

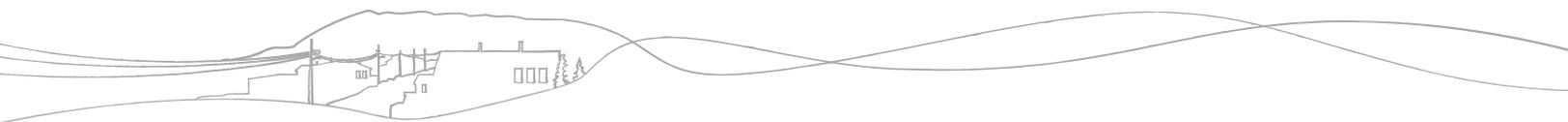


2022-2023

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, 2023

SECTION I
CONSOLIDATED FINANCIAL STATEMENTS

HONOURABLE CAROLINE WAWZONEK

Minister of Finance

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**THE HONOURABLE MARGARET M. THOM
COMMISSIONER OF THE NORTHWEST TERRITORIES**

I have the honour to present the Public Accounts of the Northwest Territories in accordance with Sections 37 through 43 of the *Northwest Territories Act (Canada)*, S.C. 2014, c.2, s.2, and Sections 34 through 35 of the *Financial Administration Act*, S.N.W.T. 2015, c.13, for the fiscal year ended March 31, 2023.

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Honourable Caroline Wawzonek
Minister of Finance

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SECTION I

RESPONSIBILITY FOR FINANCIAL REPORTING

INDEPENDENT AUDITOR'S REPORT

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Financial Position	1
Consolidated Statement of Operations and Accumulated Operating Surplus	2
Consolidated Statement of Change in Net Debt	3
Consolidated Statement of Remeasurement Gains and Losses	4
Consolidated Statement of Cash Flow	5
Notes to Consolidated Financial Statements	6
Schedule A - Consolidated Schedule of Tangible Capital Assets	52
Schedule B - Consolidated Schedule of Segmented Information	53

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS

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December 19, 2023

RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

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

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

Julie Mujcin, CPA, CGA
Comptroller General
Government of the Northwest Territories

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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 2023, 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 2023, 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 2022-2023, 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
19 December 2023

Government of the Northwest Territories

Consolidated Statement of Financial Position

As at March 31, 2023

(thousands of dollars)

	2023	2022 Restated (Note 2(x))
	\$	\$
Financial assets		
Cash and cash equivalents (note 3)	126,445	216,016
Portfolio investments (note 5)	162,393	115,900
Due from the Government of Canada (note 14)	189,387	110,494
Accounts receivable (note 6)	132,091	119,793
Inventories for resale	49,683	37,358
Loans receivable (note 7)	69,759	72,187
Sinking fund (note 8)	-	500
Pension assets (note 17)	22,951	19,125
	752,709	691,373
Liabilities		
Short term loans (note 9)	486,806	365,922
Accounts payable and accrued liabilities (note 10)	447,174	372,024
Deferred revenue (note 11)	199,192	190,178
Environmental liabilities (note 12)	69,205	91,126
Liabilities for sewage lagoons and solid waste sites (note 13)	21,495	-
Asset retirement obligations (note 13)	140,214	146,434
Due to the Government of Canada (note 14)	67,101	106,984
Capital lease obligations (note 15)	15,545	15,950
Long-term debt (note 15)	554,267	553,316
Liabilities under public private partnerships (note 16)	262,172	270,510
Pension liabilities (note 17)	42,970	41,761
Other employee future benefits and compensated absences (note 18)	45,751	47,629
	2,351,892	2,201,834
Net debt	(1,599,183)	(1,510,461)
Non-financial assets		
Tangible capital assets (schedule A)	3,961,726	3,771,690
Inventories held for use	27,812	26,437
Prepaid expenses	19,115	14,827
	4,008,653	3,812,954
Accumulated surplus	2,409,470	2,302,493
Accumulated surplus is comprised of:		
Accumulated operating surplus	2,408,567	2,302,493
Accumulated remeasurement gains	903	-
Accumulated surplus	2,409,470	2,302,493

Contractual obligations, rights, guarantees and contingencies, and subsequent events (notes 20, 21 and 26)

Approved by:


Caroline Wawzonek
Minister of Finance


Julie Mujcin, CPA, CGA
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, 2023

(thousands of dollars)

	2023 Budget (Note 1(b))	2023 Actual	2022 Actual Restated (Note 2(x))
	\$	\$	\$
Revenues			
Grant from the Government of Canada (note 2(p))	1,519,233	1,519,233	1,480,118
Transfer payments (note 22)	560,464	573,554	477,881
	2,079,697	2,092,787	1,957,999
Taxation, non-renewable resource and general revenues			
Corporate and personal income taxes (note 22)	135,725	177,038	158,312
Other taxes (note 22)	147,430	144,220	137,236
General (note 22)	103,725	98,751	96,638
Income from portfolio investments	610	4,794	5,145
Non-renewable resource revenue (note 22)	21,615	38,037	42,510
Sales	181,840	193,154	180,422
Recoveries	42,987	46,216	40,574
	633,932	702,210	660,837
Recoveries of prior years' expenses	3,000	9,473	15,876
	2,716,629	2,804,470	2,634,712
Expenses (schedule B) (note 23)			
Environment and Economic Development	185,271	192,012	191,480
Infrastructure	478,959	498,960	453,973
Education	428,811	445,290	422,947
Health and Social Services	685,232	734,919	708,793
Housing	109,895	109,552	108,098
Justice	137,676	147,007	141,300
General Government	520,369	545,410	524,809
Legislative Assembly and statutory offices	25,435	25,246	24,524
	2,571,648	2,698,396	2,575,924
Annual operating surplus	144,981	106,074	58,788
Accumulated operating surplus at beginning of year	2,302,493	2,302,493	2,243,705
Accumulated operating surplus at end of year	2,447,474	2,408,567	2,302,493

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, 2023

(thousands of dollars)

	2023 Budget	2023 Actual	2022 Actual Restated (Note 2(x))
	\$	\$	\$
Net debt at beginning of year	(1,510,461)	(1,510,461)	(1,474,246)
Items affecting net debt:			
Annual operating surplus	144,981	106,074	58,788
Acquisition of tangible capital assets (<i>schedule A</i>)	(528,926)	(365,888)	(260,666)
Amortization of tangible capital assets (<i>schedule A</i>)	174,854	165,599	165,839
Revaluation of asset retirement obligations	-	3,792	-
Loss on disposal of tangible capital assets	-	6,315	4,415
Proceeds on disposal of tangible capital assets	2,500	146	544
	(206,591)	(83,962)	(31,080)
Consumption of inventories held for use	7,700	28,303	25,039
Purchase of inventories held for use	(7,700)	(29,678)	(27,023)
Change in prepaid expenses	-	(4,288)	(3,151)
	-	(5,663)	(5,135)
Increase in net debt excluding net remeasurement gains	(206,591)	(89,625)	(36,215)
Net remeasurement gains	-	903	-
Increase in net debt	(206,591)	(88,722)	(36,215)
Net debt at end of year	(1,717,052)	(1,599,183)	(1,510,461)

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, 2023

(thousands of dollars)

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

(thousands of dollars)

	2023	2022 Restated (Note 2(x))
	\$	\$
Cash and cash equivalents provided by (used for)		
Operating transactions		
Annual operating surplus*	106,074	58,788
Items not affecting cash and cash equivalents:		
Change in valuation allowances	3,134	7,698
Loss on disposal of tangible capital assets	6,315	4,415
Amortization of tangible capital assets	165,599	165,839
Revaluation of asset retirement obligations	3,792	-
Inflation adjustment on real return bonds	9,443	10,862
Accretion expense	3,531	3,157
	297,888	250,759
Changes in non-cash assets and liabilities:		
Change in due to/from the Government of Canada	(118,776)	(29,934)
Change in accounts receivable	(11,673)	(11,648)
Change in inventories for resale	(12,325)	2,232
Change in accounts payable and accrued liabilities	36,115	17,108
Change in environmental liabilities	(21,921)	21,544
Change in liabilities for sewage lagoons and solid waste sites	21,495	-
Change in deferred revenue	9,014	95,631
Change in pension assets and liabilities	(2,617)	(650)
Change in other employee future benefits and compensated absences	(1,878)	(4,354)
Change in inventories held for use	(1,375)	(1,984)
Change in prepaid expenses	(4,288)	(3,151)
Cash and cash equivalents provided by operating transactions	189,659	335,553
Investing transactions		
Disposition of portfolio investments	18,049	27,106
Acquisition of portfolio investments	(63,639)	(36,470)
Loans receivable receipts	8,269	17,024
Loans receivable advanced	(9,600)	(10,874)
Sinking fund installments	-	(34,519)
Sinking fund withdrawals	500	112,118
Cash and cash equivalents provided by (used for) investing transactions	(46,421)	74,385
Capital transactions		
Acquisition of tangible capital assets	(308,854)	(213,934)
Proceeds of disposition of tangible capital assets	146	544
Cash and cash equivalents used for capital transactions	(308,708)	(213,390)
Financing transactions		
Net proceeds from short term loans	120,884	41,049
Repayment of capital lease obligations	(405)	(405)
Repayment of long-term debt	(8,492)	(18,522)
Repayment of liabilities under public private partnerships	(36,088)	(118,474)
Cash and cash equivalents provided by (used for) financing activities	75,899	(96,352)
Increase in cash and cash equivalents	(89,571)	100,196
Cash and cash equivalents at beginning of year	216,016	115,820
Cash and cash equivalents at end of year	126,445	216,016

*Total interest paid during the year \$60,365 (2022 - \$45,116).
Total interest received during the year \$12,494 (2022 - \$7,703).

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

Northwest Territories Business Development and Investment Corporation Act

- 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, 2023, and that significantly affect the consolidation have been recorded. Revolving funds are incorporated directly into the Government's accounts while trust assets administered by the Government on behalf of other parties (*note 19*) are excluded from the Government reporting entity. Revolving Funds are segments of the Government that are engaged in commercial activities, with undefined and non-lapsing expense authority.

(b) Budget

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

The following table reconciles the Government's consolidated budget for 2022-23 as tabled in the Legislative Assembly on June 3, 2022 to the budget figures presented in the Consolidated Statement of Operations and Accumulated Operating Surplus.

1. AUTHORITY AND OPERATIONS (continued)

(b) Budget (continued)

	2023 Consolidated Budget as Tabled \$	Projects on Behalf of Third Parties Adjustment ¹ \$	Carbon Tax Adjustment ² \$	2023 Consolidated Budget as Presented \$
Revenues				
Grant from the Government of Canada	1,519,233	-	-	1,519,233
Transfer payments	444,116	116,348	-	560,464
	1,963,349	116,348	-	2,079,697
Taxation, non-renewable resource and general revenues				
Corporate and personal income taxes	135,725	-	-	135,725
Other taxes	171,330	-	(23,900)	147,430
General	102,623	1,102	-	103,725
Income from portfolio investments	610	-	-	610
Non-renewable resource revenue	21,615	-	-	21,615
Sales	181,840	-	-	181,840
Recoveries	31,315	11,672	-	42,987
	645,058	12,774	(23,900)	633,932
Recoveries of prior years' expenses	3,000	-	-	3,000
	2,611,407	129,122	(23,900)	2,716,629

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 Consolidated Budget Summary of Operations below the annual operating surplus before projects on behalf of third parties. Within the Consolidated Statement of Operations and Accumulated Operating Surplus, the recoveries for projects on behalf of third parties are instead classified as transfer payments revenues, general revenues, or recoveries based on the nature of the project contract. Related expenses have been classified with the appropriate department's expenses.

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 Consolidated Budget. Within the Consolidated Statement of Operations and Accumulated Operating Surplus, these amounts are instead presented on a net basis to better reflect their nature.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2023

(All figures in thousands of dollars)

1. AUTHORITY AND OPERATIONS (continued)

(b) Budget (continued)

	2023 Consolidated Budget as Tabled \$	Projects on Behalf of Third Parties Adjustment ¹ \$	Carbon Tax Adjustment ² \$	Housing Northwest Territories Adjustment ³ \$	2023 Consolidated Budget as Presented \$
Expenses					
Environment and Economic Development	175,662	9,609	-	-	185,271
Infrastructure	468,460	10,499	-	-	478,959
Education	421,420	7,391	-	-	428,811
Health, Social Services and Housing	778,497	-	-	(778,497)	-
Health and Social Services	-	16,630	-	668,602	685,232
Housing	-	-	-	109,895	109,895
Justice	137,033	643	-	-	137,676
General Government	459,919	84,350	(23,900)	-	520,369
Legislative Assembly and statutory offices	25,435	-	-	-	25,435
	2,466,426	129,122	(23,900)	-	2,571,648
Annual operating surplus before projects on behalf of third parties	144,981	-	-	-	144,981
Projects on behalf of third parties					
Expenses	(129,122)	129,122	-	-	-
Recoveries	129,122	(129,122)	-	-	-
Annual operating surplus	144,981	-	-	-	144,981

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 Consolidated Budget Summary of Operations below the annual operating surplus before projects on behalf of third parties. Within the Consolidated Statement of Operations and Accumulated Operating Surplus, the recoveries for projects on behalf of third parties are classified as transfer payments revenues, general revenues or recoveries based on the nature of the project contract. Related expenses have been classified with the appropriate department's expenses.

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 Consolidated Budget. Within the Consolidated Statement of Operations and Accumulated Operating Surplus, these amounts are instead presented on a net basis to better reflect their nature.

³ A single line was used to present Health, Social Services and Housing expenses in the tabled Consolidated Budget. This line item has been disaggregated in order to present Health and Social Services expenses separately from Housing expenses.

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 existence and extent of contamination, the responsibility for, 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 responsibility for, 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 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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) Sinking fund

The sinking fund is externally restricted cash held specifically for the purpose of repaying outstanding debt at maturity. The sinking fund is recorded at amortized cost.

(g) 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.

(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 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 future event is considered likely to occur and is quantifiable, a contingent asset is disclosed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**(i) 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 intangibles, 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)

(j) Environmental liabilities

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

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

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

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

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

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)

(l) Liabilities under Public Private Partnerships

The Government may, as an alternative to traditional forms of procurement governed by the Government's Contract Regulations, enter into public private partnership (P3) agreements with the private sector to procure services and public infrastructure when: the total projected threshold for procuring those services, including capital, operating and service costs over the life of the agreement, exceeds \$50,000; 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 operating and service costs, that are clearly identified in the agreements, are expensed as they are incurred.

The Government accounts for P3 projects in accordance with the substance of the underlying agreements. In circumstances where the Government is determined to bear the risks and rewards of an asset under construction, the asset and the corresponding liability are recognized over time as the construction progresses and control is transferred to the Government. The 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 capital asset value is the total of progress payments made during construction and 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. Service fees may occur throughout the project or when the project is operational; these fees will include both a service and operational component. All payments are adjusted to reflect performance standards as outlined in the specific agreement and penalties may be deducted for sub-standard performance. When available for use, the P3 assets are amortized over their estimated useful lives.

A P3 agreement may encompass certain revenues, including those collected by the partner on behalf of the Government. In such instances the Government will report the gross revenue along with the asset, liability, and expenses as determined from the specific project.

(m) Financial instruments

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

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

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)

(m) 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.

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

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

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

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

(o) Contractual obligations and contingent liabilities

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) 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 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 or if the occurrence of the confirming future event is not determinable, the contingent liability is disclosed but is not accrued.

(p) Grant from the Government of Canada

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

(q) Transfer payments

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

(r) Taxes, regulatory, resource, and general 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.

Regulatory revenues, which are part of general revenues, are recognized on an accrual basis and include revenues for fines, fees, licenses, permits, and registrations. Amounts received prior to the end of the year, which relate to revenues that will be earned in a subsequent year, are recorded as deferred revenues and are recognized as revenue when earned.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Taxes, regulatory, resource, and general revenues (continued)

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

Non-renewable resource revenue is recognized on an accrual basis and include mineral, quarry, oil and gas, and water license revenues as defined in the Northwest Territories Lands and Resources Devolution Agreement. Mineral and quarry revenues are collected under the authority of the *NWT Lands Act*, water revenues are collected under the authority of the *Water Act* and oil and gas revenues are collected under the authority of the *Petroleum Resources Act*. The Government is entitled to 50 percent of the Non-renewable resource revenues collected (which is referred to as the net fiscal benefit), up to a maximum amount based on a percentage of the Gross Expenditure Base under Territorial Formula Financing. The Government of Canada will deduct its share of the Non-renewable resource revenues collected by the Government (the remaining amount) from the Grant from the Government of Canada (*note 2(p)*) payable to the Government two years hence. The Government has also committed to sharing up to 25 percent of the net fiscal benefit with Aboriginal governments that are signatories to the Northwest Territories Lands and Resources Devolution Agreement as per the *Northwest Territories Intergovernmental Resource Revenue Sharing Act*.

Revenues from the sale of power and fuel riders are recognized in the period earned based on cyclical meter readings. All other revenues are recognized on an accrual basis.

Certain tangible capital asset additions of Northwest Territories Hydro Corporation are made with the assistance of cash contributions from customers. These contributions are recorded as revenues when all external restrictions or stipulations imposed by an agreement with the external party related to the contribution have been satisfied, generally when the resources are used for the purposes intended.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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, 2023, the Government 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. There will be no significant impact on the consolidated financial statements as a result of its application.

Effective April 1, 2023, the Government will be required to adopt PS 3160 Public Private Partnerships. This standard provides guidance on how to account for and disclose public private partnerships. There will be no significant impact on the consolidated financial statements as a result of its application.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Adoption of new accounting standards

Asset retirement obligations

Effective April 1, 2022, the Government adopted the PS 3280 Asset Retirement Obligations standard using the modified retroactive method with restatement of prior year's comparative figures. Under the modified retroactive method, amounts are measured using information, assumptions and discount rates at April 1, 2022. The amount recognized as an asset retirement cost is measured as of the date the asset retirement obligation was incurred. Accumulated accretion and amortization are measured for the period from the date the liability would have been recognized had the provision of PS 3280 been in effect to the date as of which PS 3280 is first applied.

On initial application of the standard, the Government derecognized previously recorded asset retirement obligations and recognized:

- a liability for existing asset retirement obligations,
- an asset retirement obligation cost, capitalized as an increase to the carrying amount of the related tangible capital asset
- accumulated amortization on the capitalized asset retirement cost from the date the liability was deemed to occur, and
- an adjustment to the opening balance of accumulated surplus.

