974	2,664,123	-	11,482,203	8,906,765
Add: amortization	1,198,358	3,664	803,814	23,996	766,302	-	2,796,133	2,575,438
Balance, end of year	7,064,938	10,992	3,604,012	167,970	3,430,425	-	14,278,337	11,482,203
Net book value	\$ 22,873,445	\$ 98,932	\$ 7,690,264	\$ 285,949	\$ 9,443,482	\$ 79,620	\$ 40,471,692	\$ 42,567,760

Environment Fund

Financial Statements

March 31, 2024

Environment Fund

Financial Statements

March 31, 2024

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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.

for

Erin Kelly, PhD.
Deputy Minister
Department of Environment and Climate Change

Jessica St. Arnaud
Director, Finance and Capital Planning
Department of Environment and Climate Change

June 28, 2024

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, 2024, 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, 2024 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 distributors, processing centres and depots for the recording of beverage container program fee revenues \$5,682,625 (2023 - \$6,003,039), depot handling fees \$803,284 (2023 - \$846,341), processing fees \$444,061 (2023 - \$479,176) and refundable deposits \$2,153,209 (2023 - \$2,401,953). 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 revenues or expenses for the years ended March 31, 2024 and 2023, accounts receivable, accounts payable or fund balances as at March 31, 2024 and 2023.

Wages and benefits of \$1,116,211 (2023 - \$1,047,725) 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, 2024 and 2023, liabilities and fund balances as at March 31, 2024 and 2023.

Our audit opinion on the financial statements for the year ended March 31, 2023 was modified accordingly because of the possible effects of these limitations 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 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 28, 2024**

Chartered Professional Accountants

Environment Fund

Statement of Operations

For the year ended March 31,	2024	2023
Revenues		
Beverage Container Program (schedule 1)	\$ 6,547,505	\$ 6,879,795
Electronic Recycling Program (schedule 2)	208,923	216,655
Other Programs and Initiatives (schedule 3)	61,748	434,391
	6,818,176	7,530,841
Expenses		
Beverage Container Program (schedule 1)	5,034,421	5,191,502
Electronic Recycling Program (schedule 2)	280,348	271,702
Other Programs and Initiatives (schedule 3)	810,357	734,203
	6,125,126	6,197,407
Excess of revenues over expenses	\$ 693,050	\$ 1,333,434

Environment Fund

Statement of Changes in Fund Balances

For the year ended March 31, 2024

	Unrestricted	Equipment replacement reserve	Total 2024	Total 2023
Balance, beginning of year	\$ 8,293,486	\$ 514,867	\$ 8,808,353	\$ 7,474,919
Excess of revenues over expenses	693,050	-	693,050	1,333,434
Transfer from reserve (Note 3c)	(17,863)	17,863	-	-
Balance, end of year	\$ 8,968,673	\$ 532,730	\$ 9,501,403	\$ 8,808,353

Environment Fund

Statement of Financial Position

March 31, 2024 2023

Assets

Accounts receivable	\$ 670,159	\$ 1,059,129
Due from Treasury (note 4)	10,058,914	9,003,107
	\$ 10,729,073	\$ 10,062,236

Liabilities


Accounts payable and accrued liabilities	\$ 375,289	\$ 355,558
Unredeemed container liability (note 5)	852,381	898,325
	1,227,670	1,253,883

Fund balances

Unrestricted	8,968,673	8,293,486
Equipment replacement reserve	532,730	514,867
	9,501,403	8,808,353
	\$ 10,729,073	\$ 10,062,236

Nature of operations (note 1)

Approved on behalf of the Board:



A/ Deputy Minister



Director, Finance and Capital Planning

Environment Fund

Notes to the Financial Statements

March 31, 2024

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.

Environment Fund

Notes to the Financial Statements

March 31, 2024

2. Change in accounting policy

PS 3400, Revenues, was issued November 2018 by the Public Sector Accounting Standards Board (PSAB or the "Board") and provides guidance on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations.

The adoption of this new standard had no impact on the financial statements.

3. 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.

Environment Fund

Notes to the Financial Statements

March 31, 2024

3. Significant accounting policies (continued)

(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, has been reserved annually for future replacements of capital equipment. The 2024 transfer is \$17,863 (2023 - \$30,396).

(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 be 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.

Environment Fund

Notes to the Financial Statements

March 31, 2024

3. Significant accounting policies (continued)

(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, loans 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.

(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 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.

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.

Environment Fund

Notes to the Financial Statements

March 31, 2024

5. Unredeemed container liability

The unredeemed container liability is an amount that is equal to 15% (2023 - 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 of 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 3 (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
École Sir John Franklin High School
Chief T'Seleye School

	2024	2023
Revenue		
NWT Liquor Commission - Beverage container program fees	\$ 1,746,744	\$ 1,928,641
Expenses		
Wrigley District Education Authority - Chief Julian Yendo School - Grants and contributions	\$ 125	\$ -
Government of the Northwest Territories - Human Resources - Payroll	1,116,211	1,047,725
Chief T'Seleye School - Grants and contributions	9,923	10,348
École Sir John Franklin High School - Grants and contributions	36,440	7,072
Marine Transportation Services - Freight	33,010	57,333
Deh Cho District Education Authority - Grants and contributions	1,342	-
Aurora College - Training	7,500	-
	\$ 1,204,551	\$ 1,122,478
Accounts receivable		
NWT Liquor Commission	\$ 146,560	\$ 279,424

Environment Fund

Notes to the Financial Statements

March 31, 2024

6. Related party transactions (continued)

Accounts payable and accrued liabilities

	2024	2023
École Sir John Franklin High School	\$ -	\$ 786
Chief T'Seleye School	873	873
	\$ 873	\$ 1,659

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.

(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 \$10,729,073 (2023 - \$10,062,235). All financial assets are considered current except for the loan receivable. This risk has not changed from prior year.

Environment Fund

Notes to the Financial Statements

March 31, 2024

7. Financial instruments (continued)

(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, 2024 receivables from three (2023- three) customers comprised approximately 43% (2023 - 65%) of the total outstanding receivables. The Fund reduces this risk by regularly assessing the credit risk associated with these accounts.

At March 31, 2024, 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 Due from Treasury, with interest rates set by the Government of the Northwest - Department of Finance, Investment pool described in note 5.

Environment Fund

Schedules to the Financial Statements

For the year ended March 31,

Schedule of Beverage Container Program

Schedule 1

	2024	2023
Revenues		
Beverage container program fees	\$ 5,682,625	\$ 6,003,039
Salvage	358,102	574,321
Interest revenue	498,545	288,625
Recoveries	8,233	13,810
	6,547,505	6,879,795
Expenses		
Advertising and promotion	24,640	6,737
Contract service - satellite depot	41,212	57,694
Depot handling fees	803,284	846,341
Equipment, supplies and maintenance	179,350	215,664
Freight	435,315	387,563
Grants and contributions	110,619	117,933
Insurance	20,838	19,382
Office and software	14,645	9,010
Processing centre handling fees	444,061	479,176
Processing centre salvage	53,475	114,199
Professional fees	93,285	-
Quality control fees	40,852	24,750
Refundable deposit fees	2,153,209	2,401,953
Storage	59,042	57,450
Travel and training	32,237	36,352
Wages and benefits	528,357	417,298
	5,034,421	5,191,502
Excess of revenues over expenses	\$ 1,513,084	\$ 1,688,293

Environment Fund

Schedules to the Financial Statements

For the year ended March 31,

Schedule of Electronic Recycling Program

Schedule 2

	2024	2023
Revenues		
Electronic recycling program fees	\$ 208,923	\$ 216,655
Expenses		
Advertising and promotion	8,125	675
Contract service - satellite depot	588	-
Depot, processing centre and recycling fees	100,568	100,052
Equipment, supplies and maintenance	891	85
Freight	16,192	21,318
Professional fees	46,390	36,195
Storage	8,600	5,600
Travel and training	-	1,168
Wages and benefits	98,994	106,609
	280,348	271,702
Deficiency of revenues over expenses	\$ (71,425)	\$ (55,047)

Environment Fund

Schedules to the Financial Statements

For the year ended March 31,

Schedule of Other Programs and Initiatives

Schedule 3

	2024	2023
Revenues		
Single-use retail bag program fees	\$ 61,748	\$ 434,391
Expenses		
Advertising and promotion	25,467	4,052
Bad Debt	25,670	-
Contract services - satellite depot	25,655	28,437
Grants and contributions	117,807	106,713
Office	9,509	5,513
Professional fees	111,100	54,295
Travel and training	6,289	11,377
Wages and benefits - Single-use retail bag program	61,984	119,314
Wages and benefits - Policy development	385,007	370,005
Wages and benefits - Waste reduction and recycling	41,869	34,497
	810,357	734,203
Deficiency of revenues over expenses	\$ (748,609)	\$ (299,812)

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND
Yellowknife, NT**

FINANCIAL STATEMENTS
For the Year Ended March 31, 2024

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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 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 of 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:



Shane Thompson, Speaker



Glen Rutland, Clerk

September 15, 2024
Date

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, 2024, 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, 2024, 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)

Independent Auditor's Report to the Members of Legislative Assembly Retiring Allowance Fund
(continued)

- 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 15, 2024


Chartered Professional Accountants

**LEGISLATIVE ASSEMBLY RETIRING
ALLOWANCE FUND**

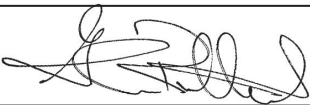
STATEMENT OF FINANCIAL POSITION
March 31, 2024

	<u>2024</u>	<u>2023</u>
ASSETS		
CURRENT		
Accounts Receivable (Note 3)	\$ <u>20,369</u>	\$ <u>35,894</u>
INVESTMENTS (Note 4)		
	<u>24,088,420</u>	<u>23,250,267</u>
	<u>\$ 24,108,789</u>	<u>\$ 23,286,161</u>
LIABILITIES		
CURRENT		
Accounts Payable	\$ <u>60,731</u>	\$ <u>52,511</u>
NET ASSETS AVAILABLE FOR BENEFITS per page 2	24,048,058	23,233,650
PENSION OBLIGATIONS per page 3 (Note 5)	<u>18,141,700</u>	<u>18,566,700</u>
PENSION PLAN FUND SURPLUS	<u>5,906,358</u>	<u>4,666,950</u>

APPROVED



Speaker



Clerk

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the Year Ended March 31, 2024

	<u>2024</u>	<u>2023</u>
INCREASE IN ASSETS		
Contributions:		
Members	231,278	236,162
Government of the NWT	856,000	856,000
In-Kind Contributions	8,500	8,500
Other Receipts	<u>8</u>	<u>-</u>
	<u>1,095,786</u>	<u>1,100,662</u>
Investment Income:		
Interest	507,352	534,177
Dividends	340,803	305,581
Gain on Sale of Investments	<u>474,707</u>	<u>781,238</u>
	1,322,862	1,620,996
Current Period Change in Fair Values of Investments	<u>739,467</u>	<u>(2,098,658)</u>
Net Investment Income (Loss)	<u>583,395</u>	<u>(477,662)</u>
Total Increase in Assets	<u>1,679,181</u>	<u>623,000</u>
DECREASE IN ASSETS		
Benefits		
Pension Payments	1,146,496	1,074,910
Termination/Lump sum Payments	<u>1,025,162</u>	<u>115,764</u>
Total Benefits	<u>2,171,658</u>	<u>1,190,674</u>
Administrative		
Actuary Fees	39,117	34,537
Audit Fees	8,500	8,500
Investment Management Fees	89,250	84,772
Meeting Travel & Accommodation	12,674	13,456
Trustee Fees	<u>22,509</u>	<u>23,564</u>
Total Administrative	<u>172,050</u>	<u>164,829</u>
Total Decrease in Assets	<u>2,343,708</u>	<u>1,355,503</u>
INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS	\$ 814,408	\$ (732,503)
NET ASSETS AVAILABLE FOR BENEFITS		
BEGINNING OF YEAR	<u>23,233,650</u>	<u>23,966,153</u>
END OF YEAR	<u>\$ 24,048,058</u>	<u>\$ 23,233,650</u>

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

STATEMENT OF CHANGES IN PENSION OBLIGATIONS
For the Year Ended March 31, 2024

	<u>2024</u>	<u>2023</u>
INCREASE IN PENSION OBLIGATIONS		
Interest Accrued on Benefits	\$ 950,000	\$ 890,000
Benefits Accrued	<u>768,000</u>	<u>868,000</u>
	<u>1,718,000</u>	<u>1,758,000</u>
 DECREASE IN PENSION OBLIGATIONS		
Benefits Paid	\$ 2,143,000	\$ 1,188,000
Experience Gains	<u>-</u>	<u>1,951,600</u>
	<u>2,143,000</u>	<u>3,139,600</u>
DECREASE IN PENSION OBLIGATIONS	(425,000)	(1,381,600)
 PENSION OBLIGATIONS, BEGINNING OF YEAR	 <u>18,566,700</u>	 <u>19,948,300</u>
PENSION OBLIGATIONS, END OF YEAR	<u>\$ 18,141,700</u>	<u>\$ 18,566,700</u>
 AS REPRESENTED BY		
Active Members	\$ 4,631,500	\$ 4,633,900
Pensioners & Terminated Members	<u>13,510,200</u>	<u>13,932,800</u>
	<u>\$ 18,141,700</u>	<u>\$ 18,566,700</u>

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2024

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

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2024

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 lesser 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.

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2024

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.

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2024

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

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2024

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.

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2024

3. ACCOUNTS RECEIVABLE

	2024	2023
Member Contributions	\$ 11,869	\$ 27,394
In-Kind Contributions- GNWT	8,500	8,500
	\$ 20,369	\$ 35,894

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:

	2024 Cost	2024 Market	2023 Cost	2023 Market
Cash & Cash Equivalents	294,359	294,357	127,596	127,596
Canadian Equity Mutual Funds	4,283,920	4,611,040	4,063,399	4,129,509
International Equity Mutual Funds	6,612,716	7,494,736	6,752,056	7,335,466
Temporary Investments	2,119,024	2,119,024	124,475	124,475
Canadian Fixed Income Funds	13,444,099	11,686,144	13,471,026	11,533,223
Pending portfolio transactions	(2,116,881)	(2,116,881)	-	-
	\$ 24,637,237	\$ 24,088,420	\$ 24,538,552	\$ 23,250,267

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.

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

**TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2024**

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:

	2024	2023
Level 1	\$ 24,088,420	\$ 23,250,267

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, 2020.

The data and assumptions used for the March 31, 2024 obligations are the same as those used to determine the Best Estimate going-concern valuation results in the most recent valuations at April 1, 2020.

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.

	2024	2023
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, 2020 and the related report completed in April 2021. The next actuarial valuation will be completed for April 1, 2024.

As provided by the Actuary, the value of pension benefit obligations as at March 31, 2024 has been obtained using a measurement date of January 31, 2024 by increasing the April 1, 2020 liability by the cost of accruing benefits and interest and subtracting the estimated benefit payments.

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2024

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.

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2024

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.

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2024

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.

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2024

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, 2024, the Plan is not in violation of any externally imposed legal or regulatory requirements.

8. AUTHORIZATION

On September 15, 2024 the Board of Management authorized the issue of the financial statements for the year ended March 31, 2024.

Northwest Territories and Nunavut Lotteries
Physical Activity, Sport and Recreation Fund Report
For the year ended March 31, 2024

Physical Activity, Sport and Recreation Fund Balance
Schedule 1 - Schedule of Lottery Revenue, Net
Schedule 2 - Contributions to Organizations
Schedule 3 - Contributions Multisport Games
Notes

Northwest Territories and Nunavut Lotteries
Physical Activity, Sport and Recreation Fund Balance
For the year ended March 31, 2024

	2024 Activity Unaudited	
Opening Balance, April 1, 2023		-\$ 13,012
Revenue (Statement of Operations)	\$ 4,865,935	
Less: Contributions to Organizations (Schedule 2)	(4,432,424)	
Less: Contributions to Multisport Games (Schedule 3)	(1,531,552)	
Less: Administration Expenses (Statement of Operations)	(1,132,603)	
		<u>(2,230,644)</u>
Balance as at March 31, 2024		<u>\$ (2,243,656)</u>

Northwest Territories and Nunavut Lotteries
Physical Activity, Sport and Recreation Statement of Operation
For the year ended March 31, 2024

	2023/2024 Budget	March 31, 2024 Unaudited	March 31, 2023 Unaudited
Opening Fund balance, Note 1	(13,012)	(13,012)	1,511,077
Revenue			
40110 Other Grants - MACA			
42440 Lottery Revenue	5,120,000	4,726,944	5,807,383
42220 Program Recipient Recoveries			
42940 Nunavut Government Recoveries		131,991	137,536
44020 Fees	4,500	7,000	1,500
44840 Sundry Income			80,000
45020 Recoveries of Prior Year Expenses			20,850
	<u>5,124,500</u>	<u>4,865,935</u>	<u>6,047,269</u>
Expenses			
MAINS Compensation and Benefits	577,851	347,295	367,755
MAINS Grants, Contributions and Transfers	6,024,306	5,815,168	6,416,770
MAINS Travel	30,000	6,206	7,295
MAINS Material and Supplies	132,000	122,498	153,377
MAINS Purchased Services	121,500	60,183	80,856
MAINS Utilities		-	67
MAINS Contract Services	447,000	518,890	346,524
MAINS Fees & Payments	200,000	150,368	167,516
MAINS Interest Expense			
MAINS Chargeback Expense			
MAINS Controllable Assets	68,000	70,171	26,851
MAINS Computer Hardware/Software	6,200	5,802	4,347
	<u>7,606,857</u>	<u>7,096,579</u>	<u>7,571,358</u>
Net Income	<u>(2,482,357)</u>	<u>(2,230,644)</u>	<u>\$ (1,524,089)</u>
Year End Fund balance		<u>(2,243,656)</u>	<u>\$ (13,012)</u>

Northwest Territories and Nunavut Lotteries
Schedule 1 - Schedule of Lottery Revenue, Net
(amounts derived from Western Canada Lottery Corporation financial statements)
For the year ended March 31, 2024

	March 31, 2024 Unaudited	March 31, 2023 Unaudited
SALES		
Lottery Ticket Sales	\$19,733,127	\$ 21,526,374
Interest and other income	76,252	40,323
	19,809,379	21,566,697
DIRECT EXPENSES		
Free Tickets	1,021,662	1,206,981
Prizes	10,535,705	11,111,478
Retailer Commissions	1,052,465	1,149,061
Online Transactional Costs	34,949	
Ticket Printing	283,425	294,730
	12,928,206	13,762,250
OPERATING INCOME	6,881,173	7,804,447
EXPENSES		
Amortization	153,930	152,886
Communications	113,731	109,471
Cost of premises	14,221	14,583
Draws and winning numbers publication	3,692	4,255
Employee development	5,505	3,101
Equipment Maintenance and Purchase	86,251	102,918
Federal Government	212,624	213,549
Freight and product transport	3,973	3,787
Goods and services tax	102,866	109,974
I. L. C. expense	12,124	18,800
Insurance and bank charges	10,293	24,604
Media & advertising	229,133	167,362
Overhead allocation	-343	-273
Presentations, publications and miscellaneous	8,125	4,324
Professional fees	111,705	96,893
Promotion	7,357	8,657
Supplies	1,582	1,848
Travel	2,285	1,641
Wages and Benefits	271,021	281,194
	1,350,075	1,319,574
EXCESS OF REVENUES OVER EXPENSES	\$ 5,531,098	\$ 6,484,873

Northwest Territories and Nunavut Lotteries
Schedule 2 - Contributions to Organizations
For the year ended March 31, 2024

	March 31, 2024 Unaudited		March 31, 2023 Unaudited
REVENUE			
Lottery Contribution	\$ -	\$	-
MACA Contribution	-		-
	-		-
EXPENSES			
Aboriginal Sports Circle of the NWT	800,000		800,000
Inuvik and Sahtu Sport and Recreation	148,808		167,516
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	1,523,616		1,561,790
	4,432,424		4,489,306
DEFICIENCY OF REVENUES OVER EXPENSES			
	\$ (4,432,424)	\$	(4,489,306)

	March 31, 2024 Unaudited		March 31, 2023 Unaudited
Territorial Sport Organizations			
Archery - Note 6	\$ 20,000	\$	20,000
Arctic Sports/Dene Games - Note 6	40,000		40,000
Northern Games-Note 6	20,000		
Athletics	65,790		65,790
Badminton	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		20,000
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
	\$ 1,523,616	\$	1,561,790

Northwest Territories and Nunavut Lotteries
Schedule 3 - Contributions Multisport Games
For the year ended March 31, 2024

	March 31, 2024	March 31, 2023
	Unaudited	Unaudited
REVENUE		
MACA Contribution	\$ -	\$ -
	<u>-</u>	<u>-</u>
Sport North Federation-2022 Canada Summer Games		196,000
Sport North Federation-2023 Arctic Winter Games		966,000
Sport North Federation-2023 Canada Winter Games		270,000
Sport North Federation-2024 Arctic Winter Games	1,017,912	
Aboriginal Sports Circle of the NWT-2023 NAIG		662,980
Aboriginal Sports Circle of the NWT-2024 NAIG	463,640	
NWT 55+ Games Association	50,000	
	<u>1,531,552</u>	<u>2,094,980</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (1,531,552)	\$ (2,094,980)

1. Basis of Presentation

The financial information in these reports for the year ended March 31, 2024 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, 2024

	\$	%
Eastern Arctic / Nunavut	2,551,650	13.0%
Western Arctic / NWT	17,121,239	87.0%
	19,672,889	100.0%

*The financial statements have a discrepancy in sales between the lottery sales numbers reported in Schedules 1 and 2 compared to Schedule 3 and Note 3. This discrepancy is due to differences in how sales are captured in reports. The Western Canada Lottery Corporation Accounting uses draw based accounting to account for sales, only counting sales once the draw has happened, regardless of when the money has come in. The report used by NWT/NU Lotteries uses a mix between draw-based accounting and calendar-based accounting, meaning that sales are counted the day a ticket is purchased. As an example, all dollars spent in the month are accounted for. If a ticket is bought on April 30th but the draw is May 1st, in a calendar-based report, it shows it as an April sale. Western Canada Lottery Corporation provides audited statements done by Deloitte and all sales are correct. Work is being conducted that aligns the reporting.

4. Number of Terminals as at March 31, 2024

	#	% of Total Sales
Eastern Arctic / Nunavut	5	11.9%
Western Arctic / NWT	37	88.1%
Total Number of Terminals	42	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 was provided to the Aboriginal Sports Circle of the NWT. An overpayment of \$20,000 for Dene Games will be recovered in 2025.

**Government of the Northwest Territories
Students Loan Fund
Statement of Operations**

for the year ended March 31, 2024

(thousands of dollars)

	2024	2023
Loans Receivable, opening balance	40,225	41,294
Loans granted during the year	<u>6,901</u>	<u>5,513</u>
	47,126	46,807
Less:		
Principal amount of loans repaid	(3,327)	(3,039)
Principal amount of loan forgiveness	(44)	(708)
Principal amount of loan remissions	(1,982)	(2,258)
Principal Amount of Northern Bonus	<u>(612)</u>	<u>(577)</u>
Loans Receivable, closing balance	41,161	40,225
Less:		
Allowance for remissable and doubtful loans	<u>(16,958)</u>	<u>(16,774)</u>
Net Loans Receivable, closing balance	<u>24,203</u>	<u>23,451</u>

Effect of Students Loan Fund on Government Operations

Interest earned and credited to general revenues	285	312
Reduction to allowance for doubtful accounts credited to Recovery of Prior Year Expenses		
Less:		
Collection agency fees	(2)	(4)
Estimated provision for remission and doubtful accounts	<u>(2,807)</u>	<u>(3,036)</u>
Operating deficiency for the year	<u>(2,524)</u>	<u>(2,728)</u>

Approved:



M. Saturnino, A/Deputy Minister

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, 2024

1. Authority

In accordance with the *Student Financial Assistance Act* (the Act) and the *Student Financial Assistance Regulations* (the Regulations), financial assistance is provided by the Department of Education, Culture and Employment (ECE) to eligible students to assist with the cost of obtaining a post-secondary education. Student Financial Assistance (SFA) provides assistance through a combination of grants and loans (remissible and repayable), subject to eligibility criteria as prescribed in the Regulations.

2. Description of the Program

The Government of Canada introduced the Canada Student Loan Program (CSLP) in 1964. Prior to July 31, 1988, the NWT participated in the CSLP. In 1988, the NWT opted out of the CSLP and now receives an Alternative Payment, in accordance with section 14(4) of the *Canada Student Financial Assistance Act*.

At that time, a Students Loan Fund (SLF) was established in the Consolidated Revenue Fund to enable disbursements and payments specific to loans made under the Act. In accordance with the Act, the following shall be credited to the SLF according to Provision 9:

- a. All repayments of principal on loans made under the Act.
- b. The amount of all loans remitted under the Act. Remissible loans function much like repayable loans; however, students may be eligible to have part to all of their loan forgiven (meaning they do not have to pay the loan back) provided certain criteria are met (i.e., having met the academic and residency criteria).
- c. In addition, Northern Bonus Grants are provided to students if the criteria are met (i.e., having met the academic, and residency criteria and provided the loan is up to date); and
- d. The principal amounts of all loans made under the Act that are written off under the *Financial Administration Act* (FAA).

The SLF currently has a maximum 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 of recording write downs or recoveries, as appropriate. Write-offs are recognized when the loans have been deemed unrealizable and or uncollectable. Recoveries are recorded when loans previously written off are subsequently collected. 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:

	<u>2024</u>	<u>2023</u>
Allowance for Forgiveness – Remissible Loans	\$5,981	\$5,945
Allowance for Doubtful Accounts – Repayable Loans	\$10,977	\$10,829
Total Allowance	<u>\$16,958</u>	<u>\$16,774</u>

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.

7. Budget

The budget has been approved by the Legislative Assembly.

Territorial Court Judges Registered Pension Plan Fund

Financial Statements

January 1, 2024

Territorial Court Judges Registered Pension Plan Fund

Financial Statements

January 1, 2024

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Management's Responsibility Statement

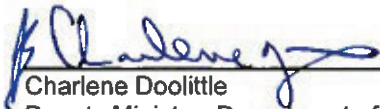
The accompanying financial statements have been prepared by the Government of the Northwest Territories, Department of Justice's management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with Canadian accounting 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 10 2024

Date

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, 2024 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 Territorial Court Judges Registered Pension Plan Fund as at January 1, 2024, 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.

Independent Auditors' Report Continued

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 2, 2024**

Chartered Professional Accountants

Territorial Court Judges Registered Pension Plan Fund

Statement of Financial Position

As at January 1, 2024 2024 2023

Assets

Contributions receivable - Sponsor (note 3)	12,350	84,300
Investments (note 4)	7,953,095	6,844,322

Total Assets	7,965,445	6,928,622
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Liabilities

Accounts payable and accrued liabilities	32,709	22,023
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Total Liabilities	32,709	22,023
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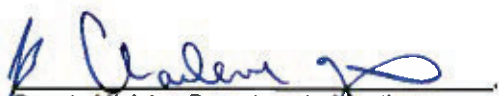
Net Assets Available for Benefits	7,932,736	6,906,599
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Pension obligations (Note 5)	8,667,302	7,857,700
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Surplus (Deficiency)

Pension Plan Fund Surplus (Deficit)	\$ (734,566)	\$ (951,101)
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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, 2024 2024 2023

Increase in assets:

Contributions - members	\$ 679,340	\$ 69,494
Contributions - sponsor (current service cost)	95,250	98,150
Current year change in fair value of investments	402,093	(1,217,862)
In-kind contributions - sponsor	12,350	46,195
Investment income	299,845	297,570
Net realized capital gains income	73,720	91,175

1,562,598 (615,278)

Decrease in assets:

Administrative expenses (Note 7)	89,190	112,287
Benefit payments - regular	447,271	400,057

536,461 512,344

Increase (decrease) in net assets available for benefits **1,026,137** (1,127,622)

Net assets available for benefits, beginning of year **6,906,599** 8,034,221

Net assets available for benefits, end of year **\$ 7,932,736** \$ 6,906,599

Changes in pension plan fund surplus (deficit):

Beginning of year **\$ (951,101)** \$ 378,382

Increase (decrease) in net assets available for benefits	1,026,137	(1,127,622)
Increase in pension obligation	(809,602)	(201,861)

Net change **216,535** (1,329,483)

End of year **\$ (734,566)** \$ (951,101)

Territorial Court Judges Registered Pension Plan Fund

Statement of Changes in Pension Obligations

For the year ended January 1, 2024	2024	2023
Increase in pension obligations:		
Interest accrued on benefits	\$ 364,600	\$ 355,700
Benefits accrued	892,273	248,700
Experience (gains) and losses	-	46,900
	1,256,873	651,300
Decrease in pension obligations:		
Benefits paid	447,271	449,439
Increase in pension obligation	809,602	201,861
Pension obligation, beginning of year	7,857,700	7,655,839
Pension obligation, end of year	\$ 8,667,302	\$ 7,857,700

Territorial Court Judges Registered Pension Plan Fund

Notes to Financial Statements

January 1, 2024

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.

Territorial Court Judges Registered Pension Plan Fund

Notes to Financial Statements

January 1, 2024

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.

Territorial Court Judges Registered Pension Plan Fund

Notes to Financial Statements

January 1, 2024

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.

Territorial Court Judges Registered Pension Plan Fund

Notes to Financial Statements

January 1, 2024

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.

Territorial Court Judges Registered Pension Plan Fund

Notes to Financial Statements

January 1, 2024

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

	2024	2023
In-kind contribution	\$ 12,350	\$ 10,500
Current services contributions	-	73,800
Contribution receivable	\$ 12,350	\$ 84,300

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:

	2024	2023
Cash and cash equivalents	\$ 174,968	\$ 261,101
Canadian equities	1,495,182	1,293,497
Global equities	3,109,660	2,675,497
Fixed income funds	2,902,880	2,328,296
Real estate	270,405	285,931
Total market value of the investment portfolio	\$ 7,953,095	\$ 6,844,322

The book value of the investments for the year ended January 1, 2024 is \$6,645,318 (2023 - \$5,938,638).

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.

Territorial Court Judges Registered Pension Plan Fund

Notes to Financial Statements

January 1, 2024

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.

	2024	2023
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, 2023.

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.

Territorial Court Judges Registered Pension Plan Fund

Notes to Financial Statements

January 1, 2024

6. Management of capital (continued)

The GNWT made quarterly contributions to the Fund 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 Fund assets. The GNWT may reduce contributions to the Fund by the amount of any surplus existing within the Fund on the last actuarial valuation date.

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, 2023 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 Fund may be paid directly by the GNWT or by the trustee from Fund assets. Payments made directly by the GNWT to the fund are recognized as a corresponding increase to in-kind contributions.

	2024		2023	
Actuarial fees	\$	-	\$	35,695
Audit		12,350		10,500
Investment management		42,963		42,446
Trustee and custodial fees		33,877		23,646
	\$	89,190	\$	112,287

Territorial Court Judges Registered Pension Plan Fund

Notes to Financial Statements

January 1, 2024

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, 2024, 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 2.4% (2023 - 2.1%). In practice, actual results may differ from this sensitivity analysis and the difference could be significant.

Territorial Court Judges Registered Pension Plan Fund

Notes to Financial Statements

January 1, 2024

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, 2024 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% (2023 - 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, 2024 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% (2023 - 5.7%). 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.

Territorial Court Judges Registered Pension Plan Fund

Notes to Financial Statements

January 1, 2024

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 \$168,000 reciprocal transfer into the plan. The pension obligation increased by \$168,000 as a result of the transfer.

**THE NATURAL RESOURCES
CONSERVATION TRUST FUND**

Yellowknife, NT

FINANCIAL STATEMENTS

For the year ended March 31, 2024

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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
Director, Financial and Capital Planning
Department of Environment and Climate Change

June 28, 2024



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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, 2024, 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 Act* 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.

INDEPENDENT AUDITOR'S REPORT, continued

- ♦ 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.

Avery Cooper & Co. Ltd.
Chartered Professional Accountants
Yellowknife, NT

June 28, 2024

THE NATURAL RESOURCES CONSERVATION TRUST FUND

STATEMENT OF FINANCIAL POSITION

March 31, 2024

ASSET

	2024	2023
CURRENT		
Cash	\$ 254,594	\$ 244,329

LIABILITY

CURRENT		
Accounts payable and accrued liabilities	\$ 3,575	\$ 2,900

FUND BALANCES

CAPITAL PORTION per page 3	187,828	187,828
INTEREST PORTION per page 3	63,191	53,601
	251,019	241,429
	\$ 254,594	\$ 244,329

Approved:



for Erin Kelly, PhD.
Deputy Minister
Department of Environment and Climate Change



Jessica St. Arnaud
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, 2024

	<u>2024</u>	<u>2023</u>
REVENUE		
Interest income	\$ 13,153	\$ 8,095
EXPENSES		
Professional fees	<u>3,563</u>	<u>3,250</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 9,590</u>	<u>\$ 4,845</u>

THE NATURAL RESOURCES CONSERVATION TRUST FUND

STATEMENT OF CHANGES IN FUND BALANCES

For the year ended March 31, 2024

	2024		
	<u>Capital Portion</u>	<u>Interest Portion</u>	<u>Total</u>
BALANCE, opening	\$ 187,828	\$ 53,601	\$ 241,429
Excess of revenue over expenses	-	9,590	9,590
BALANCE, closing	<u>\$ 187,828</u>	<u>\$ 63,191</u>	<u>\$ 251,019</u>
	2023		
	<u>Capital Portion</u>	<u>Interest Portion</u>	<u>Total</u>
BALANCE, opening	\$ 187,828	\$ 48,756	\$ 236,584
Excess of revenue over expenses	-	4,845	4,845
BALANCE, closing	<u>\$ 187,828</u>	<u>\$ 53,601</u>	<u>\$ 241,429</u>

THE NATURAL RESOURCES CONSERVATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

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.

THE NATURAL RESOURCES CONSERVATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

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.

THE NATURAL RESOURCES CONSERVATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

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.

5. DEPARTMENTAL MERGER

Effective April 1, 2023, the Department of Environment and Natural Resources merged with the Department of Land to form the Department of Environment and Climate Change. The merger has no impact on the administration of the Fund.

**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, 2024

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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

**Renée Fougère
Public Trustee**

May 10, 2024



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Chartered Professional Accountants

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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, 2024, 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, 2024, 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 responsible 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
May 10, 2024

**PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES
ESTATE & TRUST FUND**

**BALANCE SHEET
March 31, 2024**

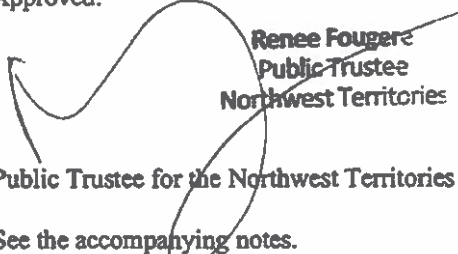
ASSETS

	<u>2024</u>	<u>2023</u>
Cash (Note 3)	\$9,224,621	\$8,626,251
Other assets at nominal value (Note 2b)	<u>1</u>	<u>1</u>
	<u>\$9,224,622</u>	<u>\$8,626,252</u>

NET ASSETS

Undistributed Common Fund earnings per Statement II (Note 4)	\$ 201,142	\$ 195,137
Public Trustee Management Fund (Note 6)	46,488	19,996
Estate & Trust Fund per Statement III (Note 5)	<u>8,976,992</u>	<u>8,411,119</u>
	<u>\$9,224,622</u>	<u>\$8,626,252</u>

Approved:


Renee Fougere
Public Trustee
Northwest Territories

Public Trustee for the Northwest Territories

See the accompanying notes.

STATEMENT II

**PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES
ESTATE & TRUST FUND**

STATEMENT OF OPERATIONS
For the year ended March 31, 2024

	<u>2024</u>	<u>2023</u>
Undistributed Common Fund earnings, opening	\$ <u>195,136</u>	\$ <u>32,379</u>
Add:		
Common Fund earnings	<u>490,629</u>	<u>288,307</u>
Less:		
Interest paid to estates and trusts (Statement III)	400,294	107,983
Excess interest paid to the Government of the Northwest Territories	-	-
Transfers to Public Trustee Management Fund (Note 6)	<u>84,329</u>	<u>17,566</u>
	<u>484,623</u>	<u>125,549</u>
Increase (decrease) in Undistributed Common Fund earnings balance	<u>6,006</u>	<u>162,758</u>
Undistributed Common Fund earnings, closing (Note 4)	<u>\$ 201,142</u>	<u>\$ 195,137</u>

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, 2024

	<u>2024</u>	<u>2023</u>
Estate & trust funds provided:		
Estate and trust assets received	\$ 1,749,528	\$ 1,836,193
Common Fund interest paid to estates and trusts (Statement II)	<u>400,294</u>	<u>107,983</u>
	<u>2,149,822</u>	<u>1,944,176</u>
Estate & trust funds applied:		
Payments to beneficiaries	287,266	704,588
Disbursements made on behalf of estates and trusts	1,171,375	1,001,997
Administration fees (Note 2c)	119,084	120,118
GST on Administration fees	5,954	6,000
Court fees	<u>270</u>	<u>195</u>
	<u>1,583,949</u>	<u>1,832,898</u>
Increase in Estate & Trust Fund balance	565,873	111,278
Estate & Trust Fund balance, opening	<u>8,411,119</u>	<u>8,299,841</u>
Estate & Trust Fund balance, closing (Note 5)	<u>\$ 8,976,992</u>	<u>\$ 8,411,119</u>

See the accompanying notes.

PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

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 \$119,084 (2023 - \$120,118) 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, 2024

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:

	<u>2024</u>	<u>2023</u>
Common Fund	\$8,976,991	\$8,411,119
Other assets at nominal value	<u>1</u>	<u>1</u>
	<u>\$8,976,992</u>	<u>\$8,411,120</u>

PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2024

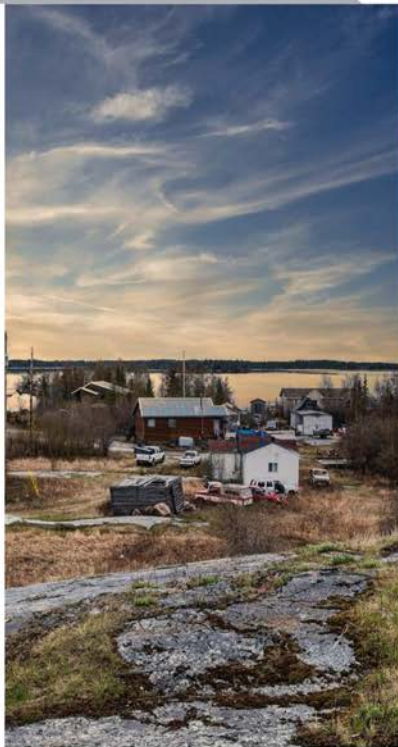
NOTE 6 PUBLIC TRUSTEE MANAGEMENT FUND

The change during the year in the Public Trustee Management Fund is as follows:

	<u>2024</u>	<u>2023</u>
Public Trustee Management Fund balance, opening	\$19,996	\$13,430
Add:		
Management fees transferred to the Public Trustee out of the excess interest earned (Statement II)	75,717	17,566
Less:		
Costs incurred in respect of the annual audit	<u>(12,500)</u>	<u>(11,000)</u>
Public Trustee Management Fund balance, closing	<u>\$83,213</u>	<u>\$19,996</u>

NOTE 7 FINANCIAL INSTRUMENTS

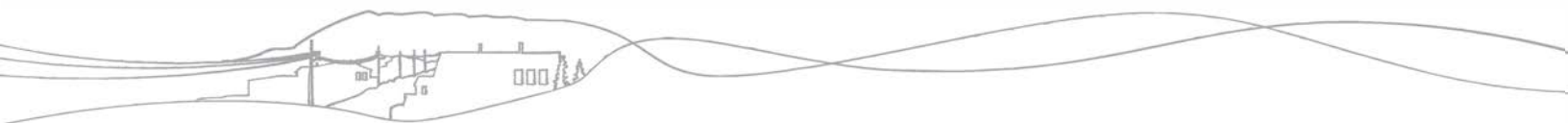
The financial instruments of the Fund consist of cash, undistributed Common Fund earnings, and the Common Fund. It is management's opinion that the Public Trustee is not exposed to significant interest rate, currency, market, credit or liquidity risks and that the fair value of these financial instruments approximates their carrying value.



2023-2024 PUBLIC ACCOUNTS

SECTION IV SUPPLEMENTARY FINANCIAL STATEMENTS - BOARDS

Government of
Northwest Territories



PUBLIC ACCOUNTS
OF THE
GOVERNMENT OF THE NORTHWEST TERRITORIES
FOR THE YEAR ENDED MARCH 31, 2024

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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Dehcho Divisional Education Council
Dettah District Education Authority
N'Dilo 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, 2023**

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Message from Superintendent of Schools Devin Roberts

On behalf of the Beaufort Delta Divisional Education Council (BDDEC), I am pleased to present the Annual Report for 2022 - 2023. The Management Discussion and Analysis (MD&A) is presented as a go-forward responsibility of the management and the Board Members to promote transparency and accountability.

The 2022 – 2023 year has been a year of change. The Superintendent’s community based participatory action research (CBPAR) combined with working groups from the District Education Council (DEC) in 2022 resulted in a convergence of the viewpoints and a sense of urgency to focus on key priorities, with carefully selected strategies and a commitment to result for long term student achievement. Council chose to target student achievement as the priority given existing results in Literacy, Numeracy, ILE and the importance of reading, mathematics (numeracy) and language growth (ILE) for success in school and in later life. Social responsibility is the other Council priority that overlaps these initiatives. The design of this strategic plan and vision complements the Council’s foundational policies.

The fundamental purpose of the new shared district vision is to work collaboratively with each other and our partners to provide the best possible education for all Beaufort Delta students. Accordingly, building and maintaining effective working relations with each other and caring relationships with parents, guardians and students is essential to our success.

The research base for this initiative was and continues to be inclusive of what is already working here (Indigenized Education) within the Beaufort Delta region combined with what the literature says is working out there (Inquiry learning).

Inquiry based learning is defined as students actively involved in solving authentic (real-life) problems within the context of the curriculum and/or community.

A new partnership with the University of British Columbia (UBC) was formed helping recruit new teachers to the district that come trained in Indigenous Education and Inquiry. Current BDDEC staff are being trained in inquiry and are working towards a decolonized model of education for our students. In 2022 BDDEC started a collaboration with Excellence Canada utilizing their Organization Excellence Essentials standards as a guide to facilitate action research with employees and stakeholders. The goal being for employees and stakeholders to provide feedback for long-term improvement.

All schools will follow a cultural calendar that is developed uniquely for their community. BDDEC is now designing student surveys along with the traditional parent/guardian surveys to launch in 2022-2023 to actively engage students, parents and guardians.

The District Education Council (DEC) returned to normal meeting structure in the 2022 – 2023 with regularly scheduled DEC meetings. During 2022-23 some of the DEA’s have had difficulty filling their DEA positions. BDDEC will continue to work with the DEA’s to assist the DEA’s in filling their vacant positions and will assist in all DEA elections scheduled. All of the DEC Board

members are active in their communities and supportive of the actions of the senior management in the operations of the schools.

BDDEC continues to experience difficulty in ensuring that housing is available for teachers in the communities. Previously this has hindered us placing teachers into the community as no housing has been available. BDDEC continues to work with GTC, IRC and GNWT Housing in an attempt to resolve this issue. BDDEC has also engaged in conversations about potential housing options with the Federal Government of Canada in August of 2023.

BDDEC's goals defined in the 2022 - 2023 Operating Plan

- To improve student success in Literacy (Reading and Writing)
- To improve student success in Numeracy
- To improve student success in Indigenous Language(s) and Culture
- To increase understanding and practice of Social Responsibility of students

This approach will enable BDDEC to state the progress that the organization has made and will highlight areas where improvement is needed. Some of the key accomplishments in 2022 - 2023 include:

- Record gain in Numeracy with over 80% of students on or above level in Math
- BDDEC responsive teaching cycle focused on data driving instruction
- Community Engagement with the Long Term Vision
- Partnership with Excellence Canada
- Successful instructional coaching program over the past four years
- Creation of student council in all schools
- Increased awareness of the BDDEC vision
- Indigenizing Education making literacy and numeracy more culturally relevant to our students
- BDDEC continues to focus on literacy and numeracy initiatives to improve teacher practices and development with a focus on student achievement. Jordan's Principle Funding support the additional support staff as Literacy Coaches and Math Coaches which work with the teachers to provide additional capacity.
- BDDEC offered JK – Grade 12 in Tsiigehtchic and Sachs Harbour in 2022 – 2023 reducing the dependency on the Home Boarding program.

BDDEC continues to address the achievement gap with graduating students in NWT compared to rest of Canada through development of programs more directed to educating Indigenous students in a culturally relevant program.

Overview

The Beaufort Delta Divisional Education Council (BDDEC) for the 2022 – 2023 year provides Junior Kindergarten to Grade 12 instruction for 1,452 students through nine schools in the in eight communities of Inuvik, Aklavik, Fort McPherson, Tsiigehtchic, Tuktoyaktuk, Sachs Harbour, Ulukhaktok, and Paulatuk.

BDDEC is committed to delivery of culture-based education to the students and receives extensive support for various programs from the Gwich'in Tribal Council (GTC) and the Inuvialuit Regional Corporation (IRC). Both GTC and IRC are actively involved in helping to develop on the land programs, and additional support was received from ITI for the Take a Kid Hunting and Take a Kid Trapping programs. All of the schools provide Indigenous Language(s) programs which encourages students to succeed through a better understanding and awareness of their culture and language.

BDDEC Board of Directors

The BDDEC Board of Directors are appointed by the DEA's from the local communities. Both Gwich'in Tribal Council and the Inuvialuit Regional Corporation have the authority to appoint one position (each) on the BDDEC Board. DEA positions are elected in the local communities and serve for a three-year term. The BDDEC Board had one face-to-face meeting, and two video conference regular meetings during the 2022 – 2023 year.

Chairperson	Darlene Gruben
Vice-Chairperson	Mina McLeod
Member-at-Large	Gilber Thrasher Sr
Aklavik	Mina McLeod
Fort McPherson	Rebecca Blake
Inuvik	Jenna MacNeil
Paulatuk	Gilbert Thrasher Sr
Sachs Harbour	Vacant
Tsiigehtchic	Archie Inglangasuk Jr
Tuktoyaktuk	Darlene Gruben
Ulukhaktok	Derek Squirrel
Gwich'in Tribal Council	Janna Wolki
Inuvialuit Regional Corporation	Evelyn Storr

The Executive Committee consists of the Chairperson, the Vice-Chairperson, the Member-at-Large which are elected by the BDDEC Board, and a representative from each indigenous government. The Executive Committee meets monthly with the BDDEC Board Office Staff.

BDDEC Staff

Superintendent	Devin Roberts
Assistant Superintendent	Krista Cudmore
Assistant Superintendent	Richard McKinnon
Comptroller	Gary McBride
Comptroller	Steven Odiase
LAN Manager	Michael Reardon
Technical Officer	Hope Anumba
Finance Officers	Ken Crocker

Finance Clerk
Administrative Assistant

Kurt Scheiwiller
Sacha Nogasak
Loni Noksana-Ruben

Consultants

Inclusive Schooling
Indigenous Languages
Literacy Coordinator k-12
Junior Kindergarten
Math/Science
PowerSchool
Northern Distance Learning

Justin Guy/Sonia Gregory
Velma Illasiak/Erica Thompson
Julie Donahue-Kpolugbo/Stephen Dagar
Danielle Aylward
Shawn Feener
William Logan
Edward Hartley/William Logan

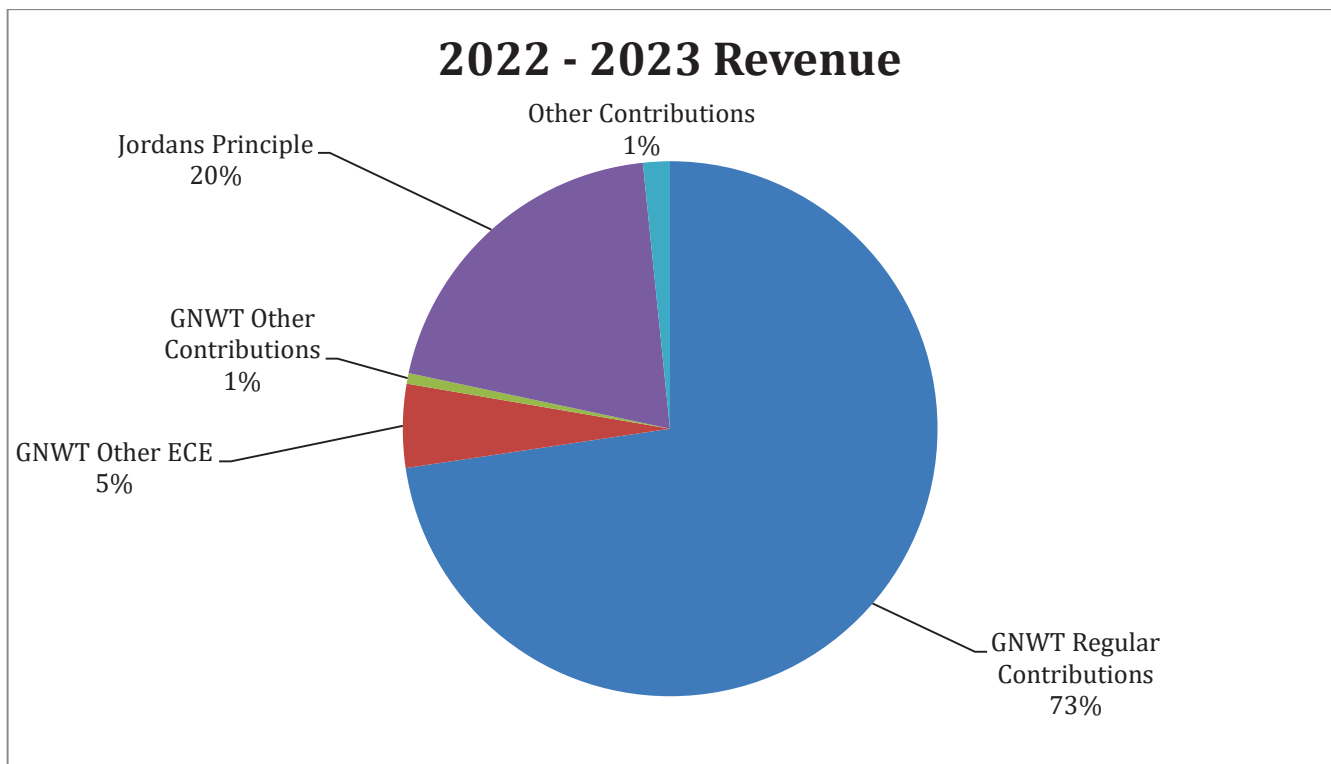
Principals

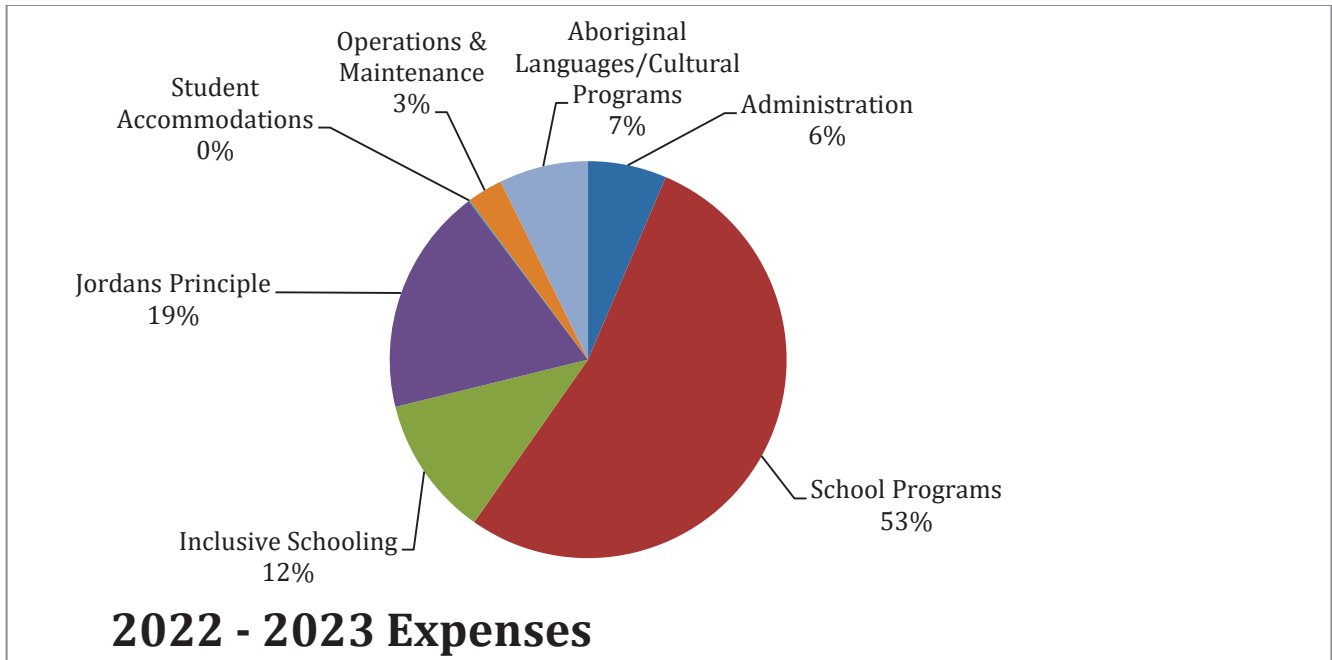
Angik – Paulatuk
Chief Julius – Fort McPherson
Chief Paul Nitidchie – Tsiighetchic
Helen Kalvak – Uluhaktok
Inualthuyak – Sachs Harbour
Mangilaluk – Tuktoyaktuk
Moose Ker School – Aklavik
East Three Elementary – Inuvik
East Three Secondary – Inuvik

Julliette Clark
Shirley Peterson
Lara Gerritse
Nicolas Kopot
Martin MacPherson
Ephraim Warren
Daniel Summers
Chauna MacNeil
Moses Garaba

Financial Highlights

Revenues for 2022 – 2023 of \$44.4 million was \$3.3 million higher than budgeted. GNWT regular contributions accounted for 72.7% of the revenue at \$32.3 million a decrease of \$0.4 million from 2021 - 2022 year. Other contribution agreements from the GNWT brought the total GNWT contributions to \$34.8 million; which is an increase of \$0.2 million from the 2021 – 2022 year. Total revenues of \$44.4 million was an increase of \$0.4 million from the 2021 - 2022 year. Funding from the Government of Canada under the Jordan’s Principle program accounted for 20.0% of total revenue at \$8.9 million. Expenses are broken into program cost; school programs accounted for 53.4% of cost at \$25.6 million, Indigenous Languages and Education for 7.3% of cost at \$3.5 million, Inclusive schooling for 11.4% of cost at \$5.5 million, Jordan’s Principle for 18.6% of cost at \$8.9 million and Administration for 9.3% of cost at \$4.4 million. Total expenses at \$47.8 million were \$3.8 million more than 2021 - 2022, and \$1.8 million more than the 2022 - 2023 Budget.





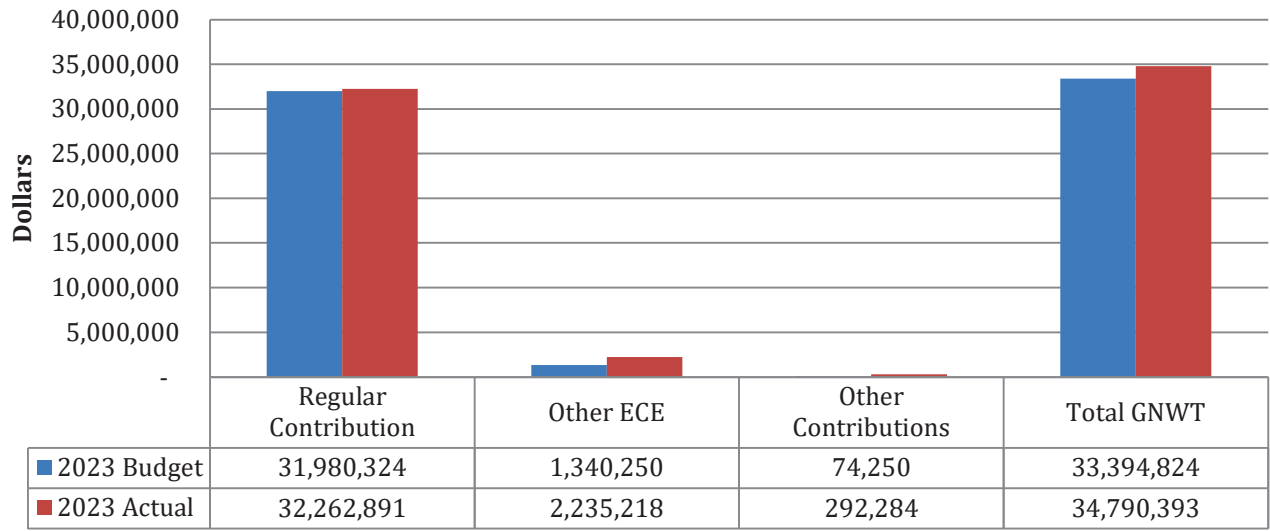
2022 – 2023 Revenues

For 2022 - 2023 BDDEC Consolidated Statement of Operations had an Operating Deficit of \$3.4 million compared to a Budgeted Operating Deficit of \$4.9 million. Additional funding was provided by the GNWT for the French program and additional programs were submitted to the Jordan’s Principle program which were approved. Most significant items were the partial funding of a French Consultant for the French Program, support for the French teachers in Inuvik and the addition funding for the trades program to be funded by Jordan’s Principle.

The DEA’s and BDDEC continue to form strategic partnerships, and are successful in finding additional sources of funding for school activities. Each of these programs have been closely monitored in the 2022 – 2023 year to ensure that the highest degree of benefit to the students was achieved.

Chart 1 displays our 2022 – 2023 Actual Revenues compared to the budgeted revenue.

2022 - 2023 Actual Revenue vs. Budget



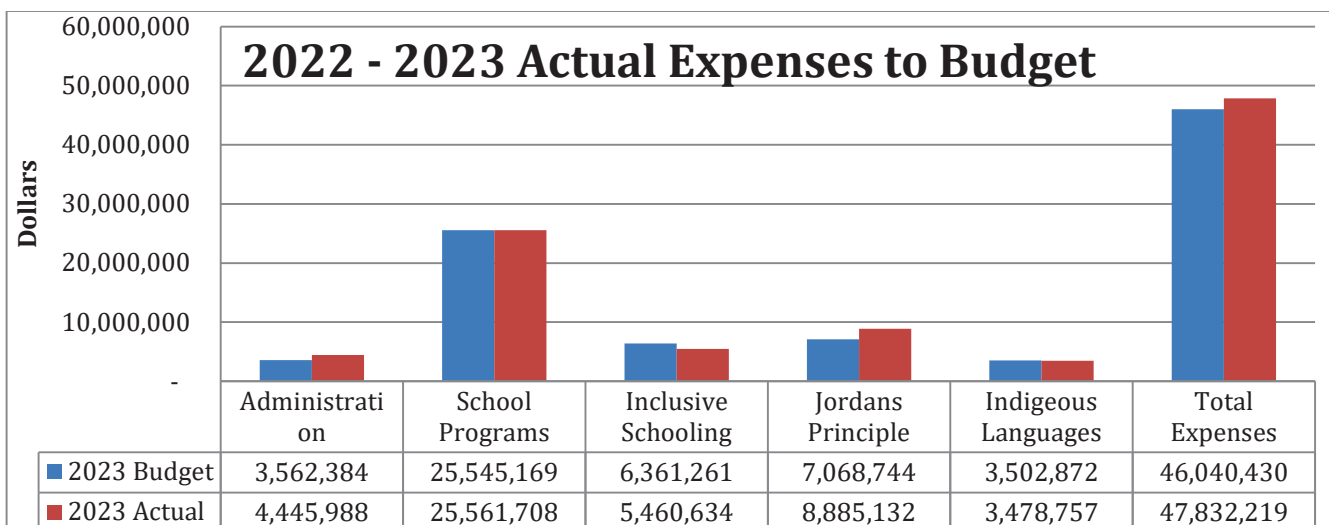
2022 – 2023 Expenses

Expenses for the year-end June 2023 were \$1.8 million more than the budget of \$46.0 million for a total cost of \$46.8 million. This represents a \$3.8 million increase in expenditures from 2021 -2022, or a 8.7% increase in spending from previous year.

Inclusive schooling had expenses of \$5.5 million representing an increase in spending from the 2021 - 2022 year of \$0.6 million.

Indigenous Languages had expenses of \$3.5 million; which represents an increase of expenditures of \$0.5 million from the 2021 – 2022 year.

Chart 2 is a program comparison of our expenses for 2022 - 2023 compared to the budgeted expenses.



When comparing 2023 against 2022, BDDEC experienced a 0.9% increase in revenues, and an increase in expenses of 8.7% resulting in an operating deficit of \$3.4 million. For the year ended June 2023, the Accumulated Surplus is \$380,592 or 0.9% of revenues. Management prepared and presented an Operating Plan for the 2023 – 2024 year projecting a deficit of \$1.1 million. BDDEC continues to provide additional supports as it transitions into the BC curriculum which focuses more upon Indigenous Education. The additional expenditures will be due to additional staffing to support the students and teachers as this move occurs.

Chart 3 is a comparison of the Year-end 2023 GNWT Revenues compared to the 2022 Revenues

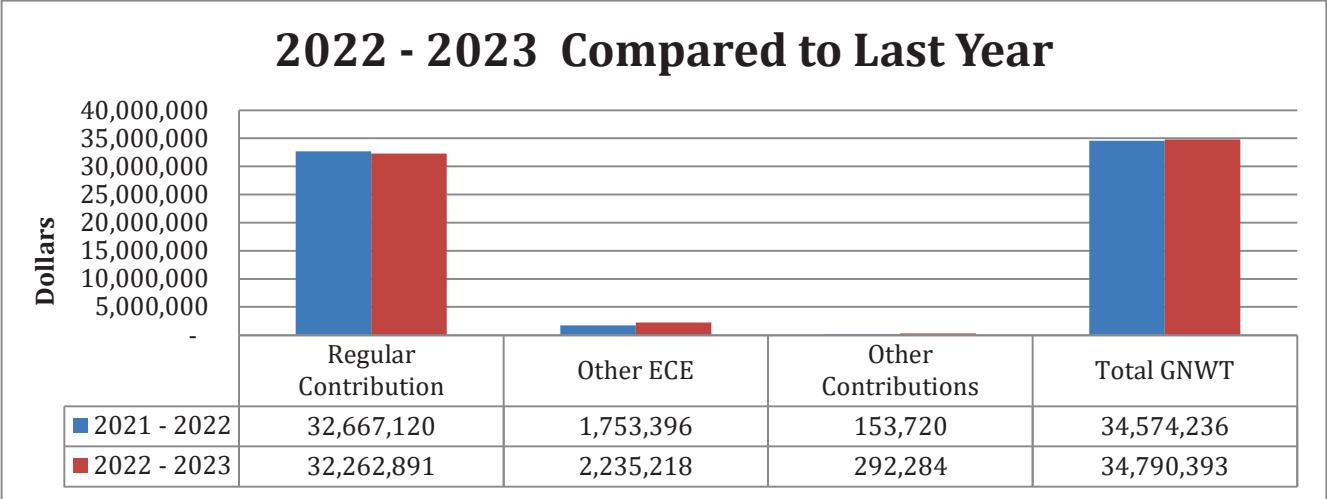
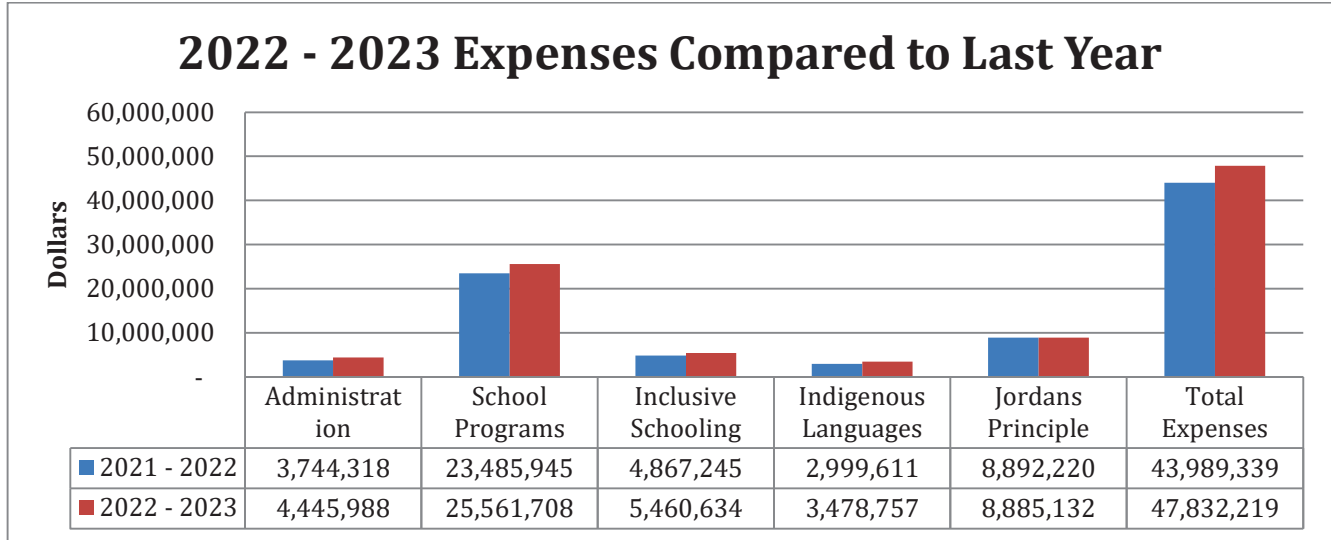


Chart 4 compares the 2023 Program Expenses against to the 2022 Program Expenses.



The plan for the 2022 – 2023 year was to have a Deficit of \$4.9 million. Senior management focused on providing additional supports to teachers as BDDEC transitions into the BC curriculum resulting in a deficit of \$3.4 million. This leave the Accumulated Surplus of \$380,592 for the June 2023 year-end.

The strength of the organization is the commitment of the staff working for the Beaufort Delta Divisional Education Council, and their dedication to the students in our area. The weakness of the organization is the remoteness of some of the schools, the distance between the schools and the high turnover of the staff. Each year represents a major recruiting drive to replace approximately 20% - 30% of the teaching staff. Once again the turnover at the end of the 2023 year was high. During the 2022 – 2023 year a number of positions were unfilled requiring the reallocation of some teachers to different location to ensure that there were sufficient staff in place to support the development of the students. Student attendance remains a high concern, and many initiatives have been implemented to increase the student’s attendance in the schools which did result in increased attendance at some of the schools during the 2022 – 2023 year. Staff will continue to focus on methods to increase the regular attendance at the schools.

A major achievement is the record increase in Numeracy which is due to the additional diligence by staff and senior management with 80% at grade level for Math.

Student and Teacher population for each school as of June year-end *

Community	School	2023 Students	2023 Teachers	2022 Students	2022 Teachers
Aklavik	Moose Kerr	135.00	18.00	125.00	20.00
Fort McPherson	Chief Julius	125.50	15.00	140.50	18.00
Inuvik	East 3 Elem	381.50	36.00	414.50	38.00
Inuvik	East 3 Second	322.00	37.50	301.50	34.00
Inuik DEA	Subtotal	703.50	73.50	716.00	72.00
Paulatuk	Angik	80.00	7.00	71.50	7.00

Sachs Harbour	Inualthuyak	9.50	3.00	9.50	3.00
Tsiigehtchic	Chief Paul Niditchie	39.50	8.00	40.50	7.00
Tuktoyaktuk	Mangilaluk	238.00	22.00	246.00	22.00
Ulukhaktok	Helen Kalvak	121.00	13.00	118.50	13.00
Board (Consultants)			15.50		20.50
Total		1452.00	175.00	1467.5	182.50

Note: *Teachers included NWTTA members who are classroom teachers, principals, assistant principals, program support teachers, wellness counsellors, indigenous language teachers, literacy coaches, etc.

Operating Environment

BDDEC operates in a remote part of the Northwest Territories and as result has some unique circumstances.

Strengths

- Each school has a Safe and Caring School Program
- Each school has procedure manuals, and practices lock down procedures on a regular basis
- Each school has staff that have completed first aid training
- Breakfast programs supplied at all schools
- Each school operating an On the Land Program is in possession of or in the process of getting Satellite phones in the event of an emergency
- Staff are well trained and supported in additional training
- Many of the Administration staff are long-term employees giving stability to the organization

Weakness

- Travel to remote communities by air and road, the concern of limited cellular connectivity has been addressed by having three well maintained vehicles equipped with Satellite phones for remote travel. Air travel is approved only with approved air carriers. Additional issues are the aircraft fuel availability at several of our remote communities, this adds to the difficulty in travel to the communities.
- Student attendance, each community is working on programs unique to the community to raise community awareness of the importance of attendance and to encourage students to attend

Threats

- Staff housing continues to be an issue in several of the communities, management is working with NWT Housing to ensure that housing will be available for teachers when they arrive
- High turnover of staff continues, management is getting involved in recruiting much earlier in the year knowing that there will be positions available

Opportunities

- Many staff including management are long-term employees of BDDEC, this give the school council a base to build upon in mentoring new teachers
- An active mentoring program for new teachers
- Introduction for new teachers in a New to the North Conference which identifies the cultural difference and differences working in the North
- BDDEC host an in-service for returning staff each year to provide additional support, training, and outline objectives for our region before school starts

The Mary Bryant Award for Improvement in English (Award)

A joint venture between the Beaufort Delta Education Council, (BDDEC) the Mary and Joe Bryant family (Family) and the Ottawa Independent Writers (OIW): “the Parties”, wish to establish a fund to be known as the “Mary Bryant Award for Student Improvement in English”. The fund shall consist of a principal amount, to be determined, and interest earned and accrued on such principal amount. Additional contributions may be received by BDDEC from individual donors to the fund in future years. Such contributions shall be added to the principal amount. The fund is currently administrated by the Ottawa Independent Writers in combination with other funds administrated through the organization.

Background

Ottawa resident Mary Bryant, now deceased, spent many years working in the North, and taught school in Aklavik. She was an avid writer and long-time member of the Ottawa Independent Writers organization (www.oiw.ca). Upon her passing in spring 2011, the OIW Board felt that an appropriate tribute to her amazing life would be an award to a deserving student within the BDDEC, with emphasis on English skills. The idea was proposed to the Family and the BDDEC, and was met with great enthusiasm. This paper sets out the proposed operation and other issues pertaining to the Award.

Concept

OIW, the Family and other interested parties will contribute to the Award, to be managed by the BDDEC. It will be set up as an endowment, with the principal to be invested and the annual award to be paid from interest earned, although the initial award, hopefully given in 2012, and some incidental set-up expenses may be drawn from the principal as there will be little time available for interest earning. The Family will act as financial advisors to BDDEC, to ensure the Award will be available for a deserving student for many years to come. The Award is intended to be a yearly event, unless for some reason no student qualifies for the criteria established by the BDDEC.

The Parties agree that they will act collegially on the ongoing management of the Award. OIW commits to an initial contribution of \$1000, the Family to at least \$2000, and OIW will solicit additional contributions from persons familiar with Mary. BDDEC will issue tax receipts to those contributors who indicate a desire for same.

The Award Recipient

The Award is intended for a high school student within the BDDEC jurisdiction, with particular emphasis, but not necessarily to the exclusion of other areas, on the regions of Aklavik, Tuktoyaktuk, and Fort McPherson, as these communities had special interest to Mary. The BDDEC will set up the selection process as it sees fit: the Award is intended for a high school student who has shown the most improvement in written English skills during the school year. BDDEC will develop the specific criteria to be used to select the winning student, and advise the other Parties of the winner and the reasons for choosing that student. The Award will be presented in a suitable ceremony near the end of the school year. The other Parties will attempt to take part in the ceremony in some electronic fashion if possible. The Award is independent of any other honors the recipient may receive. The recipient will receive a

cheque for the designated amount, as determined by the BDDEC and the Family, plus a small token of remembrance he or she may keep. There will also be a modest plaque or similar item created by the BDDEC that will identify the Award, and each year's recipient; the enduring plaque will rotate from school to school on an annual basis as winners are selected. While the student may use the Award in whatever manner he or she wishes, OIW and the Family would prefer that it be used in some way that advances the student's educational career.

The Award is open to all high school students attending a school within BDDEC's jurisdiction and shall be granted to the student who shows the most improvement in English studies throughout the school year. The Award is intended to be a yearly event, unless for some reason no student qualifies for the criteria established by BDDEC.

Criteria used to determine the recipient of the award shall be developed by BDDEC, in consultation with the Parties. The Parties and BDDEC agree to act collegially on the ongoing management of the fund/Award.

In the event that unforeseen circumstances make the specified use of this Fund no longer practical or desirable, BDDEC is hereby authorized to make any changes it may deem appropriate, such changes however to be in keeping, as far as possible, with the spirit and general intent of the fund and with agreement of the Parties.

No Award was given for the Mary Bryant Award for the 2022 – 2023 year.

Stallworthy-Carpenter Fund

Sarah Hilda Stallworthy was the widow of an RCMP officer who served the NWT during the 1940s. Mrs. Stallworthy had never been to the NWT, but maintained an interest in its development and was concerned about the difficulties she believed indigenous children faced in higher education.

The Superintendent of the BDDEC was able to describe for Mrs. Stallworthy an initiative the Board would be taking over the next few years to ease the transition for indigenous students from small communities as they are brought into the high school in Inuvik.

Mrs. Stallworthy felt that this plan has significant merit, and in April 1990 made the Beaufort-Delta Board the beneficiary of her estate.

Mrs. Stallworthy passed away in August 1990. The estate of approximately \$215,000 will be held in trust with the annual interest to be used at the discretion of the Superintendent to further the secondary education of indigenous students within the Board. The fund has been designated by the Board the Harry Stallworthy/Noah Carpenter fund. Mr. Stallworthy developed his wife's enduring interest in the north.

Dr. Carpenter is the first Inuit doctor, the only Inuvialuit specialist surgeon to emerge from the Northwest Territories, and is known for the development of surgical techniques. He attended a residential school, and in 1963 graduated from high school in Inuvik. He has a Honourary Doctor of Law from the University of Calgary, was appointed a Citizen Ambassador to China in 1987 and is a member of the Native Physicians Association of Canada, the Canadian College of Health Service Executives, the Science Institute of the NWT, the Canada Science Council, and the International Society of Endovascular Surgeons. He has been an inspiration to many northerners.

The Stallworthy will stated that BDDEC should receive this money with the provision that the principal remain intact and all interest earned to be used to fund aboriginal students for activities in keeping with the intent of the Will.

Initially, the intent of the Will was to fund orientation visits for students who would be attending high school outside of their community. After our regional residence closed, the BDDEC Executive broadened the scope to include activities for more senior students to travel nationally and internationally. Such travel must contain some element that supports or promotes the post-secondary education and/or success in school. Travel for sport activities is NOT eligible.

In 2004 - 2005 the BDDEC executive decided to allocate to a maximum of \$2K/eligible school. This was raised to \$2.5K/eligible school in 2011/12. Meritorious proposals are presented to the Executive each spring for the ensuing school year.

For the 2022 – 2023 year a \$10,000 Award was issued to East Three Secondary School for the Europe Trip.

Terry Halifax Fund

Terry Halifax was a Town of Inuvik Councillor who passed away suddenly after a town council meeting in 2015. First elected to the town council in 2004; he served as the Chair of the community Energy Planning Committee and the Administration Committee. He was known for not holding back in expressing what he felt was the best interest of the Town and its residents. And as such he was well known through his work with community projects, volunteerism and school involvement.

In recognition of Terry Halifax's commitment to the community, the Terry Halifax Bursary will be awarded annually to the high school student who exemplifies what it means to be a capable citizen through community, school involvement, volunteerism and leadership.

Starting in 2019, the school administration will recommend a recipient after consultations with staff to the Superintendent of Schools. The selection will be made no later than mid-May with the bursary to be presented during the graduation ceremony in early June. Annual award will be \$500.

It is the desire of the Bursary Committee to present the award to a graduating students, but any student that best exemplifies being a capable citizen will be considered.

For the 2021 – 2022 year a \$500 Bursary was split and \$250 issued to each of Stuart Cockney and Gerald Fitz.

R. Gosselin “Go For It Award”

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 citizen through community recreation volunteerism and leadership.

Annual award will be \$500.

For the 2022 – 2023 year the \$500 Award was split and \$250 issued to each Bristol Pidborochynski and Ayden Nogasak.

Summary and Outlook

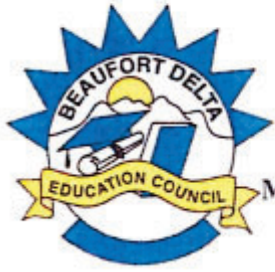
BDDEC has completed a most successful year: culturally scholastically and financially. Many of the communities have introduced community specific programs which encourages attendance. This year resulted in a number of graduate looking to further their education through advanced schooling. Programs continue to be evaluated as to what BDDEC will be able to offer in the school during the coming year especially in light of the movement to the new curriculum.

Attendance continues to be a major concern. The schools are constantly reviewing and looking for better ways to engage the students and their parents in encouraging attendance. With our hiring program this year we were pleased to offer positions to a number of our former graduates. These individuals have become role models for our students as to what they can accomplish, and that they can bring their education back to their community to help others.

Financially we have used the accumulated surplus to provide additional supports for teachers as we move to the new curriculum. Going forward BDDEC will need to monitor spending closely through effective cost controls, forming partnerships with other groups, and through the efforts of staff to bring forward ideas where we have been funded with additional contribution agreements. Additional funding has been received from Jordan's Principle allowing BDDEC to expand the Trades Program in many of the schools.

For the 2022 – 2023 year a substantial amount of funding was received through the contribution agreement with the Government of Canada with the Jordan's Principle program. This helped to fund 25 Literacy/Math/Trades Teachers and 49 Support Assistants in the schools. Latest discussions indicate that this program will continue in some form for at least another several years which will help to provide additional staffing to support the development of students.

Looking forward, there is a concern about the potential for reduced funding. Our staff continues to look for opportunities to deliver education in an effective and efficient manner. The opportunities are forming education partnerships, eLearning, and new approaches to education. Staff continue to develop skill sets through attendance at conferences, and a number of staff continue to upgrade their skill set to become better at their positions. With this dedication, even with the possibility of reduced funding we believe the future is bright for the students of the Beaufort Delta.



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
August 31, 2023



Gary McBride
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 Beaufort Delta Divisional Education Council which comprise the Consolidated Statement of Financial Position as at June 30, 2023 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, 2023 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.

INDEPENDENT AUDITORS' REPORT - cont'd.

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.

INDEPENDENT AUDITORS' REPORT - cont'd.

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.

EVERY COOPER & CO. LTD.
Chartered Professional Accountants
Yellowknife, NT

August 31, 2023

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL



Statement I

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2023

	<u>2023</u>	<u>2022</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents (Note 4)	\$ 7,018,582	\$ 12,182,861
Restricted Assets (Note 6)	311,066	313,515
Accounts Receivable (Note 8)	<u>967,197</u>	<u>730,183</u>
	<u>8,296,845</u>	<u>13,226,559</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 10)	790,899	921,457
Payroll Liabilities (Note 10)	4,666,191	5,974,885
Contribution Repayable (Note 12)	-	592
Employee Deductions Payable	15,836	23,900
Deferred Revenue (Note 11)	437,820	302,324
Post-Employment Benefits (Note 17)	1,953,351	1,920,063
Trust Liabilities (Note 6)	<u>311,066</u>	<u>313,849</u>
	<u>8,175,163</u>	<u>9,457,070</u>
NET FINANCIAL ASSETS (Statement III)	<u>121,682</u>	<u>3,769,489</u>
NON-FINANCIAL ASSETS		
Prepaid Expenses (Note 20)	<u>258,910</u>	<u>39,989</u>
	<u>258,910</u>	<u>39,989</u>
ACCUMULATED SURPLUS	<u>\$ 380,592</u>	<u>\$ 3,809,478</u>

Approved:


 _____ 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, 2023

	2023 Budget (Unaudited)	2023 <u>Actual</u>	2022 <u>Actual</u>
REVENUE			
Government of the NWT			
Regular contributions	\$ 31,980,324	\$ 32,262,891	\$ 32,667,120
Other ECE contributions (Note 31)	1,340,250	2,235,218	1,753,396
Other contributions (Note 32)	<u>74,250</u>	<u>292,284</u>	<u>153,720</u>
Total Government of the NWT	<u>33,394,824</u>	<u>34,790,393</u>	<u>34,574,236</u>
Government of Canada			
Jordan Principial	7,068,744	8,885,133	8,891,946
Other Government of Canada	<u>8,020</u>	<u>-</u>	<u>-</u>
Total Government of Canada	<u>7,076,764</u>	<u>8,885,133</u>	<u>8,891,946</u>
Board Generated Funds			
Investment Income	160,000	314,509	90,720
Other	<u>498,649</u>	<u>413,298</u>	<u>436,743</u>
Total Board Generated Funds	<u>658,649</u>	<u>727,807</u>	<u>527,463</u>
TOTAL REVENUE	<u>41,130,237</u>	<u>44,403,333</u>	<u>43,993,645</u>
EXPENSES (Schedule 1)			
Indigenous Languages and Education	3,502,872	3,478,757	2,999,611
Administration	3,562,384	3,062,908	2,728,082
Inclusive Schooling	6,361,261	5,460,634	4,867,245
School Programs	25,545,169	25,514,891	23,364,452
Jordan's Principle	7,068,744	8,885,132	8,892,220
Student Accommodations	-	46,817	121,493
Operations & Maintenance	<u>-</u>	<u>1,383,080</u>	<u>1,016,236</u>
TOTAL EXPENSES	<u>46,040,430</u>	<u>47,832,219</u>	<u>43,989,339</u>
OPERATING DEFICIT	<u>\$ (4,910,193)</u>	<u>\$ (3,428,886)</u>	<u>\$ 4,306</u>

See the accompanying notes and schedules.

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL
Statement III
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
June 30, 2023

	2023 Budget <u>(Unaudited)</u>	2023 <u>Actual</u>	2022 <u>Actual</u>
OPERATING DEFICIT	\$ (4,910,193)	\$ (3,428,886)	\$ 4,306
Purchase of Prepaid Expenses	-	(258,910)	(39,989)
Use of Prepaid Expenses	<u>-</u>	<u>39,989</u>	<u>1,500</u>
	-	(218,921)	(38,489)
DECREASE IN NET FINANCIAL ASSETS	<u>(4,910,193)</u>	<u>(3,647,807)</u>	<u>(34,183)</u>
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>3,769,489</u>	<u>3,769,489</u>	<u>3,803,672</u>
NET FINANCIAL ASSETS (DEBT), END OF YEAR	<u>\$ (1,140,704)</u>	<u>\$ 121,682</u>	<u>\$ 3,769,489</u>

See the accompanying notes and schedules.

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

Statement IV

CONSOLIDATED STATEMENT OF CASH FLOW

For the Year Ended June 30, 2023

Cash provided by (used in):	<u>2023</u>	<u>2022</u>
OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$ (3,428,886)	\$ 4,306
Changes in non-cash assets and liabilities:		
Decrease (increase) in accounts receivable	(237,014)	16,630
Increase (decrease) in accounts payable	(130,558)	91,707
Increase (decrease) in payroll liabilities	(1,308,694)	1,649,692
Increase (decrease) in contributions repayable	(592)	592
Increase (decrease) in employee deductions payable	(8,064)	21,636
Increase (decrease) in deferred revenue	135,496	(5,260,323)
Increase (decrease) in post-employment benefits	33,288	(432,012)
Decrease (increase) in prepaid expenses	<u>(218,921)</u>	<u>(38,489)</u>
Cash provided by operating transactions	<u>(5,163,945)</u>	<u>(3,946,261)</u>
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 (5,163,945)	 (3,946,261)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>12,182,861</u>	<u>16,129,122</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 7,018,582</u>	<u>\$ 12,182,861</u>

See the accompanying notes and schedules.

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 NATURE OF ORGANIZATION

The Beaufort Delta Divisional Education Council was established under the Education Act of the government of the Northwest Territories 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.

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

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, accountable funds, due from the GNWT and other accounts receivable.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, payroll liabilities, 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, 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.

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2023

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 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.

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2023

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.

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2023

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.

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2023

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.

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2023

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.

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

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 financial 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.

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

NOTE 3 FUTURE ACCOUNTING CHANGES AND ADOPTION OF NEW ACCOUNTING STANDARDS

Future Accounting Changes

Financial instruments

The Public Sector Accounting Board (PSAB) issued PS 3450 Financial Instruments effective for fiscal years beginning on or after April 1, 2022. Items within the scope of the standard are assigned to one of two measurement categories: fair value, or cost or amortized cost. Fair value measurement will apply to derivatives and portfolio investments in equity instruments that are quoted in an active market. Also, when groups of financial assets and financial liabilities are managed on a fair value basis they may be reported on that basis. Other financial assets and financial liabilities will generally be measured at cost or amortized cost. Until an item is derecognized, gains and losses arising due to fair value remeasurement will be reported in the Statement of Remeasurement of Gains and Losses. There is no significant impact on the financial statements as a result of its application.

Other New Standards

Effective July 1, 2022, Education Bodies will concurrently be required to adopt: PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3041 Portfolio Investments in the same fiscal period. Government organizations that apply PSAS were required to adopt these standards effective April 1, 2012, however there are no significant impacts on the financial statements as a result of these applications.

Effective July 1, 2022, Education Bodies will be required to adopt PS 3280 Asset Retirement Obligations. This standard provides guidance on how to account for and report liabilities for retirement of tangible capital assets. The Education Body is assessing the impact of this standard on the consolidated financial statements and currently estimates it will result in an increase in asset retirement obligations of \$Nil at June 30, 2023.

Effective July 1, 2023, Education Bodies will be required to adopt PS 3160 Public Private Partnerships. This Section establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. The private sector partner's obligations include requirements to:

- (a) design, build, acquire or better new or existing infrastructure;
- (b) finance the transaction past the point where the infrastructure is ready for use; and
- (c) operate and/or maintain the infrastructure.

This standard is applicable only to those Education Bodies that are able to acquire, and required to report, tangible capital assets in its financial statements.

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2023

NOTE 3 FUTURE ACCOUNTING CHANGES, continued

Effective July 1, 2023, Education Bodies will be required to adopt PS 3400 Revenue. This standard provides guidance on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. The impact of these standards on the financial statement is currently being assessed.

NOTE 4 CASH AND CASH EQUIVALENTS

	<u>2023</u>	<u>2022</u>
Cash	\$ <u>7,018,582</u>	\$ <u>12,182,861</u>
	<u>\$ 7,018,582</u>	<u>\$ 12,182,861</u>

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.

	<u>2023</u>	<u>2022</u>
Comprised of:		
Short-term		
- GIC 5.25% due June 27, 2024	\$ 291,000	\$ 270,000
- Due from general cash	<u>(3,414)</u>	<u>19,727</u>
	<u>\$ 287,586</u>	<u>\$ 289,727</u>
Stallworthy / Carpenter Endowment Fund:		
Principal proceeds received	\$ 234,686	\$ 234,686
Interest earned to date	280,135	272,846
Expenses to date	<u>(227,235)</u>	<u>(217,805)</u>
	<u>\$ 287,586</u>	<u>\$ 289,727</u>

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

NOTE 6 RESTRICTED ASSETS, continued

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 citizen through community, school involvement, volunteerism and leadership.

Comprised of:

Short-term	- GIC 5.25% due June 27, 2024	\$ 20,000	\$ 21,000
	- Due from general cash	<u>306</u>	<u>(781)</u>
		<u>\$ 20,306</u>	<u>\$ 20,219</u>

Terry Halifax Fund:

Principal proceeds received		\$ 21,000	\$ 21,000
Interest earned to date		1,806	1,219
Expenses to date		<u>(2,500)</u>	<u>(2,000)</u>
		<u>\$ 20,306</u>	<u>\$ 20,219</u>

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 citizen through community recreation, volunteerism and leadership.

Comprised of:

Short-term	- GIC 5.25% due June 27, 2024	\$ 4,000	\$ 4,000
	- Due from general cash	<u>(826)</u>	<u>(431)</u>
		<u>\$ 3,174</u>	<u>\$ 3,569</u>

R. Gosselin Go For It Award Fund:

Principal proceeds received		\$ 4,500	\$ 4,500
Interest earned to date		174	69
Expenses to date		<u>(1,500)</u>	<u>(1,000)</u>
		<u>\$ 3,174</u>	<u>\$ 3,569</u>

TOTAL RESTRICTED ASSETS		<u>\$ 311,066</u>	<u>\$ 313,515</u>
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NOTE 7 PORTFOLIO INVESTMENTS

(Not applicable)

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

NOTE 8 ACCOUNTS RECEIVABLE

	<u>Accounts</u> <u>Receivable</u>	<u>Allowance</u>	<u>2023</u>	<u>2022</u>
Government of the Northwest Territories:				
- Education, Culture and Employment	\$ 823,028	\$ -	\$ 823,028	\$ 188,360
- Municipal and Community Affairs	<u>3,834</u>	<u>-</u>	<u>3,834</u>	<u>17,547</u>
Due from GNWT	<u>826,862</u>	<u>-</u>	<u>826,862</u>	<u>205,907</u>
Other Accounts receivable	<u>600,486</u>	<u>460,151</u>	<u>140,335</u>	<u>524,276</u>
	<u>\$ 1,427,348</u>	<u>\$ 460,151</u>	<u>\$ 967,197</u>	<u>\$ 730,183</u>

NOTE 9 INVENTORY

(Not applicable)

NOTE 10 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2023</u>	<u>2022</u>
Government of the Northwest Territories:		
Health and Social Services	\$ 13,567	\$ 5,035
Municipal and Community Affairs	13,869	5,318
Environment and Natural Resources	<u>10,383</u>	<u>5,696</u>
Government of the Northwest Territories	37,819	16,049
Related Parties	354,289	331,680
Accounts payable	13,621	203,342
Accrued payables	<u>385,170</u>	<u>370,386</u>
	790,899	921,457
Payroll Liabilities		
To GNWT (A)	<u>\$ 4,666,191</u>	<u>\$ 5,974,885</u>

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

NOTE 11 DEFERRED REVENUE

	<u>2023</u>	<u>2022</u>
Government of the Northwest Territories		
Education, Culture & Employment		
- Healthy Food For Learning	\$ 89,921	\$ 36,228
- Breakfast Program - DEA's	-	48,234
- Facility Use - Inuvik DEA	-	3,344
- Tutor Program - Aklavik and Paulatuk DEA's	-	1,272
Environment & Natural Resources		
- TAKH & TAKT	15,261	15,794
Municipal & Community Affairs		
- Experience/Encounter with Canada/Keepers/TGC On the Land	31,203	8,883
Government of Canada		
- Jordan's Principal	105,778	-
Other		
OTL Youth Wellness	798	798
Aklavik Indian Band	1,770	-
Fundraising	-	33,716
Home Depot	-	2,296
Lights on CAF America	8,074	7,418
Inuvialuit Regional Corporation	47,783	73,189
Food First Foundation	39,664	51,689
Presidents Choice Foundation	-	821
Tutor Program	1,850	-
Breakfast Club	8,864	-
Brighter Futures	39,354	-
Tides - OTL - Collaborative Fund	35,285	8,296
NWT Parks & Rec Get Active NWT	10,315	10,346
Prepaid Facility Use	<u>1,900</u>	<u>-</u>
	<u>\$ 437,820</u>	<u>\$ 302,324</u>

NOTE 12 CONTRIBUTION REPAYABLE

- Library Services - Aklavik DEA	<u>-</u>	<u>592</u>
	<u>-</u>	<u>592</u>
(Not applicable)		

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

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.

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

NOTE 17 POST-EMPLOYMENT BENEFITS, COMPENSATED ABSENCES AND TERMINATION BENEIFTS, continued

	<u>Severance and Removal</u>	<u>Compensated Absences</u>	<u>2023</u>	<u>2022</u>
Changes in Obligation:				
Accrued benefit obligations				
beginning of year	\$ 1,796,081	\$ 327,162	\$ 2,123,243	\$ 1,804,071
Current period benefit cost	185,648	38,161	223,809	188,311
Interest accrued	77,370	14,443	91,813	62,173
Benefit payments	(198,778)	(26,122)	(224,900)	(513,049)
Plan amendments	-	-	-	(226)
Actuarial (gains)/losses	<u>(93,395)</u>	<u>(23,388)</u>	<u>(116,783)</u>	<u>581,963</u>
Accrued benefit obligations				
end of year	1,766,926	330,256	2,097,182	2,123,243
Unamortized net actuarial				
gain	<u>(162,887)</u>	<u>(128,251)</u>	<u>(291,138)</u>	<u>(329,926)</u>
Net future obligation	<u>1,604,039</u>	<u>202,005</u>	<u>1,806,044</u>	<u>1,793,317</u>
Total employee future				
benefits and compensated				
absences	<u>1,604,039</u>	<u>202,005</u>	<u>1,806,044</u>	<u>1,793,317</u>
Benefits Expense:				
Current period benefit cost	185,648	38,161	223,809	188,311
Interest accrued	77,370	14,443	91,813	62,173
Amortization of actuarial				
gains	<u>(83,424)</u>	<u>5,429</u>	<u>(77,995)</u>	<u>(134,495)</u>
	<u>179,594</u>	<u>58,033</u>	<u>237,627</u>	<u>115,989</u>

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

NOTE 17 POST-EMPLOYMENT BENEFITS, COMPENSATED ABSENCES AND TERMINATION BENEIFTS, continued

The discount rate used to determine the accrued benefit obligation is an average of 4.80%. No inflation rate was applied. The expected payments during the next five fiscal years are:

	<u>Severance and Removal</u>	<u>Compensated Absences</u>	<u>Total</u>
2024	\$ 187,986	\$ 26,649	\$ 214,635
2025	193,489	28,355	221,844
2026	191,223	30,035	221,258
2027	182,233	32,306	214,539
2028	181,577	34,577	216,154
Next 5 years	985,410	183,938	1,169,348
Thereafter	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ <u>1,921,918</u>	\$ <u>335,860</u>	\$ <u>2,257,778</u>

NOTE 18 TRUST ASSETS UNDER ADMINISTRATION

(Not applicable)

NOTE 19 TANGIBLE CAPITAL ASSETS

(Not applicable)

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

NOTE 20 PREPAID EXPENSES

	<u>2023</u>	<u>2022</u>
Government of the GNWT - ECC (WSCC Assessment)	\$ 244,334	-
Air Canada	\$ 1,100	5,731
Air North	516	\$ 2,353
Canadian North	3,468	10,895
Hilton Hotels	-	773
Canadian Association of School Superintendents	2,076	1,797
Taxi Services	-	103
Prepaid Rent - Paula Stefure E-Learning Tuktoyaktuk	-	5,400
Sheraton	3,154	2,785
Tatchun Centre	-	96
Prepaid Rent - Aklavik DEA	3,310	3,350
W Zarchikof	-	990
WestJet	-	2,372
Wilson Langu	-	3,344
Courtyard by Marriott	<u>952</u>	<u>-</u>
	<u>\$ 258,910</u>	<u>\$ 39,989</u>

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

NOTE 21 GNWT ASSETS PROVIDED AT NO COST

	<u>Cost</u>	<u>Accumulated Amortization</u>	2023 <u>Net Book Value</u>	2022 <u>Net Book Value</u>
Samuel Hearne Carpentry Shop	\$ 461,563	\$ 461,563	\$ -	\$ -
Samuel Hearne Auto Shop	1,308,100	631,545	676,555	712,638
Moose Kerr School	8,352,213	6,692,533	1,659,680	1,948,320
Chief Julius School	10,064,072	5,472,968	4,591,104	4,723,155
Mangilaluk School	7,146,891	5,737,015	1,409,876	1,618,747
Inualthuya School	2,750,507	2,374,022	376,485	591,620
Helen Kalvak School	8,864,887	8,243,974	620,913	890,864
Angik School	4,517,372	2,808,113	1,709,259	1,850,715
Chief Paul Niditchie	2,467,762	1,197,679	1,270,083	1,341,302
Moose Kerr Foundation Replacement	753,546	230,802	522,744	541,582
Chief Paul Niditchie School	1	-	1	1
Moose Kerr School - Ventilation	173,505	126,218	47,287	58,867
Moose Kerr School - Playscape	250,904	58,544	192,360	209,087
Helen Kalval HVAC	354,896	303,140	51,756	81,330
East 3 New Inuvik School	106,182,229	29,491,573	76,690,656	80,015,782
East Three - Wood Pellet System	2,040,628	623,525	1,417,103	1,553,145
Tsiigehtchic Gym Pilings	205,668	51,845	153,823	158,964
Aklavik Community Library	234,794	139,413	95,381	101,251
Angik Junior Kindergarden Play	350,877	64,328	286,549	309,941
East Three Carpentry Shop	734,188	122,365	611,823	648,533
Chief P. Niditchie - Playscape	208,874	48,737	160,137	174,062
Inualth Jr Kindergarten Playscape	233,044	44,020	189,024	204,561
E3 Elementary School - Playscape	347,809	81,155	266,654	289,841
Chief Julius Kinder Playscape	190,051	33,787	156,264	168,934
2021 GMC Sierra 3500 Crew	54,168	13,091	41,077	46,494
2021 GMC Sierra 2500HD	57,747	13,956	43,791	49,566

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

Ulukhaktok Playscape	225,261	6,743	218,518	-
2022 GMC Canyon	51,747	1,725	50,022	-
Chief Paul Sch Gym				
Lighting	97,513	6,501	91,012	-
Moose Kerr Sch Biomass				
Boiler	<u>1,932,520</u>	<u>75,154</u>	<u>1,857,366</u>	<u>-</u>
	<u>\$160,613,337</u>	<u>\$ 65,156,034</u>	<u>\$ 95,457,303</u>	<u>\$ 98,289,302</u>

NOTE 22 CONTRACTUAL OBLIGATIONS

The Council has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to June 30, 2023:

	<u>Expiry Date</u>	<u>2024</u>	<u>2025</u>	<u>Total</u>
Equipment Leases	July 2025	\$ 45,233	\$ 3,769	\$ 49,002
Commercial Leases	December 2024	<u>73,050</u>	<u>-</u>	<u>73,050</u>
Total		<u>\$ 118,283</u>	<u>\$ 3,769</u>	<u>\$ 122,052</u>

NOTE 23 CONTINGENCIES

Before the year end, there was a global outbreak of a novel coronavirus known as COVID-19, which has had a significant impact on organizations through the restrictions put in place by the Canadian and U.S. governments regarding travel, business operations and isolation/quarantine orders. The extent of the impact the COVID-19 outbreak may have on the Organization will depend on future developments that are highly uncertain, and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, the duration of the outbreak, including the length of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are, or may, be put in place by Canada, U.S. or other countries to fight the virus. The Organization's activities have not been significantly impacted thus far, however, the Organization continues to assess the impact COVID-19 will have on its operations.

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

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

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.

	<u>2023</u>	<u>2022</u>
Due to related parties		
Accounts payable:		
Contributions		
Government of the Northwest Territories:		
Department of Health and Social Services	\$ 13,567	\$ 5,035
Department of Municipal & Community Affairs	13,869	5,318
Department of Environment & Natural Resources	<u>10,383</u>	<u>5,696</u>
Government of the Northwest Territories	<u>37,819</u>	<u>16,049</u>
Other Related Parties:		
Various BDEC Schools	<u>354,289</u>	<u>331,680</u>
Total Accounts Payable	<u>392,108</u>	<u>347,729</u>
Due to Related Parties	<u>\$ 392,108</u>	<u>\$ 347,729</u>

	<u>Accounts</u> <u>Receivable</u>	<u>Allowance</u>	<u>Net 2023</u>	<u>2022</u>
Due from related parties				
Accounts receivable:				
Government of the Northwest Territories:				
Department of Education, Culture & Employment	\$ 336,155	\$ -	\$ 336,155	\$ 188,360
Department of Municipal & Community Affairs	<u>3,834</u>	<u>-</u>	<u>3,834</u>	<u>17,547</u>
Due from Related Parties	<u>\$ 339,989</u>	<u>\$ -</u>	<u>\$ 339,989</u>	<u>\$ 205,907</u>

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

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 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.

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

NOTE 28 EXPENSES BY OBJECT

	2023 Budget <u>(Unaudited)</u>	2023 <u>Actual</u>	2022 <u>Actual</u>
Compensation	\$ 40,113,489	\$ 40,765,880	\$ 38,385,197
Other	<u>5,926,941</u>	<u>7,066,339</u>	<u>5,604,142</u>
	\$ <u>46,040,430</u>	\$ <u>47,832,219</u>	\$ <u>43,989,339</u>

NOTE 29 SUBSEQUENT EVENTS

(Not applicable)

NOTE 30 COMPARATIVE FIGURES

(Not applicable)

NOTE 31 ECE OTHER CONTRIBUTIONS

	<u>2023</u>	<u>2022</u>
French Program	\$ 170,000	\$ 118,504
Northern Distance Learning	1,861,126	1,453,587
Literacy (Tuktoyaktuk)	35,038	40,191
NWT Literacy Program (Aklavik)	14,935	2,349
Library (Aklavik)	33,313	46,948
Public Library Services (Ft McPherson)	47,518	35,518
Community Literacy Projects (Ft McPherson)	12,734	12,266
Literacy (Ulukhaktok)	13,993	15,000
Library (Ulukhaktok)	<u>46,561</u>	<u>29,033</u>
	\$ <u>2,235,218</u>	\$ <u>1,753,396</u>

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

NOTE 32 GNWT OTHER CONTRIBUTIONS

	<u>2023</u>	<u>2022</u>
Encounters with Canada	(1,578)	-
Self Regulation & Action Research (ECE)	8,567	1,695
RYS - NGDG Summit (MACA)	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)	9,583	-
Drop the Pop (H & SS)	(672)	7,860
TAKT	533	5,279
Experience Exchange Program	(6,902)	150
After School Physical Activity (MACA)	112,286	128,071
RSDP - Volleyball	12,000	-
RSDP - Basketball	6,000	-
RSDP - Badminton	6,000	-
Art Travel Club	4,000	-
GSA Pride	34,200	-
GSA Club	32,697	-
Lego Club	5,000	-
Arts & Crafts Club	5,000	-
Chess & Checkers Club	5,000	-
Others	10,000	-
TGC - On The Land Program (Ft McPherson)	-	9,693
Traditional Games	2,415	-
GNWT Literacy	2,155	-
Misc revenue (Ulukhaktok)	-	972
	<u>292,284</u>	<u>153,720</u>

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, 2023

	<u>Administration</u>	<u>Inclusive Schooling</u>	<u>Indigenous Languages and Education</u>	<u>School Programs</u>	<u>Student Accommodations</u>	<u>Operations & Maintenance</u>	<u>Jordan's Principle</u>	<u>Total</u>
SALARIES:								
Teachers	\$ -	\$ 1,484,669	\$ 1,496,462	\$ 13,599,474	\$ -	\$ -	\$ 2,706,774	\$ 19,287,379
Instruction Assistants	-	-	18,888	29,843	-	-	407,759	456,490
Non-instructional Staff	1,195,560	1,905,355	438,661	3,324,625	-	-	3,464,699	10,328,900
Board/Trustee Honoraria	50,480	-	149,542	5,798	-	-	-	205,820
EMPLOYEE BENEFITS								
Employee Benefit/Allowance	329,428	1,326,983	717,133	5,462,923	-	382,476	2,189,456	10,408,399
Leave and Termination	-	-	-	78,892	-	-	-	78,892
SERVICES								
PURCHASED/ CONTRACTED								
Professional/Technical Services	69,621	6,782	5,606	-	-	-	64,475	146,484
Postage/Communication	35,246	-	-	125,060	802	-	-	161,108
Utilities & Leases	-	-	-	4,136	-	-	-	4,136
Travel	417,363	238,435	89,436	393,296	-	-	26,860	1,165,390
Student Travel	2,999	4,421	49,217	208,331	44,400	-	-	309,368
Advertising/Printing/Publishing	6,199	-	-	-	-	-	-	6,199
Maintenance/Repair	30,051	-	565	90,867	-	-	-	121,483
Rentals/Leases	159,416	3,774	35,700	156,805	-	334,705	-	690,400
Others	193,027	-	324	26,025	-	665,899	-	885,275
Contracted Services	154,551	47,106	172,534	337,712	-	-	-	711,903
MATERIALS/SUPPLIES/FREIGHT								
Materials	185,127	62,058	199,132	1,131,997	1,615	-	25,109	1,605,038
Furniture and Equipment	403,216	361,468	86,285	362,675	-	-	-	1,213,644
Freight	24,685	19,583	19,272	176,432	-	-	-	239,972
CONTRIBUTIONS/TRANSFERS								
Transfers - Other	(194,061)	-	-	-	-	-	-	(194,061)
Total	\$ 3,062,908	\$ 5,460,634	\$ 3,478,757	\$ 25,514,891	\$ 46,817	\$ 1,383,080	\$ 8,885,132	\$ 47,832,219

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

Schedule 2

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
INCLUSIVE SCHOOLING EXPENSES**

For the Year Ended June 30, 2023

<u>FUNCTION</u>	<u>General Inclusive Schooling</u>	<u>Staff Development</u>	<u>Assistive Technology</u>	<u>Student Resources</u>	<u>Total</u>
<u>SALARIES</u>					
Program Support Teachers	\$ 1,484,669	\$ -	\$ -	\$ -	\$ 1,484,669
Consultants	258,844	-	-	-	258,844
Support Assistants	1,585,356	-	-	-	1,585,356
Non Instructional Staff	-	-	61,155	-	61,155
<u>EMPLOYEE BENEFITS</u>					
Employee Benefits/Allowances	1,326,983	-	-	-	1,326,983
<u>SERVICES PURCHASED/ CONTRACTED</u>					
Professional/Technical Services	-	6,782	-	-	6,782
Travel	221,981	16,454	-	-	238,435
Student Transportation (bussing)	4,421	-	-	-	4,421
Rentals/Leases	3,774	-	-	-	3,774
Other Contracted Services	47,106	-	-	-	47,106
<u>MATERIAL/SUPPLIES/FREIGHT</u>					
Materials	58,527	-	3,531	-	62,058
Furniture and Equipment	4,305	-	357,163	-	361,468
Freight	<u>13,831</u>	<u>-</u>	<u>5,752</u>	<u>-</u>	<u>19,583</u>
TOTAL	\$ <u>5,009,797</u>	\$ <u>23,236</u>	\$ <u>427,601</u>	\$ <u>-</u>	\$ <u>5,460,634</u>

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

Schedule 3

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
INDIGENOUS LANGUAGES AND EDUCATION EXPENSES**

For the Year Ended June 30, 2023

<u>FUNCTION</u>	<u>Student Instruction</u>	<u>Teaching/ Learning Resources</u>	<u>Professional Development</u>	<u>School Activities and Integrated Community Programs</u>	<u>Total</u>
<u>SALARIES</u>					
ALCBE Teachers	\$ 1,496,462	\$ -	\$ -	\$ -	\$ 1,496,462
Language Consultants	285,320	-	-	153,341	438,661
Instruction Assistants	18,888	-	-	-	18,888
Honoraria	65,621	2,838	894	80,189	149,542
<u>EMPLOYEE BENEFITS</u>					
Employee Benefits/Allowances	681,810	-	-	35,323	717,133
<u>SERVICES PURCHASED/ CONTRACTED</u>					
Professional/Technical Services	5,606	-	-	-	5,606
Travel	36,403	38,171	2,001	12,861	89,436
Student Transportation (bussing)	300	-	-	48,917	49,217
Maintenance/Repair	-	-	-	565	565
Rentals/Leases	5,200	-	1,800	28,700	35,700
Other Contracted Services	11,421	120,209	-	40,904	172,534
Others	-	-	-	324	324
<u>MATERIAL/SUPPLIES/FREIGHT</u>					
Materials	63,134	24,683	1,821	109,494	199,132
Furniture and Equipment	8,641	1,072	-	76,572	86,285
Freight	<u>4,439</u>	<u>745</u>	<u>-</u>	<u>14,088</u>	<u>19,272</u>
TOTAL	<u>\$ 2,683,245</u>	<u>\$ 187,718</u>	<u>\$ 6,516</u>	<u>\$ 601,278</u>	<u>\$ 3,478,757</u>

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

Schedule 4

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
FRENCH LANGUAGE PROGRAM**

For the Year Ended June 30, 2023

	ECE Contributions July <u>1 to June 30</u>	Commitment from Beaufort Delta <u>Education Council</u>	Total Expenses <u>July 1 to June 30</u>
Bilateral Agreement Funding			
Special Projects as listed in the agreement:			
Teacher's Assistant Salary	\$ 60,000	\$ 28,689	\$ 88,689
French Monitor	27,460	2,383	29,843
French Monitor - Travel	-	7,127	7,127
French Monitoring - Housing	9,400	204	9,604
Travel	-	2,106	2,106
Freight	5,000	(3,643)	1,357
French Resources	6,000	3,784	9,784
Cultural Activities	5,000	(4,834)	166
French Consultant (half-time)	80,000	8,045	88,045
Dues and Fees	-	450	450
Mentorship with YCS on Immersion Program	15,000	15,000	30,000
Support Partnership of FSL Programs with the NWT	4,000	(4,000)	-
Peer Observation/Teacher Shadowing (Partnership)	10,000	(10,000)	-
Teacher's Salary	<u>-</u>	<u>570,472</u>	<u>570,472</u>
Total	<u>\$ 221,860</u>	<u>\$ 615,783</u>	<u>\$ 837,643</u>
Regular GNWT Funding			
Immersion Program	<u>\$ 179,400</u>		
Mentorship YCS	<u>15,000</u>		
CMEC Odyssey Program	<u>27,460</u>		
Total	<u>\$ 221,860</u>		

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

Schedule 5

REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS

JORDAN'S PRINCIPLE

For the Year Ended June 30, 2023

	<u>Full Year Total</u>			<u>9 and 3 Month Split</u>	
	June 30, 2023 Budget <u>Unaudited</u>	June 30, 2023 <u>Actual</u>	June 30, 2022 <u>Actual</u>	July 1, 2022 - March 31, 2023 <u>Actual</u>	April 1, 2023 - June 30, 2023 <u>Actual</u>
Revenue					
First Nations and Inuit Health Branch	\$ 4,239,671	\$ 9,500,401	\$ 3,761,656	\$ 1,503,660	\$ 7,996,741
Carry Forward from Previous Year	2,829,073	(328,376)	5,130,290	-	(328,376)
Other (Repayment 2020 - 2021 Agreement)	-	(286,893)	-	-	(286,893)
Total Revenue	<u>7,068,744</u>	<u>8,885,132</u>	<u>8,891,946</u>	<u>1,503,660</u>	<u>7,381,472</u>
Expenses					
Administration	353,437	323,170	229,379	62,750	260,421
Personnel	6,715,307	8,360,929	8,662,567	5,934,476	2,426,453
Transportation	-	26,860	-	-	26,860
Materials and Supplies	-	25,109	-	25,109	-
Student Assessment	-	149,064	-	68,762	80,302
Total Expenses	<u>7,068,744</u>	<u>8,885,132</u>	<u>8,891,946</u>	<u>6,091,097</u>	<u>2,794,036</u>
Net Surplus (Deficit)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(4,587,437)</u>	\$ <u>4,587,436</u>

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

Schedule 6

NORTHERN DISTANCE LEARNING

For the Year Ended June 30, 2023

<u>Contribution Agreement</u> <u>Northern Distance Learning (NDL)</u>	<u>Budget</u>	<u>July 1 to</u> <u>March 31</u>	<u>April 1 to</u> <u>June 30</u>	<u>Total</u>
Revenue				
Government of the NWT	1,136,000	988,501	486,873	1,475,374
Government of the NWT (2021 - 2022)	<u>-</u>	<u>385,752</u>	<u>-</u>	<u>385,752</u>
	<u>1,136,000</u>	<u>1,374,253</u>	<u>486,873</u>	<u>1,861,126</u>
Expenses				
Salaries/Wages				
Instructional Staff				
NDL Teachers	565,726	417,377	192,484	609,861
BDDEC OBL Coordinator	177,000	126,953	57,938	184,891
Non-Instructional Staff				
Technology Infrastructure Support Services	120,000	84,669	45,509	130,178
Power School Services	16,500	-	16,500	16,500
NDL Travel	40,000	8,224	15,455	23,679
Coordinator Telephone	-	910	283	1,193
Services Purchased/ Contracted				
In-class support person (person, phone, doc cam)	216,774	221,580	(18,919)	202,661
Classroom materials and other supplies	-	-	1,533	1,533
Hardware and software				
Computer Equipment				
Total NDL Program hardware / software	-	-	155,959	155,959
Freight	<u>-</u>	<u>-</u>	<u>29,235</u>	<u>29,235</u>
Total Expenses	<u>1,136,000</u>	<u>859,713</u>	<u>495,977</u>	<u>1,355,690</u>
Net Surplus (Deficit)	<u>-</u>	<u>514,540</u>	<u>(9,104)</u>	<u>505,436</u>

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

Schedule 6 cont'd

NORTHERN DISTANCE LEARNING

For the Year Ended June 30, 2023

	<u>Total Fiscal</u>	<u>Aklavik</u>	<u>McPherson</u>	<u>Inuvik</u>	<u>Paulatuk</u>	<u>Tukttoyaktuk</u>	<u>Ulukhaktok</u>	<u>Total</u>
	<u>Year Budget</u>							
REVENUE:								
Education, Culture and Employment	\$ 1,136,000	\$ 33,251	\$ 32,521	\$ 1,258,600	\$ 39,251	\$ 33,251	\$ 78,500	\$ 1,475,374
Education, Culture and Employment 2021 - 2022	-	-	-	<u>385,752</u>	-	-	-	<u>385,752</u>
EXPENSES								
Salaries/Wages								
Instructional Staff	565,726	-	-	609,861	-	-	-	609,861
NDL Teachers	177,000	-	-	184,891	-	-	-	184,891
BDDEC OBL Coordinator								
Non-Instructional Staff	120,000	-	-	130,178	-	-	-	130,178
Technology Infrastructure Support Services	16,500	-	-	16,500	-	-	-	16,500
Power School Services	40,000	-	-	23,679	-	-	-	23,679
NDL Travel	-	-	-	1,193	-	-	-	1,193
Coordinator telephone								
Services Purchased/ Contracted								
In-class support person (person, phone, doc cam)	216,774	65,389	5,378	-	3,945	48,749	79,200	202,661
Classroom materials and other supplies	-	-	-	1,533	-	-	-	1,533
Hardware and software								
Computer Equipment	-	-	-	155,959	-	-	-	155,959
Total NDL program hardware/software	-	-	-	<u>29,235</u>	-	-	-	<u>29,235</u>
Freight								
Total Expenses	<u>1,136,000</u>	<u>65,389</u>	<u>5,378</u>	<u>1,153,029</u>	<u>3,945</u>	<u>48,749</u>	<u>79,200</u>	<u>1,355,690</u>
Net Surplus/(Deficit)	<u>\$ -</u>	<u>\$ (32,138)</u>	<u>\$ 27,143</u>	<u>\$ 491,323</u>	<u>\$ 35,306</u>	<u>\$ (15,498)</u>	<u>\$ (700)</u>	<u>\$ 505,436</u>

BEAUFORT DELTA DIVISIONAL EDUCATION COUNCIL

Schedule 7

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
STUDENT SUCCESS INITIATIVE**

For the Year Ended June 30, 2023

NWT Student Success Initiative

Professional Development Initiative

Title of Project: Ongoing Development of Collaborative Teams and Response to Intervention

	2023 Budget (Unaudited)	2023 <u>Actual</u>	2022 <u>Actual</u>
Revenue	\$ <u>130,000</u>	\$ <u>100,097</u>	\$ <u>-</u>
Expenses:			
Salaries/Wages			
Facilitator Fees	25,500	164,720	55,340
Travel			
Staff Travel	76,500	122,561	13,483
Accommodation	25,500	96,253	13,154
Daily Per Diems	8,500	32,225	6,800
Workshop Expenses			
Room Rental	-	4,775	800
Refreshments	25,500	15,100	5,691
Miscellaneous	<u>8,500</u>	<u>27,484</u>	<u>47,531</u>
Total Expenses	<u>170,000</u>	<u>463,118</u>	<u>142,799</u>
Net Surplus (Deficit)	\$ <u>(40,000)</u>	\$ <u>(363,021)</u>	\$ <u>(142,799)</u>

AKLAVIK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2023

	<u>2023</u>	<u>2022</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 21,225	\$ 17,717
Due from Related Parties	-	9,973
Accounts Receivable	<u>13,638</u>	<u>15,282</u>
	<u>34,863</u>	<u>42,972</u>
LIABILITIES		
Due to Related Parties	1,991	5,398
Payroll Liabilities	606	529
Contribution Repayable	-	592
Deferred Revenue	<u>1,285</u>	<u>1,708</u>
	<u>3,882</u>	<u>8,227</u>
NET FINANCIAL RESOURCES	<u>30,981</u>	<u>34,745</u>
NON-FINANCIAL ASSETS		
Prepaid Expenses	<u>3,310</u>	<u>3,350</u>
ACCUMULATED SURPLUS	<u>\$ 34,291</u>	<u>\$ 38,095</u>

AKLAVIK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2023

	2023 Budget (Unaudited)	2023 <u>Actual</u>	2022 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 81,982	\$ 79,991	\$ 69,424
Other ECE contributions	50,000	48,248	49,297
Other	<u>2,000</u>	<u>3,792</u>	<u>6,313</u>
TOTAL REVENUE	<u>133,982</u>	<u>132,031</u>	<u>125,034</u>
EXPENSES			
Indigenous Languages and Education	-	7,000	-
Administration	20,702	24,580	12,855
School Programs	<u>113,280</u>	<u>104,255</u>	<u>99,815</u>
TOTAL EXPENSES	<u>133,982</u>	<u>135,835</u>	<u>112,670</u>
OPERATING DEFICIT	-	(3,804)	12,364
OPENING ACCUMULATED SURPLUS	<u>38,095</u>	<u>38,095</u>	<u>25,731</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 38,095</u>	<u>\$ 34,291</u>	<u>\$ 38,095</u>

**AKLAVIK DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES**

For the Year Ended June 30, 2023

	<u>Administration</u>	<u>Indigenous Languages and Education</u>	<u>School Programs</u>	<u>Total</u>
SALARIES:				
Non-instructional Staff	\$ 400	-	\$ 44,557	\$ 44,957
Board/Trustee Honoraria	10,875	-	-	10,875
EMPLOYEE BENEFITS				
Employee Benefit/Allowance	-	-	4,207	4,207
SERVICES PURCHASED/ CONTRACTED				
Postage/Communication	920	-	-	920
Student Travel	-	-	1,500	1,500
Rentals/Leases	-	-	18,000	18,000
Others	1,159	-	-	1,159
MATERIALS/SUPPLIES/FREIGHT				
Materials	8,228	7,000	35,991	51,219
Furniture and Equipment	2,998	-	-	2,998
Total	<u>\$ 24,580</u>	<u>\$ 7,000</u>	<u>\$ 104,255</u>	<u>\$ 135,835</u>

FT MCPHERSON DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION

For the year ended June 30, 2023

	<u>2023</u>	<u>2022</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 135,781	\$ 106,260
Due from Related Parties	5,328	10,523
Education, Culture and Employment	11,517	2,266
Other Accounts receivable	<u>450</u>	<u>1,220</u>
	<u>153,076</u>	<u>120,269</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	34,001	46,995
Due to Related Parties	19,623	49,191
Payroll Liabilities	333	166
Deferred Revenue	<u>798</u>	<u>798</u>
	<u>54,755</u>	<u>97,150</u>
ACCUMULATED SURPLUS	<u>\$ 98,321</u>	<u>\$ 23,119</u>

FT MCPHERSON DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2023

	2023 Budget (Unaudited)	2023 <u>Actual</u>	2022 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 49,837	\$ 30,215	\$ 47,092
Other ECE contributions	51,000	60,251	47,781
Other contributions	-	-	9,693
Other	<u>5,000</u>	<u>79,862</u>	<u>18,253</u>
TOTAL REVENUE	<u>105,837</u>	<u>170,328</u>	<u>122,819</u>
EXPENSES			
Indigenous Languages and Education	-	504	2,999
Administration	29,837	30,359	27,509
School Programs	<u>76,000</u>	<u>64,263</u>	<u>72,792</u>
TOTAL EXPENSES	<u>105,837</u>	<u>95,126</u>	<u>103,300</u>
OPERATING SURPLUS	-	75,202	19,519
OPENING ACCUMULATED SURPLUS	<u>23,119</u>	<u>23,119</u>	<u>3,600</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 23,119</u>	<u>\$ 98,321</u>	<u>\$ 23,119</u>

FT MCPHERSON DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES

For the Year Ended June 30, 2023

	<u>Administration</u>	<u>Indigenous Languages and Education</u>	<u>School Programs</u>	<u>Total</u>
SALARIES:				
Non-instructional Staff	\$ 2,660	\$ -	\$ 31,148	\$ 33,808
Board/Trustee Honoraria	525	-	-	525
EMPLOYEE BENEFITS				
Employee Benefit/Allowance	752	262	734	1,748
SERVICES PURCHASED/ CONTRACTED				
Postage/Communication	1,053	-	-	1,053
Travel	-	-	250	250
Rentals/Leases	-	-	4,880	4,880
Others	3,872	-	-	3,872
MATERIALS/SUPPLIES/FREIGHT				
Materials	21,497	242	25,881	47,620
Freight	-	-	1,370	1,370
Total	<u>\$ 30,359</u>	<u>\$ 504</u>	<u>\$ 64,263</u>	<u>\$ 95,126</u>

INUVIK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2023

	<u>2023</u>	<u>2022</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 170,961	\$ 42,331
Due from Related Parties	23,765	72,662
Accounts Receivable	<u>11,187</u>	<u>11,547</u>
	<u>205,913</u>	<u>126,540</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	2,650	2,650
Payroll Liabilities	6,514	7,062
Deferred Revenue	<u>11,900</u>	<u>13,344</u>
	<u>21,064</u>	<u>23,056</u>
ACCUMULATED SURPLUS	<u>\$ 184,849</u>	<u>\$ 103,484</u>

INUVIK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2023

	2023 Budget (Unaudited)	2023 <u>Actual</u>	2022 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 108,574	\$ 98,574	\$ 116,588
Other	<u>5,000</u>	<u>5,847</u>	<u>29,821</u>
TOTAL REVENUE	<u>113,574</u>	<u>104,421</u>	<u>146,409</u>
EXPENSES			
Indigenous Languages and Education	5,000	-	46,288
Administration	88,574	23,056	37,294
School Programs	<u>20,000</u>	<u>-</u>	<u>27,430</u>
TOTAL EXPENSES	<u>113,574</u>	<u>23,056</u>	<u>111,012</u>
OPERATING SURPLUS	-	81,365	35,397
OPENING ACCUMULATED SURPLUS	<u>103,484</u>	<u>103,484</u>	<u>68,087</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 103,484</u>	<u>\$ 184,849</u>	<u>\$ 103,484</u>

**INUVIK DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES**

For the Year Ended June 30, 2023

SALARIES:
 Non-instructional Staff
 Board/Trustee Honoraria
EMPLOYEE BENEFITS
 Employee Benefit/Allowance
SERVICES PURCHASED/ CONTRACTED
 Postage/Communication
 Advertising/Printing/Publishing
 Rentals/Leases
 Contracted Services

	<u>Administration</u>	<u>Total</u>
\$	10,542 \$	10,542
	4,575	4,575
	1,092	1,092
	1,236	1,236
	318	318
	1,700	1,700
	<u>3,593</u>	<u>3,593</u>
\$	<u>23,056 \$</u>	<u>23,056</u>

Total

PAULATUK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION

For the year ended June 30, 2023

	<u>2023</u>	<u>2022</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 61,547	\$ 33,536
Due from Related Parties	8,882	8,504
Accounts Receivable	<u>2,115</u>	<u>2,115</u>
	<u>72,544</u>	<u>44,155</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	1,806	-
Due to Related Parties	21,054	2,843
Payroll Liabilities	4,616	4,932
Deferred Revenue	<u>10,668</u>	<u>10,668</u>
	<u>38,144</u>	<u>18,443</u>
ACCUMULATED SURPLUS	<u>\$ 34,400</u>	<u>\$ 25,712</u>

PAULATUK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2023

	2023 Budget (Unaudited)	2023 <u>Actual</u>	2022 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 57,599	\$ 20,094	\$ 60,743
Other	<u>8,818</u>	<u>-</u>	<u>245</u>
TOTAL REVENUE	<u>66,417</u>	<u>20,094</u>	<u>60,988</u>
EXPENSES			
Administration	14,800	7,869	9,377
School Programs	<u>51,617</u>	<u>3,537</u>	<u>45,816</u>
TOTAL EXPENSES	<u>66,417</u>	<u>11,406</u>	<u>55,193</u>
OPERATING SURPLUS	-	8,688	5,795
OPENING ACCUMULATED SURPLUS	<u>25,712</u>	<u>25,712</u>	<u>19,917</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 25,712</u>	<u>\$ 34,400</u>	<u>\$ 25,712</u>

**PAULATUK DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES**

For the Year Ended June 30, 2023

SALARIES:
 Non-instructional Staff
 Board/Trustee Honoraria
EMPLOYEE BENEFITS
 Employee Benefit/Allowance
SERVICES PURCHASED/ CONTRACTED
 Postage/Communication
 Utilities & Leases
 Others
 Contracted Services
Total

	<u>Administration</u>	<u>School Programs</u>	<u>Total</u>
\$	1,893 \$	-	\$ 1,893
	4,350	-	4,350
	693	-	693
	408	-	408
	-	2,637	2,637
	25	-	25
	<u>500</u>	<u>900</u>	<u>1,400</u>
\$	<u>7,869 \$</u>	<u>3,537 \$</u>	<u>11,406</u>

SACHS HARBOUR DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION

For the year ended June 30, 2023

	<u>2023</u>	<u>2022</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 41,678	\$ 41,678
Due from Related Parties	<u>18,741</u>	<u>12,924</u>
	<u>60,419</u>	<u>54,602</u>
LIABILITIES		
Payroll Liabilities	462	462
Deferred Revenue	<u>14,457</u>	<u>14,457</u>
	<u>14,919</u>	<u>14,919</u>
ACCUMULATED SURPLUS	<u>\$ 45,500</u>	<u>\$ 39,683</u>

SACHS HARBOUR DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2023

	2023 Budget (Unaudited)	2023 <u>Actual</u>	2022 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ <u>5,817</u>	\$ <u>5,817</u>	\$ <u>6,548</u>
TOTAL REVENUE	<u>5,817</u>	<u>5,817</u>	<u>6,548</u>
EXPENSES			
Indigenous Languages and Education	5,317	-	496
School Programs	<u>500</u>	<u>-</u>	<u>-</u>
TOTAL EXPENSES	<u>5,817</u>	<u>-</u>	<u>496</u>
OPERATING SURPLUS	-	5,817	6,052
OPENING ACCUMULATED SURPLUS	<u>39,683</u>	<u>39,683</u>	<u>33,631</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 39,683</u>	<u>\$ 45,500</u>	<u>\$ 39,683</u>

SACHS HARBOUR DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES
For the Year Ended June 30, 2023

Total

TSIIGEHTCHIC DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION

For the year ended June 30, 2023

	<u>2023</u>	<u>2022</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 18,456	\$ 30,073
Due from Related Parties	<u>741</u>	<u>2,824</u>
	<u>19,197</u>	<u>32,897</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	3,158	-
Payroll Liabilities	<u>48</u>	<u>29</u>
	<u>3,206</u>	<u>29</u>
ACCUMULATED SURPLUS	<u>\$ 15,991</u>	<u>\$ 32,868</u>

TSIIGEHTCHIC DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2023

	2023 Budget (Unaudited)	2023 <u>Actual</u>	2022 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 8,483	\$ 8,483	\$ 8,913
Other	<u>2,000</u>	<u>1,725</u>	<u>3,370</u>
TOTAL REVENUE	<u>10,483</u>	<u>10,208</u>	<u>12,283</u>
EXPENSES			
Indigenous Languages and Education	400	-	2,148
Administration	6,083	13,781	6,812
Inclusive Schooling	-	338	-
School Programs	<u>4,000</u>	<u>12,966</u>	<u>3,573</u>
TOTAL EXPENSES	<u>10,483</u>	<u>27,085</u>	<u>12,533</u>
OPERATING DEFICIT	-	(16,877)	(250)
OPENING ACCUMULATED SURPLUS	<u>32,868</u>	<u>32,868</u>	<u>33,118</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 32,868</u>	<u>\$ 15,991</u>	<u>\$ 32,868</u>

TSIIGEHHTCHIC DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES

For the Year Ended June 30, 2023

SALARIES:
 Board/Trustee Honoraria
EMPLOYEE BENEFITS
 Employee Benefit/Allowance
SERVICES PURCHASED/ CONTRACTED
 Others
 Contracted Services
MATERIALS/SUPPLIES/FREIGHT
 Materials

	<u>Administration</u>	<u>Indigenous Languages and Education</u>	<u>School Programs</u>	<u>Total</u>
\$	4,225	-	-	\$ 4,225
	239	14	-	253
	443	324	-	767
	-	-	4,500	4,500
	<u>8,874</u>	<u>-</u>	<u>8,466</u>	<u>17,340</u>
\$	<u>13,781</u>	<u>338</u>	<u>12,966</u>	<u>\$ 27,085</u>

Total

TUKTOYAKTUK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION

For the year ended June 30, 2023

	<u>2023</u>	<u>2022</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 104,579	\$ 102,878
Due from Related Parties	2,616	11,092
Accounts Receivable	<u>12,551</u>	<u>19,110</u>
	<u>119,746</u>	<u>133,080</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	37,619	38,990
Due to Related Parties	20,185	15,349
Payroll Liabilities	874	754
Deferred Revenue	<u>6,486</u>	<u>12,084</u>
	<u>65,164</u>	<u>67,177</u>
NET FINANCIAL RESOURCES	<u>54,582</u>	<u>65,903</u>
NON-FINANCIAL ASSETS		
Prepaid Expenses	<u>-</u>	<u>5,400</u>
ACCUMULATED SURPLUS	<u>\$ 54,582</u>	<u>\$ 71,303</u>

TUKTOYAKTUK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2023

	2023 Budget (Unaudited)	2023 <u>Actual</u>	2022 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 84,156	\$ 74,905	\$ 74,322
Other ECE contributions	36,000	35,039	40,191
Other	<u>5,000</u>	<u>-</u>	<u>23,602</u>
TOTAL REVENUE	<u>125,156</u>	<u>109,944</u>	<u>138,115</u>
EXPENSES			
Administration	21,156	12,802	13,690
School Programs	<u>104,000</u>	<u>113,863</u>	<u>108,130</u>
TOTAL EXPENSES	<u>125,156</u>	<u>126,665</u>	<u>121,820</u>
OPERATING DEFICIT	-	(16,721)	16,295
OPENING ACCUMULATED SURPLUS	<u>71,303</u>	<u>71,303</u>	<u>55,008</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 71,303</u>	<u>\$ 54,582</u>	<u>\$ 71,303</u>

**TUKTOYAKTUK DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES**

For the Year Ended June 30, 2023

SALARIES:
 Non-instructional Staff
 Board/Trustee Honoraria
EMPLOYEE BENEFITS
 Employee Benefit/Allowance
SERVICES PURCHASED/ CONTRACTED
 Utilities & Leases
 Rentals/Leases
 Others
 Contracted Services
MATERIALS/SUPPLIES/FREIGHT
 Materials
 Freight

	<u>Administration</u>	<u>School Programs</u>	<u>Total</u>
\$ -	\$ -	\$ 52,886	\$ 52,886
	1,575	-	1,575
	2,584	3,424	6,008
	-	1,499	1,499
	-	14,400	14,400
	42	-	42
	2,062	6,000	8,062
	5,340	35,654	40,994
	<u>1,199</u>	<u>-</u>	<u>1,199</u>
Total	<u><u>\$ 12,802</u></u>	<u><u>\$ 113,863</u></u>	<u><u>\$ 126,665</u></u>

ULUKHAKTOK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION

For the year ended June 30, 2023

	<u>2023</u>	<u>2022</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ (10,235)	\$ 2,883
Due from Related Parties	8,730	6,327
Accounts Receivable	<u>9,871</u>	<u>(690)</u>
	<u>8,366</u>	<u>8,520</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	755	250
Payroll Liabilities	1,496	546
Deferred Revenue	<u>-</u>	<u>588</u>
	<u>2,251</u>	<u>1,384</u>
ACCUMULATED SURPLUS	<u>\$ 6,115</u>	<u>\$ 7,136</u>

ULUKHAKTOK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2023

	2023 Budget (Unaudited)	2023 <u>Actual</u>	2022 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 102,134	\$ 102,134	\$ 64,130
Other ECE contributions	51,000	60,554	44,033
Other contributions	-	-	972
Other	<u>-</u>	<u>1,497</u>	<u>12,581</u>
TOTAL REVENUE	<u>153,134</u>	<u>164,185</u>	<u>121,716</u>
EXPENSES			
Indigenous Languages and Education	-	3,035	-
Administration	13,914	24,466	24,994
School Programs	<u>139,220</u>	<u>137,705</u>	<u>108,149</u>
TOTAL EXPENSES	<u>153,134</u>	<u>165,206</u>	<u>133,143</u>
OPERATING DEFICIT	-	(1,021)	(11,427)
OPENING ACCUMULATED SURPLUS	<u>7,136</u>	<u>7,136</u>	<u>18,563</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 7,136</u>	<u>\$ 6,115</u>	<u>\$ 7,136</u>

**ULUKHAKTOK DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES**

For the Year Ended June 30, 2023

SALARIES:
 Non-instructional Staff
 Board/Trustee Honoraria
EMPLOYEE BENEFITS
 Employee Benefit/Allowance
SERVICES PURCHASED/ CONTRACTED
 Student Travel
 Others
MATERIALS/SUPPLIES/FREIGHT
 Materials

	<u>Administration</u>	<u>Indigenous Languages and Education</u>	<u>School Programs</u>	<u>Total</u>
\$	9,911 \$	-	\$ 127,765 \$	137,676
	8,325	-	-	8,325
	430	-	3,861	4,291
	2,999	-	-	2,999
	2,302	-	-	2,302
	<u>499</u>	<u>3,035</u>	<u>6,079</u>	<u>9,613</u>
\$	<u>24,466 \$</u>	<u>3,035 \$</u>	<u>137,705 \$</u>	<u>165,206</u>

Total

**NON-CONSOL BEAUFORT DELTA EDUCATION COUNCIL
STATEMENT OF FINANCIAL POSITION**

For the year ended June 30, 2023

	<u>2023</u>	<u>2022</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 6,474,590	\$ 11,805,505
Accounts Receivable	905,867	679,333
Restricted Assets	<u>311,066</u>	<u>313,514</u>
	<u>7,691,523</u>	<u>12,798,352</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	710,910	832,572
Due to Related Parties	5,949	62,048
Payroll Liabilities	4,651,258	5,960,417
Employee Deductions Payable	15,837	23,905
Deferred Revenue	392,226	248,677
Post-Employment Benefits	1,953,351	1,920,063
Trust Liabilities	<u>311,066</u>	<u>313,849</u>
	<u>8,040,597</u>	<u>9,361,531</u>
NET FINANCIAL RESOURCES (DEBT)	<u>(349,074)</u>	<u>3,436,821</u>
NON-FINANCIAL ASSETS		
Prepaid Expenses	<u>255,600</u>	<u>31,240</u>
ACCUMULATED SURPLUS (DEFICIT)	<u>\$ (93,474)</u>	<u>\$ 3,468,061</u>

NON-CONSOL BEAUFORT DELTA EDUCATION COUNCIL
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2023

	2023 Budget <u>(Unaudited)</u>	2023 <u>Actual</u>	2022 <u>Actual</u>
REVENUE			
Government of the NWT			
Regular contributions	\$ 33,115,564	\$ 32,262,891	\$ 32,667,120
Other ECE contributions	75,000	2,031,126	1,572,094
Other contributions	<u>74,250</u>	<u>292,284</u>	<u>143,055</u>
Total Government of the NWT	<u>33,264,814</u>	<u>34,586,301</u>	<u>34,382,269</u>
Government of Canada			
Jordan Prinicpal	7,068,744	8,885,133	8,891,946
Other Government of Canada	<u>8,020</u>	<u>-</u>	<u>-</u>
Total Government of Canada	<u>7,076,764</u>	<u>8,885,133</u>	<u>8,891,946</u>
Board Generated Funds			
Investment Income	160,000	314,509	90,720
Other	<u>628,649</u>	<u>320,575</u>	<u>342,558</u>
Total Board Generated Funds	<u>788,649</u>	<u>635,084</u>	<u>433,278</u>
TOTAL REVENUE	<u>41,130,227</u>	<u>44,106,518</u>	<u>43,707,493</u>
EXPENSES			
Indigenous Languages and Education	3,462,872	3,467,880	2,947,828
Administration	3,150,238	3,311,261	2,981,559
Inclusive Schooling	6,361,261	5,460,634	4,867,245
School Programs	24,721,361	25,113,249	22,960,351
Jordan's Principle	7,068,744	8,885,132	8,892,220
Student Accommodations	176,453	46,817	121,493
Operations & Maintenance	<u>1,100,000</u>	<u>1,383,080</u>	<u>1,016,236</u>
TOTAL EXPENSES	<u>46,040,929</u>	<u>47,668,053</u>	<u>43,786,932</u>
OPERATING DEFICIT	(4,910,702)	(3,561,535)	(79,439)
OPENING ACCUMULATED SURPLUS	<u>3,468,061</u>	<u>3,468,061</u>	<u>3,547,500</u>
CLOSING ACCUMULATED DEFICIT	<u>\$ (1,442,641)</u>	<u>\$ (93,474)</u>	<u>\$ 3,468,061</u>

NON-CONSOL BEAUFORT DELTA EDUCATION COUNCIL
DETAILS OF EXPENSES

For the Year Ended June 30, 2023

	<u>Administration</u>	<u>Inclusive Schooling</u>	<u>Indigenous Languages and Education</u>	<u>School Programs</u>	<u>Student Accommodations</u>	<u>Operations & Maintenance</u>	<u>Jordan's Principle</u>	<u>Total</u>
SALARIES:								
Teachers	\$ -	\$ 1,484,669	\$ 1,496,462	\$ 13,599,474	-	\$ -	\$ 2,706,774	\$ 19,287,379
Instruction Assistants	-	-	18,888	29,843	-	-	407,759	456,490
Non-instructional Staff	1,170,154	1,905,355	438,661	3,068,269	-	-	3,464,699	10,047,138
Board/Trustee Honoraria	16,030	-	149,542	5,798	-	-	-	171,370
EMPLOYEE BENEFITS								
Employee Benefit/Allowance	323,638	1,326,983	716,857	5,450,697	-	382,476	2,189,456	10,390,107
Leave and Termination	-	-	-	78,892	-	-	-	78,892
SERVICES								
PURCHASED/ CONTRACTED								
Professional/Technical Services	69,621	6,782	5,606	-	-	-	64,475	146,484
Postage/Communication	31,629	-	-	125,060	802	-	-	157,491
Travel	417,363	238,435	89,436	393,046	-	-	26,860	1,165,140
Student Travel	-	4,421	49,217	206,831	44,400	-	-	304,869
Advertising/Printing/Publishing	5,881	-	-	-	-	-	-	5,881
Maintenance/Repair	30,051	-	565	90,867	-	-	-	121,483
Rentals/Leases	157,716	3,774	35,700	119,525	-	334,705	-	651,420
Others	185,184	-	-	26,025	-	665,899	-	877,108
Contracted Services	148,396	47,106	172,534	326,312	-	-	-	694,348
MATERIALS/SUPPLIES/FREIGHT								
Materials	140,689	62,058	188,855	1,019,926	1,615	-	25,109	1,438,252
Furniture and Equipment	400,218	361,468	86,285	362,675	-	-	-	1,210,646
Freight	23,486	19,583	19,272	175,062	-	-	-	237,403
CONTRIBUTIONS/TRANSFERS								
Transfers - Other	191,205	-	-	34,947	-	-	-	226,152
Total	<u>\$ 3,311,261</u>	<u>\$ 5,460,634</u>	<u>\$ 3,467,880</u>	<u>\$ 25,113,249</u>	<u>\$ 46,817</u>	<u>\$ 1,383,080</u>	<u>\$ 8,885,132</u>	<u>\$ 47,668,053</u>

**Commission scolaire francophone
Territoires du Nord-Ouest**

Consolidated Financial Statements

June 30, 2023

Commission scolaire francophone Territoires du Nord-Ouest

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June 30, 2023

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Commission scolaire francophone Territoires du Nord-Ouest

Le Rapport du Gestion

Généralités

L'objectif du rapport de gestion consiste à expliquer, du point de vue du bureau central, la situation financière et les perspectives de la Commission scolaire francophone des Territoires du Nord-Ouest (CSFTNO). Le rapport de gestion est la responsabilité de la direction générale et du Conseil des commissaires de la CSFTNO et sert à promouvoir la transparence et la reddition de comptes.

La gestion financière de la CSFTNO se résumant en deux objectifs :

- 1) Fournir les meilleurs programmes d'éducation possibles selon les ressources financières allouées.
- 2) Gérer les ressources financières avec compétence et être redevable de ces ressources financières devant le ministère de l'Éducation, de la Culture et de la Formation des Territoires du Nord-Ouest et le gouvernement du Canada.

La vision de la CSFTNO est la suivante : *En partenariat avec la communauté, être reconnu pour l'excellence de ses écoles francophones aux Territoires du Nord-Ouest.*

Selon la *Loi sur l'Éducation des Territoires du Nord-Ouest*, la CSFTNO compte six sièges de commissaires élus, trois à Yellowknife et trois à Hay River.

Ce sont les commissaires qui supervisent la gestion de la CSFTNO et des écoles. En fait, ils constituent le lien entre les élèves, les parents, les écoles et les deux paliers de gouvernement.

Les commissaires au titre de l'exercice fiscal 2022-23 sont comme suit :

Nom	Titre
Jean De Dieu Tuyishime	Président
Jessica King	Vice-présidente
Simon Cloutier	Commissaire
Catherine Boulanger	Commissaire
Rachel Cook	Commissaire
Fiona Aiston	Commissaire

La Commission scolaire francophone des TNO gère deux écoles publiques en français langue première de la prématernelle à la 12^e année :

- L'école Allain St-Cyr à Yellowknife; et
- L'école Boréale à Hay River.

Personnel de la CSFTNO

En 2022-23, le personnel de la CSFTNO était de 46.8 FTE et se présente comme suit :

- Bureau central : 6 FTE (1 SRM, 2 EXCLUDED, 3 NWTTA)
- École Allain St-Cyr (EASC) : 16 NWTTA et 10 UNW
- École Boréale : 10 NWTTA et 4.8 UNW

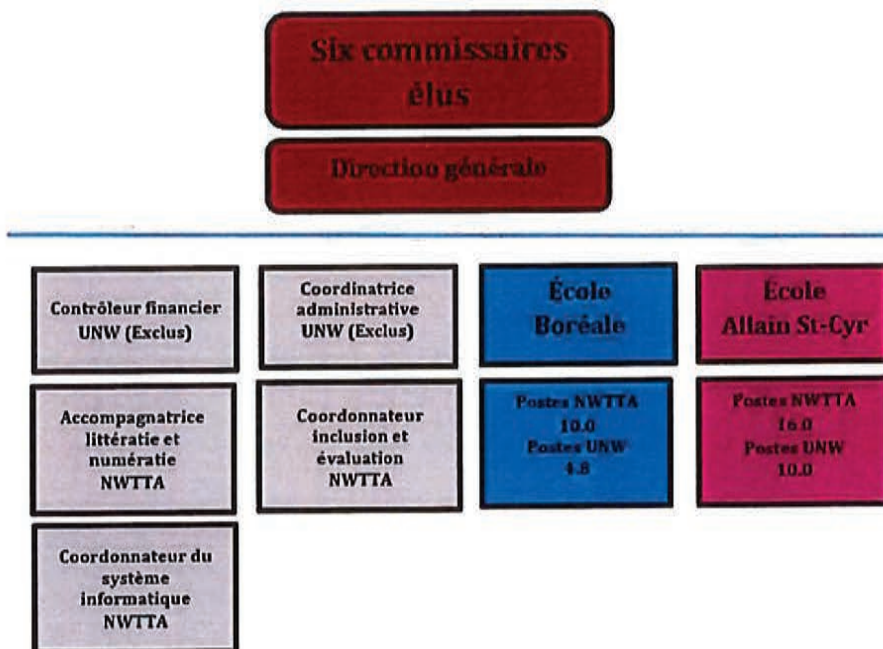
Effectif des élèves

Au 30 septembre 2022, 182 élèves fréquentaient l'école Allain St-Cyr et 62, l'école Boréale pour un total de 244 élèves.

Organigramme

L'organigramme de la CSFTNO pour l'année scolaire 2022-2023 se présente comme suit :

Organigramme fonctionnel de la CSFTNO (2022-2023)



Plan stratégique 2021-2026

Le plan stratégique pour la période 2021-2026 a trois axes définis comme suit :

- La réussite et le bien-être de chaque élève;
- La capacité organisationnelle en développement;
- Espace francophone et communauté au service de l'élève.

Axe 1 : La réussite et le bien-être de chaque élève

Les objectifs stratégiques assignés à cet axe sont les suivants :

- Améliorer le rendement académique de chaque élève pour lui permettre de mieux réussir son parcours scolaire;
- Développer les compétences du profil de sortie de l'élève de la prématernelle à douzième année;
- Préparer les élèves à la vie postsecondaire par une approche individualisée, innovante et expérientielle.

Axe 2 : La capacité organisationnelle en développement

Les objectifs stratégiques assignés à cet axe sont les suivants :

- Retenir et recruter un personnel engagé par un environnement de bienveillance et un accompagnement professionnel continu;
- Développer la capacité de l'organisation pour offrir une plus grande gamme de programmes et cours innovants;
- Développer la capacité de l'organisation à préconiser une culture axée sur la performance, les données et l'imputabilité pour soutenir la réussite et le bien-être des élèves.

Axe 3 : Espace francophone et communauté au service de l'élève

Les objectifs stratégiques assignés à cet axe sont les suivants :

- Engager nos parents et nos partenaires pour soutenir la réussite et le bien-être de nos élèves;
- Développer une stratégie pour le recrutement et la rétention des élèves en vue d'assurer la vitalité et la pérennité de nos écoles;
- Collaborer avec les organismes locaux, territoriaux et nationaux pour faire vivre des expériences authentiques francophones et nordiques à nos élèves;
- Reconnaître, célébrer et communiquer l'unicité de notre système d'éducation francophone nordique

Profil de sortie de l'élève

La CSFTNO, après un long processus d'écoute, de sessions d'information et de formation, a élaboré un document permettant à chaque apprenant de définir sa propre voie du succès : le Profil de sortie de l'élève (PSÉ). Le PSÉ permet le développement personnel de l'élève dans un contexte qui :

- Tient compte du **bien-être** de l'apprenant.
- Définit l'**identité franco-ténoise** de l'apprenant.
- En fait un **apprenant pour la vie**.
- Le transforme en **penseur critique**.
- Lui donne les moyens de devenir un **citoyen éthique et engagé**.

Bien-être

- Fait des choix de vie sains et sécuritaires (*alimentation, activité physique, santé mentale, consommation, relations, hygiène de vie*).
- Gère son stress.
- Reconnaît, partage et gère ses émotions.
- Cultive des rapports harmonieux.
- Utilise les stratégies d'autorégulation (*avoir une conscience de son état physique, émotionnel et mental et agir en fonction pour optimiser son potentiel*).
- Développe et a une estime de soi positive.

Identité franco-ténoise

- Travaille à se connaître et à maximiser son potentiel.
- Apprécie les richesses et particularités de son identité francophone.
- Apprécie les richesses et particularités de son identité nordique.
- Continue à s'engager afin de contribuer à la vitalité des communautés francophones.

Un apprenant pour la vie qui...

- Réussit son parcours scolaire.
- Communique efficacement.
- Collabore de façon constructive.
- Est débrouillard et fait preuve d'adaptation (résilience).
- Maîtrise la littératie numérique.

Un penseur critique qui...

- Utilise son jugement et ses connaissances pour faire face aux défis.
- Fait preuve de créativité, d'innovation et d'entrepreneuriat.

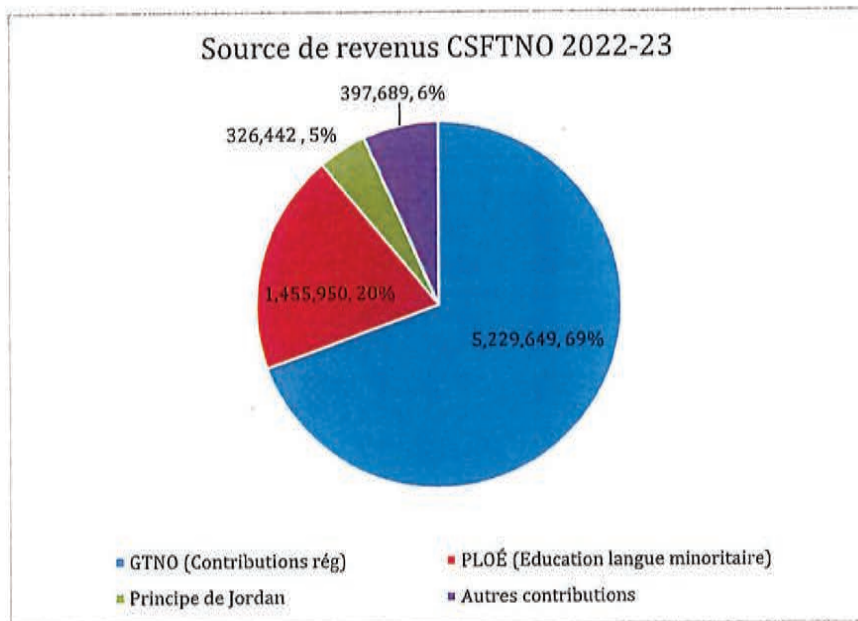
Un citoyen éthique et engagé qui...

- Est ouvert sur le monde et sa diversité.
- Contribue à la communauté en faisant preuve de leadership.
- Est animé par un idéal de justice sociale et d'équité.
- Valorise et respecte les cultures autochtones.

Revenus¹

La source principale des revenus provient du Gouvernement des Territoires du Nord-Ouest (GTNO). Cette source des revenus est majoritairement divisée en 3 catégories, exclusion faite des fonds générés par les écoles :

- Les contributions régulières calculées dans le Cadre de financement scolaire des Territoires du Nord-Ouest (5.229 M\$) et les subventions du Secrétariat aux affaires francophones et le programme SELF-REG;
- La contribution provenant du Programme des langues officielles en éducation (PLOÉ) de Patrimoine canadien (1.473 M\$), ce financement a connu une augmentation d'environ 4% par rapport en 2021-22;
- Les autres revenus provenant essentiellement des autres contributions du gouvernement (ministères du GTNO, y compris ECE) et du Principe de Jordan s'élèvent à 724 k\$.

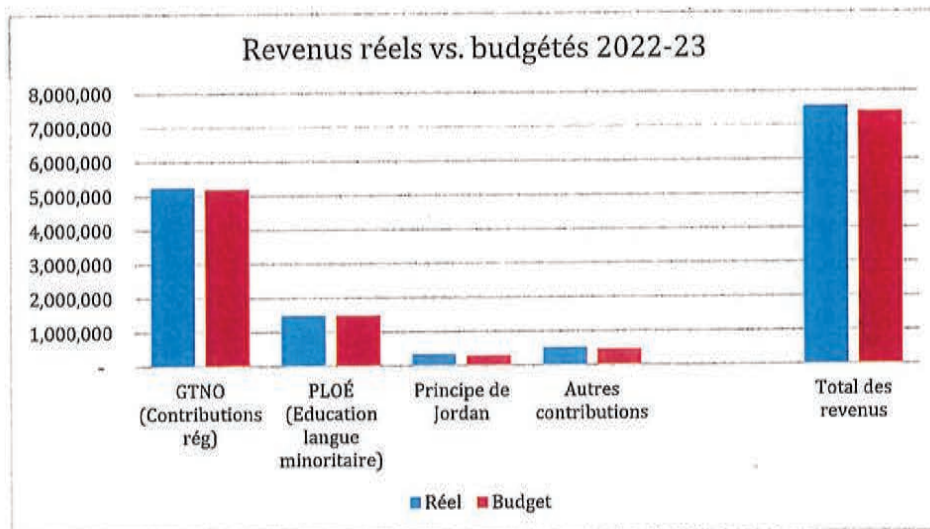


¹ Les revenus n'incluent pas le montant des fonds générés par les écoles qui fait l'objet d'une section séparée.

En 2022-2023, la Commission scolaire francophone des TNO a enregistré des revenus d'un montant de 7.572 M\$ comparativement à un montant budgété de 7.380 M\$. Cette variance de 192 k\$ s'explique principalement par les facteurs suivants :

- Une hausse des contributions régulières de 52 k\$, tenant compte de la hausse des salaires des enseignants et du personnel.
- Il y a également la subvention du revenu COVID-19 réalisée à hauteur de 87 k\$ en 2021 – 2022 et un report de 15 k\$ réalisée en 2022-2023, une hausse du budget de Principe de Jordan de 54 k\$ et les autres revenus pour un montant net de 41 k\$, (NWT On Land Collaborative et Take a Kid Trapping pour 29 k\$, une subvention pour des services en orthophonie pour 14 k\$ réalisée à hauteur de 6.5 k\$ en 2022-2023, Drop the Pop pour 3 k\$, une hausse du montant des ordonnances de 3 k\$, etc.)
- Le programme Odyssée, a eu lieu. Deux postes en lien avec le programme ont été créé. Cela a entraîné une hausse de revenu de 42 k\$. De plus, le postes divers revenus est passé de 38 k\$ en 2021-2022 à 81 k\$ en 2022-2023. Il est composé de (PES 440 pour 30 k\$, FNCSF pour 6 k\$, CPF NWT 5 k\$, FDS HWSS 1920 7k\$ et Divers pour 33 k\$).

Voici un tableau illustrant les revenus réels comparativement aux revenus budgétés :



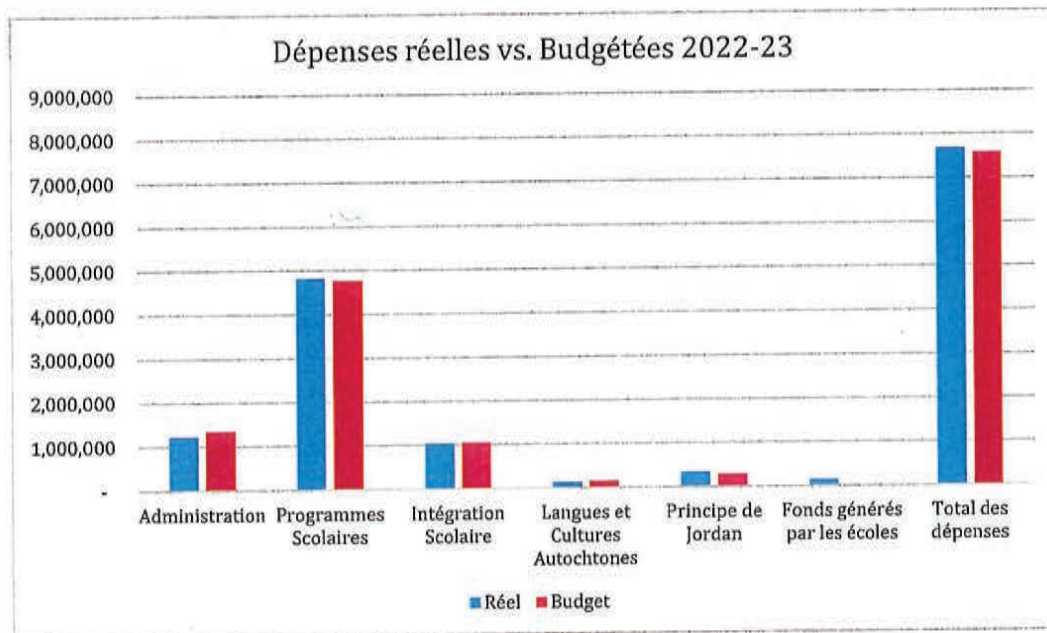
Dépenses²

Le total des dépenses de la CSFTNO au 30 juin 2023 se chiffre à 7.697 M\$ comparativement à un budget approuvé et révisé par la suite de 7.517 M\$, soit un dépassement de 180 k\$.

Ce dépassement s'explique essentiellement par les facteurs suivants :

- Une baisse des frais d'administration de 120 k\$, notamment lié aux économies des salaires des employés administratifs ; aux frais d'avocat pour les causes en cours (moins que ceux de 2021-2022), etc.;
- Une hausse des dépenses liées aux programmes scolaires (notamment les salaires) de 62 k\$;
- Une augmentation des frais du Principe de Jordan à hauteur de 54 k\$;
- Une baisse des dépenses d'intégration scolaire de 20 k\$;
- Une baisse des dépenses autochtones de 16 k\$.

Voici un tableau illustrant les dépenses réelles comparativement aux dépenses budgétées par programme :



² Les dépenses n'incluent pas les dépenses relatives aux activités spécifiques financées par des fonds générés par les écoles. Elles sont séparées et incluses dans la section des fonds générés par les écoles.

Résultats

Le résultat audité au 30 juin 2023 de la CSFTNO révèle un déficit opérationnel de 126 k\$ comparativement au déficit opérationnel projeté de 191 k\$. Ce déficit s'explique notamment par l'importance des honoraires d'avocats. La CSFTNO a payé 10K de plus que le montant budgété. Une partie de ces frais est supportée par le Programme de Contestation Judiciaire (PCJ) et la portion payée par la CSFTNO pourrait être partiellement remboursée si une décision favorable était prise à la suite d'une demande supplémentaire au PCJ.

D'autres éléments ont contribué, soit négativement, soit positivement à la réduction du déficit :

- L'évaluation actuarielle a conduit à une baisse du déficit de 69 k\$, traduisant un allègement des engagements de la CSFTNO au 30 juin 2023;
- Les opérations courantes, notamment, les salaires réels ont été plus élevés que les prévisions, expliquant essentiellement le plus gros du déficit des activités ordinaires. Par exemple, une hausse des dépenses des programmes scolaires de 62 k\$;

Ce déficit hors dette (1,269 M\$) envers le GTNO vient s'ajouter à notre déficit cumulatif opérationnel le passant de 126,7 k\$ au 30 juin 2022 à 252.9 k\$ au 30 juin 2023.

Fonds générés par les écoles

La CSFTNO a décidé d'intégrer les transactions liées aux fonds générés par les écoles dans les états financiers au 30 juin 2023. C'est le deuxième exercice de leur prise en compte, et ce, dans l'objectif de se conformer à la norme comptable PS 1300. L'application de cette norme n'est pas particulièrement exigée par ECF et toute qualification relative à cette partie ne rend pas le rapport audité irrecevable. En d'autres termes, ECF s'accommode très bien de toute qualification éventuelle sur les fonds générés par les écoles. Un montant s'équilibrant en revenus et en dépenses a été porté aux états financiers pour 138 k\$. Ainsi, les fonds générés par les écoles ont un impact nul sur les résultats de la CSFTNO.

Programmes

Administration

La section administration comprend les dépenses pour les salaires et bénéfices des employés du bureau central (Direction générale et employés exclus), les honoraires du Conseil d'administration, les honoraires des différents consultants (incluant les frais d'avocat) et les dépenses administratives de la CSFTNO. Le total des dépenses réelles s'élève à 1 222 M\$ comparativement au budget de 1 344 M\$, soit une baisse de 120 k\$ par rapport au budget. Dans ces dépenses, les frais réels d'avocat représentent 395 k\$ comparativement à 385 k\$ budgété.

Programmes scolaires

Cette section inclut les dépenses opérationnelles des écoles telles que les salaires et bénéfices des enseignants, adjoints en soutien au programme, consultants, secrétaires et concierges. Les programmes scolaires comprennent également les frais pour le développement professionnel, le transport par autobus, les matériaux scolaires et les fournitures scolaires dans les écoles. Les dépenses encourues et réalisées se chiffrent à 4.847 M\$ contre un budget de 4.754 M\$, soit une hausse de 93 k\$ par rapport au budget.

Intégration scolaire

Les dépenses pour l'intégration scolaire permettent aux écoles d'inclure tous les élèves et d'assurer leur participation dans les classes régulières. Cette section inclut les salaires et avantages sociaux des enseignants au soutien des élèves, les adjoint(e)s au programme de soutien, le développement professionnel, les frais associés au Principe de Jordan, et les matériaux et fournitures de classe associés au programme d'intégration scolaire. Le total des dépenses réelles s'élève à 1 031 M\$ comparativement au budget de 1 052 M\$, soit une baisse de 21 k\$ par rapport au budget.

Langue et culture autochtones

Ce programme comprend les salaires et avantages sociaux du coordonnateur, ainsi que les matériaux et les fournitures reliés au programme de Langue et culture autochtones. L'exercice fiscal 2022-

2023 s'est soldé par des dépenses réelles de 0.131 M\$ contre le budget de 0.148 M\$, une baisse de 17 k\$ par rapport au budget.

Perspectives 2023-2024

Les effets de la pandémie de la COVID-19, le contexte économique inflationniste tant sur le plan national qu'international continuent de se faire sentir sur nos finances. La CSFTNO poursuit son objectif de ramener son déficit opérationnel cumulé à son équilibre dans un laps de temps raisonnable.

Bien que la CSFTNO maintient cet objectif, celle-ci s'assurera d'offrir quasiment le même niveau de services à ses clients.

Enfin, le fonds du Programmes de langues officielles en éducation (PLOÉ) est en cours de négociation. Tout laisse croire que l'enveloppe sera bonifiée et cela aura pour effet d'augmenter le financement que la CSFTNO reçoit du programme. Ceci impactera positivement nos finances.

Sommaire

En 2022-2023, la Commission scolaire francophone TNO a approuvé un déficit opérationnel y compris les dépenses extraordinaires de 126 k\$ comparativement au déficit projeté de 191 k\$.

La prise en compte du déficit cumulé incluant la dette du GTNO (1,831 M\$) et du déficit courant de 126 k\$ aboutit à un déficit cumulé de 1.522 M\$.

Malgré ce déficit, les fonds budgétés pour l'année fiscale 2023-2024 s'alignent avec le Plan stratégique dans le but de continuer à offrir un excellent programme d'éducation en français langue première dans nos deux écoles.

Nous souhaitons une bonne rentrée scolaire à tous les élèves et employés de la CSFTNO.

**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, 2023

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)

November 20, 2023

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, 2023, 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, 2023 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, 2022 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 July 1 and June 30 for both 2023 and 2022 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, 2022 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, 2023 and 2022; employee deductions payable, vacation payable, salaries and wages payable, post-employment benefits payable at June 30, 2023 and 2022, and accumulated surplus (deficit) as at July 1 and June 30 for both 2023 and 2022 years. Our audit opinion on the consolidated financial statements for the year ended June 30, 2022 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 of 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 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 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
November 20, 2023

Chartered Professional Accountants

Commission scolaire francophone Territoires du Nord-Ouest

Consolidated Statement of Financial Position

As at June 30,	2023	2022
Financial Assets		
Cash	\$ 995,231	\$ 1,755,438
Accounts receivable (Note 4)	245,973	96,683
Due from Government of Canada (Note 5)	45,075	15,005
	1,286,279	1,867,126
Liabilities		
Accounts payable and accrued liabilities (Note 6)	677,191	797,214
Payroll liabilities (Note 6)	562,812	599,740
Payable to GNWT (Note 7)	1,269,573	1,269,573
Deferred revenue (Note 8)	47,220	274,754
Post-employment benefits (Note 10)	260,346	330,167
	2,817,142	3,271,448
Net financial liabilities	(1,530,863)	(1,404,322)
Non-financial assets		
Prepaid expenses	8,400	8,062
Accumulated deficit	\$ (1,522,463)	\$ (1,396,260)
Represented By:		
Operating deficit	\$ (1,522,463)	\$ (1,396,260)

Contractual obligations and contingencies (Note 12 and 13)

Approved on behalf of the Board of Trustees:

 Trustee

Cloutier,
Simon

Digitally signed by Cloutier,
Simon
Date: 2023.11.24 09:24:24
-07'00' Trustee

Commission scolaire francophone Territoires du Nord-Ouest

Consolidated Statement of Operations

For the year ended June 30,	2023 Budget	2023 Actual	2022 Actual
Revenues			
Government of the NWT			
ECE regular contributions	\$ 6,722,299	\$ 5,229,649	\$ 4,980,060
French language instruction (Schedule 4)	-	1,455,950	1,403,050
ECE other contributions (Note 19)	110,796	133,050	140,550
Total GNWT ECE	6,833,095	6,818,649	6,523,660
GNWT other contributions (Note 20)	108,115	58,244	60,996
Total GNWT	6,941,210	6,876,893	6,584,656
Government of Canada			
Jordan's Principle (Schedule 6)	271,962	326,442	117,600
Other contributions	-	28,234	-
	271,962	354,676	117,600
Education body generated funds			
Northwest Territories Teachers' Association			
Contributions	-	40	6,658
Interest	35,000	42,755	14,072
School generated fund	-	138,015	54,535
Other revenues	132,005	160,411	60,536
	167,005	341,221	135,801
	7,380,177	7,572,790	6,838,057
Expenses (Schedule 1)			
School programs	4,754,473	4,847,276	4,823,077
Inclusive schooling	1,052,050	1,031,284	981,161
Administration	1,344,722	1,222,309	962,602
Indigenous languages and culture	148,110	131,460	131,199
Jordan's Principle	271,962	326,442	117,600
School generated fund	-	138,015	54,535
	7,571,317	7,696,786	7,070,174
Operating deficit before other items	(191,140)	(123,996)	(232,117)
Other items			
Post-employment benefit recovery (expense) (Note 10)	-	(2,207)	1,820
Grant in-kind - Assets provided at no cost (Note 11)	-	1,045,744	1,065,676
Rent expense - Assets provided at no cost (Note 11)	-	(1,045,744)	(1,065,676)
Operating deficit	(191,140)	(126,203)	(230,297)
Opening accumulated deficit	(1,396,260)	(1,396,260)	(1,165,963)
Closing accumulated deficit	\$ (1,587,400)	\$ (1,522,463)	\$ (1,396,260)

Commission scolaire francophone Territoires du Nord-Ouest

Consolidated Statement of Changes in Net Financial Liabilities

For the year ended June 30,	2023 Budget	2023 Actual	2022 Actual
Operating deficit	\$ (191,140)	\$ (126,203)	\$ (230,297)
Acquisition of prepaid expense	-	(8,400)	-
Consumption of prepaid expense	-	8,062	4,442
Increase in net financial liabilities	(191,140)	(126,541)	(225,855)
Net financial liabilities, beginning of year	(1,404,322)	(1,404,322)	(1,178,467)
Net financial liabilities, end of year	\$ (1,595,462)	\$ (1,530,863)	\$ (1,404,322)

Commission scolaire francophone Territoires du Nord-Ouest

Consolidated Statement of Cash Flows

For the year ended June 30,	2023	2022
Cash provided by (used in):		
Operating transactions		
Operating deficit	\$ (126,203)	\$ (230,297)
Changes in non-cash assets and liabilities		
Decrease (increase) in accounts receivable	(149,290)	75,668
Increase (decrease) in accounts payable and accrued liabilities	(120,022)	343,515
Increase (decrease) in payroll liabilities	(36,928)	58,638
Decrease (increase) in due from Government of Canada	(30,071)	10,351
Increase (decrease) in deferred revenue	(227,534)	127,168
Decrease in post-employment benefits	(69,821)	(39,218)
Decrease (increase) in prepaid expenses and deposits	(338)	4,442
Increase (decrease) in cash	(760,207)	350,267
Cash at beginning of year	1,755,438	1,405,171
Cash at end of year	\$ 995,231	\$ 1,755,438

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 2023	Budget 2023	Total 2022
Salaries									
Teachers	\$ 3,751,807	\$ 373,327	\$ -	\$ 60,682	\$ -	\$ -	\$ 4,185,816	\$ 4,083,602	\$ 4,169,717
Instruction assistants	-	425,317	-	-	305,336	-	730,653	702,899	520,000
Non-instructional staff	639,880	175,228	490,643	-	-	-	1,305,751	1,314,509	1,258,592
Board/trustees honoraria	-	-	31,146	39,061	-	-	70,207	73,068	77,046
	4,391,687	973,872	521,789	99,743	305,336	-	6,292,427	6,174,078	6,025,355
Employee Benefits									
Employee benefits	-	-	101,834	-	-	-	101,834	70,000	51,239
Leave and termination	-	-	(65,302)	-	-	-	(65,302)	30,000	14,228
	-	-	36,532	-	-	-	36,532	100,000	65,467
Services Purchased/Contracted									
Advertising/publishing	-	-	74,205	-	-	-	74,205	101,664	24,758
Communications	13,979	-	12,216	-	-	-	26,195	30,487	27,524
Contracted services	82,384	32,853	507,354	-	21,106	138,015	781,712	604,955	427,113
Maintenance and repairs	52,872	-	979	-	-	-	53,851	53,016	45,346
Other	53,478	-	9,603	-	-	-	63,081	78,840	42,999
Rental/leases	27,256	-	3,493	-	-	-	30,749	33,114	25,558
Student travel	64,163	-	-	-	-	-	64,163	61,926	58,657
Travel	21,589	2,370	30,379	17,562	-	-	71,900	73,950	39,628
	315,721	35,223	638,229	17,562	21,106	138,015	1,165,856	1,037,952	691,583
Supplies and Materials									
Freight	-	-	-	-	-	-	-	-	652
Materials	139,868	22,189	25,759	14,155	-	-	201,971	259,287	287,117
	139,868	22,189	25,759	14,155	-	-	201,971	259,287	287,769
	\$ 4,847,276	\$ 1,031,284	\$ 1,222,309	\$ 131,460	\$ 326,442	\$ 138,015	\$ 7,696,786	\$ 7,571,317	\$ 7,070,174

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 2
Indigenous Languages and Culture Expenses

For the year ended June 30, 2023

	School Instruction	Teaching/ Learning Resources	School Activities and Integrated Community Programs	Total
Salaries				
ILE teachers	\$ -	\$ 60,682	\$ -	\$ 60,682
Board/trustees honoraria	39,061	-	-	39,061
	39,061	60,682	-	99,743
Services Purchased/Contracted				
Travel	-	-	17,562	17,562
Supplies and Materials	-	-	14,155	14,155
	\$ 39,061	\$ 60,682	\$ 31,717	\$ 131,460

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 3
Inclusive Schooling Expenses

For the year ended June 30, 2023

	Staff Development	Student Resources	General Inclusive Schooling	Total
Salaries				
Regional Coordinator	\$ -	\$ -	\$ 175,228	\$ 175,228
Program support teachers	-	-	373,327	373,327
Support assistants	-	-	425,317	425,317
	-	-	973,872	973,872
Services Purchased/Contracted				
Contracted services	7,200	-	25,653	32,853
Travel	2,370	-	-	2,370
	9,570	-	25,653	35,223
Supplies and Materials	-	11,126	11,063	22,189
	\$ 9,570	\$ 11,126	\$ 1,010,588	\$ 1,031,284

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 4
French Language Funding

For the year ended June 30, 2023

	Contributions from ECE and Heritage Canada	Commitments from Commission	Expenses	(Under) Over Funding
STUDENT PARTICIPATION				
School administration (salary)	\$ 316,666	\$ 30,865	\$ 352,434	\$ (4,903)
Retention bursaries	28,000	-	33,000	(5,000)
2 grade level per class (salary)	402,987	1,550,995	2,971,706	(1,017,724)
2 secretaries / librarian (salary)	186,461	53,739	247,988	(7,788)
Promotion	47,764	-	67,865	(20,101)
SCHOOL PROGRAMS				
Cyber pedagogy (salary)	73,923	92,585	168,384	(1,876)
Technology resources	30,000	-	34,439	(4,439)
PROGRAM ENRICHMENT				
Cultural facilitators	89,344	-	97,559	(8,215)
Partnership early childhood	25,000	-	10,000	15,000
French monitors (rent)	-	5,000	28,101	(23,101)
Coach for francisation	80,168	89,426	166,758	2,836
Art program	35,866	-	39,653	(3,787)
Cultural activities	23,711	-	25,141	(1,430)
French resource purchase	39,000	-	51,644	(12,644)
EDUCATIONAL SUPPORT FOR PERSONNEL				
Professional development	24,160	-	23,317	843
Recruitment and Retention Strategy				
Recruitment and retention strategy	52,900	-	-	52,900
Total	\$ 1,455,950	\$ 1,822,610	\$ 4,317,989	\$(1,039,429)

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 5
Student Success Initiative

For the year ended June 30, 2023

	Total
Revenue - Government of the NWT Education, Culture & Employment	\$ 15,000
Expenses - Workshop resources	23,832
Deficit	\$ (8,832)

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 6
Jordan's Principle

For the year ended June 30,

	Budget 2023	Actual 2023	Actual 2022
Revenue - Indigenous Services Canada	\$ 271,962	\$ 326,442	\$ 246,760
Expenses			
Personnel	271,962	305,336	246,760
Contracted services	-	21,106	-
Total expenses	271,962	326,442	246,760
Net deficit	\$ -	\$ -	\$ -

Commission scolaire francophone Territoires du Nord-Ouest

Notes to Consolidated Financial Statements

June 30, 2023

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.