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. Significant impacts from the adoption of this standard are: a new Consolidated Statement of Remeasurement Gains and Losses, additional disclosure on financial risk exposure and management, and certain portfolio investments are measured at fair value as opposed to amortized cost. The Government applied this new standard prospectively; therefore, recognition, derecognition, and measurement policies have not been reversed, and prior year's financial statements, including comparative information, have not been restated. Accumulated remeasurement gains was adjusted by \$3,415 which represent the adjustment on adoption of PS 3041 Portfolio Investments.

Other New Standards

Effective April 1, 2022, the Government adopted PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3041 Portfolio Investments. PS 1201, 2601, and 3041 were required to be adopted in the same fiscal year that PS 3450 Financial Instruments was adopted. The adoption of these standards did not result in any significant incremental impacts to the consolidated financial statements beyond those changes required by the adoption of PS 3450.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Adoption of new accounting standards (continued)

The adoption of these standards has resulted in the following adjustments to the March 31, 2022 consolidated financial statements:

Consolidated Statement of Financial Position impact:

	As previously reported March 31, 2022 \$	Adjustment \$	Restated amount as at March 31, 2022 \$
Environmental liabilities and asset retirement obligations	99,164	(99,164)	-
Environmental liabilities	-	91,126	91,126
Asset retirement obligations	-	146,434	146,434
Net debt	(1,372,065)	(138,396)	(1,510,461)
Tangible capital assets	3,763,673	8,017	3,771,690
Accumulated surplus	2,432,872	(130,379)	2,302,493

Consolidated Statement of Operations and Accumulated Operating Surplus impact:

	As previously reported March 31, 2022 \$	Adjustment \$	Restated amount as at March 31, 2022 \$
Infrastructure	454,118	(145)	453,973
Housing	106,838	1,260	108,098
General Government	522,688	2,121	524,809
Annual operating surplus	62,024	(3,236)	58,788
Accumulated operating surplus at beginning of year	2,370,848	(127,143)	2,243,705
Accumulated operating surplus at end of year	2,432,872	(130,379)	2,302,493

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Adoption of new accounting standards (continued)

Consolidated Statement of Change in Net Debt impact:

	As previously reported March 31, 2022 \$	Adjustment \$	Restated amount as at March 31, 2022 \$
Net debt at beginning of year	(1,338,058)	(136,188)	(1,474,246)
Annual operating surplus	62,024	(3,236)	58,788
Acquisition of tangible capital assets	(260,694)	28	(260,666)
Amortization of tangible capital assets	165,190	649	165,839
Loss on disposal of tangible capital assets	4,064	351	4,415
Increase in net debt excluding net remeasurement gains	-	(36,215)	(36,215)
Increase in net debt	(34,007)	(2,208)	(36,215)
Net debt at end of year	(1,372,065)	(138,396)	(1,510,461)

Consolidated Statement of Cash Flow impact:

	As previously reported March 31, 2022 \$	Adjustment \$	Restated amount as at March 31, 2022 \$
Annual operating surplus	62,024	(3,236)	58,788
Loss on disposal of tangible capital assets	4,064	351	4,415
Amortization of tangible capital assets	165,190	649	165,839
Accretion expense	-	3,157	3,157
Change in environmental liabilities and asset retirement obligations	22,465	(22,465)	-
Change in environmental liabilities	-	21,544	21,544

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Adoption of new accounting standards (continued)

Schedule A - Consolidated Schedule of Tangible Capital Assets impact:

	As previously reported March 31, 2022 \$	Adjustment \$	Restated amount as at March 31, 2022 \$
Cost of tangible capital assets			
Opening balance	5,885,147	49,511	5,934,658
Acquisitions	260,694	(28)	260,666
Disposals	(11,930)	(1,111)	(13,041)
Closing balance	6,133,911	48,372	6,182,283
Accumulated amortization			
Opening balance	(2,212,370)	(42,034)	(2,254,404)
Amortization expense	(165,190)	(649)	(165,839)
Disposals	7,322	2,328	9,650
Closing balance	(2,370,238)	(40,355)	(2,410,593)
Net book value	3,763,673	8,017	3,771,690

Schedule B - Consolidated Schedule of Segmented Information impact:

	As previously reported March 31, 2022 \$	Adjustment \$	Restated amount as at March 31, 2022 \$
Operations and maintenance	920,617	2,587	923,204
Amortization of tangible capital assets	165,190	649	165,839
Annual operating surplus	62,024	(3,236)	58,788

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are made of the following:

	2023 \$	2022 \$
Cash	124,867	190,391
Cash equivalents	1,578	25,625
	126,445	216,016

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, 2023 is \$8,084 (2022 - \$5,532) 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 17). Supplementary Retiring Allowance Regulations restrict the investments to those permitted under the *Pension Benefits Standards Act*. The remainder consists of investments held by public agencies listed in note 1(a).

Pursuant to the *Northwest Territories Business Development and Investment Corporation Act*, and its Regulations, the Northwest Territories Business Development and Investment Corporation (BDIC) 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. BDIC is required to use a Venture Investment Fund to record the venture investment operations. Furthermore, BDIC is obligated to maintain a Capital Fund and Subsidy Fund.

In addition to these funds, BDIC is required, to establish a Capital Reserve Fund and a Venture Reserve Fund, respectively. BDIC will continue to deposit to these reserve funds an amount equal to 10% of each capital or venture investment made. BDIC 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.

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

Other designated assets will be used for various specified purposes.

4. DESIGNATED AND RESTRICTED ASSETS (continued)

	2023 \$	2022 \$
<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>)	(40,225)	(41,294)
	4,775	3,706
<i>Northwest Territories Heritage Fund Act</i>		
Heritage Fund:		
Heritage Fund net assets	43,536	37,183
<i>Waste Reduction and Recovery Act</i>		
Environment Fund:		
Beverage Container Program net assets	8,808	7,475
<i>Pension Benefits Standard Act</i>		
Portfolio Investments for the Legislative Assembly Supplementary Retiring Allowance (<i>note 17</i>)		
	38,427	40,307
<i>Northwest Territories Business Development and Investment Corporation Act</i>		
Loan and Investment Funds	10,082	9,573
<i>Land Titles Act</i>		
Land Titles Assurance Fund net assets	5,656	5,301
Investments for repayment of bond		
Portfolio investments	9,624	-
Other		
Cash	376	356
	121,284	103,901

5. PORTFOLIO INVESTMENTS

	2023 \$	2022 \$
Cost and amortized cost	133,460	115,900
Fair valued	28,933	-
Total portfolio investments	162,393	115,900

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

	2023 Cost \$	2023 Market Value \$	2022 Cost \$	2022 Market Value \$
Guaranteed Investment Certificates	45,352	44,615	36,401	34,891
Bonds	84,966	78,078	52,178	47,935
Equities and other financial instruments	3,142	3,142	27,321	29,778
	133,460	125,835	115,900	112,604

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

	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, 2023

(All figures in thousands of dollars)

6. ACCOUNTS RECEIVABLE

	Accounts Receivable \$	Allowance for Doubtful Accounts \$	Net 2023 \$	Net 2022 \$
	-	-	-	-
General	89,212	(40,653)	48,559	46,046
Utilities	13,428	(177)	13,251	11,734
Non-renewable resource revenue	39,791	-	39,791	40,779
Government of Nunavut	15,892	-	15,892	11,337
Health related costs due from third parties	15,220	(8,656)	6,564	4,373
Revolving fund sales	7,705	(395)	7,310	5,046
Workers' Safety and Compensation Commission	724	-	724	478
	181,972	(49,881)	132,091	119,793

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2023

(All figures in thousands of dollars)

7. LOANS RECEIVABLE

	2023	2022
	\$	\$
Northwest Territories Business Development and Investment Corporation 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 7.95%, (2022 - between 1.75% and 7.95%) before valuation allowance of \$4,038 (2022 - \$3,593).	46,563	47,777
Students Loan Fund loans due in installments to 2035, bearing fixed interest between 0.00% and 11.75%, (2022 - between 0.00% and 11.75%) unsecured, before valuation allowance and loan remissions of \$16,774 (2022 - \$17,266).	40,225	41,294
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%, (2022 - between 0.00% and 10.50%) before valuation allowance of \$6,832 (2022 - \$7,510).	10,615	11,479
Other	-	6
	97,403	100,556
Valuation allowances	(27,644)	(28,369)
	69,759	72,187

Interest earned on loans receivable during the year is \$2,498 (2022 - \$3,043).

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 \$10,188 (2022 - \$8,410).

March 31, 2023**(All figures in thousands of dollars)**

8. SINKING FUND

The Sinking Fund was established on July 15, 2019 and included cash held in a separate bank account for the purpose of retiring liabilities under public private partnerships (note 16) for the Tlicho All Season Road contract. The Government made contributions and then in November 2022, at the time of substantial completion of the Tlicho All Season Road, the Government used the sinking fund to make a lump sum payment to retire a portion of the related liability under the public private partnership. As at March 31, 2023, the balance of the Sinking Fund is \$0 (2022 - \$500).

9. SHORT TERM LOANS

Based upon operational needs, the Government may enter into short term borrowing arrangements with its banks. Short term loans of \$486,806 (2022 - \$365,922) incurred interest at a weighted average year-end rate of 5.06% (2022 - 0.48%). Interest expense on short term loans included in operations and maintenance expenses is \$11,883 (2022 - \$1,581).

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
	\$	\$
Trade	313,532	239,833
Employee and payroll-related liabilities	117,767	120,259
Other liabilities	10,890	8,702
Accrued interest	1,193	2,438
Government of Nunavut	707	553
Workers' Safety and Compensation Commission	3,085	239
	447,174	372,024

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2023

(All figures in thousands of dollars)

11. DEFERRED REVENUE

	2022 Balance \$	Additions \$	Usage \$	2023 Balance \$
Government of Canada	33,454	63,050	(52,889)	43,615
Government of Canada Agencies				
Canadian Northern Economic Development Agency	4,364	131	(1,966)	2,529
Canadian Space Agency	108	-	(108)	-
Crown - Indigenous Relations and Northern Affairs Canada	23,629	18,035	(18,532)	23,132
Department of National Defence	61,673	30,039	(29,129)	62,583
Fisheries and Oceans Canada	34	-	(34)	-
Health Canada	15,501	7,989	(11,579)	11,911
Indigenous Services Canada	11,715	8,235	(13,018)	6,932
Infrastructure Canada	2,269	5,225	(5,767)	1,727
Ministry of Finance	2,431	3,523	(2,431)	3,523
Natural Resources Canada	140	-	(83)	57
Natural Sciences and Engineering Research Canada	214	308	-	522
Parks Canada	38	36	(27)	47
Polar Knowledge Canada	19	4	(23)	-
Public Health Agency of Canada	2,714	1,643	(742)	3,615
Royal Canadian Mounted Police	124	-	(124)	-
Social Sciences and Humanities Research Council of Canada	78	-	(69)	9
Transport Canada	7,872	20,225	(21,949)	6,148
Arctic Research Foundation	208	-	(41)	167
Baggage handling ad runway projects	1,752	1,030	(1,751)	1,031
Bilateral Water Management Agreements	2,917	445	(331)	3,031
Canada Health Infoway	37	1,891	-	1,928
Government of Nunavut	362	-	-	362
Large emitters carbon tax	4,171	3,397	-	7,568
Land leases and quarry permits	728	193	(49)	872
Lease Incentives	982	-	(307)	675
Mining Recorders Office	15	1,879	-	1,894
Restricted Assets (note 4)	5,533	11,134	(8,583)	8,084
Ventura	4,800	-	-	4,800
Work deposits, commercial use permits and tourism licenses	680	198	(447)	431
Other	1,616	736	(353)	1,999
	190,178	179,346	(170,332)	199,192

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 232 (2022 - 248) sites as potentially requiring environmental remediation at March 31.

Type of Site	2022 Liability (Restated Note 2(x)) \$	New Sites in 2023 \$	Change in Estimate \$	Remediation Expenses \$	2023 Liability \$	Number of Sites
Abandoned mines ⁽¹⁾	31,433	-	(57)	(18,178)	13,198	8
Landfills ⁽²⁾	11,054	-	(4,175)	(350)	6,529	31
Abandoned infrastructure and schools ⁽³⁾	14,222	220	1,735	(1,370)	14,807	80
Airports, airport strips or reserves ⁽⁴⁾	4,107	-	86	-	4,193	25
Sewage lagoons ⁽⁵⁾	1,787	-	(480)	(145)	1,162	28
Fuel tanks and resupply lines ⁽²⁾	2,570	-	(57)	-	2,513	12
Abandoned lots and maintenance facilities ⁽³⁾	25,953	260	3,953	(3,363)	26,803	48
Total	91,126	480	1,005	(23,406)	69,205	232

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.

There were 16 (2022 - 3) 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. 0 (2022 - 35) sites were amalgamated with other already existing sites. 3 (2022 - 0) sites were transferred to liabilities for sewage lagoons and solid waste sites.

Included in the 232 (2022 - 248) sites, there are 67 (2022 - 68) 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.

Site for which a liability has not been recognized

The Government has identified a site where future remediation and restoration expenses will be required. Absent any other stakeholder to fund the costs, the Government is responsible. No liability for full and final remediation and restoration has been recognized for this site as a reasonable estimate cannot be made until further analysis of the site is completed and a closure plan is completed. Expected costs categories include, but are not limited to: removal of buildings, equipment, bridges, storage tanks, site monitoring, chemical and contaminated soil management, surface and groundwater management as well as long-term monitoring.

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

Asset retirement obligations

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

Type of Asset	2022 Liability (Restated note (x)) \$	Accretion Expense \$	Revisions in Estimated Cash Flows \$	2023 Liability \$
Buildings	145,034	3,478	(9,284)	139,228
Infrastructure	1,400	53	(467)	986
	146,434	3,531	(9,751)	140,214

The carrying amount of the obligation is based on total expected undiscounted expenditures of \$220,554 (2022 - \$220,618) and the weighted average discount rate of 3.93% (2022 - 3.30%). The undiscounted cash flows are expected to incurred between 1 to 60 years (2022 - between 2 to 61 years) and are expected to be settled between 2024 to 2083 (2022 - 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	2022 Liability \$	New or Transferred Liability \$	2023 Liability \$
Sewage lagoons	-	2,641	2,641
Solid waste sites	-	18,854	18,854
	-	21,495	21,495

The carrying amount of the obligation is based on total expected undiscounted expenditures of \$127,211 (2022 - Nil) and the weighted average discount rate of 3.95% (2022 - Nil). The undiscounted cash flows are expected to incurred between 1 to 88 years and are expected to be settled between 2024 to 2111.

Government of the Northwest Territories

Notes to Consolidated Financial Statements

March 31, 2023

(All figures in thousands of dollars)

14. DUE TO (FROM) THE GOVERNMENT OF CANADA

	2023	2022
	\$	\$
Due from the Government of Canada		
Transfer payments and recoveries receivables	(189,387)	(110,494)
	(189,387)	(110,494)
Due to the Government of Canada		
Excess income tax advanced	37,258	82,105
Miscellaneous payables	29,843	24,879
	67,101	106,984
	(122,286)	(3,510)

The amounts due to the Government of Canada are non-interest bearing. The excess income tax advanced is repayable over the following years:

	\$
2024	31,949
2025	5,309
	37,258

March 31, 2023

(All figures in thousands of dollars)

15. LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

	2023 \$	2022 \$
Loans due to Canada Mortgage and Housing Corporation, repayable in annual installments until the year 2033, bearing interest at a rate of 6.97% (2022 - 6.97%), unsecured.	3,441	3,959
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% (2022 - between 0.68% and 1.01%), unsecured.	543	686
Mortgage payable to Canada Mortgage and Housing Corporation, repayable in monthly installments of \$7 (2022 - \$7) maturing June 2024, bearing interest at 3.30% (2022 - 3.30%), secured with real property.	110	197
Bond, due September 29, 2051, bearing interest at 2.20% (2022 - 2.20%) payable semi-annually, unsecured.	180,022	180,022
Debentures, due 2025 to 2052, bearing interest between 3.82% and 6.00% (2022 - between 3.82% and 6.00%), unsecured.	90,000	90,000
Amortizing Debentures, due 2032 to 2047, bearing interest between 3.98% and 6.42% (2022 - between 3.98% and 6.42%), unsecured.	98,109	101,403
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% (2021 - 3.17%) payable semi-annually, unsecured.	185,056	180,180
	557,281	556,447
Unamortized premium, discount and issuance costs	(3,014)	(3,131)
Total long-term debt	554,267	553,316
Capital lease obligations	15,545	15,950
Total long-term debt and capital lease obligations	569,812	569,266

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

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

	\$
2024	10,143
2025	10,561
2026	26,006
2027	11,459
2028	12,202
2029 and beyond	486,910
	557,281

Interest expense on long-term debt, included in operations and maintenance expenses, is \$29,674 (2022 - \$29,486).

Interest expenses related to capital lease obligations for the year is \$1,282 (2022 - \$1,358), at an implicit average interest rate of 9.60% (2022 - 9.60%). Capital lease obligations (expiring in 2061) are based upon contractual minimum lease obligations for the leases in effect as of March 31, 2023.

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.

	2023 \$	2022 \$
Short term loans (note 9)	486,806	365,922
Long-term debt (note 15)	557,281	556,447
Capital Lease Obligations (note 15)	15,545	15,950
Guarantees (note 21(a))	5,732	7,339
	1,065,364	945,658
Authorized borrowing limit	1,800,000	1,800,000
Available borrowing capacity before the following:	734,636	854,342
Liabilities under Public Private Partnerships (note 16)	262,172	270,510
Less sinking fund for Public Private Partnership repayment (note 8)	-	(500)
Available Borrowing capacity	472,464	584,332

16. LIABILITIES UNDER PUBLIC PRIVATE PARTNERSHIPS

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. Operations and maintenance provided by the respective partners cease at the repayment date at which time operational responsibility reverts to the Government.

The calculation of the Public Private Partnerships (P3) liabilities is as follows:

	2022 \$	Additions during the year \$	Other Payments \$	Principal Payments \$	2023 \$	Repayment date
Stanton Territorial Hospital Renewal	127,128	-	-	(3,438)	123,690	2048
Mackenzie Valley Fibre Link	69,900	27,750	(27,750)	(2,800)	67,100	2037
Tlicho All Season Road	73,482	-	-	(2,100)	71,382	2047
Total	270,510	27,750	(27,750)	(8,338)	262,172	

During the year, the Government negotiated a final payment relating to additional costs that had been incurred by the partner to construct the Mackenzie Valley Fibre Link. The amount of final payment is treated as an addition to the associated assets as well as the liability with a corresponding payment of the liability at the same time.

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%

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

	\$
2024	8,007
2025	8,000
2026	8,044
2027	8,838
2028	9,597
2029 and beyond	219,686
	262,172

16. LIABILITIES UNDER PUBLIC PRIVATE PARTNERSHIPS (continued)

The capital payments for Mackenzie Valley Fibre Link, Stanton Territorial Hospital Renewal and Tlicho All Season Road are fixed, equal monthly payments for the privately financed portion of the costs of building the infrastructure. P3 interest expense for the year is \$16,220 (2022 - \$12,700). Interest capitalized in the period as a function of construction or developing tangible capital assets relating to the Tlicho All Season Road is \$0 (2022 - \$4,000).

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

17. PENSIONS

a) Plans' description

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

In addition to the Regular Pension Plans listed above, the Government administers Supplemental Pension Plans for the MLAs, Territorial Court Judges and Superintendent and Assistant Superintendents of the Yellowknife Catholic Schools that are non-contributory defined benefit pension plans and are non-funded (Supplemental Unfunded). 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, 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.

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.

17. PENSIONS (continued)

a) Plans' description (continued)

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

b) Pension liabilities (assets)

	2023 Regular Funded \$	2023 Supplemental Non funded \$
Accrued benefit obligation	114,005	40,321
Pension fund assets - market-related value	(137,754)	-
Unamortized actuarial losses	2,750	2,649
Impairment on value of accrued pension asset	(1,952)	-
Pension liabilities (assets)	(22,951)	42,970
	2022 Regular Funded \$	2022 Supplemental Non funded \$
Accrued benefit obligation	124,957	43,014
Pension fund assets - market-related value	(144,093)	-
Unamortized actuarial gains	11	(1,253)
Pension liabilities (assets)	(19,125)	41,761

17. PENSIONS (continued)

c) Change in pension liabilities (assets)	2023 Regular Funded \$	2023 Supplemental Unfunded \$
Opening balance	(19,125)	41,761
Change from cash items:		
Contributions from plan members	(3,528)	-
Contributions from Government	(4,693)	-
Benefit payments to plan members	(8,423)	(1,919)
Drawdown from plan assets	8,423	-
Change from cash items	(8,221)	(1,919)
Change from accrual items:		
Current period benefit cost	7,521	1,338
Amortization of actuarial gains	(64)	(108)
Change in valuation allowance	852	-
Interest on average accrued benefit obligation	5,656	1,898
Impairment on value of accrued pension asset	(2,965)	-
Expected return on average plan assets	(6,605)	-
Change from accrual items	4,395	3,128
Ending balance	(22,951)	42,970
	2022 Regular Funded \$	2022 Supplemental Unfunded \$
Opening balance	(17,255)	40,541
Change from cash items:		
Contributions from plan members	(3,719)	-
Contributions from Government	(5,622)	-
Benefit payments to plan members	(5,565)	(1,996)
Drawdown from plan assets	5,565	-
Change from cash items	(9,341)	(1,996)
Change from accrual items:		
Current period benefit cost	8,383	1,411
Amortization of actuarial gains	(73)	(70)
Change in valuation allowance	617	-
Interest on average accrued benefit obligation	4,915	1,875
Impairment on value of accrued pension asset	(723)	-
Expected return on average plan assets	(5,648)	-
Change from accrual items	7,471	3,216
Ending balance	(19,125)	41,761

17. PENSIONS (continued)

d) Pension expense

The components of pension expense include current period benefit cost, amortization of actuarial net (gains)/losses and interest on average accrued benefit obligation net of the expected return on average plan assets, change in valuation allowance and contributions from plan members. The total expense is \$7,759 (2022 - \$8,186). 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 \$1,892 (2022 - loss of \$172).

In addition to the above, the Government contributed \$64,657 (2022 - \$59,496) to the Public Service Pension Plan. The employees' contributions to this plan were \$61,864 (2022 - \$59,356).

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 2023.

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, 2023	April 1, 2024
Judges Registered Plan	April 1, 2022	January 1, 2023	April 1, 2025
Retirement Plan for Employees of the Hay River Health and Social Services Authority	January 1, 2023	March 31, 2023	January 1, 2024
Retirement Plan for Employees of the Yellowknife Catholic Schools	June 30, 2021	June 30, 2022	June 30, 2023

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, 2023*(All figures in thousands of dollars)*

17. PENSIONS (continued)**f) Valuation methods and assumptions used in valuing pension assets and liabilities (continued)***Asset valuation method*

The asset valuation method for all the plans is generally market-related value. The market value of the pension assets is \$140,639 (2022 - \$148,385).

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%	4.85%	4.40%	4.70%
Rate of compensation increase	2.00%	2.50%	2.00%	3.00%
Annual inflation rate	2.00%	2.00%	2.00%	2.00%
Discount rate	4.75%	4.30%	5.20%	4.70%

18. OTHER EMPLOYEE FUTURE BENEFITS AND COMPENSATED ABSENCES

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

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

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

Valuation results

The most recent actuarial valuation was completed as at February 11, 2022 and 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 of 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 year	39,206	9,131	48,337	43,304
Current period benefit cost	2,572	779	3,351	3,469
Interest accrued	1,589	388	1,977	1,405
Benefits payments	(6,404)	(803)	(7,207)	(9,252)
Plan amendments	(405)	-	(405)	326
Actuarial (gains)/losses	(297)	(546)	(843)	9,085
Accrued benefit obligations end of year	36,261	8,949	45,210	48,337
Unamortized net actuarial gain/(loss)	(3,391)	(6,233)	(9,624)	(10,759)
Net future obligation	32,870	2,716	35,586	37,578
Other employee future benefits	7,075	-	7,075	7,675
Other compensated absences	-	3,090	3,090	2,376
Total employee future benefits and compensated absences	39,945	5,806	45,751	47,629

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

	Severance and Removal \$	Compensated Absences \$	2023 \$	2022 \$
Benefits Expense				
Current period benefit cost	2,572	779	3,351	3,469
Interest accrued	1,589	388	1,977	1,405
Plan amendments	(405)	-	(405)	326
Amortization of actuarial (gain)/loss	(1,080)	(705)	(1,785)	(589)
	2,676	462	3,138	4,611

The discount rate used to determine the accrued benefit obligation is 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	4,606	747	5,353
2025	4,773	799	5,572
2026	4,642	795	5,437
2027	4,514	860	5,374
2028	4,457	914	5,371
	22,992	4,115	27,107

19. TRUST ASSETS UNDER ADMINISTRATION

The Government administers trust assets on behalf of third parties, which are not included in the reported Government assets and liabilities. These consist of cash and term deposits of \$76,262 (2022 - \$24,476) which include Public Trustees and Securities for land use permits and water licenses and oil and gas.

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 \$766,566 (2022 - \$733,355). The majority of these guarantees are held against water licenses issued to regulate the use of water and the deposit of waste.

March 31, 2023

(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 payments subsequent to March 31, 2023:

	Expiry Date	2024 \$	2025 \$	2026 \$	2027 \$	2028 \$	2029+ \$	Total \$
Operational commitments	2048	175,135	63,418	40,215	18,936	5,611	4,670	307,985
RCMP policing agreement	2032	57,300	57,300	57,300	57,300	57,300	222,684	509,184
Commercial leases	2052	72,933	45,338	34,421	16,806	13,639	146,261	329,398
Equipment leases	2028	1,376	835	489	181	39	-	2,920
TCAs in progress at year end	2030	145,567	3,126	1,091	185	185	370	150,524
P3 Operational commitments	2049	19,793	20,565	21,307	21,257	21,765	481,910	586,597
		472,104	190,582	154,823	114,665	98,539	855,895	1,886,608

Included within Commercial leases is a lease commitment of \$3,757 per year over 30 years estimated to begin 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.

The Government has entered into agreements for, or is contractually entitled to, the following receipts subsequent to March 31, 2023:

	Expiry Date	2024 \$	2025 \$	2026 \$	2027 \$	2028 \$	2029+ \$	Total \$
Transfer Payments	2034	311,463	235,779	171,352	114,516	49,065	93,683	975,858
Regulatory Revenue	2027	2,457	1,892	1,600	1,096	-	-	7,045
Lease Revenue	2052	6,318	5,883	5,737	4,410	4,099	44,385	70,832
License Revenue	2051	696	446	193	153	79	310	1,877
Other	2039	29,952	22,151	22,096	22,506	22,253	25,229	144,187
		350,886	266,151	200,978	142,681	75,496	163,607	1,199,799

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

The Government has guaranteed residential housing loans to banks totaling \$223 (2022 - \$262) and indemnified Canada Mortgage and Housing Corporation for third party loans totaling \$3,236 (2022 - \$4,781). 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.

The Northwest Territories Business Development and Investment Corporation (BDIC) has one (2022 - one) outstanding loan to a Northern Community Futures organization totaling \$273 (2022 - \$296). Loans provided may be assigned to the BDIC when impaired. If assigned, the BDIC would then write-off the Northern Community Futures organization loan balance and would attempt to recuperate its loss. In 2023, no accounts were assigned to BDIC (2022 - nil).

The BDIC has one (2022 - one) outstanding irrevocable standby letter of credit totaling \$2,000 (2022 - \$2,000) that will expire in fiscal 2024. Payment by the BDIC is due from these letters in the event that the applicants are in default of the underlying debt. To the extent that the BDIC has to pay out to third parties as a result of these agreements, these payments will be owed to the BDIC 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 (2022 - nil).

(b) Contingent liabilities**Contingency for contaminated sites**

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

21. GUARANTEES AND CONTINGENCIES (continued)

(c) Claims and litigation

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

The Government has recorded a provision of \$3,408 (2022 - \$2,672) 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 \$89,151 (2022 - \$150,564). 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, 2023.

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, 2023

(All figures in thousands of dollars)

22. TRANSFER PAYMENTS, TAXATION, NON-RENEWABLE RESOURCE REVENUE AND GENERAL REVENUE

	2023 \$	2022 \$
Transfer payments		
Capital transfers	72,256	69,930
Canada Health and Social Transfer Reform Fund	71,947	86,948
Federal cost shared	341,149	242,835
Other	88,202	78,168
	573,554	477,881
Taxation		
Corporate income tax	48,468	24,729
Personal income tax	128,570	133,583
	177,038	158,312
Other taxes		
Cannabis	978	909
Carbon tax	16,299	12,797
Fuel	20,450	20,061
Tobacco	14,387	14,278
Payroll	47,522	45,820
Property and school levies	37,750	37,265
Insurance	6,834	6,106
	144,220	137,236
Non-renewable Resource Revenue		
Minerals, oil and gas royalties	35,356	37,012
Licenses, rental and other fees	2,599	5,202
Quarry fees	82	296
	38,037	42,510
General		
Sundry and other	44,980	46,723
Lease	4,409	4,292
Interest and investment income	8,978	6,911
Gains on disposition of assets	221	61
Regulatory revenue	40,090	38,487
Grants in kind	73	164
	98,751	96,638

March 31, 2023*(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 Natural Resources Department of Industry, Tourism and Investment NWT Business Development and Investment Corporation Northwest Territories Heritage Fund Arctic Energy Alliance Inuvialuit Water Board
Infrastructure	Department of Infrastructure Department of Lands Northwest Territories Hydro Corporation Northwest Territories Surface Rights Board
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 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.

March 31, 2023*(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, 2023 is as follows:

	\$
Cash and cash equivalents	126,445
Portfolio investments	162,393
Due from the Government of Canada	189,387
Accounts receivable	132,091
Loans receivable	69,759

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 future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Government primarily 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.

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 interest rate risk.

The Government manages its risk on short term loans by entering into borrowing agreements with fixed interest rates so that the short-term cash inflows and outflows are predictable.

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.

Short term loans and accounts payable and accrued liabilities are due within one year. Expected contractual maturities related to long term debt and liabilities under public private partnerships are disclosed in Notes 15 and 16 respectively.

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.

d) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate unfavorably 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, no department (2022 - 4) exceeded their operations vote (2022 - \$10,131) and no departments (2022 - 0) exceeded their capital vote.

Over-expenditure 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".

26. SUBSEQUENT EVENTS

During the 2023 fire season, the Northwest Territories experienced above normal wildfire conditions which resulted in evacuation notices as well as evacuation orders for various communities including the entire City of Yellowknife. On August 28, 2023 the Legislative Assembly approved Bill 99: Supplementary Appropriation Act (Operations Expenditures) No. 2 2023-2024 for \$75,000 additional funds for the Department of Environment and Climate Change. This appropriation is for estimated additional cost of the 2023 fire season. The Government is claiming from Canada under the Disaster Financial Assistance Arrangement Program for eligible costs incurred to provide support and financial relief to those affected by the fires and received an advance payment of \$84,000 in December 2023.

On April 1, 2023, the Department of Environment and Natural Resources and the Department of Lands amalgamated to form the Department of Environment and Climate Change.

27. 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	2023	2022 Restated (Note 2(x))
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost of tangible capital assets									
Opening balance (Restated note 2(x))	25,537	2,423,238	869,168	2,072,373	332,687	169,623	289,657	6,182,283	5,934,658
Transfers	417	39,566	78,163	58,101	20,640	4,239	(201,126)	-	-
Acquisitions	-	4,793	-	-	2,475	-	358,620	365,888	260,666
Write-downs	-	(5,959)	(658)	(1,120)	(4,889)	(397)	-	(13,023)	-
Revaluation of asset retirement obligations	-	(3,792)	-	-	-	-	-	(3,792)	-
Disposals	(16)	(11,447)	(1,370)	(52,418)	(3,190)	(9,609)	-	(78,050)	(13,041)
Closing balance	25,938	2,446,399	945,303	2,076,936	347,723	163,856	447,151	6,453,306	6,182,283
Accumulated amortization									
Opening balance (Restated note 2(x))	-	(1,034,358)	(366,613)	(704,750)	(172,987)	(131,885)	-	(2,410,593)	(2,254,404)
Amortization expense	-	(58,159)	(23,441)	(55,828)	(17,603)	(10,568)	-	(165,599)	(165,839)
Write-downs	-	5,959	658	1,120	4,889	397	-	13,023	-
Disposals	-	5,665	778	52,418	3,140	9,588	-	71,589	9,650
Closing balance	-	(1,080,893)	(388,618)	(707,040)	(182,561)	(132,468)	-	(2,491,580)	(2,410,593)
Net book value	25,938	1,365,506	556,685	1,369,896	165,162	31,388	447,151	3,961,726	3,771,690

¹ Included in buildings and leasehold improvements, infrastructure and other, and equipment are assets under capital lease cost \$32,643 (2022 - \$32,643); accumulated amortization, \$13,338 (2022 - \$12,760); net book value, \$19,305 (2022 - \$19,883).

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 \$57,034 (2022 restated note 2 (x) - \$46,732).

⁵ Land with cost and net book value of \$0, market value \$239 (2022 - \$1,431) 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	2023	2022 Restated (Note 2(x))
	\$	\$	\$	\$	\$	\$
Revenues						
Grant from the Government of Canada	1,519,233	-	1,519,233	-	1,519,233	1,480,118
Transfer payments	485,352	88,222	573,574	(20)	573,554	477,881
	2,004,585	88,222	2,092,807	(20)	2,092,787	1,957,999
Taxation, non-renewable resource and general revenues						
Corporate and personal income taxes	177,038	-	177,038	-	177,038	158,312
Other taxes	133,482	11,362	144,844	(624)	144,220	137,236
General	68,670	938,159	1,006,829	(908,078)	98,751	96,638
Income from portfolio investments	2,951	1,843	4,794	-	4,794	5,145
Non-renewable resource revenue	38,037	-	38,037	-	38,037	42,510
Sales	157,334	92,361	249,695	(56,541)	193,154	180,422
Recoveries	31,293	20,115	51,408	(5,192)	46,216	40,574
	608,805	1,063,840	1,672,645	(970,435)	702,210	660,837
Recoveries of prior years' expenses	9,006	-	9,006	467	9,473	15,876
	2,622,396	1,152,062	3,774,458	(969,988)	2,804,470	2,634,712
Expenses						
Grants and contributions	1,115,541	36,485	1,152,026	(778,035)	373,991	411,873
Operations and maintenance	781,351	444,159	1,225,510	(175,153)	1,050,357	923,204
Compensation and benefits	468,492	633,131	1,101,623	459	1,102,082	1,069,233
Valuation allowances	4,778	1,588	6,366	1	6,367	5,775
Amortization of tangible capital assets	130,421	35,143	165,564	35	165,599	165,839
	2,500,583	1,150,506	3,651,089	(952,693)	2,698,396	2,575,924
Annual operating surplus	121,813	1,556	123,369	(17,295)	106,074	58,788

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 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, 2023

HONOURABLE CAROLINE WAWZONEK
Minister of Finance

Table of Contents

	Page
EXECUTIVE SUMMARY	4
FINANCIAL REVIEWS	
<i>The Consolidated Statement of Financial Position</i>	
<i>Net Financial Debt and Accumulated Surplus (Deficit)</i>	6
<i>Cash and Cash Equivalents</i>	7
<i>Financial Assets</i>	8
<i>Liabilities</i>	9
<i>Short-Term Loans</i>	10
<i>Accounts Payable and Accrued Liabilities</i>	10
<i>Pensions and employee Future Benefits</i>	10
<i>Environmental Liabilities</i>	11
<i>Asset Retirement Obligations</i>	12
<i>Non-Financial Assets</i>	12
<i>The Consolidated Statement of Operations</i>	
<i>Revenues and Expenses</i>	15
PUBLIC PRIVATE PARTNERSHIPS AND ASSOCIATED LIABILITIES	16
LONG TERM DEBT, BORROWING AND LIMITS	18
INDICATORS OF FINANCIAL CONDITION	19
RISK AND UNCERTAINTIES	24
FISCAL RESPONSIBILITY POLICY	25
<i>Compliance with Fiscal Responsibility Policy</i>	25
FINANCIAL COMPARISONS AND VARIANCES	31
APPENDIX A	39

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EXECUTIVE SUMMARY

The consolidated results of operations for the fiscal year ended March 31, 2023, and the consolidated financial position as at March 31, 2023 are summarized below:

(in \$000s)	Budget 2023	Actual 2023	Actual 2022 Restated
Total Revenues	\$2,716,629	\$2,804,470	\$2,634,712
Total Expenses	\$2,571,648	\$2,698,396	\$2,575,924
Annual operating surplus	\$144,981	\$106,135	\$58,788
Financial Assets		\$752,709	\$691,373
Less: Liabilities		\$2,351,892	\$2,201,834
Net Debt		(\$1,599,183)	(\$1,510,461)
Non-financial Assets		\$4,008,653	\$3,812,954
Accumulated Surplus		\$2,409,470	\$2,302,493

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 Public Sector Accounting Standards (PSAS), see next page for discussion on approved budget adjustments.