June 30, 2023

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.

June 30, 2023

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.

June 30, 2023

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 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.

June 30, 2023

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.

June 30, 2023

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.

June 30, 2023

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

Public Private Partnerships, Section 3160

Effective July 1, 2023, Education Bodies will be required to adopt PS 3160 Public Private Partnerships. This Section establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. The private sector partner's obligations include requirements to:

- (a) design, build, acquire or better new or existing infrastructure;
- (b) finance the transaction past the point where the infrastructure is ready for use; and
- (c) operate and/or maintain the infrastructure.

This standard is applicable only to those Education Bodies that are able to acquire, and required to report, tangible capital assets in its financial statements. The impact of these standards on the consolidated financial statements is currently being assessed.

Commission scolaire francophone Territoires du Nord-Ouest

Notes to Consolidated Financial Statements

June 30, 2023

3. Future Accounting Changes (continued)

Revenue, Section PS 3400

For fiscal periods beginning on or after April 1, 2023, Educational bodies will be required to adopt PS 3400 Revenue. This standard provides guidance on how to account for and report on revenues. Specifically, it differentiates between revenues arising from transactions that include performance obligations and transactions that do not have performance obligations. The impact of these standards on the consolidated financial statements is currently being assessed.

Purchased Intangibles, PSG-8

Effective July 1, 2023, Education Bodies will be required to adopt PSG-8 Purchased Intangibles. The standard provides guidance on how to account for and recognize intangibles. The Commission is assessing the impact of this standard on the consolidated financial statements and there is no significant impact as a result of its application.

4. Accounts Receivable

	Accounts Receivable 2023	Allowance for doubtful accounts 2023	Net 2023	Net 2022
Due from related parties (Note 14)	\$ 1,800	\$ -	\$ 1,800	\$ -
Due from GNWT (Note 14)	59,939	-	59,939	30,043
Trade and other receivables	184,234	-	184,234	66,640
	\$ 245,973	\$ -	\$ 245,973	\$ 96,683

5. Due from the Government of Canada

	2023	2022
Indigenous Services Canada - Feminine Hygiene	\$ 45,075	\$ -
Indigenous Services Canada - Jordan's Principle	-	\$ 15,005

Commission scolaire francophone Territoires du Nord-Ouest

Notes to Consolidated Financial Statements

June 30, 2023

6. Accounts Payable and Accrued Liabilities

	2023	2022
Due to GNWT (Note 14)	\$ 505,436	\$ 497,778
Due to related parties (Note 14)	19,141	-
Trade payable	152,614	299,436
	\$ 677,191	\$ 797,214

Payroll Liabilities

	2023	2022
NWTTA	\$ 435,381	\$ 381,054
UNW	81,761	77,793
Other	45,670	140,893
	\$ 562,812	\$ 599,740

7. 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.

Commission scolaire francophone Territoires du Nord-Ouest**Notes to Consolidated Financial Statements**

June 30, 2023

8. Deferred revenue

Deferred revenue consists of funding received for expenses not yet incurred at year end.

	2023	2022
Government of the Northwest Territories		
ECE - 2023 Core Funding	\$ -	\$ 246,114
ECE - Stage Orthophonie	7,500	-
ECE - COVID-19 Support	-	15,556
MACA - After School Physical Activity Program	15,300	-
Government of Canada		
Indigenous Services Canada - Menstrual Products	11,473	11,084
Other		
Funds raised for Ecole Boreal gymnasium - Nicole Fournier	2,000	2,000
Conseil de Développement Économique des Territoires du Nord-Ouest - Projet Petite Enfance en Santé	10,947	-
	\$ 47,220	\$ 274,754

9. Pensions

The Commission does not have pensions. Members of the Northwest Territories Teachers Association are covered by the Government of Northwest Territories pension plan.

June 30, 2023

10. 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, 2023. The values presented below are for all of the benefits under the post-employment benefits for the Commission.

Commission scolaire francophone Territoires du Nord-Ouest

Notes to Consolidated Financial Statements

June 30, 2023

10. Post-employment benefits (continued)

Changes in Obligation	Severance and Removal	Compensated Absences	2023	2022
Accrued benefit obligation				
beginning of year	\$ 211,635	\$ 61,530	\$ 273,165	\$ 270,173
Current period benefit cost	19,497	5,868	25,365	24,613
Interest accrued	9,186	2,727	11,913	9,239
Benefits payments	(70,359)	(1,769)	(72,128)	(37,402)
Actuarial loss/(gain)	42,316	(5,352)	36,964	6,542
Accrued benefit obligation end of year	212,275	63,004	275,279	273,165
Unamortized net actuarial gain	(16,804)	1,871	(14,933)	57,002
Total accrued liability	\$ 195,471	\$ 64,875	\$ 260,346	\$ 330,167
Benefits Expense				
Current period benefit cost	\$ 19,497	\$ 5,868	\$ 25,365	\$ 24,613
Interest accrued	9,186	2,727	11,913	9,239
Amortization of gains	(28,624)	(6,447)	(35,071)	(35,672)
Total benefits expenses (recovery)	\$ 59	\$ 2,148	\$ 2,207	\$ (1,820)

The discount rate used in the 2023 fiscal year to determine the accrued benefit obligation was an average of 4.8% (2022 - 4.1%).

The expected payments during the next five fiscal years are:

	Severance and Removal	Compensated Absences	Total
2024	\$ 16,318	\$ 2,448	\$ 18,766
2025	16,556	2,501	19,057
2026	16,938	2,745	19,683
2027	17,699	3,172	20,871
2028	21,408	4,746	26,154
2029-2033	125,510	33,010	158,520
Total	\$ 214,429	\$ 48,622	\$ 263,051

Commission scolaire francophone Territoires du Nord-Ouest

Notes to Consolidated Financial Statements

June 30, 2023

11. GNWT assets provided at no cost

	Cost	Accumulated Amortization	2023 Net Book Value	2022 Net Book Value
Ecole Allain St-Cyr	\$ 17,310,964	\$ 5,228,613	\$ 12,082,351	\$ 12,849,484
Ecole Boreale	3,960,439	1,615,259	2,345,180	2,427,084
Ecole Allain St-Cyr phase 1	4,490,598	1,850,343	2,640,255	2,770,104
Ecole Boreale modular units	1,189,060	431,880	757,180	789,747
Ecole Boreale pellet boiler	86,115	57,051	29,064	33,370
Ecole Boreale biomass system	90,649	21,655	68,994	75,037
Ecole Boreale JK playscape	223,658	55,915	167,743	182,654
Ecole Allain St-Cyr JK playscape	135,490	42,152	93,338	102,370
	\$ 27,486,973	\$ 9,302,868	\$ 18,184,105	\$ 19,229,850

Rent expense of \$1,045,744 (2022 - \$1,065,676) was offset by a grant in-kind.

12. Contractual obligations

The Commission has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to June 30, 2023.

The future minimum payments are as follows:

	Expires in fiscal year	2024	2024-2026	Total
Equipment leases				
Xerox B8055 MONO MFP	2024	\$ 3,109	\$ -	\$ 3,109
Xerox C8045 COLOUR MFP	2024	4,011	-	4,011
Xerox C8055 COLOUR MFP	2025	2,994	2,246	5,240
Operational Contracts				
First Canada ULC	2026	59,088	118,176	177,264
		\$ 69,202	\$ 120,422	\$ 189,624

13. Contingencies

The Commission is currently evaluating the impact of the appeal won by the GNWT regarding the van Bochove judicial review.

Commission scolaire francophone Territoires du Nord-Ouest**Notes to Consolidated Financial Statements**

June 30, 2023

14. 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:

	2023	2022
Government of Northwest Territories:		
Department of Education, Culture and Employment	\$ 59,939	\$ 30,043
Beaufort-Delta Education Council	1,200	-
South Slave Division Education Council	600	-
	\$ 61,739	\$ 30,043

Due to related parties:

	2023	2022
Government of Northwest Territories:		
Department of Education, Culture and Employment	\$ -	\$ 7,000
Department of Finance	505,436	993,416
Hay River District Education Authority	19,141	-
	\$ 524,577	\$ 1,000,416

Commission scolaire francophone Territoires du Nord-Ouest

Notes to Consolidated Financial Statements

June 30, 2023

14. Related parties (continued)

Revenues from related parties:

	2023	2022
Government of Northwest Territories:		
Department of Education, Culture and Employment	\$ 6,818,649	\$ 6,523,660
Department of Education, Culture and Employment - Grant in-kind	1,045,744	1,065,676
Department of Environment and Climate Change	10,000	25,556
Department of Municipal and Community Affairs	44,960	30,600
Department of Health and Social Services	3,284	4,840
Department of Finance - interest	42,755	14,072
	\$ 7,965,392	\$ 7,664,404

Expenses paid to related parties:

	2023	2022
Government of Northwest Territories:		
Department of Education, Culture and Employment - Rent expense	1,045,744	1,065,676
Dehcho Divisional Education Council	\$ 300	\$ 300
Hay River District Education Authority	19,141	19,058
	\$ 1,065,185	\$ 1,085,034

Commission scolaire francophone Territoires du Nord-Ouest

Notes to Consolidated Financial Statements

June 30, 2023

15. 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 27, 2022.

16. 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:

	2023	2022
Cash	\$ 995,231	\$ 1,755,438
Accounts receivable	245,973	96,683
Due from Government of Canada	45,075	15,005
Maximum credit exposure	\$ 1,286,279	\$ 1,867,126

There 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.

Commission scolaire francophone Territoires du Nord-Ouest

Notes to Consolidated Financial Statements

June 30, 2023

16. Financial instruments (continued)

At June 30, 2023, the following accounts receivable were past due but not impaired:

	30 Days	60 Days	90 Days	Total
Accounts receivable	\$ 1,750	\$ 23,641	\$ 25,391	

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, 2023, receivables from the GNWT comprised approximately 60% (2022 - 35%) 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 \$1,240,003 (2022 - \$1,396,954).

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.

17. Expenses by object

	2023 Budget	2023 Actual	2022 Actual
Compensation	\$ 6,274,078	\$ 6,328,959	\$ 6,090,822
Supplies and materials	259,287	201,971	287,769
Services purchased/contracted	1,037,952	1,165,856	691,583
	\$ 7,571,317	\$ 7,696,786	\$ 7,070,174

Commission scolaire francophone Territoires du Nord-Ouest

Notes to Consolidated Financial Statements

June 30, 2023

18. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

19. ECE other contributions

	2023	2022
Frais Orthophonie	\$ 6,500	\$ 13,000
French Monitor	53,513	-
COVID-19 Support	15,556	87,105
English Languages Communication & Services	30,000	20,000
Self-Regulation	8,340	5,000
Ordonnances	19,141	15,445
	\$ 133,050	\$ 140,550

20. GNWT other contributions

	2023	2022
Department of Environment and Climate Change	\$ 10,000	\$ 25,556
Department of Health and Social Services	3,284	4,840
Department of Municipal and Community Affairs	44,960	30,600
	\$ 58,244	\$ 60,996

Consolidated Financial Statements of

**DEHCHO DIVISIONAL
EDUCATION COUNCIL**

June 30, 2023

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Financial Statements

June 30, 2023

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MANAGEMENT DISCUSSION AND ANALYSIS

Introduction

The Management Discussion and Analysis (MD&A) is a go-forward responsibility of management and the Council Members to promote transparency and accountability.

Vision and Core Strategy

The Dehcho Divisional Education Council mission is to provide quality education based on the cultures of its students and partnerships with the communities it serves.

The vision and core strategy for the Dehcho Divisional Education include a variety of goals and objectives, which include:

- Promote excellence in student performance.
- Deliver school programs and activities that support the intellectual, physical, emotional, social, and spiritual development of students.
- Deliver school programs and activities in a manner that integrates traditional and contemporary education practices.
- Provide programs that result in completion of secondary school graduation requirements so that students can pursue post-secondary education, skills, training and/or employment.
- Involve students in identification of learning needs and planning school programs.
- Build partnerships with community and regional agencies to meet student needs and strengthen wellness.
- Provide training to trustees, other educational leaders in schools and communities so that they may effectively exercise their roles and responsibilities.
- Promote and encourage the wellness of educational personnel (Trustees, Council staff and school staff).

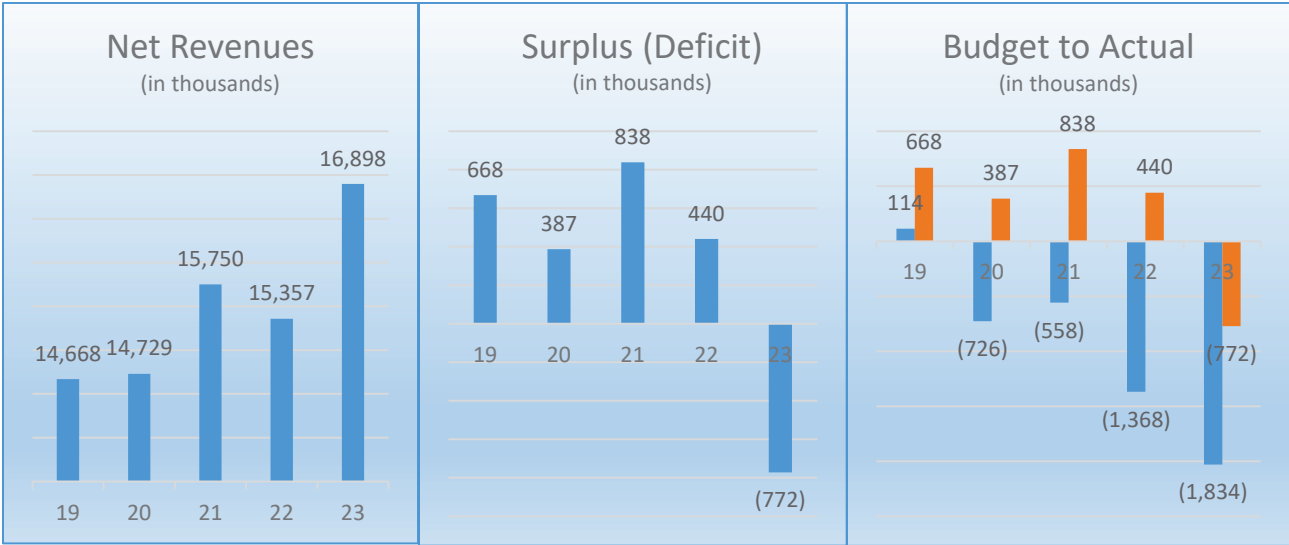
Governance, Trustees and Key Management

Presently, the Council is represented by trustees from eight communities in the Dehcho region. The Council Members are as follows:

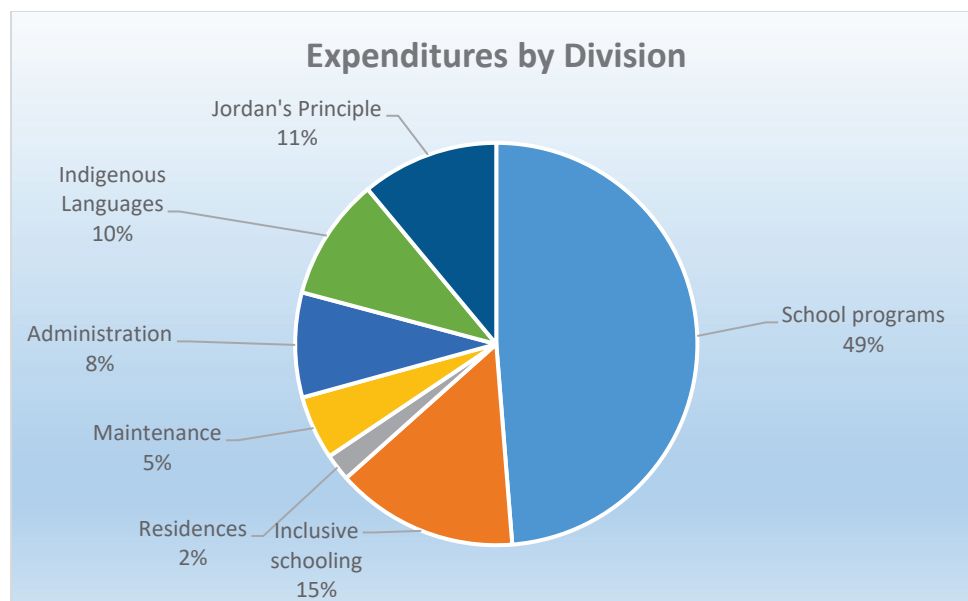
- Fort Providence- Trisha Landry
- Fort Liard- Genevieve McLeod
- Fort Simpson- Renalyn Pascua-Matte- Chairperson
- Jean Marie River- Yvonne Norwegian
- Kakisa Lake- Anita Chicot-Simba
- Samba K'e- Ruby Jumbo
- Wrigley- Lisa Moses
- Nahanni Butte- Jayne Konisenta

The management staff include Philippe Brulot, who performs the duties of the Superintendent during the fiscal year and was responsible for school operations and overall operations of the Council and David Fiebelkorn who manages the financial and business affairs of the Council.

Key Financial Highlights



Revenue has been increasing the past few years after a steady declines for periods prior to 2021. That increase in revenue continued in 2023 with considerable extra revenue being received from various sources. Due to a significant expenditure reductions due to falling revenue and more recently due to Covid restrictions, the Council has recorded surpluses in six of the past seven year. In fact, due to the requirement to reduce the surplus under the Surplus Retention Policy, 2023 was the first year the DDEC did not record an operation surplus since 2016. Actual surpluses have been favorable over original budgets in the past seven years as Council tries to operate in the most financial responsible manner, taking advantage of cost saving measures wherever possible and maximizing other sources of income wherever possible



School programs continue to comprise the largest component of expenditures for the Council, with a strong emphasis on Inclusive Schooling and Aboriginal Language programs. Jordan’s Principal program is increasingly become a significant contributor to the organization’s operations. The Council has constantly strived to maintain Administration cost at below 10% of total funding.

Total Student and Teacher Populations

COMMUNITY	FORT SIMPSON		FORT PROVIDENCE	JEAN MARIE RIVER	KAKISA LAKE	SAMBAA KE Charles	WRIGLEY Chief J	FT LIARD Echo	NAHANNI BUTTE Charles	
SCHOOL	<u>Liidli Ke High</u>	<u>Liidli Ke Elem</u>	<u>Deh Gah School</u>	<u>Louie Norwegian</u>	<u>Kakisa L School</u>	<u>Tetcho School</u>	<u>Yendo School</u>	<u>Dene School</u>	<u>Yohin School</u>	TOTAL
STUDENTS										
Beginning of Year Enrollment	80	77	91	10	3	24	23	107	5	420
End of Year Enrollment	93	91	95	8	3	22	19	102	4	437
TOTAL BY DISTRICT EDUCATION AUTHOR (DEA) END OF YEAR		184	95	8	3	22	19	102	4	437

TEACHING
STAFF

Beginning of Year Teachers	8	8	9	1	1	2	1.5	9	1	40.5
End of Year Teachers	8	8	9	1	1	2	1.5	9	1	40.5
TOTAL BY DISTRICT EDUCATION AUTHORITY (DEA) END OF YEAR		16	9	1	1	2	1.5	9	1	40.5

Operating Environment

The Dehcho Divisional Education Council has been strengthened by sound fiscal and operation management over its history. The Council has enjoyed consistency in key management positions which has allowed for solid financial and administrative decision making. It also has been fortunate in attracting and retaining personnel in key positions. It has developed strong partnership with local groups and organizations and has developed relationships that have benefited the Council and schools. In addition, Council development and training has been a key area of strength in recent years. The Council has experienced some turnover in Principal and teaching staff in recent years which has weakened the consistency in student learning and achievement. The Council sees opportunities in the Education Renewal and Innovation to offer more dynamic education initiatives throughout the region and, with its partnerships with local and First Nations, it has opportunities to improve and develop language and cultural emphasis in education. Declining enrollment and related funding reductions represent a significant risk as well as retention of senior staff members over the next several years however these numbers have stabilized in recent years. The addition of significant funding from the new federal government Jordan Principal program has had a major positive impact on funding programs and providing much needed additional support. Since 2018-2019, new initiatives in innovation, technology upgrades and restructuring has begun to show positive results with the introduction of positive new programs and initiatives in literacy and program enhancements.

Financial Conditions

During the fiscal year ending June 30, 2023, the Council budgeted for an operating deficit to maintain a high level of programs and services. At the same time, it attempted to initiate new programs and services in the schools and communities. In doing so, the Council budgeted for an annual deficit of \$ 1,834,216. During the year, the Council managed to incorporate several significant sources of additional program funds as well as prudent fiscal management, to record a consolidated deficit of \$772,429. A significant portion of the deficit was also due to the increase in program activity due to the Covid-19 re-opening and also as required to reduce the surplus under the Surplus Retention Policy. This surplus for the 2023 year brought the overall accumulated book surplus down to \$2,381,169 (DEC - \$1,903,306; DEA- \$477,863). Despite the budget deficit planned for 2023-24 of \$1,692,017, the current cash balance of \$5,563,253 eliminated any liquidity concerns as the Council continues to maintain cost controls in the current year, while contingent liabilities are not a risk to the Council's financial health. The Council's budgeted deficit of \$1,692,017 for the 2023-24 fiscal year in order to maintain a stable level of service as well as implement several new initiatives for the Council.

Summary and Outlook

During the past two years, the Council was fortunate to add to the surplus from the prior year after recovering from a large deficit in 2016 to return the Council to previous accumulated surplus levels. Despite being affected by several unanticipated and unbudgeted cost and funding reductions due to declining enrollment which reduced its accumulated financial position in a period of declining or stagnant enrollment, the Council was able to combine some cost recoveries along with strong fiscal management to reverse the fiscal trend. It was able to be successful in continuing many new initiatives including distance learning courses, resiliency programs, self-regulation and a new revitalized indigenous language program, judo and music. Several programs such as literacy development, mental wellness and Council governance training and development continued. Moving forward, the Council's goals for the upcoming year are to increase student achievement through continuing to provide staff and Council training and to provide programs that meet the needs of our 21st century learners and the goals of Education Renewal. Literacy, distance learning, self-regulation, Indigenous Language revitalization programs and training for Language teachers will continue. New initiatives include: programs in literacy training, and mental wellness programs, judo, sports and music programs.

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



Philippe Brulot
Superintendent
Dehcho Divisional Education Council

November 27, 2023
Date



David Fiebelkorn, CPA, CGA
Comptroller
Dehcho Divisional Education Council

November 27, 2023
Date

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, 2023, 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, 2023, 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, 2023 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, 2023 and June 30, 2022.

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.

Independent Auditor's Report (continued)

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.

The logo for ASHTON Chartered Professional Accountants, featuring the word "ASHTON" in a stylized, handwritten script font.

ASHTON
Chartered Professional Accountants

Hay River, NT
November 27, 2023

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Statement of Financial Position

June 30, 2023

	2023	*2022
FINANCIAL ASSETS		
Cash and cash equivalents, Note 4	\$ 5,563,253	\$ 6,945,626
Special purpose funds, Note 5	471,840	507,299
Due from the Government of Canada, Note 13	-	-
Accounts receivable, Note 8	290,590	86,071
Total Financial Assets	\$ 6,325,683	\$ 7,538,996

LIABILITIES

Accounts payable and accrued liabilities, Note 10	\$ 193,074	\$ 179,608
Payroll liabilities, Note 10	1,448,725	2,236,557
Due to the Government of Canada, Note 13	466,311	-
Deferred revenue, Note 11	886,588	985,619
Other employee future benefits and compensated absences, Note 17	845,724	876,734
Trust Liabilities, Note 18	124,092	126,880
Total Liabilities	3,964,514	4,405,398
Net Assets (Deficit)	\$ 2,361,169	\$ 3,133,598

NON-FINANCIAL ASSETS

Prepaid expenses, Note 20	\$ 20,000	\$ 20,000
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ACCUMULATED SURPLUS (DEFICIT)

\$ 2,381,169	\$ 3,153,598
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* Reclassified for comparative purposes

Represented by:

Accumulated Operating surplus (deficit)

Divisional Education Council

District Education Authorities

\$ 1,903,306	\$ 2,619,797
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477,863	533,801
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\$ 2,381,169	\$ 3,153,598
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* 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, 2023

	Budget 2023	Actual 2023	Actual *2022
Revenue			
Government of the NWT			
ECE regular contribution	\$ 13,722,633	\$ 13,778,067	\$ 13,306,612
French language program, Schedule C	55,000	124,000	128,800
ECE other contributions, Note 31	215,750	180,996	279,205
Deferred revenues - SSI program	-	-	-
Total ECE contributions	13,993,383	14,083,063	13,714,617
GNWT other contributions, Note 32	400,000	144,424	113,819
Total GNWT	14,393,383	14,227,487	13,828,436
Jordan's Principle, Schedule D	1,774,514	1,824,187	959,712
Government of Canada - other contributions	-	-	-
Total Government of Canada contributions	1,774,514	1,824,187	959,712
	16,167,897	16,051,674	14,788,148
Self-Generated Funds			
Rentals	36,000	52,456	51,400
Investment income	30,000	242,907	51,038
Contract and other	82,000	405,348	248,037
	148,000	700,711	350,475
Education Authority self-generated funds, Schedule H-1	-	134,783	198,602
GNWT contributions to Education Authorities, Schedule H-1	-	11,000	20,000
	-	145,783	218,602
	16,315,897	16,898,168	15,357,225
Expenses			
School programs	9,869,115	8,610,888	8,225,499
Inclusive schooling, Schedule A	2,597,264	2,592,380	2,065,622
Student accommodation	220,950	383,946	304,975
Operations and maintenance	894,480	907,966	866,545
Administration	1,066,774	1,490,835	940,731
Indigenous language/cultural programs, Schedule B	1,727,016	1,737,265	1,553,932
Jordan's Principle, Schedule D	1,774,514	1,947,317	959,712
	18,150,113	17,670,597	14,917,016
Operating surplus (deficit) before other item	(1,834,216)	(772,429)	440,209
Other item:			
Other Employee Future Benefits and Compensated Absences recovery (expense), Note 17	-	-	-
Operating surplus (deficit)	\$ (1,834,216)	\$ (772,429)	\$ 440,209
Accumulated surplus (deficit), beginning of year		3,153,598	2,713,389
Accumulated surplus (deficit), end of year		\$ 2,381,169	\$ 3,153,598

* Reclassified for comparative purposes

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Statement of Change in Net Assets (Debt)

For the year ended June 30, 2023

	2023	2022
Operating Surplus (Deficit)	\$ (772,429)	\$ 440,209
Amortization of tangible assets	-	-
Net change in prepaids	-	-
(Increase) Decrease in net debt	(772,429)	440,209
Net assets (debt) beginning of the year	3,133,598	2,693,389
Net assets (debt) end of year	\$ 2,361,169	\$ 3,133,598

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Statement of Cash Flow

For the year ended June 30, 2023

	2023	2022
Operating Activities		
Operating Surplus (Deficit)	\$ (772,429)	\$ 440,209
Items not affecting cash:		
Amortization	-	-
Changes in non-cash assets and liabilities		
Decrease (increase) in due from the Government of Canada	-	10,478
Decrease (increase) in trust assets	-	-
Decrease (increase) in accounts receivable	(204,519)	(7,510)
Increase (decrease) in accounts payable	13,466	143,894
Increase (decrease) in payroll liabilities	(787,832)	831,372
Increase (decrease) in contributions repayable	-	-
Increase (decrease) in due to the Government of Canada	466,311	-
Increase (decrease) in deferred revenues	(99,031)	79,410
Increase (decrease) in Other Employee Future Benefits and Compensated Absences	(31,010)	(272,059)
Increase (decrease) in trust liabilities	(2,788)	2,256
Decrease (increase) in prepaids	-	-
	(645,403)	787,841
Cash provided by operating transactions	(1,417,832)	1,228,050
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	(1,417,832)	1,228,050
Cash and cash equivalents, beginning of year	7,452,925	6,224,875
Cash and cash equivalents, end of year	\$ 6,035,093	\$ 7,452,925
Cash consists of :		
Cash and cash equivalents, Note 4	\$ 5,563,253	\$ 6,945,626
Special purpose funds, Note 5	471,840	507,299
	\$ 6,035,093	\$ 7,452,925

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Details of Expenses

For the year ended June 30, 2023

	School Programs	Inclusive Schooling	Student Accommodation	Operations and Maintenance	Administration	Indigenous Languages and Education	Jordan's Principle	2023 Total	2023 Budget	2022 Total
Salaries										
Teachers' salaries	\$ 6,072,419	\$ 1,150,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,222,869	\$ 7,910,694	\$ 8,597,114
Instruction assistants	-	798,672	-	-	-	1,011,531	1,666,275	3,476,478	3,614,025	699,817
Non-instructional staff	672,953	210,413	-	732,895	746,911	284,829	-	2,648,001	2,334,605	2,774,956
Board/Trustee Honoraria	-	-	-	-	146,433	4,500	-	150,933	82,800	84,411
	6,745,372	2,159,535	-	732,895	893,344	1,300,860	1,666,275	13,498,281	13,942,124	12,156,298
Employee Benefits										
Employee benefits and allowances	283,229	156,712	-	30,060	33,487	51,904	-	555,392	488,859	424,192
Leave and termination	-	-	-	-	-	-	-	-	180,000	154,075
	283,229	156,712	-	30,060	33,487	51,904	-	555,392	668,859	578,267
Services Purchased/Contracted										
Professional/Technical Services	800	40,614	-	-	37,081	75,059	-	153,554	185,000	83,537
Postage/Communication	47,108	-	1,310	-	71,585	4,634	-	124,637	183,000	85,262
Utilities	-	-	-	-	-	-	-	-	38,272	49,793
Travel	441,135	107,975	58,960	-	179,618	25,189	29,117	841,994	853,001	245,959
Student Travel (Bussing)	121,481	-	-	-	-	-	-	121,481	102,000	135,280
Advertising/Printing/Publishing	27,605	-	-	-	75,802	18,246	-	121,653	117,353	49,473
Maintenance/Repair	11,592	-	-	76,829	126,457	15,917	-	230,795	115,000	177,364
Rentals/Leases	38,412	-	-	24,800	23,021	4,655	-	90,888	131,200	77,983
Other - Contracted Services	144,914	52,366	239,011	11,351	3,203	44,475	193,780	689,100	311,950	465,689
	833,047	200,955	299,281	112,980	516,767	188,175	222,897	2,374,102	2,036,776	1,370,360
Materials, Supplies and Freight										
Materials	715,921	74,920	79,074	32,031	47,237	195,165	58,145	1,202,493	1,446,206	773,904
Freight	33,319	258	5,591	-	-	1,161	-	40,329	56,148	38,187
	749,240	75,178	84,665	32,031	47,237	196,326	58,145	1,242,822	1,502,354	812,091
Contributions and Transfers										
Transfers	-	-	-	-	-	-	-	-	-	-
Amortization										
	-	-	-	-	-	-	-	-	-	-
Total	\$ 8,610,888	\$ 2,592,380	\$ 383,946	\$ 907,966	\$ 1,490,835	\$ 1,737,265	\$ 1,947,317	\$ 17,670,597	\$ 18,150,113	\$ 14,917,016

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2023

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), Samba 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.

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2023

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.

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2023

Note 2. Summary of 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 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 even if custody of the funds is held by the Education Body.

(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.

(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.

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2023

Note 2. Summary of Significant Accounting Policies (continued)

(j) Payroll Liabilities (continued)

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 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 statement. Exchange gain or loss resulting from foreign exchange rate would be accounted for in the financial statement.

Note 3. Future Accounting Changes

Revenues - Section PS 3400

Effective July 1, 2023, Education Bodies will be required to adopt PS 3400 Revenue. This standard provides guidance on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. The impact of these standards on the consolidated financial statements is currently being assessed.

Purchased Intangibles - PSG-8

Effective July 1, 2023, 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.

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2023

Note 4. Cash and Cash Equivalents

	2023		2022
Cash	\$ 5,563,253	\$	6,945,626
Short term investments	-	-	-
	\$ 5,563,253	\$	6,945,626

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.

	2023		2022
Fort Simpson (Liidlii Kue Elementary and Regional High Schools)	\$ 103,300	\$	170,989
Fort Providence (Deh Gah Elementary/Secondary Schools)	78,740		50,901
Fort Liard (Echo-Dene School)	88,686		78,268
Jean Marie River (Louie Norwegian School)	35,941		24,236
Wrigley (Chief Julian Yendo School)	95,478		97,226
Nahanni Butte (Charles Yohin School)	48,365		53,714
Sambaa K'e (Charles Tetcho School)	18,148		18,033
Kakisa Lake (Territorial School - Kakisa Lake School)	3,182		13,932
	\$ 471,840	\$	507,299

Note 6. Restricted Assets - Nil Report

Note 7. Portfolio Investments - Nil Report

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2023

Note 8. Accounts Receivable

	Receivables 2023		AFDA 2023		Net 2023		Net 2022	
GNWT - ECE	\$	48,329	\$	-	\$	48,329	\$	4,355
GNWT - FSS		27,589		-		27,589		10,456
Total Due from GNWT		75,918		-		75,918		14,811
Yellowknife District #1		600		-		600		-
Other		214,072		-		214,072		71,260
Total receivables before amounts due from Government of Canada		290,590		-		290,590		86,071
Government of Canada		-		-		-		-
	\$	290,590	\$	-	\$	290,590	\$	86,071

Note 9. Inventories - Not Applicable

Note 10. Accounts Payable and Accrued Liabilities

	2023		2022	
GNWT - MACA	\$	-	\$	16,560
GNWT - ECE		50,701		-
WSCC		-		-
Employee source deductions		12,683		9,644
Accounts payable and accrued liabilities		129,690		153,404
		193,074		179,608
Payroll liabilities				
To GNWT (A)		525,185		1,382,489
To Employees (B)		849,272		767,936
Annual Leave		67,828		81,719
Lieu		6,440		4,413
		1,448,725		2,236,557
	\$	1,641,799	\$	2,416,165

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.

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2023

Note 11. Deferred Revenue

	2023	2022
GNWT - ECE		
Covid-19 Support	\$ -	\$ 111,697
	-	111,697
GNWT - ENR		
Food Sustainability	-	-
	-	-
Government of Canada		
Indigenous Services - Jordan's Principle	786,588	873,922
National Indian Brotherhood		
Food Sustainability	100,000	-
	\$ 886,588	\$ 985,619

Note 12. Contribution Repayable - Nil Report

Note 13. Due From and To the Government of Canada

	2023	2022
Receivables		
Canadian Heritage - Sport Support Program - Judo	\$ -	-
Indigenous Services - Jordan's Principle	-	-
	\$ -	-
Payables		
Indigenous Services - Jordan's Principle	\$ 466,311	-

Note 14. Capital Lease Obligations - Nil Report

Note 15. Pension - Not Applicable

Note 16. Long-term Debt - Nil Report

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 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.

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2023

Note 17. Other Employee Future Benefits and Compensated Absences (continued)

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.

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, 2023. 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		2023	2022		
Changes in Obligation								
Accrued benefit obligations beginning of the year	\$	799,115	\$	161,748	\$	960,863	\$	707,988
Current period benefit cost		42,628		21,141		63,769		61,403
Interest accrued		31,118		6,938		38,056		23,332
Benefits payments		(30,676)		(27,330)		(58,006)		(242,028)
Plan amendments		-		-		-		(137)
Actuarial (gain)/loss		(159,326)		(6,773)		(166,099)		410,305
Accrued benefit obligation, end of year		682,859		155,724		838,583		960,863
Unamortized net actuarial gain		87,981		(80,840)		7,141		(84,129)
Net future obligation	\$	770,840	\$	74,884	\$	845,724	\$	876,734
Benefits Expense								
Current period benefit cost	\$	42,628	\$	21,141	\$	63,769	\$	61,403
Interest cost		31,118		6,938		38,056		23,332
Plan amendments		-		-		-		(137)
Amortization of actuarial gains		(89,456)		14,627		(74,829)		(114,730)
	\$	(15,710)	\$	42,706	\$	26,996	\$	(30,132)

The discount rate used to determine the accrued benefit obligation is an average of 4.8%. No inflation rate was applied. The expected payments during the next five fiscal years are:

	Severance and removal		Compensated Absences		2023	
2024	\$	127,898	\$	24,896	\$	152,794
2025		116,212		24,412		140,624
2026		109,545		24,117		133,662
2027		75,984		19,796		95,780
2028		73,223		20,409		93,632
Next 5 years		315,778		89,487		405,265
	\$	818,640	\$	203,117	\$	1,021,757

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2023

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.

	2023	2022
Superintendent Fund	\$ 16,490	\$ 15,759
Steve Rowan Memorial Scholarship Fund	94,236	98,291
Mercedes Benz Scholarship Fund	13,366	12,830
	\$ 124,092	\$ 126,880

Note 19. Tangible Capital Asset - Nil Report

Note 20. Prepaid Expenses

	2023	2022
CIBC Visa Deposit	\$ 20,000	\$ 20,000
Prepaid service contracts	-	-
	\$ 20,000	\$ 20,000

Note 21. GNWT Assets Provided at No Cost

	Cost	Accumulated Amortization	2023 Net Book Value	2022 Net Book Value
Buildings				
Schools and colleges	\$ 34,480,792	\$ 22,938,997	\$ 11,541,795	\$ 12,412,858
Residences	1,032,376	650,306	382,070	406,329
Staff Housing	287,453	252,292	35,161	42,344
	\$ 35,800,621	\$ 23,841,595	\$ 11,959,026	\$ 12,861,531

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*	2023	2024 and thereafter	Total
Equipment leases	2024	\$ 15,614	\$ 3,858	\$ 19,472
Operational leases	2023	-	-	-
		\$ 15,614	\$ 3,858	\$ 19,472

* Refers to the last fiscal year of all agreements in that line category

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2023

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 occurrence 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.

Transactions with related parties and balances at year-end not disclosed elsewhere in the financial statements are disclosed in this note:

	2023		2022			
Accounts payable, Note 10						
Government of the Northwest Territories						
Municipal and Community Affairs (MACA)	\$	-	\$	16,560		
Education, Culture and Employment (ECE)		50,701		-		
Other related parties		-		-		
	\$	50,701	\$	16,560		
Payroll liabilities, Note 10						
Government of the Northwest Territories	\$	525,185	\$	1,382,489		
Deferred Revenues, Note 11						
Government of the Northwest Territories						
Education, Culture and Employment (ECE)	\$	-	\$	111,697		
Environment and Natural Resources (ENR)		-		-		
	\$	-	\$	111,697		
Accounts receivable, Note 8						
		AR 2023	AFDA	Net AR 2023	Net AR 2022	
Government of the Northwest Territories						
Education, Culture and Employment	\$	48,329	\$	-	\$	4,355
Financial Shared Services (FSS)		27,589		27,589		10,456
Total GNWT		75,918		75,918		14,811
Other related parties						
Yellowknife District #1		600		600		-
	\$	76,518	\$	76,518	\$	14,811

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2023

Note 24. Related Parties (continued)

	2023	2022
Revenues		
Government of the Northwest Territories		
ECE - Core contribution	\$ 13,778,067	\$ 13,306,612
ECE - French language program, Schedule C	124,000	128,800
ECE - other contributions, Note 31	180,996	279,205
MACA - GNWT other Contributions, Note 32	99,919	98,364
ENR - GNWT other Contributions, Note 32	16,000	1,700
DHSS - GNWT other Contributions, Note 32	28,505	13,755
GNWT contributions to Education Authorities, Schedule H-1	11,000	20,000
Department of Finance - rent and custodian	18,120	18,120
Deferred revenues - SSI program	-	-
Total GNWT	14,256,607	13,866,556
Other related parties		
Aurora College	33,921	33,921
	\$ 14,290,528	\$ 13,900,477

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 2022-2023 Operating Plan on February 22, 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 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, 2023.

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.

Liquidity

Liquidity risk is the risk the Education Body will not be able to meet its obligations as they come due. The Education Body meets its liquidity requirements by preparing detailed cash budgets and having cash available on hand to meet its obligations.

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2023

Note 27. Financial Instruments (continued)

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

	2023 Budget	2023 Actual	2022 Actual
Compensation	\$ 14,610,983	\$ 14,053,673	\$ 12,734,565
Professional/Technical Services	185,000	153,554	83,537
Postage/Communication	183,000	124,637	85,262
Utilities	38,272	-	49,793
Travel	853,001	841,994	245,959
Student Travel (Bussing)	102,000	121,481	135,280
Advertising/Printing/Publishing	117,353	121,653	49,473
Maintenance/Repair	115,000	230,795	177,384
Rentals/Leases	131,200	90,888	77,983
Other - Contracted Services	311,950	689,100	465,689
Materials, Supplies and Freight	1,502,354	1,242,822	812,091
Amortization	-	-	-
	\$ 18,150,113	\$ 17,670,597	\$ 14,917,016

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

	2023	2022
Covid funding	\$ -	\$ -
Distance education	84,000	84,500
Community Library	36,000	36,000
Regulation funding	-	6,500
Contributions repaid	(50,701)	(15,912)
Deferred revenue - ECE, opening	111,697	279,814
Deferred revenue - ECE, closing	-	(111,697)
	\$ 180,996	\$ 279,205

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2023

Note 32. GNWT Other Contributions

	2023	2022
Municipal and Community Affairs		
Sports and youth programs	\$ 4,000	\$ -
Sport strategy	-	-
Children and youth resiliency	33,592	33,408
Active after school	59,500	46,700
Trades	-	-
Other	5,000	-
Environment and Natural Resources		
Take a kid trapping	11,000	-
Science Camp	5,000	1,700
Health and Social Services		
Drop the pop	28,505	13,755
Contributions repaid	(2,173)	(11,996)
Deferred revenue - GNWT, opening	-	30,252
Deferred revenue - GNWT, closing	-	-
	\$ 144,424	\$ 113,819

Note 33. **Contingent Assets - Nil Report**

Note 34. **Contractual Rights - Nil Report**

Note 35. **Environmental Liabilities - Nil Report**

Note 36. **Asset Retirement Obligation - Nil Report**

DEHCHO DIVISIONAL EDUCATION COUNCIL

Inclusive Schooling Expenses

Schedule A

For the year ended June 30, 2023

Function	General Inclusive Schooling	Staff Development	Assistive Technology	Magnet Facilities	2023 Total
Salaries					
Regional Coordinator	\$ 210,413	\$ -	\$ -	\$ -	210,413
Program Support Teachers	1,150,450	-	-	-	1,150,450
Support Assistants	798,672	-	-	-	798,672
Honoraria	-	-	-	-	-
	2,159,535	-	-	-	2,159,535
Employee Benefits					
Employee benefits and allowances	156,712	-	-	-	156,712
	156,712	-	-	-	156,712
Services Purchased/Contracted					
Professional and technical services	-	40,614	-	-	40,614
Travel	66,749	41,226	-	-	107,975
Student transportation	-	-	-	-	-
Advertising, printing and publishing	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-
Rentals and leases	-	-	-	-	-
Other contracted services	52,366	-	-	-	52,366
	119,115	81,840	-	-	200,955
Materials, Supplies and Freight					
Materials	52,428	-	22,492	-	74,920
Freight	-	-	258	-	258
	52,428	-	22,750	-	75,178
Total	\$ 2,487,790	\$ 81,840	\$ 22,750	\$ -	\$ 2,592,380

DEHCHO DIVISIONAL EDUCATION COUNCIL

Indigenous Languages and Education Expenses

Schedule B

For the year ended June 30, 2023

	Student Instruction	Teaching/ Learning Resources	Professional Development	School Activities and Integrated Community Programs	2023 Total
Salaries					
ALCBE teachers	\$ 1,011,531	\$ -	\$ -	\$ -	\$ 1,011,531
Language consultants	129,348	-	-	-	129,348
Instruction assistants	-	-	-	-	-
Non-instructional staff	155,481	-	-	-	155,481
Honoraria	-	-	-	-	-
Elders in schools	4,500	-	-	-	4,500
	1,300,860	-	-	-	1,300,860
Employee Benefits					
Employee benefits and allowances	51,904	-	-	-	51,904
	51,904	-	-	-	51,904
Services Purchased/Contracted					
Professional services	4,634	-	-	-	4,634
Travel	-	4,867	16,880	3,442	25,189
Student transportation	-	-	-	-	-
Advertising, printing and publishing	-	18,246	-	-	18,246
Maintenance and repairs	15,917	-	-	-	15,917
Rentals and leases	-	4,655	-	-	4,655
Other contracted services	44,475	-	-	75,059	119,534
	65,026	27,768	16,880	78,501	188,175
Materials, Supplies and Freight					
Materials	130,019	65,146	-	-	195,165
Freight	1,161	-	-	-	1,161
	131,180	65,146	-	-	196,326
Total	\$ 1,548,970	\$ 92,914	\$ 16,880	\$ 78,501	\$ 1,737,265

DEHCHO DIVISIONAL EDUCATION COUNCIL

French Language Program

Schedule C

For the year ended June 30, 2023

	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)	\$ 124,000	\$ -	\$ 131,129	\$ (7,129)

DEHCHO DIVISIONAL EDUCATION COUNCIL

Jordan's Principle

For the year ended June 30, 2023

Schedule D

	2023 Budget	2023 Actual	*2022 Actual	July 1'22 - March 31'23	April 1'23 - June 30'23	2023 Total
Revenue						
Government of Canada	\$ 2,468,986	\$ 2,468,986	\$ 1,237,492	\$ 1,501,869	\$ 967,117	\$ 2,468,986
Carry forward from previous year, net of repayments	-	608,100	596,142	608,100	-	608,100
	2,468,986	3,077,086	1,833,634	2,109,969	967,117	3,077,086
Expenses						
Administration	-	193,780	9,375	129,187	64,593	193,780
Personnel	2,197,804	1,666,275	950,337	1,161,508	504,767	1,666,275
Transportation	-	29,117	-	23,105	6,012	29,117
Materials and supplies	271,182	58,145	-	-	58,145	58,145
Rent and utilities	-	-	-	-	-	-
Evaluation	-	-	-	-	-	-
Other	-	-	-	-	-	-
	2,468,986	1,947,317	959,712	1,184,613	568,924	1,947,317
Surplus (Deficit)	\$ -	\$ 1,129,769	\$ 873,922	\$ 925,356	\$ 398,193	\$ 1,129,769
Contributions Repayable	\$ -	\$ 466,311	-	-	-	\$ 466,311
Deferred Revenue	\$ -	\$ 786,588	\$ 873,922	-	-	\$ 786,588

* Reclassified for comparative purposes

DEHCHO DIVISIONAL EDUCATION COUNCIL

Northern Distance Learning

For the year ended June 30, 2023

Schedule E

	Budget	Fort Liard	Fort Simpson	Fort Providence	Total	March 31	June 30	Total
Revenue								
Education, Culture and Employment	\$ 84,000	\$ 29,000	\$ 28,000	\$ 27,000	\$ 84,000	\$ 56,280	\$ 27,720	\$ 84,000
Other	-	-	-	-	-	-	-	-
	84,000	29,000	28,000	27,000	84,000	56,280	27,720	84,000
Expenses								
Salaries/Wages								
Instructional Staff	-	-	-	-	-	-	-	-
Teachers	-	-	-	-	-	-	-	-
On-site support person	84,000	-	18,297	20,824	39,121	29,329	9,792	39,121
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	84,000	-	18,297	20,824	39,121	29,329	9,792	39,121
Net surplus/(deficit)	\$ -	\$ 29,000	\$ 9,703	\$ 6,176	\$ 44,879	\$ 26,951	\$ 17,928	\$ 44,879

DEHCHO DIVISIONAL EDUCATION COUNCIL

Student Success Initiative Projects

Schedule F

For the year ended June 30, 2023

	Budget	2023	2022
Revenue			
GNWT - Education, Culture & Employment	\$ 55,000	\$ 55,000	\$ 55,000
NWT Teachers Association	54,100	52,533	65,479
	109,100	107,533	120,479
Carry forward from previous year	-	-	-
	109,100	107,533	120,479
Expenses			
Professional development			
Salaries and wages			
Facilitator fees	-	-	-
Substitute teacher wages	-	-	-
Staff	-	-	-
Travel			
Facilitator travel	6,000	-	5,209
Staff travel	13,000	-	12,688
Accommodations and per diems	-	-	-
Other expenses	-	-	-
Workshop expense			
Room rental	-	-	-
Refreshments	-	-	198
Resources	35,100	33,265	33,909
Miscellaneous	-	-	237
Total professional development	54,100	33,265	52,241
Program delivery			
Salaries and wages			
Facilitator fees	-	-	-
Substitute teacher wages	-	-	-
Staff	45,000	45,000	45,000
Other expenses			
Room rental	-	-	-
Materials and supplies	10,000	13,848	10,292
Miscellaneous	-	-	-
Total program delivery	55,000	58,848	55,292
Total Expenses	109,100	92,113	107,533
Surplus (Deficit)	\$ -	\$ 15,420	\$ 12,946

DEHCHO DIVISIONAL EDUCATION COUNCIL

Statement of Council Operations and Financial Position (Non-Consolidated)

Schedule G-1

For the year ended June 30, 2023

	2023 Budget	2023 Actual	*2022 Actual
Revenue			
Government of the NWT			
ECE regular contributions	\$ 13,722,633	\$ 13,778,067	\$ 13,306,612
Indigenous Languages and Education, Schedule B	-	-	-
French language instruction, Schedule C	55,000	124,000	128,800
ECE other contributions, Note 31	215,750	180,996	279,205
Deferred revenues - SSI program	-	-	-
	13,993,383	14,083,063	13,714,617
GNWT - other contributions, Note 32	400,000	144,424	113,819
Total GNWT	14,393,383	14,227,487	13,828,436
Indigenous Services - Jordan's Principle Schedule D	1,774,514	1,824,187	959,712
Canadian Heritage - Sport Support Program - Judo	-	-	-
Total Government of Canada	1,774,514	1,824,187	959,712
Self-Generated Funds			
Rentals	36,000	52,456	51,400
Investment income	30,000	242,907	51,038
Contract and other	82,000	405,348	248,037
	148,000	700,711	350,475
	16,315,897	16,752,385	15,138,623
Expenditure			
School programs	9,869,115	8,565,585	8,259,512
Inclusive schooling	2,597,264	2,592,380	2,065,622
Student accommodations	220,950	383,946	304,975
Operations and maintenance	894,480	896,567	860,667
Administration	1,066,774	1,389,582	864,000
Indigenous language/cultural programs	1,727,016	1,693,499	1,488,967
Jordan's Principle	1,774,514	1,947,317	959,712
	18,150,113	17,468,876	14,803,455
Excess (Deficiency) of Revenue over Expenditure	\$ (1,834,216)	\$ (716,491)	\$ 335,168
Other Items:			
Other Employee Future Benefits and Compensated Absences recovery (expense), Note 17		-	-
Excess (Deficiency) of Revenue over Expenditure	\$ (1,834,216)	\$ (716,491)	\$ 335,168
Accumulated surplus (deficit), beginning of year		2,619,797	2,284,629
Accumulated surplus (deficit), end of year		\$ 1,903,306	\$ 2,619,797

* Reclassified for comparative purposes

DEHCHO DIVISIONAL EDUCATION COUNCIL

Details of Council Expenses (Non-Consolidated)

Schedule G-2

For the year ended June 30, 2023

	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Indigenous Languages and Education	Jordan's Principle	2023 Total	2023 Budget	*2022 Total
Salaries										
Teachers' salaries	\$ 6,082,250	\$ 1,150,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,232,700	\$ 7,910,694	\$ 8,600,148
Instruction Assistant	-	798,672	-	-	-	1,011,531	1,666,275	3,476,478	3,614,025	699,817
Non Instructional Staff	619,014	210,413	-	723,120	716,747	237,092	-	2,506,386	2,334,605	2,696,348
Board/Trustee Honoraria	-	-	-	-	88,834	-	-	88,834	82,800	35,008
	6,701,264	2,159,535	-	723,120	805,581	1,248,623	1,666,275	13,304,398	13,942,124	12,031,321
Employee Benefits										
Employee benefits and allowances	280,891	156,712	-	30,060	33,487	51,904	-	553,054	488,859	424,192
Leave and termination	-	-	-	-	-	-	-	-	180,000	154,075
	280,891	156,712	-	30,060	33,487	51,904	-	553,054	668,859	578,267
Services Purchased/Contracted										
Professional/Technical Services	-	40,614	-	-	37,081	75,059	-	152,754	185,000	83,537
Postage/Communication	47,108	-	1,310	-	71,585	4,634	-	124,637	183,000	85,262
Utilities	-	-	-	-	-	-	-	-	38,272	49,793
Travel	407,090	107,975	58,960	-	179,618	25,039	29,117	807,799	863,001	388,054
Student Travel (Bussing)	150,660	-	-	-	-	-	-	150,660	102,000	146,767
Advertising/Printing/Publishing	27,605	-	-	-	75,802	18,246	-	121,653	117,353	49,473
Maintenance/Repair	-	-	-	76,024	126,457	-	-	202,481	115,000	150,696
Rentals/Leases	31,212	-	-	24,800	21,531	4,655	-	82,198	131,200	73,083
Other - Contracted Services	-	52,366	239,011	11,351	-	63,888	193,780	560,396	311,950	217,418
	663,675	200,955	299,281	112,175	512,074	191,521	222,897	2,202,578	2,036,776	1,244,083
Materials, Supplies and Freight										
Materials	691,444	74,920	79,074	31,212	38,440	200,290	58,145	1,173,525	1,446,206	717,916
Freight	33,319	258	5,591	-	-	1,161	-	40,329	56,148	37,909
	724,763	75,178	84,665	31,212	38,440	201,451	58,145	1,213,854	1,502,354	755,825
Contributions and Transfers										
Transfers to DEA	194,992	-	-	-	-	-	-	194,992	-	193,959
Other	-	-	-	-	-	-	-	-	-	-
	194,992	-	-	-	-	-	-	194,992	-	193,959
Amortization										
	-	-	-	-	-	-	-	-	-	-
Total	\$ 8,565,585	\$ 2,592,380	\$ 383,946	\$ 896,567	\$ 1,389,582	\$ 1,693,499	\$ 1,947,317	\$ 17,468,876	\$ 18,150,113	\$ 14,803,455

* Reclassified for comparative purposes

DEHCHO DIVISIONAL EDUCATION COUNCIL

District Education Authority Operations Summary

Non-Consolidated

For the year ended June 30, 2023

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	\$ 42,302	\$ 39,867	\$ 26,828	\$ 16,165	\$ 19,085	\$ 17,845	\$ 17,611	\$ 15,289	\$ 194,992
Other contributions from Divisional Council	36,235	105,386	30,313	14,150	-	-	6,511	10,753	203,348
Contributions from GNWT	-	11,000	-	-	-	-	-	-	11,000
Self-generated funds	17,670	106,640	915	-	-	-	-	9,558	134,783
	<u>96,207</u>	<u>262,893</u>	<u>58,056</u>	<u>30,315</u>	<u>19,085</u>	<u>17,845</u>	<u>24,122</u>	<u>35,600</u>	<u>544,123</u>
Expenditure									
School programs	142,593	174,063	27,229	6,631	14,656	23,277	-	21,531	409,980
Inclusive schooling	-	-	-	-	-	-	-	-	-
Student accommodations	-	-	-	-	-	-	-	-	-
Operations and maintenance	-	1,497	-	127	-	-	-	9,775	11,399
Administration	25,415	15,636	13,717	6,372	6,177	252	22,579	11,105	101,253
Indigenous language/cultural programs	4,820	53,149	8,354	5,480	-	340	1,428	3,858	77,429
	<u>172,828</u>	<u>244,345</u>	<u>49,300</u>	<u>18,610</u>	<u>20,833</u>	<u>23,869</u>	<u>24,007</u>	<u>46,269</u>	<u>600,061</u>
Excess (Deficiency) of Revenue over Expenditure	(76,621)	18,548	8,756	11,705	(1,748)	(6,024)	115	(10,669)	(55,938)
Accumulated surplus, beginning of year	170,406	72,552	78,268	24,236	102,066	54,389	18,033	13,851	533,801
Accumulated surplus, end of year	<u>\$ 93,785</u>	<u>\$ 91,100</u>	<u>\$ 87,024</u>	<u>\$ 35,941</u>	<u>\$ 100,318</u>	<u>\$ 48,365</u>	<u>\$ 18,148</u>	<u>\$ 3,182</u>	<u>\$ 477,863</u>
Composition of Ending Accumulated Surplus									
Cash	\$ 103,300	\$ 78,740	\$ 88,686	\$ 35,941	\$ 95,478	\$ 48,365	\$ 18,148	\$ 3,182	\$ 471,840
Investment in GIC	-	-	-	-	-	-	-	-	-
Accounts receivable	-	13,725	-	-	4,840	-	-	-	18,565
Accounts payable	(9,515)	(1,365)	(1,662)	-	-	-	-	-	(12,542)
	<u>\$ 93,785</u>	<u>\$ 91,100</u>	<u>\$ 87,024</u>	<u>\$ 35,941</u>	<u>\$ 100,318</u>	<u>\$ 48,365</u>	<u>\$ 18,148</u>	<u>\$ 3,182</u>	<u>\$ 477,863</u>

DEHCHO DIVISIONAL EDUCATION COUNCIL

District Education Authority Statement of Financial Position
 Non-Consolidated

For the year ended June 30, 2023

Schedule H-1 - Appendage

	Fort Simpson	Fort Providence	Fort Liard	Jean Marie River	Wrigley	Nahanni Butte	Sambaa Ke	Kakisa Lake	2023	2022
Financial Assets										
Cash	\$ 103,300	\$ 78,740	\$ 88,686	\$ 35,941	\$ 95,478	\$ 48,365	\$ 18,148	\$ 3,182	\$ 471,840	\$ 507,299
Investments in GIC	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	13,725	-	-	4,840	-	-	-	18,565	34,150
Total Financial Assets	103,300	92,465	88,686	35,941	100,318	48,365	18,148	3,182	490,405	541,449
Liabilities										
Accounts payable	9,515	1,365	1,662	-	-	-	-	-	12,542	7,648
Total Liabilities	9,515	1,365	1,662	-	-	-	-	-	12,542	7,648
Net Financial Resources	\$ 93,785	\$ 91,100	\$ 87,024	\$ 35,941	\$ 100,318	\$ 48,365	\$ 18,148	\$ 3,182	\$ 477,863	\$ 533,801
NON-FINANCIAL ASSETS										
Prepaid expenses	-	-	-	-	-	-	-	-	-	-
ACCUMULATED SURPLUS (DEFICIT)	\$ 93,785	\$ 91,100	\$ 87,024	\$ 35,941	\$ 100,318	\$ 48,365	\$ 18,148	\$ 3,182	\$ 477,863	\$ 533,801

DEHCHO DIVISIONAL EDUCATION COUNCIL

Details of DEA Expenses Summary
Non-Consolidated
For the year ended June 30, 2023

Schedule H-2

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations and Maintenance		Administration	Indigenous Languages and Education	Jordan's Principle	Total
				Maintenance	and Operations				
Salaries									
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-	-	-
Non-instructional Staff	65,210	-	-	9,775	30,164	47,737	-	-	152,886
Board/Trustee Honorarium	-	-	-	-	57,599	4,500	-	-	62,099
	65,210	-	-	9,775	87,763	52,237	-	-	214,985
Employee Benefits									
Employee Benefits and Allowances	2,338	-	-	-	-	-	-	-	2,338
Leave and Termination	-	-	-	-	-	-	-	-	-
	2,338	-	-	-	-	-	-	-	2,338
Services Purchased/Contracted									
Professional/Technical Services	800	-	-	-	-	-	-	-	800
Postage/Communication	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-
Travel	34,045	-	-	-	-	150	-	-	34,195
Student Travel (Bussing)	68,281	-	-	-	-	-	-	-	68,281
Advertising/Printing/Publishing	-	-	-	-	-	-	-	-	-
Maintenance/Repair	11,592	-	-	805	-	15,917	-	-	28,314
Rentals/Leases	7,200	-	-	-	1,490	-	-	-	8,690
Other - Awards	43,959	-	-	-	1,800	-	-	-	45,759
Other - Contracted Services	25,664	-	-	-	1,403	-	-	-	27,067
Other - School Programs	93,631	-	-	-	-	-	-	-	93,631
	285,172	-	-	805	4,693	16,067	-	-	306,737
Materials/Supplies/Freight									
Materials	57,260	-	-	819	8,797	9,125	-	-	76,001
Freight	-	-	-	-	-	-	-	-	-
	57,260	-	-	819	8,797	9,125	-	-	76,001
Total	\$ 409,980	\$ -	\$ -	\$ 11,399	\$ 101,253	\$ 77,429	\$ -	\$ -	\$ 600,061

FORT SIMPSON

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual
Revenues			
Contributions from Divisional Council	\$ 42,302	\$ 42,302	\$ 41,642
Other - Dehcho DEC	-	36,235	152,669
Other - Contributions from GNWT	-	-	-
Other	-	17,670	875
	<u>42,302</u>	<u>96,207</u>	<u>195,186</u>
Expenses			
School programs	25,802	142,593	64,490
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Administration	12,500	25,415	11,095
Indigenous language/cultural programs	4,000	4,820	19,161
	<u>42,302</u>	<u>172,828</u>	<u>94,746</u>
Surplus (Deficit)	\$ -	(76,621)	100,440
Opening equity		170,406	69,966
Closing equity		\$ 93,785	\$ 170,406
Composition of Closing Equity			
Cash		\$ 103,300	\$ 170,989
Accounts receivable		-	-
Accounts payable		(9,515)	(583)
		<u>\$ 93,785</u>	<u>\$ 170,406</u>

FORT SIMPSON

District Education Authority
 Details of Expenses - Non-Consolidated

For the year ended June 30, 2023

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Indigenous Languages and Education	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	37,457	-	-	-	3,161	-	40,618
Board/Trustee Honoraria	-	-	-	-	21,419	4,500	25,919
	37,457	-	-	-	24,580	4,500	66,537
Employee Benefits							
Employee Benefits/Allowances	2,338	-	-	-	-	-	2,338
Leave and Termination Benefits	-	-	-	-	-	-	-
	2,338	-	-	-	-	-	2,338
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	6,000	-	-	-	-	-	6,000
Student Travel (Bussing)	57,940	-	-	-	-	-	57,940
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	11,592	-	-	-	-	-	11,592
Rentals/Leases	-	-	-	-	-	-	-
Other - Student Awards	10,318	-	-	-	-	-	10,318
Other - Contracted Services	4,071	-	-	-	210	-	4,281
Other - School programs	3,679	-	-	-	-	-	3,679
	93,600	-	-	-	210	-	93,810
Materials/Supplies/Freight							
Materials	9,198	-	-	-	625	320	10,143
Freight	-	-	-	-	-	-	-
	9,198	-	-	-	625	320	10,143
Total	\$ 142,593	\$ -	\$ -	\$ -	\$ 25,415	\$ 4,820	\$ 172,828

FORT PROVIDENCE

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual
Revenue			
Contributions from Divisional Council	\$ 39,867	\$ 39,867	\$ 40,307
Other - Dehcho DEC	-	105,386	20,294
Other - Contributions from GNWT	-	11,000	12,000
Other	-	106,640	196,786
	<u>39,867</u>	<u>262,893</u>	<u>269,387</u>
Expenses			
School programs	16,592	174,063	241,521
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	1,497	6,791
Administration	21,275	15,636	21,406
Indigenous language/cultural programs	2,000	53,149	35,538
	<u>39,867</u>	<u>244,345</u>	<u>305,256</u>
Surplus (Deficit)	\$ -	18,548	(35,869)
Opening equity		72,552	108,421
Closing equity	\$	91,100	\$ 72,552
Composition of Closing Equity			
Cash	\$	78,740	\$ 50,901
Accounts receivable		13,725	27,260
Accounts payable		(1,365)	(5,609)
	\$	91,100	\$ 72,552

FORT PROVIDENCE

District Education Authority
 Details of Expenses - Non-Consolidated

For the year ended June 30, 2023

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Indigenous Languages and Education	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	20,983	-	-	-	-	35,399	56,382
Board/Trustee Honoraria	-	-	-	-	13,785	-	13,785
	20,983	-	-	-	13,785	35,399	70,167
Employee Benefits							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	28,045	-	-	-	-	-	28,045
Student Travel (Bussing)	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	805	-	15,917	16,722
Rentals/Leases	7,200	-	-	-	-	-	7,200
Other - Awards/Gifts	17,643	-	-	-	-	-	17,643
Other - Contracted Services	17,450	-	-	-	141	-	17,591
Other - School programs	67,816	-	-	-	-	-	67,816
	138,154	-	-	805	141	15,917	155,017
Materials/Supplies/Freight							
Materials	14,926	-	-	692	1,710	1,833	19,161
Freight	-	-	-	-	-	-	-
	14,926	-	-	692	1,710	1,833	19,161
Total	\$ 174,063	\$ -	\$ -	\$ 1,497	\$ 15,636	\$ 53,149	\$ 244,345

FORT LIARD

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual
Revenue			
Contributions from Divisional Council	\$ 26,828	\$ 26,828	\$ 26,938
Other - Dehcho DEC	-	30,313	28,216
Other - Contributions from GNWT	-	-	-
Other	-	915	141
	<u>26,828</u>	<u>58,056</u>	<u>55,295</u>
Expenses			
School programs	15,578	27,229	34,354
Inclusive Schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Administration	9,250	13,717	7,711
Indigenous language/cultural programs	2,000	8,354	5,962
	<u>26,828</u>	<u>49,300</u>	<u>48,027</u>
Surplus (Deficit)	\$ -	8,756	7,268
Opening equity		78,268	71,000
Closing equity		\$ 87,024	\$ 78,268
Composition of Closing Equity			
Cash		\$ 88,686	\$ 78,268
Investment in GIC		-	-
Accounts receivable		-	-
Accounts payable		(1,662)	-
		<u>\$ 87,024</u>	<u>\$ 78,268</u>

FORT LIARD

District Education Authority
 Details of Expenses - Non-Consolidated

For the year ended June 30, 2022

Function	School Programs	Inclusive Schooling	Accommodation	Student	Operations & Maintenance	Administration	Indigenous Languages and Education		Total
Salaries									
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Instruction Assistant	-	-	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	-	650	650	6,570	7,220	7,220
Board/Trustee Honoraria	-	-	-	-	7,050	7,050	-	7,050	7,050
	-	-	-	-	7,700	7,700	6,570	14,270	14,270
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 - Awards	5,106	-	-	-	-	-	-	5,106	5,106
Other - Contracted Services	2,893	-	-	-	-	164	-	3,057	3,057
Other - Local Programs	2,668	-	-	-	-	-	-	2,668	2,668
	10,667	-	-	-	-	164	-	10,831	10,831
Materials/Supplies/Freight									
Materials	16,562	-	-	-	-	5,853	1,784	24,199	24,199
Freight	-	-	-	-	-	-	-	-	-
	16,562	-	-	-	-	5,853	1,784	24,199	24,199
Total	\$ 27,229	\$ -	\$ -	\$ -	\$ -	\$ 13,717	\$ 8,354	\$ 49,300	\$ 49,300

JEAN MARIE RIVER

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual
Revenues			
Contributions from Divisional Council	\$ 16,165	\$ 16,165	\$ 16,275
Other - Dehcho DEC	-	14,150	-
Other - Contributions from GNWT	-	-	-
Other	-	-	-
	<u>16,165</u>	<u>30,315</u>	<u>16,275</u>
Expenses			
School programs	3,215	6,631	1,562
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	127	-
Administration	10,950	6,372	2,634
Indigenous language/cultural programs	2,000	5,480	5,300
	<u>16,165</u>	<u>18,610</u>	<u>9,496</u>
Surplus (Deficit)	\$ -	11,705	6,779
Opening equity		24,236	17,457
Closing equity		\$ 35,941	\$ 24,236
Composition of Closing Equity			
Cash		\$ 35,941	\$ 24,236
Accounts receivable		-	-
Accounts payable		-	-
		<u>\$ 35,941</u>	<u>\$ 24,236</u>

JEAN MARIE RIVER

District Education Authority
 Details of Expenses - Non-Consolidated

For the year ended June 30, 2023

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Indigenous Languages and Education	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	570	-	-	-	3,125	1,500	5,195
Board/Trustee Honoraria	-	-	-	-	630	-	630
	570	-	-	-	3,755	1,500	5,825
Employee Benefits							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
Services Purchased/Contracted							
Professional/Technical Services	800	-	-	-	-	-	800
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	-	150	150
Student Travel (Bussing)	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	1,490	-	1,490
Other - Awards	1,177	-	-	-	1,000	-	2,177
Other - Contracted Services	-	-	-	-	127	-	127
Other - School Programs	2,782	-	-	-	-	-	2,782
	4,759	-	-	-	2,617	150	7,526
Materials/Supplies/Freight							
Materials	1,302	-	-	127	-	3,830	5,259
Freight	-	-	-	-	-	-	-
	1,302	-	-	127	-	3,830	5,259
Total	\$ 6,631	\$ -	\$ -	\$ 127	\$ 6,372	\$ 5,480	\$ 18,610

WRIGLEY

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual
Revenue			
Contributions from Divisional Council	\$ 19,085	\$ 19,085	\$ 19,360
Other - Dehcho DEC	-	-	-
Other - Contributions from GNWT	-	-	-
Other	-	-	-
	<u>19,085</u>	<u>19,085</u>	<u>19,360</u>
Expenses			
School programs	5,035	14,656	3,850
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Administration	12,050	6,177	2,277
Indigenous language/cultural programs	2,000	-	-
	<u>19,085</u>	<u>20,833</u>	<u>6,127</u>
Surplus (Deficit)	\$ -	(1,748)	13,233
Opening equity		102,066	88,833
Closing equity		<u>\$ 100,318</u>	<u>\$ 102,066</u>
Composition of Closing Equity			
Cash		\$ 95,478	\$ 97,226
Accounts receivable		4,840	4,840
Accounts payable		-	-
		<u>\$ 100,318</u>	<u>\$ 102,066</u>

WRIGLEY

District Education Authority
 Details of Expenses - Non-Consolidated

For the year ended June 30, 2023

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations and Maintenance		Administration	Indigenous Languages and Education	Total
Salaries								
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-	-
Non Instructional Staff	500	-	-	-	-	-	-	500
Board/Trustee Honoraria	-	-	-	-	-	5,125	-	5,125
	500	-	-	-	-	5,125	-	5,625
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	6,950	-	-	-	-	800	-	7,750
Other - Contracted Services	-	-	-	-	-	252	-	252
Other - Local programs	7,206	-	-	-	-	-	-	7,206
	14,156	-	-	-	-	1,052	-	15,208
Materials/Supplies/Freight								
Materials	-	-	-	-	-	-	-	-
Freight	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total	\$ 14,656	\$ -	\$ -	\$ -	\$ -	\$ 6,177	\$ -	20,833

NAHANNI BUTTE

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual
Revenues			
Contributions from Divisional Council	\$ 17,845	\$ 17,845	\$ 16,152
Other - Dehcho DEC	-	-	675
Other - Contributions from GNWT	-	-	-
Other	-	-	-
	<u>17,845</u>	<u>17,845</u>	<u>16,827</u>
Expenses			
School programs	4,895	23,277	11,408
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Administration	10,950	252	634
Indigenous language/cultural programs	2,000	340	827
	<u>17,845</u>	<u>23,869</u>	<u>12,869</u>
Surplus (Deficit)	\$ -	(6,024)	3,958
Opening equity		54,389	50,431
Closing equity		\$ 48,365	\$ 54,389
Composition of Closing Equity			
Cash		\$ 48,365	\$ 53,714
Accounts receivable		-	675
Accounts payable		-	-
		<u>\$ 48,365</u>	<u>\$ 54,389</u>

NAHANNI BUTTE

District Education Authority
 Details of Expenses - Non-Consolidated

For the year ended June 30, 2023

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Indigenous Languages and Education	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	-	-	340	340
Board/Trustee Honoraria	-	-	-	-	-	-	-
	-	-	-	-	-	340	340
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	1,765	-	-	-	-	-	1,765
Other - Contracted Services	1,250	-	-	-	252	-	1,502
Other - School Programs	4,990	-	-	-	-	-	4,990
	8,005	-	-	-	252	-	8,257
Materials/Supplies/Freight							
Materials	15,272	-	-	-	-	-	15,272
Freight	-	-	-	-	-	-	-
	15,272	-	-	-	-	-	15,272
Total	\$ 23,277	\$ -	\$ -	\$ -	\$ 252	\$ 340	\$ 23,869

SAMBAA K'E

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual
Revenue			
Contributions from Divisional Council	\$ 17,611	\$ 17,611	\$ 17,446
Other - Dehcho DEC	-	6,511	61,352
Other - Contributions from GNWT	-	-	-
Other	-	-	-
	<u>17,611</u>	<u>24,122</u>	<u>78,798</u>
Expenses			
School programs	4,661	-	52,436
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Administration	10,950	22,579	18,956
Indigenous language/cultural programs	2,000	1,428	2,775
	<u>17,611</u>	<u>24,007</u>	<u>74,167</u>
Surplus (Deficit)	\$ -	115	4,631
Opening equity		18,033	13,402
Closing equity	\$	<u>18,148</u>	\$ <u>18,033</u>
Composition of Closing Equity			
Cash	\$	18,148	\$ 18,033
Accounts receivable		-	-
Accounts payable		-	-
	\$	<u>18,148</u>	\$ <u>18,033</u>

SAMBAA K'IE

District Education Authority
 Details of Expenses - Non-Consolidated

For the year ended June 30, 2023

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Indigenous Languages and Education	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	-	18,228	1,428	19,656
Board/Trustee Honoraria	-	-	-	-	3,590	-	3,590
	-	-	-	-	21,818	1,428	23,246
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	-	-	-	-	-	-	-
Other - Contracted Services	-	-	-	-	152	-	152
Other - School Programs	-	-	-	-	-	-	-
	-	-	-	-	152	-	152
Materials/Supplies/Freight							
Materials	-	-	-	-	609	-	609
Freight	-	-	-	-	-	-	-
	-	-	-	-	609	-	609
Total	\$ -	\$ -	\$ -	\$ -	\$ 22,579	\$ 1,428	\$ 24,007

KAKISA LAKE

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual
Revenues			
Contributions from Divisional Council	\$ 15,289	\$ 15,289	\$ 15,839
Other - Dehcho DEC	-	10,753	18,805
Other - Contributions from GNWT	-	-	8,000
Other	-	9,558	800
	15,289	35,600	43,444
Expenditure			
School programs	2,339	21,531	16,825
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	9,775	10,000
Administration	10,950	11,105	12,018
Indigenous language/cultural programs	2,000	3,858	-
	15,289	46,269	38,843
Surplus (Deficit)	\$ -	(10,669)	4,601
Opening equity		13,851	9,250
Closing equity		\$ 3,182	\$ 13,851
Composition of Closing Equity			
Cash		\$ 3,182	\$ 13,932
Accounts receivable		-	1,375
Accounts payable		-	(1,456)
		\$ 3,182	\$ 13,851

KAKISA LAKE

District Education Authority
 Details of Expenses - Non-Consolidated

For the year ended June 30, 2023

Function	School Programs	Inclusive Schooling	Accommodation	Student	Operations & Maintenance	Administration	Indigenous Languages and Education	Total
Salaries								
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-	-
Non Instructional Staff	5,700	-	-	-	9,775	5,000	2,500	22,975
Board/Trustee Honoraria	-	-	-	-	-	6,000	-	6,000
	5,700	-	-	-	9,775	11,000	2,500	28,975
Employee Benefits								
Employee Benefits/Allowances	-	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Services Purchased/Contracted								
Professional/Technical Services	-	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-
Student Travel (Bussing)	10,341	-	-	-	-	-	-	10,341
Advertising/Printing/Publishing	-	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-	-
Other - Awards	1,000	-	-	-	-	-	-	1,000
Other - Contracted Services	-	-	-	-	-	105	-	105
Other - School Programs	4,490	-	-	-	-	-	-	4,490
	15,831	-	-	-	-	105	-	15,936
Materials/Supplies/Freight								
Materials	-	-	-	-	-	-	1,358	1,358
Freight	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	1,358	1,358
Total	\$ 21,531	\$ -	\$ -	\$ -	\$ 9,775	\$ 11,105	\$ 3,858	\$ 46,269

Dettah District Education Authority

Financial Statements

June 30, 2023

Dettah District Education Authority

Financial Statements

June 30, 2023

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Management's Discussion and Analysis

Introduction

Dettah District Education Administration:

Jameel Aziz – Superintendent of Yellowknife Education District #1
Lea Lamoureux – Principal of Kaw Tay Whee School
Sally Ann Drygeese - Administration/Language
Neil Penney - Program Support Teacher

Current DDEA Members:

Rebecca Plotner – Chairperson
Charlene Liske – Vice Chairperson
James Sanderson – Hiring Committee
Marie Hardisty – Finance Committee
Jessica DeLeary – Member
Alfred Liske – Finance Committee
Vanessa Sangris - Member

Acknowledgements:

The Dettah District Education Authority acknowledges the preparation of the Annual Management Discussion and Analysis as a go-forward responsibility of school management/administration and the Board Members to promote transparency and accountability.

Vision Statement:

“To create a safe learning environment where students can develop both academic and traditional skills as they become community leaders.”

Mission Statement:

“We believe in working together to create a thriving community through education, culture and pride.”

Core Strategies:

- Develop, build, and maintain strong and respectful working relationships between the Dettah District Education Authority and Kaw Tay Whee School management/administration, staff and other stakeholders to best serve students and families
- Provide daily instruction in the Wiiliideh language and frequent opportunities for students to learn traditional ways of the community
- Recruit, train, and retain high quality, and highly qualified teaching and support staff to best serve current and future students; ensuring opportunities to engage in the local language and cultural practices and learning

- Support school staff team to provide a whole-child educational experience and to provide a “wrap-around” services model to better support families in the community
- Actively engage in ensuring that students from the community from junior kindergarten to grade twelve attend and engage in educational opportunities; and work with extended families to promote the importance of school attendance and graduation providing students and families with guidance and support to navigate larger school settings and systems as needed
- Offer opportunities for pre-school aged children (0-5) to be involved in the wider life of the school to ease the transition when it is time for these children to register for school
- Support school management in their advocacy for services to be offered in the community school so as to ease challenges with system navigability; including but not limited to health services
- Plan for the future of a healthy thriving school and the possible provision of needed early intervention by networking and supporting new families and new parents
- Carefully ensure maximum fiscal responsibility to best meet the specific needs of students in and out of school
- Support school staff team in their quest to provide ample opportunities for students to have a wide variety of learning experiences so as to broaden their general knowledge base, and have a positive impact on personal health, well-being, confidence, and strong personal cultural identity.
- Support school staff team in their quest to improve access to mental health services in the school setting, and to build their own knowledge and skillset in this area.

Active Committees:

The Dettah District Education Authority has two main committees, comprised of the hiring committee and the finance committee. Each committee has two members, and the chairperson is also automatically added to each committee.

As a core value of the Dettah District Education Authority is collaboration and partnership with the school administration, the committees meet on an as-needed basis, and conduct business in collaboration with school management/administration.

School Staff Equivalents:

The school is split into three classrooms to accommodate this number of grade levels and student’s needs. The Multi-Age-Grouped classrooms were grouped as junior kindergarten and kindergarten, grades one to three, grades three to five, and grades six to eight plus. The computer lab space was set up as the high school area.

The school employed 4.0 full time teachers, 1.0 language teacher/EA, 1.0 PST, and 1.0 teaching principal, who also encompassed the role of Regional Inclusive Schooling Coordinator (RISC) and Regional Indigenous Languages in Education (RILE).

When considering school population and staffing, it is important to note that the teaching principal/RISC/RILE position includes a variety of responsibilities, not normally required in this role, due to the unique position of the Dettah District Education Authority. The Dettah District Education Authority contracts superintendency services from Yellowknife Education District Number One.

- The DDEA is site-based-managed for funding, and is also independently audited. The day-to-day responsibilities and management of these tasks is part of the principal's job; as are any responsibilities that are designated to him/her by the DEA Chair
- The principal therefore is responsible to ensure that documentation is ready for the annual financial audited statements
- The principal is responsible for working with contractors, the GNWT, and many other bodies directly, as opposed to being filtered through school-board level coordinators
- The principal is also responsible for all pieces of the complete Operating Plan (Accountability Framework), Annual Report, and the Inclusive Schooling Compliance Tool
- The principal also acts as the ATP coordinator for the DDEA and fulfills other roles and completes other responsibilities as required

Operating Environment

Strengths and Opportunities:

- Consistently positive working relationship between Dettah District Education Authority and Kaw Tay Whee School Staff; maximizing the potential for a positive learning environment for students and support for families
- An increase in the amount and quality of instruction in the local Wiiliideh language, by a caring and qualified individual from the community
- An increase in grades offered over the past several years, to now encompass junior kindergarten to the alternative high school program; therefore maximizing potential for students to access high quality learning in the home community, and ensuring that there are no barriers with transportation if a student is late. This year, the school has continued to offer grade nine to students following IEPs, should they wish to remain in the community
- Over the past twelve years, the school and school staff have received many accolades and awards; including the Prime Minister's Award for Teaching Excellence Certificate of Achievement, and a Canada's Outstanding Principal award; attesting to the change in student achievement, and attendance; most recently the school has been lauded for its multi-award-winning film program
- The Dettah District Education Authority and school management have carefully managed funds to ensure that a reasonable operating surplus is available for the future, should enrollment change due to families moving out of the community, or for a low birth year; both of which can cause a major impact on school enrollment

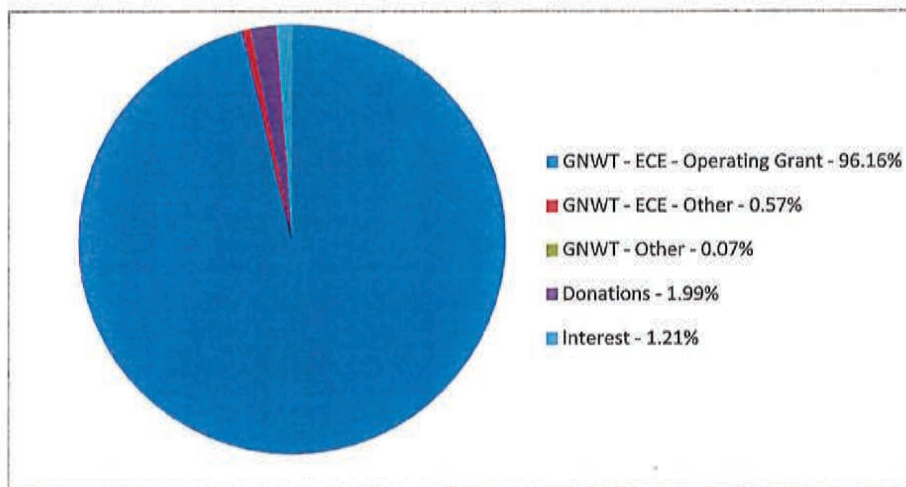
Challenges and Threats:

- This year the DEA continued to face financial challenges as many positions or services have either been cut in the funding, or do not receive any funding; examples include a cut to the custodian

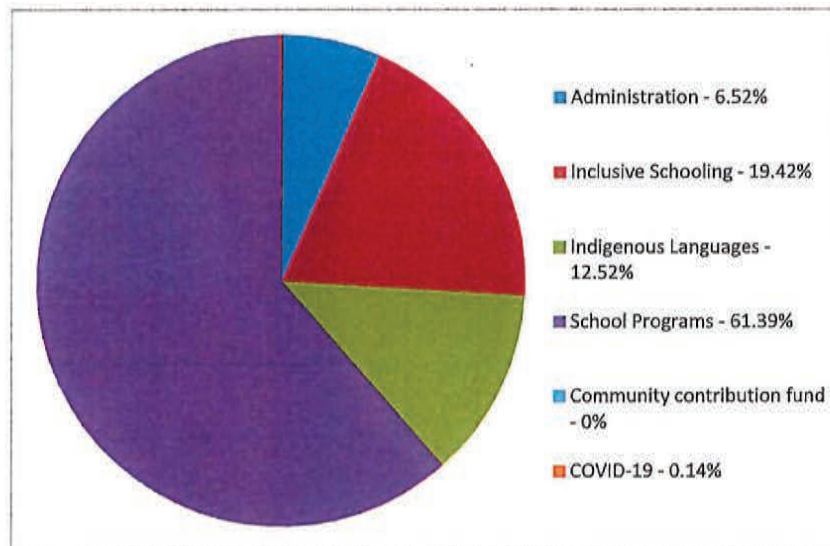
position, bus funding that does not provide for the actual cost amount, the fee for superintendency services, as well as fees for any book-keeping or the annual audit.

- As in years past; due to large families moving away from Dettah, or a low birth year in the community, school enrollment can be volatile and unpredictable from year to year; thus providing a challenge for the number of grades offered in one room, and in providing assistance for those students requiring one-on-one support. In order to minimize threat, as school funding changes, the DDEA has ensured a small surplus to attempt to maintain the integrity of school programming and staff allocations to best meet the needs of our students

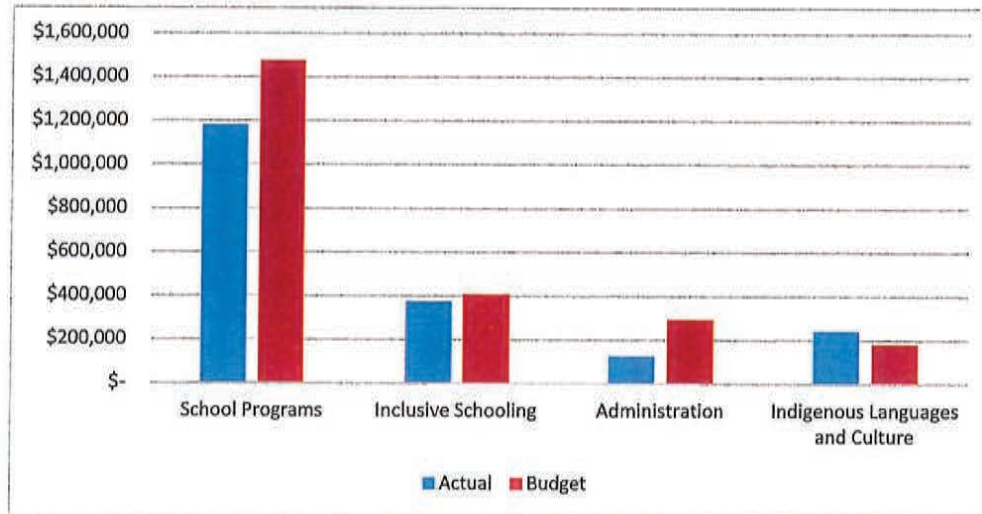
Operating Revenue for the DDEA in 2022-2023



Expenses by program for the DDEA in 2022-2023



Operating expenses actual compared to budget for DDEA in 2022-2023



Financial Condition

The Authority's financial assets decreased from \$1,253,115 to \$1,225,740. This year the net financial assets (financial assets less liabilities) were \$1,067,992 compared to \$1,083,483 in the prior year, indicating a slightly decreased financial position.