The 2022-23 consolidated financial statements report an actual annual operating surplus of \$106.1 million, which is \$38.8 million or 26.8% lower than budgeted. The annual operating surplus is \$47.3 million or 80.5% higher than the prior year. The change in the surplus is based on changes in revenue and expenses which is explained below:

- Total consolidated revenue in 2022-23 is \$2.8 billion, which is \$87.9 million or 3.2% higher than the original budget. The total consolidated revenue is \$169.8 million or 6.4% higher than the prior year. The increase in actual revenues is mainly due to a higher grant from Canada because of the Gross Expenditure Base increase, increased transfer payments, increased corporate incomes taxes and increased sales revenue.
- Total consolidated expenses in 2022-23 are \$2.7 billion, which is \$126.8 million or 4.9% higher than the original budget. The total consolidated expenses are \$122.5 million or 4.8% higher than the prior year. The increase in actual expenses is mainly due to the impact of the 2022 flood expenses, interest expenses, liabilities for municipal solid waste sites and sewage lagoons, and salary increases.

- The Government is in a net debt position of \$1.6 billion. In 2022-23, short term loans increased by \$120.9 million and accounts payable increased by \$75.1 million as a result of increased operational costs and high flooding costs. All these factors contributed to the increase in net debt. Combined with other changes in financial assets and liabilities, net debt increased by \$88.7 million during the 2022-23 fiscal year.
- Non-Financial Assets increased by \$195.7 million or 5.1% over the prior year. In 2023, the Government acquired \$365.9 million in tangible capital assets: \$86.6 million was added consisting of NT Hydro Corporation’s power generating and distribution assets and equipment; \$52.0 million consisted of Housing NWT’s public, homeownership rental and market rental units; \$27.8 million was added to the Mackenzie Valley Fibre Link project; \$21.1 million was added as refurbishment of Stanton Legacy Building. The remaining spend was for various roads and bridges, runways, community health centres, schools and equipment.

The 2022-23 Consolidated Financial Statements report an actual annual operating surplus of \$106.1 million, which is \$226.7 million more than the revised budget of (\$120.6) million as shown and explained below:

(in \$000s)	Original Budget 2023	Supplementary Appropriations	Revised Budget 2023	Actual 2023	Actual 2022
Total revenue	\$2,716,629	\$0	\$2,716,629	\$2,804,470	\$2,634,712
Total Expenses	\$2,571,648	\$265,562	\$2,837,210	\$2,698,396	\$2,575,924
Annual Operating Surplus (Deficit)	\$144,981	(\$265,562)	(\$120,581)	\$106,074	\$58,788

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.

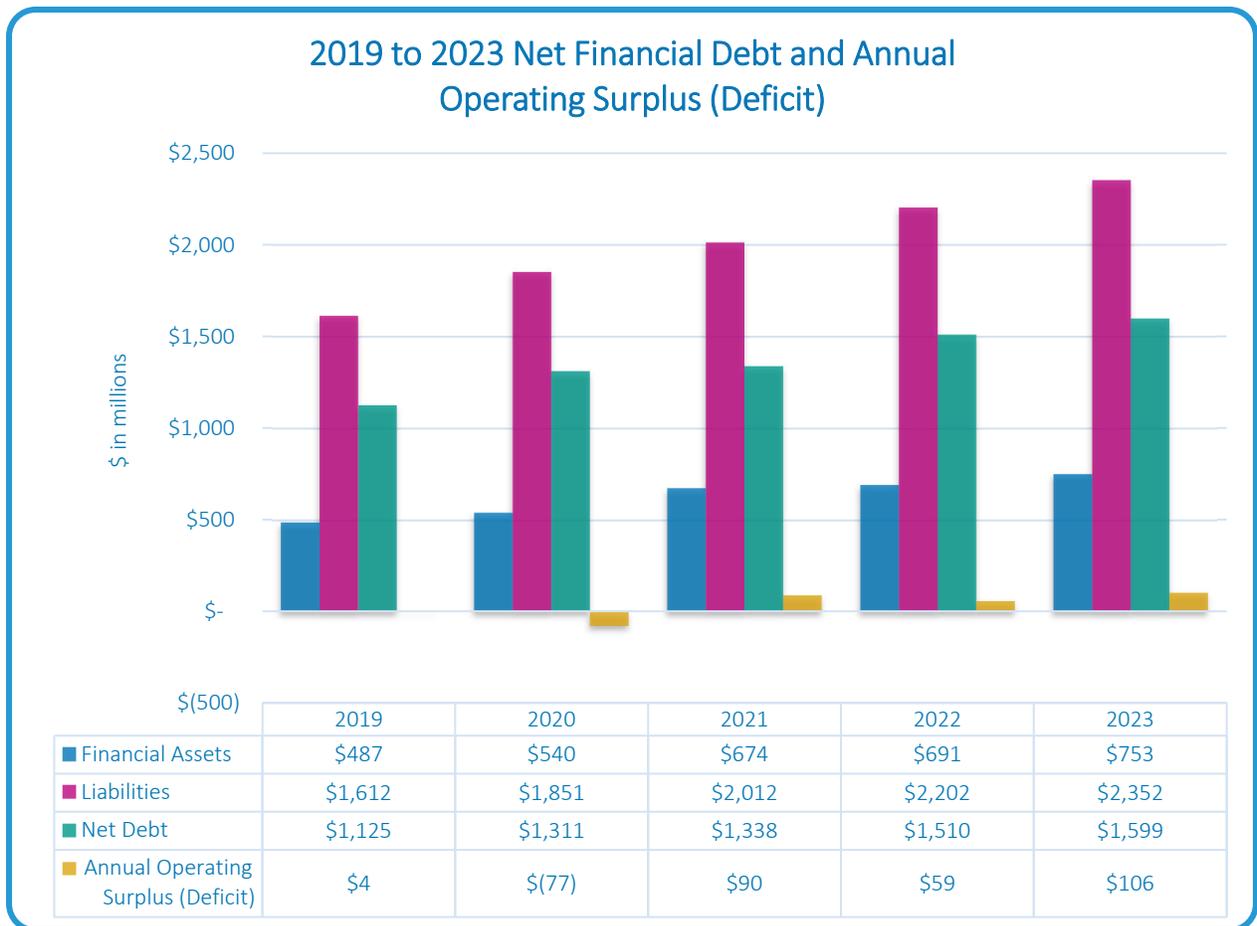
- There were no changes to the revenue budget through the supplementary appropriation process.
- Total consolidated actual expenses in 2022-23 are \$2.7 billion. This is \$138.8 million lower than the revised expense budget. The revised expense budget was increased to address the impact of the 2022 flooding costs; increased program costs as a result of additional funding agreements signed; increased health and education costs.

FINANCIAL REVIEWS

Net Financial Debt and Accumulated Surplus (Deficit)

At the end of the 2022-23 fiscal year, the Government is in a net debt position as liabilities exceeded financial assets. Net debt increased during the fiscal year. This increase is primarily attributable to an increase in short term loans and accounts payable and accrued liabilities. The change in net debt is shown on the Consolidated Statement of Change in Net Debt within **Section I** of the Public Accounts.

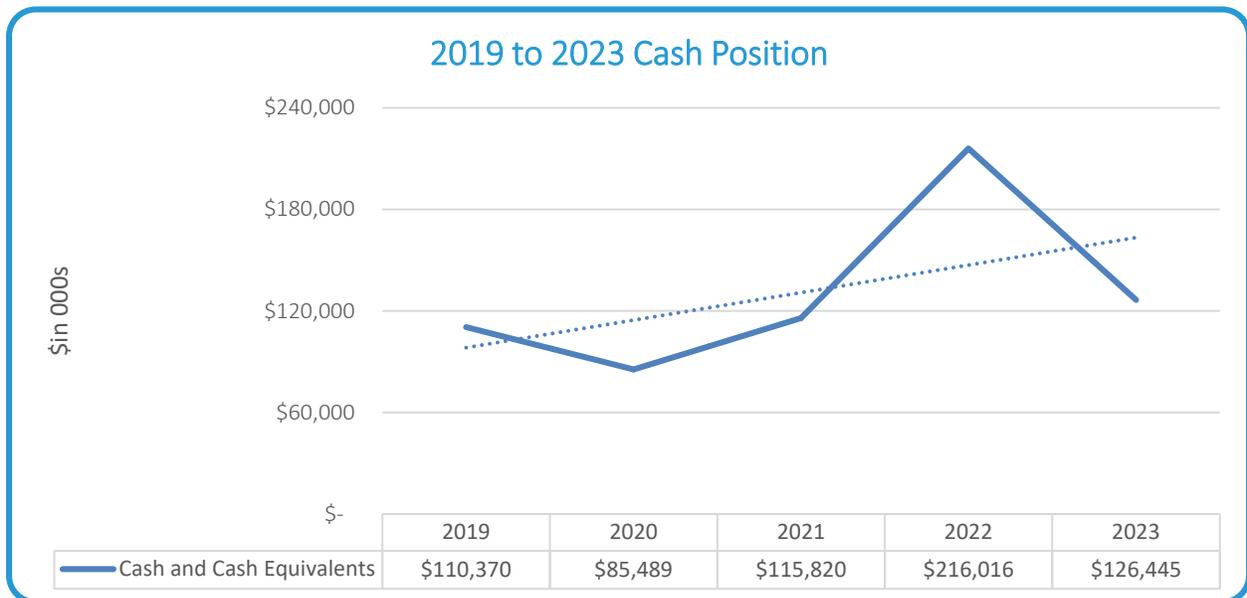
The graph below illustrates the Government’s net debt position and annual operating surplus/deficit at the end of each of the last five fiscal years.



Net assets result when there are financial assets remaining after deducting all liabilities of the Government. Net debt results when liabilities are more than financial assets. Net debt represents the debt burden that must be recovered through either future revenues or future service reductions.

Cash and Cash Equivalents

The Consolidated Statement of Cash Flow reports on the sources and uses of cash and cash equivalents during the fiscal year. The Government’s cash and cash equivalents decreased by \$89.6 million, from \$216.0 million in 2021-22 to \$126.4 million in 2022-23. The decrease in fiscal 2022-23 is due to \$308.7 million in cash outflows from capital transactions for the acquisition of tangible capital assets and \$46.4 million in cash outflows for investing transactions for the acquisition of portfolio investments. This decrease was partly offset by \$189.7 million cash inflows from operating transactions and \$75.9 million cash inflows from financing activities.

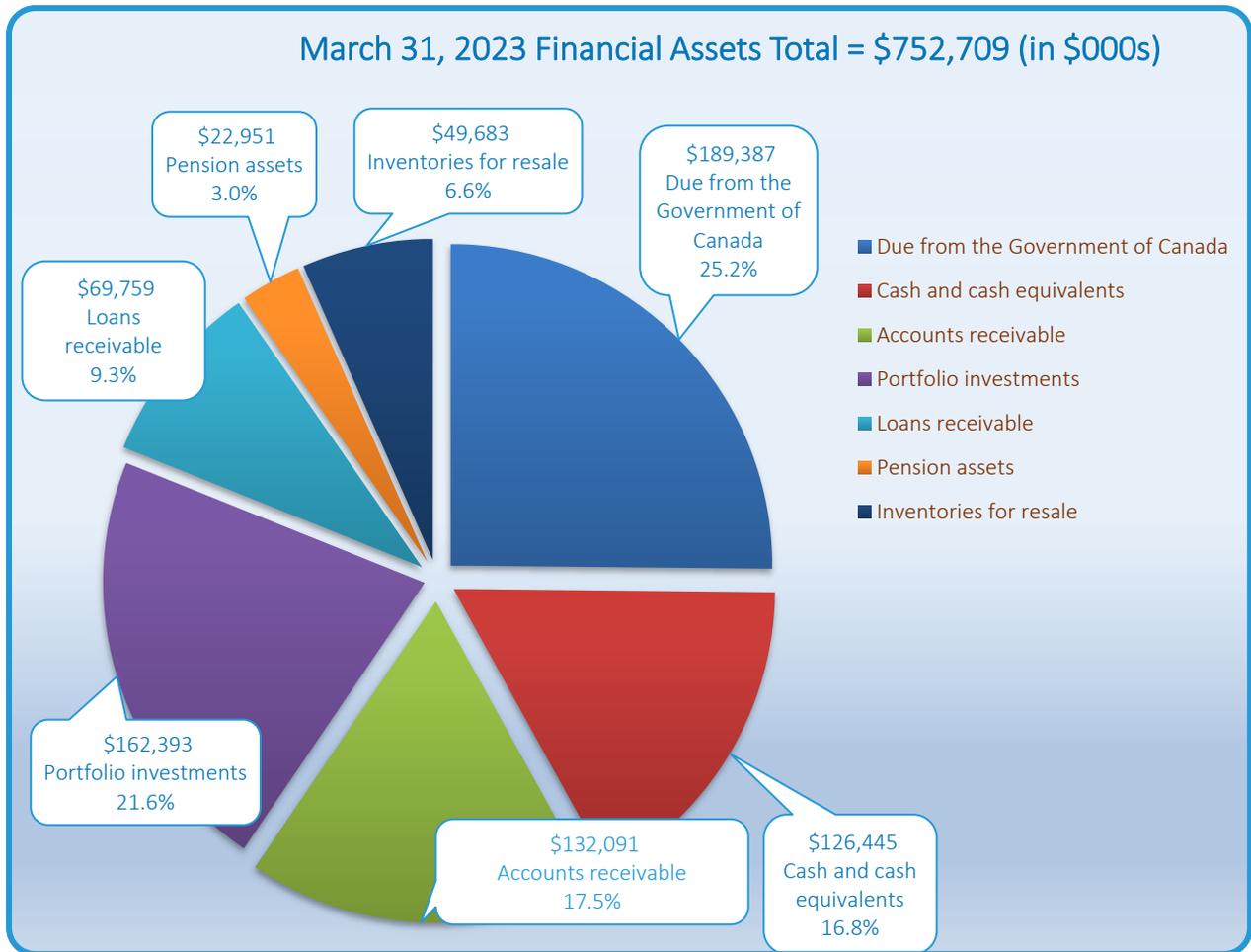


Cash and cash equivalents are used to meet operational expenses, reduce liabilities and to pay for the Government’s investment in infrastructure. More detail is available on the Statement of Cash Flows within **Section I** of the Public Accounts.

The cash and cash equivalents position of the Government reported in the Public Accounts includes the GNWT and agencies that comprise the Government Reporting Entity (GRE).

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.



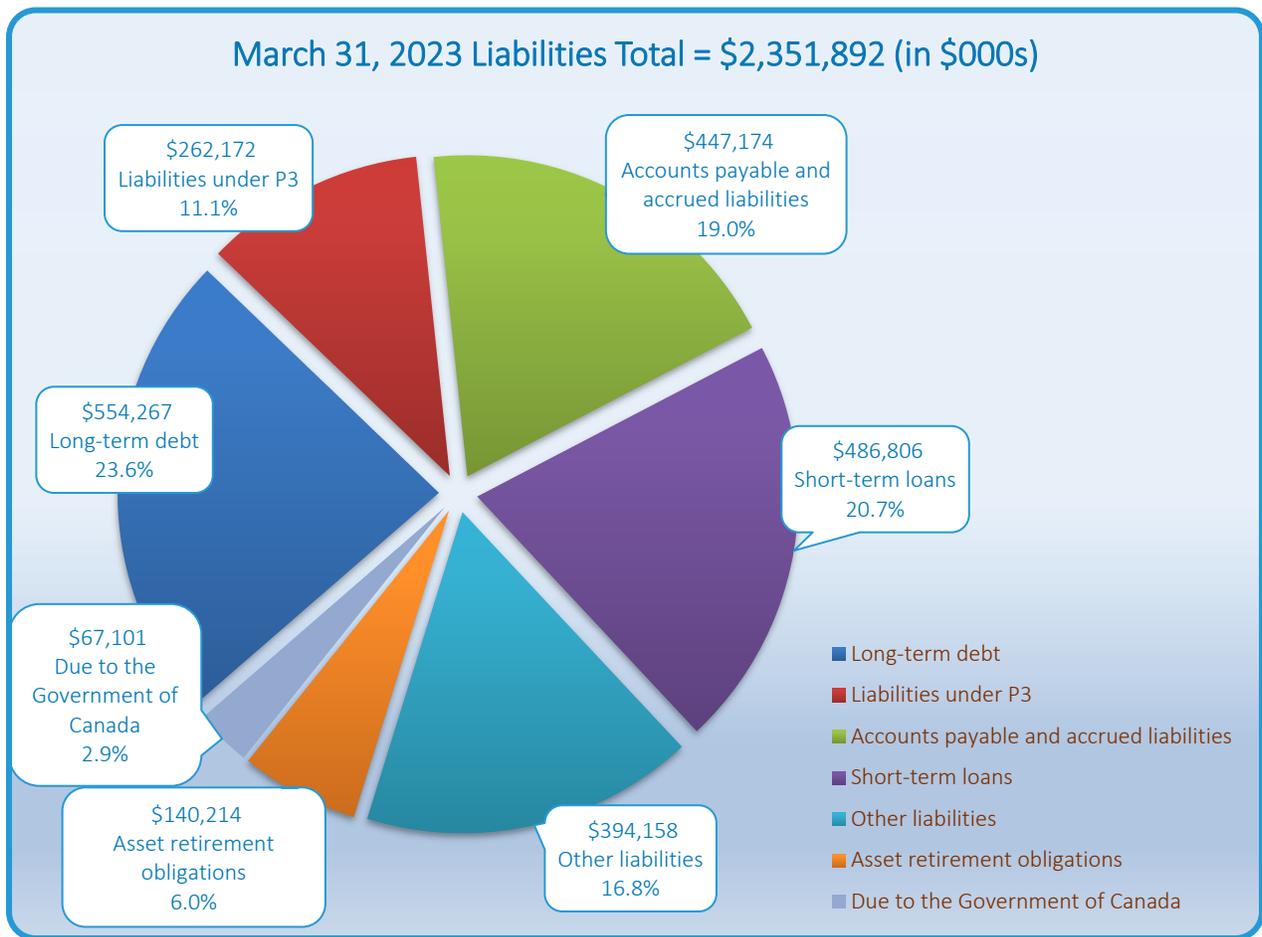
The above graph illustrates the composition of the Government's financial assets.

16.8% of the Government's financial assets are cash and cash equivalents. The 83.2% balance of the financial assets, varying from short-term investments and inventory for resale to long-term loans receivable, is convertible to cash and will, over time, contribute to the Government's ability to discharge its liabilities.

Liabilities

Liabilities are present obligations the Government has to others that will result in a future outflow of resources.

The graph below illustrates the composition of the Government’s liabilities.



Other liabilities of \$394,158 is comprised of: Environmental liabilities \$69,205; Deferred revenue \$199,192; liabilities for sewage lagoons and solid waste sites \$21,495; other employee future benefits \$45,751; pensions \$42,970 and capital lease obligations \$15,545.

The Government presently has \$752.7 million in financial assets available to discharge liabilities of \$2.4 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 enters short-term borrowing arrangements. The short-term loans balance increased by \$120.9 million (a 33.0% increase) from \$365.9 million in 2021-22 to \$486.8 million in 2022-23 to meet operational needs.

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 \$75.1 million (an 20.2% increase) from \$372.0 million in 2021-22 to \$447.2 million in 2022-23, mainly due to increases to trade, employee and related payroll expenses incurred in 2022-23 compared to 2021-22.

Pensions and Employee Future Benefits

The Government administers Regular and Supplemental Pension Plans for Members of the Legislative Assembly (MLAs), Territorial Court Judges and the Employees, Superintendent and Assistant Superintendents of the Yellowknife Catholic Schools. The Government also administers Regular Pension Plans Employees of the Hay River Health and Social Services Authority. These plans are comprised of contributory and non-contributory defined benefit pension plans and are administrated by independent companies.

All eligible remaining Government employees participate in Canada's Public Service Pension plan, a contributory defined benefit pension plan that is administered by the Government of Canada.

At year end, the pension assets and liabilities were comparable with the prior year and detailed information can be found within **Section I** of the Public Accounts (note 17).

Employee future benefits for sick, special, leaves as well as severance benefits for retirement, resignation, and removal, accrue for Government employees as service is rendered. Maternity and parental benefit leaves are non-accruing and paid when the leave commences. These benefits are paid to eligible employees on the occurrence of an event resulting in eligibility for benefits such as termination. An actuarial evaluation is completed periodically (generally every 3 years) to determine the value used for Employee future benefits in the Public Accounts for the GRE.

Employee future benefits liability decreased slightly by \$1.8 million (a 3.9% decrease) from \$47.6 million in 2020-21 to \$45.8 million in 2022-23. The decrease is due to an excess of benefits paid over benefits and interest accrued.

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 12). 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(j)).

The process used by the Government to include a contaminated site is based upon Public Sector Accounting Standards, as well as responsible stewardship. When a site is suspected of contamination, the first step is to determine if the contamination is in contravention of an 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. Only sites that are non-operating or high priority due to a risk to human health or property are assigned a value. Before the value can be calculated the Government must first determine the appropriate action to be taken for remediation, monitoring, or risk management. The Government's best estimates of the action to be taken are based upon further assessments performed by third parties or from similar remediation actions that the Government can rely upon. If no basis exists to estimate full remediation costs, the value of the liability is limited to estimates of 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 2022-23 year end, the environmental liability balance decreased compared to 2021-22 primarily due to remediation work completed on abandoned sites.

<i>Environmental Liabilities</i>	<i>Number of Sites 2022</i>	<i>New in 2023</i>	<i>Closed in 2023 *</i>	<i>Number of Sites 2023</i>
Abandoned Mines	9		(1)	8
Landfills	44		(13)	31
Abandoned Infrastructure and schools	82	1	(3)	80
Airports, airport strips or reserves	25			25
Sewage Lagoons	30		(2)	28
Fuel tanks and resupply lines	12			12
Abandoned lots and maintenance facilities	46	2		48

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

More information can be found at: English: <https://www.fin.gov.nt.ca/en/services/gnwt-contaminated-sites-information>

French: <https://www.fin.gov.nt.ca/fr/services/information-sur-les-sites-contamin%C3%A9s-du-gtno>

Asset Retirement Obligation

The Public Sector Accounting Board (PSAB) issued a new accounting standard, PS 3280, effective April 1, 2022, for Asset Retirement Obligations (ARO), establishing an accounting standard for public sector entities that addresses the accounting and reporting of legal obligations associated with the retirement of tangible capital assets (TCA).

For existing tangible capital assets that have an ARO, public sector entities determined the liability associated with retiring those assets and recorded a liability. For future acquisitions of new tangible capital assets that have an ARO, a liability for retiring the asset will need to be recorded at the time of acquisition.

PSAB PS 3280 established standards on how to account for and report a liability for ARO with the main features of the standard is 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 asset retirement obligation should result 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 often the best method with which to estimate the liability.

For obligations that existed on adoption as of April 1, 2022, the Government followed the modified retroactive method, which measured the liability as of the date the legal obligation was incurred and used a discount rate and assumptions as of the first day of application (April 1, 2022). The impact on adoption of this standard can be found within **Section I** of the Public Accounts (note 2(x)). Further details on the Government's AROs can be found within **Section I** of the Public Accounts (note 14).

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.

Inventories Held for Use

Inventories held for use include materials and supplies, lubricants, critical spare parts, and fuel and are valued at weighted average cost or first in/first out depending on the type of inventory. Inventory increased by \$1.4 million (a 5.2% increase) from \$26.4 million in 2021-22 to \$27.8 million in 2022-23. The increase is mainly attributable to an increase in parts for Northwest Territories Hydro Corporation.

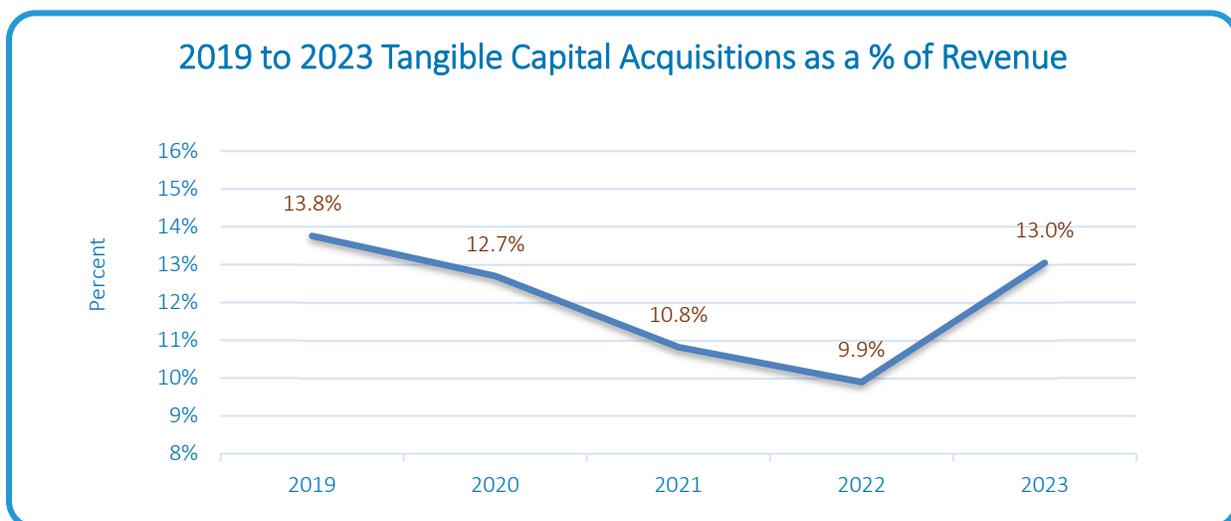
Prepaid Expenses

Prepaid expenses result from the Government making advanced payments for goods or services to be received in the future. Most Government prepaid expenses are from software license and insurance premiums, as well as cargo shipment by MTS. Prepaid expenses increased by \$4.3 million (a 28.9% increase) from \$14.8 million in 2021-22 to \$19.1 million in 2022-23.

Tangible Capital Assets

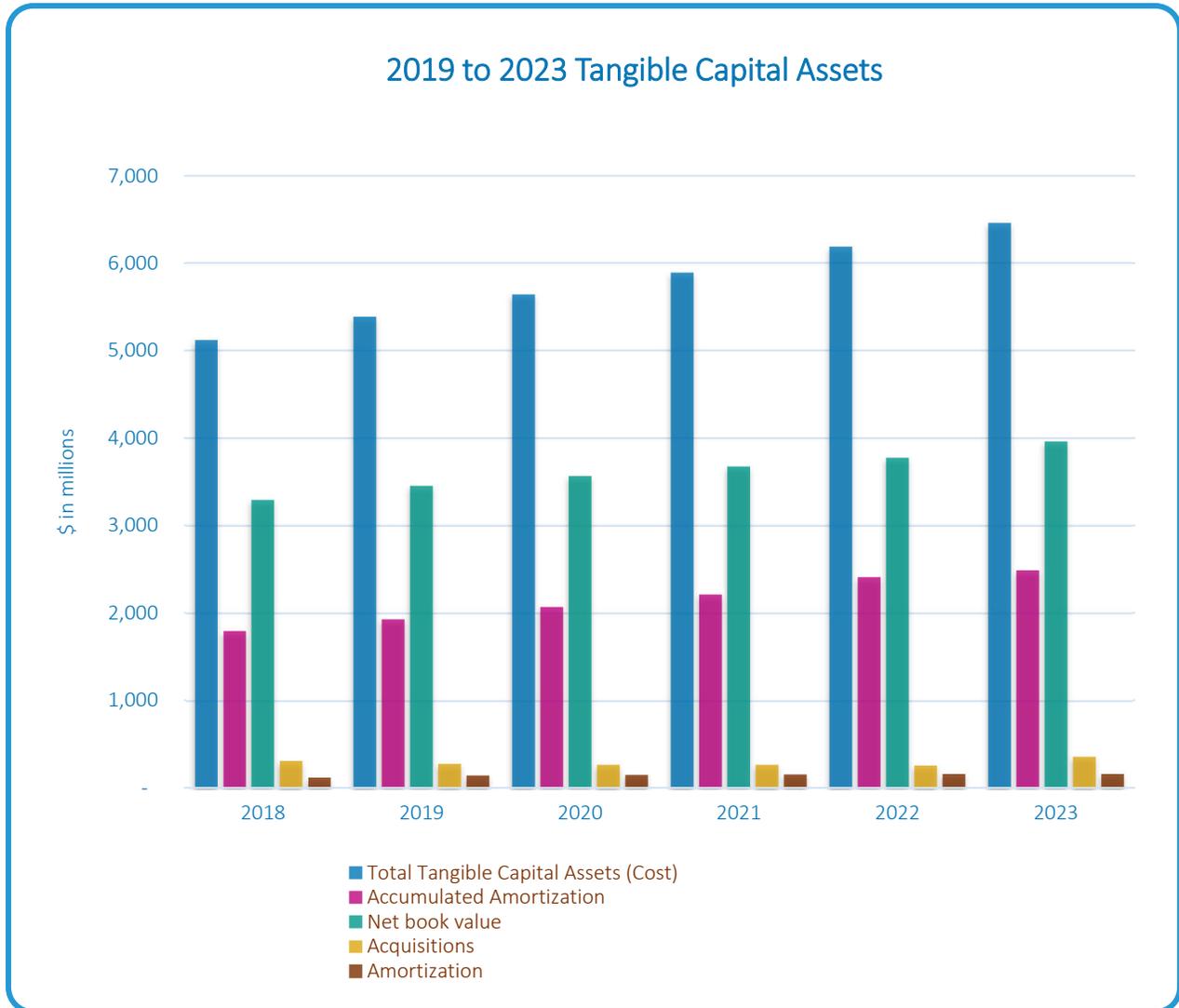
Under the Government’s capitalization policy, tangible capital assets are capitalized and amortized over time in the Consolidated Statement of Operations and Accumulated Operating Surplus based on their estimated useful life. The Government plans capital expenditures to ensure that existing TCAs are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

In the past five years the Government’s acquisition of tangible capital assets has decreased slightly, while revenue has been rising, resulting in the percentage decline from 13.8% in 2018-19 to 13.0% in 2022-23. In 2022-23, acquisitions of tangible capital assets has increased after COVID-19 delays, with several large infrastructure projects in progress.



Tangible Capital Assets (continued)

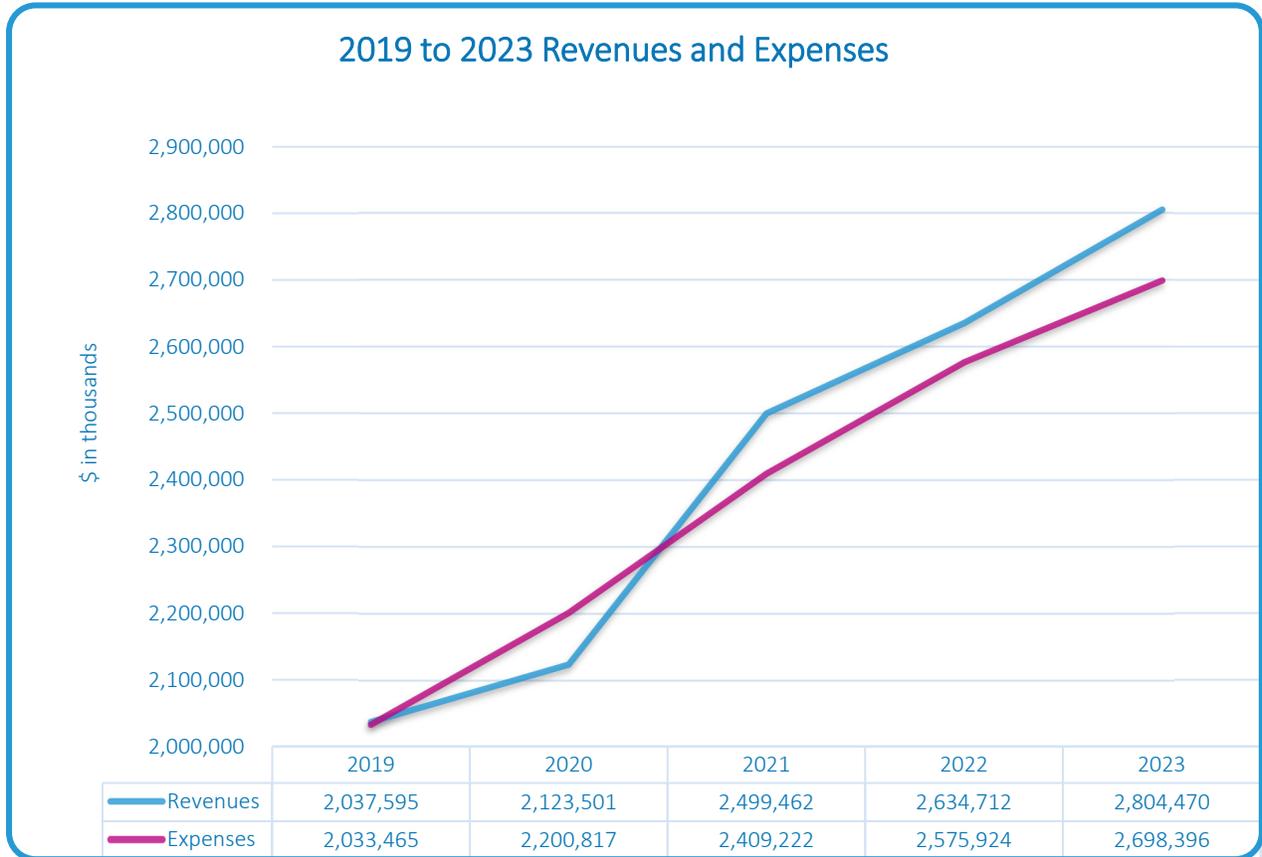
As illustrated by the graph below, the net book value of TCAs recognized by the government has steadily increased over the last five years indicating that the government has been acquiring new or replacing existing TCAs.



In 2022-23, the Government acquired \$365.9 million in tangible capital assets. Significant acquisitions included: \$86.6 million for NWT Hydro Corporation’s power generating and distribution assets and equipment; \$52.0 million for Housing NWT’s public, homeownership rental and market rental units; \$27.8 million was added to the Mackenzie Valley Fibre Link project; \$21.1 million was added as refurbishment of Stanton Legacy Building. The remaining spend was for various roads and bridges, runways, community health centres, schools, and equipment.

Revenues and Expenses

Revenue increased by \$169.8 million (a 6.4% increase) from \$2.6 billion in 2021-22 to \$2.8 billion in 2022-23 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 \$122.5 million (a 4.8% increase) from \$2.6 billion in 2021-22 to \$2.7 billion in 2022-23. The biggest increases were in Infrastructure, Health and Social Services, Education and General Government.

PUBLIC PRIVATE PARTNERSHIPS AND ASSOCIATED LIABILITIES

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.

The Government previously had entered three 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 Tłjchq All Season Road. Operations and maintenance provided by the partner cease at the repayment date at which time operational responsibility reverts to the Government.

Mackenzie Valley Fibre Link

The Government entered into an agreement with Northern Lights General Partnership (NL) on October 30, 2014, to design, build, operate and maintain 1,154 km of high-speed fiber optic telecommunications cable from McGill Lake to Inuvik, NWT. Construction was completed in May 2017 with in-service commencement in June 2017, and NL operating and maintaining the system.

Stanton Territorial Hospital Renewal

The Government entered into an agreement with Boreal Health Partnership (BHP) on September 22, 2015, to design, build, operate and maintain the Government's new Territorial hospital. Construction was completed in November 2018 with in-service commencement in May 2019, and BHP operating and maintaining the new facility.

Tłjchq All-Season Road

The Government entered into an agreement with North Star Infrastructure GP on February 13, 2019, to design, build and maintain the Tłjchq All-Season Road (TASR). Construction was substantially completed in November 2021 with North Star Infrastructure GP operating and maintaining the new road.

All-season roads are critical to adapting the NWT transportation system to the impacts of climate change, helping support more reliable infrastructure. By replacing the southern section of the existing winter road serving the region, the TASR will not only provide year-round access to the community of Whatì but will also increase the window of access to the communities of Gamètì and Wekweètì.

This project will maximize the involvement of Northern businesses as road construction and maintenance will result in employment and training opportunities for Tłı̄chq̄ and Northern residents.