The Authority had an operating deficit of \$15,359 for the year compared to an operating surplus of \$274,398 in the prior year. The deficit for the year was due to additional costs associated with school programs, transfer costs and materials. The accumulated surplus at year end is \$1,071,123.

The Yellowknife Education District #1 Payable has decreased from \$52,439 to \$nil. This is due to the Authority having paid the salaries accrued for August 2023 as of year-end. As noted in the previous year, the August 2022 salaries were accrued as of June 30, 2022. This decrease is due to the timing of payments at year end.

Dettah DEA received 96% (2022 – 97%) of its funding from the GNWT. The core funding decreased from \$1,858,398 to \$1,830,021 in the current year. Other revenues in the current year mainly consists of donations from the Food First Foundation and the Breakfast Club of Canada, and Arctic Canadian Diamond Company, totaling \$36,400.

Summary and Outlook

Achievements and Successes:

- Students in need of speech support has continued to grow; yet students received on-on-one support on a daily basis to improve their skills
- School staff remained consistent; with over 50% of employees being employed at the school for five years or longer
- Attendance of community members and family members at school events continued to increase

Top Priority Challenges for the Coming Year:

- In order to minimize the impact on school programming, and experiences, school management will continue to work with outside stakeholders and partners to provide opportunities for students without impacting current allocations

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, 2023

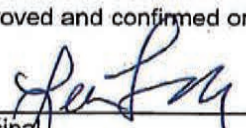
The Management's Discussion and Analysis, Financial Statements, Schedules and Notes herein submitted have been prepared and approved by management. They provide full disclosure and accurately reflect the financial and non-financial condition of Dettah District Education Authority (the "Education Authority") in all material respects and in accordance with Canadian Public Sector Accounting Standards ("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 ("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*, 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 Dettah District Education Authority



Principal
Dettah District Education Authority

January 25, 2024

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, 2023, 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, 2023, 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.

Fred Deschenes

Yellowknife, Northwest Territories
January 25, 2024

Chartered Professional Accountants

Dettah District Education Authority

Statement of Financial Position

As at June 30, 2023 2022

Financial Assets

Cash and cash equivalents \$ 1,225,740 \$ 1,253,115

Liabilities

Accounts payable and accrued liabilities (Note 4) 87,549 59,370
Payroll liabilities (Note 4) 1,098 545
Deferred revenue (Note 5) 6,598 10,910
Contributions repayable (Note 6) 3,176 3,176
Leave and termination benefits (Note 8) 59,327 43,192
Due to Yellowknife Education District No. 1 (Note 12) - 52,439

157,748 169,632

Net financial assets **1,067,992 1,083,483**

Non-financial Assets

Prepaid expenses 3,131 2,999

Accumulated Surplus **\$ 1,071,123 \$ 1,086,482**

Contractual obligations and contingencies (Note 10 and 11)

Approved on behalf of the Education Authority

 _____ Chairperson

for Rebecca Plotner,
as requested.

 _____ Principal

Dettah District Education Authority

Statement of Operations

For the year ended June 30,	2023	2023	2022
	Budget	Actual	Actual
Revenues			
Government of the Northwest Territories ("GNWT")			
ECE regular contributions	\$ 1,815,000	\$ 1,830,021	\$ 1,858,398
ECE other contributions (Note 16)	1,200	10,910	16,827
Total GNWT ECE	1,816,200	1,840,931	1,875,225
GNWT other contributions (Note 17)	700	1,300	1,260
Total GNWT	1,816,900	1,842,231	1,876,485
Government of Canada			
Menstrual product funding	-	1,418	1,099
Education body generated funds			
Donations	-	36,400	50,650
Investment income	2,000	23,030	3,344
Other	17,800	-	-
	19,800	60,848	55,093
Total revenues	1,836,700	1,903,079	1,931,578
Expenses (Schedule 1)			
School programs	1,474,000	1,177,824	954,493
Inclusive schooling	406,000	372,548	313,465
Administration	292,700	125,155	156,709
Indigenous languages and culture	180,000	240,150	213,266
Community contribution fund	-	-	1,184
COVID-19	-	2,761	16,803
	2,352,700	1,918,438	1,655,920
Operating surplus (deficit) before other items	(516,000)	(15,359)	274,398
Other Items			
Grant in-kind - Assets provided at no cost (Note 9)	-	46,493	42,111
Rent expense - Assets provided at no cost (Note 9)	-	(46,493)	(42,111)
Operating surplus (deficit)	(516,000)	(15,359)	274,398
Opening accumulated surplus	1,086,482	1,086,482	812,084
Closing accumulated surplus	\$ 570,482	\$1,071,123	\$1,086,482

Dettah District Education Authority

Statement of Changes in Net Financial Assets

For the year ended June 30,	2023	2022
Operating surplus	\$ (15,359)	\$ 274,398
Change in prepaid expenses	(132)	(2,537)
Increase (decrease) in net financial assets	(15,491)	271,861
Net financial assets, beginning of year	1,083,483	811,622
Net financial assets, end of year	\$ 1,067,992	\$ 1,083,483

Dettah District Education Authority**Statement of Cash Flows**

For the year ended June 30,	2023	2022
Cash provided by:		
Operating transactions		
Operating surplus	\$ (15,359)	\$ 274,398
Changes in non-cash assets and liabilities		
Decrease in accounts receivable	-	114
Increase in accounts payable and accrued liabilities	28,179	23,779
Increase (decrease) in payroll liabilities	553	(301)
Increase (decrease) in due to Yellowknife District Education No. 1	(52,439)	47,567
Increase in contribution repayable	-	1,176
Decrease in deferred revenue	(4,312)	(16,803)
Increase in leave and termination benefits	16,135	8,299
Increase in prepaid expenses	(132)	(2,537)
	(12,016)	61,294
Increase (decrease) in cash and cash equivalents	(27,375)	335,691
Cash and cash equivalents, at beginning of year	1,253,115	917,424
Cash and cash equivalents, at end of year	\$ 1,225,740	\$ 1,253,115

Dettah District Education Authority

Notes to Financial Statements

June 30, 2023

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.

Dettah District Education Authority

Notes to Financial Statements

June 30, 2023

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.

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. 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 expenses.

Dettah District Education Authority

Notes to Financial Statements

June 30, 2023

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.

Dettah District Education Authority

Notes to Financial Statements

June 30, 2023

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.

Dettah District Education Authority

Notes to Financial Statements

June 30, 2023

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.

Dettah District Education Authority

Notes to Financial Statements

June 30, 2023

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.

COVID-19 Expenses: pertains to expenses incurred during the year to prevent spread of COVID-19 virus.

3. Future Accounting Changes

Public Private Partnerships

Effective July 1, 2023, Education Bodies will be required to adopt PS 3160 Public Private Partnerships. This Section establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. The private sector partner's obligations include requirements to:

- (a) design, build, acquire or better new or existing infrastructure;
- (b) finance the transaction past the point where the infrastructure is ready for use; and
- (c) operate and/or maintain the infrastructure.

This standard is applicable only to those Education Bodies that are able to acquire, and required to report, tangible capital assets in its financial statements. The impact of these standards on the consolidated financial statements is currently being assessed.

Revenue, Proposed Section PS 3400

Effective July 1, 2023, Education Bodies will be required to adopt PS 3400 Revenue. This standard provides guidance on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. The impact of these standards on the consolidated financial statements is currently being assessed.

Dettah District Education Authority

Notes to Financial Statements

June 30, 2023

3. Future Accounting Changes (continued)

Purchased Intangibles

Effective July 1, 2023, 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 Authority is assessing the impact of this standard on the financial statements and there is no significant impact as a result of its application.

4. Accounts Payable and Payroll Liabilities

	2023	2022
Trade payable	\$ 87,549	\$ 59,370
Payroll liabilities	1,098	545
	<u>\$ 88,647</u>	<u>\$ 59,915</u>

5. Deferred Revenue

	2023	2022
Government of Northwest Territories		
Department of Education, Culture and Employment - COVID-19 funding	\$ -	\$ 10,910
Government of Canada		
Indigenous Services - Menstrual product funding	\$ 6,598	\$ -

6. Contributions Repayable

	2023	2022
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
	<u>\$ 3,176</u>	<u>\$ 3,176</u>

Dettah District Education Authority

Notes to Financial Statements

June 30, 2023

7. 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 \$45,586. 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 \$198,644 as at January 2023, and \$193,715 as at January 2022. The maximum monthly contributions is \$3,507 as at January 2023, and \$3,420 as at January 2022.

NEBS is an employer owned program and as such the Education Authority will be liable for its portion of any shortfall. The Plan serves 3,789 Employee Members and 117 Employer Members (total active, disabled and on leave: 2,054)

As of January 1, 2023, the excess (deficiency) of actuarial value of net assets over actuarial present value of defined benefits is estimated to be \$81,300,000 - funded ratio 127% (2022 - \$65,900,000 and 124%) 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.

8. 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.

Dettah District Education Authority

Notes to Financial Statements

June 30, 2023

8. Post-Employment Benefits and 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, 2023. 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	2023
Accrued benefit obligation, beginning of year	\$ 16,835	\$ 1,871	\$ 18,706
Current period benefit cost	1,789	151	1,940
Interest accrued	730	83	813
Benefits payments	-	-	-
Plan amendments	16,577	-	16,577
Actuarial (gain)/loss	(2,104)	(226)	(2,330)
Accrued benefit obligations end of year	33,827	1,879	35,706
Unamortized net actuarial (gain)/loss	(17,573)	(6,048)	(23,621)
Accrued benefit liability	51,400	7,927	59,327
Benefit expenses			
Current service costs	1,789	151	1,940
Interest costs	730	83	813
Plan amendments	16,577	-	16,577
Amortization of actuarial gains	(2,483)	(711)	(3,194)
	\$ 16,613	\$ (477)	\$ 16,136

The discount rate used to determine the accrued benefit obligation was an average of 4.8% (2022 - 4.1%). The expected payments during the next five fiscal years are:

	Severance and removal	Compensated absences	Total
2024	\$ 2,442	\$ -	\$ 2,442
2025	2,660	-	2,660
2026	3,079	-	3,079
2027	3,063	-	3,063
2028	3,117	-	3,117
2029- 2033	16,783	23	16,806
Total	\$ 31,144	\$ 23	\$ 31,167

Dettah District Education Authority

Notes to Financial Statements

June 30, 2023

9. GNWT Assets Provided At No Cost

	Cost	Accumulated Amortization	2023 Net Book Value	2022 Net Book Value
Kaw Tay Whee School	\$ 895,327	\$ 699,687	\$ 195,640	\$ 242,133

Rent expense of \$46,493 (2022 - \$42,111) was offset by a grant in-kind.

10. Contractual Obligations

The Education Authority does not have any contractual obligations.

11. Contingencies

The Education Authority does not have any contingencies.

12. 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.

Dettah District Education Authority**Notes to Financial Statements**

June 30, 2023

12. Related Parties (continued)

	2023	2022
Due to Related Party		
Yellowknife Education District No. 1	\$ -	\$ 52,439
<hr/>		
Revenues from related parties		
Government of the Northwest Territories		
Department of Education, Culture and Employment	\$ 1,840,931	\$ 1,875,225
Department of Education, Culture and Employment - Grant in-kind	46,493	42,111
Department of Health and Social Services	1,300	1,260
Department of Finance	-	3,344
<hr/>		
Total revenues from related parties	\$ 1,888,724	\$ 1,921,940
<hr/>		
Expenses Paid to Related Parties		
Department of Education, Culture and Employment - Rent expense	46,493	42,111
Ndilo District Education Authority - Transfer costs	\$ 177,299	\$ 35,051
Yellowknife Catholic Schools - Transfer costs	85,280	103,130
Yellowknife Education District No. 1 - Superintendent fees and custodian salaries	59,667	48,645
Yellowknife Education District No. 1 - Transfer costs	141,840	192,782
<hr/>		
Total expenses paid to related parties	\$ 510,579	\$ 421,719

Dettah District Education Authority

Notes to Financial Statements

June 30, 2023

13. 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 1, 2022.

14. 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 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 \$1,225,740 (2022 - \$1,253,115).

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 \$151,150 (2022 - \$158,722).

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.

Dettah District Education Authority**Notes to Financial Statements**

June 30, 2023

14. Financial Instruments (continued)

The table below shows when various financial assets and liabilities mature.

	Up to 6 months
Financial assets	
Cash and cash equivalents	<u>\$ 1,225,740</u>
Total financial assets	<u>\$ 1,225,740</u>
Total financial assets - prior year	<u>\$ 1,253,115</u>
Financial liabilities	
	Up to 6 months
Contribution repayable	3,176
Accounts payable and accrued liabilities	87,549
Payroll liabilities	<u>1,098</u>
Total financial liabilities	<u>\$ 91,823</u>
Total financial liabilities - prior year	<u>\$ 115,530</u>
Net total	<u>\$ 1,133,917</u>
Net total - prior year	<u>\$ 1,137,585</u>

Dettah District Education Authority**Notes to Financial Statements**

June 30, 2023

15. Expenses By Object

	2023 Budget	2023 Actual	2022 Actual
Compensation	\$ 1,370,700	\$ 1,020,502	\$ 922,763
Materials and freight	811,000	216,910	180,351
Services purchased or contracted	171,000	681,026	552,806
	\$ 2,352,700	\$ 1,918,438	\$ 1,655,920

16. ECE Other Contributions

	2023	2022
Government of the Northwest Territories - Department of Education, Culture and Employment		
Health and Wellness Support	\$ -	\$ 24
COVID-19	10,910	16,803
	\$ 10,910	\$ 16,827

17. GNWT Other Contributions

	2023	2022
Government of the Northwest Territories Department of Health and Social Services - Drop the pop	\$ 1,300	\$ 1,260

Dettah District Education Authority

Schedule 1 - Details of Expenses

For the year ended June 30, 2023	School Programs	Administration	Indigenous Language and Culture (schedule 2)	Inclusive Schooling (schedule 3)	COVID-19	Total 2023	Budget 2023	Total 2022
Salaries								
Teachers	\$ 284,925	\$ 26,425	\$ 79,423	\$ 277,597	\$ -	\$ 668,370	\$ 771,000	\$ 520,242
Instructional assistant	-	-	-	-	-	-	374,000	3,312
YK1 superintendent	-	36,500	-	-	-	36,500	-	27,500
Non-instructional staff	46,333	-	91,494	-	-	137,827	205,700	197,836
Board/Trustee honoraria	-	11,729	-	-	-	11,729	20,000	9,690
School secretary	10,362	-	2,668	-	-	13,030	-	31,158
Total salaries	341,620	74,654	173,585	277,597	-	867,456	1,370,700	789,738
Employee benefits								
Employee benefits and allowances	58,908	6,251	20,184	51,567	-	136,910	-	124,726
Leave and termination benefits	9,498	660	(1,306)	7,284	-	16,136	-	8,299
Total employee benefits	68,406	6,911	18,878	58,851	-	153,046	-	133,025
Services purchased or contracted								
Advertising and promotion	26,969	674	28	214	-	27,885	-	23,658
Contracted services	419,893	16,903	-	-	-	436,796	-	368,243
Maintenance and upgrades	609	-	-	15,992	-	16,601	-	2,001
Office	39,674	26,013	-	-	-	65,687	8,000	59,583
Professional and technical services	40,516	-	193	5,215	-	45,924	78,000	33,388
Student transportation (busing)	88,133	-	-	-	-	88,133	85,000	65,933
Total services purchased or contracted	615,794	43,590	221	21,421	-	681,026	171,000	552,806
Materials and freight								
Freight	1,310	-	-	-	-	1,310	-	725
Materials	150,693	-	47,468	14,678	2,761	215,600	811,000	179,626
Total materials and freight	152,003	-	47,468	14,678	2,761	216,910	811,000	180,351
Total expenses	\$ 1,177,823	\$ 125,155	\$ 240,152	\$ 372,547	\$ 2,761	\$ 1,918,438	\$ 2,352,700	\$ 1,655,920

Dettah District Education Authority

**Schedule 2
Details of Indigenous Language and Culture Program Expenses**

For the year ended June 30, 2023

Student Instruction

Salaries

Teachers	\$ 79,423
Non-instructional staff	91,494
School secretary	2,668

Employee benefits

Employee benefits and allowances	20,184
Leave and termination benefits	(1,306)

Services purchased or contracted

Advertising and promotion	28
Professional/technical services	193

221

Materials and freight

Materials	47,468
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Total **\$ 240,152**

Dettah District Education Authority

**Schedule 3
Details of Inclusive Schooling Expenses**

For the year ended June 30, 2023

General Inclusive Schooling

Salaries	
Program support teachers	\$ 277,597
Employee benefits	
Employee benefits and allowances	51,567
Leave and termination benefits	7,284
Materials and freight	
Materials	14,678
Total	\$ 372,547

Dettah District Education Authority

**Schedule 4
Student Success Initiative**

For the year ended June 30, 2023

	2023
Revenue - Government of the NWT Education, Culture and Employment	\$ 15,000
Expense - Materials	18,915
Surplus (Deficit)	\$ (3,915)

**K'alemi Dene School
(Ndilo District Education Authority)**

Financial Statements

June 30, 2023

K'alemi Dene School
(Ndilo District Education Authority)

Financial Statements

June 30, 2023

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Management Discussion and Analysis

Introduction

This Management Discussion and Analysis is prepared for the Ndilo District Education Authority (NDEA) to promote transparency and accountability.

NDEA Vision: “Building our children’s future by teaching and learning the Dene way.”

Mission Statement: K’alemi Dene School is committed to providing quality education for our students by concentrating on the 4 components of learning:

- Language and culture
- Academics and technology
- Dene Laws and Virtues
- Physical and Active Living

Through the development of skills in these areas, students will grow and develop into respectful, healthy, diligent, and strong Dene who will give back to their families, community, and the North.

The vision and mission statement were developed during a community meeting in the Spring of 2010. Each year, the NDEA hosts a community meeting, where the vision and mission statements are discussed, and community input is gathered. Both statements and input from NDEA and community meetings shape the learning priorities and planning for the K’alemi Dene School as reflected in the NDEA Operating Plan for the 2022-23 school year.

The NDEA is an independent legal and accounting entity with an elected Education Authority as stipulated in Section 82 of the Education Act. The Education Authority has decision making authority, the power to delegate authority, the ability to significantly influence operations and the sole accountability for all fiscal matters. Members serve a three-year term. The NDEA is responsible for one school, K’alemi Dene School (KDS). All members serve on the financial committee.

Current NDEA Board Members:

Sarah Erasmus	Chair Person
Theresa Black	Vice Chairperson
Cecilie Beaulieu	Trustee
Myra Conrad	Trustee
Nyra Mackenzie	Trustee
Violet Sangris	Trustee

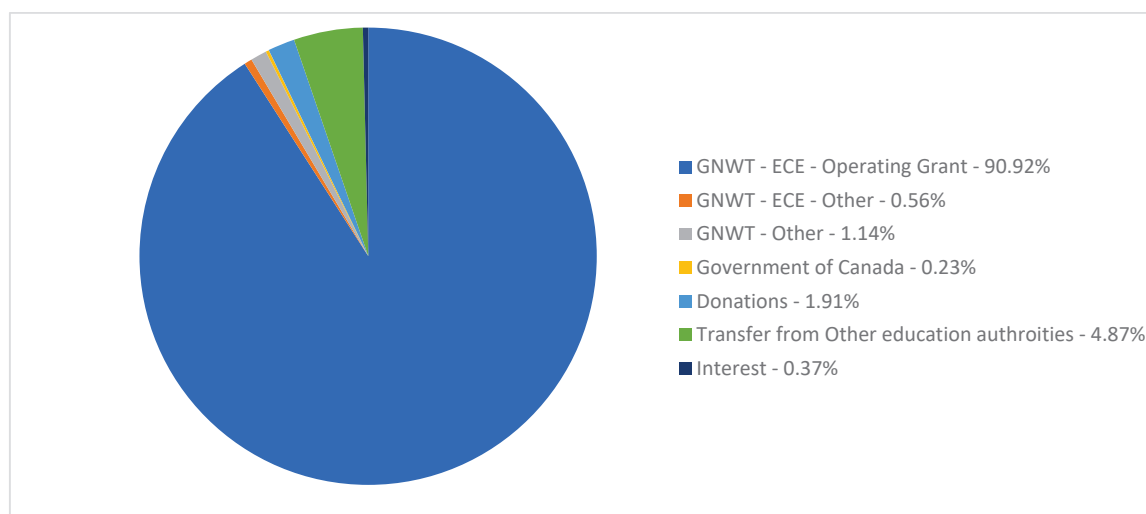
Ndilo District Education Authority Administration:

Cindi Vaselenak	Former Superintendent of Yellowknife Education District No. 1
Jameel Aziz	Current Superintendent of Yellowknife Education District No. 1
Meagan Wowk	Principal of K’alemi Dene School

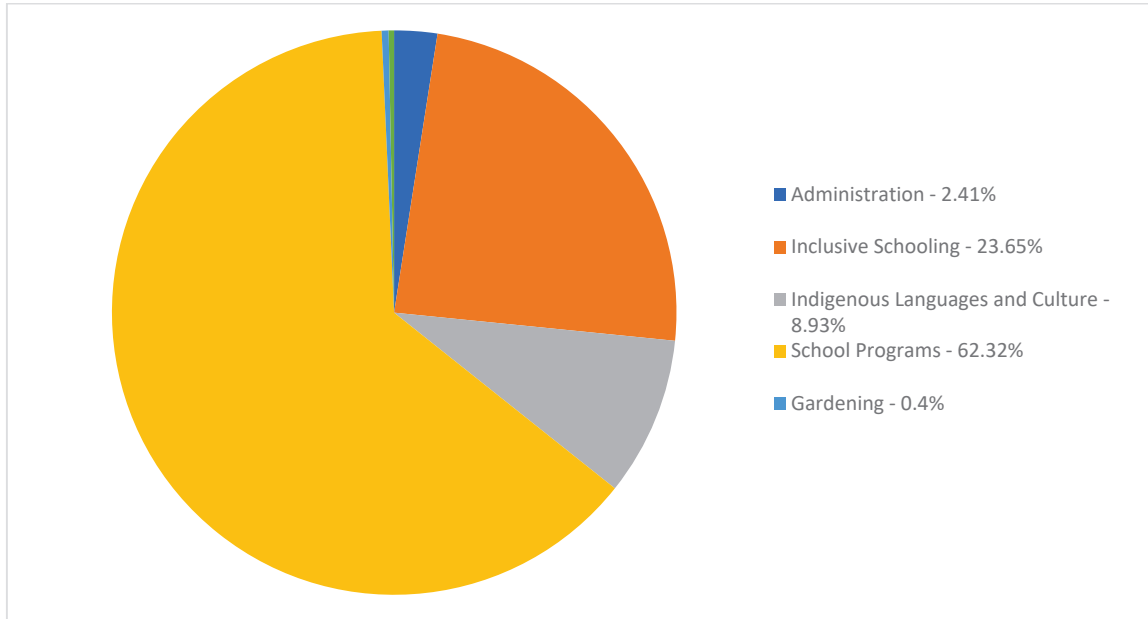
Key Financial Highlights

- In 2022-23, KDS had an enrollment of 136 full time students from junior kindergarten to grade 12. For the past 3 years enrollment has increased by approximately 10 students/year.
- The NDEA has an accumulated surplus of \$1,269,510. This increased from \$1,244,969 in 2022. A healthy surplus is required to manage upcoming maternity leaves, fluctuating enrolment and the prospect of upcoming complex needs students.
- The NDEA can maintain a staff of approximately 20 full time employees. Most positions are funding by ECE's school funding formula, but the NDEA feels there are other positions required to deliver quality programming like the Food Service Assistant, JK Bus Driver and Bus Monitor, and additional Education Assistants.
- Due to Covid-19, KDS has expanded to nine classrooms to meet all the requirements from the Office of the Chief Public Health Officer. In order to do this, we converted the Culture Room into a classroom. The Language and Culture Instructor now conducts lessons by moving each classroom. All classrooms are multi-grade splits.

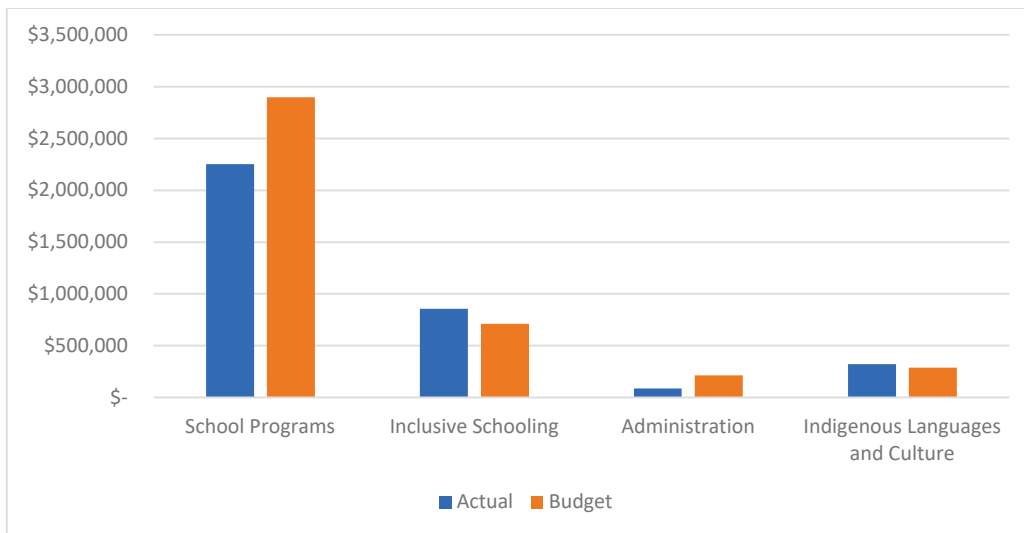
Operating Revenue for the NDEA in 2023



Expenses by program for the NDEA in 2023



Operating expenditure actuals compared to budget for NDEA in 2023



NDEA Enrolment (FTE) by school and by grade for 2022-2023 school year

School	Grades													
	JK	K	1	2	3	4	5	6	7	8	9	10	11	12
KDS enrolment	10	13	13	11	6	12	13	9	9	7	7	25	1	0

During the 2022-23 school year, the NDEA employed:

Postions	Number of Staff
JK/K Instructor	1
Classroom Teachers	8
Support Teachers	2
Language Instructor/Elder	1
Indigenous Language and Culture Instructor	1
Educational Assistant	7
Food Service Assistant	1
JK Bus Driver	1
After School Program Workers (part-time)	3
Principal, RISC, RILE	1
Total NDEA Staff	26

Please note the NDEA contracts superintendent services from Yellowknife Education District No. 1 (YK1). All instructional staff are employees of YK1 and follow the YK1 Collective Agreement. YK1 invoices the NDEA for salaries and benefits. The employees with asterisks are employees of the NDEA.

Operating Environment

Strengths and Opportunities

KDS is a small community school that serves students and families from junior kindergarten to grade 12. We have a comprehensive culture program that includes an Elder, Wiliideh Yatli Instructor and Indigenous Language and Culture Coordinator. Language classes follow the new curriculum *Our Languages* developed by the Department of Education, Culture and Employment (ECE). KDS plans several key cultural experiences for using the seasonal Yellowknives Dene First Nation calendar. For example, students experienced berry picking in September and net fishing in January. Enhancing our language and culture program remains a priority to the NDEA and we continue to seek opportunities to expand our programming and capacity for delivering quality programming.

We provide an inclusive education environment that many families from Yellowknife seek out. We also ensure all of our families have access to transportation, a food program and integrated services in the school. It is the priority of the NDEA to maintain small classroom sizes. This ensures that classroom teachers have the time required to meet individual needs.

At this time, KDS has received additional funding to support an Alternative High School program for students who have not been successful in the traditional model. We feel it is important to meet these students needs by providing flexible scheduling and other supports to help them complete courses and provide supports for healthy living.

Weaknesses and Threats

As identified by the Early Development Instrument (EDI) and Middle Development Instrument (MDI), many of our students enter school with vulnerabilities in their different areas of their development. Both the EDI and MDI are assessments mandated by ECE and administered in kindergarten, grade four and grade seven.

There are also a number of poverty, addictions and mental health issues facing our students and families. It is critical that interagency partnerships are established so that proactive supports can be put into place.

As well, the lack of gymnasium continues to threaten KDS programming and enrollment. The NDEA is grateful to YKDFN for the use of the Ndilq Community Gym. Unfortunately, this space is frequently used for meetings, funerals and other community events. The community gym is also small and not adequate for older students. This often hinders skill development because students do not have the space to run drills or multiple games. KDS often loses students to other Yellowknife schools due to inadequate gymnasium space.

Lack of classroom space continues to provide challenges to the types of programming we can offer and hinders opportunities for growth. To accommodate programming changes, the activity room and computer room have been converted to classrooms. We are often at loss for space for counselling and health services.

Fluctuating enrollment has the potential to threaten funding and the programs offered. When one or two families move away, students switch schools or a low birth year, these factors can dramatically affect enrollment, thus funding.

Financial Condition

The Authority's financial assets Decreased from \$1,365,552 to \$1,343,437. This decrease relates to larger balance of cash at the end of the prior year. This year the net financial assets (financial assets less liabilities) were \$1,262,840 compared to \$1,240,524 in the prior year.

The Authority had an operating surplus of \$24,541 for the year. This surplus is mainly attributed to additional funding received from GNWT. The accumulated surplus at year end is \$1,269,510

Accounts payable and accrued liabilities have decreased from \$63,591 to \$62,043 due to a decrease in outstanding payables at year-end.

The Yellowknife Education District No. 1 payable is zero in 2023, same as in 2022. In 2023, the June, July, and August wages were paid before year-end. As such, there is no outstanding payable balance.

In 2022, the NDEA received 92.6% of its funding from the GNWT. The core funding increased from \$2,940,175 to \$3,308,023 in the current year. The NDEA received funding from the Government of Canada from the Jordan's Principle program to subsidize the cost of resource material in 2023, but has not accessed those funds since. Other revenue in the current year of funding mainly consists of donations for the food program in 2023.

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, 2023


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

 _____ Principal
Meagan Wowk

December 12, 2023

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, 2023 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, 2023 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, 2023 and 2022, financial assets as at June 30, 2023 and 2022 and accumulated surplus as at July 1, 2022 and 2021 and June 30, 2023 and 2022 years. Our audit opinion on the financial statements for the year ended June 30, 2022 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 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.

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 conjunction 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
December 12, 2023**

Chartered Professional Accountants

K'alemi Dene School
(Ndilo District Education Authority)

Statement of Financial Position

As at June 30, **2023** **2022**

Financial Assets

Cash and cash equivalents (Note 4)	\$ 606,556	\$ 817,625
Portfolio investments (Note 7)	539,453	528,694
Due from the Government of Canada (Note 11)	20,129	19,233
Accounts receivable (Note 8)	177,299	-

1,343,437 **1,365,552**

Liabilities

Accounts payable and accrued liabilities	62,043	63,591
Payroll liabilities	2,589	2,288
Leave and termination benefits (Note 15)	15,965	59,149

80,597 **125,028**

Net Financial Assets **1,262,840** **1,240,524**

Non-Financial Assets

Prepaid expenses (Note 18)	6,670	4,445
----------------------------	-------	-------

Accumulated Surplus (Note 29) **\$ 1,269,510** **\$ 1,244,969**

Represented By:

Operating Fund	\$ 1,228,009	\$ 1,214,772
High School Travel Fund	41,501	30,197

\$ 1,269,510 **\$ 1,244,969**

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,	2023	2023	2022
	Budget	Actual	Actual
Revenue			
Government of the Northwest Territories ("GNWT")			
ECE regular contributions	\$3,235,000	\$3,308,023	\$2,940,175
ECE other contributions (Note 26)	-	20,300	2,300
Total ECE	3,235,000	3,328,323	2,942,475
GNWT Other contributions (Note 27)	15,000	41,388	15,895
Government of Canada			
Jordan's Principle (Schedule 4)	39,000	8,460	27,973
Total Government of Canada	39,000	8,460	27,973
Education authority generated funds			
Donations - general	32,400	69,420	90,791
Transfers from other education authorities	-	177,299	35,161
Investment income	500	13,518	1,424
	3,321,900	3,638,408	3,113,719
Expenses (Schedule 1)			
School programs	2,898,000	2,252,340	2,038,076
Inclusive schooling	712,000	854,712	478,480
Administration	214,500	87,069	49,131
Indigenous language and culture	288,000	322,634	296,137
COVID-19 expenses	-	-	45,714
Surplus plan	-	-	223,432
Jordan's Principle	-	10,811	29,302
High school travel	-	71,983	-
Gardening	-	14,318	-
	4,112,500	3,613,867	3,160,272
Operating surplus (deficit) before other items	(790,600)	24,541	(46,553)
Other items			
Grant in-kind - GNWT assets provided at no cost (Note 19)	-	226,653	226,653
Rent expense - GNWT assets provided at no cost (Note 19)	-	(226,653)	(226,653)
	-	-	-
Operating surplus	(790,600)	24,541	(46,553)
Opening accumulated surplus	1,244,969	1,244,969	1,291,522
Closing accumulated surplus	\$ 454,369	\$1,269,510	\$1,244,969

K'alemi Dene School
(Ndilo District Education Authority)

Statement of Changes in Net Financial Assets

For the year ended June 30,	2023	2022
Operating surplus (deficit)	\$ 24,541	\$ (46,553)
Change in prepaid expenses	(2,225)	(445)
Increase (decrease) in net financial assets	22,316	(46,998)
Net financial assets, beginning of year	1,240,524	1,287,522
Net financial assets, end of year	\$ 1,262,840	\$ 1,240,524

K'alemi Dene School
(Ndilo District Education Authority)

Statement of Cash Flows

For the year ended June 30,	2023	2022
Cash provided by:		
Operating Activities		
Operating surplus (deficit)	\$ 24,541	\$ (46,553)
Change in non-cash assets and liabilities		
Increase in accounts receivable	(177,299)	-
Increase (decrease) in accounts payable and accrued liabilities	(1,546)	22,385
Increase in payroll liabilities	301	2,288
Increase (decrease) in leave and termination benefits	(43,184)	17,086
Increase in amounts due from Government of Canada	(896)	(7,820)
Increase in prepaid expenses	(2,226)	(445)
	(224,850)	33,494
Cash used in operating transactions	(200,309)	(13,059)
Investing Activities		
Acquisition of portfolio investments	(541,095)	(451,044)
Proceeds of portfolio investments	530,335	-
Decrease in cash	(211,069)	(464,103)
Cash beginning of year	817,625	1,281,728
Cash end of year	\$ 606,556	\$ 817,625

K'alemi Dene School

Schedule 1 Details of Expenses

	2022		2023		2023		2022			
	School Programs	Inclusive Schooling (schedule 2)	Administration	Indigenous Language and Culture Program (schedule 3)	Jordan's Principle (schedule 4)	High School Travel	Gardening	Total	Budget	Total
Salaries										
Teachers' salaries	\$ 1,255,101	\$ 631,962	\$ -	\$ 188,966	\$ -	\$ -	\$ -	\$ 2,076,029	\$ 1,931,000	\$ 1,762,059
Instruction assistants	2,581	-	-	-	-	-	-	2,581	914,000	-
Non-Instructional staff	-	-	-	-	-	-	-	-	271,000	27,939
Board/Trustee honoraria	5,042	-	14,790	2,990	-	-	-	22,822	15,000	16,735
Total Salaries	1,262,724	631,962	14,790	191,956	-	-	-	2,101,432	3,131,000	1,806,733
Employee Benefits										
Employee benefits and allowances	376,613	137,947	1,074	93,857	-	-	-	609,491	-	487,534
Leave and termination benefits	(24,677)	(14,395)	-	(4,113)	-	-	-	(43,185)	-	17,086
Total Employee Benefits	351,936	123,552	1,074	89,744	-	-	-	566,306	-	504,620
Services Purchased or Contracted										
Advertising/printing/publishing	-	-	-	-	-	-	-	-	-	634
Insurance and permits	6,508	-	-	-	-	-	-	6,508	-	(1,434)
Interest and bank charges	1,762	-	749	-	-	-	-	2,511	-	704
Maintenance and repairs	37,572	-	8,031	564	-	-	-	46,167	50,000	243,837
Postage/communication	15,483	-	-	-	-	-	-	15,483	-	20,388
Professional/technical services	32,664	99,198	58,270	30,619	-	-	14,067	234,818	95,000	131,649
Rentals/leases	43,128	-	-	-	-	-	-	43,128	21,000	37,751
Student transportation (busing)	93,700	-	-	-	-	-	-	93,700	65,000	80,871
Travel	35,485	-	-	1,316	-	71,983	-	108,784	8,000	19,860
Utilities	-	-	-	-	-	-	-	-	1,000	-
Water/sewage	17	-	-	-	-	-	-	17	-	-
Total Services Purchased or Contracted	266,319	99,198	67,050	32,499	-	71,983	14,067	551,116	240,000	534,260
Total Materials/Supplies/Freight	371,361	-	4,155	8,435	10,811	-	251	395,013	741,500	314,659
Total Expenses	\$ 2,252,340	\$ 854,712	\$ 87,069	\$ 322,634	\$ 10,811	\$ 71,983	\$ 14,318	\$ 3,613,867	\$ 4,112,500	\$ 3,160,272

K'alemi Dene School

**Schedule 2
Details of Inclusive Schooling Expenses**

For the year ended June 30, 2023

	General Inclusive Schooling
Salaries	
Teachers' salaries	\$ 631,962
Total Salaries	631,962
Employee Benefits	123,552
Services Purchased or Contracted	
Professional/technical services	99,198
Total Expenses	\$ 854,712

K'alemi Dene School**Schedule 3****Details of Indigenous Language and Culture Program Expenses**

For the year ended June 30, 2023

Student
Instruction**Salaries**

Teachers' salaries \$ 188,966

191,956**Employee Benefits****89,744****Services Purchased or Contracted**

Maintenance and repairs 564

Professional/technical services 30,619

Travel 1,316

32,499**Materials/Supplies/Freight****8,435****Total Expenses****\$ 322,634**

K'alemi Dene School

Schedule 4 Jordan's Principle

	June 30, 2023	June 30, 2022	July 1, 2022 - March 31, 2023	April 1, 2023 - June 30, 2023
Revenue				
Government of Canada	\$ 8,460	\$ 38,428	\$ -	\$ 8,460
Expenses				
Personnel	-	27,973	-	-
Materials and supplies	10,811	1,329	-	10,811
Total Expenses	10,811	29,302	-	10,811
Surplus (deficit)	\$ (2,351)	\$ 9,126	\$ -	\$ (2,351)
Deferred Revenue	\$ -	\$ -	\$ -	\$ -

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2023

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.

June 30, 2023

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

All buildings and works, furniture, equipment, and vehicles 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 they are not included on the statement of financial position. Capital assets with a value of less than \$50,000 are recorded as a current expense.

(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.

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.

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2023

2. Significant Accounting Policies (continued)

(f) Revenue Recognition (continued)

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 is 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 \$12,000 (2022 - \$8,250).

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 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.

High School Travel Fund: This fund is set up for the delivery of student trips. It has been recognized as a special purpose fund.

(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*.

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2023

2. Significant Accounting Policies (continued)

(g) Budget Data (continued)

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 2023 were recognized and paid as of June 30, 2023. As such, they are not accrued as year-end.

(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.

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2023

2. Significant Accounting Policies (continued)

(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.

(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.

COVID-19 Expenses: pertains to expenses incurred during the year to address issues caused by the COVID-19 pandemic.

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.

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2023

2. Significant Accounting Policies (continued)

(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 exists; 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, 2023.

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

Revenue, Proposed Section PS 3400

Effective, July 1, 2023, Education Bodies will be required to adopt PS 3400 Revenue. This standard provides guidance on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. The impact of these standards on the consolidated financial statements is currently being assessed.

Public Private Partnerships PS 3160

Effective July 1, 2023, Education Bodies will be required to adopt PS 3160 Public Private Partnerships. This Section establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. The private sector partner's obligations include requirements to:

- (a) design, build, acquire or better new or existing infrastructure;
- (b) finance the transaction past the point where the infrastructure is ready for use; and
- (c) operate and/or maintain the infrastructure.

This standard is applicable only to those Education Bodies that are able to acquire, and required to report, tangible capital assets in its financial statements.

Purchased Intangibles PSG-8

Effective July 1, 2023, 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.

4. Cash

Cash represent cash held in a bank account with the Royal Bank of Canada ("RBC").

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2023

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 \$78,051 (2022 - \$77,650) has an interest rate of 3.25% (2022 - 0.55%) per annum and matures on July 04, 2024. The second GIC \$461,402 (2022 - \$451,044) has an interest rate of 4% (2022 - 1.8%) per annum and matures on June 14, 2024.

8. Accounts Receivable

	Accounts Receivable 2023	Allowance 2023	Net 2023	Net 2022
Due from GNWT	\$ 475	\$ (475)	\$ -	\$ -
Due from Dettah District Education Authority	\$ 177,299	\$ -	\$ 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

	2023	2022
Goods and Services Tax receivable	\$ 20,129	\$ 19,233

12. Capital Lease Obligations

The Education Authority does not have capital lease obligations.

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2023

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 \$139,964 (2022 - \$123,178). 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 \$198,644 as at January 2023, and \$193,715 as at January 2022. The maximum monthly contributions is \$3,507 as at January 2023, and \$3,420 as at January 2022.

NEBS is an employer owned program and as such the Education Authority will be liable for its portion of any shortfall. The Plan serves 3,789 Employee Members and 117 Employer Members (total active, disabled and on leave: 2,054)

As of January 1, 2023, the excess (deficiency) of actuarial value of net assets over actuarial present value of defined benefits is estimated to be \$81,300,000 - funded ratio 127% (2022 - \$65,900,000 and 124%) 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 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.

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2023

15. Leave and termination benefits (continued)

Valuation results

The actuarial valuation was completed as at March 31, 2023. The effective date of the next actuarial valuation is March 31, 2024. The liabilities are actuarially determined as the present value of the accrued benefits at March 31, 2023 and the results extrapolated to June 30, 2023. 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	2023		2022	
Changes in Obligation						
Accrued benefit obligation, beginning of year	\$ 31,837	\$ 4,022	\$ 35,859	\$ 33,805	\$ 33,805	\$ 33,805
Current period benefit cost	4,406	595	5,001	4,487	4,487	4,487
Interest accrued	1,425	189	1,614	1,201	1,201	1,201
Benefits payments	(29,732)	(20)	(29,752)	(803)	(803)	(803)
Actuarial (gains)/losses	23,638	(494)	23,144	(16,411)	(16,411)	(16,411)
Plan amendments	(17,074)	-	(17,074)	13,580	13,580	13,580
Accrued benefit obligation, end of year	14,500	4,292	18,792	35,859	35,859	35,859
Unamortized net actuarial gain/(loss)	(5,749)	2,922	(2,827)	23,290	23,290	23,290
Accrued benefit liability	\$ 8,751	\$ 7,214	\$ 15,965	\$ 59,149	\$ 59,149	\$ 59,149
Benefit expenses						
Current service cost	\$ 4,406	\$ 595	\$ 5,001	\$ 4,487	\$ 4,487	\$ 4,487
Interest costs	1,425	189	1,614	1,201	1,201	1,201
Amortization of actuarial gains	(2,749)	(224)	(2,973)	(1,380)	(1,380)	(1,380)
Plan amendment	(17,074)	-	(17,074)	13,580	13,580	13,580
Total expense (recovery)	\$ (13,992)	\$ 560	\$ (13,432)	\$ 17,888	\$ 17,888	\$ 17,888

The discount rate used in the 2023 fiscal year to determine the accrued benefit obligation was an average of 2.7% (2022 - 2.7%). The expected payments during the next five fiscal years are:

	Severance and Removal	Compensated Absences	Total	
	\$	\$	\$	
2023	1,244	53	1,297	
2024	1,313	40	1,353	
2025	1,487	31	1,518	
2026	1,581	24	1,605	
2027	1,717	30	1,747	
	\$ 7,342	\$ 178	\$ 7,520	

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2023

16. Trust Assets Under Administration

The Education Authority does not have trust assets under administration.

17. Tangible Capital Assets

The Education Authority does not have tangible capital assets.

18. Prepaid Expenses

	2023	2022
Vehicle licenses and insurance	\$ 6,670	\$ 4,445

19. GNWT Tangible Capital Assets Provided At No Cost

	Cost	Accumulated Amortization	2023 Net Book Value	2022 Net Book Value
Buildings	\$ 9,066,125	\$ 3,059,816	\$ 6,006,309	\$ 6,232,961

Rent expense of \$226,653 (2022 - \$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.

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2023

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.

			2023	2022
	Accounts receivable	Allowance	Net 2023	Net 2022
Due from related parties				
Government of the Northwest Territories				
Health and Social Services	\$ 475	(475)	\$ -	\$ -

		2023	2022
Revenue from related parties			
Government of the Northwest Territories			
Department of Education, Culture and Employment		\$ 3,328,323	\$ 2,942,475
Department of Environment and Natural Resources		10,000	13,555
Department of Municipal and Community Affairs		2,500	1,500
Department of Health and Social Services		2,590	840
Dettah District Education Authority		177,299	35,161
Total revenues from related parties		\$ 3,520,712	\$ 2,993,531

		2023	2022
Expenses paid to related parties			
Government of the Northwest Territories		\$ 3,628	\$ 940
Yellowknife Education District No.1		2,501,882	2,148,551
Total expenses to related parties		\$ 2,505,510	\$ 2,149,491

June 30, 2023

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 27, 2022.

23. Economic Dependence

The Education Authority receives its funding primarily from the GNWT. If the funding arrangements were to change management is of the opinion that the Education Authority's operations would be significantly affected.

24. 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 below 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.

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2023

24. Financial Instruments (continued)

The Education Authority's maximum exposure to credit risk is as follows:

	2023
Cash and cash equivalents	\$ 606,556
Portfolio investments	539,453
Due from Government of Canada	20,129
Accounts receivable	177,299
Maximum credit risk exposure	<u>\$ 1,343,437</u>

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, 2023 receivables from one (2022 - one) customers comprised 100% (2022 - 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 \$64,632 (2022 - \$65,879). 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	\$ 606,556
Portfolio investments	539,453
Due from the Government of Canada	20,129
Accounts receivable	<u>177,299</u>
Total financial assets	<u>\$ 1,343,437</u>
Total financial assets - prior year	<u>\$ 1,365,552</u>

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2023

24. Financial Instruments (continued)

Financial liabilities	Up to 6 months
Accounts payable and accrued liabilities	\$ 62,046
Payroll liabilities	<u>2,589</u>
Total financial liabilities	<u>\$ 64,635</u>
Total financial liabilities - prior year	<u>\$ 65,879</u>
Net total	<u>\$ 1,278,802</u>
Net total - prior year	<u>\$ 1,299,673</u>

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 \$539,453 (2022 - \$528,694). 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.

25. Expenses by Object

	Budget 2023	Actual 2023	Actual 2022
Compensation	\$ 3,131,000	\$ 2,667,738	\$ 2,311,353
Materials and freight	741,500	395,013	314,659
Services purchased/contracted	240,000	551,116	534,260
	<u>\$ 4,112,500</u>	<u>\$ 3,613,867</u>	<u>\$ 3,160,272</u>

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2023

26. ECE Other Contributions

	2023	2022
GNWT, Department of Education, Culture and Employment		
Self Regulation	\$ -	\$ 2,300
Active After School Program	15,300	-
Youth Corporate Program	5,000	-
	\$ 20,300	\$ 2,300

27. GNWT Other Contributions

	2023	2022
Department of Municipal and Community Affairs		
After School Activity Program	\$ 2,500	\$ 1,500
Gardening	19,798	-
Department of Environment and Natural Resources		
Take a Kid Trapping Program	10,000	13,555
Aboriginal Languages	5,000	-
Department of Health and Social Services		
Drop the Pop Program	2,590	840
Department of Finance		
Administration	1,500	-
	\$ 41,388	\$ 15,895

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,	2023	2022
OPERATING FUND		
Balance, beginning of year	\$ 1,214,772	\$ 1,291,522
Operating surplus	24,541	(46,553)
Transfer to High School Travel Fund	(11,304)	(30,197)
Balance, end of year	\$ 1,228,009	\$ 1,214,772
HIGH SCHOOL TRAVEL FUND		
Balance, beginning of year	\$ 30,197	\$ 30,197
Transfer from Operating Fund	11,304	-
Balance, end of year	\$ 41,501	\$ 30,197

Consolidated Financial Statements of

Sahtu Divisional Education Council

June 30, 2023

Sahtu Divisional Education Council

Consolidated Financial Statements

June 30, 2023

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Management Discussion and Analysis For the year ended June 30, 2023

INTRODUCTION

This management discussion and analysis is prepared as part of the responsibility of management and the *Sahtú Divisional Education Council* (SDEC) to promote transparency and accountability in its financial reporting.

The Sahtú Divisional Education Council (SDEC) was established in 1989 with a mandate to provide a quality Junior Kindergarten to Grade 12 education to approximately 510 students in the communities of Délı̨ne, Tulit'a, Norman Wells, Fort Good Hope and Colville Lake. The SDEC is composed of one representative from each of the five community-based District Education Authorities (DEAs). DEAs are elected, appointed or acclaimed at the community-level, and the DEA chooses one of its members to represent them at the regional SDEC meetings. The 2022 - 2023 representatives were as follows:

Heather Bourassa (Chairperson)

Norman Wells - Sarah Baker (Vice-Chairperson)

Délı̨ne - Mary Ann Vital

Tulit'a - Sally Horassi

Fort Good Hope – Jayda Cottam-Jackson

Colville Lake - Isabel Orlas

Key senior management positions were as follows:

Superintendent - Dr. Renee Closs

Assistant Superintendent - Lorraine Kuer

Supervisor of Business Affairs - Siddik Mohammad (CPA, CMA)

The SDEC and its DEAs are committed to a philosophy of education which is built upon a foundation of enabling and strengthening communities, DEAs, schools, staff members and families to help students reach their full potential.

MISSION

To provide excellent educational environments where students will have the opportunity to experience success and contribute to society.

GROWING FORWARD TOGETHER: STRATEGIC PLAN 2020 - 2025

Taking direction from its mission statement, the Sahtú Divisional Education Council Board of Trustees has set the following Strategic Goals (2020 - 2025):

Increasing Academic Achievement through Advocacy and Support

The SDEC strives to ensure equitable access to learning for all students. We advocate through the District Education Authority (DEA), Divisional Education Council (DEC), the Government of the Northwest Territories, and other political arenas to strengthen equitable access to education for all Sahtú students. Schools will celebrate student success throughout the year. Physical, emotional, spiritual and intellectual aspects of the whole student will be recognized and celebrated.

Becoming a Capable Person in the NWT

The SDEC supports schools in strengthening students in the areas of physical, emotional, spiritual and intellectual wellness. Student wellness will be supported through a balance between in-school support and a strong on-the-land program. In addition to a focus on wellness and identity, schools prepare students with integrated skills, attitudes and capabilities to better make use of post-secondary and work opportunities after grade 12.

Strengthening Language, Culture and Identity

Schools in Sahtú region provide rich on-the-land opportunities to develop traditional skills, building relationships with Elders and Traditional experts and experience life in a cultural camp. To strengthen the Indigenization of education in schools, a whole school approach is implemented where all students and staff are expected to participate. Two of the five Sahtú schools offer a junior kindergarten/kindergarten Dene Kede (North Slavey) Language Immersion program.

Promoting a Respectful and Responsible Learning & Work Environment

The SDEC advocates for equitable access to learning and diverse choices in programming in small schools. Increasing services and providing a safe learning environment is paramount. The SDEC is committed to advocating for school facility improvements in all schools. An open channel between the school and community is a key component of student success. Sahtú schools look to strengthen parental engagement to improve student attendance and to support and improve academic achievement. Parental and community feedback is sought to bring about changes and joint successes, which are continuously identified and celebrated.

OPERATING ENVIRONMENT

Sahtú Divisional Education Council operates five (5) schools in the Sahtú region. The following lists key programming in our schools:

ꞛehtseo Ayha School (Délıne)

- Junior Kindergarten to Grade 12
- Dene Kede (North Slavey) Language classes
- JK - K Dene Kede Immersion class

- Alternate high school program
- Enhanced Dene Kede Language program for high school students
- Naiʔeʔa 15, 25, and 35
- Enhanced on-the-land programming for students in grades 8 - 12
- Northern Distance Learning

Chief Albert Wright School (Tulit'a)

- Junior Kindergarten to Grade 12
- Dene Kede (North Slavey) Language classes
- JK - K Dene Kede Immersion class
- Skills Canada curriculum
- Alternate high school program
- Integrated Dene Kede Language throughout the school
- Naiʔeʔa 15, 25, and 35
- Enhanced Dene Kede Language program for high school students
- Enhanced on-the-land programming for students in grades 8 - 12
- Northern Distance Learning

Mackenzie Mountain School (Norman Wells)

- Junior Kindergarten to Grade 12
- Guided reading and numeracy blocks
- Dene Kede Language classes
- Core French classes
- Increased elective in high school
- Significant offering of -1 courses in high school
- Enhanced on-the-land programming for students in grades 8 - 12
- Northern Distance Learning

Chief T'Selehye School (Fort Good Hope)

- Junior Kindergarten to Grade 12
- Dene Kede (North Slavey) Language classes
- JK - K Dene Kede Immersion class
- Guided reading blocks
- Naiʔeʔa 15, 25, and 25
- Winter on-the-land camp
- Career and Education programming
- Northern Distance Learning

Colville Lake School (Colville Lake)

- Junior Kindergarten to Grade 12
- Dene Kede (North Slavey) Language classes
- Extensive on-the-land programming
- Individualized targets in reading and numeracy through the support of an instructional coach

- Full-time food preparation program
- Northern Distance Learning

Total Student/Teacher Population by Schools

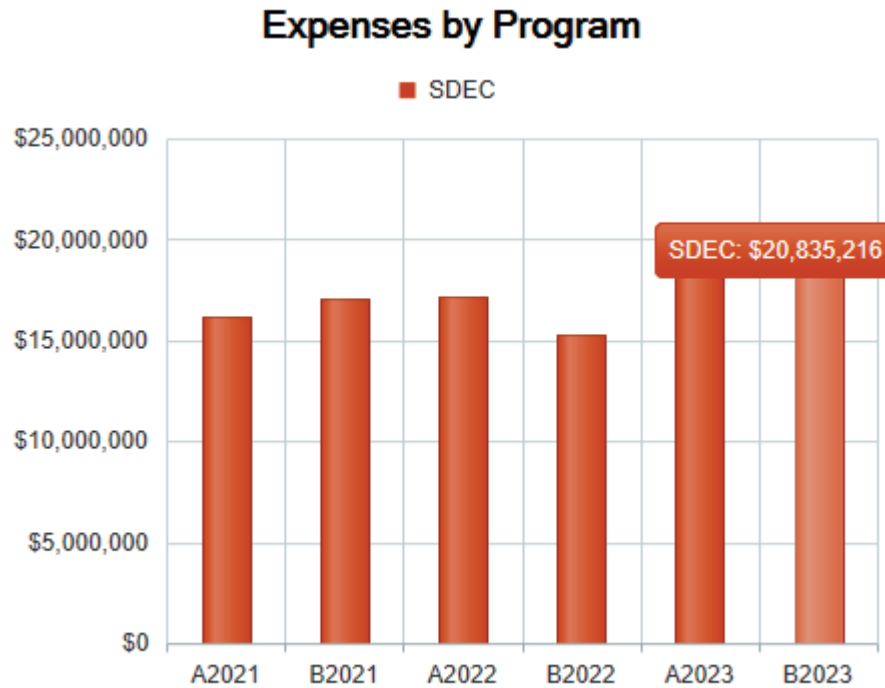
2022 - 2023	Students	Teachers
zehtseo Ayha – Délıne	51.5	11.5
Chief Albert Wright – Tuli't'a	84.5	12
Mackenzie Mountain – Norman Wells	140	14
Chief T'Selehye – Fort Good Hope	119.5	13
Coville Lake – Colville Lake	51.5	8
Totals	501	58

The SDEC received the financial resources for the entire division on an annual basis. This funding is determined by a formula established by the Government of the Northwest Territories, Department of Education, Culture and Employment. Unfortunately, there are several underfunded areas of concern in the funding formula. This letter identifies four main areas of concern:

- *Salaries:* Education Bodies are required to pay staff salaries based on Collective Agreements (UNW and NWTTA) and policy (Excluded Managers and Senior Managers). The GNWT funds Education Bodies at mid-range for all salaries, regardless of the provisions outlined in the Collective Agreements and policy. This results in Education Bodies being underfunded for staff salaries, particularly for long-term employees.
- *Casual wages:* The SDEC currently expends a significant amount of the funding received from the GNWT on casual wages. Although the GNWT provides funding for casual wages, the funding is formula-based rather than based on actual costs. As a result, the SDEC is funding the cost of casual wages from dollars meant for student programming.
- *Student transportation:* The GNWT provides funding for student transportation based on the funding formula. The cost of providing transportation services for students is significantly higher than what is provided by GNWT. As a result, the SDEC is funding the cost of student transportation from dollars intended for student programming.
- *Teacher attrition:* Teacher attrition is a significant concern for the SDEC each school year. Historically, each school year represents approximately 15-20% of teachers leaving the region to seek employment elsewhere in the NWT or in southern Canada. With the onset of the pandemic, the rate of teacher attrition has increased to 20-25% of teachers leaving the region. This poses not only challenges for continuity of learning for students, but also increases the cost of relocation (removal in) as the SDEC hires new teachers to fill vacant positions.

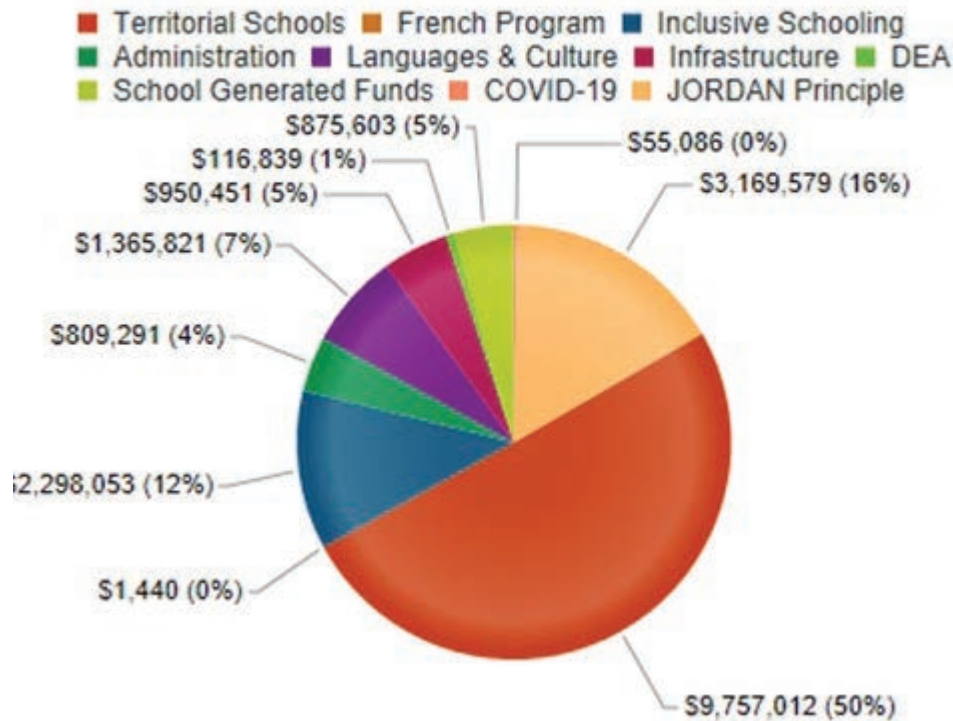
FINANCIAL CONDITION

The bar chart below provides a historical comparison of revenues and expenditures over the past 3 years.



For the year ending June 30, 2023, the SDEC had an operating surplus of \$ 114,296. During the 2023-2023 school year, a few school-based positions remained vacant, employees left their position early or were filled with staff at a lower rate of salary.

Expenses by Function



Funding from the Government of the Northwest Territories, Department of Education, Culture and Employment makes up 84% of the SDEC's revenues and 16% or \$3.169 million revenue is from the Jordan's Principle.

The following are the featured financial metrics of SDEC:

- **Jordan's Principle:** Jordan's Principle was a focused initiative of SDEC in the SY2022-2023. The SDEC administered programs of the Jordan's Principle for \$3.169 million and this trend will be continued in the next school years.

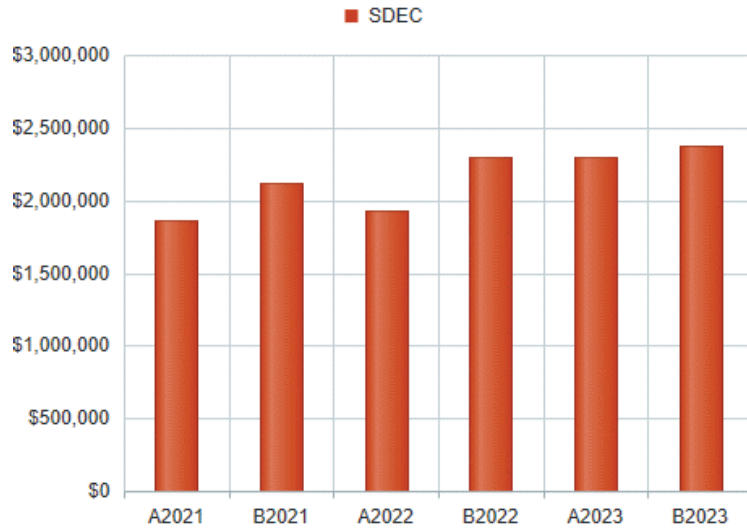
Jordan's Principle's expenses were 16% of total SDEC expenses in SY2022-2023.

The most successful Jordan's Principle's project was Chief Albert Wright – Tulita Culture Instructor program as 98% approved project was fully utilized in SY2022- 2023.

Another featured Jordan's Principle program is Numeracy/ Literacy and Sahtu Educational Council is focusing on the deliverable of this program. The expenses incurred on Numeracy/ Literacy project were \$988,624 in SY 2022-2023.

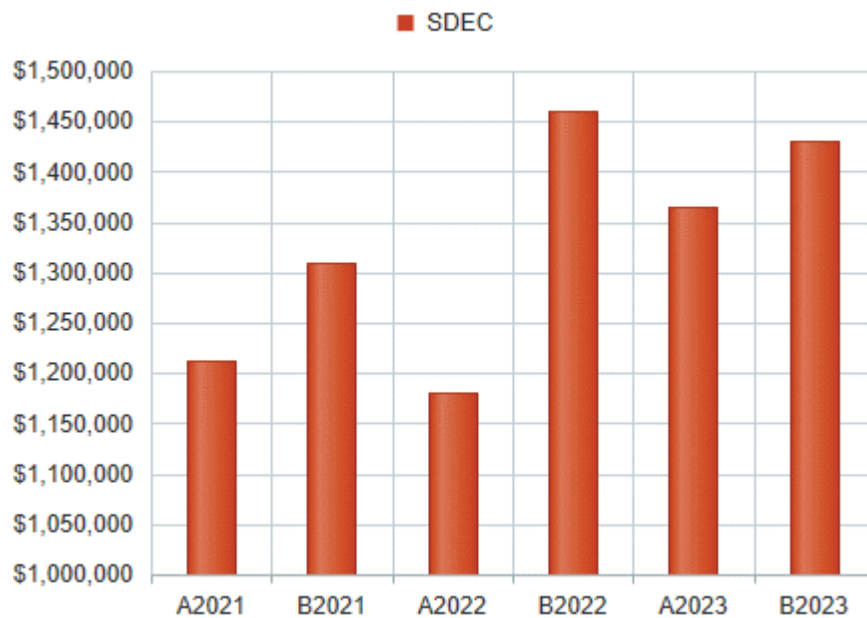
- **Inclusive Schooling:** The approved budget was \$2.38 million for the SY2022-2023 and the actual utilization of budget was \$2.298 million, or 96.95% utilization of the budget. This is a remarkable accomplishment in a difficult school year.

Expenses by Program



- **Indigenous Language & ED:** The ILE approved budget for SY2022-2023 was \$1.431 million and expenses were \$1.365 million or 95.5% utilization of approved budget.

Expenses by Program



- The Indigenous Language Instructor was a success story in SY2022-2023 and the SDEC expenses for this program was \$752,705.29 or utilization of 103 % of approved funds.
- Resource Development was a focused program in SY2022-2023 and 86% of the approved funding was utilized. The funding allocated to the Resource Development was \$160,000 in SY2022-2023 compared to \$76,500 in SY2021-2022.

Summary and Outlook

The SDEC's vision for education has been to provide excellence in teaching and learning within contexts that honours the culture and language of the community. Safe and caring schools allow all students to achieve success, as defined by individual students' dreams, aspirations and abilities. Learning continues beyond secondary school and students are equipped to meet the demands of changing times by having the skills of life-long learners.

Growing Forward Together: Strategic Plan 2020-2025 captures the Sahtú schools' leadership goal to collaborate widely to find innovative solutions to historical challenges in education, while moving forward jointly with community leadership's vision for its children and what the community aspires to become. With the 2022 - 2023 school year coming to a close, the Sahtú DEC looks to further the implementation of *Growing Forward Together* through collaboration between school and community.

In summary, the Sahtú Divisional Education Council is currently in sound financial health and is planning to manage its financial resources effectively and efficiently due to the budget reduction for SY2023-2024 by the Department of Education, Culture and Employment.

The SDEC has implemented approved retention plan SY2022-2023 with a focus on providing quality education programs in the Sahtu Region.

We are seeing an increase in the number of students entering the Sahtú school system with vulnerabilities and complex needs. Our schools have been proactive in applying for and receiving over \$5.093 million dollars for SY 2022-2023 for approved programs through the Jordan's Principle and Child First Initiative. The availability of these funds has been a "game changer" for our region and our schools. We have accessed funding to support individual students with one-on-one classroom support, additional healthy nutritional foods, Speech and Language Pathology and literacy and numeracy resources. It is our hope that the important and vital Federal Government funding continues to be available to Education Bodies, including the SDEC.

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.



Renee Closs
Superintendent
Sahtu Divisional Education Council

August 29, 2023

Date



Siddik Mohammad
Comptroller
Sahtu Divisional Education Council

August 30, 2023

Date

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, 2023, 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, 2023, 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:

Independent Auditor's Report (continued)

- 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.

The logo for Ashton Chartered Accountants, featuring the word "Ashton" in a stylized, handwritten-style font.

ASHTON
Chartered Accountants
Business Advisors

Hay River, NT
August 30, 2023

Sahtu Divisional Education Council

Consolidated Statement of Financial Position

June 30, 2023

	2023	2022
FINANCIAL ASSETS		
Cash, Note 4	\$ 8,770,318	\$ 8,362,813
Special purpose funds, Note 5	407,096	140,549
Accounts receivable, Note 8	433,572	305,934
	<u>\$ 9,610,986</u>	<u>\$ 8,809,296</u>

LIABILITIES

Accounts payable and accrued liabilities, Note 10	\$ 184,438	\$ 715,890
Payroll liabilities, Note 10	1,224,137	1,732,923
Deferred revenue, Note 11	4,358,325	2,548,911
Other employee future benefits and compensated absences, Note 17	963,212	1,076,788
	<u>6,730,112</u>	<u>6,074,512</u>
Net Financial Assets (Deficit)	<u>\$ 2,880,874</u>	<u>\$ 2,734,784</u>

NON-FINANCIAL ASSETS

Prepaid expenses, Note 20	\$ -	\$ 31,794
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ACCUMULATED SURPLUS (DEFICIT)	\$ 2,880,874	\$ 2,766,578
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Contractual obligations, Note 22

Approved on behalf of council:

Heather Ba Chair

De Superintendent

Sahtu Divisional Education Council

Consolidated Statement of Operations and Surplus

For the year ended June 30, 2023

	Budget 2023	Actual 2023	Actual 2022
Revenue			
Government of the Northwest Territories			
ECE Regular Contributions	\$ 14,943,672	\$ 15,063,633	\$ 14,971,140
French Language Instruction	-	69,000	71,500
ECE Other Contributions, Note 31	110,000	294,355	181,461
Total ECE	15,053,672	15,426,988	15,224,101
GNWT Other Contributions, Note 32	-	264,586	215,874
Total GNWT	\$ 15,053,672	\$ 15,691,574	\$ 15,439,975
Jordan's Principle	5,093,376	3,169,579	2,615,392
Total Government of Canada	5,093,376	3,169,579	2,615,392
Education council generated funds			
Interest income	25,000	395,372	63,726
Other	483,350	441,072	336,866
	508,350	836,444	400,592
	20,655,398	19,697,597	18,455,959
Expenses			
Administration	759,425	929,550	958,732
School programs	10,996,530	11,260,450	10,937,546
Inclusive schooling	2,385,221	2,298,053	1,929,619
Operations and maintenance	174,952	233,080	190,846
Indigenous language and education	1,425,714	1,362,148	1,179,066
Jordan's Principle	5,093,374	3,169,586	2,615,392
	20,835,216	19,252,867	17,811,201
Operating Surplus (Deficit) before other item	\$ (179,818)	\$ 444,730	\$ 644,758
Other item:			
Other employee future benefits and compensated absences, Note 17		113,576	100,784
Surplus retention expenses		(444,010)	(153,988)
	\$ (179,818)	\$ 114,296	\$ 591,554
Accumulated surplus (Deficit), beginning of year		\$ 2,766,578	\$ 2,175,024
Accumulated surplus (deficit), end of year		\$ 2,880,874	\$ 2,766,578

Sahtu Divisional Education Council

Consolidated Statement of Changes in Net Assets (Debt)

For the year ended June 30, 2023

	2023	2022
Annual surplus (deficit)	\$ 114,296	\$ 591,554
Change in prepaid expenses	31,794	(24,629)
Increase (decrease) in net financial resources	146,090	566,925
Net financial resources, beginning of year	2,734,784	2,167,859
Net financial resources, end of year	\$ 2,880,874	\$ 2,734,784

Sahtu Divisional Education Council

Consolidated Statement of Cash Flow

For the year ended June 30, 2023

	2023	2022
Cash provided by (used in):		
Operating Transactions		
Operating Surplus (Deficit)	\$ 114,296	\$ 591,554
	114,296	591,554
Change in non-cash assets and liabilities:		
Accounts receivable	(127,638)	48,811
Accounts payable and accrued liabilities	(531,452)	247,214
Payroll liabilities	(508,786)	(1,069,998)
Deferred revenue	1,809,414	1,844,107
Post-employment benefits	(113,576)	(100,784)
Prepaid expenses	31,794	(24,628)
	559,756	944,722
Increase (Decrease) in cash and cash equivalents	674,052	1,536,276
Cash and cash equivalents, beginning of year	8,503,362	6,967,086
Cash and cash equivalents, end of year	\$ 9,177,414	\$ 8,503,362
Consists of:		
Cash	\$ 8,770,318	\$ 8,362,813
Special purpose funds	407,096	140,549
	\$ 9,177,414	\$ 8,503,362

Sahu Divisional Education Council

Consolidated Detail of Expenses

For the year ended June 30, 2023

Function	School Programs	Inclusive Schooling	Student Accom.	Operations & Maintenance	Council Administration	Indigenous Languages and Education	Jordan's Principle	2023 Total	2023 Budget	2022 Total
Salaries										
Teachers' salaries	\$ 7,433,902	\$ 900,802	\$ -	\$ -	\$ -	\$ 787,052	\$ 3,169,586	\$ 12,291,342	\$ 14,474,753	\$ 11,118,973
Instruction assistants	145,572	971,216	-	-	-	178,431	-	1,295,219	1,532,101	1,314,248
Non-instructional staff	1,205,875	191,339	-	-	637,101	246,150	-	2,280,465	2,072,975	2,171,784
Board/Trustee honorarium	-	-	-	-	43,725	-	-	43,725	78,800	74,559
	8,785,349	2,063,357	-	-	680,826	1,211,633	3,169,586	15,910,751	18,158,629	14,679,564
Employee Benefits										
Employee benefits and allowances	14,539	-	-	-	-	-	-	14,539	4,000	1,300
Leave and termination benefits	715,167	-	-	-	-	-	-	715,167	480,000	704,849
	729,706	-	-	-	-	-	-	729,706	484,000	706,149
Services Purchased/Contracted										
Professional services	242,395	156,193	-	-	-	26,243	-	424,831	325,479	310,548
Postage and communication	47,820	-	-	-	18,439	-	-	66,259	52,305	66,899
Utilities	-	-	-	-	-	-	-	-	-	-
Heating	-	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-	-
Water/Sewage	-	-	-	-	-	-	-	-	-	-
Travel	106,559	50,952	-	-	98,570	-	-	256,081	286,000	124,475
Student transportation (busing)	150,536	-	-	-	-	13,190	-	163,726	150,536	154,247
Advertising/printing/publishing	-	-	-	-	-	-	-	-	-	2,676
Maintenance and repair	31,906	-	-	7,799	-	-	-	39,705	30,000	46,633
Rentals and leases	-	-	-	225,281	-	-	-	225,281	167,752	184,496
Other contracted services	55,697	-	-	-	37,157	29,284	-	122,138	80,200	241,729
Other	36,568	27,551	-	-	52,377	-	-	116,496	150,583	223,567
	671,481	234,696	-	239,080	206,543	68,717	-	1,414,517	1,242,855	1,355,270
Materials, Supplies and Freight										
Materials	471,124	-	-	-	21,333	79,026	-	571,483	796,823	1,012,731
Freight	25,963	-	-	-	20,848	2,772	-	49,583	36,070	57,487
	497,087	-	-	-	42,181	81,798	-	621,066	832,893	1,070,218
Contributions/Transfers										
Special purpose funds	576,827	-	-	-	-	-	-	576,827	116,839	-
Total	\$ 11,260,450	\$ 2,298,053	\$ -	\$ 233,080	\$ 929,550	\$ 1,362,148	\$ 3,169,586	\$ 19,252,867	\$ 20,835,216	\$ 17,811,201

SAHTU DIVISIONAL EDUCATION COUNCIL

Indigenous Languages and Education Expenses

For the year ended June 30, 2023

	Student Instruction	Teaching/ Learning Resources	Professional Development	School Activities and Integrated Community Programs	2023 Total
Salaries					
ALCBE teachers	\$ 787,052	\$ -	\$ -	\$ -	787,052
Language consultants	-	-	-	-	-
Instruction assistants	178,431	-	-	-	178,431
Non-instructional staff	-	-	-	-	-
Honoraria	-	-	-	-	-
Elders in schools	57,276	-	-	188,874	246,150
	1,022,759	-	-	188,874	1,211,633
Employee Benefits					
Employee benefits and allowances	-	-	-	-	-
Services Purchased/Contracted					
Professional services	-	-	26,243	-	26,243
Travel	-	-	-	-	-
Student transportation (busing)	-	-	13,190	-	13,190
Advertising, printing and publishing	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-
Rentals and leases	-	-	-	-	-
Other contracted services	-	-	-	29,284	29,284
	-	-	39,433	29,284	68,717
Materials, Supplies and Freight					
Materials	-	-	-	79,025	79,025
Freight	-	-	-	2,773	2,773
	-	-	-	81,798	81,798
Total	\$ 1,022,759	\$ -	\$ 39,433	\$ 299,956	\$ 1,362,148

Sahtu Divisional Education Council

Inclusive Schooling Expenses

For the year ended June 30, 2023

	General Inclusive Schooling	Staff Development	Assistive Technology	Magnet Facilities	Total
Salaries					
Regional Coordinator	\$ 191,339	\$ -	\$ -	\$ -	\$ 191,339
Program Support Teachers	900,802	-	-	-	900,802
Support Assistants	971,216	-	-	-	971,216
	<u>2,063,357</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,063,357</u>
Employee Benefits					
Employee benefits and allowances	-	-	-	-	-
Services Purchased/Contracted					
Professional/Technical Services	156,193	-	-	-	156,193
Travel	50,952	-	-	-	50,952
Student Transportation (Busing)	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-
Rentals/Leases	-	-	-	-	-
Other contracted services	27,551	-	-	-	27,551
	<u>234,696</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>234,696</u>
Materials, Supplies and Freight					
Materials	-	-	-	-	-
Freight	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ 2,298,053	\$ -	\$ -	\$ -	\$ 2,298,053

Sahtu Divisional Education Council

French Language Programs

For the year ended June 30, 2023

	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	\$ 55,000	\$ 45,000	\$ 131,169
French Program - Other	19,825	-	1,440
	74,825	45,000	132,609

Sahtu Divisional Education Council

Jordan's Principle

For the year ended June 30, 2023

	June 30, 2023 Budget	Full Year Total June 30, 2023 Actual	June 30, 2023 Actual	9 and 3 Month Split July 1, 2023 - Mar 31, 2023 Actual	Apr 1, 2022 - Jun 30, 2022 Actual
Revenue					
Government of Canada					
FN and Inuit Health Branch	\$ 5,093,374	\$ 5,069,566	\$ 4,666,604	\$ 4,989,045	\$ 80,521
Carry Forward from Previous Year		2,282,136	230,924	2,282,136	-
Total Revenue	5,093,374	7,351,702	4,897,528	7,271,181	80,521
Expenses					
Administration	-	-	-	-	-
Personnel	4,046,517	2,654,437	2,134,387	1,561,912	1,092,526
Transportation	118,726	130,599	3,711	118,726	11,873
Materials and Supplies	51,954	131,883	189,866	100,059	31,824
Rent and Utilities	-	-	-	-	-
Evaluation	767,448	164,795	281,182	46,293	118,502
Other	108,729	87,865	6,246	87,865	-
Total Expenses	5,093,374	3,169,579	2,615,392	1,914,856	1,254,724
Net Surplus/(Deficit)	-	\$ 4,182,123	\$ 2,282,136	\$ 5,356,326	\$ (1,174,203)
Deferred revenue		\$ 4,182,123	\$ 2,282,136	\$ 5,356,326	\$ (1,174,203)

Sahtu Divisional Education Council

Northern Distance Learning

For the year ended June 30, 2023

	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 Employ	\$ -	\$ 35,250	\$ 36,250	\$ 36,250	\$ 37,250	\$ -	\$ 145,000	\$ 97,152	\$ 47,848	\$ 145,000
Other	-	-	-	-	-	-	-	-	-	-
	-	35,250	36,250	36,250	37,250	-	145,000	97,152	47,848.00	145,000
Expenses										
Salaries/Wages										
Instructional Staff	-	-	-	-	-	-	-	-	-	-
<i>Teachers</i>	-	-	-	-	-	-	-	-	-	-
<i>On-site support person</i>	-	-	-	-	-	-	-	-	-	-
Non-Instructional Staff	-	-	-	-	-	-	-	-	-	-
<i>Moodle (Online strategy)</i>	-	-	-	-	-	-	-	-	-	-
<i>DL Coordinator</i>	-	-	-	-	-	-	-	-	-	-
<i>PD - online learning field</i>	-	27,315	39,172	42,568	18,680	-	127,735	76,072	51,663	127,735
Other	-	-	-	-	-	-	-	-	-	-
Services Purchased/Contracted										
Network	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-
<i>Coordinator travel</i>	-	-	-	-	-	-	-	-	-	-
Professional Development	-	-	-	-	-	-	-	-	-	-
Communication	-	-	-	-	-	-	-	-	-	-
<i>In-service release</i>	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<i>IT support</i>	-	-	-	-	-	-	-	-	-	-
Materials, Supplies and Freight										
Computer Equipment	-	-	-	-	-	-	-	-	-	-
<i>Document cameras</i>	-	-	-	-	-	-	-	-	-	-
<i>Phone</i>	-	-	-	-	-	-	-	-	-	-
<i>Laptop</i>	-	-	-	-	-	-	-	-	-	-
<i>Video (Monopad)</i>	-	-	-	-	-	-	-	-	-	-
<i>Wireless adapters and splitter</i>	-	-	-	-	-	-	-	-	-	-
Freight	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total expenses	-	27,315	39,172	42,568	18,680	-	127,735	76,072	51,663	127,735
Net surplus/(deficit)	\$ -	\$ 7,935	\$ (2,922)	\$ (6,318)	\$ 18,570	\$ -	\$ 17,265	\$ 21,080	\$ (3,815)	\$ 17,265

Sahtu Divisional Education Council

Student Success Initiative Projects

For the year ended June 30, 2023

	Budget 2022-2023	Actual 2022-2023
Revenue		
Education, Culture and Employment	\$ 55,000	\$ 55,000
NWTTA	41,062	41,062
Total Revenue	96,062	96,062
Expenses		
Professional Development		
<u>Salaries/Wages</u>		
Facilitator fees (include per diem)	55,000	40,000
Substitute teacher wages	-	-
Staff (p/y)	-	-
<u>Travel</u>		
Facilitator travel	-	19,745
Staff travel	-	-
Accommodation/Daily per diems	-	-
Other expenses	-	-
<u>Workshop Expenses</u>		
Room rental	-	-
Refreshments	-	-
Resources	-	-
Miscellaneous	-	-
Total Professional Development	55,000	59,745
Program Delivery (ECE SSI Funding Only)		
<u>Salaries/Wages</u>		
Facilitator fees (include per diem)	41,062	26,977
Substitute teacher wages	-	5,332
Staff (p/y)	-	-
<u>Other Expenses</u>		
Room rental	-	16,327
Materials and Supplies	-	1,070
Miscellaneous	-	-
Total Program Delivery	41,062	49,706
Total Expenses	96,062	109,451
Net Surplus/(Deficit)	-	(13,389)

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2023

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 consolidated 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.

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2023

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.

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2023

(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* 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.

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2023

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.

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2023

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**

Future Accounting Changes

Effective July 1, 2023, Education Bodies will be required to adopt PS 3400 Revenue. This standard provides guidance how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. The impact of these standards on the consolidated financial statements is currently being assessed.

Sahtu Divisional Education Council

Consolidated Statement of Operations and Surplus

For the year ended June 30, 2023

Note 4. Cash and Cash Equivalents

	2023		2022	
Cash	\$	8,770,318	\$	8,362,813
Short term investments		-		-
	\$	8,770,318	\$	8,362,813

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.

	2023		2022	
Colville Lake	\$	32,210	\$	-
Deline		43,953		23,902
Fort Good Hope		83,051		25,169
Norman Wells		78,848		29,998
Tulita		169,034		26,356
SDEC (CJC)		-		35,124
	\$	407,096	\$	140,549

Note 6. Restricted Assets - Not Applicable

Note 7. Portfolio Investments - Not Applicable

Note 8. Accounts Receivable

	Receivables 2023		AFDA 2023		Net 2023		Net 2022	
GNWT - ECE	\$	202,703	\$	-	\$	202,703	\$	151,760
GNWT - HSS		-		-		-		-
GNWT - MACA		-		-		-		26,751
GNWT - Justice		2,034		-		2,034		28,000
GNWT - ENR		19,562		-		19,562		-
Total Due from GNWT		224,299		-		224,299		206,511
WSCC		49,675		-		49,675		70,000
Other		269,865		110,267		159,598		29,423
	\$	543,839	\$	110,267	\$	433,572	\$	305,934

Note 9. Inventories - Not Applicable

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2023

Note 10. Accounts Payable and Accrued Liabilities

	2023	2022
Accounts payable and accrued liabilities		
GNWT	\$ 29,247	\$ 190,155
WSCC	49,375	70,000
Trade payables	105,816	455,735
	184,438	715,890
Payroll liabilities		
To GNWT (A)	14,800	563,969
To Employees (B)	1,127,845	1,045,021
Annual Leave	81,492	111,836
Lieu	-	-
Other	-	12,097
	1,224,137	1,732,923
	\$ 1,408,575	\$ 2,448,813

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

	2023	2022
MACA		
Rainbow Coalition	\$ -	\$ 5,304
Health and Social Services		
CEC Indigenous Health Supplies	-	54,250
Justice		
Community Justice	-	35,124
Education Culture and Employment		
Library	118,013	100,122
Self-regulation	-	2,034
Covid-19 Support Funding	-	63,898
French program	18,385	5,825
Industry Tourism and Investment		
Greenhouse Supplies	28,548	-
Other		
Jordan's Principle	4,182,122	2,282,136
MakeWay On the Land Collaborative	11,257	218
	\$ 4,358,325	\$ 2,548,911

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2023

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, 2023. 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.

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2023

Note 17. Other employee future benefits and compensated absences (continued)

	Severance and removal	Compensated Absences	2023	2022
Changes in Obligation				
Accrued benefit obligations beginning of the year	\$ 703,102	\$ 139,120	\$ 842,222	\$ 777,454
Current period benefit cost	55,084	14,859	69,943	69,846
Interest accrued	29,419	6,086	35,505	26,329
Benefits payments	(110,489)	(10,936)	(121,425)	(92,522)
Actuarial (gain)/loss	(3,899)	(8,612)	(12,511)	61,942
Plan amendments	-	-	-	(827)
Accrued benefit obligation end of year	673,217	140,517	813,734	842,222
Unamortized net actuarial gain	154,469	(4,991)	149,478	234,566
Net future obligation	827,686	135,526	963,212	1,076,788
Benefits Expense				
Current period benefit cost	55,087	14,862	69,949	69,846
Interest accrued	29,422	6,089	35,511	26,329
Plan amendments	-	-	-	(827)
Amortization of actuarial gains	(89,482)	(8,127)	(97,609)	(103,609)
	(4,973)	12,824	7,851	(8,261)

The discount rate used to determine the accrued benefit obligation is an average of 4.8% (2022: 4.1%). The Expected inflation rate is 2.0% (2022: 2.0%). The Expected average remaining service life of related employee groups (EARSL is 10.3 years (2022: 20.3 years) was applied.

The expected payments during the next five fiscal years are:

	Severance and removal	Compensated Absences	Total
Year 1	\$ 82,931	\$ 11,880	\$ 94,811
Year 2	90,164	13,575	103,739
Year 3	85,424	15,545	100,969
Year 4	73,938	15,954	89,892
Year 5	70,446	15,717	86,163
Next 5 years	331,750	78,656	410,406

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2023

Note 18. Trust Assets and Liabilities under Administration - Not Applicable

Note 19. Tangible Capital Asset - Not Applicable

Note 20. Prepaid Expenses

	2023	2022
Prepaid expenses	\$ -	\$ 31,794

Note 21. GNWT Assets Provided at No Cost

	Cost	Accumulated Amortization	Net Book Value	
			2023	2022
Buildings				
Schools and colleges	\$ 67,332,558	\$ 29,891,200	\$ 37,441,358	\$ 39,179,168
Staff Housing	275,800	162,667	113,133	125,475
	\$ 67,608,358	\$ 30,053,867	\$ 37,554,491	\$ 39,304,643

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, 2023.

	Expires in Fiscal Year *	2024	2025 and thereafter	Total
Commercial and residential leases	2026	\$ 106,752	\$ 231,296	\$ 338,048
Contracts	2026	272,422	250,000	522,422

* 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.