Summary of P3 Projects

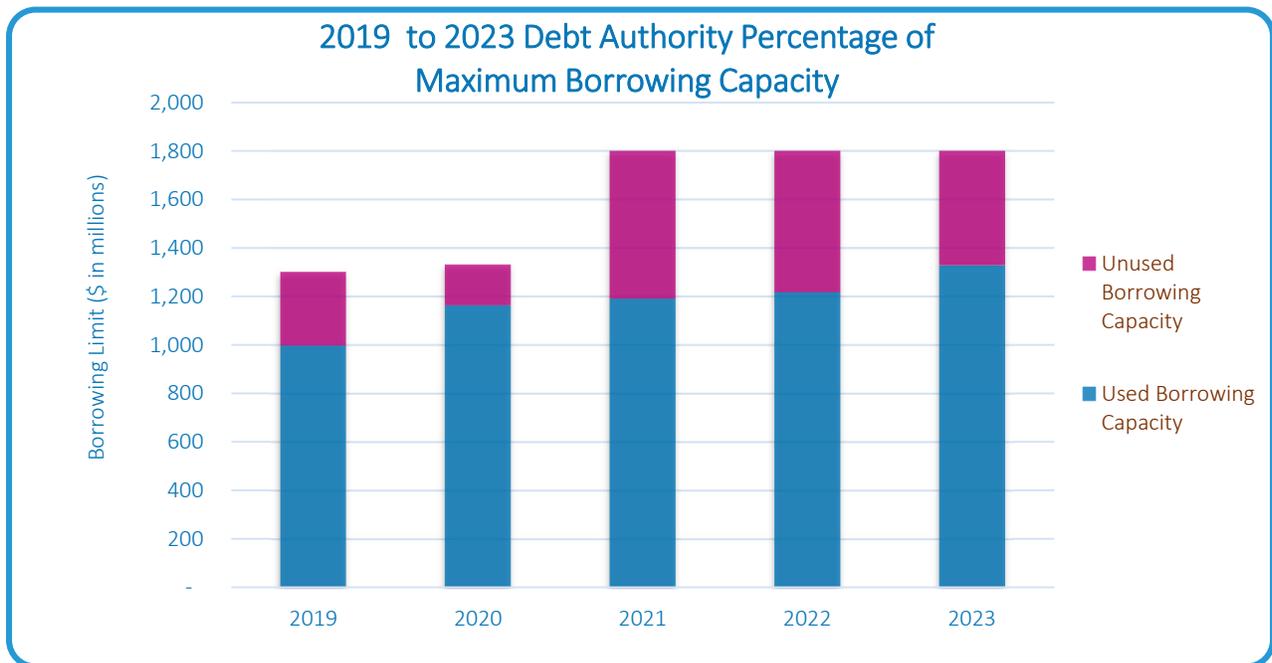
<i>P3 Project (in \$000s)</i>	Mackenzie Valley Fibre Link	Stanton Territorial Hospital Renewal	Tłı̄chq̄ All Season Road
Partner	Northern Lights General Partnership	Boreal Health Partnership	North Star Infrastructure GP
Contract signing date	October, 2014	September, 2015	February, 2019
Substantial completion date/in-service date	June, 2017	November, 2018	November, 2021
Annual interest rate	6.52%	5.36%	6.53%
Fiscal Year in which Repayment Ends	2037	2048	2047
GNWT Liability at Mar 31, 2022	\$69,900	\$127,128	\$73,482
GNWT Liability at Mar 31, 2023	\$67,100	\$123,690	\$71,382
Tangible capital asset cost	\$122,786	\$321,211	\$209,223
Interest expense for the 2022-23	\$4,563	\$6,820	\$4,800
Annual Operational Amount *	\$3,777	\$7,517	\$6,186
Total operations amounts to the end of the agreement *	\$68,600	\$365,000	\$148,100

* Amounts may be subject to inflationary increases.

LONG TERM DEBT, BORROWING AND LIMITS

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 15).



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

Bonds

The Government has \$180.0 million bond. The bond has an annual coupon rate of 2.2%, paid semi-annually and the repayment of \$180.0 million is due September 29, 2051, and in 2022-23 paid interest payments of \$3.9 million on the bond.

INDICATORS OF FINANCIAL CONDITION

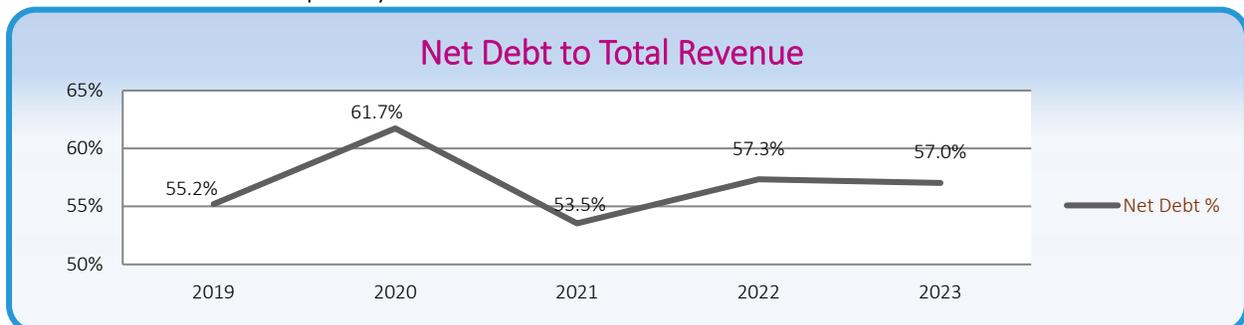
Financial condition describes a government's ability to meet its financial obligations with respect to its service commitments to the public and commitments to employees, creditors, and others.

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 2022-23 fiscal year the Government has a net debt position of \$1.60 billion compared to net debt of \$1.51 billion at the end of the prior fiscal year. The net debt represents 57.0% of total revenue.

The graph below shows that Government's net debt to total revenue has decreased from 57.3% in 2021-22 to 57.0% in 2022-23 mainly due to the increase in the Territorial Formula Financing Grant from the Government of Canada and other Transfer payments, and Corporate Income taxes. A decrease in this ratio is occurring as the Government revenue increased, while net debt has increased from the prior year.

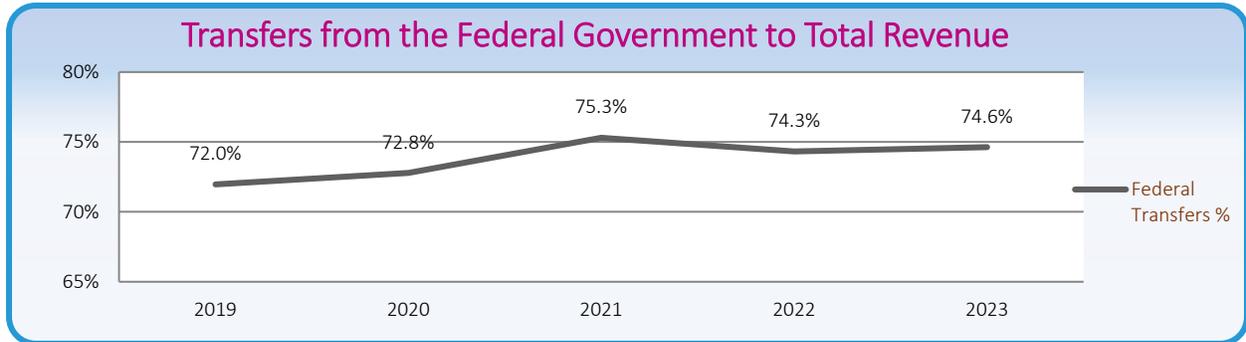


Net debt to total revenue is an indicator of the Government's ability to service the debt burden, where a decreasing ratio is a positive indicator that the rate of increase in net debt is lower than the rate of increase in revenue. A lower net debt to revenue ratio indicates higher sustainability, as 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 74.6% of total revenue for the current year. The formula determining the Territorial Formula Financing Grant is established under federal legislation that is renewed every five years. The next renewal begins April 1, 2024.
- 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 74.3% in 2021-22 to 74.6% in 2022-23. The total share of own source revenue increased by 5.2% from prior year, while transfers from federal government increased by 6.9% from prior year.

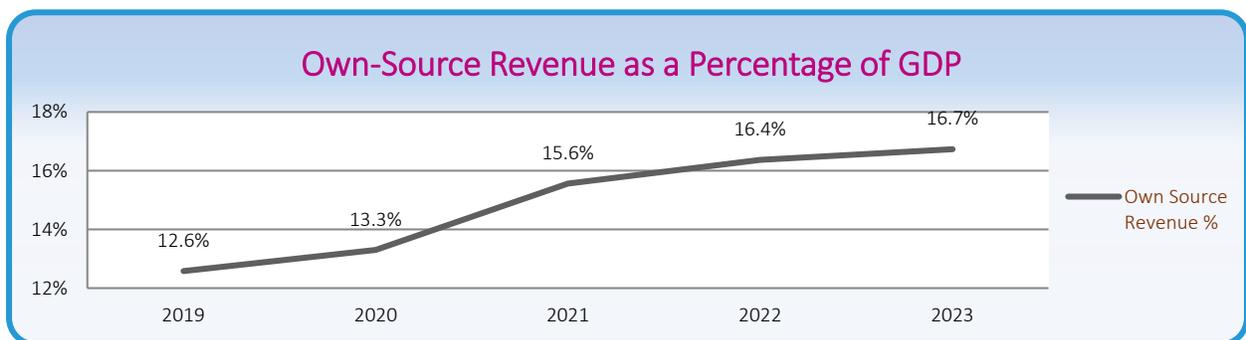


An increasing ratio typically reflects that the Government is more reliant on transfers from Canada to fund its programs.

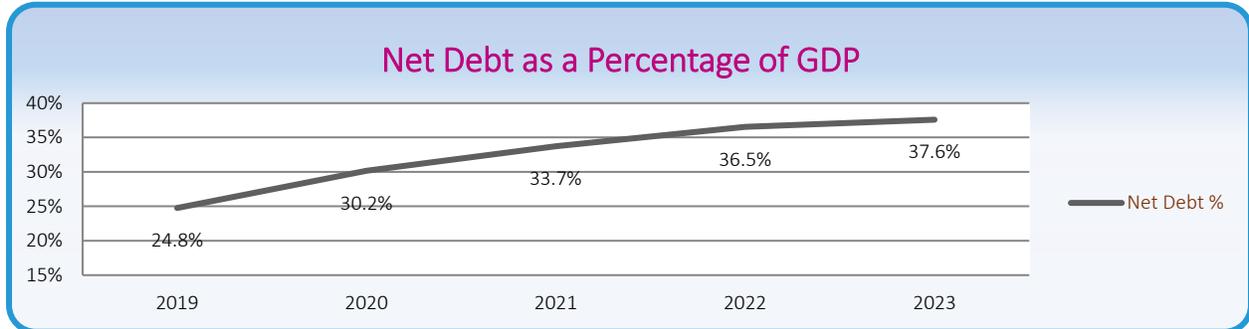
Flexibility: the degree to which a government can increase its financial resources to respond to rising commitments, by either expanding its revenues, or increasing its debt burden.

- At March 31, 2023, 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 74.6% of its total revenues, of which 54.2% comes from the Territorial Formula Financing Grant.
- The Government’s own-source revenues, (net of \$38.0 million in non-renewable resource revenues), slightly decreased to 24.0% of total revenue in 2022-23 (24.1% - 2021-22). 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 decreased as a percentage of GDP from 36.5% in 2021-22 to 37.6% in 2022-23. The increase in this ratio is a result of increasing net debt on an economy rebounding from the effects of COVID-19.



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, 2013 to 2022

Indicator	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Real GDP (Chained \$)	2.8	4.7	1.0	-1.1	3.6	1.3	-6.1	-10.5	6.3	2.9
Employment Rate (July 1)	1.8	-3.1	0.0	-2.9	-2.7	1.2	4.1	-11.7	15.3	3.6
NWT consumer price index	0.9	2.0	1.1	1.4	1.6	2.3	1.9	0.7	3.4	6.8
Population (July 1)	43,805	43,884	44,237	44,649	44,891	44,981	44,504	44,579	44,685	44,972
Population growth	0.2	0.2	0.8	0.93	0.54	0.2	1	0.2	0.2	0.6

(% change unless otherwise noted)

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 \$4.3 billion for 2022 (the latest year for which data is available), which represents a 2.9% increase relative to 2021. The transportation and warehousing industry, accommodation and food services industry, and construction industry increased the most between 2021 to 2022. The mining, oil and gas industry decreased by 6.4% between 2021 and 2022.

Canada, Provinces and Territories GDP Comparison

Real GDP at Basic Prices, calendar years 2021 and 2022

Millions of Chained (2017) Dollars*

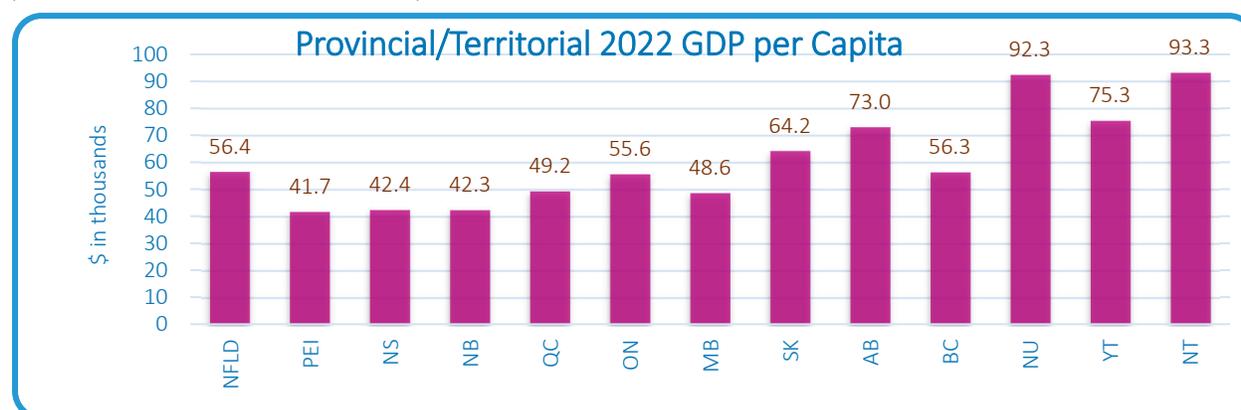
	2022	2021	Percent (%) Change
Canada	2,175,120	2,094,079	3.9
Northwest Territories	4,254	4,135	2.9
Nunavut	3,741	3,735	0.2
Yukon	3,298	3,118	5.8
British Columbia	299,250	288,151	3.9
Alberta	331,489	314,850	5.3
Saskatchewan	76,673	72,335	6.0
Manitoba	68,483	66,275	3.3
Ontario	839,497	809,659	3.7
Quebec	428,252	416,657	2.8
New Brunswick	34,330	33,875	1.3
Nova Scotia	43,188	41,914	3.0
Prince Edward Island	7,110	6,900	3.0
Newfoundland and Labrador	29,690	30,128	-1.5

Source: Statistics Canada (2022) 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

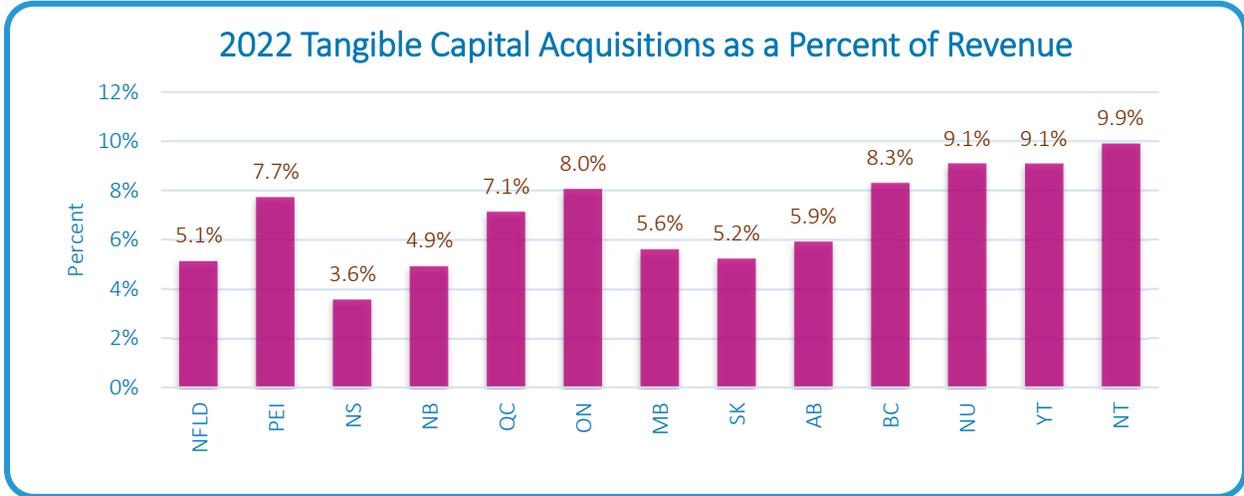
The NWT currently has the highest GDP per capita in Canada. This is an important indicator to note when considering GDP statistics as it shows that while the NWT has a relatively small population our GDP per capita is large by comparison. The NWT economy is less developed compared to provinces, with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



Statistics Canada. Population estimates July 1, 2022, and GDP Gross domestic product (GDP) at basic prices, by industry, Provinces, and Territories is calendar 2022.