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2023

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 June 30, 2022 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, 2023.

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.

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2023

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

	2023 Budget	2023 Actual	2022 Actual
Salaries	\$ 18,158,629	\$ 15,910,751	\$ 14,679,564
Employee Benefits	484,000	729,706	706,149
Services Purchased/Contracted	1,242,855	1,414,517	1,355,270
Materials, Supplies and Freight	949,732	621,066	1,070,218
	\$ 20,835,216	\$ 18,676,040	\$ 17,811,201

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

	2023	2022
Library	\$ 144,000	\$ 144,000
Northern distance learning	145,000	215,500
Self regulation	-	6,000
Less: Deferred revenue & contributions repaid	5,355	(184,039)
	\$ 294,355	\$ 181,461

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2023

Note 32. GNWT - Other Contributions

	2023	2022
Municipal and Community Affairs		
Active After School	\$ 76,500	\$ 76,500
Youth contribution	5,000	-
Volleyball	3,000	-
Regional Youth Sporting Event	15,000	-
Learn to skate	5,000	-
Rainbow	-	10,300
SSI	-	55,000
Environment and Natural Resources		
Take a Kid Trapping	19,562	39,546
Health and Social Services		
Drop The Pop	8,900	8,900
Drop The Pop Award	1,000	-
Nutrition North	29,400	29,400
Industry Tourism and Investment		
Greenhouse supplies	62,240	
Justice		
Community Justice	56,000	56,000
Less: Deferred revenue & contributions repaid	(17,016)	(59,772)
	\$ 264,586	\$ 215,874

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, 2023

	2023 Budget	2023 Actual	2022 Actual
Revenue			
Government of the Northwest Territories			
ECE Regular Contributions	\$ 14,943,672	\$ 15,063,633	\$ 14,971,140
French Language Instruction	-	69,000	71,500
ECE Other Contributions, Note 31	110,000	294,355	181,461
Total ECE	15,053,672	15,426,988	15,224,101
GNWT Other Contributions, Note 32	-	264,586	215,874
Total GNWT	\$ 15,053,672	\$ 15,691,574	\$ 15,439,975
Jordan's Principle	5,093,376	3,169,579	2,615,392
Total Government of Canada	5,093,376	3,169,579	2,615,392
Education council generated funds			
Interest income	25,000	395,372	63,726
Other	483,350	320,233	218,952
Total	508,350	715,605	282,678
Total	20,655,398	19,576,758	18,338,045
Administration	759,425	810,977	829,789
School programs	10,996,530	11,260,450	10,937,546
Inclusive schooling	2,385,221	2,298,053	1,929,619
Operations and maintenance	174,952	233,080	190,846
Aboriginal languages	1,425,714	1,362,148	1,179,066
Jordan's Principle	5,093,374	3,169,586	2,615,392
Total	20,835,216	19,134,294	17,682,258
Excess (Deficiency) of Revenue over Expenditure	\$ (179,818)	\$ 442,464	\$ 655,787
Other item:			
Other employee future benefits and compensated absences		113,576	100,784
Surplus retention expenses		(444,010)	(153,988)
Total	\$ -	\$ 112,030	\$ 602,583
Accumulated surplus (deficit), beginning of year		2,713,310	2,057,523
Accumulated surplus (deficit), end of year		\$ 2,825,340	\$ 2,713,310

SATHU DIVISIONAL EDUCATION COUNCIL
Schedule A-2 - Details of Council Expenses (Non-Consolidated)

For the year ended June 30, 2023

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Council Administration	Indigenous Languages and Education	Jordan's Principle	2023 Total
Salaries								
Teachers' salaries	\$ 7,433,902	\$ 900,802	\$ -	\$ -	\$ -	\$ 787,052	\$ 3,169,586	\$ 12,291,342
Instruction Assistant	145,572	971,216	-	-	-	178,431	-	1,295,219
Non Instructional Staff	1,205,875	191,339	-	-	588,212	246,150	-	2,231,576
Board/Trustee Honoraria	-	-	-	-	12,189	-	-	12,189
	8,785,349	2,063,357	-	-	600,401	1,211,633	3,169,586	15,830,326
Employee Benefits								
Employee benefits and allowances	14,539	-	-	-	-	-	-	14,539
Leave and termination benefits	715,167	-	-	-	-	-	-	715,167
	729,706	-	-	-	-	-	-	729,706
Services Purchased/Contracted								
Professional/Technical Services	242,395	156,193	-	-	-	26,243	-	424,831
Postage/Communication	47,820	-	-	-	18,439	-	-	66,259
Utilities	-	-	-	-	-	-	-	-
Heating	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-
Water/Sewage	-	-	-	-	-	-	-	-
Travel	106,559	50,952	-	-	98,570	-	-	256,081
Student Travel (busing)	150,536	-	-	-	-	13,190	-	163,726
Advertising/Printing/Publishing	-	-	-	-	-	-	-	-
Maintenance/Repair	31,906	-	-	7,799	-	-	-	39,705
Rentals/Leases	-	-	-	225,281	-	-	-	225,281
Other - Contracted Services	55,697	-	-	-	37,157	29,284	-	122,138
Other - Miscellaneous	36,568	27,551	-	-	14,229	-	-	78,348
	671,481	234,696	-	233,080	168,395	68,717	-	1,376,369
Materials, Supplies and Freight								
Materials	471,124	-	-	-	21,333	79,026	-	571,483
Freight	25,963	-	-	-	20,848	2,772	-	49,583
	497,087	-	-	-	42,181	81,798	-	621,066
Contributions and Transfers								
Special purpose funds	576,827	-	-	-	-	-	-	576,827
Total	\$ 11,260,450	\$ 2,298,053	\$ -	\$ 233,080	\$ 810,977	\$ 1,362,148	\$ 3,169,586	\$ 19,134,294

SAHTU DIVISIONAL EDUCATION COUNCIL

Schedule B-1 District Education Authorities
Statement of Operations - Non-Consolidated

For the year ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual
Revenue			
Contributions from Divisional Council	\$ 116,839	\$ 116,839	\$ 117,914
Other (One-time DEC contribution)	-	4,000	-
Total revenue	116,839	120,839	117,914
Expenditure			
Administration	116,839	118,573	128,943
School programs	-	-	-
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	-	-
	116,839	118,573	128,943
Surplus (Deficit)	-	2,266	(11,029)
Opening equity		53,268	64,297
Closing equity		\$ 55,534	\$ 53,268
Composition of Ending Accumulated Surplus			
Cash		\$ -	\$ -
Accounts receivable		55,534	53,268
Accounts payable		-	-
		\$ 55,534	\$ 53,268

SAHTU DIVISIONAL EDUCATION COUNCIL

Schedule B-2 - Details of DEA Expenses

Non-Consolidated

For the year ended June 30, 2023

Function	School Programs	Inclusive Schooling	Student Accom.	Operations and Maintenance	Administration	Indigenous Languages and Education	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non-instructional Staff	-	-	-	-	48,889	-	48,889
Board/Trustee Honorarium	-	-	-	-	31,536	-	31,536
	-	-	-	-	80,425	-	80,425
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	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Fees	-	-	-	-	-	-	-
Other - Special Requests	-	-	-	-	38,148	-	38,148
	-	-	-	-	38,148	-	38,148
Materials/Supplies/Freight							
Materials	-	-	-	-	-	-	-
Freight	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ 118,573	\$ -	\$ 118,573

COLVILE LAKE

District Education Authority
Statement of Operations

For the year ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual
Revenue			
Contributions from Divisional Council	\$ 18,698	\$ 18,698	\$ 19,644
Other (One-time DEC contribution)	-	4,000	-
	18,698	22,698	19,644
Expenses			
Administration	18,698	25,282	18,191
School programs	-	-	-
Inclusive schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	-	-
	18,698	25,282	18,191
Surplus (Deficit)	-	(2,584)	1,453
Opening equity	-	1,897	444
Closing equity	\$	(687)	\$ 1,897
Composition of Closing Equity			
Cash	\$	-	\$ -
Accounts Receivable		(687)	1,897
Accounts Payable		-	-
	\$	(687)	\$ 1,897

COLVILLE LAKE

District Education Authority
Details of Expenses

For the year ended June 30, 2023

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	-	-	-	-
Board/Trustee Honoraria	-	-	-	-	14,248	-	14,248
	-	-	-	-	14,248	-	14,248
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	-	-	-	-	11,034	-	11,034
	-	-	-	-	11,034	-	11,034
Materials/Supplies/Freight							
Materials	-	-	-	-	-	-	-
Freight	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ 25,282	\$ -	\$ 25,282

NORMAN WELLS

District Education Authority
Statement of Operations

For the year ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual
Revenue			
Contributions from Divisional Council	\$ 27,298	\$ 27,298	\$ 27,642
Other	-	-	-
	<u>27,298</u>	<u>27,298</u>	<u>27,642</u>
Expenses			
Administration	27,298	21,810	27,720
School programs	-	-	-
Inclusive schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	-	-
	<u>27,298</u>	<u>21,810</u>	<u>27,720</u>
Surplus (Deficit)	-	5,488	(78)
Opening equity		22,854	22,932
Closing equity	\$	28,342	\$ 22,854
Composition of Closing Equity			
Cash	\$	-	\$ -
Accounts Receivable		28,342	22,854
Accounts Payable		-	-
	<u>\$</u>	<u>28,342</u>	<u>\$ 22,854</u>

NORMAN WELLS

District Education Authority
Details of Expenses

For the year ended June 30, 2023

Function	School Programs	Inclusive Schooling	Accommodation	Student	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries								
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	-	-	11,334	-	11,334
Board/Trustee Honoraria	-	-	-	-	-	-	-	-
	-	-	-	-	-	11,334	-	11,334
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	-	-	-	-	-	10,476	-	10,476
	-	-	-	-	-	10,476	-	10,476
Materials/Supplies/Freight								
Materials	-	-	-	-	-	-	-	-
Freight	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	21,810	\$ -	21,810

DELINE

District Education Authority
Statement of Operations

For the year ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual
Revenue			
Contributions from Divisional Council	\$ 22,912	\$ 22,912	\$ 23,514
Other	-	-	-
	<u>22,912</u>	<u>22,912</u>	<u>23,514</u>
Expenses			
Administration	22,912	23,280	44,072
School programs	-	-	-
Inclusive schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	-	-
	<u>22,912</u>	<u>23,280</u>	<u>44,072</u>
Surplus (Deficit)	-	(368)	(20,558)
Opening equity		597	21,155
Closing equity	\$	229	\$ 597
Composition of Closing Equity			
Cash	\$	-	\$ -
Accounts Receivable		229	597
Accounts Payable		-	-
	<u>\$</u>	<u>229</u>	<u>\$ 597</u>

DELINE

District Education Authority
Details of Expenses

For the year ended June 30, 2023

Function	School Programs	Inclusive Schooling	Accommodation	Student	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries								
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	-	-	11,862	-	11,862
Board/Trustee Honoraria	-	-	-	-	-	6,529	-	6,529
	-	-	-	-	-	18,391	-	18,391
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	-	-	-	-	-	4,889	-	4,889
	-	-	-	-	-	4,889	-	4,889
Materials/Supplies/Freight								
Materials	-	-	-	-	-	-	-	-
Freight	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,280	\$ -	\$ 23,280

FORT GOOD HOPE

District Education Authority
Statement of Operations

For the year ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual
Revenue			
Contributions from Divisional Council	\$ 25,707	\$ 25,707	\$ 25,105
Other	-	-	-
	<u>25,707</u>	<u>25,707</u>	<u>25,105</u>
Expenses			
Administration	25,707	30,692	23,051
School programs	-	-	-
Inclusive schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	-	-
	<u>25,707</u>	<u>30,692</u>	<u>23,051</u>
Surplus (Deficit)	-	(4,985)	2,054
Opening equity		5,209	3,155
Closing equity	\$	224	\$ 5,209
Composition of Closing Equity			
Cash	\$	-	\$ -
Accounts Receivable		224	5,209
Accounts Payable		-	-
	<u>\$</u>	<u>224</u>	<u>\$ 5,209</u>

FORT GOOD HOPE

District Education Authority
Details of Expenses

For the year ended June 30, 2023

Function	School Programs	Inclusive Schooling	Accommodation	Student	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries								
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	-	-	12,057	-	12,057
Board/Trustee Honoraria	-	-	-	-	-	9,637	-	9,637
	-	-	-	-	-	21,694	-	21,694
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	-	-	-	-	-	8,998	-	8,998
	-	-	-	-	-	8,998	-	8,998
Materials/Supplies/Freight								
Materials	-	-	-	-	-	-	-	-
Freight	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	30,692	\$ -	30,692

TULITA

District Education Authority Statement of Operations

For the year ended June 30, 2023

	2023 Budget	2023 Actual	2022 Actual
Revenue			
Contributions from Divisional Council	\$ 22,224	\$ 22,224	\$ 22,009
Other	-	-	-
	<u>22,224</u>	<u>22,224</u>	<u>22,009</u>
Expenses			
Administration	22,224	17,509	15,909
School programs	-	-	-
Inclusive schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	-	-
	<u>22,224</u>	<u>17,509</u>	<u>15,909</u>
Surplus (Deficit)	-	4,715	6,100
Opening equity		22,711	16,611
Closing equity		<u>\$ 27,426</u>	<u>\$ 22,711</u>
Composition of Closing Equity			
Cash	\$	-	\$ -
Accounts Receivable		27,426	22,711
Accounts Payable		-	-
	<u>\$</u>	<u>27,426</u>	<u>\$ 22,711</u>

TULITA

District Education Authority
Details of Expenses

For the year ended June 30, 2023

Function	School Programs	Inclusive Schooling	Accommodation	Student	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries								
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	-	-	13,636	-	13,636
Board/Trustee Honoraria	-	-	-	-	-	1,122	-	1,122
	-	-	-	-	-	14,758	-	14,758
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	-	-	-	-	-	2,751	-	2,751
	-	-	-	-	-	2,751	-	2,751
Materials/Supplies/Freight								
Materials	-	-	-	-	-	-	-	-
Freight	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,509	\$ -	\$ 17,509

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
FORT SMITH, NT**

**CONSOLIDATED ANNUAL FINANCIAL REPORT
June 30, 2023**

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**Management Discussion and Analysis
For the year ended June 30, 2023**

Introduction

This management discussion and analysis is prepared as part of the responsibility of management and the *South Slave Divisional Education Council* (SSDEC) to promote transparency and accountability in its financial reporting.

The SSDEC was established in 1991 with a mandate to provide quality pre-kindergarten (4 yr olds) to grade twelve education to approximately 1,200 students in the communities of Hay River, Fort Smith, K’atlodeeche, Fort Resolution and Lutsel K’e. The SSDEC is comprised of one representative from each of the five community-based District Education Authorities (DEAs). DEAs are elected or appointed at the community level, and each DEA chooses one of its members to represent them at the regional SSDEC meetings. The 2022/23 representatives were as follows:

- Fort Smith – Crystal McKinnon
- Fort Resolution – Bess Ann McKay (Chairperson)
- Hay River – Pennie Pokiak (Vice-Chairperson)
- K’atlodeeche – Crystal Sabourin
- Lutsel K’e – Iris Catholique

Key senior management positions were as follows:

- Superintendent – Dr. Souhail Soujah
- Asst. Superintendent – Cora America
- Comptroller – Shawn Brace, CPA and Darlene Anstey (started June 5, 2023)

The SSDEC and its DEAs are committed to a philosophy of education which is built upon a foundation of enabling communities, DEAs, schools, staff members, and parents to help students reach their potential. Student achievement is at the heart of everyone’s work at the SSDEC and is the common thread connecting the Council’s vision, mission, beliefs and values.

VISION
All individuals reach their educational potential
MISSION
<i>The South Slave Divisional Education Council strives to prepare students to create their futures by ensuring high levels of learning for ALL.</i>

The SSDEC is committed to improving student *literacy, numeracy* and *social responsibility* as the key priorities for student success in school and in life.

Below is a summary of student and staff levels at each school for the 2022/23 year.

School	Students (FTE's)	Staffing (PY's) *
Joseph Burr Tyrrell	272.5	27.6
Paul William Kaeser	274.75	30.1
Sub-total (Fort Smith)	547.25	57.7
Harry Camsell	121.5	14.9
Princess Alexandra	140.0	15.1
Diamond Jenness	196.5	26.0
Sub-total (Hay River)	458.0	56.0
Chief Sunrise Education Centre (K'stloedeeche)	79.5	10.8
Deninu School (Fort Resolution)	98.5	12.9
Lutsel K'e Dene School (Lutsel K'e)	64.5	11.6
Overall Totals	1247.75	149.0

- Includes staff hired with Jordan's Principle funding.

Operating Environment

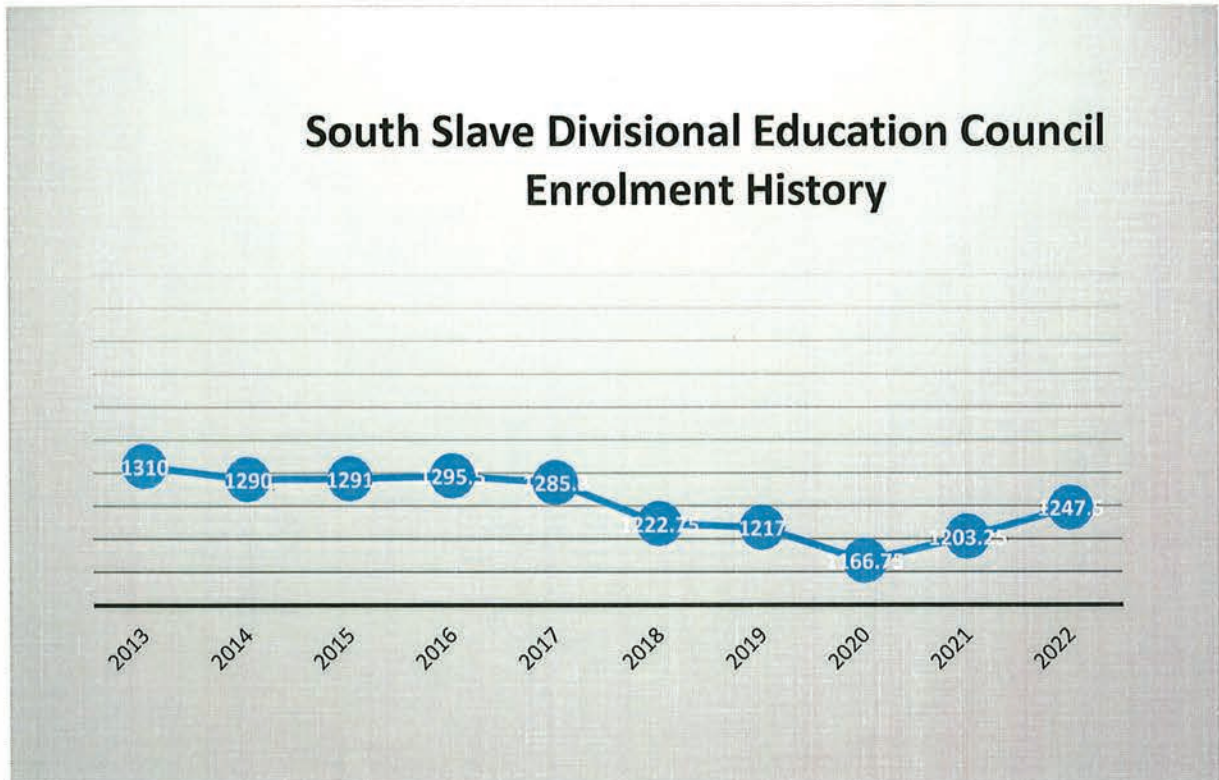
The SSDEC receives the financial resources for the entire division on an annual basis, largely through a funding formula established by the *GNWT Department of Education, Culture and Employment (ECE)*. Unfortunately, there are a number of unfunded and underfunded areas in the formula. For example:

- School boards are funded based on prior year teacher salaries, yet collective agreement provisions provide annual salary increments to staff, which school boards must pay. ECE also underfunds school boards for salaries of long-term UNW, Excluded and Managers
- School boards are funded for homeschooling the year following the enrollment of the home-schooled students, creating a temporary deficit
- ECE confirms that they are underfunding school boards by more than \$1 million per year for the hiring of casuals resulting from staff leave provisions in the collective agreements
- some of the funding formula line items are not indexed to keep up with inflation and have not increased in over 15 years

Per student ECE allocations for inclusive schooling have also decreased over the past several years.

Shrinking enrolment has also brought significant challenges over the last several years. South Slave student enrolment is now less than 70% of what it was fifteen years ago (1247.75 now vs. over 1800 previously). Both Paul William Kaeser and Chief Sunrise Education Center recorded an increase in enrolment for the 22-23 school year.

South Slave Divisional Education Council Enrolment History



Fewer students means less funding and less flexibility for the Council to allocate the resources necessary to continue to fund its priorities and a diversity of program offerings. We seem to have plateaued at around 1150-1200 students for the last few years, with a slight increase in 2022. Whether this stability continues into the future is an uncertainty that we deal with by allowing schools to maintain staffing surpluses. These surpluses allow schools to smooth out any potential wrinkles caused by sudden drops in enrolment and make for an easier transition to having fewer students going forward.

Finalizing the GNWT's policy on surpluses clarifies what Education Bodies are allowed to retain. The policy encourages and allows a surplus of up to 7% of the last audited figure for overall revenue. This is inclusive of any school and DEA surpluses. The 2021/22 financial audit results, including the revised GNWT actuarial calculations, leave the SSDEC above the maximum allowable surplus. The planned deficit for 2022/23 will address that overage.

The SSDEC continues to address the funding challenges by annually reviewing and applying their budget assumptions and priorities:

1. Approve a regional budget each year that prioritizes funding for the Council priorities.
2. Approve a budget each year that maintains an accumulated fund balance of at least \$500,000 after taking into account school staffing surpluses.
3. Ensure fair and equitable distribution of funds to schools and DEAs and minimize conflict between Council reps/DEAs.
4. Provide for significant community-based priority setting and related budgeting.
5. Provide transparency in budget process and allocations, and
6. Consider expenditures against a Council surplus over \$500,000 after taking into account

school staffing surpluses each year.

Each year, the SSDEC determines the key priorities, the unfunded and underfunded areas that simply can't be overlooked, and budgets for those costs first. Upon notification of resulting allocations, staffing plans are developed by school principals for approval of their respective DEAs and the superintendent (prior to March 15th) so that the majority of teacher staffing for the next year can occur while quality applicants are still available. The SSDEC and schools have also been very successful in identifying, applying for and obtaining third party funding in order to supplement program offerings.

Another challenge for the Council is the low levels of readiness of many young children entering the school system, poor attendance by many students, and disengaged parents, probably related to the intergenerational effects of residential schooling. These varying levels and engagement can make it difficult to catch up and retain these students so that they progress and reach their potential. The recent disruption to schooling resulting from the COVID-19 pandemic has exacerbated the equity of access and engagement issues.

In an effort to improve the life chances of more and more children, since 2007 the SSDEC has focused on a few key priorities, with carefully chosen research based strategies, and a long term and relentless commitment to results:

To improve student success in <i>literacy</i>	To increase the percentage of students meeting or exceeding expectations for literacy proficiency
To improve student success in <i>numeracy</i>	To increase the percentage of students meeting or exceeding expectations for numeracy proficiency
To increase understanding and practice of <i>socially responsible behaviour</i> by all members of the school community	To increase the percentage of trustees, staff and students demonstrating responsible behaviour

Accordingly, Council has remained committed to funding the *Leadership for Literacy* initiative that places and trains experienced teachers in instructional coach roles in their respective schools. These coaches provide training and in-classroom support to other teachers and support staff so that more students will achieve success in literacy and math, the essential skills required for success in school and in life.

In *Literacy*, we saw a maintenance in the percentage of students reading at or above acceptable levels (at 63%) compared to 2018-2019. Each school continued to maintain a full-time Literacy Coach who in turn is supported by our Regional Literacy Coordinator. Our *Numeracy* project also has each school with an identified Math Lead who worked closely with our Regional Coordinator. Overall, the number of students meeting an acceptable standard in math decreased slightly from 69% in 2018-2019 to 67%. In the area of *Social Responsibility*, the targets for 2021/22 (student attendance, parent participation, and social-emotional learning) were not able to

be assessed effectively, given the pandemic and its continuing effects this past year. The targets for 2022-2023 were met or exceeded (75%, 87%, and 85%, respectively).

Much has been accomplished, as evidenced by improving student achievement results over the past several years. Further indicative of the SSDEC's success are the various awards received, including the three *Ministerial Literacy Awards* for the *SSDEC Literacy Project*, the *Premier's Award of Excellence* for the *Trades Awareness Program* partnership, and the *Premier's Award for Collaboration* for the *South Slave Healthy Communities Partnership*.

Further, the SSDEC's Leadership for Literacy initiative has been recognized nationally as well, being awarded *Indspire's (aka National Aboriginal Achievement Awards) Indigenous Education Organization Award* in 2016, the *Canadian Education Association (CEA) and Reader's Digest Canadian Innovators in Education Award* 2015, and runner up for the CEA's "*Innovation that Sticks*" *Award and Case Study Program*. This is on the heels of the SSDEC becoming the first school board in Canada to win Gold in the education category of the *Public Sector Leadership Awards*, as selected by the *Institute of Public Administration of Canada (IPAC)* and Deloitte in 2014.

South Slave staff and students are excelling and benefitting accordingly as well. Aside from the recognition of the Council and the impressive recipients of the *SSDEC Excellence in Education Awards*, Six of the South Slave school principals have now been selected to the exclusive National Academy of *Canada's Outstanding Principals (The Learning Partnership)*. The SSDEC Superintendent was the first northern recipient of the *Canadian Superintendent of the Year* award (*Canadian Association of School System Administrators (CASSA) & American Association of School Administrators (AASA)*). Two of the five SSDEC trustees received the *Queen's Diamond Jubilee* medals for exemplary service to their communities. The South Slave DEC also has 13 NWT Education Hall of Fame inductees.

Three of the South Slave's educators have also received *Inspire Indigenous Educator Awards*; another Indigenous teacher received the *Prime Minister's Award for Teaching Excellence*. These awards are examples of how effective literacy efforts are being encouraged and supported in our Indigenous language programs in Cree, Slavey and Chipewyan, in addition to English and French. The SSDEC recently had an Indigenous Language educator receive the *Premier's Award of Excellence*, while another received the *NWTTA Indigenous Educator Award*.

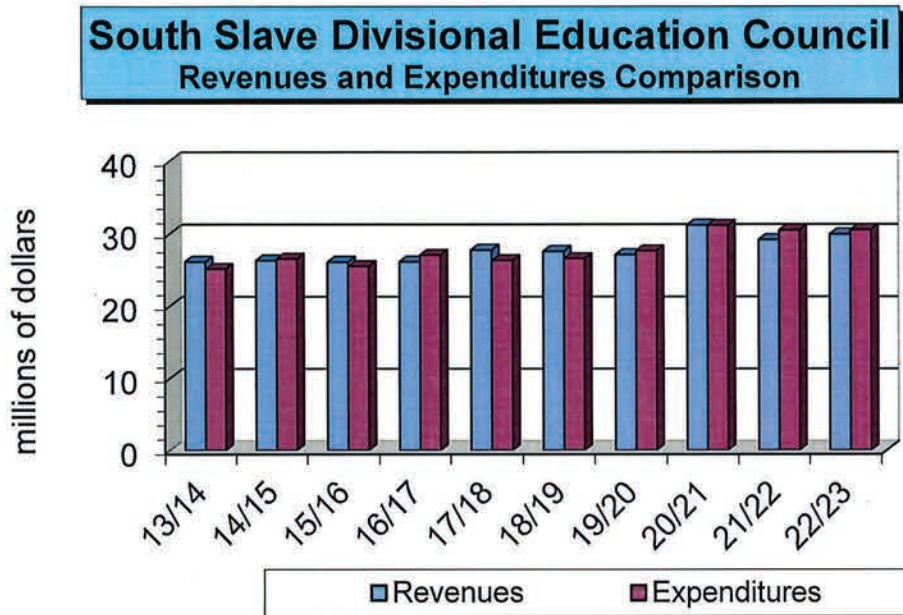
There has also been an increase in staff use of short and long-term leave requests due to mental health issues. As we are unsure when staff will be able to return to their classrooms, we increasingly find ourselves hiring unqualified substitutes for repeated one and two-month periods. This is disruptive to the classroom routine, compromises the quality of student's education, and is costly for the SSDEC.

Teacher turnover, compounded by the shortage of suitable applicants, means there is a need to engage in more formalized transition planning. Specialist positions are continuing to be difficult to fill, particularly Indigenous Language teachers, shop teachers, French Immersion and senior Math/Science, as well as teachers for remote communities (Lutsel K'e and Deninu)

ECE’s *Education Renewal and Innovation* initiative also includes aspects that look to help educate and support the mental health and wellness of staff and students. Recent SSDEC strategies and targets are also intended to improve student attendance, ownership of their learning (inquiry-based, 21st-century learning), pride and resiliency as part of its academic and social responsibility priorities.

Financial Condition

The bar chart below provides a historical comparison of revenues and expenditures over the past ten years.



For the year ended June 30, 2023, the Council had an operating deficit of **\$615,058** inclusive of DEA surpluses and deficits. This was lower than the projected deficit of \$957,006 due mostly to an adjustment to the Council’s employee future benefits liability amount of \$412,055. Other reasons for the result include but are not limited to, an unexpected 2022 WSCC Billback of \$103,998, decreased duty travel, and general expenditures being lower. As well, the Council recorded approx. \$2.96 million in Jordan’s Principle funding this past year.

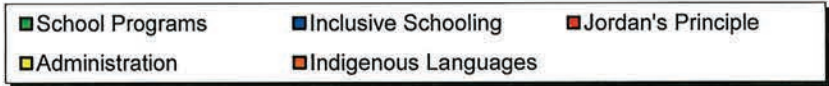
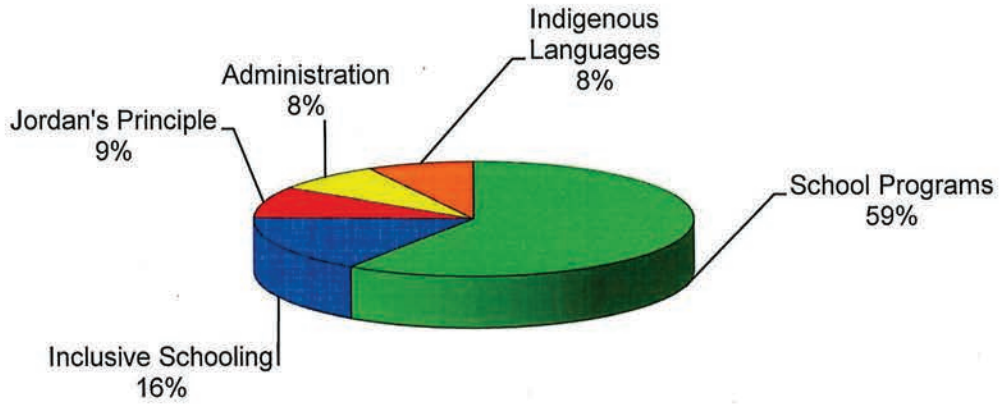
The accumulated uncommitted fund balance for the Council now sits at \$625,348 (see chart below), which is \$125,348 above the Council’s minimum fund balance of **\$500,000** and \$1,212,211 below the Council’s maximum fund balance of **\$1,837,559** spelled out in policy DFAA – Financial Surplus. The Council’s budget for 2022/23 is a deficit budget of \$957,006 that, if realized, would bring the Council’s accumulated fund balance down to \$1,675,354.

	<u>2023</u>	<u>2022</u>
Accumulated Fund Balance at beginning of year	\$2,632,360	\$3,938,157
Operating Surplus/(Deficit) for year	<u>(667,090)</u>	<u>(1,305,797)</u>
Accumulated Fund Balance at end of year	\$1,965,270	\$2,632,360
Commitments against Fund Balance (incl. bus purchase)	<u>(1,339,922)</u>	<u>(1,217,999)</u>
Uncommitted Fund Balance at end of year	<u>\$ 625,348</u>	<u>\$ 1,414,361</u>

Currently, the Council's liquidity position is good, but given ECE's back-end loading of allocations to school boards, there is still the concern that funds could be short around the end of March. Given that about 85% (see second chart below) of the SSDEC's expenditures are for staffing payroll and benefits, any unanticipated reductions in allocations from ECE or unexpected expenditures would be difficult to adjust until the following school year. The chart below breaks down the Council's expenditures according to the functions identified. ECE mandates that 15% of the Council's expenditures be in Inclusive Schooling. Inclusive Schooling made up 16% of the Council's expenditures in 2022/23. Indigenous Languages Education expenditures were also above what was funded by ECE.

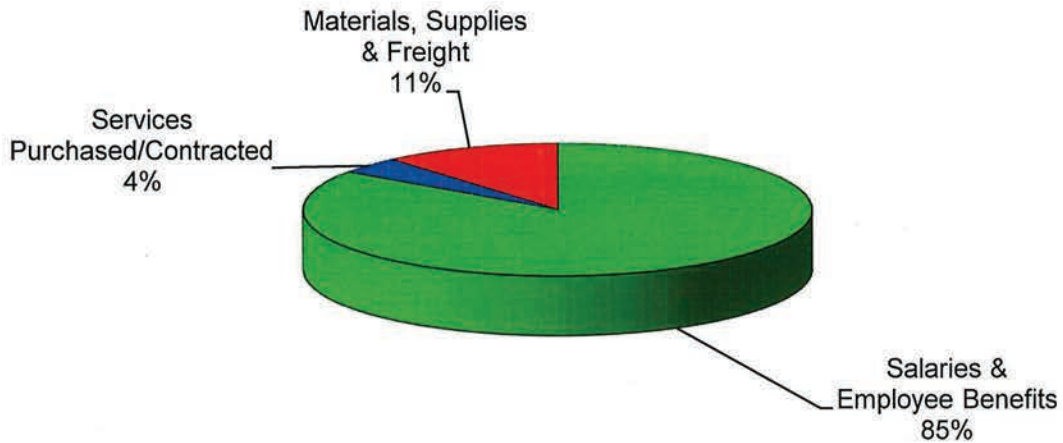
During the 2022/23 year, the Council was reimbursed a total of \$123,233 for termination costs related to the 2021/22 fiscal year, covering three retirements/resignations).

**South Slave Divisional Education Council
Expenditures by Function
For the Year Ended June 30, 2023**



The chart below breaks down the Council's expenditures into three main categories: Salaries and Employee Benefits, Materials/Supplies and Freight and Purchased/Contracted Services.

**South Slave Divisional Education Council
Details of Expenditures
For the Year Ended June 30, 2023**



■ Salaries & Employee Benefits ■ Services Purchased/Contracted ■ Materials, Supplies & Freight

Summary and Outlook

In summary, the SSDEC is currently in a positive financial position although. However, the SSDEC is challenged with balancing its' annual budget and meeting the operating needs of the district. Increased expenditures will have a negative impact on the SSDEC's positive financial position.

It should also be noted that in the last four years, our accumulated surplus has decreased largely due to planned deficits to comply with the Council's Financial Surplus Policy. The DEC is

currently near the minimum amount required for compliance with this policy and will have little room to incur a deficit for 23-24.

We are also seeing an increase in the number of students entering the system with complex needs and vulnerabilities. At the same time, our core Inclusive Schooling funding has decreased. Our schools have proactively applied for and received additional funding through the Jordan's Principle initiative. It is hoped that initiatives like Jordan's Principle will continue to provide supplemental funding for psychological testing for students and increased support in the classroom that will help address some of the causes and impacts of mental health issues in students, including attendance and behavioural issues.

Council is concerned that the significant progress that has been made in the South Slave in the past several years could be undone with any further efforts to reduce local input and centralize, combined with any further reductions in allocations, compounded by existing unfunded and underfunded expenses (salary increments, casual costs, etc.) and cost increases (several formula funding lines not indexed to keep up with inflation), resulting in a decrease in the quality and quantity of education programs and services that can be offered.



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



VERY COOPER & Co. LTD.

Chartered Professional Accountants

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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, 2023 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, 2023 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.

INDEPENDENT AUDITORS' REPORT - cont'd.

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.

INDEPENDENT AUDITORS' REPORT - cont'd.

- 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

November 19, 2023


SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 June 30, 2023

Statement I

	<u>2023</u>	<u>2022</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents (Note 4)	\$ 7,894,566	\$ 8,722,676
Restricted Assets (Note 6)	77,217	77,740
Accounts Receivable (Note 8)	<u>220,160</u>	<u>134,219</u>
	<u>8,191,943</u>	<u>8,934,635</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 10)	121,585	162,285
Payroll Liabilities (Note 10)	2,437,125	2,683,276
Deferred Revenue (Note 11)	2,268,524	1,810,058
Post-Employment Benefits (Note 17)	1,461,448	1,781,424
Trust Liabilities (Note 6)	<u>77,217</u>	<u>77,740</u>
	<u>6,365,899</u>	<u>6,514,783</u>
NET FINANCIAL ASSETS (Statement III)	<u>1,826,044</u>	<u>2,419,852</u>
NON-FINANCIAL ASSETS		
Tangible Capital Assets	<u>191,257</u>	<u>212,508</u>
ACCUMULATED SURPLUS	<u>\$ 2,017,301</u>	<u>\$ 2,632,360</u>

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, 2023

	2023 Budget <u>(Unaudited)</u>	2023 <u>Actual</u>	2022 <u>Actual</u>
REVENUE			
Government of the NWT			
Regular contributions	\$ 24,433,292	\$ 25,402,554	\$ 24,914,033
Other ECE contributions (Note 31)	418,000	676,724	1,017,921
Other GNWT contributions	<u>-</u>	<u>171,566</u>	<u>251,221</u>
Total Government of the NWT	<u>24,851,292</u>	<u>26,250,844</u>	<u>26,183,175</u>
Government of Canada			
Jordan Prinicpal	1,076,314	2,964,735	2,204,639
Other Government of Canada	<u>-</u>	<u>-</u>	<u>(1,000)</u>
Total Government of Canada	<u>1,076,314</u>	<u>2,964,735</u>	<u>2,203,639</u>
Board Generated Funds			
Investment Income	50,000	337,426	68,814
Sales	-	1,100	3,186
Other	-	249,265	593,865
Non-GNWT Contributions	<u>70,000</u>	<u>111,091</u>	<u>110,000</u>
Total Board Generated Funds	<u>120,000</u>	<u>698,882</u>	<u>775,865</u>
TOTAL REVENUE	<u>26,047,606</u>	<u>29,914,461</u>	<u>29,162,679</u>
EXPENSES (Schedule 1)			
Indigenous Languages and Education	2,130,501	2,414,720	2,433,774
Administration	2,377,380	2,414,122	2,476,832
Inclusive Schooling	5,851,671	4,872,278	5,902,760
School Programs	16,645,060	18,151,533	17,803,593
Jordan's Principle	<u>-</u>	<u>2,676,866</u>	<u>1,851,517</u>
TOTAL EXPENSES	<u>27,004,612</u>	<u>30,529,519</u>	<u>30,468,476</u>
OPERATING DEFICIT	(957,006)	(615,058)	(1,305,797)
OPENING ACCUMULATED SURPLUS	<u>2,632,360</u>	<u>2,632,360</u>	<u>3,938,157</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 1,675,354</u>	<u>\$ 2,017,302</u>	<u>\$ 2,632,360</u>

See the accompanying notes and schedules.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

Statement III

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

June 30, 2023

	2023 Budget <u>(Unaudited)</u>	2023 <u>Actual</u>	2022 <u>Actual</u>
OPERATING DEFICIT	\$ (957,006)	\$ (615,058)	\$ (1,305,797)
DECREASE IN NET FINANCIAL ASSETS	<u>(957,006)</u>	<u>(615,058)</u>	<u>(1,305,797)</u>
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>2,632,361</u>	<u>2,632,361</u>	<u>3,938,158</u>
NET FINANCIAL ASSETS, END OF YEAR	<u>\$ 1,675,355</u>	<u>\$ 2,017,303</u>	<u>\$ 2,632,361</u>

See the accompanying notes and schedules.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

Statement IV

CONSOLIDATED STATEMENT OF CASH FLOW

For the Year Ended June 30, 2023

Cash provided by (used in):	<u>2023</u>	<u>2022</u>
OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$ (615,058)	\$ (1,305,797)
Changes in non-cash assets and liabilities:		
Decrease (increase) in accounts receivable	(85,941)	56,823
Increase (decrease) in accounts payable	(40,700)	(3,666)
Increase (decrease) in payroll liabilities	(246,152)	289,349
Increase (decrease) in deferred revenue	458,466	105,924
Increase (decrease) in trust liability	-	145
Increase (decrease) in post-employment benefits	<u>(319,976)</u>	<u>(413,111)</u>
Cash provided by operating transactions	<u>(849,361)</u>	<u>(1,270,333)</u>
Amortization	<u>21,251</u>	<u>23,612</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(828,110)	(1,246,721)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>8,722,676</u>	<u>9,969,397</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 7,894,566</u>	<u>\$ 8,722,676</u>

See the accompanying notes and schedules.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

NOTE 1 NATURE OF ORGANIZATION

The South Slave Divisional Education Council was established under the Education Act of the Government of the Northwest Territories 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.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

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, accountable funds, due from the GNWT and other accounts receivable.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, payroll liabilities, 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, 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.

(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.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

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.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

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.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

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.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

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) Asset retirement obligations

Asset retirement obligations are recognized for (examples: buildings containing asbestos, contamination of land housing fuel tanks, disposal of medical equipment, and restoration of landfill and sewage lagoon sites). 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 Education Board'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 discount rate are recognized as an increase or decrease in the related carrying amount of the related tangible capital asset.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES, continued

(n) 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 measure at fair value are expensed.

Financial assets subsequently measured at amortized cost include cash and cash equivalents, due from the Government of Canada, accounts receivable, and loans receivable. Financial assets subsequently measured at fair value include portfolio investments.

Financial liabilities subsequently measured at amortized cost include short term loans, accounts payable and accrued liabilities, due to the Government of Canada, capital lease obligations, and long-term debt.

At the end of each reporting period, management assesses whether there are any indications that financial assets measure 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 leses 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.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

NOTE 3 FUTURE ACCOUNTING CHANGES AND ADOPTION OF NEW ACCOUNTING STANDARDS

(a) Adoption of New Accounting Standards

Financial Instruments

Section PS 3450, Financial Instruments, is effective for years beginning on or after April 1, 2022. The standard provides guidance on how to account for and report financial instruments. The adoption of this standard has resulted in a change in how portfolio investments are accounted for. The Education Body applied the policy in accordance with the transitional provisions described in paragraphs PS 3450.97-100. Therefore, recognition, derecognition, and measurement policies have not been reversed, and prior year's financial statements, including comparative information, have not been restated. It was identified that portfolio investments are required to be measured at fair value, therefore, the difference between the fair value and amortized cost was adjusted to accumulated remeasurement gains and losses.

Other New Standards

Effective July 1, 2022, Education Bodies will concurrently be required to adopt: PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3041 Portfolio Investments in the same fiscal period. Government organizations that apply PSAS were required to adopt these standards effective April 1, 2012, however there is no impact on the financial statements as a result of these applications.

(b) Future Accounting Changes

Effective July 1, 2023, Education Bodies will be required to adopt PS 3160 Public Private Partnerships. This Section establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. The private sector partner's obligations include requirements to:

- (a) design, build, acquire or better new or existing infrastructure;
- (b) finance the transaction past the point where the infrastructure is ready for use; and
- (c) operate and/or maintain the infrastructure.

This standard is applicable only to those Education Bodies that are able to acquire, and required to report, tangible capital assets in its financial statements.

Effective July 1, 2023, Education Bodies will be required to adopt PS 3400 Revenue. This standard provides guidance on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations. The impact of these

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

NOTE 3 FUTURE ACCOUNTING CHANGES, continued

standards on the financial statement is currently being assessed.

Effective July 1, 2023, 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.

NOTE 4 CASH AND CASH EQUIVALENTS

	<u>2023</u>	<u>2022</u>
Cash	\$ <u>7,894,566</u>	\$ <u>8,722,676</u>
	<u>\$ 7,894,566</u>	<u>\$ 8,722,676</u>

NOTE 5 SPECIAL PURPOSE FUNDS

(Not applicable)

NOTE 6 RESTRICTED ASSETS

The Council received a bequest to establish the Piche Scholarship 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.

	<u>2023</u>	<u>2022</u>
Comprised of:		
Short-term Fort Smith Piche Trust Account	\$ <u>77,217</u>	\$ <u>77,740</u>
	<u>\$ 77,217</u>	<u>\$ 77,740</u>
Piche Scholarship Fund:		
Principal proceeds received	\$ 71,117	\$ 71,117
Interest earned to date	12,296	9,628
Expenses to date	<u>(6,196)</u>	<u>(3,005)</u>
	<u>\$ 77,217</u>	<u>\$ 77,740</u>
TOTAL RESTRICTED ASSETS	<u>\$ 77,217</u>	<u>\$ 77,740</u>

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

NOTE 7 PORTFOLIO INVESTMENTS

(Not applicable)

NOTE 8 ACCOUNTS RECEIVABLE

	<u>Accounts Receivable</u>	<u>Allowance</u>	<u>2023</u>	<u>2022</u>
Government of the Northwest Territories:				
- Education, Culture and Employment	\$ 28,498	\$ -	\$ 28,498	\$ 610
- Health and Social Services	8,848	-	8,848	6,765
- Finance	39,223	-	39,223	13,829
- Various schools	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,788</u>
Due from GNWT	<u>76,569</u>	<u>-</u>	<u>76,569</u>	<u>39,992</u>
Other Accounts receivable	51,708	-	51,708	32,325
Due from Government of Canada	2,000	-	2,000	2,000
Payroll Chargeback Recoveries	<u>89,883</u>	<u>-</u>	<u>89,883</u>	<u>59,902</u>
	<u>\$ 220,160</u>	<u>\$ -</u>	<u>\$ 220,160</u>	<u>\$ 134,219</u>

NOTE 9 INVENTORY

(Not applicable)

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

NOTE 10 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2023</u>	<u>2022</u>
Accounts payable	\$ 91,592	\$ 162,285
Accrued payables	<u>29,993</u>	<u>-</u>
	<u>121,585</u>	<u>162,285</u>
 Payroll Liabilities		
To GNWT (A)	2,362,863	2,566,360
Annual Leave	<u>74,262</u>	<u>116,916</u>
Payroll Liabilities	<u>\$ 2,437,125</u>	<u>\$ 2,683,276</u>

NOTE 11 DEFERRED REVENUE

	<u>2023</u>	<u>2022</u>
Government of the Northwest Territories Education, Culture & Employment		
Government of Canada		
- Jordon Prinicpal	\$ <u>2,268,524</u>	\$ <u>1,810,058</u>
Other		
Total Deferred Revenue	<u>\$ 2,268,524</u>	<u>\$ 1,810,058</u>

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)

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

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, 2022. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the consolidated Government.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

NOTE 17 POST-EMPLOYMENT BENEFITS, COMPENSATED ABSENCES AND TERMINATION BENEFITS, continued

	<u>Severance and Removal</u>	<u>Compensated Absences</u>	<u>2023</u>	<u>2022</u>
Changes in Obligation:				
Accrued benefit obligations				
beginning of year	\$ 1,406,748	\$ 378,189	\$ 1,784,937	\$ 1,778,557
Current period benefit cost	81,963	26,835	108,798	121,889
Interest accrued	57,674	16,016	73,690	58,158
Benefit payments	(339,618)	(28,789)	(368,407)	(444,159)
Plan amendments	-	-	-	10,366
Actuarial (gains)/losses	<u>112,351</u>	<u>(22,024)</u>	<u>90,327</u>	<u>260,126</u>
Accrued benefit obligations				
end of year	1,319,118	370,227	1,689,345	1,784,937
Unamortized net actuarial				
gain	<u>(173,061)</u>	<u>(54,839)</u>	<u>(227,900)</u>	<u>(3,504)</u>
Net future obligation	<u>1,146,057</u>	<u>315,388</u>	<u>1,461,445</u>	<u>1,781,433</u>
Total employee future				
benefits and compensated				
absences	<u>1,146,057</u>	<u>315,388</u>	<u>1,461,445</u>	<u>1,781,433</u>
Benefits Expense:				
Current period benefit cost	81,963	26,835	108,798	121,889
Interest accrued	57,674	16,016	73,690	58,158
Plan amendments	-	-	-	10,366
Amortization of actuarial				
gains	<u>(142,135)</u>	<u>8,076</u>	<u>(134,059)</u>	<u>(159,356)</u>
	<u>(2,498)</u>	<u>50,927</u>	<u>48,429</u>	<u>31,057</u>

The discount rate used to determine the accrued benefit obligation is an average of 4.10%. No inflation rate was applied. The expected payments during the next five fiscal years are:

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

NOTE 17 POST-EMPLOYMENT BENEFITS, COMPENSATED ABSENCES AND TERMINATION BENEFITS, continued

	<u>Severance and Removal</u>	<u>Compensated Absences</u>	<u>Total</u>
2024	\$ 159,096	\$ 27,308	\$ 186,404
2025	157,145	31,559	188,704
2026	146,384	30,726	177,110
2027	153,690	36,315	190,005
2028	157,363	44,449	201,812
Next 5 years	<u>673,852</u>	<u>212,494</u>	<u>886,346</u>
Total	\$ <u>1,447,530</u>	\$ <u>382,851</u>	\$ <u>1,830,381</u>

NOTE 18 TRUST ASSETS UNDER ADMINISTRATION

(Not applicable)

NOTE 19 TANGIBLE CAPITAL ASSETS

	<u>Opening Cost</u>	<u>Additions</u>	<u>Disposals</u>	<u>Opening Accumulated Amortization</u>	<u>Amortization Expense</u>	<u>Closing Accumulated Amortization</u>	<u>NBV, June 30, 2023</u>	<u>2022</u>
Equipment								
Buses	262,356	-	-	49,848	21,251	71,099	191,257	212,500

NOTE 20 PREPAID EXPENSES

(Not applicable)

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

NOTE 21 GNWT ASSETS PROVIDED AT NO COST

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2023 Net Book Value</u>	<u>2022 Net Book Value</u>
Joseph Burr Tyrrell School	\$ 10,354,269	\$ 6,431,046	\$ 3,923,223	\$ 4,208,604
Paul William Kaeser School	8,070,058	6,404,197	1,665,861	1,913,726
Deninu School	5,447,087	6,258,333	(811,246)	205,408
Lutsel K'e Dene School	16,791,305	4,443,028	12,348,277	12,916,014
Princess Alexandra School	7,762,885	6,641,135	1,121,750	1,405,083
Diamond Jenness School	34,440,620	16,107,392	18,333,228	19,154,789
Harry Camsell School	6,949,011	4,850,324	2,098,687	2,227,328
Chief Sunrise Education Ctr.	3,342,966	1,633,488	1,709,478	1,841,247
DJSS Trades Building	2,423,804	769,056	1,654,748	1,715,287
PWK High School Seacan	687,229	561,237	125,992	171,807
PWK Welding Shop	<u>389,368</u>	<u>84,363</u>	<u>305,005</u>	<u>314,739</u>
	<u>\$ 96,658,602</u>	<u>\$ 54,183,599</u>	<u>\$ 42,475,003</u>	<u>\$ 46,074,032</u>

NOTE 22 CONTRACTUAL OBLIGATIONS

The Council has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to June 30, 2023:

	<u>Expiry Date</u>	<u>2024</u>	<u>2025</u>	<u>Total</u>
Equipment Leases	Xerox Altalink B8065	\$ 4,066	\$ 4,066	\$ 8,132
Commercial Leases	Fort Smith Construction	<u>54,538</u>	<u>-</u>	<u>54,538</u>
Total		<u>\$ 58,604</u>	<u>\$ 4,066</u>	<u>\$ 62,670</u>

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

NOTE 23 COVID-19

Before the year end, there was a global outbreak of a novel coronavirus known as COVID-19, which has had a significant impact on organizations through the restrictions put in place by the Canadian and U.S. governments regarding travel, business operations and isolation/quarantine orders. The extent of the impact the COVID-19 outbreak may have on the Organization will depend on future developments that are highly uncertain, and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, the duration of the outbreak, including the length of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are, or may, be put in place by Canada, U.S. or other countries to fight the virus. The Organization's activities have not been significantly impacted thus far, however, the Organization continues to assess the impact COVID-19 will have on its operations.

NOTE 24 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 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.

	<u>2023</u>	<u>2022</u>
Due to related parties		
Accounts payable:		
Contributions		
Government of the Northwest Territories:		
Payroll Liabilities:		
Government of the Northwest Territories	\$ <u>2,437,125</u>	\$ <u>2,683,206</u>
Due to Related Parties	\$ <u>2,437,125</u>	\$ <u>2,683,206</u>

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

	<u>Accounts</u> <u>Receivable</u>	<u>Allowance</u>	<u>Net 2023</u>	<u>2022</u>
Due from related parties				
Accounts receivable:				
Government of the Northwest Territories:				
Department of Education, Culture & Employment	\$ 28,498	\$ -	\$ 28,498	\$ 610
Department of Health and Social Services	8,848	-	8,848	6,765
Department of Finance	<u>39,223</u>	<u>-</u>	<u>39,223</u>	<u>13,829</u>
Other Related Parties:				
Diamond Jenness	-	-	-	12,288
Chief Sunrise	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,500</u>
Due from Related Parties	\$ <u>76,569</u>	\$ <u>-</u>	\$ <u>76,569</u>	\$ <u>39,992</u>

	<u>2023</u>	<u>2022</u>
Revenues from related parties		
Regular Operational Contributions	\$ 25,402,554	\$ 25,949,839
Department of Education, Culture & Employment	683,854	1,017,921
Department of Health and Social Services	16,695	15,112
Department of Municipal & Community Affairs	144,872	-
Department of Environment and Natural Resources	<u>10,000</u>	<u>-</u>
	\$ <u>26,257,975</u>	\$ <u>26,982,872</u>

	<u>2023</u>	<u>2022</u>
Expenses paid to related parties		
Department of Finance	\$ <u>28,923,366</u>	\$ <u>28,376,877</u>
	\$ <u>28,923,366</u>	\$ <u>28,376,877</u>

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

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 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 26 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 27 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.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

NOTE 28 EXPENSES BY OBJECT

	2023 Budget <u>(Unaudited)</u>	2023 <u>Actual</u>	2022 <u>Actual</u>
Compensation	\$ 23,077,326	\$ 25,635,140	\$ 25,834,793
Amortization	-	23,612	23,612
Other	<u>3,927,286</u>	<u>4,870,767</u>	<u>4,610,071</u>
	<u>\$ 27,004,612</u>	<u>\$ 30,529,519</u>	<u>\$ 30,468,476</u>

NOTE 29 SUBSEQUENT EVENTS

(Not applicable)

NOTE 30 COMPARATIVE FIGURES

(Not applicable)

NOTE 31 ECE OTHER CONTRIBUTIONS

	2023	2022
Career Coordinator	\$ 156,724	\$ 154,720
Northern Distance Learning	62,500	-
French (FSL) Funding	352,000	313,500
Trades Awareness	105,500	64,802
Self-Regulation resources	-	9,000
COVID-19 funding	-	475,899
Library Funding	<u>-</u>	<u>1,626</u>
	<u>\$ 676,724</u>	<u>\$ 1,017,921</u>

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

NOTE 32 GNWT OTHER CONTRIBUTIONS

	<u>2023</u>	<u>2022</u>
Child/Youth Resiliency (MACA)	27,371	27,191
Youth Paddling (MACA)	-	15,000
Active After School (MACA)	107,000	107,100
Drop the Pop (H & SS)	16,695	15,112
Take a Kid Trapping (ENR)	10,000	42,818
Drumming (MACA)	-	5,000
Take a Kid Trapping (MACA)	-	39,000
Youth Contribution Program (MACA)	9,000	-
Regional Sports Events Program (MACA)	<u>1,500</u>	<u>-</u>
	<u>171,566</u>	<u>251,221</u>

NOTE 33 CONTINGENT ASSETS

(Not applicable)

NOTE 34 CONTRACTUAL RIGHTS

(Not applicable)

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

NOTE 35 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 Friday, June 30, 2023 is as follows:

	<u>2023</u>
Cash and Cash Equivalents	7,894,566
Restricted Assets	77,217
Accounts Receivable	220,160

At Friday, June 30, 2023, the following accounts receivable were past due but not impaired:

	<u>30 days</u>		<u>60 days</u>		<u>90 days</u>
\$	715	\$	-	\$	77,837

At Friday, June 30, 2023, 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, 2023, receivables from GNWT Dept of Education \$28,498 (2022 - X), and GNWT Dept of Finance \$39,223 (2022 - X), customers comprised 31% (2022 - XX%) 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.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2023

(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 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

CONSOLIDATED DETAILS OF EXPENSES

For the Year Ended June 30, 2023

	Administration	Inclusive Schooling	Indigenous Languages and Education	School Programs	Jordan's Principle	Total
SALARIES:						
Teachers	\$ 532	\$ 1,802,955	\$ 1,198,754	\$ 13,823,153	\$ -	\$ 16,825,394
Instruction Assistants	16,275	2,433,497	214,137	29,129	2,514,088	5,207,126
Non-instructional Staff	1,261,688	74,695	138,863	1,763,341	-	3,238,587
Board/Trustee Honoraria	30,467	10,233	14,900	6,750	-	62,350
EMPLOYEE BENEFITS						
Employee Benefit/Allowance	-	-	-	14,853	-	14,853
Leave and Termination	-	-	23,238	263,592	-	286,830
SERVICES PURCHASED/ CONTRACTED						
Professional/Technical Services	206,330	206,336	1,500	80,544	-	494,710
Postage/Communication	49,415	-	-	94,079	-	143,494
Utilities & Leases	-	-	3,212	4,000	-	7,212
Travel	127,019	99,447	25,827	22,174	-	274,467
Student Travel	9,310	-	200	28,468	-	37,978
Advertising/Printing/Publishing	13,925	6,433	4,297	-	-	24,655
Maintenance/Repair	15,896	-	5,569	8,069	-	29,534
Rentals/Leases	197,504	844	1,250	72,220	-	271,818
Contracted Services	75,334	84,419	107,788	367,408	151,417	786,366
MATERIALS/SUPPLIES/FREIGHT						
Materials	385,282	153,141	674,883	1,544,822	11,361	2,769,489
Freight	3,894	278	302	28,931	-	33,405
AMORTIZATION	21,251	-	-	-	-	21,251
Total	\$ 2,414,122	\$ 4,872,278	\$ 2,414,720	\$ 18,151,533	\$ 2,676,866	\$ 30,529,519

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

Schedule 2

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
INCLUSIVE SCHOOLING EXPENSES**

For the Year Ended June 30, 2023

<u>FUNCTION</u>	<u>General Inclusive Schooling</u>	<u>Staff Development</u>	<u>Assistive Technology</u>	<u>Magnet Facilities</u>	<u>Total</u>
<u>SALARIES</u>					
Program Support Teachers	\$ 1,618,685	\$ 14,226	\$ -	\$ 170,044	\$ 1,802,955
Non-instructional	2,433,497	-	-	-	2,433,497
Non Instructional Staff	74,695	-	-	-	74,695
Honoraria	10,233	-	-	-	10,233
<u>SERVICES PURCHASED/ CONTRACTED</u>					
Professional/Technical Services	206,336	-	-	-	206,336
Travel	-	99,447	-	-	99,447
Advertising/Printing/Publishing	6,433	-	-	-	6,433
Rentals/Leases	844	-	-	-	844
Other Contracted Services	84,419	-	-	-	84,419
<u>MATERIAL/SUPPLIES/FREIGHT</u>					
Materials	141,014	11,279	848	-	153,141
Freight	-	-	278	-	278
TOTAL	\$ 4,576,156	\$ 124,952	\$ 1,126	\$ 170,044	\$ 4,872,278

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

Schedule 3

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
INDIGENOUS LANGUAGES AND EDUCATION EXPENSES**

For the Year Ended June 30, 2023

<u>FUNCTION</u>	<u>Student Instruction</u>	<u>Teaching/ Learning Resources</u>	<u>Professional Development</u>	<u>School Activities and Integrated Community Programs</u>	<u>Total</u>
<u>SALARIES</u>					
ALCBE Teachers	\$ 1,198,753	\$ -	\$ -	\$ -	\$ 1,198,753
Instruction Assistants	214,137	-	-	-	214,137
Non Instructional Staff	-	138,863	-	-	138,863
Honoraria	-	-	-	14,900	14,900
<u>EMPLOYEE BENEFITS</u>					
Leave and Termination	23,238	-	-	-	23,238
<u>SERVICES PURCHASED/ CONTRACTED</u>					
Professional/Technical Services	-	1,500	-	-	1,500
Travel	7,528	8,358	9,941	-	25,827
Student Transportation (bussing)	-	-	-	200	200
Advertising/Printing/Publishing	-	4,297	-	-	4,297
Maintenance/Repair	-	-	-	5,569	5,569
Rentals/Leases	-	-	-	1,250	1,250
Other Contracted Services	-	107,788	-	-	107,788
Others	-	-	-	3,212	3,212
<u>MATERIAL/SUPPLIES/FREIGHT</u>					
Materials	-	674,883	-	-	674,883
Freight	-	302	-	-	302
TOTAL	\$ 1,443,656	\$ 935,991	\$ 9,941	\$ 25,131	\$ 2,414,719

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

Schedule 4

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
FRENCH LANGUAGE PROGRAM**

For the Year Ended June 30, 2023

	ECE Contributions July <u>1 to June 30</u>	Commitment from South Slave Divisional <u>Education Council</u>	Total Expenses <u>July 1 to June 30</u>
Bilateral Agreement Funding			
Special Projects as listed in the agreement:			
Core French 1-12 (Salary)	\$ -	\$ 397,700	\$ 306,540
Immersion Pioneer Class (Salary)	273,000	305,500	599,893
Intensive and Post-Int. French Salary	-	289,200	461,070
French Resources	-	15,000	3,045
Professional Development	-	5,000	-
French Monitor	-	5,000	-
Partnership with YK1	15,000	-	15,000
Additional Language Coach/Assistant	50,000	-	-
Expend and Extend Partnership (Resource Purchase)	4,000	-	-
Support Teacher Shadowing Between Educational Bodies	<u>10,000</u>	<u>-</u>	<u>-</u>
Total	\$ <u>352,000</u>	\$ <u>1,017,400</u>	\$ <u>1,385,548</u>
Regular GNWT Funding			
Total	\$ <u>-</u>		

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

Schedule 5

REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS

JORDAN'S PRINCIPLE

For the Year Ended June 30, 2023

	<u>Full Year Total</u>			<u>9 and 3 Month Split</u>	
	June 30, 2023 Budget <u>Unaudited</u>	June 30, 2023 <u>Actual</u>	June 30, 2022 <u>Actual</u>	July 1, 2012 - March 31, 2023 <u>Actual</u>	April 1, 2023 - June 30, 2023 <u>Actual</u>
Revenue					
First Nations and Inuit Health Branch	\$ 1,076,314	\$ 4,987,193	\$ 2,204,639	\$ 3,833,420	\$ 953,047
Carry Forward from Previous Year	<u>1,810,058</u>	<u>(41,803)</u>	<u>-</u>	<u>1,810,058</u>	<u>-</u>
Total Revenue	<u>2,886,372</u>	<u>4,945,390</u>	<u>2,204,639</u>	<u>5,643,478</u>	<u>953,047</u>
Expenses					
Administration	-	2,525,449	2,230,111	1,924,240	595,763
Personnel	-	-	1,109	-	-
Transportation	-	151,417	15,222	97,727	-
Evaluation	<u>7,815</u>	<u>5,441</u>	<u>-</u>	<u>-</u>	<u>5,441</u>
Total Expenses	<u>7,815</u>	<u>2,682,307</u>	<u>2,246,442</u>	<u>2,021,967</u>	<u>601,204</u>
Net Surplus (Deficit)	<u>\$ 2,878,557</u>	<u>\$ 2,263,083</u>	<u>\$ (41,803)</u>	<u>\$ 3,621,511</u>	<u>\$ 351,843</u>
Deferred Revenue	<u>\$ -</u>	<u>\$ 2,261,023</u>	<u>\$ (41,803)</u>	<u>\$ 3,621,511</u>	<u>\$ 346,402</u>

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

Schedule 6

NORTHERN DISTANCE LEARNING
For the Year Ended June 30, 2023

<u>Contribution Agreement</u> <u>Northern Distance Learning (NDL)</u>	<u>Budget</u>	<u>July 1 to</u> <u>March 31</u>	<u>April 1 to</u> <u>June 30</u>	<u>Total</u>
Revenue				
Education, Culture and Employment	<u>62,500</u>	<u>41,875</u>	<u>20,625</u>	<u>62,500</u>
Expenses				
Salaries/Wages				
Instructional Staff				
On Site Support Person	<u>62,500</u>	<u>47,795</u>	<u>15,932</u>	<u>63,726</u>
Non-Instructional Staff				
Services Purchased/ Contracted				
Hardware and software				
Computer Equipment				
Total Expenses	<u>62,500</u>	<u>47,795</u>	<u>15,932</u>	<u>63,726</u>
Net Surplus (Deficit)	<u>-</u>	<u>(5,920)</u>	<u>4,693</u>	<u>(1,226)</u>

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

Schedule 7

REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS

STUDENT SUCCESS INITIATIVE

For the Year Ended June 30, 2023

NWT Student Success Initiative

Professional Development Initiative

Title of Project: Ongoing Development of Collaborative Teams and Response to Intervention

	2023 Budget (Unaudited)	2023 <u>Actual</u>	2022 <u>Actual</u>
Revenue	\$ <u>70,000</u>	\$ <u>75,570</u>	\$ <u>55,000</u>
Expenses:			
Salaries/Wages			
Salaries	598,880	909,763	1,044,702
Facilitator Fees	75,570	75,570	169,456
Travel			
Facilitator Travel	20,000	-	98
Staff Travel	2,000	12,100	3,241
Accommodation	5,000	9,022	3,804
Daily Per Diems	2,500	5,215	2,105
Workshop Expenses			
Refreshments	3,000	414	291
Resources	62,500	35,128	115,419
Miscellaneous	<u>15,000</u>	<u>33,175</u>	<u>920</u>
Total Expenses	<u>784,450</u>	<u>1,080,387</u>	<u>1,340,036</u>
Net Surplus (Deficit)	<u>\$ (714,450)</u>	<u>\$ (1,004,817)</u>	<u>\$ (1,285,036)</u>

FORT SMITH DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2023

	<u>2023</u>	<u>2022</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 189,185	\$ 58,886
Accounts Receivable	15,545	-
Restricted Assets	<u>77,217</u>	<u>77,740</u>
	<u>281,947</u>	<u>136,626</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	47,319	(3)
Deferred Revenue	52,953	-
Trust Liabilities	<u>77,217</u>	<u>77,740</u>
	<u>177,489</u>	<u>77,737</u>
ACCUMULATED SURPLUS	<u>\$ 104,458</u>	<u>\$ 58,889</u>

FORT SMITH DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2023

	2023 Budget (Unaudited)	2023 <u>Actual</u>	2022 <u>Actual</u>
REVENUE			
Regular contributions	\$ 586,239	\$ 586,239	\$ 498,414
Other ECE contributions	-	301,375	594,500
Other contributions	-	35,776	-
Other GNWT contributions	-	51,600	81,600
Jordan Principal	-	668,081	19,870
Investment Income	-	2,668	286
Other	<u>-</u>	<u>38,939</u>	<u>129,171</u>
TOTAL REVENUE	<u>586,239</u>	<u>1,684,678</u>	<u>1,323,841</u>
EXPENSES			
Indigenous Languages and Education	-	280,200	234,746
Administration	53,727	128,836	175,333
Inclusive Schooling	-	84,147	92,526
School Programs	426,574	994,506	754,015
Jordan's Principle	-	-	61,199
Operations & Maintenance	<u>105,938</u>	<u>151,417</u>	<u>-</u>
TOTAL EXPENSES	<u>586,239</u>	<u>1,639,106</u>	<u>1,317,819</u>
OPERATING SURPLUS	-	45,572	6,022
OPENING ACCUMULATED SURPLUS	<u>58,886</u>	<u>58,886</u>	<u>52,864</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 58,886</u>	<u>\$ 104,458</u>	<u>\$ 58,886</u>

**FORT SMITH DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES**

For the Year Ended June 30, 2023

	Administration	Inclusive Schooling	Indigenous Languages and Education	School Programs	Jordan's Principle	Total
SALARIES:						
Non-instructional Staff	\$ 44,881	\$ -	\$ -	\$ -	\$ -	\$ 44,881
SERVICES PURCHASED/ CONTRACTED						
Postage/Communication	3,782	-	-	34,040	-	37,822
Maintenance/Repair	-	-	-	3,384	-	3,384
Rentals/Leases	1,158	-	-	10,426	-	11,584
Contracted Services	-	-	-	102,860	151,417	254,277
MATERIALS/SUPPLIES/FREIGHT						
Materials	79,015	84,147	280,200	843,796	-	1,287,158
Total	<u>\$ 128,836</u>	<u>\$ 84,147</u>	<u>\$ 280,200</u>	<u>\$ 994,506</u>	<u>\$ 151,417</u>	<u>\$ 1,639,106</u>

HAY RIVER DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2023

	<u>2023</u>	<u>2022</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 63,872	\$ 39,578
Accounts Receivable	<u>19,141</u>	<u>-</u>
	<u>83,013</u>	<u>39,578</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	1,907	2,158
Deferred Revenue	<u>39,535</u>	<u>-</u>
	<u>41,442</u>	<u>2,158</u>
NET FINANCIAL RESOURCES	<u>41,571</u>	<u>37,420</u>
NON-FINANCIAL ASSETS		
Tangible Capital Assets	<u>191,258</u>	<u>212,508</u>
	<u>191,258</u>	<u>212,508</u>
ACCUMULATED SURPLUS	<u>\$ 232,829</u>	<u>\$ 249,928</u>

HAY RIVER DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2023

	2023 Budget (Unaudited)	2023 <u>Actual</u>	2022 <u>Actual</u>
REVENUE			
Regular contributions	\$ 535,153	\$ 535,153	\$ 506,880
Other ECE contributions	-	309,156	524,842
Other GNWT contributions	-	25,948	84,900
Jordan Prinicpal	-	85,985	-
Investment Income	-	4,738	-
Other	<u>-</u>	<u>2,115</u>	<u>46,877</u>
TOTAL REVENUE	<u>535,153</u>	<u>963,095</u>	<u>1,163,499</u>
EXPENSES			
Administration	53,435	140,561	145,251
Inclusive Schooling	-	158	27,266
Indigenous Languages and Education	-	151,907	141,560
School Programs	397,680	687,569	860,465
Operations & Maintenance	<u>84,038</u>	<u>-</u>	<u>-</u>
TOTAL EXPENSES	<u>535,153</u>	<u>980,195</u>	<u>1,174,542</u>
OPERATING DEFICIT	-	(17,100)	(11,043)
OPENING ACCUMULATED SURPLUS	<u>249,929</u>	<u>249,929</u>	<u>260,972</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 249,929</u>	<u>\$ 232,829</u>	<u>\$ 249,929</u>

**HAY RIVER DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES**

For the Year Ended June 30, 2023

	<u>Administration</u>	<u>Inclusive Schooling</u>	<u>Indigenous Languages and Education</u>	<u>School Programs</u>	<u>Total</u>
SALARIES:					
Teachers	-	-	-	37,888	37,888
Non-instructional Staff	108,448	-	-	-	108,448
Board/Trustee Honoraria	5,550	-	-	-	5,550
SERVICES PURCHASED/ CONTRACTED					
Postage/Communication	2,871	-	-	58,744	61,615
Maintenance/Repair	-	-	-	983	983
Rentals/Leases	-	-	-	37,677	37,677
Contracted Services	-	-	-	155,598	155,598
MATERIALS/SUPPLIES/FREIGHT					
Materials	2,441	158	151,907	388,075	542,581
Freight	-	-	-	8,604	8,604
AMORTIZATION	<u>21,251</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,251</u>
Total	<u>\$ 140,561</u>	<u>\$ 158</u>	<u>\$ 151,907</u>	<u>\$ 687,569</u>	<u>\$ 980,195</u>

K'ATLODEECHE FIRST NATION DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2023

	<u>2023</u>	<u>2022</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 161,188	\$ 90,841
Accounts Receivable	<u>7,360</u>	<u>33,023</u>
	<u>168,548</u>	<u>123,864</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	86,860	121,291
Deferred Revenue	<u>15,106</u>	<u>1,185</u>
	<u>101,966</u>	<u>122,476</u>
ACCUMULATED SURPLUS	<u>\$ 66,582</u>	<u>\$ 1,388</u>

K'ATLODEECHE FIRST NATION DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2023

	2023 Budget (Unaudited)	2023 <u>Actual</u>	2022 <u>Actual</u>
REVENUE			
Regular contributions	\$ 175,874	\$ 175,874	\$ 127,194
Other ECE contributions	-	10,835	187,089
Other GNWT contributions	-	75,992	33,936
Jordan Prinicpal	-	-	16,748
Investment Income	-	3	3
Sales	-	1,100	1,186
Other	<u>-</u>	<u>13,388</u>	<u>130,629</u>
TOTAL REVENUE	<u>175,874</u>	<u>277,192</u>	<u>496,785</u>
EXPENSES			
Administration	20,023	47,330	69,851
Inclusive Schooling	-	-	5,995
Indigenous Languages and Education	-	36,699	60,836
School Programs	155,851	127,973	345,475
Jordan's Principle	<u>-</u>	<u>-</u>	<u>15,563</u>
TOTAL EXPENSES	<u>175,874</u>	<u>212,002</u>	<u>497,720</u>
OPERATING SURPLUS	-	65,190	(935)
OPENING ACCUMULATED SURPLUS	<u>1,392</u>	<u>1,392</u>	<u>2,327</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 1,392</u>	<u>\$ 66,582</u>	<u>\$ 1,392</u>

K'ATLODEECHE FIRST NATION DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES

For the Year Ended June 30, 2023

	<u>Administration</u>	<u>Indigenous Languages and Education</u>	<u>School Programs</u>	<u>Total</u>
SALARIES:				
Instruction Assistants	\$ 16,275	\$ 12,155	\$ 1,522	\$ 29,952
Board/Trustee Honoraria	7,350	14,900	6,750	29,000
SERVICES PURCHASED/ CONTRACTED				
Professional/Technical Services	10,570	-	-	10,570
Postage/Communication	2,699	-	1,056	3,755
Travel	-	7,452	-	7,452
Student Travel	-	-	611	611
Maintenance/Repair	-	2,192	3,702	5,894
Rentals/Leases	6,383	-	2,736	9,119
Contracted Services	450	-	14,150	14,600
MATERIALS/SUPPLIES/FREIGHT				
Materials	3,603	-	97,446	101,049
Total	<u>\$ 47,330</u>	<u>\$ 36,699</u>	<u>\$ 127,973</u>	<u>\$ 212,002</u>

FORT RESOLUTION DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2023

	<u>2023</u>	<u>2022</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ <u>110,279</u>	\$ <u>73,313</u>
	<u>110,279</u>	<u>73,313</u>
LIABILITIES		
Payroll Liabilities	1,471	1,836
Deferred Revenue	<u>10,624</u>	<u>-</u>
	<u>12,095</u>	<u>1,836</u>
ACCUMULATED SURPLUS	<u>\$ 98,184</u>	<u>\$ 71,477</u>

FORT RESOLUTION DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2023

	2023 Budget (Unaudited)	2023 <u>Actual</u>	2022 <u>Actual</u>
REVENUE			
Regular contributions	\$ 126,423	\$ 126,423	\$ 106,418
Other ECE contributions	-	108,508	102,878
Other GNWT contributions	-	-	15,300
Investment Income	-	570	29
Other	<u>-</u>	<u>63,629</u>	<u>186,259</u>
TOTAL REVENUE	<u>126,423</u>	<u>299,130</u>	<u>410,884</u>
EXPENSES			
Indigenous Languages and Education	-	47,713	135,267
Administration	21,587	123,293	120,737
School Programs	<u>104,836</u>	<u>101,416</u>	<u>138,786</u>
TOTAL EXPENSES	<u>126,423</u>	<u>272,422</u>	<u>394,790</u>
OPERATING SURPLUS	-	26,708	16,094
OPENING ACCUMULATED SURPLUS	<u>71,476</u>	<u>71,476</u>	<u>55,382</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 71,476</u>	<u>\$ 98,184</u>	<u>\$ 71,476</u>

**FORT RESOLUTION DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES**

For the Year Ended June 30, 2023

	Administration	Indigenous Languages and Education	School Programs	Total
SALARIES:				
Instruction Assistants	-	-	27,607 \$	27,607
Non-instructional Staff	3,940	-	-	3,940
Board/Trustee Honoraria	8,923	-	-	8,923
SERVICES PURCHASED/ CONTRACTED				
Professional/Technical Services	7,648	1,500	-	9,148
Postage/Communication	10,140	-	239	10,379
Utilities & Leases	-	3,212	4,000	7,212
Travel	3,558	-	1,155	4,713
Student Travel	9,310	200	-	9,510
Advertising/Printing/Publishing	2,226	337	-	2,563
Maintenance/Repair	1,511	-	-	1,511
Rentals/Leases	3,443	-	17,160	20,603
Contracted Services	7,548	5,120	23,600	36,268
MATERIALS/SUPPLIES/FREIGHT				
Materials	62,670	37,042	25,016	124,728
Freight	2,376	302	2,639	5,317
Total	<u>\$ 123,293</u>	<u>\$ 47,713</u>	<u>\$ 101,416</u>	<u>\$ 272,422</u>

LUTSEL K'E DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2023

	<u>2023</u>	<u>2022</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ <u>73,584</u>	\$ <u>176,903</u>
	<u>73,584</u>	<u>176,903</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	223	27,655
Deferred Revenue	<u>9,832</u>	<u>-</u>
	<u>10,055</u>	<u>27,655</u>
ACCUMULATED SURPLUS	<u>\$ 63,529</u>	<u>\$ 149,248</u>

LUTSEL K'E DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2023

	2023 Budget (Unaudited)	2023 <u>Actual</u>	2022 <u>Actual</u>
REVENUE			
Regular contributions	\$ 123,353	\$ 123,347	\$ 129,649
Other ECE contributions	-	-	184,236
Other GNWT contributions	-	115,310	20,373
Sales	-	-	2,000
Other	<u>-</u>	<u>92,723</u>	<u>75,064</u>
TOTAL REVENUE	<u>123,353</u>	<u>331,380</u>	<u>411,322</u>
EXPENSES			
Indigenous Languages and Education	-	844	59,870
Administration	9,919	13,688	10,338
Inclusive Schooling	-	209,659	8,168
School Programs	113,434	192,908	264,561
Jordan's Principle	<u>-</u>	<u>-</u>	<u>1,659</u>
TOTAL EXPENSES	<u>123,353</u>	<u>417,099</u>	<u>344,596</u>
OPERATING DEFICIT	-	(85,719)	66,726
OPENING ACCUMULATED SURPLUS	<u>149,248</u>	<u>149,248</u>	<u>82,522</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 149,248</u>	<u>\$ 63,529</u>	<u>\$ 149,248</u>

LUTSEL K'E DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES

For the Year Ended June 30, 2023

	<u>Administration</u>	<u>Inclusive Schooling</u>	<u>Indigenous Languages and Education</u>	<u>School Programs</u>	<u>Total</u>
SALARIES:					
Board/Trustee Honoraria	3,894 \$	-	-	-	3,894
SERVICES PURCHASED/ CONTRACTED					
Postage/Communication	3,730	-	-	-	3,730
Student Travel	-	-	-	27,857	27,857
Maintenance/Repair	-	-	3,377	-	3,377
Rentals/Leases	-	844	1,250	4,221	6,315
Contracted Services	-	-	93,731	-	93,731
MATERIALS/SUPPLIES/FREIGHT					
Materials	6,064	-	111,301	143,340	260,705
Freight	-	-	-	17,490	17,490
Total	<u>13,688 \$</u>	<u>844 \$</u>	<u>209,659 \$</u>	<u>192,908 \$</u>	<u>417,099</u>

NON CONSOLIDATED SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2023

	<u>2023</u>	<u>2022</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 7,296,458	\$ 8,260,212
Due from the GNWT	121,735	90,576
Accounts Receivable	<u>121,091</u>	<u>80,578</u>
	<u>7,539,284</u>	<u>8,431,366</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	67,354	58,994
Payroll Liabilities	2,435,665	2,679,458
Deferred Revenue	2,268,524	1,810,058
Post-Employment Benefits	<u>1,461,448</u>	<u>1,781,424</u>
	<u>6,232,991</u>	<u>6,329,934</u>
NET FINANCIAL RESOURCES	<u>1,306,293</u>	<u>2,101,432</u>
NON-FINANCIAL ASSETS		
Prepaid Expenses	<u>128,050</u>	<u>-</u>
ACCUMULATED SURPLUS	<u>\$ 1,434,343</u>	<u>\$ 2,101,432</u>

NON CONSOLIDATED SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2023

	2023 Budget (Unaudited)	2023 Actual	2022 Actual
REVENUE			
Government of the NWT			
Regular contributions	\$ 24,433,292	\$ 25,402,554	\$ 24,914,033
Other ECE contributions	418,000	676,724	1,035,806
Other GNWT contributions	<u>-</u>	<u>171,567</u>	<u>15,112</u>
Total Government of the NWT	<u>24,851,292</u>	<u>26,250,845</u>	<u>25,964,951</u>
Government of Canada			
Jordan Principal	1,076,314	2,525,443	2,167,021
Other Government of Canada	<u>-</u>	<u>-</u>	<u>-</u>
Total Government of Canada	<u>1,076,314</u>	<u>2,525,443</u>	<u>2,167,021</u>
Board Generated Funds			
Investment Income	50,000	329,447	68,496
Other #2	70,000	111,076	110,000
Other	<u>-</u>	<u>38,471</u>	<u>25,865</u>
Total Board Generated Funds	<u>120,000</u>	<u>478,994</u>	<u>204,361</u>
TOTAL REVENUE	<u>26,047,606</u>	<u>29,255,282</u>	<u>28,336,333</u>
EXPENSES			
Indigenous Languages and Education	2,130,501	1,688,542	1,818,792
Administration	2,377,380	1,960,414	1,955,322
Inclusive Schooling	5,851,671	4,787,129	5,774,805
School Programs	16,645,060	16,047,161	15,442,441
Jordan's Principle	-	2,525,449	1,773,096
Operations & Maintenance	<u>-</u>	<u>2,913,677</u>	<u>2,954,538</u>
TOTAL EXPENSES	<u>27,004,612</u>	<u>29,922,372</u>	<u>29,718,994</u>
OPERATING DEFICIT	(957,006)	(667,090)	(1,382,661)
OPENING ACCUMULATED SURPLUS	<u>2,101,433</u>	<u>2,101,433</u>	<u>3,484,094</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 1,144,427</u>	<u>\$ 1,434,343</u>	<u>\$ 2,101,433</u>

**NON CONSOLIDATED SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
DETAILS OF EXPENSES**

For the Year Ended June 30, 2023

	<u>Administration</u>	<u>Inclusive Schooling</u>	<u>Indigenous Languages and Education</u>	<u>School Programs</u>	<u>Operations & Maintenance</u>	<u>Jordan's Principle</u>	<u>Total</u>
SALARIES:							
Teachers	\$ 532	\$ 1,802,955	\$ 1,198,754	\$ 13,785,265	\$ -	\$ -	\$ 16,787,506
Instruction Assistants	-	2,433,497	201,982	-	-	2,514,088	5,149,567
Non-instructional Staff	1,104,419	74,695	138,863	1,763,341	-	-	3,081,318
Board/Trustee Honoraria	4,750	10,233	-	-	-	-	14,983
EMPLOYEE BENEFITS							
Employee Benefit/Allowance	-	-	-	14,853	-	-	14,853
Leave and Termination	-	-	23,238	263,592	-	-	286,830
SERVICES PURCHASED/ CONTRACTED							
Professional/Technical Services	188,112	206,336	-	80,544	-	-	474,992
Postage/Communication	26,193	-	-	-	-	-	26,193
Travel	123,461	99,447	18,375	21,019	-	-	262,302
Advertising/Printing/Publishing	11,699	6,433	3,960	-	-	-	22,092
Maintenance/Repair	14,385	-	-	-	-	-	14,385
Rentals/Leases	186,520	-	-	-	-	-	186,520
Contracted Services	67,336	84,419	8,937	71,200	-	-	231,892
MATERIALS/SUPPLIES/FREIGHT							
Materials	231,489	68,836	94,433	47,149	-	11,361	453,268
Freight	1,518	278	-	198	-	-	1,994
CONTRIBUTIONS/TRANSFERS							
Transfers - Other	-	-	-	-	2,913,677	-	2,913,677
Total	<u>\$ 1,960,414</u>	<u>\$ 4,787,129</u>	<u>\$ 1,688,542</u>	<u>\$ 16,047,161</u>	<u>\$ 2,913,677</u>	<u>\$ 2,525,449</u>	<u>\$ 29,922,372</u>

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Consolidated Financial Statements

June 30, 2023

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Consolidated Financial Statements

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Yellowknife Catholic Schools

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MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2023

WHERE LEARNING LIGHTS THE SPIRIT
Où l'apprentissage reflète l'Esprit
Yedàì Nezjì T'à Hoghàts'eeetq

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INTRODUCTION

The provided information offers an overview of the key sections within the Consolidated Financial Statements for Yellowknife Catholic Schools (YCS). These statements play a crucial role in presenting the financial health and performance of the organization for a specific school or fiscal year:

Consolidated Statement of Financial Position: This statement provides a snapshot of YCS's financial position as of June 30th. It details the assets, liabilities, accumulated surplus (or deficit), and net debt position. It serves as a crucial indicator of the organization's financial health at a specific point in time.

Consolidated Statement of Operations: This statement offers financial data related to revenues and expenses for the entire fiscal year. It summarizes the financial performance, showcasing whether YCS has achieved a surplus (revenues exceeding expenses) or a deficit (expenses surpassing revenues) during the period.

Consolidated Statement of Change in Net Assets: This statement delves into the changes in net assets over the fiscal year. It illustrates how expenditures for the accounting period are covered by revenues recognized during operations and highlights the investments made in tangible capital assets.

Consolidated Statement of Cash Flow: This statement tracks the flow of cash throughout the fiscal year. It highlights the starting and ending cash balances, revealing how cash was sourced and utilized in operating, investing, financing, and capital transactions.

These financial statements are valuable tools for assessing YCS's financial health, performance, and the efficiency with which it manages its resources. They provide insights into the organization's ability to meet its financial obligations, allocate resources effectively, and make informed decisions about future financial strategies. Readers of these statements can gain a comprehensive understanding of YCS's financial status and its ability to sustain and improve its educational services.

EXECUTIVE SUMMARY

The Management's Discussion and Analysis (MD&A) of the consolidated financial position and results of operations of Yellowknife Public Denominational District Education Authority (Yellowknife Catholic Schools) for the year ended June 30, 2023 should be read in conjunction with Yellowknife Catholic Schools (YCS)' audited consolidated financial statements and related notes.

The preparation of this report is the responsibility of YCS's management, underscoring the commitment to transparency and accountability in financial reporting. This reflects the organization's dedication to providing stakeholders with a clear and accurate view of its financial status.

The Board of Trustees plays a crucial role in promoting transparency and accountability within YCS. Their oversight ensures that the organization upholds high standards of financial reporting and governance.

As a learning community YCS looks forward and thinks about the many ways our world is changing and ensures that our students are prepared to adapt to changes as they emerge. As such we are excited that our new strategic plan has three key priorities:

- Our learning community will inspire critical thinking through inquiry and innovation.
- Our learning community will promote empathy and a commitment to well-being.
- Our learning community will value relationship building as the foundation for students to thrive.

As a Catholic Education system, we will encourage our students to use these skills and characteristics as guiding principles. We want them to think critically about faith and to make decisions based on their spirituality and the knowledge that faith promotes being a good person. We will use our faith-filled classrooms to explore how we want our students to live as people – letting their lights shine in the world.

Mission, Values and Beliefs

Yellowknife Catholic Schools is committed to delivering top-tier Catholic education that caters to all children's needs while promoting the development of essential skills.

Rooted in the gospel values of Jesus Christ, YCS aims to create a welcoming, inclusive, and safe learning environment. Our vision is to nurture capable individuals through critical thinking, well-being, and meaningful relationships.

YCS upholds values of love, hope, charity, respect, dignity, and reconciliation, and believes that collaboration with the community and the Catholic faith empowers students and staff to become confident lifelong learners with integrity in relationships. Recognizing the importance of self-identity and respect, YCS strives to create an inclusive and welcoming learning environment for all.

Board of Trustees

The Yellowknife Catholic Schools (YCS) Board comprises seven dedicated trustees. Ms. Tina Schauerte serves as the Board's Chair, with Ms. Susan Waddell in the role of Vice Chair. The additional trustees contributing to the board's governance are Christine Lewandowski, Gerri Whiteford, Melanie Williams, Steven Voytilla, and Todd Slack.

To enhance transparency and governance, the YCS Board has established three committees: the Facilities and Finance Committee, the Policy Committee, and the Ad Hoc Committee. These committees play pivotal roles in various aspects of our operations, contributing to informed decision-making.

Our commitment to open communication is exemplified through the monthly trustee meetings, which are accessible to the public. These meetings provide a platform for stakeholders to stay informed about our activities and actively engage in discussions relevant to the YCS school board's initiatives.

Yellowknife Catholic Schools

Yellowknife Catholic Schools (YCS) proudly stands as the sole Catholic school board in the Northwest Territories. Our institution was founded in July 1951, and we are dedicated to providing quality education to students spanning from Junior Kindergarten to Grade 12.

YCS operates its educational programs within several key facilities, including École St. Patrick High School (ESPHS), Weledeh Catholic School (WCS), École St. Joseph School (ESJS), the Kimberlite Career and Technical Centre (KCTC), the Tallah Building, Jim Murphy Maintenance Building, and the Central Services Building. We take great pride in maintaining these facilities in impeccable condition to support a conducive learning environment for our students.

In the 2022-2023 school year, our senior administration team was composed of the following individuals:

- Simone Gessler, Superintendent
- Pat Sullivan, Assistant Superintendent – Learning
- Mahesh Adhikary, Assistant Superintendent – Business

Within our school leadership, we have dedicated principals overseeing various institutions:

- Don Reid serves as the principal at École St. Patrick High School.
- Alicia Larade serves as the principal at Weledeh Catholic School.
- Paul Kelly holds the role of principal at École St. Joseph School

Student and Teacher Population

The following is the student enrolment, and number of teachers and Pupil/teacher ratio as of September 30, 2022.

	Enrolment	Teachers	Pupil/Teacher Ratio
École St Patrick High School	530	39	14
Weledch Catholic School	345	23	15
École St Joseph School	538	37	15
	1,413	99	14

There was a total of 223 staff at YCS as of June 2023.

Strategic Plan

Vision Statement for 2021-2024

YCS's vision of learning will empower students and staff to engage, explore, grow, and thrive in a multitude of ways. Our mission is to support student learning and well-being from JK - grade 12 so that all students can develop the skills and characteristics they need to be capable people in the world.

Yellowknife Catholic Schools three-year strategic plan has been designed with flexible observables to address the fluidity of learning and our ever-changing landscape. We will continue to engage the parish, families, schools, and our community partners in developing our Vision of a Learner.

Goals

The goals of YCS are to:

- Inspire critical thinking through inquiry and innovation;
- Promote empathy and commitment to spiritual, physical, social-emotional, cultural, and intellectual well-being of students;
- Strengthen partnerships with the parish, our families, community members, Education, Culture, and Employment, and the Indigenous people of the NWT to create an environment for students to thrive.

Commitments

YCS is committed to the following:

- Engage in continuous growth and improvement, make decisions to enhance student learning and provide opportunities for the community to learn together.
- Provide all learners with a safe environment that promotes spiritual, academic, physical, emotional, and social growth, encouraging inquiry, innovation, and self-reflection.
- Allocate resources based on our vision and commitment to our learners.

YCS realizes its responsibility to provide an excellent education for our students. Our district is proud of its reputation for providing high-quality education to the students of our community through continuous improvement and the cooperative efforts of the Northwest Territories (GNWT) Minister of Education, Culture and Employment (ECE), administration, teachers, staff, students, families, and a supportive community.

FINANCIAL HIGHLIGHTS

The audited consolidated financial statements were prepared in accordance with Canadian Public Sector Accounting Standards for the review of the Minister of ECE of the GNWT.

Financial Assets

YCS maintains its financial assets in the form of Cash, Accounts Receivable, and Deposits in Trust held by the Government of the Northwest Territories. As of June 30, 2023, the cash balance stood at \$11.77 million, representing an increase from the prior year's balance of \$11.19 million, indicating a healthy cash flow.

The overall financial asset position as of June 30, 2023, amounted to \$12.60 million, reflecting a slight decrease from the prior year's position of \$12.81 million. This change was primarily driven by a depletion in the Deposit in Trust, which was largely offset by increases in Cash and Accounts Receivable.

Liabilities

Liabilities comprise payroll liabilities, accounts payable, deferred revenues, and long-term debt. Payroll liabilities include obligations for staff compensation in July and August.

Long-term debt was reduced by \$110K over the year and pertains to a debenture on the Tallah building. Rental revenue from the Tallah building covers the net financial debt.

The Consolidated Statement of Financial Position includes a significant line item referred to as 'Net Financial Assets.' This line serves as a key indicator of our capacity to meet all of our financial obligations with our available assets.

For the current year, we are pleased to report a net surplus of \$4.85 million, demonstrating a notable increase from the prior year's net surplus of \$4.62 million. This positive figure underscores YCS's ability to cover all outstanding debts at the close of the fiscal year.

Non-Financial Assets

Non-financial assets encompass properties such as land and buildings, which YCS has no plans to sell and cannot be readily converted into cash. During the fiscal period, we observed a decrease in non-financial assets, moving from \$35.62 million to \$35.45 million. This change primarily reflects fluctuations in the valuation of tangible capital assets owned by Yellowknife Catholic Schools.

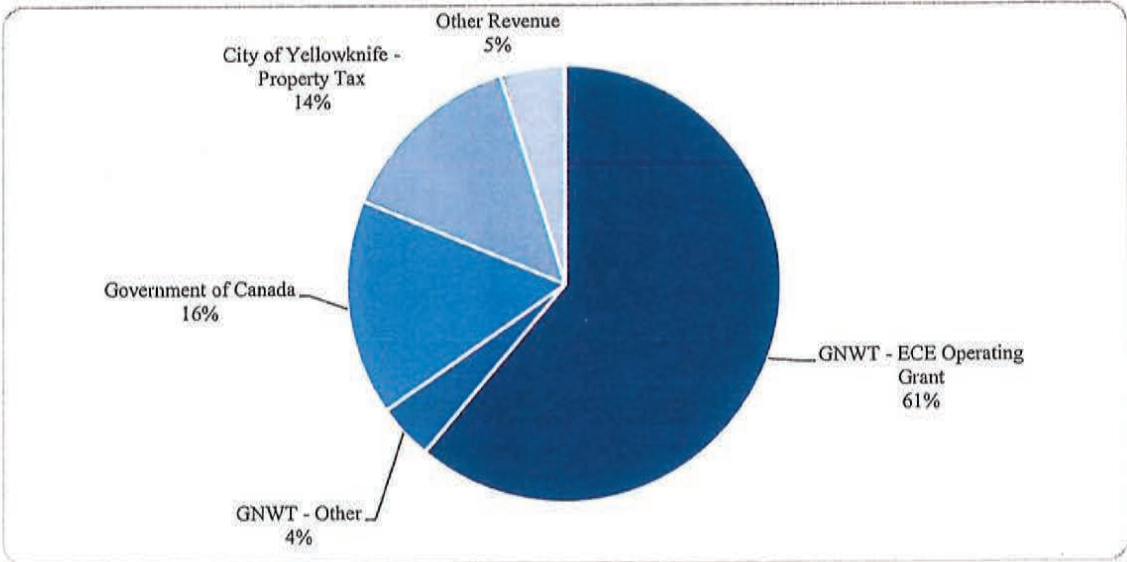
The decrease of 170K in tangible capital assets primarily arises from the amortization of these assets during the fiscal year, largely offset by capitalization of Pellet Boiler installed in St Patrick High School within the same period.

Accumulated Surplus

The Accumulated Surplus is calculated as the sum of Non-Financial Assets and Net Financial Assets. It signifies the equity that YCS has amassed over its 72-year history. The most substantial portion of this accumulated surplus is represented by the Investment in Tangible Capital Assets. A detailed breakdown of the accumulated surplus is available in the Consolidated Statement of Accumulated Surplus.

FINANCIAL COMPARISONS AND VARIANCES

Revenues



YCS relies on various sources of funding to support its operations. The majority of funding, accounting for 61% of revenue, is provided by GNWT Department of ECE as core funding for day-to-day school operations. This core funding is determined by a funding formula established by ECE, with student enrollment being the most critical factor in this formula.¹ In total, approximately 65% of revenue is derived from the GNWT; other GNWT sources being contributions for French language programs, Out-of-School Care school programs and wellness initiatives.

Throughout the fiscal year, YCS also received 16% of its revenue from Jordan's Principle, a program administered by the Government of Canada. Jordan's Principle funding is aimed at supporting Indigenous students, ensuring they have access to essential products, services, and support when needed. Additionally, 14% of revenue is generated from property taxes, which are collected by the City of Yellowknife on behalf of YCS.

Furthermore, board-generated funds augment financial resources, including donations, bus pass sales, Out-of-School program fees, investment revenue, and rental income. YCS also generates revenue when students from other school districts attend YCS schools, and the other districts receive GNWT core funding for those students.

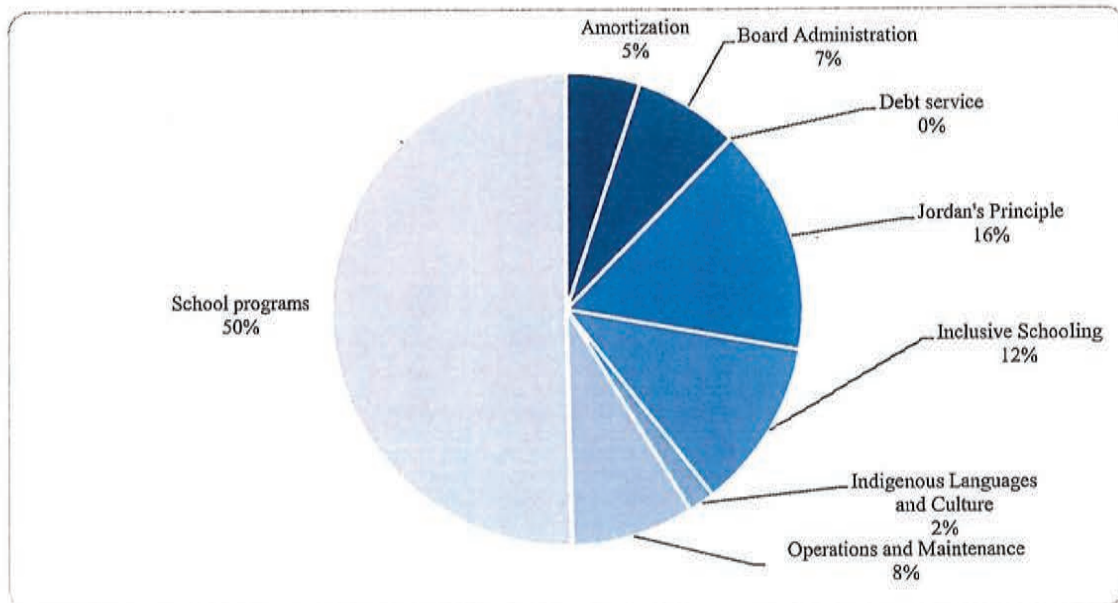
It is important to note that YCS is economically reliant on GNWT for most of its operating revenue. Therefore, any significant changes in Yellowknife's student enrollment or alterations to the GNWT funding formula could have profound implications for the future operations of YCS.

¹ https://www.ece.gov.nt.ca/sites/ece/files/resources/school_funding_framework_2022-23.pdf

Expenditures

The Consolidated Statement of Operations and Schedule 1 offer two distinct methods for categorizing expenditures. In the Consolidated Statement of Operations, expenditures are categorized based on program classifications. On the other hand, Schedule 1 of the consolidated financial statements provides a supplementary breakdown of expenditures by object, offering a more detailed view of how financial resources are allocated and spent.

Expenditures – By Program



Program categories for YCS are:

Amortization (5%): This expense is associated with systematically spreading the cost of tangible capital assets over their useful life.

Board Administration (7%): This category encompasses costs related to central services administrative and technology staff salaries and benefits, trustee honoraria, audit and legal fees, travel expenses, as well as advertising and publishing costs.

Debt Service: This section covers interest payments on long-term debt, specifically related to the repayment of debentures for the Tallah Building. Most of the debenture repayments for the Tallah Building are funded through lease payments from Aurora College.

Inclusive Schooling (12%): Expenditures in this program support students with diverse needs, including enrichment opportunities and assistance for those with learning challenges. It includes

salaries and benefits for program support teachers, literacy and early intervention teachers, the student services coordinator, counselors, classroom assistants, and advanced placement teachers.

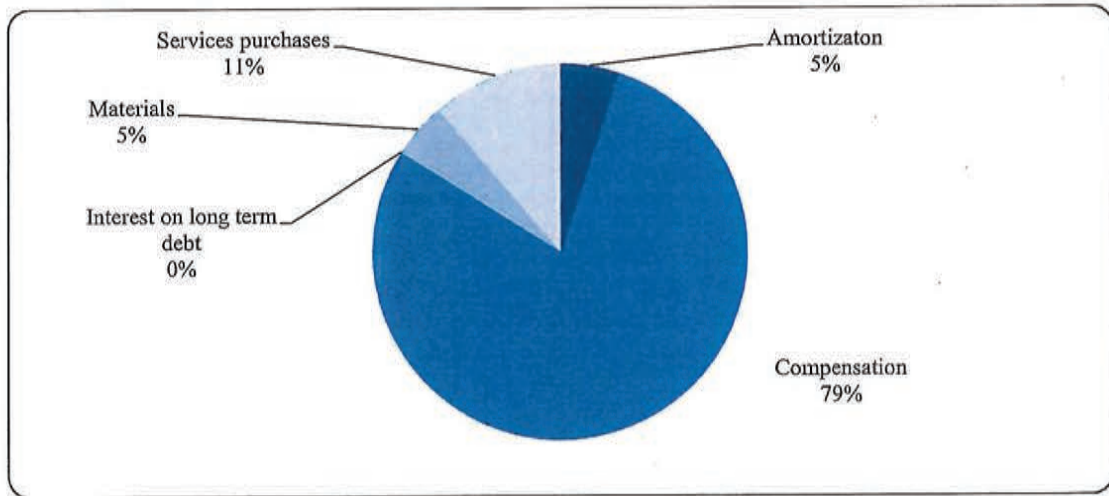
Indigenous Language Education (2%): This category includes salaries and benefits for Wiliideh Yati Language instructors, literacy coach, costs related to creating learning materials in the Wiliideh Yati language, and expenses associated with indigenous language and culture camps.

Jordan's Principle (16%): This section accounts for funding received under Jordan's Principle, which is aimed at providing support to Indigenous students to ensure they have access to essential products, services, and support when needed.

Operations and Maintenance (8%): This category covers the salaries and benefits of maintenance staff, as well as expenses related to electricity, fuel, water, janitorial services, and facility maintenance, including minor capital projects.

School Programs (50%): The majority of teachers' salaries and benefits are recorded in this program. Other significant expenses include salaries and benefits for school administrative assistants, curriculum coordinators, costs for school textbooks and supplies, expenses related to busing services.

Expenditures by Object



Compensation (79%): This category encompasses salaries for various personnel, including teachers, coordinators, classroom assistants, maintenance staff, administration assistants, counsellors, technology staff, administrative staff, and trustee honoraria. It's important to note that the majority of YCS staff are covered by unionized collective agreements specifying their compensation and benefits. Compensation also includes employee benefits, which consist of employer contributions to pension plans, extended health and dental plans, CPP, EI, WSCC premiums, life insurance, long-term disability

insurance, maternity leave, professional development, medical travel, vacation travel, removal benefits, and other allowances.

Services purchased/contracted (11%): This category accounts for expenses related to services purchased or contracted, such as busing, janitorial services, insurance services, security services, and snow removal.

Materials/freight (5%): Expenses related to materials and freight for goods are included in this category.

Amortization (5%): This expense reflects the systematic write-off of the value of tangible capital assets over a defined number of accounting periods.

Debenture interest: This represents interest expenses incurred during the year for the Tallah building debentures.

Operating Surplus

At the end of the 2022-2023 fiscal year, there was an operating surplus of \$4.76 million.

The following table shows the summary of Accumulated Surplus.

	Opening	Increase (Decrease)	Closing
Operating fund surplus	4,704,718	57,872	4,762,590
Investment in tangible capital assets	35,330,299	(58,481)	35,271,818
Decentralized budget accumulated surplus	336,306	-	336,306
	40,371,323	(609)	40,370,714

The operating fund surplus increased by \$57,872 during the year. This increase was primarily attributed to the receipt of the GHG Grant, which was utilized to construct the Wood Pellet Boiler at St. Patrick High School. This grant significantly offset the operational deficit.

Investment in tangible capital assets represents the amount of funds received and recognized as revenue that allow us to purchase our tangible capital assets less accumulated amortization. The decrease in this account this year is due to amortization of our tangible capital assets largely offset by the principal portion of the repayment of the debenture on the Tallah Building and offset by completion of Wood Pellet Boiler at St Patrick High School.

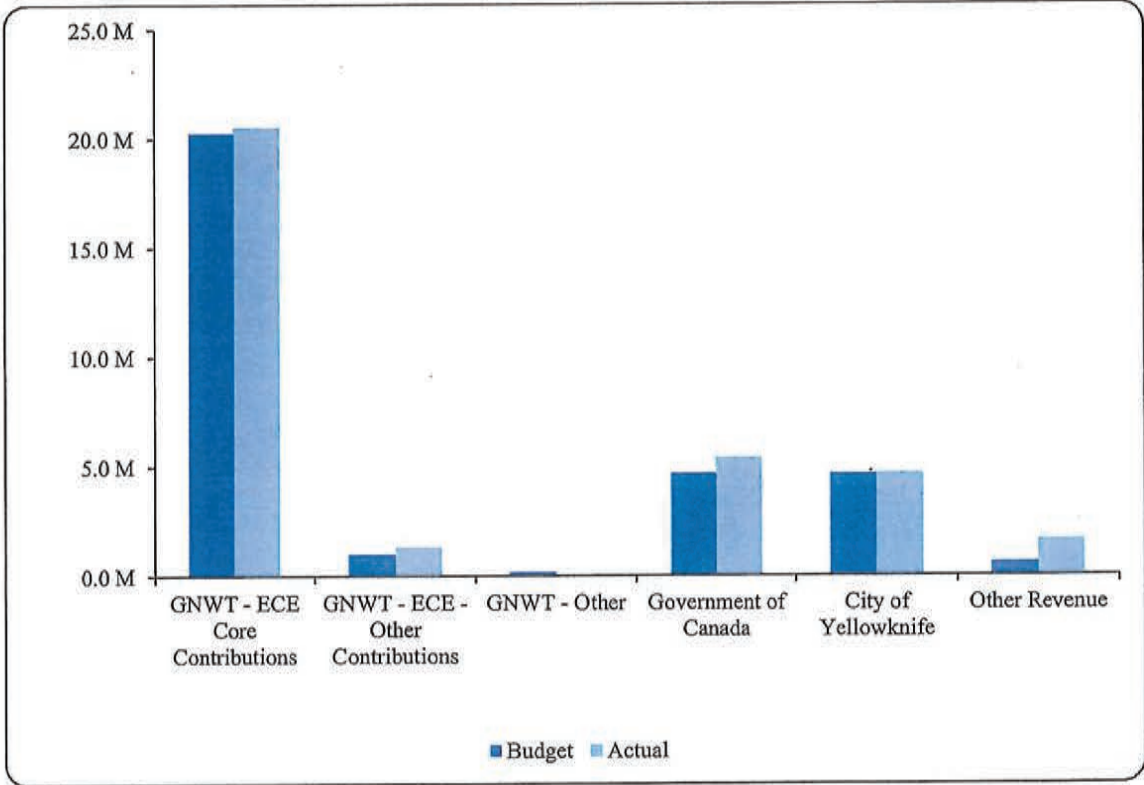
This category comprises funds that have been committed or designated for specific purposes. The majority of these funds are surpluses allocated to individual schools. Decisions regarding the expenditure of school-based funds are made by the respective schools following YCS' School-Based Decision-Making procedure.

Variance Analysis

Revenue

In the fiscal year 2022-2023, a budgeted annual deficit of \$1.70 million was initially projected. However, the actual operating deficit before considering other items amounted to \$928,000. This deficit was entirely offset by the receipt of a GHG grant totaling \$928,000, resulting in an actual net operating deficit of less than \$1,000.

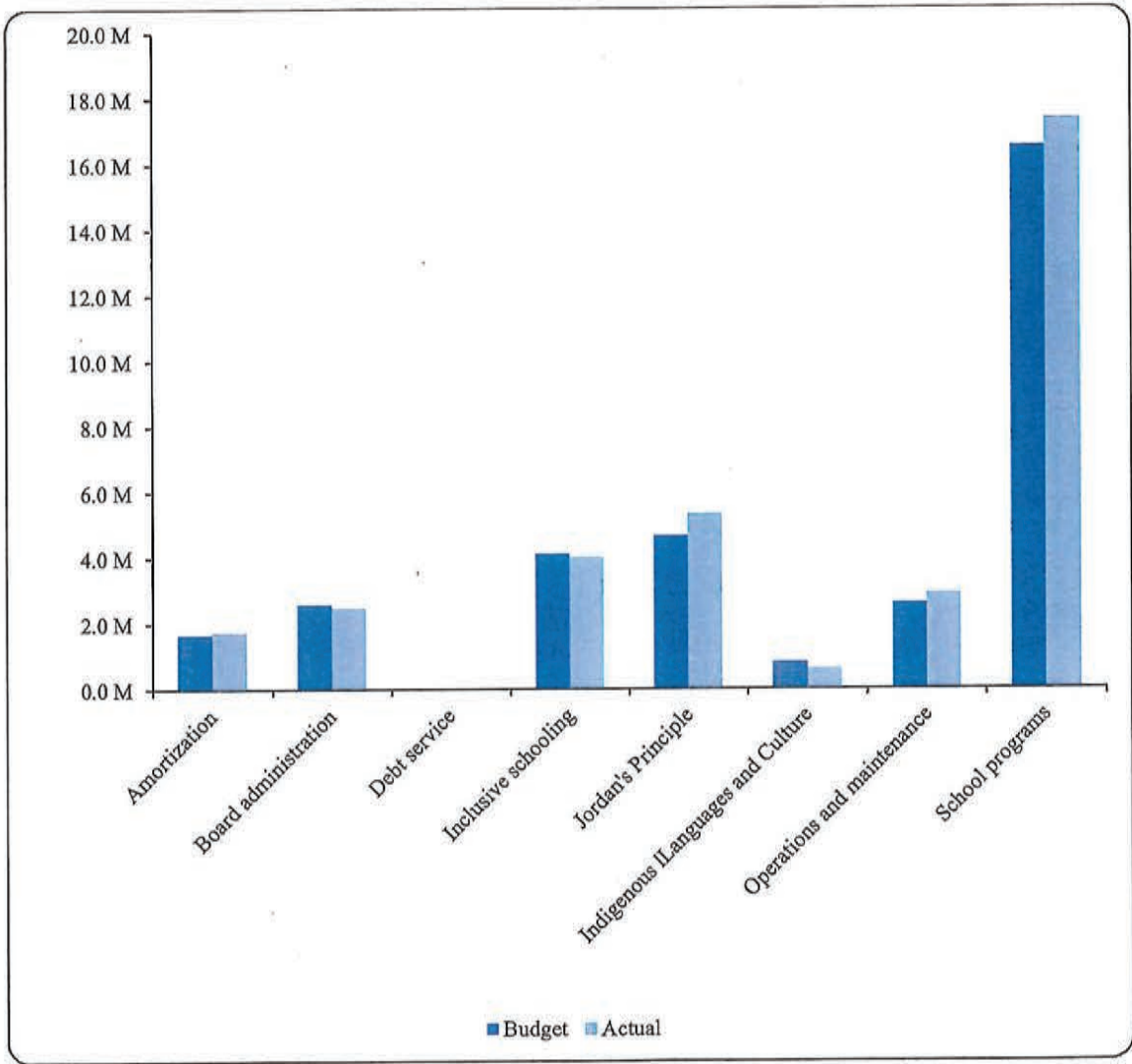
Regarding revenue, the budgeted amount for 2022-2023 was \$31.35 million, while the actual revenue realized reached \$33.59 million. This increase in revenue can be attributed to several factors, including adjustments in core and other contributions from the Government of Northwest Territories through Education, Culture, and Employment, an increase in Jordan's Principle funding from the Government of Canada, adjustments in property taxes requisitioned from the City of Yellowknife, and higher investment revenues, out-of-school program fees, and other revenue generated by the district.



Expenditures

The budgeted expenditures for the 2022-2023 fiscal year were initially set at \$33.02 million. However, the actual expenditures for the year totaled \$34.52 million, resulting in a variance (over-expenditure) of \$1.49 million.

This variance can be primarily attributed to the allocation of additional resources to support students under Jordan's Principle as funded and the expansion of out-of-school care programming, which incurred additional expenses. Additionally, there was an increase in operation and maintenance costs, contributing to the overall expenditure variance.



SUMMARY AND OUTLOOK

YCS continues to prioritize the development of 21st-century learning skills among its students. This approach acknowledges the evolving nature of education and the need to equip students with the skills and knowledge necessary for success in an ever-changing world.

YCS has adopted the theme of 'Merciful Hearts', with a particular emphasis on 'Mercy that Serves.' This theme reflects the schools' commitment to values such as compassion, empathy, and service to others, nurturing not just academic growth but also character development.

The commitment by Trustees to support all existing programs and positions demonstrates a dedication to the continuity and stability of educational offerings. It underscores the importance of maintaining educational quality and ensuring that students have access to a wide range of learning opportunities.

The forthcoming strategic plan for the next five years signals YCS's proactive approach to shaping its future. This plan will outline the school's vision, goals, and strategies for continued improvement and innovation in education.

YCS reports a healthy operating fund surplus and a strong cash position. This financial stability is crucial for the schools' ability to deliver quality education while being fiscally responsible. It provides a safety net for unforeseen challenges and opportunities that may arise in the future. At the same time, YCS also acknowledges the ongoing challenge of delivering quality education within fiscal and operational constraints. The commitment to spending today's resources on today's students reflects the school's dedication to maximizing the impact of its financial resources on student learning outcomes.

Ultimately, YCS's mission is to prepare its students for their future lives. This includes not only academic preparation but also the development of life skills, values, and a strong sense of social responsibility. The school's commitment to 'Mercy that Serves' suggests a focus on nurturing responsible and compassionate citizens ready to make a positive impact on society.

In summary, YCS is looking ahead to an exciting year of education, emphasizing both academic excellence and character development. The commitment to financial responsibility, along with strategic planning, ensures a stable and progressive future for the school, where students receive a holistic and forward-looking education.

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, 2023

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.

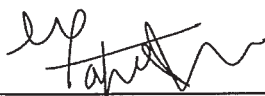
Management hereby asserts that auditors have been provided with all relevant records and documentation as well as unrestricted access to the same. Management is not aware of any undisclosed irregularities involving management or employees with either current or potential impact on financial results, 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

November 6, 2023

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, 2023, and the consolidated statement of changes in net financial asset, 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, 2023, 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, 2023 and 2022 are not recognized nor audited in the accompanying financial statements. Our audit opinion on the financial statements for the year ended June 30, 2022 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.

Independent Auditors' Report (continued)

- 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

Yellowknife, Canada
November 6, 2023

Chartered Professional Accountants

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Consolidated Statement of Financial Position

As at June 30,	2023	2022
Financial Assets		
Cash and cash equivalents (Note 4)	\$ 11,772,395	\$ 11,197,498
Accounts receivable (Note 8)	661,520	29,044
Due from the Government of Canada (Note 13)	163,335	79,671
Deposit in trust	-	1,505,000
	12,597,250	12,811,213
Liabilities		
Accounts payable and accrued liabilities (Note 10)	655,268	831,823
Accrued payroll liabilities (Note 10)	4,023,508	3,613,595
Deferred revenue (Note 12)	1,697,343	2,428,901
Payroll benefits payable	27,591	18,175
Pensions (Note 15)	167,900	139,800
Long-term debt (Note 16)	177,636	287,756
Post-employment benefits and compensated absences (Note 17)	1,000,686	868,870
	7,749,932	8,188,920
Net Financial Assets	4,847,318	4,622,293
Non-Financial Assets		
Tangible capital assets (Note 19)	35,449,454	35,618,055
Prepaid expenses (Note 20)	73,942	130,975
	35,523,396	35,749,030
Accumulated Surplus	\$ 40,370,714	\$ 40,371,323
Represented by:		
Operating fund surplus	\$ 4,762,590	\$ 4,704,718
Investment in tangible capital assets	35,271,818	35,330,299
Decentralized budget accumulated surplus	336,306	336,306
	\$ 40,370,714	\$ 40,371,323

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,	2023 Budget	2023 Actual	2022 Actual
Revenues			
Government of the Northwest Territories			
ECE - Regular Contributions	\$ 20,271,511	\$ 20,539,075	\$ 21,065,774
ECE - Other contributions	1,001,500	1,318,106	776,464
Total ECE contributions (Note 31)	21,273,011	21,857,181	21,842,238
GNWT - Other contributions (Note 32)	175,000	71,325	68,380
Total GNWT contributions	21,448,011	21,928,506	21,910,618
Government of Canada			
Jordan's Principle (Schedule 6)	4,670,000	5,348,016	4,242,653
Menstrual Product Funding	-	22,888	-
Total Government of Canada contributions	4,670,000	5,370,904	4,242,653
City of Yellowknife - property tax requisitioned	4,644,000	4,672,910	4,495,667
Other Education Authorities			
Extra - jurisdictional tuition	100,000	85,280	103,130
Education authority generated funds			
Donations	50,000	100,232	39,530
Fees and Sales	140,000	367,416	151,670
Investments	60,000	528,337	96,390
Other	62,825	356,578	129,543
Rentals	180,000	178,593	178,618
Total generated funds	492,825	1,531,156	595,751
	\$ 31,354,836	\$ 33,588,756	\$ 31,347,819

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Consolidated Statement of Operations (continued)

For the year ended June 30,	2023 Budget	2023 Actual	2022 Actual
Expenses			
School Programs (Schedule 1)	\$ 16,536,400	\$ 17,384,670	\$ 16,439,718
Inclusive Schooling (Schedule 2)	4,125,000	4,021,689	4,050,574
Board Administration (Schedule 1)	2,597,000	2,487,399	2,595,949
Operations and Maintenance (Schedule 1)	2,609,000	2,904,352	2,775,339
Indigenous Languages and Culture (Schedule 3)	817,000	619,354	546,869
Jordan's Principle (Schedule 1)	4,670,000	5,348,016	4,242,653
Amortization (Schedule 1)	1,666,000	1,742,130	1,663,453
Debenture Interest (Schedule 1)	4,000	9,880	3,296
	33,024,400	34,517,490	32,317,851
Annual operating deficit before other items	(1,669,564)	(928,734)	(970,032)
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	(1,669,564)	(609)	(970,032)
Opening accumulated surplus	40,371,323	40,371,323	41,341,355
Closing accumulated surplus	\$ 38,701,759	\$ 40,370,714	\$ 40,371,323

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Consolidated Statement of Changes in Net Assets

For the year ended June 30,	2023 Budget	2023 Actual	2022 Actual
Operating deficit	\$ (1,669,564)	\$ (609)	\$ (970,032)
Acquisition of tangible capital assets	-	(1,573,529)	(12,954)
Amortization of tangible capital assets	1,600,000	1,742,130	1,663,453
Change in prepaid expenses and deposits	-	57,033	352,596
Increase (decrease) in net assets	(69,564)	225,025	1,033,063
Net assets, beginning of year	4,622,293	4,622,293	3,589,230
Net assets, end of year	\$ 4,552,729	\$ 4,847,318	\$ 4,622,293

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Consolidated Statement of Cash Flows

For the year ended June 30,	2023 Actual	2022 Actual
Cash provided by (used in):		
Operating transactions		
Operating deficit	\$ (609)	\$ (970,032)
Items not affecting cash:		
Amortization	1,742,130	1,663,453
	<u>1,741,521</u>	<u>693,421</u>
Changes in non-cash working capital items		
Increase in accounts receivable	(632,476)	(1,339)
Decrease (increase) in due from the Government of Canada	(83,664)	72,399
Decrease in prepaid expenses	57,033	352,596
Increase (decrease) in accounts payable and accrued liabilities	(176,555)	547,929
Increase in accrued payroll liabilities	409,913	196,268
Increase in pensions	28,100	9,300
Increase in post-employment benefits and compensated absences	131,816	123,991
Increase (decrease) in deferred revenue	(731,558)	215,327
Increase (decrease) in payroll benefits payable	9,416	(343)
	<u>(987,975)</u>	<u>1,516,128</u>
Cash provided by (used in) operating transactions	753,546	2,209,549
Financing transaction		
Repayment of long-term debt	(110,120)	(116,704)
Capital transaction		
Acquisition of tangible capital assets	(1,573,529)	(12,954)
Deposit in Trust - Pellet Boiler	1,505,000	(1,505,000)
Increase in cash and cash equivalents	574,897	574,891
Cash and cash equivalents, beginning of year	11,197,498	10,622,607
Cash and cash equivalents, end of year	\$ 11,772,395	\$ 11,197,498

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Consolidated Statement of Accumulated Surplus

For the year ended June 30,	2023	2022
Operating Fund Surplus		
Operating fund surplus, beginning of year	\$ 4,704,718	\$ 3,791,601
Operating deficit	(609)	(970,032)
Transfer from investment in tangible capital assets	58,481	1,533,795
Transfer from decentralized budget accumulated surplus	-	349,354
Operating fund surplus, end of year	\$ 4,762,590	\$ 4,704,718
Transfer from investment in tangible capital assets consists of:		
Amortization	\$ 1,742,130	\$ 1,663,453
Capital acquisitions	(1,573,529)	(12,954)
Debenture principal repayment	(110,120)	(116,704)
	\$ 58,481	\$ 1,533,795
Investment in Tangible Capital Assets		
Investment in tangible capital assets, beginning of year	\$ 35,330,299	\$ 36,864,094
Amortization	(1,742,130)	(1,663,453)
Capital acquisitions	1,573,529	12,954
Debenture principal repayment	110,120	116,704
Investment in tangible capital assets, end of year	\$ 35,271,818	\$ 35,330,299
Decentralized Budget Accumulated Surplus		
Decentralized budget accumulated surplus, beginning of year	\$ 336,306	\$ 685,660
Transfer from (to) operating fund surplus	-	(349,354)
Decentralized budget accumulated surplus, end of year	\$ 336,306	\$ 336,306
Total Accumulated Surplus	\$ 40,370,714	\$ 40,371,323

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2023

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

Yellowknife Catholic Schools
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Notes to Consolidated Financial Statements

June 30, 2023

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.

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Notes to Consolidated Financial Statements

June 30, 2023

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.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2023

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.

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Notes to Consolidated Financial Statements

June 30, 2023

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. This requisitioned amount is one portion of the property tax paid annually by property owners.

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 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.

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.

Yellowknife Catholic Schools
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Notes to Consolidated Financial Statements

June 30, 2023

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.

Yellowknife Catholic Schools
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Notes to Consolidated Financial Statements

June 30, 2023

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, 2023.

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.

(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.

Yellowknife Catholic Schools
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Notes to Consolidated Financial Statements

June 30, 2023

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, 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 exists; 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, 2023.

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.

Yellowknife Catholic Schools
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Notes to Consolidated Financial Statements

June 30, 2023

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.

3. Future Accounting Changes and Adoption of New Accounting Standards

(a) Adoption of New Accounting Standards

Asset Retirement Obligations, Section PS 3280

Section PS 3280, Asset Retirement Obligations, was issued by the Public Sector Accounting Standards Board ("PSAB", or the "Board") August 2018. It is effective for fiscal years beginning on or after April 1, 2022. The standard provides guidance on how to account for and report a liability for asset retirement obligations ("AROs"). The adoption of this new standard had no impact on the financial statements.

(b) Future Accounting Changes

Revenue, Section PS 3400

This section establishes standards on how to account for and report on revenues. Specifically, it differentiates between revenues arising from transactions that include performance obligations, referred to as "exchange transactions", and transactions that do not have performance obligations, referred to as "non-exchange transactions". This section applies to fiscal years beginning on or after April 1, 2023. Earlier adoption is permitted.

Yellowknife Catholic Schools
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Notes to Consolidated Financial Statements

June 30, 2023

3. Future Accounting Changes and Adoption of New Accounting Standards (continued)

Public Private Partnerships PS 3160

This section establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. The private sector partner's obligations include requirements to:

- (a) design, build, acquire or better new or existing infrastructure;
- (b) finance the transaction past the point where the infrastructure is ready for use; and
- (c) operate and/or maintain the infrastructure.

This standard is applicable only to those Education Bodies that are able to acquire, and required to report, tangible capital assets in its financial statements. It is effective for fiscal years beginning on or after July 1, 2023.

4. Cash and Cash Equivalents

	2023	2022
Cash and cash equivalents	\$ 11,772,395	\$ 11,197,498

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.

Yellowknife Catholic Schools
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Notes to Consolidated Financial Statements

June 30, 2023

8. Accounts Receivable

	Accounts Receivable	Allowance for doubtful accounts	Net 2023	2022
Due from GNWT	\$ 532,781	\$ -	\$ 532,781	\$ 24,500
Due from other	94,487	-	94,487	4,544
Due from related parties	34,252	-	34,252	-
Total	\$ 661,520	\$ -	\$ 661,520	\$ 29,044

9. Inventories

YCS does not have any inventories.

10. Accounts Payable and Accrued Liabilities

	2023	2022
Damage deposits	\$ 3,662	\$ 3,664
Trades payable	651,606	828,159
	\$ 655,268	\$ 831,823
Teachers - Northwest Territories Teachers' Association	\$ 2,625,162	\$ 2,497,081
Non-Teacher - Union of Northern Workers	1,303,740	1,024,347
Excluded employees	94,606	92,167
	\$ 4,023,508	\$ 3,613,595

Yellowknife Catholic Schools
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Notes to Consolidated Financial Statements

June 30, 2023

11. Contribution Repayable

YCS does not have any contribution repayable.

12. Deferred Revenue

	June 30, 2022	Funding received or receivable	Revenue recognized	June 30, 2023
Government of Canada				
First Nations and Inuit Health Branch - Jordan's Principle	\$ 1,857,098	\$ 4,939,177	\$(5,348,016)	\$ 1,448,259
Menstrual Product Funding	107,736	111,518	(22,888)	196,366
	1,964,834	5,050,695	(5,370,904)	1,644,625
Government of the Northwest Territories				
GNWT - Student Success Initiative	50,000	-	(50,000)	-
GNWT - COVID-19 Support Funding	414,067	-	(414,067)	-
GNWT - SCIP Funding	-	52,718	-	52,718
	464,067	52,718	(464,067)	52,718
	\$ 2,428,901	\$ 5,103,413	\$(5,834,971)	\$ 1,697,343

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 expenditures are incurred or conditions of funding are satisfied.

13. Due from the Government of Canada

	Accounts Receivable	Allowance for doubtful accounts	Net 2023	2022
GST Receivable	\$ 163,335	\$ -	\$ 163,335	\$ 79,671

14. Capital Lease Obligations

YCS does not have any capital lease obligations.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2023

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, 2023.

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.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2023

15. Pensions (continued)

(b) Defined Benefit Plan

Each permanent full-time employee, belonging to an eligible class of employees, automatically becomes a Member of the plan as of the first day of employment with YCS.

Each permanent part-time employee, belonging to an eligible class of employees, automatically becomes 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 are 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 2023 calendar year is \$66,000 (2022 - \$64,900).

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 provides inflation protection during retirement at 75% of the increase in the Northwest Territories Consumer Price Index.

Benefits are vested immediately.

During fiscal 2022/2023 Yellowknife Catholic Schools contributed \$1,883,000 (\$1,688,900 in fiscal 2021/2022) in respect to the DB component.

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Notes to Consolidated Financial Statements

June 30, 2023

15. Pensions (continued)

(b) Defined Benefit Plan (continued)

The date of the most recent actuarial valuation of the Plan is June 30, 2022, and extrapolated to June 30, 2023. 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, 2023 is as follows:

(d) 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 gain (loss)	(1,389,600)	-	(1,389,600)
Fair value, end of year	\$ 32,338,000	\$ -	\$ 32,338,000

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2023

15. Pensions (continued)

(e) 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

(f) Funded status

	Pension Plan	Supplementary Plan	2023
Plan surplus / (deficit)	\$ 7,732,700	\$ (37,200)	\$ 7,695,500
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 of limit on assets	(7,818,800)	-	(7,818,800)
Accrued benefit asset (liability) after limit on assets	\$ -	\$ (167,900)	\$ (167,900)

(g) 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

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2023

15. Pensions (continued)

Information about the Defined Benefit Plan and Supplementary Defined Benefit Pension Plan as at June 30, 2022 is as follows:

(h) Plan assets

	Pension Plan	Supplementary Plan	2022
Fair value, beginning of year	\$ 29,425,000	\$ -	\$ 29,425,000
Expected return on plan assets	1,446,600	-	1,446,600
Employer contributions	2,306,700	-	2,306,700
Employee contributions	1,531,500	-	1,531,500
Benefit payments and expenses	(1,778,300)	-	(1,778,300)
Experience (loss) gain	(2,884,900)	-	(2,884,900)
Fair value, end of year	\$ 30,046,600	\$ -	\$ 30,046,600

(i) Accrued benefit obligations

	Pension Plan	Supplementary Plan	2022
Balance, beginning of year	\$ 26,120,000	\$ 155,200	\$ 26,275,200
Current service cost	3,068,400	6,800	3,075,200
Interest cost on accrued benefit obligation	1,344,200	1,200	1,345,400
Benefit payments and expenses	(1,778,300)	-	(1,778,300)
(Gains) / losses on accrued benefit obligation	(1,160,700)	(138,300)	(1,299,000)
Balance, end of year	\$ 27,593,600	\$ 24,900	\$ 27,618,500

(j) Funded status

	Pension Plan	Supplementary Plan	2022
Plan surplus (deficit)	\$ 2,453,000	\$ (155,200)	\$ 2,297,800
Unrecognized (gains) losses	1,836,000	(114,900)	1,721,100
Accrued benefit asset (liability) before limit on assets	4,289,000	(139,800)	4,149,200
Impact on limit of assets	(4,289,000)	-	(4,289,000)
Accrued benefit asset (liability)	\$ -	\$ (139,800)	\$ (139,800)

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2023

15. Pensions (continued)

(k) Determination of pension cost

	Pension Plan	Supplementary Plan	2022
Current service cost	\$ 1,536,900	\$ 6,800	\$ 1,543,700
Interest on accrued benefit obligation	(102,400)	1,200	(101,200)
Amortization of losses/ (gains)	20,000	1,300	21,300
Change in valuation allowance	852,200	-	852,200
Pension expense	\$ 2,306,700	\$ 9,300	\$ 2,316,000

(l) Actuarial assumptions

	2023	2022
Discount rate - pension plan	4.90%	4.90%
Discount rate - supplementary plan	5.91%	1.90%
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

* 2023 - 100% of the 2014 Canadian Pensioners' Public Sector Mortality Table with projection scale CPM-B;
2022 - 100% of the 2014 Canadian Pensioners' Public Sector Mortality Table with projection scale CPM-B.

(m) Plan assets consist of:

	2023	2022
Fixed income securities	60%	60%
Equity securities	40%	40%

Yellowknife Catholic Schools
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Notes to Consolidated Financial Statements

June 30, 2023

16. Long-Term Debt

	2023	2022
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 5.19% (2022 - 1.90%). If rates do not change, the final instalment will be due in 2025.	\$ 177,636	\$ 287,756
The debenture is repayable annually as follows:		
2024	113,739	
2025	63,897	
	\$ 177,636	

The debentures are registered.

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Notes to Consolidated Financial Statements

June 30, 2023

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, 2023. The liabilities are actuarially determined as the present value of the accrued benefits at March 31, 2023 and the results extrapolated to June 30, 2023. The values presented below are for all the benefits under the Compensated Absences and Termination Benefits for the consolidated Government.

Reconciliation of Accrued Benefit Obligation

	Severance and removal	Compensated absences	2023	2022
Accrued benefit obligation, beginning of year	\$ 574,826	\$ 286,867	\$ 861,693	\$ 911,008
Current service cost	67,921	21,466	89,387	74,803
Interest cost	24,883	12,207	37,090	31,003
Benefits paid	(3,193)	(21,225)	(24,418)	(72,733)
Plan amendments	-	-	-	48,459
Actuarial gains/losses	(96,195)	(18,259)	(114,454)	(130,847)
Accrued benefit obligations, end of year	568,242	281,056	849,298	861,693
Unamortized net actuarial gain/loss	55,740	95,648	151,388	7,177
Accrued benefit liability	\$ 623,982	\$ 376,704	\$ 1,000,686	\$ 868,870

Yellowknife Catholic Schools
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Notes to Consolidated Financial Statements

June 30, 2023

17. Post-Employment Benefits and Compensated Absences (continued)

Benefits Expense

	Severance and removal		Compensated absences		2023	2022
Current service cost	\$	67,917	\$	21,466	\$ 89,383	\$ 74,803
Interest cost		24,883		12,207	37,090	31,003
Amortization of net actuarial loss		7,811		21,948	29,759	42,459
Plan amendment		-		-	-	48,459
Benefit expense, end of year	\$	100,611	\$	55,621	\$ 156,232	\$ 196,724

The discount rate used to determine the accrued benefit obligation was an average of 4.10% (2022 - 4.10%). The expected payments during the next five fiscal years are:

	Severance and removal		Compensated absences		Total
2024	\$	74,624	\$	22,291	\$ 96,915
2025		72,187		22,029	94,216
2026		73,748		20,917	94,665
2027		79,755		24,045	103,800
2028		69,887		23,886	93,773
Total	\$	370,201	\$	113,168	\$ 483,369

18. Trust Assets Under Administration

YCS does not have any trust assets under administration.

Yellowknife Catholic Schools
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Notes to Consolidated Financial Statements

June 30, 2023

19. Tangible Capital Assets

	Cost	Additions	Disposals	Amortization	Accumulated Amortization	Net Book Value, June 30, 2023	Net Book Value, June 30, 2022
Land and Improvements	\$ 1,838,825	\$ -	\$ -	\$ -	\$ -	\$ 1,838,825	\$ 1,838,825
Equipment	929,549	1,505,000	-	143,264	688,694	1,745,855	384,120
Buildings and Portables							
Career and Technical Centre	2,878,916	-	-	73,888	1,401,154	1,477,762	1,551,650
Central Services offices	1,048,460	-	-	41,700	827,168	221,292	262,992
Ecole St. Joseph School	37,393,984	-	-	788,566	17,355,426	20,038,558	20,827,124
Ecole St. Patrick High School	12,292,334	-	-	321,853	8,403,015	3,889,319	4,211,172
Tallah Building	621,027	-	-	15,757	167,892	453,135	468,892
Weledeh Catholic School	13,028,131	68,529	-	357,102	7,311,952	5,784,708	6,073,281
	67,262,852	68,529	-	1,598,866	35,466,607	31,864,774	33,408,065
	\$ 70,031,226	\$ 1,573,529	\$ -	\$ 1,742,130	\$ 36,155,301	\$ 35,449,454	\$ 35,618,055

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2023

20. Prepaid Expenses and Deposits

	2023	2022
Total	\$ 73,942	\$ 130,975

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 2023	Net Book Value 2022
St. Joseph Portables 4 Units	\$ 1,622,045	\$ 179,101	\$ 1,442,944	\$ 1,483,495

Rent expense of \$40,551 (2022 - \$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, 2023.

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	2024	2025	2026	2027+	Total
Courier services	June 2024	\$ 7,957	\$ -	\$ -	\$ -	\$ 7,957
Janitorial	June 2024	785,977	-	-	-	785,977
Photocopier	April 2027	21,918	11,792	11,792	9,209	54,711
Student bussing	August 2026	382,109	393,797	393,797	-	1,169,703
Maintenance contracts	June 2024	45,440	-	-	-	45,440
Technology	June 2026	36,605	5,215	5,865	-	47,685
		\$ 1,280,006	\$ 410,804	\$ 411,454	\$ 9,209	\$ 2,111,473

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.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2023

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	2023	2022
Government of the Northwest Territories				
Department of Education, Culture and Employment	\$ 3,751	\$ -	\$ 3,751	\$ -
Department of Finance	529,030	-	529,030	20,038
Department of Health and Social Services	-	-	-	4,462
Aurora College	13,430	-	13,430	-
Total due from related parties	\$ 546,211	\$ -	\$ 546,211	\$ 24,500

Revenues from related parties:

	2023	2022
Government of the Northwest Territories		
Department of Education, Culture and Employment	\$ 21,857,181	\$ 21,842,238
Department of Municipal and Community Affairs	50,900	45,900
Department of Health and Social Services	10,425	8,925
Department of Environment and Natural Resources	10,000	13,555
Aurora College - Tallah building	\$ 123,198	\$ 123,198
Dettah District Education Authority	85,280	103,130

Expenses from related parties:

	2023	2022
Government of the Northwest Territories		
Department of Infrastructure	\$ -	\$ 1,505,000
Department of Finance - debenture	120,000	120,000
YK Education District No. 1	\$ -	\$ 22,823

Yellowknife Catholic Schools
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Notes to Consolidated Financial Statements

June 30, 2023

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 18, 2022.

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.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2023

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 YCS 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 in accounts are insured up to \$100,000.

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, 2023 is as follows:

	2023
Cash and cash equivalents	\$ 11,772,395
Due from the Government of Canada	163,335
Accounts receivable	661,520
Maximum credit risk exposure	<u>\$ 12,597,250</u>

At June 30, 2023, the following accounts receivable were past due but not impaired.

	30 days	60 days	90 days
\$	618	-	\$ 38,337

At June 30, 2023, 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, 2023, receivables from one (2022 - one) customer comprised 92% (2022 - 36%) 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 \$177,636 (2022 - \$287,756) 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.

Yellowknife Catholic Schools
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Notes to Consolidated Financial Statements

June 30, 2023

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	\$ 11,772,395	\$ -	\$ -	\$ -
Due from the government of Canada	163,335	-	-	-
Accounts receivable	661,520	-	-	-
Total assets	\$ 12,597,250	\$ -	\$ -	\$ -
Total assets - prior year	\$ 12,811,213	\$ -	\$ -	\$ -
Financial liabilities	Up to 6 months	6 months to 1 year	1 to 5 years	Over 5 years
Accounts payable and accrued liabilities	\$ 655,268	\$ -	\$ -	\$ -
Due to the Government of Canada	-	-	-	-
Long-term debt	56,187	57,591	63,858	-
Accrued payroll liabilities	4,023,508	-	-	-
Total liabilities	\$ 4,734,963	\$ 57,591	\$ 63,858	\$ -
Total liabilities - prior year	\$ 4,306,595	\$ 58,004	\$ 172,307	\$ -
Net total	\$ 7,862,287	\$ (57,591)	\$ (63,858)	\$ -
Net total - prior year	\$ 8,504,618	\$ (58,004)	\$ (172,307)	\$ -

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.

Yellowknife Catholic Schools
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Notes to Consolidated Financial Statements

June 30, 2023

28. Expenses By Object

	2023 Budget	2023 Actual	2022 Actual
Amortization	\$ 1,666,000	\$ 1,742,130	\$ 1,663,453
Compensation	26,706,000	27,217,218	25,510,457
Interest on long-term debt	4,000	9,880	3,296
Materials/Freight	663,400	1,657,149	1,349,521
Services Purchased/Contracted	3,985,000	3,891,113	3,791,124
	\$ 33,024,400	\$ 34,517,490	\$ 32,317,851

29. Subsequent Events

Subsequent to year end, YCS wound-up the defined benefit pension plan as well as the supplementary defined benefit pension plan described in note 14b and 14c with an effective date of August 31, 2023. The related curtailment impact has been reflected in the consolidated financial statements as of June 30, 2023. Any settlement impact can not be reasonably estimated or known until all liabilities are settled, and as a result any settlement impact will be reflected in the year ending June 30, 2024.

Effective September 1, 2023 all plan members were converted to the Northern Employee Benefits Services Pension Plan. Funds held in the DB plan are to be transferred to the members private plans based on the commuted values as of September 1, 2023.

30. Comparative Figures

The consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

Yellowknife Catholic Schools
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Notes to Consolidated Financial Statements

June 30, 2023

31.ECE Contributions

	2023	2022
Original contribution	\$ 20,264,913	\$ 20,282,169
Student Success Initiative	103,000	117,376
Deferred Inclusive Schooling	-	100,000
Termination benefits	91,088	534,066
NWTTA Collective bargaining adjustment	-	191,709
Mentorship release time	30,074	17,208
Insurance Adjustment	-	(263,889)
UNW Collective bargaining impact	-	87,135
Deferred SSI	50,000	-
Updated contribution	\$ 20,539,075	\$ 21,065,774
After school program subsidy	352,539	115,957
Diplôme d'Études en Langue Française (DELF)	40,000	40,000
Extra French funding	223,000	149,000
French language funding	280,500	280,500
COVID-19 support funding	414,067	166,007
Junior kindergarten COVID grant	-	15,000
Self regulation	-	10,000
French Language Communication and Services	8,000	-
Other contributions	1,318,106	776,464
TOTAL	\$ 21,857,181	\$ 21,842,238

32.GNWT - Other Contributions

	2023	2022
Department of MACA		
Active After School	\$ 45,900	\$ 45,900
Education Excursion	5,000	-
Department of Health and Social Services		
Drop the Pop	10,425	8,925
Department of Environment & Natural Resources		
Take a Kid Trapping	10,000	13,555
TOTAL	\$ 71,325	\$ 68,380

Yellowknife Catholic Schools
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Notes to Consolidated Financial Statements

June 30, 2023

33. Contingent Assets

YCS does not have any contingent assets.

34. 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:

	2024	2025	2026	2027 and beyond	Total
Jordan's Principle	\$ 5,233,481	\$ -	\$ -	\$ -	\$ 5,233,481
Tallah Building	123,489	123,489	123,489	246,978	617,445
Core Funding	19,412,834	-	-	-	19,412,834
	<u>\$ 24,769,804</u>	<u>\$ 123,489</u>	<u>\$ 123,489</u>	<u>\$ 246,978</u>	<u>\$ 25,263,760</u>

YCS has entered a rental agreement with Aurora College for the rental of the Tallah Building. The lease agreement expires on June 30, 2028.

Yellowknife Catholic Schools
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Schedule 1
Operating Fund - Detail of Expenses

For the year ended June 30, 2023

	School Programs	Inclusive Schooling (Schedule 2)	Board Administration	Operations and Maintenance	Indigenous Languages and Culture (Schedule 3)	Transfer & Others	Jordan's Principle	Total 2023	Budget 2023	Total 2022
Salaries										
Teachers	\$ 11,022,855	\$ 1,449,365	\$ -	\$ -	\$ 336,785	\$ -	\$ 1,021,479	\$ 13,830,484	\$ 14,563,850	\$ 12,961,129
Instruction assistants	-	1,452,099	-	-	-	-	2,595,241	4,047,340	4,520,650	3,903,929
Non-instructional	1,127,211	-	1,465,700	352,791	124,367	-	-	3,070,069	2,085,000	3,123,251
Board honoraria	-	-	72,779	-	-	-	-	72,779	70,000	72,783
	12,150,066	2,901,464	1,538,479	352,791	461,152	-	3,616,720	21,020,672	21,239,500	20,061,092
Employee Benefits										
Employee benefits	3,408,921	933,122	421,100	132,257	77,057	-	1,065,970	6,038,427	4,966,500	5,243,181
Leave and termination benefits	158,119	-	-	-	-	-	-	158,119	500,000	206,184
	3,567,040	933,122	421,100	132,257	77,057	-	1,065,970	6,196,546	5,466,500	5,449,365
Services Purchased/Contracted										
Advertising/publishing	24,020	-	95,089	1,579	-	-	-	120,688	32,000	48,993
Communication	65,804	-	32,984	4,869	-	-	-	103,657	43,000	95,927
Contracted services	46,774	45,920	2,211	883,239	20,155	-	44,374	1,042,673	768,500	1,344,738
Maintenance and repairs	132,610	11,104	-	553,003	21,056	-	-	717,773	552,500	625,933
Other	54,753	-	43,998	13,236	-	-	-	111,987	-	77,466
Professional/technical	45,250	88,366	181,506	-	-	-	-	315,122	1,212,000	252,615
Rental/leases	39,779	-	4,190	-	-	-	-	43,969	6,000	38,530
Student transportation	441,526	5,932	-	-	-	-	4,802	452,260	465,000	363,957
Travel	25,847	-	4,151	-	-	-	-	29,998	31,000	8,729
Utilities: Electricity	-	-	-	426,113	-	-	-	426,113	416,000	429,339
Heating	-	-	-	412,231	-	-	-	412,231	352,000	395,431
Water/sewage	-	-	-	114,642	-	-	-	114,642	107,000	109,466
	876,363	151,322	364,129	2,408,912	41,211	-	49,176	3,891,113	3,985,000	3,791,124

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, 2023

	School Programs	Inclusive Schooling (Schedule 2)	Board Administration	Operations and Maintenance	Indigenous Languages and Culture (Schedule 3)	Transfer & Others	Jordan's Principle	Total 2023	Budget 2023	Total 2022
Materials/Freight										
Materials	\$ 786,952	\$ 35,781	\$ 163,691	\$ 10,392	\$ 39,934	\$ -	\$ 616,150	\$ 1,652,900	\$ 663,400	\$ 1,340,872
Freight	4,249	-	-	-	-	-	-	4,249	-	8,649
	791,201	35,781	163,691	10,392	39,934	-	616,150	1,657,149	663,400	1,349,521
Amortization	-	-	-	-	-	1,742,130	-	1,742,130	1,666,000	1,663,453
Debenture Interest	-	-	-	-	-	9,880	-	9,880	4,000	3,296
	-	-	-	-	-	1,752,010	-	1,752,010	1,670,000	1,666,749
	\$ 17,384,670	\$ 4,021,689	\$ 2,487,399	\$ 2,904,352	\$ 619,354	\$ 1,752,010	\$ 5,348,016	\$ 34,517,490	\$ 33,024,400	\$ 32,317,851

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Schedule 2
Detail of Inclusive Schooling Expenses

For the year ended June 30, 2023

	Staff Development	General Inclusive Schooling	Assistive Technology	Total
Salaries				
Teachers	\$ 11,762	\$ 1,443,590	\$ -	\$ 1,455,352
Instruction assistants	-	1,446,112	-	1,446,112
	11,762	2,889,702	-	2,901,464
Employee Benefits	-	933,122	-	933,122
Services Purchased/Contracted				
Contracted services	-	45,920	-	45,920
Maintenance and repairs	-	-	11,104	11,104
Professional/technical	-	88,366	-	88,366
Student transportation	-	5,932	-	5,932
	-	140,218	11,104	151,322
Materials/Freight	10	16,446	19,325	35,781
	\$ 11,772	\$ 3,979,488	\$ 30,429	\$ 4,021,689

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Schedule 3
Indigenous Languages and Culture Program Expenses

For the year ended June 30, 2023

	Student Instruction	Teacher/ Learning Resources	School and Community Programs	Total
Salaries				
Teachers	\$ 336,785	\$ -	\$ -	\$ 336,785
Non-instructional	-	73,817	50,550	124,367
	336,785	73,817	50,550	461,152
Employee Benefits	77,057	-	-	77,057
Services Purchased/Contracted				
Contracted services	-	-	20,155	20,155
Maintenance and repairs	-	-	21,056	21,056
	-	-	41,211	41,211
Materials/Freight	-	-	39,934	39,934
	\$ 413,842	\$ 73,817	\$ 131,695	\$ 619,354

Yellowknife Catholic Schools
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Schedule 4
French Language Programs

For the year ended June 30, 2023

	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	\$ 74,592	\$ 908
French Immersion Literacy Coach (salary and benefits)	56,000	65,000	163,963	(42,963)
Core French 1-12 (salary and benefits)	100,000	182,000	338,376	(56,376)
Resources	11,000	8,000	25,880	(6,880)
Cultural Activities	4,000	5,000	10,015	(1,015)
Professional Development	4,000	8,000	11,955	45
Immersion and Core French Consultant (salary and benefits)	60,000	87,000	147,135	(135)
Literacy Coach (salary and benefits)	50,000	-	-	50,000
Extension of French Immersion programming	105,000	-	262,905	(157,905)
Expand and extend Partnerships	4,000	-	4,000	-
Coaching an Linguistic Program	10,000	2,550	5,851	6,699
Database - Creation and Implementation	5,000	12,500	-	17,500
Job Fairs	30,000	8,200	11,718	26,482
Increase Support to Educators	10,000	1,000	11,000	-
Peer observation/teacher shadowing	9,000	-	5,051	3,949
Total	\$ 503,500	\$ 409,250	\$ 1,072,441	\$ (159,691)

Yellowknife Catholic Schools
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Schedule 5
Student Success Initiative Projects

For the year ended June 30, 2023

	Student Agency	Student Wellness	Leadership Development	Numeracy	Math Project	Compacting the Curriculum	Total
Revenues							
Government of Northwest Territories - Department of Education, Culture and Employment	\$ 24,000	\$ 37,000	\$ 28,000	\$ 24,000	\$ 25,000	\$ 15,000	\$ 153,000
Expenses							
Salaries	18,819	636	2,730	15,239	5,459	12,573	55,456
Employee Benefits	20	-	229	1,183	431	203	2,066
Services Purchased/Contracted							
Contracted services	768	-	-	-	9,048	6,311	16,127
Professional/technical	-	-	44,450	-	-	-	44,450
Services Purchased/Contracted	768	-	44,450	-	9,048	6,311	60,577
Materials/Freight	-	13,210	454	17,962	3,344	-	34,970
	19,607	13,846	47,863	34,384	18,282	19,087	153,069
Net surplus (deficit)	\$ 4,393	\$ 23,154	\$ (19,863)	\$ (10,384)	\$ 6,718	\$ (4,087)	\$ (69)
Deferred Revenue							\$ -

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 6
Jordan's Principle

For the year ended June 30, 2023

	June 30, 2023 Budget	June 30, 2023 Actual	June 30, 2022 Actual	July 2022 to March 2023 Actual	April 2023 to June 2023 Actual
Revenues					
Government of Canada					
First Nation and Inuit Health Branch	\$ 4,670,000	\$ 4,939,177	\$ 4,738,363	\$ 3,702,851	\$ 1,236,326
Carry Forward from Previous Year	-	1,964,834	1,469,124	1,964,834	1,294,849
Carry Forward from Previous Year	-	(107,736)	-	(107,736)	-
Total Revenues	4,670,000	6,796,275	6,207,487	5,559,949	2,531,175
Expenses					
Administration	467,000	601,000	395,869	480,800	120,200
Personnel	4,203,000	4,682,690	3,816,933	3,746,152	936,538
Materials and Supplies	-	15,150	28,779	12,120	3,030
Contracted Services	-	44,374	-	22,187	22,187
Other	-	4,802	1,072	3,841	960
Total Expenses	4,670,000	5,348,016	4,242,653	4,265,100	1,082,915
Net surplus to carry forward to next year	\$ -	\$ 1,448,259	\$ 1,964,834	\$ 1,294,849	\$ 1,448,260

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 7
Schedule of Utilities Expenses

For the year ended June 30,	2023	2022	2021	Total Expense	Average Expense
Fuel Oil	\$ 374,424	\$ 362,534	\$ 284,470	\$ 1,021,428	\$ 340,476
Electricity	426,113	431,289	387,379	1,244,781	414,927
Pellets	37,807	33,077	31,612	102,496	34,165
Water	80,249	76,075	77,292	233,616	77,872
Garbage	34,393	33,391	32,855	100,639	33,546
	\$ 952,986	\$ 936,366	\$ 813,608	\$ 2,702,960	\$ 900,986

Yellowknife District No.1 Education Authority

(Yellowknife Education District No. 1)

Consolidated Financial Statements

June 30, 2023





Yellowknife District No. 1 Education Authority

(the "Authority")

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June 30, 2023

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YELLOWKNIFE EDUCATION DISTRICT NO. 1
OF THE NORTHWEST TERRITORIES
ADMINISTRATION SCOLAIRE DE DISTRICT NO 1 DE YELLOWKNIFE
Box 789, Yellowknife, NT X1A 2N6
Tel: (867) 766-5050 Fax: (867) 873-5051
ykt.nf.ca ykt@ykt.nf.ca

Management Discussion and Analysis Fiscal year end June 30, 2023

Introduction

Yellowknife Education District No. 1 (YK1) Administration:

Jameel Aziz, Superintendent of Education /CEO

Tram Do, Secretary/ Treasurer/CFO

Shirley Zouboules, Assistant Superintendent, Education Services

Landon Kowalzik, Assistant Superintendent, Human Resources and Learning

Current Board of Trustees:

David Wasylciw, Chairperson

Tina Drew, Vice Chairperson

Trustees:

Barbara Bell

Terry Brookes

Michelle Peters

Allan Shortt

Jason Snaggs

Active Standing Committees include:

- Audit Committee
- Committee of the Whole
- Finance Committee
- Policy Committee
- Public Relations Committee
- NWTTA Teacher-Board Committee
- Facilities Committee

YK1 Strategic Directions



Taking direction from its mission statement, the Yellowknife Education District No. 1 Board of Trustees have set the following Strategic Directions for 2023:

Wellness: Cultivate a culture of holistic wellness

- Recognize the importance of relationships in learning
- Foster and promote personal wellness
- Create healthy, safe and caring learning environments

Learning: Ensure inclusive, equitable and authentic learning experiences

- Engage learners through meaningful and innovative teaching and learning practices
- Strive for excellence
- Celebrate diversity of all learners

Indigenous Language and Education: Honour and celebrate Indigenous Language and Culture

- Create a welcoming environment for all learners
- Integrate an Indigenous approach to education
- Strengthen Indigenous Language instruction

Community: Foster critical understanding of local, national and global issues

- Inspire and pursue critical thinking through innovative and sustainable practices
- Embrace diversity and encourage empathy to promote global citizenship
- Model and encourage ethical leadership and engage in opportunities for service learning

Operating Environment

YK1 operates six schools in the City of Yellowknife, and provides Superintendency services to K'alemi Dene School in Ndilo and Kaw Tay Whee School in Dettah.



The following lists key programs at YK1 schools:

N.J. Macpherson School (JK-5)

- N.J. Macpherson School (NJM) is a JK-5 school with a strong numeracy and literacy focus, offering English programming for Grades JK-5 students, Montessori programming for JK-5 students, and Core French for Grades 5 students.
- Special programs include physical education, visual arts, music, drama, and a (recycling program), extracurricular sports, clubs, and after-school programs.
- Indigenous language and culture is integrated into classroom sessions.
- Indigenous Culture Camps are held throughout the year; and,
- The school has an active Parent Advisory Council.

École [H'ò] (JK-5)

- École [H'ò] (EI) is YK1's newest school and opened to students on August 29, 2022. The school offers a 100%, fully immersive French learning environment for JK-Grade 5 students.
- Special programming includes choir, musical theatre, lunch time clubs, including intramurals
- Indigenous language and culture is integrated into classroom sessions;
- On the land inquiry learning for all grades; and,
- An annual four-day French/Indigenous Language and Culture Camp, 'Camp de neige', is held at the Yellowknife Ski Club.

Mildred Hall School (JK-8)

- Mildred Hall School (MHS) is an English school which also offers Core French and Willideh language courses.
- The school offers traditional games classes for Grades 2-8 students, and jigging for JK-Grade 2 students;
- The Birchbark Discovery Centre is a community project, and land-based education program for children in Grades 1-8;
- Extracurricular activities include team sports, fine arts, guitar, fiddling, choir, and band instruments. Alternative sports include fat biking, cross country skiing, snowshoeing, and rollerblading. Alternative options include jigging and traditional games.
- Outdoor learning spaces give students the opportunity to take their learning outdoors, using the natural environment to further student learning and incorporating the Willideh language into land-based learning experiences.
- A breakfast, snack, and hot lunch program is available. The school has a large garden where students grow vegetables that are used in the school's foods program; and



- Positive Behavioral Interventions and Support (PBIS) is a proactive approach the school uses to support positive behavior.

École William McDonald Middle School (6-8)

- École William McDonald Middle School (EWMS) offers programming for Grades 6-8 students in English, Intensive French, Post-Intensive French, Core French, and French Immersion.
- Exploratory programs include industrial arts, culinary arts, fine arts, technology studies, and outdoor education; and
- EWMS's Sports Academy includes hockey, futsal, and athletics. The school's fitness room was renovated in 2022.

Range Lake North School (JK-8)

- Range Lake North School (RLN) offers English programming for Junior Kindergarten (JK) to Grade 8 students, Post-Intensive French for Grade 7 and 8 students, Core French for Grade 1-4 & 6 students, and Pre-Intensive French camps for Grade 5 students;
- Student Options Program: Grade 6-8 students choose from a variety of six-week sessions, which could include technology, sports, outdoor pursuits, music, martial arts, and yoga;
- Indigenous language and culture is integrated into classroom sessions;
- Indigenous Culture Camps are held throughout the year;
- Special programs include music, band, choir, and drama;
- Advanced technology and robotics programs are offered in a Makerspace environment;
- Extracurricular sports programs encompass many activities, including snowboarding, hiking, skiing, and biking;
- Sustainable living projects include an active chicken coop, outdoor gardens, aquaponics, and an observatory beehive; and,
- The school is supported by an active and involved Parent Advisory Committee that organizes a large annual spring fundraising event called "Family Fun Night". Proceeds of this event are used to support student activities.

École Sir John Franklin High School (9-12)

- École Sir John Franklin High School (ESJF) offers programming from Grades 9 to 12 in English, Core French, Post-Intensive French, and French Immersion;
- The school offers a dynamic fine arts program which includes music, band, choir, drama, drama tech, and visual arts;
- An extensive trades curriculum and work experience program includes industrial arts, automotive class, culinary arts, robotics, and esthetics;



- ESJF offers Indigenous culture programming and camps, including Wííłdeh language instruction;
- Sports Academy: ESJF's successful sports academy focuses on volleyball, basketball, and high-performance training. Extra-curricular sports and clubs are also offered;
- Additional supports and resources are available to students who wish to access them, in school, socially, or at home;
- National and international travel opportunities are available to students, including volunteering, scuba club, and cultural experiences;
- Night classes (Monday to Thursday from 6:00 to 9:00 p.m.) are available on-site; and,
- Alternate programming (the Route 51 Learning Institute) is available during the day (10:00 a.m. to 4:00 p.m.) off-site. Courses are offered in a modular-based format.

Route 51 Learning

Route 51 Learning Institute (Route 51) is an alternate high school program, which offers:

- A flexible schedule designed to accommodate students
- Credits for work experience; and,
- Smaller student-to-teacher ratio, and students can focus on one course at a time.



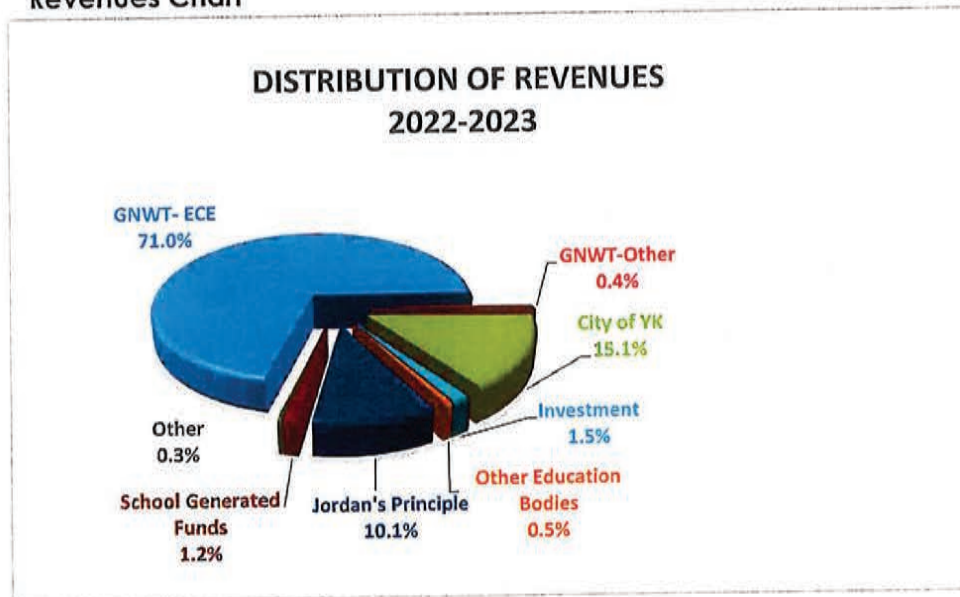
Financial Condition

YK1 receives the majority of revenues from Formula funding (enrolment driven) from the Department of Education, Culture and Employment (ECE), which makes up 71.0% of revenues. Property taxation revenue from the City of Yellowknife is 15.1%, Jordan's Principle from (Government of Canada) revenue is 10.1%. The remainder is generated from investment income, school generated funds (trust), other education bodies (superintendent services, enrolment transfer), other revenue, which includes various contributions for schools, and District Office parking lot rentals.

Revenues

GNWT- ECE	\$32,043,308
GNWT-Other	162,424
City of YK (Property Taxation)	6,801,835
Investment	677,353
Other Education Bodies	233,340
Jordan's Principle	4,564,020
School Generated Funds	519,888
Other	116,126
Total Revenues	\$45,118,294

Revenues Chart





Yellowknife District No. 1 Education Authority

(the "Authority")

Expenditures

School Programs	25,628,598
Inclusive Schooling	6,863,392
Operations & Maintenance	4,097,942
Administration	1,929,895
Indigenous Language & Culture	1,321,448
Jordan's Principle	4,091,720
School Generated Funds	502,818
Total Operation Expenditures	44,435,813
Amortization	949,602
Total Expenditures	45,385,415

Operational Expenditures

Expenditure allocations are based on the Department of Education, Culture and Employment's funding formula. School related expenditures (76.14%) consist of School Programs (57.7%), Inclusive Schooling (15.5%), and Indigenous Language and Culture (3.0%) which directly relate to schools. Jordan's Principle expenditures are also directly related to schools, and account for 9.2% of the total expenditure allocation, and is federally funded.

Asset Retirement Obligation

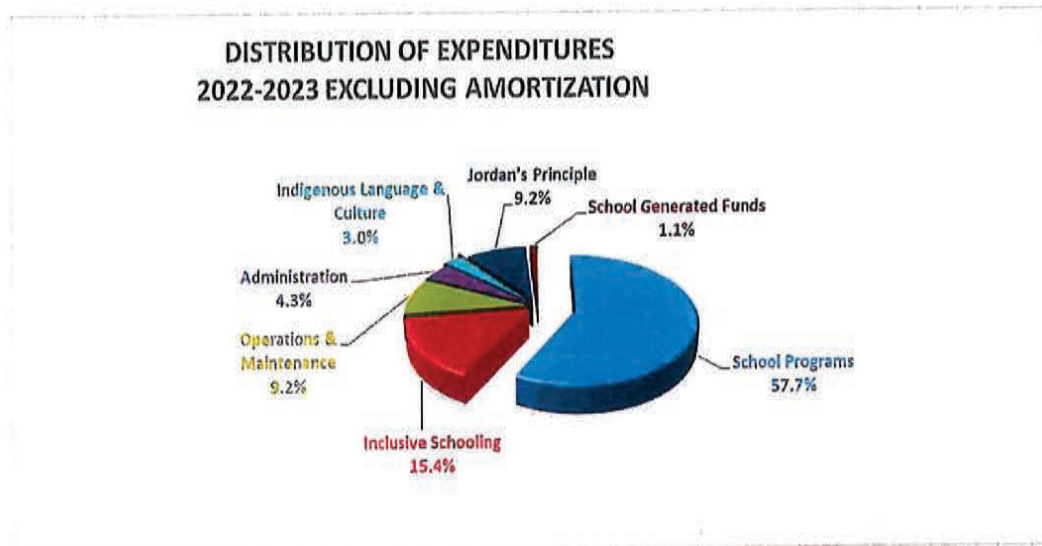
The Public Sector Accounting Board is requiring all Government entities to account for Asset Retirement Costs as per Public Sector Accounting Standard 3280 (PS 3280) as of April 1, 2022. Asset Retirement costs are costs that are required at the end of an asset's life such as asbestos removal prior to the rebuild of a building. These Asset Retirement Costs are added to the Tangible Asset Value of the buildings and a corresponding liability created to effectively plan for the expenditures related to the retirement of the asset.

YK1 contracted Associated Environmental to complete a hazardous material assessment of all buildings in 2017. Based on the report, partial removal of asbestos was complete for the Maintenance shop in 2018. The GNWT completed remediation at Sir John Franklin High School. YK1 contracted Associated Environmental in 2023 to provide update values for hazardous materials remaining and to give an estimate for Asset Retirement costs. These estimates were provided to GNWT Department of Finance and the entry to record the Asset Retirement Obligation (ARO) was provided to YK1. The liability for Asset Retirement Obligation at June 30, 2023 is \$725,527. This



liability is recommended by the Auditors to deduct against the book value of our Buildings.

Expenditures Chart



Accumulated Surpluses

The Accumulated Operating Surplus is the overall operations of the District, the Decentralized Surplus is school- based expenditures, and Capital Surplus is for major capital expenditures. The Investment in Tangible Capital Assets is the book value of our buildings (mostly transferred in kind from GNWT) and our equipment purchases. Asset Retirement Obligation is deducted from the net book value of Tangible Capital Assets.

Accumulated Surplus	2022/2023
<u>Investment in Tangible Capital Assets:</u>	
Tangible Capital Assets	\$12,400,379
*Asset Retirement Obligation	-725,527
Net Tangible Capital Assets	\$11,674,852
* Recommended by Auditors to net with TCA versus surplus	



Yellowknife District No. 1 Education Authority

(the "Authority")

Surpluses :	
Operating (unrestricted)	3,902,384
Capital (unrestricted)	904,165
Decentralized (restricted for Schools)	447,833
Total Accumulated Surplus	<u>5,254,382</u>
Leave and Termination Benefits (funded following year)	2,179,989
	<u>7,434,371</u>

- The Pellet Boiler Reserve balance of \$9,964, has been transferred back to the operating surplus after project completion. The project was completed under budget.

The unrestricted surpluses excluding Decentralized (School's) surplus is 10.8% (\$4,806,550 / \$44,351,281) of the total 2023/2024 budgeted expenditures excluding amortization. *This is based on the Auditor's recommendation for netting the Asset Retirement Obligation against Tangible Capital Assets versus netting it against the Surplus.*

The Board of Trustees approved a deficit budget for 2023/2024 school year of - \$807,969 (without amortization), which reduces the unrestricted surplus to 9.0% (\$3,998,581 / \$44,351,281). *The total of the unrestricted surpluses is the balance available for emergent budget approvals by the Board and Superintendent.*

The accumulated unrestricted surplus enables YK1 to maintain quality programming for students.



Yellowknife District No. 1 Education Authority

(the "Authority")

Restricted Reserves

LED Lights

The Department of Education, Culture and Employment has agreed to allow YK1 to maintain unspent utility funding to be used for conversion of current lighting to LED lighting in the schools and minor capital expenditures. LED lights can save 30% or more on energy costs. DT Electric replaced the LED lights in Sir John Franklin High School, the project was completed this past summer.

School Generated Funds

The School Generated Funds are the total trust funds raised by students and staff at the school held in trust for student and staff directed expenditures. These funds are restricted and are only accessible at the schools.

SGF Restricted	2022/2023	2021/2022	Change
Beginning Balance	661,671	737,811	-76,140
Net Income (loss)	25,034	-76,140	+101,174
Transfer from FY 2022	-7,964	0	-7,964
Balance, end of year	678,741	661,671	+17,070



Budget/Actual Comparisons

YK1 revenues variance highlights:

- ECE regular contribution revenues increased by \$556,238 due to termination benefits funding \$521,973 and mentorship funding \$34,265.
- Other ECE contribution revenues are higher due to carry-over COVID-19 funding from previous fiscal year \$807,059.
- GNWT Other contribution revenue is from:

o MACA Active After School	\$101,800
o MACA Youth Corp	23,000
o Dept HSS Drop the Pop	28,775
o Dept ITI unused paid back	-11,151
o Dept ENR Take a kid trapping	<u>20,000</u>
Total	<u>\$162,424</u>
- Portfolio Investment income \$677,353 higher than budget \$220,000 by \$455,353, previous year investment income is \$115,661. This is due to higher interest rates.
- Jordan's Principle Revenue from the Federal Government is a total of \$4,564,020, which is \$983,395 higher than budget. This also includes funding for menstrual products of \$63,128. Unspent Jordan's Principle funds of \$1,687,479 due to lack of staff have been returned to the Federal Government. Unspent menstrual product funds of \$239,554 is carried-over to the 2023-2024 school year.
- School Generated Funds is total trust account revenue generated by the schools for the school year \$519,888.
- Other income \$116,126 consists of the following:

o Breakfast club of Canada	11,100
o Food First Foundation	12,000
o District Office Parking stall rental	25,086
o Make Way Tides	25,000
o Book Sales (ILC)	1,505
o Miscellaneous	200
o NWTTA – PD Contribution	7,200
o PC Children's Charity	9,935
o Canadian Parents for French	8,000
o Misc. Hide Camp Contributions	<u>16,100</u>
Total	<u>\$116,126</u>



YK1 expenses variance highlights:

- Operations and Maintenance costs are higher due to:
 - Snow Removal costs due to record snowfalls;
 - Additional O&M costs; and,
 - Increase in Environmental Liability due to update cost estimates \$49,830
- Inclusive Schooling costs higher than budget due to increase in Substitute costs.
- Administration costs higher than budget by \$107,626 due to termination costs, which will be funded the following school year.

Enrolment and Pupil Teacher Ratio (PTR)

Yellowknife Education District No.1 September 30, 2022	Enrolment		Teachers/ Admin/ PST		Early Childhood Instructors		Pupil/Teacher ratio	
	K-12	JK	K-12	JK	K-12	JK	K-12	JK
	Sep-22	Sep-22						
School:								
Mildred Hall School	255.00	30.50	19.70	2.00	12.94	15.25		
Jit'iq School	253.00	31.50	17.00	4.00	14.88	7.88		
William McDonald School	257.50	-	17.75	-	14.51			
NJ Macpherson School	294.50	56.00	20.50	4.00	14.37	14.00		
Range Lake North School	235.50	24.50	18.81	2.00	12.52	12.25		
Sir John Franklin High School	657.50	-	38.00	-	17.30			
Total District	1,953.0	142.5	131.76	12.00	14.82	11.88		

Overall enrolment for September 2022 was 2095.5 full time equivalent students (FTE) September 2021 was 2090, an increase of 5.5 full time equivalent (FTE) students from September 2021.



Summary of 2022/2023

YK1 welcomed a new Superintendent/CEO, Jameel Aziz on August 15, 2022.

YK1 welcomed Jordan Martin as our Director of Operations following the departure of Elvis Beaudoin in December 2022. Jordan is a returning employee.

Board of Trustees Acclamation:

The Board of Trustees were acclaimed on October 17, 2022. Trustees for a 4 year term from November 1, 2022 to October 31, 2026 are:

Allan Shortt
Barbara Bell
David Wasylciw
Michelle Peters
Jason Snaggs
Terry Brookes
Tina Drew

USW Collective Agreement July 1, 2022- June 30, 2025:

The Collective Agreement with United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (United Steelworkers) Local 1-207 and YK1 was settled in June 2023 for a three year contract with salary increased tied to the GNWT's Collective Agreement settlement with UNW.



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.