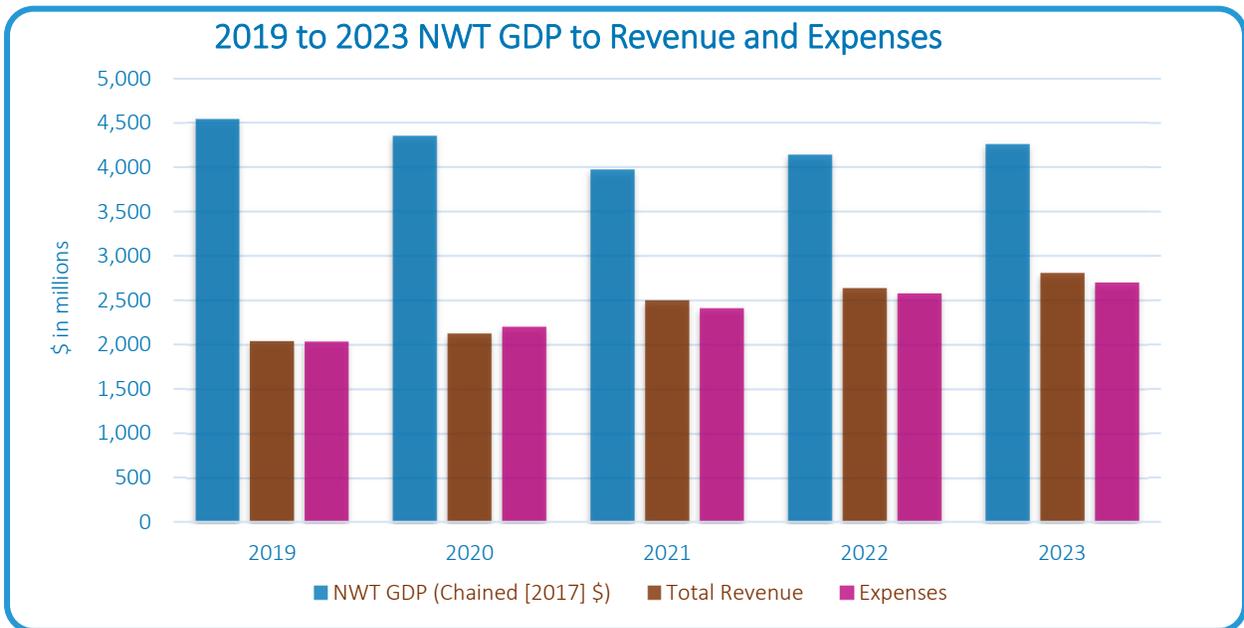
Provincial Comparisons – TCA Acquisitions as Percentage of Revenue Comparison

In 2022, at 9.9%, the Government has the highest percentage of revenue invested in infrastructure compared to other Territories and Provinces.



Figures calculated based on fiscal 2021-22 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 fires 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 continued the recovery activities relating to flooding from spring 2021 and then had to address flooding that occurred during spring 2022 which affected various communities. The costs incurred to March 2023 as well as recoveries received, or receivable are reflected in the accompanying consolidated financial statements.

Subsequent to year end, the Northwest Territories experienced above normal wildfire conditions which resulted in evacuation notices as well as evacuation orders in various communities throughout the territory. The impact on the consolidated financial position of the Government will be reported in the year(s) finalized.

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 and controlled expenditure growth while focusing on necessary infrastructure investments required to support the goals and priorities of each Legislative Assembly. 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 in order to ensure long-term fiscal sustainability 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 June 1, 2016

<https://www.fin.gov.nt.ca/en/resources/fiscal-responsibility-policy>

Compliance with Fiscal Responsibility Policy

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

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

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

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

Evaluation

The provisions of the Fiscal Responsibility Policy have been met for fiscal year 2022-23:

- The infrastructure investments, excluding P3, met the required 50.0% minimum operating surplus generated from the non-consolidated Public Accounts.
- Non-consolidated debt servicing costs are 2.4% of the non-consolidated revenue, which is less than the 5.0% limit.

Calculations for compliance to the FRP are in the chart on the next page.

Fiscal Responsibility Policy Compliance		
(All calculations based on the Public Accounts, Section II - Non Consolidated Financial Statements)		
	2023	2022 Restated
	(\$ in Millions)	
Policy Provision 6(5)(a)- Debt Servicing Payments		
Revenues (Public Accounts, Section II, Schedule A)	2,448	2,307
<i>Maximum Debt Servicing Payments- 5% of Revenues</i>	122	115
Debt Servicing Payments		
Short-Term Interest Expense (Public Accounts, Section II, note 9)	10	1
Bond (Public Accounts, Section II, note 15)	4	6
Deh Cho Bridge (Public Accounts, Section II, note 15)	20	19
P3 Debt Servicing (Public Accounts, Section II, note 16)	<u>25</u>	<u>17</u>
Total Debt Servicing Payments	59	43
Actual Debt Servicing Payments as a % of Revenues	2.40%	1.85%
Provision 6(3)- Infrastructure Financing		
Capital Acquisitions (Public Accounts, Section II, Schedule 4)	216	171
Less: P3 Items - Out of Scope (Public Accounts, Section II)		
Tlichó All Season Road (Public Accounts, Section II, note 16)	-	(59)
<i>Cash Required for Infrastructure Investment Expenditures</i>	216	112
<u>Operating Cash Required</u>		
Minimum cash required from operating surplus (50% of Acquisitions less out of scope items)	108	56
<i>Total Operating Cash Requirement</i>	108	56
<u>Operating Cash Available</u>		
Operating Surplus (Public Accounts, Section II, Statement of Operations)	122	31
Add Non Cash Item - Amortization (Public Accounts, Section II, Statement of Cash Flow)	<u>130</u>	<u>126</u>
<i>Total Operating Cash Available</i>	252	157
Net cash surplus (deficit) for 50% of Infrastructure Investment	144	101

Restatement:

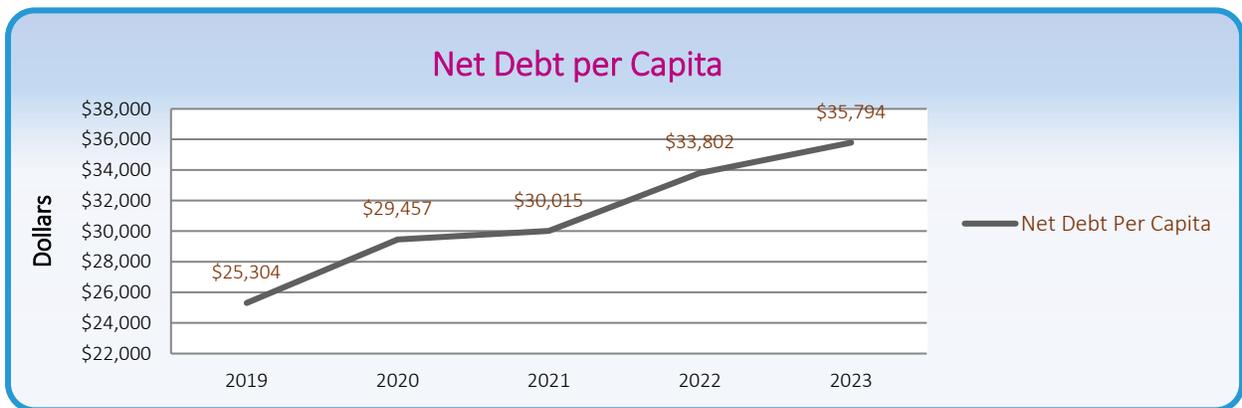
The comparative information was revised to include the service payments relating to the Bond (Public Accounts, Section II, note 15). The Debt Servicing Payments as a Percentage of GDP, Debt Servicing Costs to Total Revenue, and Debt Servicing Payments to Total Revenue information in the Performance Measures under the Fiscal Responsibility Policy that follows were also revised to include the bond service payments as well as to exclude the payments on substantial completion that was previously included in the graphs relating to the P3 debt servicing payments. The payment on substantial completion were from a sinking fund that was designated for the P3 and was required to be established by the P3 agreement and therefore satisfy the conditions to be excluded per the borrowing regulations.

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. Net Debt per Capita Ratio

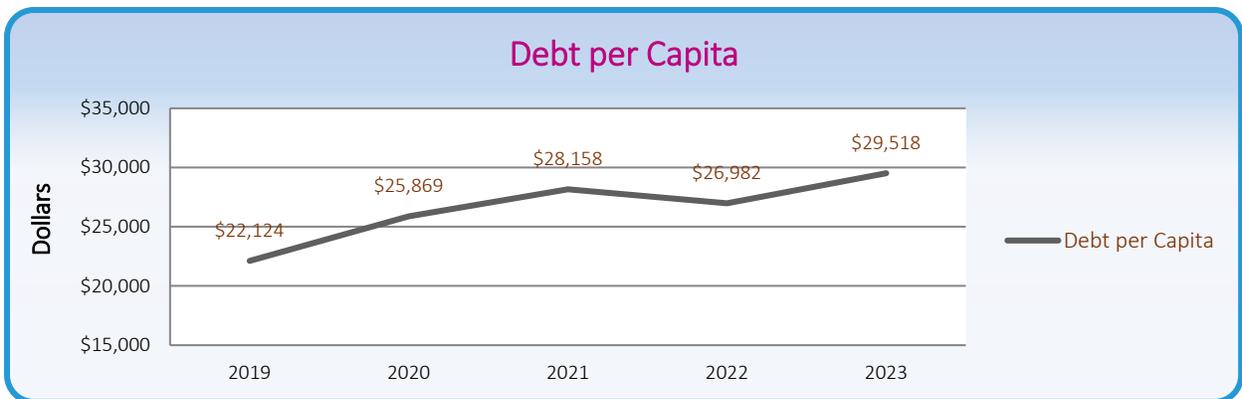
The Northwest Territories net debt per capita has increased by \$1,991 per person from \$33,802 in 2021-22 to \$35,794 in 2022-23.



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.

2. Debt per Capita Ratio

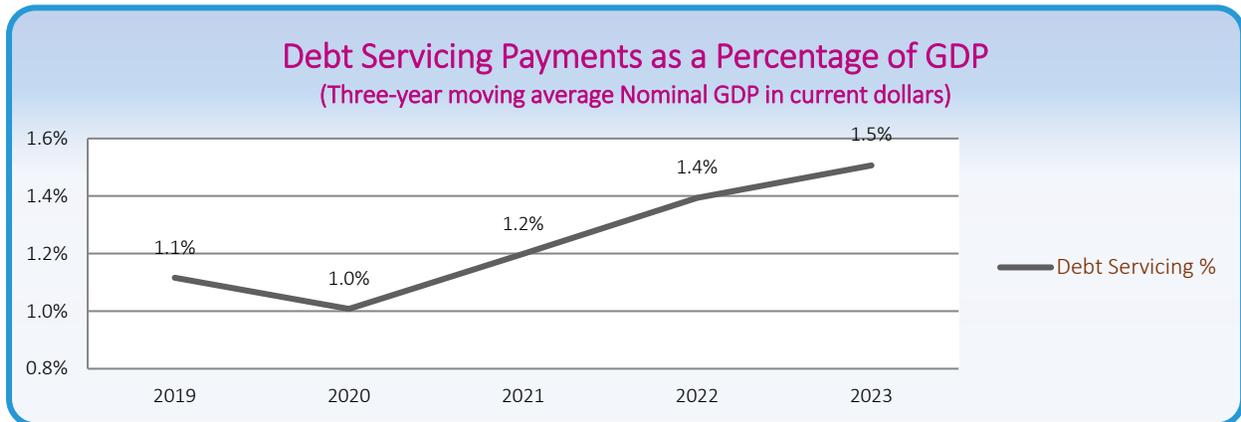
Debt per capita increased 9.4%; from \$26,982 in 2021-22 to \$29,518 in 2022-23. The debt per capita burden increased because high borrowing growth exceeded low population growth.



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 Payments as a percent of three-year moving GDP average

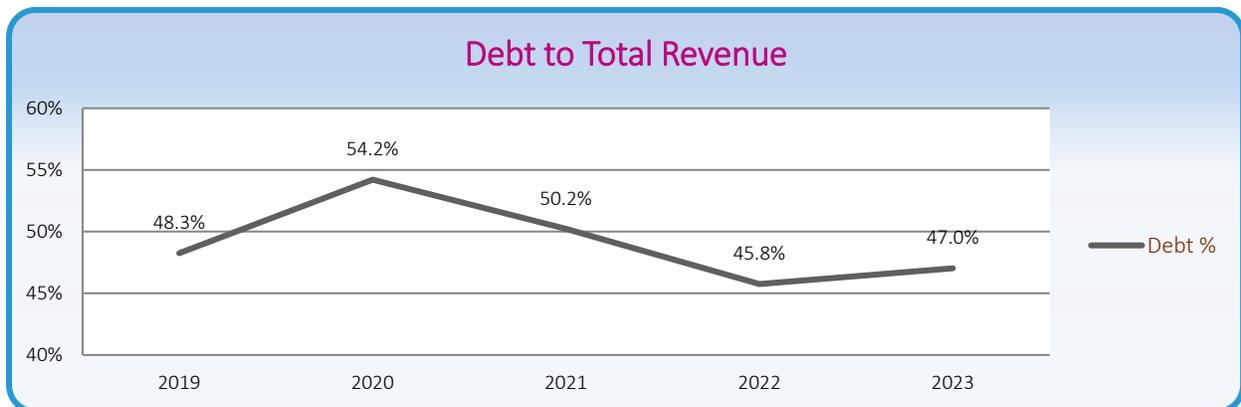
Debt servicing payments as a percentage of GDP for the Northwest Territories increased slightly from 1.4% in 2021-22 to 1.5%, in 2022-23 mainly due to increased interest on short term borrowing and P3 debt.



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.

4. Debt to Revenue Ratio

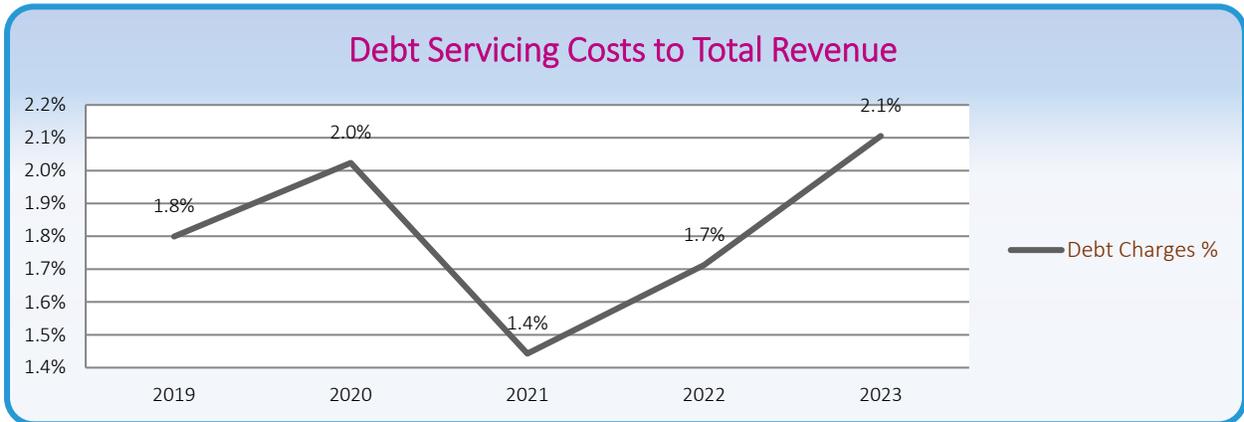
The Government’s debt to total revenue has increased from 45.8% in 2021-22 to 47.0% in 2022-23 because mainly due to increased short term borrowing.



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

5. Debt Servicing Costs as a percent of Revenue

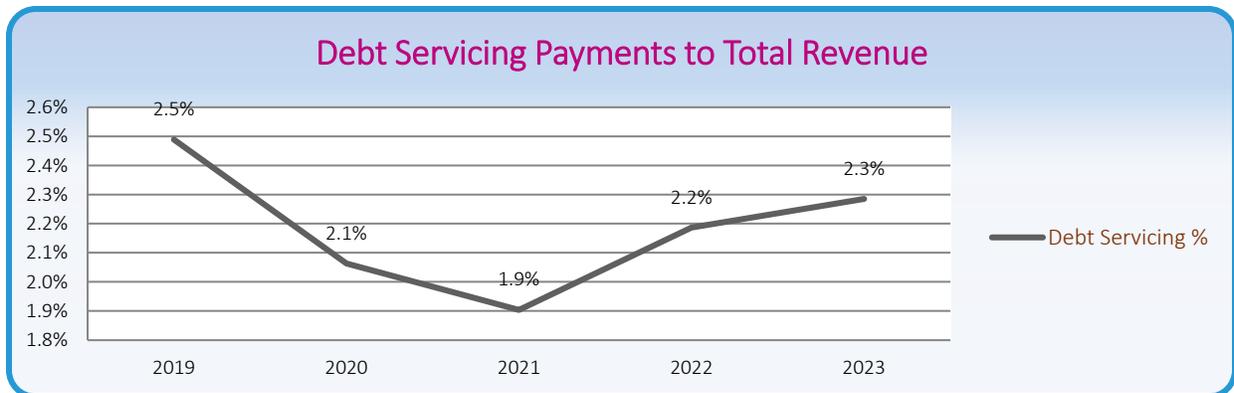
The Government’s debt servicing costs compared to total revenue has increased from 1.7% in 2021-22 to 2.1% in 2022-23 mainly due to higher interest on the short term borrowing and P3 debt.



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.

6. Debt Servicing Payments as a percent of Revenue

The Government’s debt servicing payments compared to total revenue has increased slightly from 2.2% in 2021-22 to 2.3% in 2022-23. This is mainly due to increased interest on short term borrowing and P3 debt.



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.

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 and remains one of the highest among provinces and territories.

FINANCIAL COMPARISONS AND VARIANCES

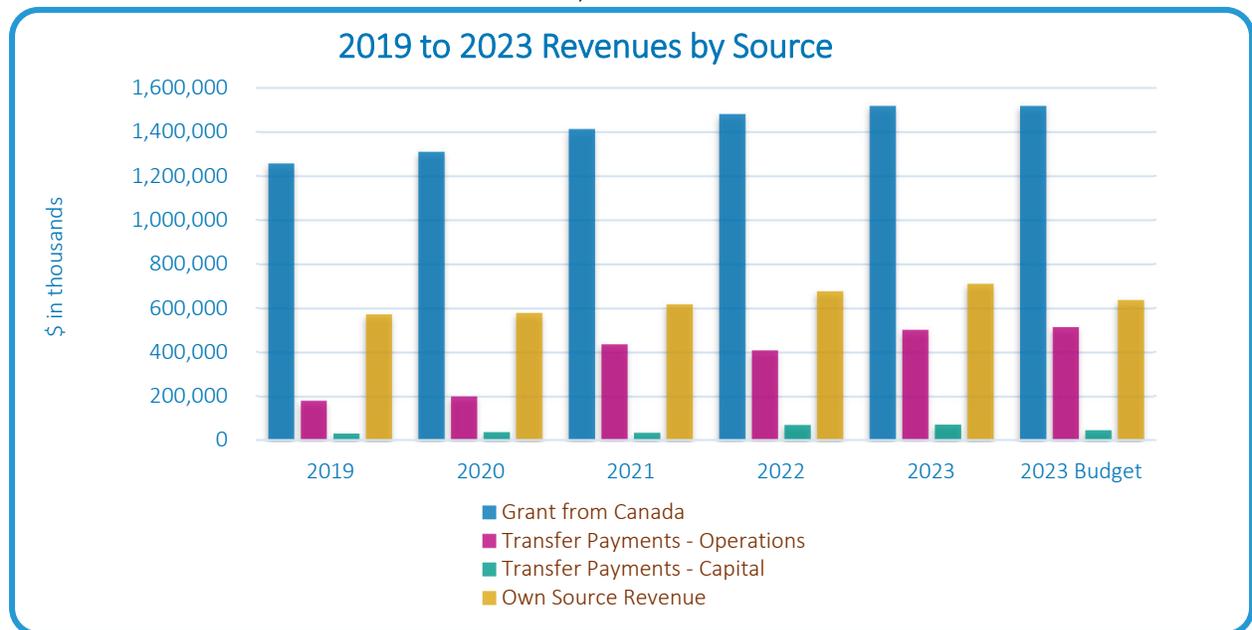
Balancing the budget entails not only controlling expenses but also finding the most effective and efficient mix of programs. During the fiscal year the variance review process assesses the present level of programs and services by monitoring the growth rates of revenues and expenditures on an ongoing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

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

Revenues Variance Analysis

The Government funds programs and services through a combination of transfers from the federal government, own-source revenues, and non-renewable resource revenues. Apart from corporate income tax, personal income tax, general and non-renewable resource revenues, other own-source revenues are proven to be consistent over the years. Corporate income tax revenue is volatile as it is dependent upon a small base of taxpayers. In any given year due to the volatility in corporate income tax; as the majority of corporate income tax revenues are generated by a small number of resource based tax payers, their taxable income fluctuates depending on production and global commodity prices.