Jameel Aziz
Superintendent of Education / CEO
Yellowknife District No. 1 Education Authority



Tram Do
Secretary / Treasurer CFO
Yellowknife District No. 1 Education Authority

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, 2023, 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, 2023, 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, 2022 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 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 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 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
November 14, 2023

Chartered Professional Accountants



Yellowknife District No. 1 Education Authority

(the "Authority")

Consolidated Statement of Financial Position

Statement 1

As at June 30,	2023	2022 (Restated)
	\$	\$
FINANCIAL ASSETS		
Cash (Note 4)	10,223,962	10,007,034
Restricted Cash (Note 6)	699,164	653,707
Portfolio Investments (Note 7)	5,140,000	4,140,000
Accounts Receivable (Note 8)	698,441	803,012
Due from Government of Canada (Note 13)	113,339	126,431
Deposit in Trust (Note 33)	-	39,856
	16,874,906	15,770,040
LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 10)	956,592	737,426
Payroll Liabilities (Note 10)	5,038,812	4,415,341
Vacation Payable (Note 10)	174,817	258,206
Deferred Revenue (Note 11)	282,154	1,026,837
Contribution Repayable (Note 12)	1,935,076	1,269,139
Post-employment Benefits and Compensated Absences (Note 17)	2,179,989	2,517,379
Environmental Liabilities (Note 34)	229,481	179,651
Asset Retirement Obligations (Note 37)	725,527	828,150
	11,522,448	11,232,129
NET FINANCIAL ASSETS	5,352,458	4,537,911
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 18)	12,400,377	13,479,762
Prepaid Expenses (Note 19)	3,723	6,006
	12,404,100	13,485,768
ACCUMULATED SURPLUS (Note 35)	17,756,558	18,023,679
Represented by:		
Operating Fund	3,902,384	3,276,102
Investment in Tangible Capital Assets	11,674,852	12,651,612
Decentralized Surplus	447,833	371,582
Pellet Boiler Reserve	-	9,964
Capital Fund Reserve	904,165	904,165
LED Reserve	148,583	148,583
School Generated Funds	678,741	661,671
	17,756,558	18,023,679

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,	2023 Budget	2023 Actual	2022 Actual (Restated)
	\$	\$	\$
REVENUES			
Government of the Northwest Territories			
Regular contributions	29,945,867	30,502,105	30,475,041
Other contributions	123,000	932,727	872,675
French language revenues	550,000	608,476	532,197
Total ECE (Note 30)	30,618,867	32,043,308	31,879,913
GNWT other contributions (Note 31)	-	162,424	110,425
Government of Canada			
Jordan's Principle	3,580,624	4,500,892	3,150,941
Menstrual Product Funding	-	63,128	-
Total Government of Canada	3,580,624	4,564,020	3,150,941
Other education bodies	192,500	233,340	265,282
Property tax requisitioned	6,777,900	6,801,835	6,866,094
Education authority generated funds			
Rental income	-	-	241,010
Sale of building	-	-	2,051,030
Portfolio investment income	220,000	677,353	115,661
School generated funds - revenues (Note 36)	-	519,888	162,258
Other	19,562	116,126	146,683
	239,562	1,313,367	2,716,642
Total revenues	41,409,453	45,118,294	44,989,297
EXPENSES			
School programs	25,473,150	25,628,598	25,726,392
Inclusive schooling	6,672,704	6,863,392	6,769,176
Staff accommodations	-	-	219,430
Operations and maintenance	3,596,023	4,097,942	4,214,402
Administration	1,822,270	1,929,895	1,655,824
Indigenous language/cultural programs	1,308,836	1,321,448	1,285,860
Jordan's Principle	3,378,275	4,091,720	3,150,941
Amortization	1,000,000	949,602	1,437,138
School generated funds - expenses (Note 36)	-	502,818	238,398
Total operating expenses	43,251,258	45,385,415	44,697,561
Operating surplus (deficit) before other items	(1,841,805)	(267,121)	291,736



Yellowknife District No. 1 Education Authority

(the "Authority")

Consolidated Statement of Operations (Continued)

Statement 2

For the year ended June 30,

	2023 Budget \$	2023 Actual \$	2022 Actual \$
OTHER ITEMS			
GNWT ECE infrastructure contributions	-	-	3,023,607
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)
Federal capital contributions - Greenhouse Gas ("GHG") Grant	-	-	1,063,233
Recovery of environmental liabilities	-	-	756,250
Operating surplus (deficit)	(1,841,805)	(267,121)	5,134,826
Opening accumulated surplus, as previously stated	18,023,679	18,628,031	13,458,536
Change of accounting policy (Note 38)	-	(604,350)	(569,683)
Opening accumulated surplus	18,023,679	18,023,681	12,888,853
Closing accumulated surplus	16,181,874	17,756,560	18,023,679



Yellowknife District No. 1 Education Authority

(the "Authority")

Consolidated Statement of Changes in Net Financial Assets

Statement 3

For the ended June 30,	2023	2023	2022
	Budget \$	Actual \$	(Restated) Actual \$
Operating surplus (deficit)	(1,841,805)	(267,121)	5,134,826
Acquisition of tangible capital assets	-	-	(4,441,251)
Amortization of tangible capital assets	1,000,000	949,602	1,437,138
Adjustment to asset retirement obligations	-	129,783	(801,848)
	(841,805)	812,264	1,328,865
Purchase of prepaid expenses	-	(3,723)	(6,006)
Use of prepaid expenses	-	6,006	670,711
	-	2,283	664,705
Increase in net financial assets	(841,805)	814,547	1,993,570
Net financial assets at beginning of year	4,537,911	4,537,911	2,544,341
Net financial assets at end of year	3,696,106	5,352,458	4,537,911



Yellowknife District No. 1 Education Authority

(the "Authority")

Consolidated Statement of Cash Flows

Statement 4

For the year ended June 30,	2023	2022 (restated)
	\$	\$
OPERATING TRANSACTIONS		
Operating surplus (deficit)	(267,121)	5,134,826
Items not affecting cash:		
Amortization	949,602	1,437,138
Decrease (increase) in school generated activities	(45,457)	84,104
GNWT ECE infrastructure contributions (Note 23)	-	(3,023,607)
Adjustments in asset retirement obligation	129,783	(801,848)
Changes in non-cash assets and liabilities		
Decrease (increase) in due from Government of Canada	13,092	4,249
Decrease (increase) in accounts receivable	104,575	(273,759)
Increase (decrease) in accounts payable	219,163	397,417
Increase (decrease) in payroll liabilities	623,471	(278,609)
Increase (decrease) in environmental liabilities	49,830	(756,250)
Increase (decrease) in asset retirement obligations	(102,623)	828,150
Increase (decrease) in leave and termination benefits	(337,391)	639,300
Increase (decrease) in vacation payable	(83,389)	11,037
Decrease in deferred revenue	(744,683)	(1,241,584)
Increase in contribution payable	665,937	1,269,139
Increase (decrease) in prepaid expenses	2,283	664,705
CASH PROVIDED BY OPERATING TRANSACTIONS	1,177,072	4,094,408
INVESTING TRANSACTION		
Acquisition of portfolio investments	(1,000,000)	(4,140,000)
CASH USED BY INVESTING TRANSACTION	(1,000,000)	(4,140,000)
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	-	(1,417,644)
Receipt of deposit in trust for pellet boilers	39,856	1,417,644
CASH PROVIDED FOR CAPITAL TRANSACTIONS	39,856	-
INCREASE (DECREASE) IN CASH	216,928	(45,592)
CASH AT BEGINNING OF YEAR	10,007,034	10,052,626
CASH AT END OF YEAR	10,223,962	10,007,034



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 2023 \$	Budget 2023 \$	Total 2022 \$
SALARIES										
Honoraria	-	-	-	81,762	97,661	-	-	179,423	168,397	121,642
Instructional assistants	1,217,842	2,513,245	-	-	248,535	2,595,538	-	6,575,160	6,069,353	5,445,910
Non-instructional staff	2,504,448	47,482	596,593	1,308,843	-	-	-	4,457,366	4,144,607	4,660,260
Teachers	15,237,067	2,736,827	-	-	544,219	625,685	-	19,143,798	18,849,878	18,713,707
	18,959,357	5,297,554	596,593	1,390,605	890,415	3,221,223	-	30,355,747	29,232,235	28,941,519
EMPLOYEE BENEFITS										
Employee benefits/allowances	3,677,329	1,019,026	124,683	228,784	157,953	700,905	-	5,908,680	6,381,256	5,494,008
Leave and termination benefits	(372,301)	142,250	12,343	39,026	13,593	-	-	(165,089)	-	639,299
	3,305,028	1,161,276	137,026	267,810	171,546	700,905	-	5,743,591	6,381,256	6,133,307
SERVICES PURCHASED										
Advertising and printing	103,575	-	-	18,901	-	-	-	122,476	35,480	13,673
Communication	112,721	1,160	8,513	52,145	-	-	-	174,539	196,600	129,394
Contracted services	378,614	172,234	(20,801)	449	-	16,800	-	547,296	742,565	1,517,196
Maintenance and repairs	23,518	1,236	1,286,833	17,224	-	-	-	1,328,814	932,470	1,079,942
Other	240,210	-	-	76,993	-	-	-	317,203	194,506	276,622
Professional and technical	448,787	156,201	2,627	62,402	3,411	30,147	-	703,575	587,840	542,413
Rentals and leases	128,450	-	-	7,647	-	-	-	136,097	167,700	163,264
Student transportation	544,791	13,469	-	-	-	-	-	558,260	585,000	446,857
Travel	188,449	8,930	-	-	15,815	-	-	213,194	115,000	180,334
Utilities										
Heating	-	-	834,044	-	-	-	-	834,044	763,782	847,646
Electricity	-	-	1,019,591	-	-	-	-	1,019,591	930,000	946,456
Water/Sewage	-	-	193,969	-	-	-	-	193,969	213,016	232,651
	2,169,115	353,230	3,324,776	235,761	19,226	46,947	-	6,149,058	5,463,959	6,376,448
MATERIALS										
Awards and student events	7,658	-	-	10,024	-	-	-	17,682	-	21,637
Freight	4,391	-	313	723	-	-	-	5,427	21,650	5,709
Materials and supplies	1,183,049	51,332	39,234	24,972	240,261	122,645	502,818	2,164,308	1,152,158	1,755,501
	1,195,098	51,332	39,547	35,719	240,261	122,645	502,818	2,187,417	1,173,808	1,782,847
AMORTIZATION										
	-	-	-	-	-	-	949,602	949,602	1,000,000	1,437,138
Total operating expenses	25,628,598	6,863,392	4,097,942	1,929,895	1,321,448	4,091,720	1,452,420	45,385,415	43,251,258	44,671,259



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 \$	Total 2023 \$
SALARIES					
Program support					
teachers/counsellors	2,137,838	36,989	-	609,482	2,784,309
Support assistants	2,513,245	-	-	-	2,513,245
	4,651,083	36,989	-	609,482	5,297,554
EMPLOYEE BENEFITS	1,064,487	-	-	96,788	1,161,275
SERVICES PURCHASED					
Professional and technical	156,201	-	-	-	156,201
Communication	1,160	-	-	-	1,160
Travel	8,930	-	-	-	8,930
Student transportation	13,469	-	-	-	13,469
Maintenance and repairs	1,236	-	-	-	1,236
Other contracted services	81,070	91,165	-	-	172,235
	262,066	91,165	-	-	353,231
MATERIALS					
Materials and supplies	3,505	(14,085)	36,649	25,262	51,331
Total operating expenses	5,981,141	114,069	36,649	731,532	6,863,391



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		Total 2023 \$
		Resource Development \$	Community Support \$	
SALARIES				
Indigenous language instruction	266,599	277,620	-	544,219
Cultural resource staff	190,419	-	58,115	248,534
Elders in schools	-	10,441	87,220	97,661
	457,018	288,061	145,335	890,414
EMPLOYEE BENEFITS				
	99,042	52,734	19,770	171,546
SERVICES PURCHASED				
Professional/technical services	1,086	-	2,326	3,412
Travel	15,815	-	-	15,815
	16,901		2,326	19,227
MATERIALS				
Materials	211,086	29,005	170	240,261
TOTAL	784,047	369,800	167,601	1,321,448



Yellowknife District No. 1 Education Authority

(the "Authority")

Report on Activities of Specific Programs

Statement 8

French Language Program

BILATERAL AGREEMENT FUNDING

For the year ended June 30, 2023

	Contribution from the Department \$	Commitment from the Authority \$	Expenses \$	Over (under) funding \$
Teacher assistants (Staff)	35,000	35,000	98,242	(28,242)
French immersion pedagogy specialist	70,000	55,000	110,565	14,435
Intensive & PIF French coach (staff)	35,000	12,000	47,164	(164)
Intensive & PIF French (staff)	70,000	430,000	627,331	(127,331)
Intensive PIF (elective courses)	3,000	1,000	1,627	2,373
Special Projects				
French camps	27,000	3,000	28,424	1,576
Assessment, intensive & PIF	30,000	5,000	35,584	(584)
French resources	35,000	5,000	38,721	1,279
Cultural activities	7,000	2,000	11,254	(2,254)
Professional development	30,000	6,000	36,109	(109)
Consultant	80,000	140,000	170,920	49,080
Language coach (salary) reading recovery	50,000	-	67,415	(17,415)
Updating resources	4,500	-	7,249	(2,749)
Supporting SSDEC, DBEC and SDEC (partnership)	4,000	-	7,249	(3,249)
Peer observation/shadowing partnership	9,000	-	7,249	1,751
Special project - FSL video clip	23,000	-	22,688	312
Total	512,500	694,000	1,317,791	(111,291)



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,

	2023 Budget \$	2023 Actual \$
Revenues		
Government of the Northwest Territories	123,000	123,000
Carry Forward from 2021-2022	94,020	94,020
Total revenues	217,020	217,020
Expenses		
Salaries/Wages		
Substitute teacher wages	56,400	36,989
Other Expenses		
Materials and supplies	48,080	28,696
Total operating expenses	217,020	165,780
Surplus	-	51,240



Yellowknife District No. 1 Education Authority

(the "Authority")

Report on Activities of Specific Programs

Statement 10

Jordan's Principle

	June 30, 2023 Contribution Approved \$	June 30, 2023 Actual \$	June 30, 2022 Actual \$	July 1, 2022 - March 31, 2023 Actual \$	April 1, 2023 - June 30, 2023 Actual \$
Revenue					
Government of Canada					
- First Nations and Inuit Health Branch	5,698,860	5,859,573	4,071,875	3,499,519	2,360,054
Administration fee	569,886	409,173	286,449	242,328	166,844
Total - Government of Canada	6,268,746	6,268,746	4,358,324	3,741,847	2,526,898
Carry forward from previous year					
Carry forward from previous year - returned		-	(732,673)		
Contributions not received	(80,375)	(80,375)	(3,808)	-	(80,375)
Total Revenue	6,188,371	6,188,371	3,621,843	3,741,847	2,446,523
Expenses					
Personnel	5,541,740	3,952,275	2,772,203	2,338,784	1,613,490
Materials and supplies	138,320	122,645	81,288	72,495	50,151
Evaluation	18,800	16,800	11,000	12,000	4,800
Total operating expenses (Schedule 2)	5,698,860	4,091,720	2,864,491	2,423,279	1,668,441
Administration fee - 10% of operating expenses	569,886	409,172	286,449	242,328	166,844
Total expenses	6,268,746	4,500,892	3,150,940	2,665,607	1,835,285
Net Surplus/(Deficit)	(80,375)	1,687,479	470,903	1,076,240	611,238
Contribution repayable (receivable) for July 1, 2022 - June 30, 2023	(80,375)	1,687,479	470,903	1,076,240	611,238
Balance repayable from April - June 30, 2022				247,597	
Total contribution repayable as of June 30, 2023				1,935,076	



Yellowknife District No. 1 Education Authority

(the "Authority")

Statement of Utilities Expenses

Statement 11

For the Year Ended June 30, 2023

School Year	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019	Total Expense	Avg Expense
	Expense	Expense	Expense	Expense	Expense		
Fuel Oil	\$ 609,504	\$ 514,203	\$ 388,209	\$ 579,220	\$ 635,999	\$ 2,727,134	\$ 545,427
Electricity	\$ 1,019,591	\$ 920,698	\$ 893,595	\$ 956,408	\$ 1,019,158	\$ 4,809,450	\$ 961,890
Pellets	\$ 224,539	\$ 286,349	\$ 178,727	\$ 163,310	\$ 192,471	\$ 1,045,396	\$ 209,079
Water	\$ 131,157	\$ 152,712	\$ 161,059	\$ 165,838	\$ 160,656	\$ 771,421	\$ 154,284
Garbage	\$ 62,813	\$ 52,683	\$ 45,163	\$ 54,542	\$ 47,606	\$ 262,807	\$ 52,561
Total Operating Expense	\$ 2,047,604	\$ 1,926,644	\$ 1,666,752	\$ 1,919,318	\$ 2,055,889	\$ 9,616,207	\$ 1,923,241



Yellowknife District No. 1 Education Authority

(the "Authority")

Notes to Consolidated Financial Statements

June 30, 2023

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.



Yellowknife District No. 1 Education Authority

(the "Authority")

Notes to Consolidated Financial Statements

June 30, 2023

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.



June 30, 2023

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, due from Government of Canada, and deposit in trust.

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.



Yellowknife District No. 1 Education Authority

(the "Authority")

Notes to Consolidated Financial Statements

June 30, 2023

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.



Yellowknife District No. 1 Education Authority

(the "Authority")

Notes to Consolidated Financial Statements

June 30, 2023

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") is 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.



Yellowknife District No. 1 Education Authority

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Notes to Consolidated Financial Statements

June 30, 2023

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. This requisitioned amount is one portion of the property tax paid annually by property owners. 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.

Revenue from rentals is earned as the facilities are used. 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.



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Notes to Consolidated Financial Statements

June 30, 2023

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.



Yellowknife District No. 1 Education Authority

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June 30, 2023

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.



Yellowknife District No. 1 Education Authority

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Notes to Consolidated Financial Statements

June 30, 2023

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 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 Investment in tangible capital assets. This results in a corresponding increase in the equity in tangible capital assets.



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Notes to Consolidated Financial Statements

June 30, 2023

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 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.

Pellet Boiler Reserve

The Pellet Boiler project is complete and the unused balance of \$9,964 has been transferred back to operating surplus.

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 might 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.



Yellowknife District No. 1 Education Authority

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Notes to Consolidated Financial Statements

June 30, 2023

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.



June 30, 2023

3. Future Accounting Changes and Adoption of New Accounting Standards

For fiscal periods beginning on or after July 1, 2023, Education Bodies will be required to adopt PS 3160 Public Private Partnerships. This Section establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. The private sector partner's obligations include requirements to:

- (a) design, build, acquire or better new or existing infrastructure;
- (b) finance the transaction past the point where the infrastructure is ready for use; and
- (c) operate and/or maintain the infrastructure.

This standard is applicable only to those Education Bodies that are able to acquire, and required to report, tangible capital assets in its financial statements.

For fiscal periods beginning on or after July 1, 2023, Education Bodies will be required to adopt PS 3400 Revenue. This standard provides guidance on how to account for and report on revenues. Specifically, it differentiates between revenues arising from transactions that include performance obligations and transactions that do not have performance obligations. The impact of these standards on the consolidated financial statements is currently being assessed.



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Notes to Consolidated Financial Statements

June 30, 2023

4. Cash

	2023	2022
	\$	\$
Cash	10,223,962	10,007,034

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 \$699,164 (2022 - \$653,707).



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Notes to Consolidated Financial Statements

June 30, 2023

7. Portfolio Investments

	2023	2022
	\$	\$
RBC Dominion Securities Investment 1		
Balance at June 30	-	1,001,600
Dollar Value of Interest earned	-	1,600
Cost of Investment	-	100,000
Market Value	-	1,001,600

Date Purchased: 14 June 2022
Term of Investment: 1 year
Maturity Date: 14 June 2023
Annual Interest Rate: 3.650%

	2023	2022
	\$	\$
RBC Dominion Securities Investment 2		
Balance at June 30	1,189,544	1,142,074
Dollar Value of Interest earned	49,544	2,074
Cost of Investment	1,140,000	1,140,000
Market Value	1,189,544	1,142,074

Date Purchased: 14 June 2022
Term of Investment: 2 years
Maturity Date: 14 June 2024
Annual Interest Rate: 4.150%



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Notes to Consolidated Financial Statements

June 30, 2023

7. Portfolio Investments (Continued)

	2023	2022
	\$	\$
RBC Dominion Securities Investment 3		
Balance at June 30	1,044,507	1,001,863
Dollar Value of Interest earned	44,507	1,863
Cost of Investment	1,000,000	1,000,000
Market Value	1,044,507	1,001,863

Date Purchased: 14 June 2022
 Term of Investment: 3 years
 Maturity Date: 16 June 2025
 Annual Interest Rate: 4.250%

	2023	2022
	\$	\$
RBC Dominion Securities Investment 4		
Balance at June 30	1,045,554	1,011,907
Dollar Value of Interest earned	45,554	1,907
Cost of Investment	1,000,000	1,000,000
Market Value	1,045,554	1,001,907

Date Purchased: 14 June 2022
 Term of Investment: 4 years
 Maturity Date: 15 June 2026
 Annual Interest Rate: 4.350%

	2023	2022
	\$	\$
RBC Dominion Securities Investment 5		
Balance at June 30	2,004,628	-
Dollar Value of Interest earned	4,628	-
Cost of Investment	2,000,000	-
Market Value	2,004,628	-

Date Purchased: 14 June 2023
 Term of Investment: 5 years
 Maturity Date: 15 June 2028
 Annual Interest Rate: 4.90%



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Notes to Consolidated Financial Statements

June 30, 2023

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:

	2023	2023	2023	2022
	Cost	Accrued	Market	Market
	\$	interest	value	value
	\$	\$	\$	\$
RBC Domonion Securities Investment 1	-	-	-	1,001,600
RBC Domonion Securities Investment 2	1,140,000	49,544	1,189,544	1,142,074
RBC Domonion Securities Investment 3	1,000,000	44,507	1,044,507	1,001,863
RBC Domonion Securities Investment 4	1,000,000	45,554	1,045,554	1,011,907
RBC Domonion Securities Investment 5	2,000,000	4,628	2,004,628	-
Total portfolio investments	5,140,000	144,233	5,284,233	4,157,444



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Notes to Consolidated Financial Statements

June 30, 2023

8. Accounts Receivable

	2023	2022
	\$	\$
Accrued interest receivable	67,608	22,444
Due from other related parties (Note 23)	624,669	773,512
Due from Government of the Northwest Territories (Note 23)	5,998	1,500
Other	166	5,556
Total	698,441	803,012

Allowance for doubtful accounts at June 30, 2023 is \$64,715 (2022 - \$88,625).

9. Inventories

There is no inventory recorded as at June 30, 2023.

10. Accounts Payable and Accrued Liabilities

	2023	2022
	\$	\$
School Generated Trust Accounts - liabilities	20,417	-
School Generated Trust Accounts - carry over balances (Note 36)	-	(7,965)
Trade payables	884,936	651,371
SSI Accrual	51,239	94,020
	956,592	737,426

	2023	2022
	\$	\$
Payroll Liabilities		
To teachers (July, August wages and deferred NEBS pension)	5,038,812	4,415,341
Vacation payable (annual leave)	174,817	258,206
	5,213,629	4,673,547



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Notes to Consolidated Financial Statements

June 30, 2023

11. Deferred Revenue

Deferred revenue consists of contributions or revenues received from contributors for expenses not yet incurred.

	2023	2022
	\$	\$
GNWT ECE - Covid and French Videos	-	870,535
Menstrual Product Federal Funding	239,554	156,302
GNWT ECE - Active After School	42,600	-
	282,154	1,026,837

12. Contribution Repayable

Contribution repayable consists of contribution or revenue received from funders that will be repaid within the next year.

	2023	2022
	\$	\$
Jordan's Principal - Government of Canada	1,935,076	1,261,520
Active After School - GNWT MACA	-	7,619
	1,935,076	1,269,139



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Notes to Consolidated Financial Statements

June 30, 2023

13. Due from Government of Canada

	2023	2022
	\$	\$
GST Receivable	113,339	126,431

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 \$4,369,828. 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 \$198,644 as at January 2023, and \$193,715 as at January 2022. The maximum monthly contributions is \$3,507 as at January 2023, and \$3,420 as at January 2022.

NEBS is an employer owned program and as such the Authority will be liable for its portion of any shortfall. The Plan serves 3,789 Employee Members and 117 Employer Members (total active, disabled and on leave: 2,054).

As of January 1, 2023, the excess (deficiency) of actuarial value of net assets over actuarial present value of defined benefits is estimated to be \$81,300,000 - funded ratio 127% (2022 - \$65,900,000 and 124%) 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.



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Notes to Consolidated Financial Statements

June 30, 2023

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 (2022 - \$1,322,108) 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, 2023. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the Authority.



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Notes to Consolidated Financial Statements

June 30, 2023

17. Post-employment Benefits and Compensated Absences (Continued)

Changes in Obligation	Severance and Removal \$	Compensated Absences \$	2023 \$	2022 \$
Accrued benefit obligation beginning of year	2,170,642	356,355	2,526,997	1,178,526
Current period benefit cost	92,105	28,249	120,354	115,091
Interest accrued	47,088	15,144	62,232	39,976
Benefits payments	(527,240)	(30,462)	(557,702)	(331,331)
Actuarial loss	175,461	11,555	187,016	201,116
Plan amendments	46,029	-	46,029	1,323,619
Accrued benefit obligation end of year	2,004,085	380,841	2,384,926	2,526,997
Unamortized net actuarial gain	(34,273)	(170,664)	(204,937)	(9,618)
Total employee future benefits and compensated absences	1,969,812	210,177	2,179,989	2,517,379

Benefits expense	Severance and Removal \$	Compensated Absences \$	2023 \$	2022 \$
Current period benefit cost	92,105	28,249	120,354	115,091
Interest accrued	47,088	15,144	62,232	39,976
Amortization of net actuarial (gain)/loss	(69,869)	42,330	(27,539)	(47,065)
Plan amendments	46,029	-	46,029	273,633
Total benefits expense	115,353	85,723	201,076	381,635



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Notes to Consolidated Financial Statements

June 30, 2023

17. Post-employment Benefits and Compensated Absences (Continued)

The discount rate used in the 2023 fiscal year to determine the accrued benefit obligation was an average of 4.8% (2022 - 4.1%). The expected payments during the next five fiscal years are:

	Severance and Removal	Compensated Absences	Total
	\$	\$	\$
2024	289,383	34,463	323,846
2025	224,009	37,425	261,434
2026	220,125	40,066	260,191
2027	224,078	45,039	269,117
2028	226,383	48,483	274,866
2029-2033	1,083,733	250,346	1,334,079
Total	2,267,711	455,822	2,723,533



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Notes to Consolidated Financial Statements

June 30, 2023

18. Tangible Capital Assets

								2023	2022
	Cost	Additions	ARO	Disposals	Amortization	Accumulated	Accumulated	Net Book Value	Net Book Value
	\$	\$	Adjustments	\$	\$	Amortization	Amortization	\$	(Restated)
			\$			beginning of year	\$		\$
						\$			
Land and improvements	1,299,476	-	-	-	-	-	-	1,299,476	1,299,476
School buildings									
Ecole Sir John									
Franklin	2,253,436	-	-	-	(56,246)	(1,360,775)	(1,417,021)	836,415	892,660
William McDonald	9,678,220	-	(10,187)	-	(118,401)	(7,423,517)	(7,541,918)	2,126,115	2,254,703
Mildred Hall	12,009,700	-	(60,364)	-	(320,927)	(7,541,788)	(7,862,715)	4,086,621	4,467,911
Range Lake North	8,965,359	-	(6,153)	-	(242,297)	(6,001,820)	(6,244,117)	2,715,089	2,963,537
N. J. Macpherson	5,337,563	-	(2,660)	-	(136,630)	(4,638,939)	(4,775,569)	559,334	698,624
	38,244,278	-	(79,364)	-	(874,501)	(26,966,839)	(27,841,340)	10,323,574	11,277,435
Other buildings									
Administration office	1,080,580	-	(3,088)	-	(26,970)	(780,778)	(807,748)	269,744	299,804
Maintenance shop	149,474	-	(47,331)	-	(3,051)	(67,854)	(70,905)	31,238	81,620
Total land and buildings	40,773,808	-	(129,783)	-	(904,522)	(27,815,471)	(28,719,993)	11,924,032	12,958,335
Equipment and furnishings									
Schools	3,362,878	-	-	-	(13,874)	(3,265,763)	(3,279,637)	83,241	97,116
Playgrounds	605,859	-	-	-	(18,772)	(230,423)	(249,195)	356,664	375,436
Administration office	322,132	-	-	-	-	(322,132)	(322,132)	-	-
Vehicles	319,413	-	-	-	(12,434)	(270,539)	(282,973)	36,440	48,875
	4,610,282	-	-	-	(45,080)	(4,088,857)	(4,133,937)	476,345	521,427
	45,384,090	-	(129,783)	-	(949,602)	(31,904,328)	(32,853,930)	12,400,377	13,479,762



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Notes to Consolidated Financial Statements

June 30, 2023

19. Prepaid Expenses

	2023 \$	2022 \$
Professional Development	3,723	-
Materials and Supplies	-	6,006
	3,723	6,006

20. GNWT Assets Provided at no Cost

The following assets were provided to the Authority by the GNWT at no cost.

	Cost \$	Accumulated Amortization \$	2023 Net Book Value \$	2022 Net Book Value \$
Ecole Sir John Franklin	25,965,232	25,965,232	-	-
Ecole Sir John Franklin Portable Classrooms	419,724	369,897	49,827	60,317
Ecole Sir John Franklin NACC	2,214,552	1,906,386	308,166	369,799
Ecole Sir John Franklin Sewer Line	108,852	27,939	80,913	85,267
N.J. Macpherson Portable Classrooms	1,413,831	556,522	857,309	892,662
Ecole Sir John Franklin Wheelchair Lift	100,708	34,408	66,300	76,370
Ecole Sir John Franklin Boiler Replacement	51,145	7,956	43,189	46,599
William McDonald School Portable Classrooms	2,242,917	211,831	2,031,086	2,105,850
	32,516,961	29,080,171	3,436,790	3,636,864
Deferred capital contributions				
Ecole Sir John Franklin	(1,442,500)	(1,442,500)	-	-
	31,074,461	27,637,671	3,436,790	3,636,864

Rent expense of \$200,074 (2022 - \$200,074) was offset by a grant in-kind.



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Notes to Consolidated Financial Statements

June 30, 2023

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 2024.

The Authority has a collective bargaining agreement with the NWT Teachers Association ("NWTTA") for teachers, specialists and education assistants which expires on August 31, 2026.

The Authority has a collective bargaining agreement with the United Steelworkers for support staff, which expires on June 30, 2025.

	Expiry Date	2024 \$	2025 \$	2026 \$	Total \$
Operational Contracts:					
First Student Bussing	30 Jun 2026	500,000	500,000	500,000	1,500,000
Commercial & Residential Leases:					
Route 51	30 Jun 2024	40,370	-	-	40,370
Total		540,370	500,000	500,000	1,540,370

22. Contingencies

The Authority does not have any contingencies.



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Notes to Consolidated Financial Statements

June 30, 2023

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 Territoires du Nord Ouest, common control
 South Slave Divisional Education Council
 Deh Cho 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
 Northwest Territories Health and Social Services Authority
 Northwest Territories Housing Corporation

	2023	2022
	\$	\$
Due from Related Parties (Accounts Receivable):		
Other Education Bodies:		
Ndilo District Education Authority	618,419	503,822
Dettah District Education Authority	6,250	269,690
Subtotal - other related parties	624,669	773,512
Government of the Northwest Territories:		
Department of Infrastructure	-	1,500
Department of Education, Culture and Employment	5,998	-
Subtotal - Government of the Northwest Territories	5,998	1,500
Total Due from Related Parties	630,667	775,012

These balances due from related parties are unsecured, non-interest bearing with no specific terms of repayment.



Yellowknife District No. 1 Education Authority

(the "Authority")

Notes to Consolidated Financial Statements

June 30, 2023

23. Related Parties (Continued)

	2023 \$	2022 \$
Revenues from Related Parties:		
Government of the Northwest Territories:		
Department of Education, Culture and Employment - Regular contributions	30,502,105	30,475,041
Department of Education, Culture and Employment - Other contributions	932,727	872,675
Department of Industry, Tourism and Investment	(11,151)	15,000
Department of Education, Culture and Employment - French languages	608,476	1,595,430
Department of Finance - Interest	504,058	108,217
Department of Health and Social Services - GNWT other contributions	28,775	8,505
Department of Municipal and Community Affairs - GNWT other contributions	124,800	91,800
Department of Environment and Climate Change - GNWT other contributions	20,000	8,000
Other Education Bodies:		
Ndilo District Education Authority - Other education bodies	40,000	30,000
Dettah District Education Authority - Other education bodies	178,340	130,020
South Slave Divisional Education Council - Other education bodies	15,000	30,000
Total Revenues from Related Parties	32,943,130	33,364,688
	2023 \$	2022 \$
Infrastructure contributions from GNWT - Department of Education, Culture and Employment	-	3,023,607



Yellowknife District No. 1 Education Authority

(the "Authority")

Notes to Consolidated Financial Statements

June 30, 2023

23. Related Parties (Continued)

	2023	2022
	\$	\$
Expenses Paid to Related Parties:		
Government of the Northwest Territories:		
Department of Infrastructure - Maintenance and repairs	5,454	8,048
Department of Financial and Employee Shared Services - Professional and technical	2,492	-
Department of Education, Culture & Employment - Professional and technical	5,000	100
Other Education Bodies:		
Yellowknife Catholic Schools - Professional and technical	6,185	-
Commission Scolaire Francophone TNO - Professional	2,982	-
Deh Cho Divisional Education Council - Materials & supplies	-	600
Total Expenses paid to Related Parties	22,113	8,748

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.



June 30, 2023

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 7, 2022 and submitted to the Minister of Education, Culture and Employment. The Budget for fiscal year 2022/2023 was submitted to the minister on June 30, 2022. The budget deficit is \$841,805.

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.



June 30, 2023

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, 2023, receivables from these two districts is \$624,669 (2022 - \$773,512), which is 89% of total accounts receivable (2022 - 98%). 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 is funded 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.



Yellowknife District No. 1 Education Authority

(the "Authority")

Notes to Consolidated Financial Statements

June 30, 2023

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

	2023 Budget	2023 Actual	2022 Actual
	\$	\$	\$
Amortization	1,000,000	949,602	1,437,138
Compensation	35,613,491	36,099,338	33,664,427
Other	6,637,767	8,336,475	9,109,042
	43,251,258	45,385,415	44,210,607

28. Subsequent Event

The Authority is awaiting GNWT to issue the Certificate of Completion for the Itlo School after August 2023. 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.



Yellowknife District No. 1 Education Authority

(the "Authority")

Notes to Consolidated Financial Statements

June 30, 2023

30. ECE Contributions

	Budget 2023 \$	Actual 2023 \$	Actual 2022 \$
Original contribution	29,945,867	29,945,867	30,382,878
Student Success Initiatives ("SSI") project	123,000	123,000	123,000
NWTTA collective bargaining adjustment	-	-	283,053
Termination benefits	-	521,973	62,188
Mentorship release time	-	34,265	20,650
UNW collective bargaining adjustment	-	-	127,946
Insurance adjustment	-	-	(401,674)
Updated Contribution	30,068,867	30,625,105	30,598,041
COVID-19 ECE portion	-	807,059	678,340
French video clips	-	63,476	10,394
French language funding	550,000	485,000	479,000
French partnership funding SSDEC	-	35,000	35,000
French language communications	-	25,000	7,803
Support assistant training	-	2,668	3,335
Complex needs funding	-	-	30,000
Self regulation	-	-	13,000
Birchbark teaching program	-	-	25,000
Total Contributions	30,618,867	32,043,308	31,879,913



Yellowknife District No. 1 Education Authority

(the "Authority")

Notes to Consolidated Financial Statements

June 30, 2023

31. GNWT Other Contributions

	Budget 2023	Actual 2023	Actual 2022
	\$	\$	\$
Department of Municipal and Community Affairs ("MACA"):			
Active After School	-	101,800	76,500
Youth Corp	-	18,000	-
Drumming	-	5,000	-
Department of Industry, Tourism and Investment ("ITI"):	-	(11,151)	15,000
Department of Health and Social Services ("HSS"):			
Drop the Pop	-	28,775	8,925
Department of Environment and Climate Change ("ECC"):			
Take a Kid Trapping	-	20,000	10,000
Total	-	162,424	110,425



Yellowknife District No. 1 Education Authority

(the "Authority")

Notes to Consolidated Financial Statements

June 30, 2023

32. Contingent Assets

The Authority does not have contingent assets.

33. Contractual Rights

The Pellet Boiler project is complete. The project cost for both Mildred Hall and Range Lake School pellet boilers is \$1,460,144. The portion funded by the Greenhouse Gas ("GHG") grant is \$1,095,108 and the Authority's contributions are \$365,036.

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	2024 \$	2025 \$	Total \$
Government of Canada	Jordan's Principle	March 2025	5,754,840	-	5,754,840



Yellowknife District No. 1 Education Authority

(the "Authority")

Notes to Consolidated Financial Statements

June 30, 2023

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 (2022 - \$179,651 for William McDonald School and Mildred Hall School). 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, 2023	\$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, 2023	\$71,706



Yellowknife District No. 1 Education Authority

(the "Authority")

Notes to Consolidated Financial Statements

June 30, 2023

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,	2023	2022
	\$	\$
OPERATING FUND		
Balance, beginning of year	3,276,102	(22,339)
Operating surplus (deficit) (Statement 2)	(267,121)	5,134,826
Acquisition of tangible capital assets	-	(1,417,644)
Transfer to Investment in Tangible Capital Assets - GNWT grant in-kind	-	(3,023,607)
Transfer from Investment in Tangible Capital Assets	949,602	1,437,138
Transfer from (to) Decentralized Surplus - FY2022 adjustment	(10,438)	-
Transfer from (to) Decentralized Surplus	(65,813)	5,219
Transfer from (to) Pellet Boiler Reserve	9,964	354,411
Transfer from (to) School Generated Funds	(17,070)	76,140
Initial recognition of asset retirement obligations	-	595,985
Adjustment from asset retirement obligations	27,158	-
Transfer from LED Reserve - LED project	-	120,512
Transfer from LED Reserve - utility shortfall	-	15,461
Balance, end of year	3,902,384	3,276,102
INVESTMENT IN TANGIBLE CAPITAL ASSETS		
Balance, beginning of year	12,651,612	10,243,484
GNWT grant in-kind	-	3,023,607
Acquisition of tangible capital assets	-	1,417,644
Initial recognition of asset retirement obligations	-	(595,985)
Adjustment from asset retirement obligations	(27,158)	-
Amortization	(949,602)	(1,437,138)
Balance, end of year	11,674,852	12,651,612
Investment in tangible capital assets consists of:		
Tangible Capital Assets (Note 18)	12,400,377	13,479,762
Asset Retirement Obligations (Note 37)	(725,527)	(828,150)
	11,674,850	12,651,612



Yellowknife District No. 1 Education Authority

(the "Authority")

Notes to Consolidated Financial Statements

June 30, 2023

35. Accumulated Surplus (Continued)

Details of Surplus and Reserves

For the year ended June 30,	2023 \$	2022 \$
DECENTRALIZED SURPLUS		
Balance, beginning of year	371,582	376,801
Transfer from (to) Operating Fund - FY2022 adjustment	10,438	-
Transfer from (to) Operating Fund	65,813	(5,219)
Balance, end of year	447,833	371,582
PELLET BOILER RESERVE		
Balance, beginning of year	9,964	364,375
Transfer from (to) operating fund	(9,964)	(354,411)
Balance, end of year	-	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	284,556
Transfer (to) from Operating Fund for Utility Costs	-	(135,973)
Balance, end of year	148,583	148,583
SCHOOL GENERATED FUNDS		
Balance, beginning of year	661,671	737,811
Transfer from (to) Operating Fund for surplus (deficit)	17,070	(76,140)
Balance, end of year	678,741	661,671



Yellowknife District No. 1 Education Authority

(the "Authority")

Notes to Consolidated Financial Statements

June 30, 2023

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:

	2023	2022
	\$	\$
Balances, beginning of year	661,671	737,811
Fundraising revenues	519,888	162,258
Total funds available	1,181,559	900,069
Total related expenses	(502,818)	(238,398)
Balances, end of year	678,741	661,671
Net change	17,070	(76,140)



Yellowknife District No. 1 Education Authority

(the "Authority")

Notes to Consolidated Financial Statements

June 30, 2023

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	2022 liability	New liabilities incurred	Utilized in the year	Accretion expense	Revisions in estimated cash flows	Additions	Disposals	2023 liability
Buildings	\$ 828,150	\$ -	\$ -	\$ 27,163	\$(129,786)	\$ -	\$ -	\$ 725,527

The asset retirement obligation primarily consists of 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 \$2,224,063 (2022 - \$2,224,063), expected timing of undiscounted expenditures (majority to occur post-2036), and the weighted average discount rate of 3.93% (2022 - 3.28%). 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.



Yellowknife District No. 1 Education Authority

(the "Authority")

Notes to Consolidated Financial Statements

June 30, 2023

38. Change of Accounting Policy

The consolidated statement of operations of the Authority has been restated to record the opening balance asset retirement obligation of \$801,850 as of July 1, 2022, as well as the related changes to 2022 fiscal year and 2023 fiscal year.

The effect of the change is to increase tangible capital asset, asset retirement obligations, and decrease investment in tangible capital assets balances. The net impact to the consolidated statement of operations and consolidated statement of financial position as a result of this restatement is show as below:

	Previously Reported \$	As Restated \$	Change \$
Increase tangible capital assets	13,255,964	13,479,762	223,798
Increase asset retirement obligations	-	(828,150)	(828,150)
Increase operations and maintenance expenses	4,188,100	4,214,402	26,302
Increase amortization expenses	1,428,771	1,437,138	8,367
Decrease operating surplus	5,169,495	5,134,826	(34,669)
Increase investment in tangible capital assets	(13,255,964)	(12,651,612)	604,352
	-	-	-

Financial Statements of

**HAY RIVER HEALTH &
SOCIAL SERVICES AUTHORITY**

March 31, 2024

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Financial Statements

Year ended March 31, 2024

Management Discussion and Analysis

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Statement of Changes in Net Financial Resources **Statement III** 6

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Schedule of Detailed Contribution Funding and Expenditures **Schedule A-1** 25

Schedule of Reserves **Schedule B** 26



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 | ☎ (867) 874-8000 📠 (867) 874-8141

Management Discussion and Analysis

Introduction

Hay River Health and Social Services Authority (HRHSSA) have a mandate to provide publicly funded health and social services under the Hospital Insurance and Health and Social Services Administration Act. Services are provided to the residents of the Town of Hay River, K'atl'odeeche First Nation, Enterprise, Kakisa, Fort Providence and Fort Resolution. It is the responsibility of the HRHSSA Public Administrator and Management to promote transparency and accountability. The preparation of the Management Discussion and Analysis is a go-forward method of acknowledging this responsibility.

Our mission is “to provide equitable care and service and encourage individuals, families and communities to make healthy choices” and our values are:

- Caring - with integrity, we treat everyone with compassion, respect, equity, dignity and we value diversity.
- Accountable - we are responsible to utilize our resources efficiently and effectively and report the impact of our work to the community.
- Relationships - we work in collaboration with all residents including individuals, families, communities, staff, other health authorities, and Indigenous Governments.
- Excellence - we pursue continuous quality improvement through innovation, integration and evidence-based practice.
- Safety - we place safety at the center of all our decisions.

Although HRHSSA has remained a separate Health and Social Services Authority, we continue to work in collaboration with the Department of Health and Social Services, Tlicho Community Services Agency and the Northwest Territories Health and Social Services Authority. System transformation has provided an opportunity for improved access to services and quality of care. The Management and staff have continued to strive to provide the best health and best care to all of our clients, patients and families.

Mr. Brian Willows is our Public Administrator and Ms Erin Griffiths, our Chief Executive Officer, leads the Senior Leadership Team. Members of the Senior Leadership Team are Dale Snow, Director of Client Care Services, Monica Piros, Director, Social Programs, Andrew Laming, Director of Finance and Operations, Jennifer Croucher, Manager, Human Resources, Glen McPhee, Manager of Quality and Risk.

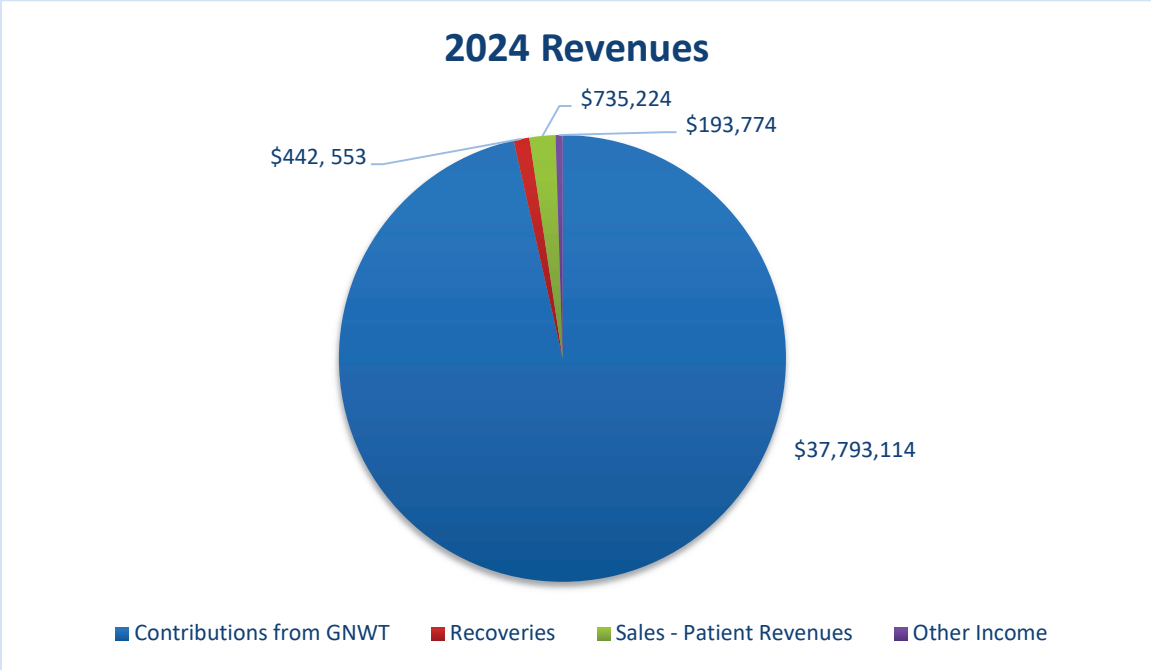
The last five years has shown a decline in the annual deficit due to an increase in the net value of the pension plan asset, invoices written off by the Department of Health and Social Services and the outstanding performance of the pension plan whereby the employer is barred from contributing to the plan by the Canada Revenue Agency (CRA). The financial statements present an accumulated surplus of \$17,572,911. Included in the surplus is a \$500,000 cash reserve.

If we remove the pension plan asset and cash reserve from the effects of the accumulated surplus, there is a resulting adjusted accumulated deficit of \$3,078,089.00. This adjusted deficit is due to a non-cash transaction that is based on the requirement to account for the pension liability on a going concern basis. At year end the market value of the pension fund assets were \$20,651,000, higher than the pension obligation.

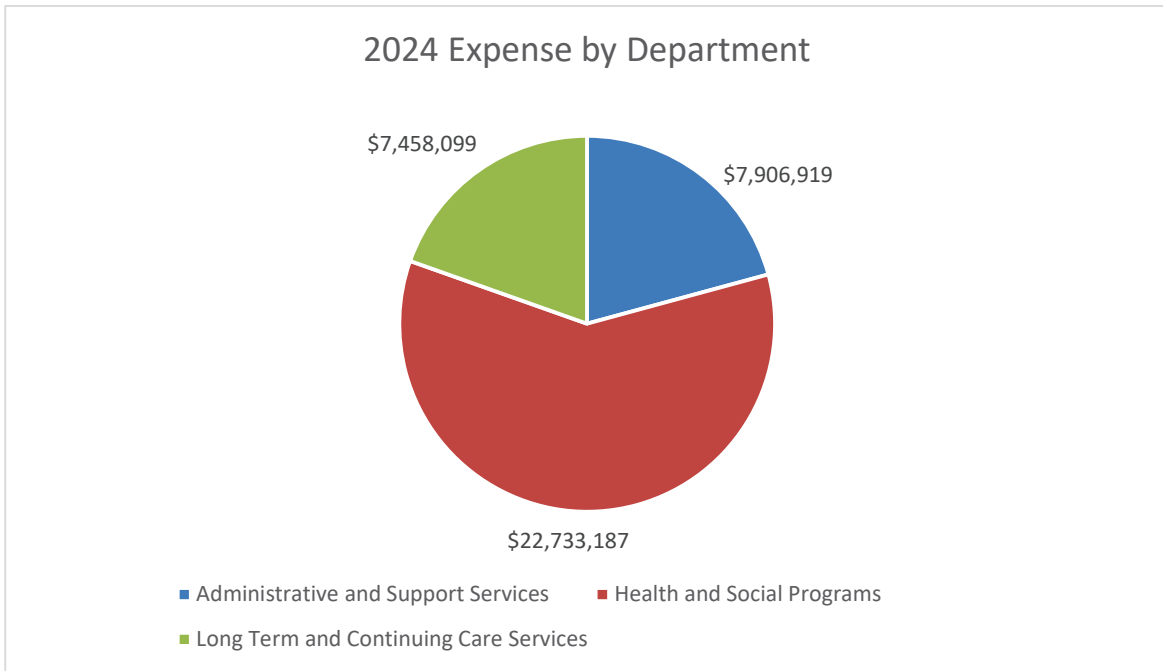
Support services include Human Resources, Finance, Information Technology, Materials Management, Housekeeping, Laundry, Engineering, Dietary, Registration, Medical Records and Electronic Medical Records. The cost of providing basic services continue to grow, however, Management and staff continuously strive to reduce operating expenditures. Support services costs continue to rise as we face the challenge of staff recruitment. Ambulatory care costs fluctuate based on the number of locum Practitioners that are recruited each year.

Financial Highlights

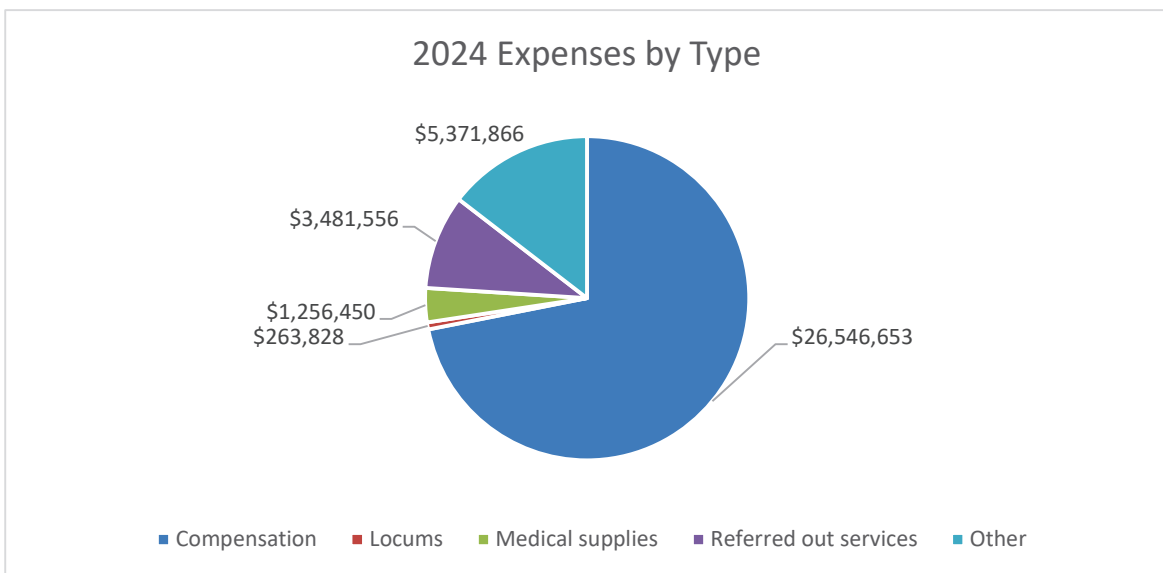
The Authority had \$39,557,554.00 in revenues for the year of which 96% of the funds received were obtained from the GNWT, which is consistent with prior years.



The following two charts show the breakdown of expense by department and by type of expense. Expenses by department show that the largest spending in the Authority exists within the Administration and Support Services, Community Social Programs and Nursing Inpatient Services.

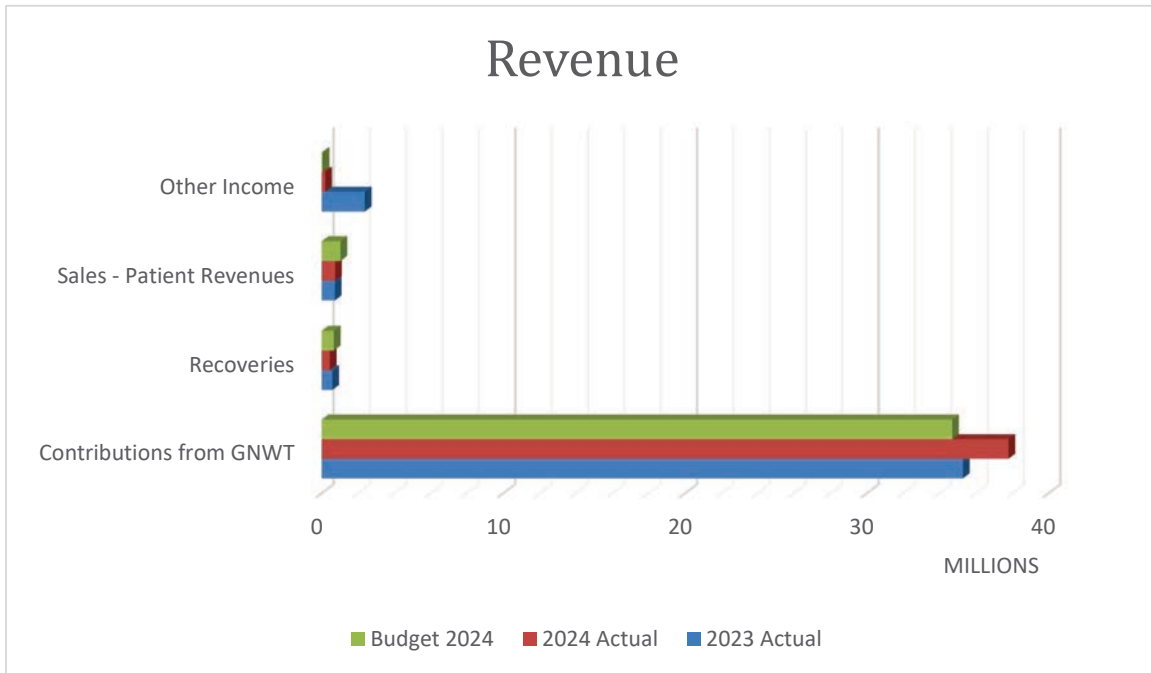


Wages account for 73% of total spending which is up slightly down previous years due the evacuations and the lack of overtime during this time. Other costs include items such as supplies, referred out services, purchased services personnel, rent, equipment maintenance and other costs associated with the operation of the Authority.

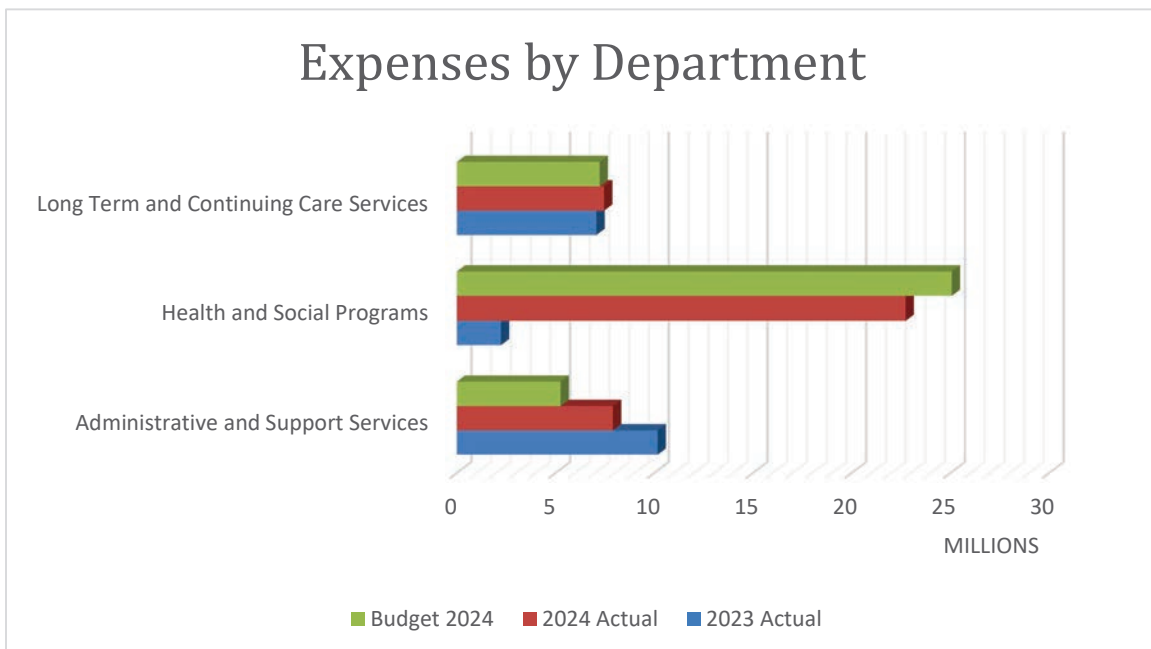


This next group of charts show the current year, prior year and budget numbers for comparative purposes.

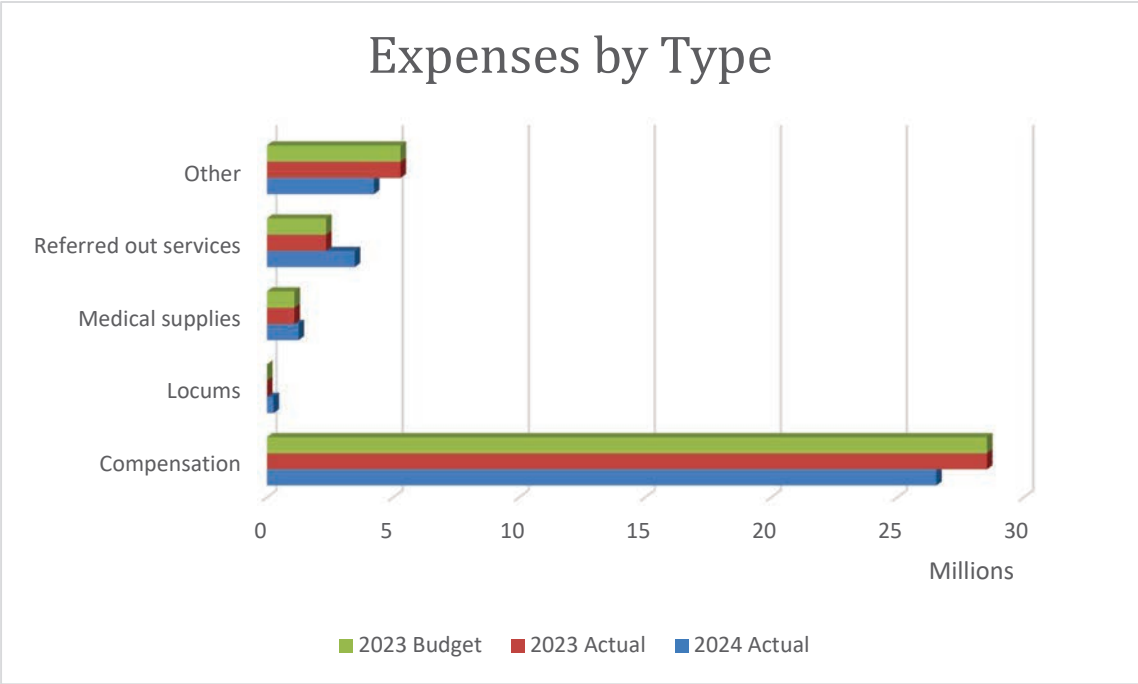
Revenue allocations from the previous year and current year are consistent with expectations and no significant variances exist.



In comparing the current year expenses by department to budget, all variances have been skewed due to the multiple evacuations of Hay River during the year. The Health Centre was closed for approximately eight weeks and although the Authority paid salaries, there were reductions in supplies, overtime, standby and callback pay.



Other variances are in salaries for positions that were budgeted for, but not filled due to lack of qualified applicants and funding constraints. The costs associated with travel and accommodation have increased significantly. There has been an increase in medical travel as the Health Authorities are unable to provide some services in the NWT, and the need to use casual and contract staff to provide relief for vacations and ongoing programs and services.



Operating Environment

HRHSSA’s strength has always been a dedicated and long-standing staff in front-line and Manager/Supervisory roles that are dedicated to providing quality care to clients. Management and staff are excellent stewards of our public funds and make decisions that save money and time.

The past year has presented a number of unprecedented challenges to the Hay River Health & Social Services Authority including labour negotiation disputes, multiple fire evacuations and physician shortages. Despite facing significant obstacles, our teams collaborated effectively to overcome challenges and ensure our services remained largely uninterrupted, allowing us to continue providing exceptional care to our community.

The Home Care, Diabetes and Public Health teams all relocated and adapted to their new work environments to ensure continued services. Supportive Living Services, Ambulatory Care and the Medical Clinic all welcomed these other teams into their work areas and established workflows to ensure continued services. The Acute & Ambulatory Care, Primary Care & Community Health and Continuing Care teams all pulled together to find ways to continue services with the physician shortages by developing Medical Directives, utilizing available practitioners and accessing virtual care options to connect our clients with practitioners.

During the year there were 6,654 patients seen in the medical clinic and 5,864 emergency visits.

The Client Services teams continue to work together and demonstrate resiliency through unprecedented challenges.

Child and Family Services continues to work along side the NTHSSA to implement timely and thorough Standards of Practice in Child and Family Services. The territorial system generates quarterly quality reviews of child protection services aimed to improve services provided to children and families. HRHSSA Child and Family Services audits indicate compliance with GNWT child protection mandates and best practices, and opportunities for staff to provide input on service enhancement are explored on an ongoing basis.

The current Child & Family Services Team consists of one Supervisor, four Child Protection Workers, two Family Preservation Workers and one Foster Care Coordinator. Two Medical Social Workers were hired in the winter of 2024 and have been providing inaugural services to patients and community members, for approximately six months. These credentialed professionals work closely with other HRHSSA Community Services teams and interagency partners to safeguard the safety and well-being of adults, children and youth, and to enhance family capacity and cohesion from a culturally competent, strengths-based perspective.

The Community Counseling Program (CCP) has seen an increased demand for mental health services by children, youth, and adults in the Hay River catchment area of approximately 6,000 residents. The HRHSSA CCP team is made up of one Manager, three Mental Health and Addiction Counsellors, two Community Wellness Workers and two Child & Youth Counsellors who are embedded in area schools. The team also supports HRHSSA medical professionals by conducting risk assessments and crisis debriefings as needed.

Consisting of licensed psychologists, art therapists, social workers and contractors, this multidisciplinary team has consistently offered much needed mental health supports and has responded accordingly to the pervasive and worsening opioid poisoning crisis in Hay River. Under the STEP Care Counselling Model, clients are able to access same day or next day counselling services and enroll in a wide array of digital and group programming designed to ameliorate depression, anxiety and problematic substance use.

The Health Family Program (HFP), anchored by one supervisor and one HFP Worker, continues to offer responsive and innovative services to young and expectant families with children aged 0-6. The most popular offering continues to be the Community Kitchens project, which provides families with ingredients and recipes to prepare healthy, economical and child friendly meals. The team spends time in the field collaborating with early childhood education programs and hosting social events that allow for intergenerational contact between the elderly and young children.

The team has also collaborated extensively with the HRHSSA Midwifery Program to offer fun and educational drop-in sessions for moms-to-be and their babies and remains a fixture at many noteworthy community events. HFP also organizes car seat clinics and continues to work closely with our Family Preservation team to provide wrap-around supports to area families at risk for breakdown.

Financial Conditions

The financial health of the Hay River Health and Social Services Authority continues to be stable. The factors that significantly impacted our finances during the 2023/24 year were:

- multiple community evaluations due to wildfire - all HRHSSA facilities closed for a total of eight weeks throughout the year (cost savings on overtime, callbacks, backfilling positions, standby, supplies, etc.)
- our organizational wide vacancy rate was 20.55% (unable to backfill all vacancies)
- the positive asset performance of our pension plan

The HRHSSA pension plan continues to be in a surplus position to a point where the Canada Revenue Agency (CRA) deems the plan to be in an excess surplus position, which means that the CRA will not permit the Authority to make any further employer contributions to the Plan until the surplus has been somewhat reduced.

The existing accumulated deficit can mainly be attributed to staffing costs, which include wages, compensation and locum fees, which account for just over 77% of our spending. Relocation, responsibility pay, maternity/paternity, severance, overtime and standby costs are not included in the core funding. These benefits under the Collective Agreement are unfunded and total over \$1,6M. Further, there are non-budget items related to the multiple evacuations of Hay River due to wildfire and replacement of the equipment lost in the 2022 community flood amounting to \$530,000, in which the Authority had to absorb these costs.

With cash and accounts receivable of \$8,007,412 and current liabilities of \$7,035,794 it is evident that the liquidity of the Authority can be a concern. There continues to be a constant struggle during the last quarter to ensure bills are paid and payroll is met.

The financial statements identify a surplus from operations in the year of \$2,637,201. However, this amount includes the pension plan. Once this amount is removed (\$1,435,000) from the surplus, the result is an operating surplus of \$1,202,201 for the year.

Summary and Outlook

The 2023-2024 fiscal year represented our efforts to strengthen and establish new relationships internally with our colleagues, and externally with our local and Territorial partners. In developing these relationships, the HRHSSA Senior Leadership Team is keenly aware of the importance of open and effective communication practices across the organization and to the public. HRHSSA leadership has a communication strategy to assist in the continuous improvement of communication to all staff and the public.

Organizational wide improvements continue to be identified and reviewed to ensure HRHSSA delivers quality programs and services that are consistent with our Territorial partners. HRHSSA recognizes that providing culturally appropriate care is necessary to improve better health outcomes. HRHSSA is working in collaboration with our Territorial partners to address improved access to primary health care that can become culturally safe and accessible in a timely manner.

Recruitment of health and social services professionals is challenging across Canada and HRHSSA will continue to enhance our recruitment efforts to attract and retain qualified professionals.

In alignment with the Department of Health and Social Services' Business Plan, our focus will move HRHSSA towards a system which will allow us to provide quality care and service while improving access, client experience and build an organizational structure that is supportive and collaborative. Our future is bright, and we look forward to engaging our workforce and our community to develop culturally safe and efficient care and services.

Respectfully submitted,



Erin Griffiths
Chief Executive Officer



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 | ☎ (867) 874-8000 📠 (867) 874-8141

To the Minister of Health and Social Services

Management Responsibility for Financial Reporting for the year ended March 31, 2024

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 15, 2024

Date

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, 2024, 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, 2024 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, 2024, 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:

Independent Auditor's Report to the Hay River Health & Social Services Authority (continued)

- 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 15, 2024

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Statement of Financial Position

Statement I

March 31, 2024

	2024	2023
Financial Assets		
Cash and cash equivalents, Note 4	\$ 5,457,792	\$ 2,518,323
Accounts receivable, Note 7	2,549,620	1,423,590
Due from Government of Canada, Note 10	3,757	-
Trust assets, Note 14	158,322	103,331
Pensions asset, Note 12	20,651,000	19,216,000
Total Financial Assets	\$ 28,820,491	\$ 23,261,244
Liabilities		
Accounts payable and accrued liabilities, Note 9	3,813,053	3,005,530
Employee and payroll-related liabilities, Note 9	3,222,741	2,513,623
Due to Government of Canada, Note 10	-	-
Contributions repayable, Note 27	2,476,617	1,199,045
Employee future benefits and compensated absences, Note 13	1,977,263	1,720,115
Accountable capital advance from GNWT, Note 28	5,829	5,829
Deferred revenue, Note 26	99,945	98,363
Trust liabilities, Note 14	157,553	102,562
Total Liabilities	11,753,001	8,645,067
Net Financial Assets (Debt)	\$ 17,067,490	\$ 14,616,177
Non-Financial Assets		
Inventory held for use, Note 8	\$ 283,792	\$ 214,524
Prepaid expenses and deposits, Note 25	221,629	105,009
Total Non-Financial Assets	\$ 505,421	\$ 319,533
Accumulated Surplus (Deficit), Note 29	\$ 17,572,911	\$ 14,935,710


* Reclassified for comparative purposes

Contractual obligations, Note 16

Contingent liabilities, Note 17

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, 2024

	2024 Budget	2024 Actual	2023 Actual
Revenue			
Contributions from the GNWT, Schedule A	\$ 35,613,000	\$ 37,793,114	\$ 35,277,837
Recoveries	639,693	442,553	580,918
Sales - Patient Revenues	1,206,000	735,224	720,921
Contributions from Other Sources	-	-	-
Other Income and Write-off of Contribution Repayable	-	193,774	2,364,422
Interest	100,000	392,889	234,280
Total Revenue	37,558,693	39,557,554	39,178,378
Expenses			
Administrative and Support Services	5,251,795	7,906,919	10,169,383
Covid-19 and Flood Expenses	-	-	813,050
Health and Social Programs	25,067,542	22,733,187	2,228,401
formerly "Community Health Programs"			
Long Term and Continuing Care Services	7,233,911	7,458,099	7,065,500
formerly "Ambulatory Care"			
Nursing Inpatients Services	-	-	3,792,283
Diagnostic and Therapeutic Services	-	-	3,149,606
Community Social Programs	-	-	10,071,413
Supplementary Health Programs	-	-	-
Undistributed	-	(1,177,852)	(2,714,561)
Total Expenses, Note 24	37,553,248	36,920,353	34,575,075
Operating Surplus (Deficit)	\$ 5,445	\$ 2,637,201	\$ 4,603,303

Determination of the Adjusted operating surplus as adjusted below:

Operating Surplus (Deficit)	\$ 2,637,201	\$ 4,603,303
Unfunded items		
(Increase) Decrease in post-employment benefits, Note 12	(1,435,000)	(2,979,000)
(Increase) Decrease in employee future benefits and compensated absences, Note 13	257,148	(227,339)
Adjusted operating surplus (deficit) before the undernoted	1,459,349	1,396,964
Tangible Capital Assets - Rent Expense, Note 15	2,184,434	2,185,276
Grant-In-Kind - GNWT assets provided at no cost, Note 15	(2,184,434)	(2,185,276)
Adjusted operating surplus (deficit) for the year	\$ 1,459,349	\$ 1,396,964

Opening Accumulated Surplus (Deficit)	\$ 14,935,710	\$ 10,332,407
Prior year restricted physician funds allocated	-	-
Operating Surplus (Deficit)	2,637,201	4,603,303
Closing Accumulated Surplus (Deficit)	\$ 17,572,911	\$ 14,935,710

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Statement of Changes in Net Financial Resources

Statement III

For the year ended March 31, 2024

	2024	2023
Annual surplus (deficit)	\$ 2,637,201	\$ 4,603,303
Adjustments		
(Increase) Decrease in inventory	(69,268)	(14,178)
(Increase) Decrease in prepaids and deposits	(116,620)	2,502
Increase (Decrease) in net financial assets	2,451,313	4,591,627
Net financial resources, beginning of year	14,616,177	10,024,550
Net financial resources, end of year	\$ 17,067,490	\$ 14,616,177

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Statement of Cash Flow

Statement IV

For the year ended March 31, 2024

	2024	2023
Operating Activities		
Annual surplus (deficit)	\$ 2,637,201	\$ 4,603,303
Items not affecting cash:		
(Increase) Decrease in pensions, Note 12	1,435,000	2,979,000
	4,072,201	7,582,303
Changes in non-cash assets and liabilities		
Decrease (Increase) in due to/from the Government of Canada	(3,757)	-
Decrease (Increase) in accounts receivable	(1,126,030)	(230,239)
Decrease (Increase) in inventory	(69,268)	(14,178)
Decrease (Increase) in prepaids	(116,620)	2,502
Increase (Decrease) in accounts payable and payroll liabilities	1,516,641	(1,957,689)
Increase (Decrease) in contributions repayable	1,277,572	(1,080,780)
Increase (Decrease) in employee future benefits	257,148	227,339
Increase (Decrease) in capital advances	-	-
Increase (Decrease) in deferred revenues	1,582	35,453
Increase (Decrease) in trust liability	54,991	(3,520)
	1,792,259	(3,021,112)
Cash from operations	5,864,460	4,561,191
Financing Activities	-	-
Investing Activities	-	-
Change in cash during the year	5,864,460	4,561,191
Cash, beginning of year	8,579,654	4,018,463
Cash, end of year	\$ 14,444,114	\$ 8,579,654
Cash consists of :		
Cash and cash equivalents, Note 4	\$ 5,457,792	\$ 2,518,323
Trust asset, Note 14	158,322	103,331
	\$ 5,616,114	\$ 2,621,654

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2024

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.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2024

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.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2024

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.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2024

Note 2. Significant Accounting Policies (continued)

Financial Instruments (continued)

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.

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.

Adoption of new accounting standards

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.

PS 3400 – Revenue

Effective April 1, 2023, The Authority adopted the new standard, which provides a framework for recognizing revenue by distinguishing between revenue arising from transactions that include performance obligations, referred to as exchange transactions, and those that do not have performance obligations, referred to as non-exchange transactions. The impact of the new standard was not material

PS 3160 – Public Private Partnerships

Effective April 1, 2023, The Authority adopted the new standard, which provides specific guidance on the accounting and reporting for public private partnerships between public and private sector entities where the public-sector entity procures infrastructure using a private-sector partner.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2024

Note 2. Significant Accounting Policies (continued)

PSG - 8 – Purchased Intangible Assets

Effective April 1, 2023, the Authority adopted new guideline issued by the PSAB, which provides guidance on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act.

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. At the reporting date of these statements, the Authority has not reasonably, determined the impact of these changes.

Once the Conceptual Framework for Financial Reporting has been applied, the Authority will be required, effective April 1, 2026, to apply the Financial Statement Presentation. At the reporting date of these statements, the Authority has not reasonably, determined the impact of these changes.

Note 4. Cash and Cash Equivalents

	2024	2023
Cash	\$ 5,457,792	\$ 2,518,323

Note 5. Special Purpose Funds - Nil Report

Note 6. Portfolio Investments - Nil Report

Note 7. Accounts Receivable

	Receivables 2024	AFDA 2024	Net 2024	Net 2023
GNWT - HSS	\$ 1,351,829	\$ -	\$ 1,351,829	\$ 1,138,731
GNWT - MACA	674,504	-	674,504	-
GNWT - Finance	551	-	551	551
GNWT - Infrastructure	680	-	680	-
GNWT - Justice	489	-	489	489
GNWT - Aborig. Diab.	379	-	379	379
GNWT - Early Develop.	8,218	-	8,218	8,218
GNWT - EMR Develop.	-	-	-	-
Government of Nunavut	33,622	-	33,622	18,407
WSSC	104,316	-	104,316	31,219
Hay River Hospital & Wellness Foundation	5,324	-	5,324	-
GST rebate receivable	34,221	-	34,221	4,281
General accounts receivable	476,022	(140,535)	335,487	221,315
	\$ 2,690,155	\$ (140,535)	\$ 2,549,620	\$ 1,423,590

	0-30 days	30-60 days	60-90 days	Over 90 days	Total
GNWT - HSS	\$ 453,023	\$ 1,629	\$ -	\$ 897,177	\$ 1,351,829
GNWT - MACA	674,504	-	-	-	674,504
GNWT - Finance	30,269	-	-	-	30,269
GNWT - Infrastructure	-	-	-	551	551
GNWT - Justice	-	-	-	680	680
GNWT - Aborig. Diab.	-	-	-	489	489
GNWT - Early Develop.	-	-	-	379	379
GNWT - EMR Develop.	-	-	-	8,218	8,218
Government of Nunavut	-	-	-	-	-
WSSC	16,241	16,522	-	859	33,622
Due from NTHSSA	57,339	34,874	-	12,103	104,316
HR Hospital Foundation	-	-	-	5,324	5,324
GST rebate receivable	14,619	17,144	12,075	(9,617)	34,221
General receivable	65,826	50,743	3,740	184,909	305,218
	\$	\$ 120,912	\$ 15,815	\$ 1,101,072	\$ 2,549,620

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2024

Note 8. Inventory

	2024	2023
Medical and surgical	\$ 214,664	\$ 153,925
Pharmaceutical	24,008	22,306
Laboratory	18,592	13,512
Other supplies	26,528	24,781
	\$ 283,792	\$ 214,524

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

	2024	2023
Due to GNWT - HSS	\$ 431,000	\$ 8,249
Due to GNWT - Finance	524	-
Due to GNWT - Infrastructure	388	-
Due to NTHSSA	2,475,160	2,617,184
Due to Government of Nunavut	-	-
Due to WSCC	-	-
Hay River Hospital & Wellness Foundation	1,807	71
Accounts payable and accrued liabilities	820,281	296,524
Unspent donations	19,317	19,630
Special purpose fund liabilities	64,576	63,872
	3,813,053	3,005,530
Payroll liabilities	3,222,741	2,513,623
	\$ 7,035,794	\$ 5,519,153

Note 10. Due From and To the Government of Canada

	2024	2023
Receivables		
RCMP	\$ 3,757	\$ -
Miscellaneous receivable	-	-
	\$ 3,757	\$ -
Payables		
Advances for projects on behalf of the Government of Canada	\$ -	\$ -
Miscellaneous payables	-	-
	\$ -	\$ -

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.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2024

Note 12. Pensions (continued)

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.

	2024	2023
Accrued benefit obligation	\$ 63,429,000	\$ 59,987,000
Market-related value of pension fund assets	84,080,000	79,203,000
	(20,651,000)	(19,216,000)
Unamortized actuarial gains / (losses)	(1,413,000)	(1,952,000)
Pension liability (accrued asset)	\$ (22,064,000)	\$ (21,168,000)
Impairment on value of accrued pension asset	1,413,000	1,952,000
Adjusted pension liability (accrued asset) realizable by the Authority	\$ (20,651,000)	\$ (19,216,000)

The pension liability (asset) includes the following components:

	2024	2023
Pension liability (accrued asset) - beginning of year	\$ (21,168,000)	\$ (21,154,000)
Cash items:		
Member contributions	(1,228,000)	(1,077,000)
Employer contributions	-	-
Benefit payments	2,661,000	3,298,000
Drawdown from plan assets	(4,130,000)	(5,348,000)
Net change to pension liability from cash items	(2,697,000)	(3,127,000)
Accrual items:		
Current period benefit cost	2,539,000	3,336,000
Amortization of actuarial gains/losses	325,000	473,000
Interest on average accrued benefit obligation	3,294,000	3,065,000
Expected earnings on average pension fund assets	(4,357,000)	(3,761,000)
	1,801,000	3,113,000
Pension liability (accrued asset) before impairment	\$ (22,064,000)	\$ (21,168,000)

The pension expense (revenue) is included in the statement of operations as a component of undistributed amounts.

	2024	2023
Pension expense (revenue)	\$ 1,435,000	\$ 2,979,000
Expected earnings on plan assets	5.50%	4.30%
Actual earnings on plan assets	9.06%	4.90%
Difference between actual and expected	3.56%	0.60%

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2024

Note 12. Pensions (continued)

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:

	2024	2023
Date of actuarial valuation	1-Jan-24	1-Jan-23
Date of next valuation	1-Jan-25	1-Jan-24
Discount rate at valuation	5.45%	5.50%
Date of audited financial statements	31-Mar-24	31-Mar-23
Discount rate at March 31 extrapolation	5.50%	4.30%
Market value of the plan assets	\$ 78,530,000	\$ 71,957,000
Expected return on plan assets	5.50%	4.85%
Future inflation	2.10%	3.80%
Future compensation increases	2.00%	2.50%
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.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2024

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, 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 February 11, 2022 and the results extrapolated to March 31, 2024. 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	2024	2023
<u>Change in Obligation</u>				
Accrued benefit obligation, opening	\$ 2,284,809	\$ 169,403	\$ 2,454,212	2,542,716
Current period benefit costs	184,445	13,062	197,507	208,624
Interest accrued	112,446	8,359	120,805	107,320
Benefit payments	(253,540)	(16,647)	(270,187)	(307,128)
Plan amendments	-	-	-	-
Actuarial gains (losses)	(84,888)	(6,923)	(91,811)	(97,320)
Accrued benefit obligation, closing	2,243,272	167,254	2,410,526	2,454,212
Unamortized net actuarial (gain) loss	15,413	(448,676)	(433,263)	(734,097)
Total employee future benefits and compensated absences	\$ 2,258,685	\$ (281,422)	\$ 1,977,263	\$ 1,720,115
<u>Benefits Expense</u>				
Current period benefit cost	184,445	13,062	197,507	208,624
Interest accrued	112,446	8,359	120,805	107,320
Plan amendments	-	-	-	-
Amortization of actuarial (gain) loss	55,916	153,107	209,023	218,523
	\$ 352,807	\$ 174,528	\$ 527,335	\$ 534,467

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2024

Note 13. Employee Future Benefits and Compensated Absences (continued)

The discount rate used to determine the accrued benefit obligation is an average of 5.3%, down from the prior years rate of 4.8% . No inflation rate was applied. The expected payments during the next five fiscal years are:

	Severance and Removal	Compensated Absences	Total
2025	\$ 230,032	\$ 15,463	\$ 245,495
2026	287,151	20,502	307,653
2027	261,103	18,179	279,282
2028	264,324	18,703	283,027
2029	266,241	18,631	284,872
	\$ 1,308,851	\$ 91,478	\$ 1,400,329

Contingent Revenue

Revenue of \$27,953 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. 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.

	2024	2023
Patient Trust Asset	\$ 158,322	\$ 103,331
Patient Trust Liability	\$ 157,553	\$ 102,562

Note 15. 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, the HH Williams Memorial Hospital, 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 \$2,184,434 (\$2,185,276 in 2023) based on the Government's amortization expense for these assets.

Note 16. 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.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2024

Note 16. Contractual Obligations (continued)

The Authority has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to March 31, 2024.

Expires in fiscal year	Residential 2025	Equipment 2027	Operational 2027	Total
2025	\$ 149,700	\$ 85,807	\$ 120,479	\$ 355,986
2026	-	14,926	59,939	74,865
2027	-	14,926	13,969	28,895
Subsequent	-	-	-	-
	\$ 149,700	\$ 115,659	\$ 194,387	\$ 459,746

Note 17. Contingent Liabilities

In common with many health authorities, claims are made against the Authority and its staff. The Authority is defending actions brought against them and management does not believe a significant loss will occur. An allowance has been made 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 Authority's legal experts and human resources staff experience or case law and historical data in similar circumstances.

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.

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 18. 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 19. 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 20. Subsequent Events - Nil Report

Note 21. Comparative Figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2024

Note 22. 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 2024	Allowance for Doubtful Accounts 2024	Net 2024	Net 2023
<u>Due from related parties</u>				
Accounts Receivable				
GNWT, Note 7				
Department of HSS	\$ 1,351,829	\$ -	\$ 1,351,829	\$ 1,138,731
Department of MACA	674,504	-	674,504	-
Department of Infrastructure	551	-	551	551
Department of Justice	680	-	680	-
Department of Aboriginal Diabetes	489	-	489	489
Department of Early Childhood Develop.	379	-	379	379
Department of EMR Develop. Project	8,218	-	8,218	8,218
	2,036,650	-	2,036,650	1,148,368
NTHSSA, Note 7	104,316	-	104,316	31,219
Hay River Hospital Foundation	5,324	-	5,324	-
	\$ 2,146,290	\$ -	\$ 2,146,290	\$ 1,179,587
			2024	2023
<u>Due to related parties</u>				
Accounts Payable:				
GNWT, Note 9				
Department of HSS			\$ 431,000	\$ 8,249
Department of Finance			524	-
Department of Infrastructure			388	-
			431,912	8,249
NTHSSA, Note 9			2,475,160	2,617,184
Hay River Hospital Foundation			1,807	71
			\$ 2,908,879	\$ 2,625,504
Deferred revenues, GNWT-HSSA, Note 26			56,633	56,633
Contributions repayable, GNWT-HSSA, Note 27			2,476,617	1,199,045
Accountable capital advances, GNWT-HSSA, Note 28			5,829	5,829
			\$ 2,965,512	\$ 3,887,011

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2024

Note 22. Related Party Transactions (continued)

	2024	2023
<u>Revenues</u>		
GNWT		
Department of Health & Social Services	\$ 37,157,648	\$ 34,814,000
Department of Municipal and Community Affairs	674,504	-
Department of Justice	680	4,274
	37,832,832	34,818,274
NTHSSA		
Hay River Hospital Foundation	183,652	225,809
	5,324	-
	\$ 38,021,808	\$ 35,044,083

	2024	2023
<u>Expenses</u>		
GNWT		
Department of Health & Social Services	\$ -	\$ 968
Department of Infrastructure	761	-
	761	968
NTHSSA		
	2,475,160	4,438,485
	\$ 2,475,921	\$ 4,439,453

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.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2024

Note 23. 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.

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 \$8,011,171 (2023 - \$3,941,913).

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, 2024, one customer in accounts receivable accounts for 77% (2023 - 74%) 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 \$28,820,493 including the \$20,651,000 pension asset; financial liabilities are \$11,753,004. The authority has disclosed future financial liabilities and commitments in Notes 13, 16 and 17.

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.

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 diversified 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.

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2024

Note 24. Expenses by Object

	2024 Budget	2024 Actual	2023 Actual
Compensation			
Salaries and wages	\$ 27,860,255	\$ 26,546,653	\$ 27,003,792
Severance and removal	385,000	563,088	436,199
Pension plan special payments and valuation adjustment	-	(1,177,852)	(2,714,561)
Locums	160,000	263,828	159,288
Medical supplies	1,417,144	1,256,450	1,253,669
Referred out services	3,344,597	3,481,556	3,437,525
Grants and contributions	665,000	680,000	680,000
Travel assistance	360,000	523,826	432,768
Equipment maintenance	436,356	446,184	414,953
Rent	232,694	240,512	250,909
Foster care	497,250	631,693	506,963
Phone and postage	302,505	325,751	368,754
Locum removal	385,000	556,309	477,551
Travel	239,576	946,454	449,129
Professional fees	208,523	305,777	376,976
Training	252,750	51,429	84,693
Office supplies	179,207	201,436	199,269
Purchases service personnel	113,000	206,818	196,923
Minor equipment	235,700	587,112	228,187
Software licensing	113,289	115,795	99,898
Honorariums	30,000	45,769	44,700
Garbage	30,000	21,074	25,344
Memberships	14,946	18,987	13,775
Advertising	82,650	55,901	60,186
Bank charges	7,806	11,984	11,461
Bad debt	-	13,819	34,557
	\$ 37,553,248	\$ 36,920,353	\$ 34,532,908

Note 25. Prepaid Expenses and Deposits

	2024	2023
Service and maintenance packages	\$ 103,789	\$ 103,009
Family Support Centre	115,840	-
Deposit	2,000	2,000
	\$ 221,629	\$ 105,009

Note 26. Deferred Revenue

Deferred revenue represents funds that have been received for specific programs but remain unspent at March 31, 2024 as follows:

	2024	2023
Government of the Northwest Territories		
Department of Health and Social Services		
Professional Development Initiative	\$ 56,633	\$ 56,633
Traditional Food Project	32,047	32,047
Outdoor Gatherings	11,265	9,683
	\$ 99,945	\$ 98,363

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY

Notes to the Financial Statements

For the year ended March 31, 2024

Note 27. 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, 2024:

	2024	2023
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	-
Homecare - 23/24	145,227	-
Midwifery - 23/24	93,685	-
Physician Services - 23/24	665,557	-
Health Professional Recruitment and Retention Strategies - 23/24	46,876	-
Labour Market Supplement 23/24	128,718	-
Covid-19 endemic - 23/24	172,666	-
	\$ 2,476,617	\$ 1,199,045

Note 28. 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.

	2024	2023
Beginning balance	\$ 5,829	\$ 5,829
Capital purchases paid out of advanced funds	-	-
Ending balance	\$ 5,829	\$ 5,829

Note 29. Accumulated Surplus (Deficit)

	2024	2023
Operating fund accumulated surplus (deficit)	\$ 19,050,174	\$ 16,155,825
Employee leave and termination liability fund	(1,977,263)	(1,720,115)
Cash Reserve	500,000	500,000
	\$ 17,572,911	\$ 14,935,710

It was noticed that there was an allocation issue between the employee leave and termination liability fund. As a result an amount of \$266,995 was added to the deficit for the employee leave and termination liability fund with a corresponding adjustment to the operating fund accumulated surplus (deficit).

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY
Schedule of Contributions from the GNWT

Schedule A

For the year ended March 31, 2024

	2024 Budget	2024 Actual	2023 Actual
Contributions from the GNWT			
Department of Health and Social Services			
Core Contribution Department of Health			
Administrative and Support Services	\$ 3,361,000	\$ 3,788,000	\$ 7,882,000
Health and Social Programs formerly "Community Health Programs"	25,282,000	26,288,000	10,222,553
Long Term and Continuing Care Services formerly "Ambulatory Care"	6,948,000	7,426,000	6,580,000
Diagnostic and Therapeutic Services	-	-	3,072,000
Nursing Inpatient Services	-	-	3,614,500
Community Social Programs	-	-	3,143,000
Supplementary Health Programs	22,000	22,000	22,000
	35,613,000	37,524,000	34,536,053
Less: Reprofitting of 2023/2024 funding		(401,000)	-
Less: Net contributions repayable/deferred	-	(1,252,854)	-
	35,613,000	35,870,146	34,536,053
Other Department of Health and Social Services Contributions			
Home and Community Care (Schedule A-1)	-	597,335	447,864
Addictions Training	-	237,759	-
Medical Travel	-	204,921	116,248
Official Languages	-	154,712	158,172
Collective Kitchens	-	20,787	19,500
Working Together to Impact Homecare	-	43,000	-
Optimizing Treatment Trajectory	-	19,950	-
Return of Funding: Recovery of Opioid Poison	-	(30,000)	-
	-	1,248,464	741,784
Total Department of Health	35,613,000	37,118,610	35,277,837
GNWT Department of MACA	-	674,504	-
Total Contribution from the GNWT	\$ 35,613,000	\$ 37,793,114	\$ 35,277,837

HAY RIVER HEALTH & SOCIAL SERVICES AUTHORITY
 Schedule of Detailed Contribution Funding and Expenditures
 Home and Community Care
 PO-5224am2
 For the year ended March 31, 2024

Schedule A-1

	2024	2023
	Actual	Actual
Funding		
Government of the Northwest Territories		
Department of Health and Social Services	\$ 597,335	\$ 447,864
<u>less contributions repayable</u>	<u>-</u>	<u>-</u>
	597,335	447,864
Expenditures		
Compensation and benefits	570,849	418,576
Supplies	12,637	12,724
Sundry	1,082	4,013
Vehicle expense	1,000	1,000
Equipment expense	9,675	6,729
<u>Training</u>	<u>2,092</u>	<u>4,822</u>
	597,335	447,864
	\$ -	\$ -

** Funds in the amount of \$597,335 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, 2024

	Cash Reserve		Total Reserves	
	2024	2023	2024	2023
Balance, beginning of the year	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Change to opening balances	-	-	-	-
(Increase) Decrease in employee future benefits and compensated absence	-	-	-	-
Transfers between reserves	-	-	-	-
Balance, end of year	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000



NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Financial Statements

March 31, 2024

Northwest Territories Health and Social Services Authority

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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 Leadership Council (Leadership Council).

A handwritten signature in black ink, appearing to be "Kimberly Riles".

Kimberly Riles, RN, NP
Chief Executive Officer

A handwritten signature in black ink, appearing to be "Marissa Martin".

Marissa Martin, CPA, CGA, MBA
Chief Financial Officer

August 23, 2024



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 2024, 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 2024, 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
23 August 2024

Northwest Territories Health and Social Services Authority


Statement of Financial Position

(All figures in thousands of dollars)

As at March 31,	2024	2023
	\$	\$
Financial Assets		
Cash	3,979	5,165
Accounts receivable (note 4)	16,984	14,142
Due from Government of the Northwest Territories (note 5)	77,060	75,132
Due from Government of Canada	298	686
	98,321	95,125
Liabilities		
Accounts payable and accrued liabilities (note 7)	43,865	36,290
Due to Government of the Northwest Territories (note 5)	330,152	305,777
Due to Government of Canada	21	1,113
Employee future benefits and compensated absences (note 8)	7,434	7,052
	381,472	350,232
Net Debt	(283,151)	(255,107)
Non-Financial Assets		
Inventory held for use (note 6)	6,098	7,444
Prepaid expense	4,200	2,280
	10,298	9,724
Accumulated Deficit (note 9)	(272,853)	(245,383)

Contractual obligations and rights and Contingencies (notes 10 and 11)

Approved on behalf of the Authority:



Gerry Cheezie
Leadership Council
Chairperson



Brian Willows
Leadership Council
Finance Committee Chair

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,	2024	2023	
	Budget	Actual	Actual
	\$	\$	\$
Revenues			
Revenues from Government of the Northwest Territories			
Core contributions (note 17)	359,691	385,860	371,408
Non-core contributions (note 17)	18,769	20,988	16,582
Recoveries - other	27,199	29,664	19,811
Recoveries - non-insured health benefits	20,206	42,664	17,939
Recoveries - prior year expenses	-	155	425
Grants-in-kind (note 13)	27,728	25,338	28,389
	453,593	504,669	454,554
Other Revenues			
Revenues from Government of Canada	1,416	750	1,576
Recoveries from other sources	18,941	17,633	16,744
Recoveries from Government of Nunavut	3,964	5,943	6,303
Contributions from other sources	1,266	1,022	1,302
Interest income	310	1,456	877
Other income	18	72	32
	25,915	26,876	26,834
Total Revenues	479,508	531,545	481,388
Expenses (note 16)			
Community social programs	122,505	136,441	119,415
Ambulatory care services	91,748	97,418	97,612
Administration and support services	80,190	84,624	80,306
Nursing inpatient services	60,774	64,700	65,141
Community health programs	58,174	60,744	64,608
Supplementary health programs	70,867	74,091	64,103
Diagnostic and therapeutic services	39,947	40,997	41,902
Total Expenses	524,205	559,015	533,087
Annual deficit	(44,697)	(27,470)	(51,699)
Accumulated deficit, beginning of year	(245,383)	(245,383)	(193,684)
Accumulated deficit, end of year	(290,080)	(272,853)	(245,383)

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,	2024	2023	
	Budget	Actual	Actual
	\$	\$	\$
Annual deficit for the year	(44,697)	(27,470)	(51,699)
Adjustments			
Acquisition of inventories held for use	-	(11,694)	(11,998)
Consumption of inventories held for use	-	13,041	15,553
Acquisition of prepaid expenses	-	(4,182)	(1,920)
Use of prepaid expenses	-	2,262	1,151
Increase in net debt for the year	(44,697)	(28,043)	(48,913)
Net debt, beginning of year	(255,107)	(255,107)	(206,194)
Net debt, end of year	(299,804)	(283,151)	(255,107)

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,	2024	2023
	\$	\$
Cash used in operating transactions		
Annual deficit	(27,470)	(51,699)
Changes in non-cash assets and liabilities		
Change in accounts receivable	(2,842)	(1,264)
Change in accounts payable and accrued liabilities	7,575	3,533
Net change in due to/(from) Government of the Northwest Territories	22,447	22,701
Change in employee future benefits and compensated absences	382	733
Net change in due to/(from) Government of Canada	(704)	827
Change in inventory	1,346	3,555
Change in prepaid expenses	(1,920)	(769)
Cash used in operating transactions	(1,186)	(22,383)
Decrease in cash	(1,186)	(22,383)
Cash, beginning of year	5,165	27,548
Cash, end of year	3,979	5,165

There were no financing, investing, or capital transactions during the year.

Total interest received during the year was \$1,456 (2023 - \$877).

March 31, 2024

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.

Through the Chief Executive Officer, the Authority reports to and takes direction from the Northwest Territories Health and Social Services Leadership Council (Leadership Council) that is comprised of nine persons appointed in accordance with the Act, including one non-voting member. 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 deficit of \$50,824 which was transferred to the Authority and included in its opening financial position. For the year ended March 31, 2024 the Authority had an annual deficit of \$27,470 (2023 - \$51,699), accumulated deficit of \$272,853 (2023 - \$245,383), liabilities of \$381,472 (2023 - \$350,232) which includes \$330,152 (2023 - \$305,777) due to the GNWT, and total financial assets of only \$98,321 (2023 - \$95,125).

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 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.

March 31, 2024

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.

March 31, 2024

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 pharmaceuticals, general supplies, and 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 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 and food sales from 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.

March 31, 2024

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 (2023 - 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. 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 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.

March 31, 2024

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 are 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.

March 31, 2024

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 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, 2023, the Authority adopted the new accounting standard PS 3400 revenue, which establishes standards on how to account for and report on revenue. This new standard sets out general guidance for recognition, measurement, presentation and disclosure of revenue arising from transactions that include performance obligations (exchange transactions) and transactions that do not have performance obligations (non-exchange transactions). 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. This new standard has been applied prospectively to these financial statements and, as permitted by the standard's transitional provisions, prior periods were not restated. The implementation of this new standard did not have a material impact on the financial statements.

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 \$81 (2023 - \$62). Funds established by the Authority include a special project reserve \$81 (2023 - \$62) which are donations made to the Authority under non-contractual conditions.

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2024

4. Accounts receivable

The Authority administers the GNWT's medical travel program for both residents and non-residents of the territory. Non-residents of the territory accessing the medical travel program are invoiced directly and any outstanding invoices from non-residents are included in receivable at March 31. Interest is not charged on outstanding amounts receivable. All payments from customers of the Authority are expected within 30 days.

	Accounts receivable	Allow. For Doubtful Accounts	2024	2023
	\$	\$	\$	\$
Trade receivable	17,252	(8,021)	9,231	6,175
Government of Nunavut	3,499	(238)	3,261	3,409
Due from WSCC	730	-	730	486
Due from related parties (note 15)	3,762	-	3,762	4,072
Total accounts receivable	25,243	(8,259)	16,984	14,142

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

	2024	2023
	\$	\$
Health and Social Services	69,823	72,836
Finance	1,176	2,249
Justice	102	3
Education, Culture and Employment	42	42
Infrastructure	-	2
Municipal and Community Affairs	5,917	-
Total due from Government of the Northwest Territories	77,060	75,132

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2024

Due to Government of the Northwest Territories	2024	2023
	\$	\$
Payroll liabilities	319,651	297,042
Health and Social Services	4,396	2,375
Finance	5,801	6,279
Justice	85	-
Infrastructure	219	81
Total due to Government of the Northwest Territories	330,152	305,777

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.

	2024	2023
	\$	\$
General supplies	4,159	5,463
Pharmaceutical	1,939	1,981
	6,098	7,444

7. Accounts payable and accrued liabilities

The Authority follows the GNWT for payment practices of accounts payable invoices and pays northern vendors within 20 days and all other vendors within 30 days. The Authority administers the GNWT's Medical travel program for residents of the Northwest Territories and reimbursement of medical related travel expenses are paid to residents accessing the program accordingly. These payables are included in the trade payable.

	2024	2023
	\$	\$
Trade payable	31,251	24,008
Annual leave and lieu time	12,548	12,219
Due to related parties (note 15)	66	63
Total accounts payable and accrued liabilities	43,865	36,290

March 31, 2024

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.

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2024

Valuation results

The most recent 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 table below provides details on the change in the accrued benefit obligation as well as the liability for employee future benefits and compensated absences.

	2024	2023
	\$	\$
Accrued benefit obligations, beginning of year	8,127	8,663
Current period benefit cost	620	655
Interest accrued	397	360
Benefits payments	(1,062)	(1,080)
Actuarial loss	(162)	(470)
Accrued benefit obligations, end of year	7,920	8,128
Unamortized net actuarial (loss)	(2,009)	(2,378)
Employee future benefits & compensated absence liability - actuarially valued	5,911	5,750
Other compensated absences liability - not actuarially valued	1,523	1,302
Total employee future benefits and compensated absences	7,434	7,052
Benefits expense	\$	\$
Current period benefit cost	620	655
Interest accrued	398	360
Amortization of actuarial loss	207	252
	1,225	1,267

The discount rate used to determine the accrued benefit obligation is an average of 5.3% (2023 - 4.8%).

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2024

9. Accumulated deficit	2024	2023
	\$	\$
Accumulated deficit upon amalgamation in 2016	50,824	50,824
Addition to the accumulated deficit since amalgamation	222,029	194,559
Accumulated deficit	272,853	245,383

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, 2024:

	Expires in Fiscal Year	2025	2026	2027	2028	2029	2030	Total
		\$	\$	\$	\$	\$	\$	\$
Equipment leases	2029	187	160	94	44	9	-	494
Operational leases	2026	3,932	923	-	-	-	-	4,855
Service contracts	2030	103,214	73,797	53,834	47,046	64	331	278,286
Contribution agreements	2025	1,066	-	-	-	-	-	1,066
		108,399	74,880	53,928	47,090	73	331	284,701

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, 2024 when the terms of those contracts or agreements are met.

	Expires in Fiscal Year	2025	2026	2027	2028	2029	2030	Total
		\$	\$	\$	\$	\$	\$	\$
Contribution agreements	2028	30,461	20,964	12,396	11,678	-	-	75,499
		30,461	20,964	12,396	11,678	-	-	75,499

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2024

11. Contingencies

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 \$24,350 (2023 - \$7,030). 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, 2024.

12. Trust assets under administration

The authority administers \$432 (2023 - \$389) 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:

	2024	2023
	\$	\$
Use of assets ⁽¹⁾	17,538	21,569
Stanton Territorial Hospital P3 costs ⁽²⁾	<u>7,800</u>	<u>6,820</u>
Grants-in-kind GNWT	25,338	28,389
Donated inventory, Government of Canada ⁽³⁾	<u>-</u>	<u>561</u>
Total Grants-in-kind	<u>25,338</u>	<u>28,950</u>

⁽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 (2023 - \$8,053).

⁽²⁾ Stanton Territorial Hospital P3 cost relate to the operations and maintenance cost which the GNWT pays on behalf of the Authority.

⁽³⁾ The amount of donated Inventory used during the year, recognized as grants-in-kind expense, was \$415 (2023 - \$1,760).

March 31, 2024

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 (2023 – 1.02) the employees' contributions for employees who started prior to January 2013 and 1.0 times (2023 – 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 \$13,652 (2023 – \$13,872) to PSPP and \$1,660 (2023 – \$1,834) to the Physicians' fund. The employees' contributions were \$13,659 (2023 – \$13,671) and \$755 (2023 – \$832) respectively.

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2024

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 2024	Net 2023
	\$	\$	\$	\$
Hay River Health and Social Services Authority	2,496	-	2,496	2,551
Tlicho Community Services Agency	910	-	910	926
Stanton Territorial Hospital Foundation	356	-	356	591
Northwest Territories Power Corporation	-	-	-	4
	3,762	-	3,762	4,072

Due to related parties:	2024	2023
	\$	\$
Tlicho Community Services Agency	4	35
Hay River Health and Social Services Authority	53	22
Fuel Services Division	6	3
Northwest Territories Power Corporation	3	3
	66	63

Revenues from related parties:	2024	2023
	\$	\$
Hay River Health and Social Services Authority	2,962	2,919
Tlicho Community Services Agency	946	1,024
Northwest Territories Power Corporation	178	14
Aurora College	10	-
Stanton Territorial Hospital Foundation	1,427	591
Northwest Territories Human Rights Commission	-	3
	5,524	4,551

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2024

15. Related party balances and transactions (continued)

Expenses paid to related parties:	2024	2023
	\$	\$
Hay River Health and Social Services Authority	186	175
Tlicho Community Services Agency	154	186
Government of the Northwest Territories	15,248	8,429
Aurora College	446	1,292
Northwest Territories Power Corporation	118	93
Northwest Territories Housing Corporation	-	52
Fuel Services Division	55	55
Northwest Territories Liquor and Cannabis Commission	2	3
Housing Associations and Authorities	156	120
Education Councils and Authorities	3	3
	16,368	10,408

16. Expenses by object

	2024	2023
	\$	\$
Compensation and benefits	267,321	266,459
Compensation - locums physician services	36,101	31,460
Contracted out services	100,142	84,640
Medical and other travel	65,853	55,264
Supplies	24,957	25,897
Grants-in-kind (note 13)	25,753	29,865
Contributions	18,635	18,036
Change in valuation allowances	1,183	1,554
Other operating costs	19,070	19,912
Total expenses	559,015	533,087

Significant amounts included in Other operating costs are: general administration expense of \$9,585 (2023 - \$10,339), program expense of \$7,917 (2023 - \$6,906), and equipment expense of \$1,567 (2023 - \$3,300).

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2024

17. Contributions from the Government of the Northwest Territories

	2024 Budget	2024 Actual	2023 Actual
	\$	\$	\$
Total core contributions	359,691	385,860	371,408
Federal Navigator	255	171	-
Canadian Hospitals Injury Reporting and Prevention Program	127	98	127
Aging with Dignity	-	879	-
Community Projects to Reduce Harms of Alcohol Use	-	38	-
Collective Kitchen	168	102	144
Community Health Representative Education and Development in Health Promotion	80	76	68
Territorial Health Investment Fund - System Sustainability	6,030	7,244	6,267
Home and Community Care	8,006	7,308	6,132
Feast on Health	6	-	4
French Language Services	826	812	657
Family, Community and Culture Connection Project	-	121	-
NWT Agreement to Work Together to Improve Health Care for Canadians Action Plan	155	2,320	629
Integrated Primary Care Team Demonstration Project	687	-	665
Lactation Program	139	12	69
Mental Health Initiatives	160	-	226
Opioid Maintenance Treatment Program	144	-	190
Respite Care Program	250	-	250
Tobacco Cessation	135	83	3
Outreach Services Support	-	123	54
Spruce Bough	1,601	1,601	-
Other contributions	-	-	1,097
Total non-core contributions	18,769	20,988	16,582
Total contributions from the GNWT	378,460	406,848	387,990

March 31, 2024

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. 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 4.

The Authority's maximum exposure to credit risk is represented by the financial assets for a total of \$98,321 (2023 - \$95,125).

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, 2024, receivables from the GNWT comprised 82% of the total outstanding accounts receivables (2023 - 84%). 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. All of the Authority's financial assets and financial liabilities as at March 31, 2024 mature within six months of year-end.

Total financial assets are \$98,321 (2023 - \$95,125) and liabilities are \$381,472 (2023 - \$350,232). 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.

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2024

19. Budget

The approved budget has been reclassified where applicable to conform to the presentation used in financial statements as follows:

	Budget per Statement of Operations and Accumulated Deficit	GNWT Approved Budget	Difference
	\$	\$	\$
Revenues			
Revenues from Government of Northwest Territories			
Core contributions	359,691	359,691	\$ -
Non-core contributions	18,769	23,513	(4,744)
Recoveries - other	27,199	22,455	4,744
Recoveries - non-insured health benefits	20,206	20,206	-
Grants-in-kind	27,728	27,728	-
	453,593	453,593	-
Other Revenues			
Revenues from Government of Canada	1,416	1,416	-
Recoveries from other sources	18,941	18,941	-
Recoveries from Government of Nunavut	3,964	3,964	-
Contributions from other sources	1,266	1,266	-
Interest income	310	310	-
Other income	18	18	-
	25,915	25,915	-
Total Revenues	479,508	479,508	-
Expenses			
Community social programs	122,505	122,505	-
Ambulatory care services	91,748	91,748	-
Administration and support services	80,190	80,190	-
Nursing inpatient services	60,774	60,774	-
Community health programs	58,174	58,174	-
Supplementary health programs	70,867	70,867	-
Diagnostic and therapeutic services	39,947	39,947	-
Total Expenses	524,205	524,205	-
Annual deficit	(44,697)	(44,697)	-

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2024

19. Budget (continued)

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	359,691	26,169	385,860	385,860	-
Non-core contributions	23,513	-	23,513	20,989	(2,524)
Recoveries - other	22,455	-	22,455	29,664	7,209
Recoveries - non-insured health benefits	20,206	-	20,206	42,664	22,458
Recoveries - prior year expenses	-	-	-	155	155
Grants-in-kind	27,728	-	27,728	25,338	(2,390)
	453,593	26,169	479,762	504,670	24,908
Other Revenues					
Revenues from Government of Canada	1,416	-	1,416	750	(666)
Recoveries from other sources	18,941	-	18,941	17,633	(1,308)
Recoveries from Government of Nunavut	3,964	-	3,964	5,943	1,979
Contributions from other sources	1,266	-	1,266	1,022	(244)
Interest income	310	-	310	1,456	1,146
Other income	18	-	18	72	54
	25,915	-	25,915	26,876	961
Total Revenues	479,508	26,169	505,677	531,546	25,869
Expenses					
Community social programs	122,505	15,743	138,248	136,441	(1,807)
Ambulatory care services	91,748	250	91,998	97,418	5,420
Administration and support services	80,190	(1,322)	78,868	84,624	5,756
Nursing inpatient services	60,774	2,421	63,195	64,700	1,505
Community health programs	58,174	-	58,174	60,744	2,570
Supplementary health programs	70,867	5,616	76,483	74,090	(2,393)
Diagnostic and therapeutic services	39,947	3,461	43,408	40,997	(2,411)
	524,205	26,169	550,374	559,014	8,640
Total Expenses	524,205	26,169	550,374	559,014	8,640
Annual deficit	(44,697)	-	(44,697)	(27,468)	17,229

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2024

20. COVID-19 Endemic

As the territory transitions from pandemic to endemic, the GNWT and Government of Canada provided the Authority with incremental funding of \$9,520 (2023 - \$14,259). The funds were used for continuing transition to respond to COVID as an endemic and meeting the long-term needs of the NWT.

A summary of the Authority's incremental revenue and expenses during the 2024 fiscal year relating to the COVID-19 endemic is as follows:

	2024		2023
	Budget	Actual	Actual
	\$	\$	\$
Revenues			
Core contributions	9,553	9,553	13,436
Recoveries	-	(33)	262
Grants-in-kind	-	-	561
Total Revenues	9,553	9,520	14,259
Expenses			
Community social programs	-	340	1,501
Ambulatory care services	5,115	4,558	3,150
Administration and support services	1,116	1,544	3,516
Nursing inpatient services	484	277	1,091
Community health programs	2,735	1,505	6,673
Supplementary health programs	-	564	665
Diagnostic and therapeutic services	103	400	780
Total Expenses	9,553	9,188	17,376
Annual (shortfall) surplus	-	332	(3,117)

21. Comparative figures

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

Audited Financial Statements
Tlcho Community Services Agency
Behchoko, NT

For the year ended March 31, 2024

Tlicho Community Services Agency

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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, 2024

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 Tłı̨chǫ Community Services Agency

Kevin Armstrong, Chief Executive Officer

Tłı̨chǫ Community Services Agency

June 28, 2024





Management Discussion and Analysis

March 31, 2024



Introduction

The Tłıchǰ Community Services Agency (TCSA) is a unique organization in the Northwest Territories. It was created under section 7.10 of the Tłıchǰ Agreement and is a Government of the Northwest Territories Agency, while incorporating the values and principles of the Tłıchǰ people.

Our mission statement *“Do Nake Lani Nats’etso...Strong Like Two People”* The TCSA is committed to the development of a continuum of care that will return control of education, health, and social programs and services to the people of our communities, support them in the task of strengthening their families, promote the knowledge and skills they need to survive today, and model the values they need to live in harmony with their families, communities, and the land. Our strategic priorities guiding our work include:

- Developing strong, capable, healthy Tłıchǰ individuals, families, and communities,
- Supporting the best health and wellness of people in the Tłıchǰ region,
- Improving the quality of services provided to vulnerable children, families, and communities, and
- Enhancing organizational sustainability by developing our people and enhancing our organizational processes.

The Agency is governed by a Board made up of four members and a chairperson. The Tłıchǰ Community Governments (Behchokǰ , Gamèti, Wekweèti and Whati) each appoint one member to represent their community on the Agency Board.

The current TCSA Board members include:

- Chairperson – Ted Blondin
- Behchokǰ Representative – Rosa Mantla
- Whati Representative – Alex Nitsiza
- Gamèti Representative – Irene Mantla
- Wekweèti Representative – Marie Adele Football

The preparation of the Management Discussion and Analysis is a go-forward responsibility of management and the Board members to promote transparency and accountability.

Operating Environment

The Agency is also unique in that it is the only agency in the Northwest Territories to deliver both the health and social services programs in conjunction with the JK-12 education programs. Ultimately, the TCSA has three dimensions:

- To deliver GNWT public education programs and services
- To deliver GNWT public health and social services programs
- To support the implementation of self-government between the GNWT and the TG





Management Discussion and Analysis

March 31, 2024

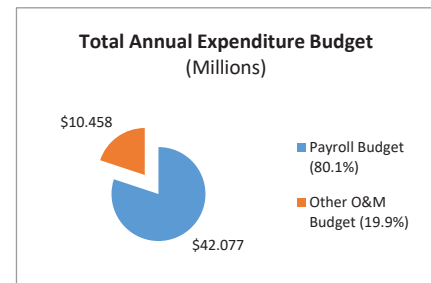


All the other regions have separate agencies for the delivery of health and education programs. The advantage of the TCSA model is that we are able to more effectively link the delivery of these programs.

The TCSA serves a population of approximately three thousand people (3,000) in the communities of Behchokó, Whatì, Gamètì and Wekweètì. The TCSA delivers its programs through five schools and four health centers in the region, and one long term care facility located in Behchoko.

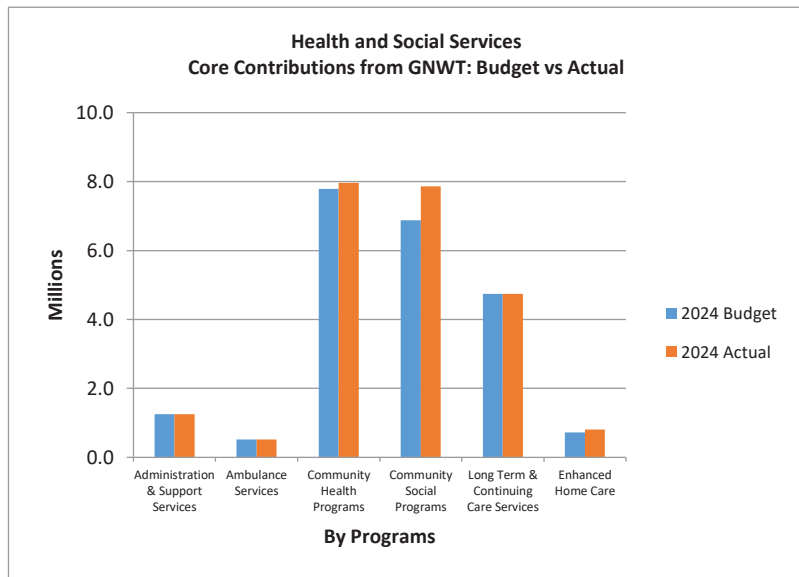
Financial Condition

The Agency had an annual expenditure budget of \$52.534 million in total in fiscal 2023-2024, a dedicated workforce of approximately 375 employees with a total payroll budget of \$42.077 million, which represents 80.1% of the Agency's total annual budget.

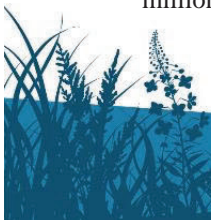


The TCSA Health and Social Services Programs receive core contributions (\$23.147 million) from the GNWT, which presents majority (96.6%) of the total Revenue for the 2023-2024 fiscal year.

The Chart on the right demonstrates a comparison of operating actuals to annual budgets on the core contributions from the GNWT for the 2023-2024 fiscal year – broken down by health and social services programs.



For the 2023-2024 fiscal year, the TCSA Health and Social Services Activities incurred a total expenditure of \$26.781 million.





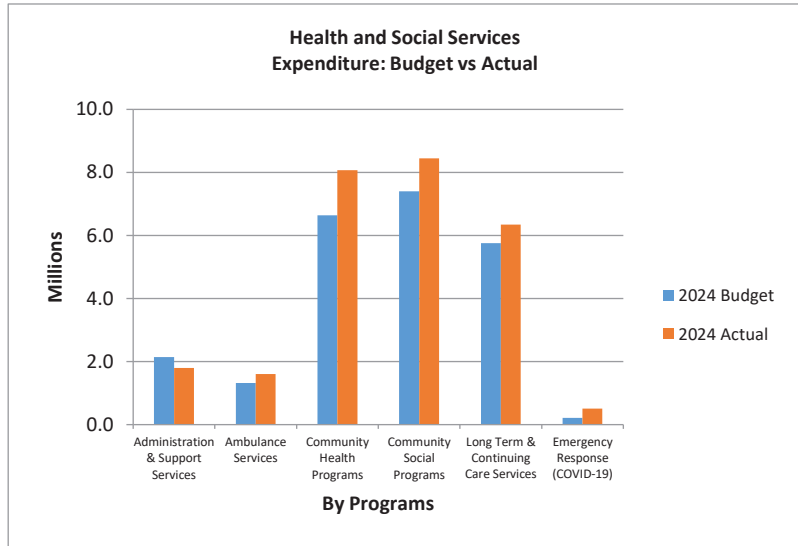
Management Discussion and Analysis

March 31, 2024

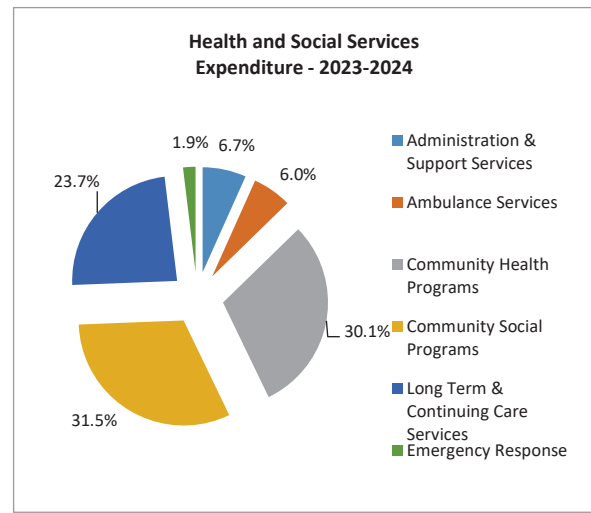
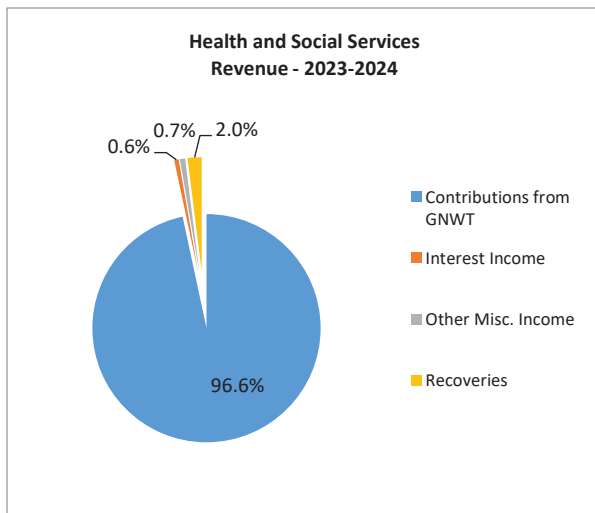


The Chart on the right demonstrates a comparison of operating actuals to annual budgets of expenditures for the 2023-2024 fiscal year – broken down by health and social services programs.

For the 2023-2024 fiscal year, the TCSA Health and Social Services Activities incurred an operating deficit of \$2,829,519, thereby arriving at an accumulated operating deficit of \$10.191 million. The 2023-2024 operating deficit represents



approximately 11.8% of the total health revenue of \$23.952 million. The key financials are highlighted in the Chart below:



The Table below demonstrating the figure upon with the Surplus Retention Policy will be applied:

	2024 Actual	2023 Actual
Operating Surplus / (Deficit)	\$ (2,829,519)	\$ (1,043,470)
Unfunded Items:		
Change in Employee Leave and Termination Benefits	(14,878)	(13,149)
Annual Surplus / (Deficit)	\$ (2,844,397)	\$ (1,056,619)





Management Discussion and Analysis

March 31, 2024



The operating deficit in health for 2023-2024 can be attributed to a number of factors:

- (1) The costs to operate the health centers in communities has increased compared to the prior year's and exceeded the funding by \$349,407 (2022-2023: \$302,051). Overtime / standby costs continue to run over budgeted amounts. Overtime is expected as services are required to be delivered outside of the regular business hours.
- (2) The ongoing costs to operate our Ambulance Services continue to run over funding and the operating deficit arrives \$765,389 (2022-2023: \$255,228).
- (3) Although having received an additional supplementary funding during the year, costs relating to foster care in Child and Family Services division have exceeded funding by \$940,452.
- (4) The costs to operate the Jimmy Erasmus Seniors' Home have significantly increased compared to the prior year's and exceeded the funding by \$533,043 (2022-2023: \$267,895), due to overtime / standby costs.

For its 2023-2024 Education activities the TCSA incurred an annual surplus of \$215,386. As a result of this the TCSA Education activities now have an accumulated surplus of \$149,412.

While these financial statements include expenses for education from April to March, an additional set of financial statements is prepared annually for Education which runs for the school year of July 1 to June 30, and we will report to the department of Education our complete results at that time.

Summary and Outlook

- The fiscal outlook for the TCSA remains challenging:
 - Compensation & Benefits specifically unfunded collective agreement costs. Overtime, standby and callback cost are not sufficiently funded. These costs are unavoidable and can't be funded through vacancies.
 - It is expected that the costs of operating Child and Family Services programs, including foster care services will continue to exceed budget.
 - The TCSA is working with the Department of Health and Social Services to acquire additional funding from the Non-Insured Health Benefits (NIHB) Program, to fully fund our Ambulance Services.
 - We are also working with the Department of Health and Social Services to seek additional funding for the Child and Family Services program.

Chief Executive Officer, June 28, 2024





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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, 2024, 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 financial statements present fairly, in all material respects, the financial position of the Tlicho Community Services Agency as at March 31, 2024, 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, 2024 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.

INDEPENDENT AUDITOR'S REPORT, continued

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 29, 2024

EPR Yellowknife Accounting Professional Corporation
Chartered Professional Accountants

Tlich Community Services Agency
Statement of Financial Position
As at March 31, 2024

	March 31, 2024	March 31, 2023
Financial Assets		
Cash and Cash Equivalents (Note 4)	\$ 1,808,506	\$ 357,307
Accounts Receivable (Note 8)	2,166,681	1,928,677
Due from the Government of Canada (Note 9)	793,097	302,960
	4,768,284	2,588,944
Liabilities		
Accounts Payable and Accrued Liabilities (Note 11)	2,757,318	2,044,088
Payroll Liabilities (Note 11)	11,196,798	6,990,888
Due to the Government of Canada (Note 9)	369,029	18,768
Deferred Revenue (Note 12)	463,697	411,139
Employee Future Benefits (Note 16)	866,601	860,240
	15,653,443	10,325,123
Net Financial Debt	(10,885,159)	(7,736,179)
Non-Financial Assets		
Inventory Held for Use (Note 10)	114,000	112,000
Tangible Capital Assets (Note 18)	409,573	183,837
Prepaid Expenses (Note 19)	-	9,900
	523,573	305,737
Accumulated Surplus (Deficit) (Page 6)	\$ (10,361,586)	\$ (7,430,442)

Contractual Obligations (Note 22)


Chief Executive Officer


Chairman of the Board

Tlich Community Services Agency
Consolidated Operations
Statement of Operations
For the year ended March 31, 2024

	Unaudited 2024 Budget		2024 Actual		2023 Actual
Revenue					
Health & Social Services (Page 3)	\$ 22,611,640	\$	23,951,543	\$	23,336,027
Education (Page 4)	27,524,979		27,972,636		26,167,411
Other Operations (Page 5)	150,000		175,326		151,725
	<u>50,286,619</u>		<u>52,099,505</u>		<u>49,655,163</u>
Expenditure					
Health & Social Services - Compensation	17,798,146		18,862,265		17,963,735
Health & Social Services - Other	5,676,263		7,918,798		6,415,762
Total Health & Social Services (Page 3)	<u>23,474,409</u>		<u>26,781,063</u>		<u>24,379,497</u>
Education - Compensation	24,278,355		22,919,543		21,737,253
Education - Other	4,481,699		5,054,891		4,985,859
Total Education (Page 4)	<u>28,760,054</u>		<u>27,974,434</u>		<u>26,723,112</u>
Other Operations - Compensation	-		-		-
Other Operations - Other	300,000		275,152		224,034
Total Other Operations (Page 5)	<u>300,000</u>		<u>275,152</u>		<u>224,034</u>
	<u>52,534,463</u>		<u>55,030,649</u>		<u>51,326,643</u>
Operating Surplus (Deficit)	<u>\$ (2,247,844)</u>	<u>\$</u>	<u>(2,931,144)</u>	<u>\$</u>	<u>(1,671,480)</u>
Rent Expense - GNWT Assets provided at no cost (Note 21)			853,632		1,843,078
Grant-In-Kind - GNWT Assets provided at no cost (Note 21)			(853,632)		(1,843,078)
Change to Employee Leave and Termination Benefits			(6,361)		93,478
			<u>(6,361)</u>		<u>93,478</u>
Annual Surplus (Deficit)	<u>\$ (2,247,844)</u>	<u>\$</u>	<u>(2,924,783)</u>	<u>\$</u>	<u>(1,764,958)</u>

Tlich Community Services Agency
Health & Social Services
Statement of Operations
For the year ended March 31, 2024

	Unaudited		2024		2023
	2024		Actual		Actual
	Budget				
Revenue					
Contributions from GNWT (Schedule A)	\$ 21,906,640	\$	23,146,670	\$	22,509,402
Interest Income	35,000		151,512		136,169
Other Income	150,000		177,138		173,952
Recoveries	520,000		476,223		516,504
	<u>22,611,640</u>		<u>23,951,543</u>		<u>23,336,027</u>
Expenditure					
Administrative & Support Services	2,142,065		1,795,716		1,767,632
Ambulatory Care Services	1,324,034		1,608,190		1,125,753
Community Health Programs	6,642,547		8,069,796		7,690,620
Community Social Programs	7,403,076		8,447,352		7,448,985
Long Term and Continuing Care	5,751,687		6,347,178		5,897,949
Emergency Response	211,000		512,831		448,558
	<u>23,474,409</u>		<u>26,781,063</u>		<u>24,379,497</u>
Operating Surplus (Deficit)	\$ (862,769)	\$	(2,829,520)	\$	(1,043,470)
Rent Expense - GNWT Assets provided at no cost (Note 21)			18,340		1,007,787
Grant-In-Kind - GNWT Assets provided at no cost (Note 21)			(18,340)		(1,007,787)
Change to Employee Leave and Termination Benefits			14,878		13,149
			<u>14,878</u>		<u>13,149</u>
Annual Surplus (Deficit)			(10,191,216)		(7,361,696)
Opening Accumulated Operating Deficit			(7,361,696)		(6,318,226)
Closing Accumulated Operating Deficit		\$	(10,191,216)	\$	(7,361,696)

Tlich Community Services Agency
Education
Statement of Operations
For the year ended March 31, 2024

	Unaudited 2024 Budget		2024 Actual		2023 Actual
Operating Fund - Revenue					
Government of the Northwest Territories					
Regular Contribution from ECE	\$ 17,885,002	\$	18,037,540	\$	18,175,729
Other ECE Contribution	263,750		666,305		582,575
Total ECE Contributions	<u>18,148,752</u>		<u>18,703,845</u>		<u>18,758,304</u>
Contributions from Other GNWT Departments	153,000		154,390		158,000
Total GNWT Contributions	<u>18,301,752</u>		<u>18,858,235</u>		<u>18,916,304</u>
Government of Canada - Jordan's Principle	8,989,227		8,222,753		6,694,942
Board Generated Funds					
Other Contributions and Miscellaneous	184,000		740,136		419,996
Investment Income	50,000		151,512		136,169
Total Generated Funds	<u>234,000</u>		<u>891,648</u>		<u>556,165</u>
Total Revenue	<u>27,524,979</u>		<u>27,972,636</u>		<u>26,167,411</u>
Operating Fund Expenses - Per Schedule C					
Aboriginal Language/Cultural Programs	2,002,651		1,823,756		2,015,664
Administration	1,373,034		1,289,607		1,173,080
Inclusive Schooling	3,244,077		2,827,512		3,073,824
School Programs	13,057,123		13,721,957		13,709,037
Jordan's Principle	8,989,227		8,222,753		6,694,942
Amortization	93,942		88,849		56,565
Total Expense	<u>28,760,054</u>		<u>27,974,434</u>		<u>26,723,112</u>
Operating Surplus (Deficit)	<u>\$ (1,235,075)</u>	<u>\$</u>	<u>(1,798)</u>	<u>\$</u>	<u>(555,701)</u>
Rent Expense - GNWT Assets provided at no cost (Note 21)			835,292		835,292
Grant-In-Kind - GNWT Assets provided at no cost (Note 21)			(835,292)		(835,292)
Change to Employee Leave and Termination Benefits			(21,239)		80,329
			<u>(21,239)</u>		<u>80,329</u>
Annual Surplus (Deficit)		<u>\$</u>	<u>19,441</u>	<u>\$</u>	<u>(636,030)</u>

Tlich Community Services Agency
Other Operations
Statement of Operations
For the year ended March 31, 2024

	Unaudited		2024		2023
	2024		Actual		Actual
	Budget				
Revenue					
Recoveries - Housing	\$ 150,000	\$	175,326	\$	151,725
	-		-		-
Expenses					
General Administrative Expenditures	-		41,042		39,604
Lease Property - Housing	300,000		234,110		184,430
	300,000		275,152		224,034
Operating Surplus (Deficit)	\$ (150,000)	\$	(99,826)	\$	(72,309)

Tlich Community Services Agency
Statement of Changes in Net Debt
For the year ended March 31, 2024

	Unaudited 2024 Budget	2024 Actual	2023 Actual
Annual Operating Surplus (Deficit) (Page 2)	\$ (2,247,844)	\$ (2,931,144)	\$ (1,671,480)
Decrease (Increase) in Inventories Held for Use	-	(2,000)	(10,000)
Decrease (Increase) in Prepaid Expenses	-	9,900	(9,900)
Acquisition of Tangible Capital Assets	-	(314,586)	-
Amortization of Tangible Capital Assets	-	88,849	56,565
Increase (Decrease) in Net Financial Resources	-	(3,148,981)	(1,634,815)
Opening Net Financial Resources (Debt)	(7,736,179)	(7,736,179)	(6,101,364)
Closing Net Financial Resources (Debt)	\$ (7,736,179)	\$ (10,885,159)	\$ (7,736,179)
Accumulated Operating Deficit			
<u>Health & Social Services</u>			
Opening Deficit - Health & Social Services	\$ (7,361,696)	\$ (7,361,696)	\$ (6,318,226)
Current Year's Operating Deficit (Page 3)	(862,769)	(2,829,520)	(1,043,470)
Closing Deficit	(8,224,465)	(10,191,216)	(7,361,696)
<u>Education</u>			
Opening Surplus (Deficit) - Education	(65,974)	(65,974)	489,727
Current Year's Operating Surplus (Deficit) (Page 4)	(1,235,075)	(1,798)	(555,701)
Closing Surplus (Deficit)	(1,301,049)	(67,772)	(65,974)
<u>General</u>			
Opening Surplus - Other	(2,772)	(2,772)	69,537
Current Year's Surplus (Deficit) (Page 5)	(150,000)	(99,826)	(72,309)
Closing Surplus (Deficit)	(152,772)	(102,598)	(2,772)
Total Closing Accumulated Operating Deficit	\$ (9,678,286)	\$ (10,361,586)	\$ (7,430,442)

Tlich Community Services Agency
Statement of Cash Flow
For the year ended March 31, 2024

	<u>2024</u>	<u>2023</u>
Cash Provided by (used in) Operating Transactions		
Annual Operating Surplus (Deficit)*	\$ (2,931,144)	\$ (1,671,480)
Items Not Affecting Cash:		
Amortization	88,849	56,565
Increase (decrease) in due to (from) the Government of Canada	350,261	-
Decrease (increase) in Accounts Receivable	(238,004)	1,254,944
Decrease (increase) in Due from Government of Canada	(490,137)	(302,960)
Increase (decrease) in Accounts Payable	713,230	(1,830,832)
Increase (decrease) in Wages and Benefits Payable	4,205,911	1,400,132
Decrease (increase) in Inventories Held for Use	(2,000)	(10,000)
Increase(decrease) in Employee Future Benefits	6,361	(93,478)
Decrease (increase) in Deferred Revenue	52,558	(2,806,313)
Decrease (increase) in Prepaid Expenses	9,900	(9,900)
Net Cash Provided by (used in) Operating Transactions	<u>1,765,785</u>	<u>(4,013,322)</u>
Cash Provided by (used in) Investing Transactions		
Disposition (Acquisition) of Tangible Capital Assets	(314,586)	-
Net Cash Provided by Investing Transactions	<u>(314,586)</u>	<u>-</u>
Cash Provided by (used in) Financing Transactions		
Net Cash Provided by Financing Transactions	<u>-</u>	<u>-</u>
Decrease in Cash	1,451,199	(4,013,322)
Cash, Beginning of the Year	357,307	4,370,629
Cash, End of the Year	<u>\$ 1,808,506</u>	<u>\$ 357,307</u>

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2024

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.

Tlich Community Services Agency
Notes to the Financial Statements
March 31, 2024

2. Significant Accounting Policies (cont'd)

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

Tlich Community Services Agency
Notes to the Financial Statements
March 31, 2024

2. Significant Accounting Policies (cont'd)

i) Financial Instruments

The Agency classifies its 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 include 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 future 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.

l) Adoption of New Accounting Standards

PS 3400 - Revenue

Effective April 1, 2023, the Agency adopted the new standard, which provides a framework for recognizing revenue by distinguishing between revenue arising from transactions that include performance obligations, referred to as exchange transactions, and those that do not have performance obligations, referred to as non-exchange transactions. The impact of the new standard to the Agency was not material.

PS 3160 - Public Private Partnerships

Effective April 1, 2023, the Agency adopted the new standard, which provides specific guidance on the accounting and reporting for public private partnerships between public and private sector entities where the public-sector entity procures infrastructure using a private-sector partner. Adoption of this change has no impact to the Agency.

PSG - 8 - Purchased Intangible Assets

Effective April 1, 2023, the Agency adopted new guideline issued by the PSAB, which provides guidance on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act. Adoption of this change has no impact to the Agency.

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2024

3. Future Accounting Changes

Effective April 1, 2026, the Agency will be required to adopt the PSAB approved changes to the Conceptual Framework for Financial Reporting in the Public Sector. At the reporting date of these statements, the Agency has not reasonably determined the impact of these changes.

4. Cash and Cash Equivalents

	2024	2023
Cash	\$ 1,808,506	\$ 357,307

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 of the 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 2024	Allowance for Doubtful Accounts 2024	Net Amount 2024	Net Amount 2023
Due from the Government of Northwest Territories	\$ 1,249,354	\$ -	\$ 1,249,354	\$ 1,366,791
Due from Northwest Territories Health and Social Services Authority	175,248	-	175,248	69,755
Health and Social Services Related Cost due from Third Parties	163,003	(51,498)	111,505	65,618
Due from Workers' Safety and Compensation Commission	1,958	-	1,958	1,958
Due from Third Parties	670,691	(42,075)	628,616	424,555
	\$ 2,260,254	\$ (93,573)	\$ 2,166,681	\$ 1,928,677

Tlich Community Services Agency
Notes to the Financial Statements
March 31, 2024

9. Due from and to the Government of Canada

	2024	2023
Receivables		
Indigenous Services Canada - Jordan's Principle	\$ 698,622	\$ 302,960
Indigenous Services Canada - Non-Insured Health Benefit	94,475	-
	793,097	\$ 302,960

	2024	2023
Payables		
Indigenous Services Canada - Jordan's Principle	366,336	-
Canada Revenue Agency	2,693	18,768
	\$ 369,029	\$ 18,768

10. Inventory Held for Use

	2024	2023
Inventory Held for Use		
Health Centre Supplies	\$ 114,000	\$ 112,000

11. Accounts Payable and Accrued Liabilities

	2024	2023
Due to the Government of the Northwest Territories	\$ 402,878	\$ 225,430
Due to NWT Housing Corporation	17,160	-
Due to NWT Power Corporation	1,059	-
Due to Northwest Territories Health and Social Services Authority	749,757	782,754
Due to Workers' Safety and Compensation Commission	220,127	368,524
Due to Third Parties on Health and Social Services Related Cost	766,516	402,073
Due to Third Parties	599,821	265,307
Total	\$ 2,757,318	\$ 2,044,088

	2024	2023
Payroll Liabilities		
Due to GNWT Payroll Liabilities	10,315,847	6,281,479
Accrued Vacation and Lieu	880,951	709,409
Total	\$ 11,196,798	\$ 6,990,888

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2024

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.

	2024	2023
CJBS - Youth Contribution	\$ 1,400	\$ -
CJBS - Greenhouse	959	446
CJBS - On the Land Collaborative	49,458	-
CJBS - Ekati Mine Culture	-	567
CJBS - Fundraising	18,195	45,654
CJBS - Literacy	3,805	4,203
CJBS - Breakfast Club	-	26,667
MEZ1 - Ekati Mine Culture	-	25,000
MEZ1 - Indigenous Health & Wellness Elders	-	19,418
MEZ1 - Food First Foundation	9,425	3,321
EMES - PC Children Charity	-	6,165
EMES - Breakfast Club	35,034	50,787
EMES - Ekati Mine Culture	-	22,343
EMES - Food First Foundation	14,130	8,000
EMES - On the Land Collaborative	-	12,560
AAS - Ekati Mine Culture	14,798	14,379
AAS - Food First Foundation	1,873	-
AAS - On the Land Collaborative	11,383	-
AAS - Miscellaneous	20,000	-
JWGS - Breakfast Club	14,191	30,438
JWGS - Ekati Mine Culture	5,752	37,153
JWGS - Food First Foundation	-	2,074
REGIONAL - COVID-19 Support	-	101,964
REGIONAL - Jordan's Principle	263,294	-
	\$ 463,697	\$ 411,139

Tlcho Community Services Agency
Notes to the Financial Statements
March 31, 2024

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.

	2024	2023
HSS Activities		
Employee	\$ 1,032,831	\$ 1,020,273
Employer	1,049,681	1,046,910
	2,082,512	2,067,183
 EDU Activities		
Employee	1,559,056	1,544,524
Employer	1,583,703	1,552,665
	3,142,759	3,097,189
	\$ 5,225,271	\$ 5,164,372

Tlich Community Services Agency
Notes to the Financial Statements
March 31, 2024

16. Employee Future Benefits and Compensated Absences

In addition to pension benefits, Tlich 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 Tlich 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 March 31, 2024. The effective date of the next actuarial valuation is March 31, 2024. 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		2024		2023	
Severance and removal	\$	442,689	\$	153,421	\$	596,110	\$	595,074
Compensated absences		179,187		91,304		270,491		265,166
	\$	621,876	\$	244,725	\$	866,601	\$	860,240

	Severance and Removal		Compensated Absences		2024	2023						
	EDU	HSS	EDU	HSS								
Changes in obligation												
Accrued benefit obligation, beginning of year	\$	425,947	\$	169,127	\$	174,690	\$	90,477	\$	860,241	\$	953,718
Current period benefit cost		40,647		12,778		16,530		7,968		77,923		82,982
Interest accrued		21,770		8,022		8,881		4,541		43,214		39,250
Benefits payments		(95,342)		(6,318)		(12,400)		(7,694)		(121,754)		(162,146)
Plan amendment		-		-		-		-		-		-
Actuarial (gain)/loss		49,667		(30,188)		(8,514)		(3,988)		6,977		(53,564)
Accrued benefit obligation, end of year		442,689		153,421		179,187		91,304		866,601		860,240
Unamortized net actuarial gain/(loss)		3,071		55,044		(23,952)		(211,275)		(177,112)		(152,856)
Net future obligation		445,760		208,465		155,235		(119,971)		689,489		707,384
Other employee future benefits		-		-		-		-		-		-
Other compensated absences		-		-		-		-		-		-
Total employee future benefits and compensated absences	\$	445,760	\$	208,465	\$	155,235	\$	(119,971)	\$	689,489	\$	707,384

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Notes to the Financial Statements
March 31, 2024

16. Employee Future Benefits and Compensated Absences (cont'd)

	Severance and Removal		Compensated Absences		2024	2023
	EDU	HSS	EDU	HSS		
Benefits expense						
Current period benefit cost	40,647	12,778	16,530	7,968	77,923	82,982
Interest accrued	21,770	8,022	8,881	4,541	43,214	39,250
Plan amendments	-	-	-	-	-	-
Amortization of actuarial gains	(71,419)	4,201	(8,131)	58,070	(17,279)	(11,980)
	\$ (9,002)	\$ 25,001	\$ 17,280	\$ 70,579	\$ 103,858	\$ 110,252

The discount rate used to determine the accrued benefits obligation is an average of 5.30%. No inflation rate is applied. The expected payments during the next five years are:

	Severance and Removal	Compensated Absences	Total
Year 2025	\$ 47,625	\$ 20,750	\$ 68,375
Year 2026	48,167	22,070	70,237
Year 2027	56,705	25,921	82,626
Year 2028	57,889	24,854	82,743
Year 2029	62,471	26,480	88,951
	\$ 272,857	\$ 120,075	\$ 392,932

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 2024	Net Book Value 2023
School Buses	\$ 569,273	\$ 314,586	\$ (474,286)	\$ 409,573	\$ 183,837

19. Prepaid Expenses

	2024	2023
Purchase Deposit	\$ -	\$ 9,900

Tlich Community Services Agency
Notes to the Financial Statements
March 31, 2024

20. Services Provided Without Charge

Nil Report

21. 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	Addition	Accumulated	Net Book	Net Book
	(Unaudited)	(Unaudited)	Amortization	Value 2024	Value 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Buildings	\$ 19,218,006	\$ 708,251	\$ (6,373,601)	\$ 13,552,656	\$ 12,807,590
Leasehold Improvements	252,800	-	(252,800)	-	-
Medical Equipment	338,467	-	(224,685)	113,782	147,628
Mobile Equipment	380,626	321,650	(299,098)	403,178	99,796
Other Equipment	76,007	-	(26,096)	49,911	52,952
Total	\$ 20,265,906	\$ 1,029,901	\$ (7,176,280)	\$ 14,119,527	\$ 13,107,966

The TCA information was provided by the Government of the Northwest Territories. Amortization expense for 2023 - 2024 - \$18,340 (2022 - 2023 - \$1,007,787).

Education

	Cost	Addition	Accumulated	Net Book	Net Book
	(Unaudited)	(Unaudited)	Amortization	Value 2024	Value 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Alexis Arrowmaker School	\$ 2,412,271	\$ -	\$ (1,726,169)	\$ 686,102	\$ 755,306
Chief Jimmy Bruno School	9,459,123	-	(8,942,991)	516,132	628,090
Elizabeth MacKenzie School	5,637,997	-	(4,492,609)	1,145,388	1,324,546
Jean Wetrade School	10,360,806	-	(5,305,330)	5,055,476	5,383,380
Mezi Community School	6,310,511	-	(5,787,756)	522,755	669,821
Nishi Khon - Leasehold Improvements	190,000	-	(190,000)	-	-
Total	\$ 34,370,708	\$ -	\$ (26,444,855)	\$ 7,925,853	\$ 8,761,143

The TCA information was provided by the Government of the Northwest Territories. Amortization expense for 2023 - 2024 - \$835,292 (2022-2023 - \$835,292).

Tlcho Community Services Agency
Notes to the Financial Statements
March 31, 2024

22. 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	2025	2026	2027	2028	2029 and Thereafter	Total
Office Leases	2025	\$ 240,195	\$ -	\$ -	\$ -	\$ -	\$ 240,195
Residential Leases	2025-2027	228,593	102,960	42,900	-	-	374,453
Equipment Leases	2026-2027	70,338	70,338	3,579	-	-	144,255
		\$ 539,126	\$ 173,298	\$ 46,479	\$ -	\$ -	\$ 758,903

23. 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.

24. Budget

Budget figures for Health and Social Services Division of the TCSA are the opening budgets that were approved on March 31, 2023 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, 2023 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.

25. 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.

26. Subsequent Events

Nil Report

27. 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.

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2024

28. 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.

	2024	2023
Due from Related Parties		
Government of the Northwest Territories		
Department of Finance	\$ 61,818	\$ 40,402
Department of Health and Social Services	817,040	1,242,974
Department of Education, Culture and Employment	185,368	83,415
Department of Municipal and Community Affairs	185,127	-
Northwest Territories Health and Social Services Authority	175,248	69,754
	\$ 1,424,601	\$ 1,436,545
Due to Related Parties		
Government of the Northwest Territories		
Department of Infrastructure	\$ 101	\$ -
Department of Finance	79,985	200,151
Department of Health and Social Services	302,000	-
Department of Education, Culture and Employment	19,824	21,236
Petroleum Products Division	969	4,043
NWT Power Corporation	1,059	-
NWT Housing Corporation	17,160	-
Northwest Territories Health and Social Services Authority	749,757	782,754
	\$ 1,170,855	\$ 1,008,184
Department of Finance - Payroll Liabilities	\$ 10,315,847	\$ 6,281,479

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2024

28. Related Parties And Inter-Entity Transactions (cont'd)

Revenue received from Related Parties not otherwise disclosed in the statements or schedules:

	2024	2023
Northwest Territory Health & Social Services Authority	\$ 95,277	\$ 94,689
GNWT - Department of Health and Social Services	1,500	11,500
	\$ 96,777	\$ 106,189

Expenses paid to Related Parties

GNWT - Department of Finance	\$ 569,716	\$ 684,408
GNWT - Department of Education, Culture and Employment	388,348	12,833
GNWT - Department of Infrastructure	850	-
GNWT - Department of Environment & Natural Resources	-	-
GNWT - Petroleum Products Division	35,283	33,518
Northwest Territories Health and Social Services Authority	788,790	829,903
NWT Housing Corporation	122,760	122,868
NWT Power Corporation	10,010	8,565
NWT Education Boards	2,300	6,860
James Company Limited (Owned by a Board Member)	19,500	18,000
	\$ 1,937,557	\$ 1,716,955

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.

29. Workers' Safety and Compensation Commission Transactions

	2024	2023
Due from the WSCC	\$ 1,958	\$ 1,958
Due to the WSCC	220,127	368,524
Expenses	910	6,241

30. 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 \$2,166,681 (2022- 2023 - \$1,928,677).

Tlichó Community Services Agency
Notes to the Financial Statements
March 31, 2024

30. Financial Instruments (Cont'd)

(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, 2024, receivables from the GNWT and related parties accounted for 50% 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 bank indebtedness stands at \$nil (2022 - 2023 - \$nil). Total financial assets are \$4,768,284 (2022 - 2023 - \$2,588,944) and financial liabilities are \$15,653,443 (2022 - 2023 - \$10,325,123). The agency has disclosed future financial liabilities and commitments in Note 22.

31. Contingent Assets

Nil Report

32. Contractual Rights

Nil Report

Tlcho Community Services Agency
Notes to the Financial Statements
March 31, 2024

33. Expenses By Object

Health & Social Services

	2024	2023
Compensation and Benefits		
Salaries and wages	\$ 18,099,073	\$ 17,189,340
Severance and Superannuation	(14,878)	(13,149)
Other	778,070	787,544
	\$ 18,862,265	\$ 17,963,735

Operations and Maintenance

Amortization	\$ -	\$ -
Contracted & General Services	4,180,499	2,938,301
Grants and Contributions	1,743,966	1,628,912
Medical and Surgical Supplies	416,793	485,011
Valuation Allowance	-	-
Other	1,577,540	1,363,538
	\$ 7,918,798	\$ 6,415,762

Education

Compensation and Benefits	\$ 22,919,543	\$ 21,737,253
Operations and Maintenance	4,966,042	4,929,294
Amortization	88,849	56,565
	\$ 27,974,434	\$ 26,723,112

Other

Compensation and Benefits	\$ -	\$ -
Operations and Maintenance	275,152	224,034
	\$ 275,152	\$ 224,034

Overall

Compensation and Benefits	\$ 41,781,808	\$ 39,700,988
Operations and Maintenance	13,248,841	11,625,655
	\$ 55,030,649	\$ 51,326,643

Tlicho Community Services Agency
Schedule A
Schedule of Contributions from the GNWT
For the year ended March 31, 2024

	Unaudited 2024 Budget	2024 Actual	2023 Actual
Contributions from the GNWT			
Core contribution - Department of Health & Social Services			
Administration & Support Services			
Administration	\$ 783,000	\$ 783,000	\$ 736,000
Finance	192,000	192,000	192,000
Human Resources	156,000	156,000	107,000
System Support	124,000	124,000	110,000
Community Health Programs			
Community Clinics & Health Centres	6,265,000	6,265,000	6,009,000
Diagnostic Services	-	-	47,000
Emergency Response	211,000	381,087	472,000
Health Promotion & Community Wellness	315,000	315,000	315,000
Physician Services	1,001,000	1,001,000	841,000
Community Social Programs			
Child & Family Services	5,033,000	6,327,000	5,884,401
Child & Youth Care Counselling	696,000	394,000	897,606
Family Violence Prevention	31,000	31,000	31,000
Mental Health & Addictions	1,114,000	1,114,000	1,076,000
Long Term and Continuing Care Counselling			
Homecare & Support Services	839,000	839,000	783,000
Residential Care Children & Adults	3,905,000	3,905,000	3,761,000
Supplementary Health Programs			
Medical Travel	517,000	517,000	517,000
	<u>21,182,000</u>	<u>22,344,087</u>	<u>21,779,007</u>
Other Contribution - Department of Health & Social Services			
Enhanced Home Care - Schedule A-1	724,640	802,583	730,395
Total Contributions from GNWT	<u>\$ 21,906,640</u>	<u>\$ 23,146,670</u>	<u>\$ 22,509,402</u>

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, 2024

	Unaudited 2024 Budget	2024 Actual	2023 Actual
Funding			
GNWT - Department of Health & Social Services	\$ 724,640	\$ 802,583	\$ 730,395
	<u>724,640</u>	<u>802,583</u>	<u>730,395</u>
Expenses			
Salaries	581,784	646,861	603,817
Material & Supplies	16,000	15,852	11,635
Gasoline	3,000	3,055	1,892
Food	14,000	17,048	8,867
Vehicle Maintenance	7,000	7,872	5,000
Medical and Surgical Supplies	11,200	6,220	5,874
Delivery & Courier	1,000	1,000	1,207
Telephone	1,320	710	1,776
Training	10,000	37,649	20,950
Travel	6,060	15,272	2,914
Minor Equipment	51,276	6,992	-
Contract Services	22,000	44,052	66,463
	<u>724,640</u>	<u>802,583</u>	<u>730,395</u>
Excess Funding over Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Tlicho Community Services Agency
Schedule B
Schedule of Reserves
For the year ended March 31, 2024

	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.

Tlich Community Services Agency
Schedule C
Education Division
Schedule of Expenses
For the year ended March 31, 2024

	Aboriginal Languages	Administration	Inclusive Schooling	School Programs	Jordan's Principle	Total
Salaries						
Teachers	\$ 1,054,902	\$ -	\$ 1,126,048	\$ 7,949,969	\$ 1,428,450	\$ 11,559,369
Instructional Asst.	349,298	-	1,186,659	258,939	4,089,889	5,884,785
Non-Instructional Staff	188,810	986,234	193,978	2,960,160	733,227	5,062,409
Board Honoraria	-	38,087	-	-	-	38,087
Employee Benefits						
Benefits/Allowance	-	167	-	374,725	-	374,892
Services						
Purchased/Contracted						
Postage/Communication	1,089	3,702	-	32,790	-	37,581
Travel/Training	22,115	78,997	54,804	262,754	16,638	435,308
Adverting/Printing/ Publishing	-	-	-	(310)	-	(310)
Maintenance and Repairs	2,626	1,626	-	77,709	-	81,961
Rentals and Leases	1,933	5,324	-	49,717	-	56,974
Vehicle Expense	6,734	3,909	-	154,908	-	165,551
Other	-	67,383	-	6,268	626,458	700,109
Contributed Services	-	6,183	151,269	-	-	157,452
Contract Services	21,871	59,959	-	37,424	1,106,885	1,226,139
Home Boarding Allowance	-	-	-	10,825	-	10,825
Materials	174,378	33,385	112,176	1,378,747	221,206	1,919,892
Furniture and Equipment	-	2,605	-	112,904	-	115,509
Freight	-	2,046	2,578	54,428	-	59,052
Sub Total	1,823,756	1,289,607	2,827,512	13,721,957	8,222,753	27,885,585
Amortization	-	-	-	88,849	-	88,849
Total Expense	\$ 1,823,756	\$ 1,289,607	\$ 2,827,512	\$ 13,810,806	\$ 8,222,753	\$ 27,974,434

Tlicho Community Services Agency
Schedule C.1
Education - Contribution Agreements
Other Education Contributions
For the year ended March 31, 2024

Contribution Agreement Revenues		2024	2023
Public Library Services	Schedule C-1	\$ 144,000	\$ 144,000
Self-Regulation	Schedule C-2	1,412	4,835
Northern Distance Learning	Schedule C-3	166,100	99,877
Take a Kid Trapping Program	Schedule C-4	32,000	46,000
Active After School	Schedule C-5	76,500	76,500
Indigenous Health & Wellness Elders - Tlicho Government	Schedule C-6	19,418	4,711
Drop the Pop	Schedule C-7	10,000	10,000
Literacy Program	Schedule C-8	12,947	-
Jordan's Principle	Schedule C-9	8,128,254	6,636,059
Indigenous Services Canada - Home & Community Care Program	Schedule C-9.1	94,499	58,883
First Food Foundation	Schedule C-10	38,307	9,642
PC Children Charity Nutrition Snack	Schedule C-11	6,165	8,617
Breakfast Club	Schedule C-12	145,584	114,092
Ekati (Cultural Program)	Schedule C-13	203,894	123,367
On the Land Collaborative	Schedule C-14	41,719	17,431
Youth Contribution	Schedule C-15	15,890	5,000
Youth Contribution (Cultural Leadership)	Schedule C-16	20,000	20,000
Dog Mushing	Schedule C-17	-	3,400
Handgame/Drumming	Schedule C-18	-	37,530
Greenhouse	Schedule C-19	1,487	21,623
School Based Mental Health & Wellness Services	Schedule C-20	241,334	-
Miscellaneous	Schedule C-21	211,745	18,406
Total Contribution Agreement Revenues		\$ 9,611,255	\$ 7,459,973

Tlicho Community Services Agency
Schedule C.1
Education - Contribution Agreements
Other Education Contributions
For the year ended March 31, 2024

Contribution Agreement Expenditures		2024	2023
Public Library Services	Schedule C-1	\$ 144,000	\$ 144,000
Self-Regulation	Schedule C-2	1,412	4,835
Northern Distance Learning	Schedule C-3	166,100	100,176
Take a Kid Trapping Program	Schedule C-4	32,000	46,000
Active After School	Schedule C-5	76,500	76,500
Indigenous Health & Wellness Elders - Tlicho Government	Schedule C-6	19,418	4,711
Drop the Pop	Schedule C-7	10,000	10,000
Literacy Program	Schedule C-8	12,947	-
Jordan's Principle	Schedule C-9	8,128,254	6,636,059
Indigenous Services Canada - Home & Community Care Program	Schedule C-9.1	94,499	58,883
First Food Foundation	Schedule C-10	36,233	9,642
PC Children Charity Nutrition Snack	Schedule C-11	6,192	8,617
Breakfast Club	Schedule C-12	145,584	114,092
Ekati Mine (Cultural)	Schedule C-13	203,894	123,367
On the Land Collaborative	Schedule C-14	41,704	17,431
Youth Contribution	Schedule C-15	15,890	5,000
Youth Contribution (Cultural Leadership)	Schedule C-16	20,000	20,000
Dog Mushing	Schedule C-17	-	3,400
Handgame/Drumming	Schedule C-18	-	37,530
Greenhouse	Schedule C-19	1,487	21,623
School-Based Mental Health & Wellness Services	Schedule C-20	241,334	-
Miscellaneous	Schedule C-21	211,745	13,068
Total Contribution Agreement Expenditures		\$ 9,609,193	\$ 7,454,934
Excess of Funding over Expenditures		\$ 2,062	\$ 5,039

Tlilho Community Services Agency
Schedule C-1
Schedule of Detailed Contribution Funding and Expenses
Public Library Services
For the year ended March 31, 2024

	2024 Budget	CJBS	MEZI	JWGS	EMES	2024 Actual	2023 Actual
Funding							
GNWT - ECE	\$ 144,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	144,000	144,000
Total Funding	144,000	36,000	36,000	36,000	36,000	144,000	144,000
Expenses							
Salaries & Benefits	183,628	35,679	30,334	-	36,000	102,013	85,468
Materials & Supplies	12,000	5,977	7,979	9,997	18,034	41,987	58,532
Total Expenses	195,628	41,656	38,313	9,997	54,034	144,000	144,000
Excess Funding over Expense	\$ (51,628)	\$ (5,656)	\$ (2,313)	\$ 26,003	\$ (18,034)	\$ -	\$ -

Tlichho Community Services Agency
Schedule C-2
Schedule of Detailed Contribution Funding and Expenses
Self Regulation
For the year ended March 31, 2024

	2024 Budget		2024 Actual		2023 Actual
Funding					
GNWT - ECE	\$ -	\$	1,412	\$	-
GNWT - ECE - Deferred - PY	-		-		7,000
GNWT - ECE - AP	-		-		(2,165)
Total Funding	-		1,412		4,835
Expenses					
Materials & Supplies	-		1,412		4,835
Total Expenses	-		1,412		4,835
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, 2024

	2024							2023
	Budget	CJBS	MEZI	JWGS	WEKWEETI		Actual	Actual
Funding								
GNWT - ECE	\$ 119,750	\$ 8,580	\$ -	\$ 10,312	\$ 10,312	\$	\$ 29,204	\$ 96,094
GNWT - ECE - Deferred - PY	-	-	-	-	-	-	-	4,073
GNWT - ECE - A/R	-	31,541	35,072	35,185	35,098		136,896	10,312
GNWT - ECE - A/P	-	-	-	-	-		-	(10,602)
Total Funding	119,750	40,121	35,072	45,497	45,410		166,100	99,877
Expenses								
Salaries	-	31,541	35,072	45,497	45,410		157,520	73,125
Contract Services	119,750	8,580	-	-	-		8,580	26,386
Rent	-	-	-	-	-		-	665
Total Expenses	119,750	40,121	35,072	45,497	45,410		166,100	100,176
Excess Funding over Expense	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	(299)

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, 2024

	2024 Budget	CJBS	MEZI	JWGS	EMES	WEKWEETI	2024 Actual	2023 Actual
Funding								
GNWT - ENR	\$ 46,000	\$ 8,000	\$ 8,000	-	\$ 8,000	\$ 8,000	\$ 32,000	\$ 46,000
Total Funding	46,000	8,000	8,000	-	8,000	8,000	32,000	46,000
Expenses								
Materials & Supplies	46,000	8,000	8,000	-	7,252	8,000	31,252	45,619
Gasoline	-	-	-	-	748	-	748	381
Total Expenses	46,000	8,000	8,000	-	8,000	8,000	32,000	46,000
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, 2024

	2024 Budget	CJBS	MEZI	JWGS	EMES	Wekweeti	2024 Actual	2023 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	15,300	15,300	15,300	15,300	76,500	76,500
Contract Services	15,300	-	-	-	-	-	-	-
Total Expenses	76,500	15,300	15,300	15,300	15,300	15,300	76,500	76,500
Excess Funding over Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Tlichu Community Services Agency
Schedule C-6
Schedule of Detailed Contribution Funding and Expenses
Indigenous Health & Wellness Elders - Tlichu Government
For the year ended March 31, 2024

	2024		2024	2023
	Budget	MEZI	Actual	Actual
Funding				
Tlichu Government Deferred - PY	\$ -	\$ 19,418	\$ 19,418	\$ 24,129
Tlichu Government Deferred - CY	-	-	-	(19,418)
Total Funding	-	19,418	19,418	4,711
Expenses				
Materials & Supplies	-	19,418	19,418	4,711
Total Expenses	-	19,418	19,418	4,711
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, 2024

	2024 Budget	CJBS	MEZI	JWGS	EMES	Wekweeti	2024 Actual	2023 Actual
Funding								
GNWT - HSS	\$ 10,000	\$ 3,000	\$ 2,100	\$ 1,300	\$ 2,000	\$ 1,600	\$ 10,000	\$ 5,000
GNWT - HSS A/R	-	-	-	-	-	-	-	5,000
Total Funding	10,000	3,000	2,100	1,300	2,000	1,600	10,000	10,000
Expenses								
Materials & Supplies	10,000	3,000	2,100	1,300	706	1,600	8,706	9,218
Contract Services	-	-	-	-	1,294	-	1,294	782
Total Expenses	10,000	3,000	2,100	1,300	2,000	1,600	10,000	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, 2024

	2024 Budget	CJBS	Regional	2024 Actual	2023 Actual
Funding					
DE Beers Canada	\$ -	\$ -	\$ 12,549	\$ 12,549	\$ -
Theytus Books Ltd	-	-	-	-	1,203
NWT Literacy Council Deferred - CY	-	(3,805)	-	(3,805)	(4,203)
Acasta HeliFlight	-	4,203	-	4,203	-
Acasta HeliFlight Deferred - PY	-	-	-	-	3,000
Total Funding	-	398	12,549	12,947	-
Expenses					
Materials & Supplies	-	398	12,549	12,947	-
Total Expenses	-	398	12,549	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, 2024

	2024 Budget	Regional	SLP ISC-75258	Counseling ISC-75730	Transition ISC-75720	Literacy ISC-75250	BEH Intervention ISC-75746	EA ISC-85741	EA ISC-85433	2024 Actual	2023 Actual
Funding											
Government of Canada, Min. of Indigenous Services	\$ 8,989,227	\$ -	\$ 2,852,284	\$ 1,736,460	\$ 530,280	\$ 1,303,830	\$ 1,903,940	\$ 28,800	\$ 28,800	\$ 8,384,394	\$ 4,502,298
Government of Canada, Min of Indigenous Services - AR	-	316,573	(90,937)	(2,747)	(121,239)	(242,850)	(208,320)	25,719	(9,662)	(333,463)	333,462
Government of Canada, Min. of Indigenous Services Deferred - PY	-	-	-	133,049	139,543	271,833	154,197	-	-	698,622	2,496,808
Government of Canada, Min. of Indigenous Services Deferred - CY	-	-	(254,963)	-	-	-	-	-	-	(254,963)	-
Government of Canada, Min. of Indigenous Services - AP	-	(316,573)	-	-	-	-	-	(30,625)	(19,138)	(366,336)	(696,509)
Total Funding	8,989,227	-	2,506,384	1,866,762	548,584	1,332,813	1,849,817	23,894	-	8,128,254	6,636,059
Expenses											
Salaries & Benefits	7,395,599	-	1,827,118	1,188,671	477,323	1,129,282	1,613,415	23,894	-	6,259,703	5,199,313
Materials & Supplies	141,000	-	-	10,249	32,829	91,565	-	-	-	134,643	215,139
Staff Travel & Training	25,150	-	-	565	-	-	-	-	-	565	7,711
Dues & Fees	645,158	-	215,194	130,992	38,432	97,712	144,128	-	-	626,458	427,772
Contract Services	782,320	-	464,072	536,285	-	14,254	92,274	-	-	1,106,885	786,124
Total Expenses	8,989,227	-	2,506,384	1,866,762	548,584	1,332,813	1,849,817	23,894	-	8,128,254	6,636,059
Excess Funding over Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Tlilcho 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, 2024

	2024	2024	2023
	Budget	Actual	Actual
Funding			
Gov't of Canada, Min. of Indigenous Services	\$ 72,328	\$ 72,328	\$ 69,876
Gov't of Canada, Min. of Indigenous Services Deferred - CY	(8,331)	(8,331)	(30,502)
Gov't of Canada, Min. of Indigenous Services Deferred - PY	30,502	30,502	19,509
Total Funding	94,499	94,499	58,883
Expenses			
Salaries & Benefits	-	-	-
Materials & Supplies	94,499	94,499	58,883
Total Expenses	94,499	94,499	58,883
Excess Funding over Expense	\$ -	\$ -	\$ -

Tlcho Community Services Agency
Schedule C-10
Schedule of Detailed Contribution Funding and Expenses
Food First Foundation
For the year ended March 31, 2024

	2024									2023
	Budget	CJBS	MEZI	JWGS	EMES	Wekweeti	2024	Actual	2023	Actual
Funding										
Food First Foundation	\$ -	\$ 23,085	\$ 9,425	\$ -	\$ 14,130	\$ 3,700	\$ 50,340	\$ 15,800		
Food First Foundation Deferred - PY	-	-	3,321	2,074	8,000	-	13,395	7,237		
Food First Foundation Deferred - CY	-	-	(9,425)	-	(14,130)	(1,873)	(25,428)	(13,395)		
Total Funding	-	23,085	3,321	2,074	8,000	1,827	38,307	9,642		
Expenses										
Materials & Supplies	-	23,085	3,321	-	8,000	1,827	36,233	9,642		
Total Expenses	-	23,085	3,321	-	8,000	1,827	36,233	9,642		
Excess Funding over Expense	\$ -	\$ -	\$ -	\$ 2,074	\$ -	\$ -	\$ 2,074	\$ -		

Tlich Community Services Agency
Schedule C-11
Schedule of Detailed Contribution Funding and Expenses
PC Children Charity Nutrition Snack
For the year ended March 31, 2024

	2024 Budget	CJBS	2024 Actual	2023 Actual
Funding				
PC Children Charity	\$ -	\$ -	\$ -	\$ 6,192
PC Children Charity Deferred - PY	-	6,165	6,165	8,590
PC Children Charity Deferred - CY	-	-	-	(6,165)
Total Funding	-	6,165	6,165	8,617
Expenses				
Materials & Supplies	-	6,192	6,192	8,617
Total Expenses	-	6,192	6,192	8,617
Excess Funding over Expense	\$ -	\$ (27)	\$ (27)	\$ -

Tlich Community Services Agency
Schedule C-12
Schedule of Detailed Contribution Funding and Expenses
Breakfast Club
For the year ended March 31, 2024

	2024					2024	2023
	Budget	CJBS	JWGS	EMES		Actual	Actual
Funding							
Breakfast Club of Canada	\$ -	\$ 35,550	\$ 7,067	\$ 21,200	\$ 63,817	\$ 136,683	
Breakfast Club of Canada Deferred - PY	-	26,667	30,438	50,787	107,892	85,301	
Breakfast Club of Canada Deferred - CY	-	-	(14,191)	(35,034)	(49,225)	(107,892)	
Breakfast Club of Canada - AR	-	23,100	-	-	23,100	-	
Total Funding	-	85,317	23,314	36,953	145,584	114,092	
Expenses							
Materials & Supplies	-	85,317	23,314	36,953	145,584	114,092	
Total Expenses	-	85,317	23,314	36,953	145,584	114,092	
Excess Funding over Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Tlicho Community Services Agency
Schedule C-13
Schedule of Detailed Contribution Funding and Expenses
Ekati (Cultural Program)
For the year ended March 31, 2024

	2024 Budget	CJBS	MEZI	JWGS	EMES	Wekweeti	2024 Actual	2023 Actual
Funding								
Ekati Mine	\$ 125,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 125,000	\$ 125,000
Ekati Mine Deferred - PY	-	567	25,000	37,153	22,343	14,379	99,442	97,809
Ekati Mine Deferred - CY	-	-	-	(5,750)	-	(14,798)	(20,548)	(99,442)
Total Funding	125,000	25,567	50,000	56,403	47,343	24,581	203,894	123,367
Expenses								
Materials & Supplies	125,000	3,236	16,312	36,317	22,343	24,581	102,789	117,609
Gasoline	-	81	-	-	-	-	81	-
Food	-	208	-	-	-	-	208	-
Rental/Lease Equipment	-	-	8,694	-	-	-	8,694	-
Contract services	-	-	-	-	-	-	-	-
Minor Equipment <\$5K	-	22,042	24,994	20,086	25,000	-	92,122	1,352
Total Expenses	125,000	25,567	50,000	56,403	47,343	24,581	203,894	123,367
Excess Funding over Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Tlcho Community Services Agency
Schedule C-14
Schedule of Detailed Contribution Funding and Expenses
On the Land Collaborative
For the year ended March 31, 2024

	2024 Budget	CJBS	JWGS	EMES	Wekweeti	2024 Actual	2023 Actual
Funding							
Tides Canada	\$ -	\$ 57,000	\$ 20,000	\$ -	\$ 13,000	\$ 90,000	\$ 15,000
Tides Canada Deferred - PY	-	-	-	12,560	-	12,560	14,991
Tides Canada Deferred - CY	-	(49,458)	-	-	(11,383)	(60,841)	(12,560)
Total Funding	-	7,542	20,000	12,560	1,617	41,719	17,431
Expenses							
Salaries & Benefits	-	-	-	-	1,617	1,617	5,905
Materials & Supplies	-	7,542	-	11,548	-	19,090	5,184
Contract Services	-	-	-	997	-	997	6,342
Capital Equipment >\$5K <=\$50K	-	-	20,000	-	-	20,000	-
Total Expenses	-	7,542	20,000	12,545	1,617	41,704	17,431
Excess Funding over Expense	\$ -	\$ -	\$ -	\$ 15	\$ -	\$ 15	\$ -

Tlicho Community Services Agency
Schedule C-15
Schedule of Detailed Contribution Funding and Expenses
Youth Contribution (Sewing)
For the year ended March 31, 2024

	2024					2024	2023
	Budget	CJBS	MEZI	JWGS		Actual	Actual
Funding							
GNWT - MACA	\$ -	\$ -	\$ 12,750	\$ 3,140	\$	15,890	\$ 5,000
Aboriginal Sports Circle	-	1,400	-	-		1,400	-
Aboriginal Sports Circle Deferred - CY	-	(1,400)	-	-		(1,400)	-
Total Funding	-	-	12,750	3,140		15,890	5,000
Expenses							
Materials & Supplies	-	-	12,750	3,140		15,890	5,000
Total Expenses	-	-	12,750	3,140		15,890	5,000
Excess Funding over Expense	\$ -	\$ -	\$ -	\$ -	\$	-	\$ -

Tlichu Community Services Agency
Schedule C-16
Schedule of Detailed Contribution Funding and Expenses
Youth Contribution (Cultural Leadership)
For the year ended March 31, 2024

	2024 Budget	CJBS	2024 Actual	2023 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	\$ -	\$ -	\$ -	\$ -

Tlichho Community Services Agency
Schedule C-17
Schedule of Detailed Contribution Funding and Expenses
Dog Mushing
For the year ended March 31, 2024

	2024 Budget	CJBS	2024 Actual	2023 Actual
Funding				
Aboriginal Sports Circle	\$ -	\$ -	\$ -	\$ 3,400
Total Funding	-	-	-	3,400
Expenses				
Contract Services	-	-	-	3,400
Total Expenses	-	-	-	3,400
Excess Funding over Expense	\$ -	\$ -	\$ -	\$ -

Tlicho Community Services Agency
Schedule C-18
Schedule of Detailed Contribution Funding and Expenses
Handgame/Drumming
For the year ended March 31, 2024

	2024 Budget	CJBS	2024 Actual	2023 Actual
Funding				
Aboriginal Sports Circle	\$ -	\$ -	\$ -	\$ 22,530
Tlicho Government	-	-	-	15,000
Total Funding	-	-	-	37,530
Expenses				
Travel	-	-	-	37,530
Total Expenses	-	-	-	37,530
Excess Funding over Expense	\$ -	\$ -	\$ -	\$ -

Tlich Community Services Agency
Schedule C-19
Schedule of Detailed Contribution Funding and Expenses
Greenhouse
For the year ended March 31, 2024

	2024 Budget	CJBS	2024 Actual	2023 Actual
Funding				
Tlich Government	\$ -	\$ -	\$ -	\$ 21,069
Jane Goodall Foundation	-	-	-	1,000
Jane Goodall Foundation Deferred - PY	-	446	446	(446)
Ecology North	-	2,000	2,000	(446)
Ecology North Deferred - CY	-	(959)	(959)	(446)
Total Funding	-	1,487	1,487	21,623
Expenses				
Materials & Supplies	-	987	987	21,623
Contract services	-	500	500	-
Total Expenses	-	1,487	1,487	21,623
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, 2024

	2024 Budget	Regional	2024 Actual	2023 Actual
Funding				
GNWT - ECE	\$ -	\$ 241,334	\$ 241,334	\$ -
Total Funding	-	241,334	241,334	-
Expenses				
Salaries & Benefits	-	241,334	241,334	-
Total Expenses	-	241,334	241,334	-
Excess Funding over Expense	\$ -	\$ -	\$ -	\$ -

Tlicho Community Services Agency
Schedule C-21
Schedule of Detailed Contribution Funding and Expenses
Miscellaneous
For the year ended March 31, 2024

	2024 Budget	CJBS	Wekweeti	2024 Actual	2023 Actual
Funding					
CJBS Fundraising	\$ -	179,286	-	179,286	46,254
CJBS Fundraising Deferred - CY	-	(18,195)	-	(18,195)	(45,654)
CJBS Fundraising Deferred - PY	-	45,654	-	45,654	-
CJBS Miscellaneous	-	5,000	-	5,000	-
JWGS Miscellaneous Deferred - PY	-	-	-	-	1,965
JWGS Fundraising Deferred - PY	-	-	-	-	1,209
EMES Misc. (Tlicho Government)	-	-	-	-	2,000
EMES Book Fair Deferred - PY	-	-	-	-	3,726
AAS Miscellaneous	-	-	20,000	20,000	500
AAS Miscellaneous Deferred - PY	-	-	-	-	6,215
AAS Miscellaneous Deferred - CY	-	-	(20,000)	(20,000)	-
AAS Literacy Deferred - PY	-	-	-	-	2,191
Total Funding	-	211,745	-	211,745	18,406
Expenses					
CJBS Miscellaneous	-	5,000	-	5,000	-
CJBS Fundraising	-	206,745	-	206,745	600
JWGS Miscellaneous	-	-	-	-	1,625
EMES Miscellaneous	-	-	-	-	4,128
AAS Miscellaneous	-	-	-	-	6,715
Total Expenses	-	211,745	-	211,745	13,068
Excess Funding over Expense	\$ -	\$ -	\$ -	\$ -	\$ 5,338