Total revenue in 2022-23 is \$2.8 billion, an increase of \$87.9 million or 3.2% from the original budget. This increase is mainly due to increased corporate and personal incomes taxes; increased non-renewable resource revenues; and increased sales revenue.



Type of Revenue (in \$000s)	% of total 2023 Revenue Budget	% Change Actuals year over year	Variance Actual to Approved Budget 2023	Explanation
Territorial Formula Financing Grant	55.9%	2.6%	\$0	<ul style="list-style-type: none"> •2.6% increase from 2022 to 2023 is mainly due to a higher grant from Canada because of the Gross Expenditure base increase •no significant difference from 2023 actuals to original budget
Transfer Payments	20.6%	20.0%	\$13,090	<ul style="list-style-type: none"> •20.0% increase from 2022 to 2023 was mainly due to flood assistance revenue •\$13.1 million decrease from 2022 budget mainly due to delayed capital projects and ICIP projects (Investing in Canada Infrastructure Program)
Corporate & personal Income taxes	5.0%	11.8%	\$41,313	<ul style="list-style-type: none"> •11.8% increase from 2022 to 2023 mainly due to increased revenue received from the Federal Government based on estimates and revenue estimates for potential late filers. •\$41.3 million increase from the 2023 budget was mainly due to increases in corporate income tax of \$23.9 million and increases in personal income tax of \$17.4 million
Other taxes	5.4%	5.1%	-\$3,210	<ul style="list-style-type: none"> •5.1% increase from 2022 to 2023 was mainly due to increase carbon tax and payroll tax •\$3.2 million decrease from 2022 budget was mainly due to increased payroll taxes due to estimated employment levels; and increased carbon tax and insurance tax
Non-renewable resources	0.8%	-10.5%	\$16,422	<ul style="list-style-type: none"> •10.5% decline from 2022 to 2023 was due to market fluctuations. Non-renewable resource revenue are subject to volatility and fluctuate annually based on production •\$16.4 million increase from 2023 original budget due to budget taking into consideration uncertain impact on economy due to aftermath of COVID-19 pandemic
Own Source	12.2%	4.1%	\$20,226	<ul style="list-style-type: none"> •4.1% increase from 2022 to 2023 was mainly due to increases in sales in MTS of \$9.7 million and increased recoveries of \$5.3 million from infrastructure for third party work completed •\$20.3 million increase from 2023 original budget due to higher income earned on investments, higher sales, and increased recoveries of prior year expenditures

Note: based on Government reporting entity at consolidated level and original approved budget tabled June 3, 2022.

Types of Government Revenues

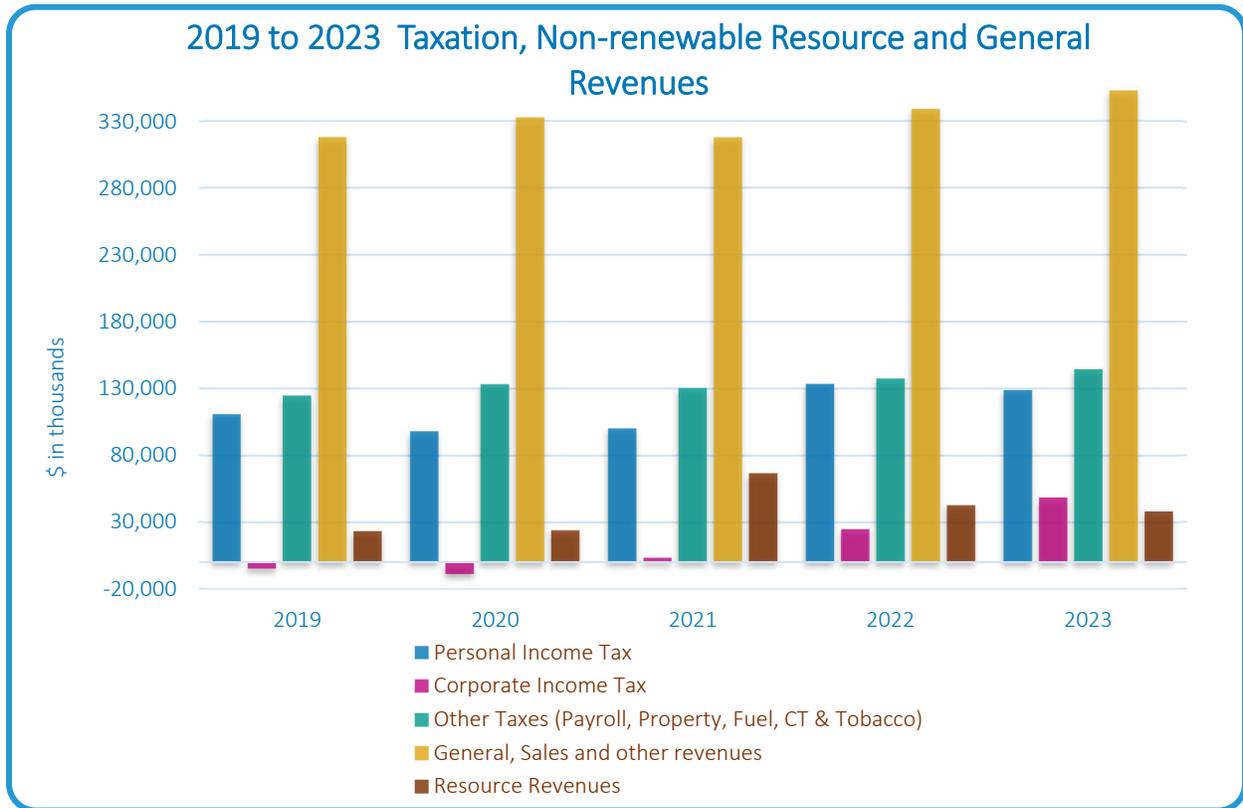
The Territorial Formula Financing Grant is an annual formula-based calculation based on a three-year moving average of data, which includes a two-year lag, to fill the fiscal gap between the Government's expenditure needs and its ability to raise revenues. The NWT's Grant equals the difference between 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 tobacco tax, fuel tax, property tax and payroll tax.

General Own source revenues include sales, general, income from portfolio investments and recoveries.



Non-renewable resource revenues are subject to volatility and the revenue streams fluctuate annually based on production and work bid deposits that are forfeited. In addition, non-renewable resource revenues are generated as the resources are extracted and are therefore finite. Non-renewable resource revenues, after sharing with the federal and Indigenous partners (signatories to the Northwest Territories Lands and Resources Devolution Agreement) are used to fund infrastructure, pay down debt and contribute to the NWT Heritage Fund.

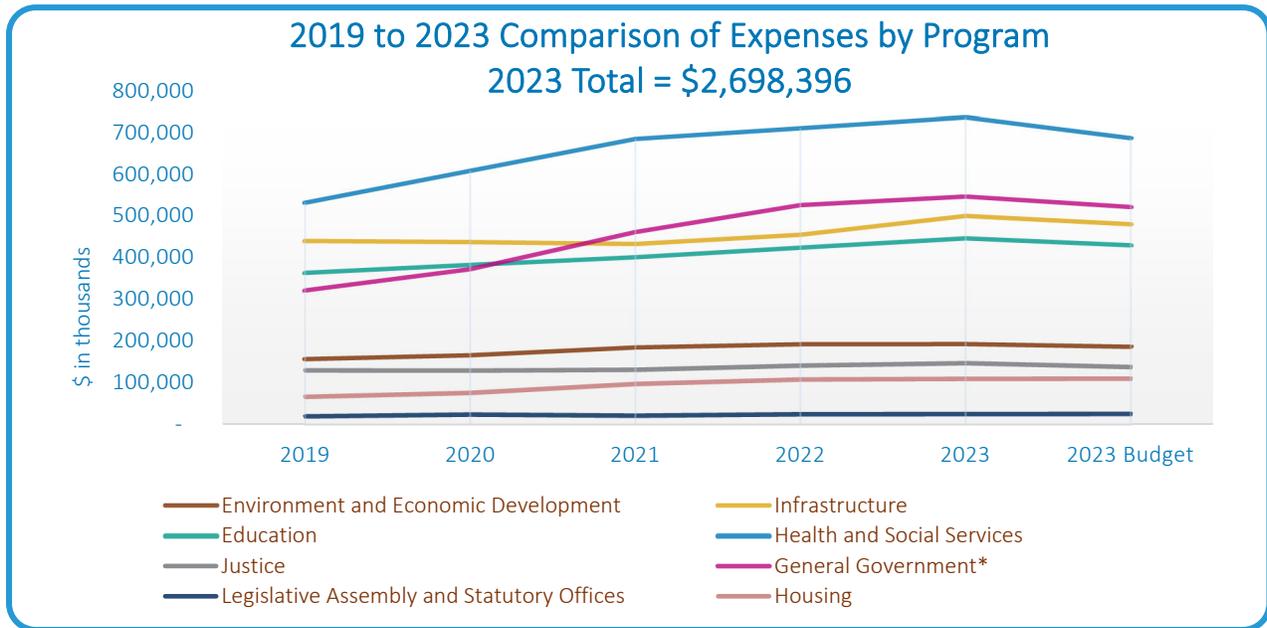
Resource revenues include all mineral revenues, oil and gas revenues and water revenues generated in the NWT but exclude royalty revenues that are part of land claim agreements. The resources revenues generated in the NWT and reported in the Public Accounts are shared with the federal government by reducing the Territorial Formula Financing Grant payments from Canada to the Government. The remaining amount of the resources revenues are referred to as the Net Fiscal Benefit which one quarter of this amount is transferred to the Indigenous governments that have signed on to the *Northwest Territories Lands and Resources Devolution Agreement*. A further one quarter after sharing with the Indigenous governments is deposited into the NWT Heritage Fund following a vote by the Legislative Assembly. The residual Net Fiscal benefit is used towards capital spending.

The 2022-2023 Net Fiscal Benefit is outlined in the chart below:

Net Fiscal Benefit (in \$000s) *	Approved Budget 2023	Actuals 2023	Actuals 2022
Non-renewable Resource Revenue	\$21,615	\$38,037	\$42,510
Government of Canada's share through a reduction in Territorial Formula Grant Financing	\$10,808	\$19,019	\$21,255
Aboriginal Parties' share through Net Fiscal Benefit Transfers	\$2,702	\$4,755	\$5,314
Allocation to the Heritage Fund through annual contributions	\$2,026	\$5,025	\$5,656
Net Fiscal Benefit	\$6,079	\$9,239	\$10,285

* This information was prepared on a non-consolidated basis to agree with the main estimates and to incorporate the allocation to the Heritage Fund which is otherwise eliminated upon consolidation.

Expense Variance Analysis by Program



Total expense was \$2.7 billion in 2022-2023. This represents an increase of \$122.5 million, or 4.8% over the prior year. The biggest increases were in Infrastructure, Health and Social Services, Education and General Government.

Financial Statement Discussion and Analysis 2022-2023

Type of Expenses by Program (in \$000s)	% of total Expenses in 2023	% Change Actuals year over year	Variance Actual to Approved Budget 2023	Explanation
Environment & Economic Development*	7.2%	0.3%	\$6,741	<ul style="list-style-type: none"> •no significant difference from 2022 to 2023 •\$6.7 million increase from the 2023 budget is mainly due to higher fire suppression costs
Infrastructure	18.6%	9.9%	\$20,001	<ul style="list-style-type: none"> •9.9% increase from 2022 to 2023 is mainly due to higher MTS costs (due to more assets in active service; airlift and flooding costs) and fuel prices; higher NT Hydro costs due to higher fuel prices and increased diesel use •\$20.0 million increase from the 2023 budget is mainly due to mainly due to higher MTS costs (due to more assets in active service; airlift and flooding costs) and fuel prices; higher NT Hydro costs due to higher fuel prices and increased diesel use
Education	16.7%	5.3%	\$16,479	<ul style="list-style-type: none"> •5.3% increase from 2022 to 2023 is mainly due to increase in compensation and benefits, increase in program expenses driven by increased funding; increase in demand for Income Assistance programs •\$16.5 million increase from the 2023 budget is mainly due to increase in compensation and benefits, increase in program expenses driven by additional funding received after budget finalized; increased demand in income assistance and student financial assistance programs
Health & Social Services*	26.6%	3.7%	\$49,687	<ul style="list-style-type: none"> •3.7% increase from 2022 to 2023 is mainly due to higher physician and nursing contract costs, higher compensation and benefits expenses, medical travel and locum services •\$49.7 million increase from the 2023 budget is mainly due to higher compensation and benefits, contract and travel costs
Housing	4.3%	1.3%	-\$343	<ul style="list-style-type: none"> •no significant difference from 2022 to 2023 •no significant difference from 2023 actuals to original budget
Justice	5.4%	4.0%	\$9,331	<ul style="list-style-type: none"> •4.0% increase from 2022 to 2023 is mainly due to salary and benefit increases •\$9.3 million increase from the 2023 budget is mainly due to salary and benefit increases for RCMP members, judges and department employees; and federal agreements signed after the original budget was approved.
General Government*	20.2%	3.9%	\$25,041	<ul style="list-style-type: none"> •3.9% increase from 2022 to 2023 is mainly due to is mainly due to 2022 flood recovery assistance, increased compensation and benefits costs and increased interest expenses •\$25.0 million increase from the 2023 budget is mainly due to 2022 flood recovery assistance, increased compensation and benefits costs, and increased interest expenses
Legislative Assembly & statutory offices*	1.0%	2.9%	-\$189	<ul style="list-style-type: none"> •no significant difference from 2022 to 2023 •no significant difference from 2023 actuals to original budget

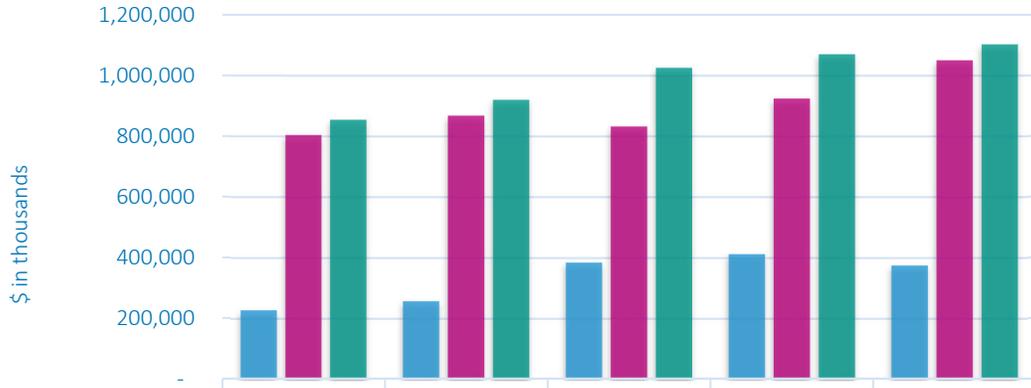
Note: The above comparisons to budget are based on original approved budget and do not include supplementary appropriations/or approved budget adjustments. Budget is based on Government reporting entity at consolidated level and original approved budget tabled June 3, 2022. *Note: For details of the program categories above see Note 23 **Section I**, Public Accounts.

Expense Variance Analysis by Object

Type of Expenses by Object (in \$000s)	% of total Expenses in 2023	% Change Actuals year over year	Variance Actual to Approved Budget 2023	Explanation
Grants & Contributions	15.4%	-9.2%	-\$21,875	<ul style="list-style-type: none"> •9.2% decrease from 2022 to 2023 is mainly due to lower aviation sector support payments and other COVID funding; and lower gas tax contribution agreements •\$21.9 million decrease from the 2023 budget is mainly due to delays in Low Carbon Economy Leadership Fund and Investing in Infrastructure Projects; reduced capital formula contributions, and lower net fiscal benefit payments
Operations & maintenance	39.8%	13.8%	\$26,040	<ul style="list-style-type: none"> •14.1% increase from 2022 to 2023 is mainly due to 2022 flood recovery assistance and fire suppression costs, increased interest expenses, accrual for remediation of municipal solid waste sites and sewage lagoons, increased fuel and diesel prices, increased health care contract costs •\$26.0 million increase from the 2023 budget is mainly due to 2022 flood recovery assistance, increased interest expenses, accrual for remediation of municipal solid waste sites and sewage lagoons, increased fuel and diesel prices
Compensation and benefits	38.0%	3.1%	\$125,471	<ul style="list-style-type: none"> •3.1% increase from 2022 to 2023 is mainly due to operational impacts from the 2022 flooding season, increased medical travel, salary and benefit increases •\$125.5 million increase from the 2023 budget is mainly due to operational impacts from the 2022 flooding season, increased medical travel, salary and benefit increases
Valuation allowance	0.0%	10.3%	\$6,367	<ul style="list-style-type: none"> •no significant difference from 2022 to 2023 •Valuation allowances are not budgeted
Amortization of TCAs	6.8%	-0.1%	-\$9,255	<ul style="list-style-type: none"> •no significant difference from 2022 to 2023 •\$9.6 million decrease from the 2023 budget is mainly due to delays in capital projects and decrease in ARO amortization

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 3, 2022

2019 - 2023 Comparison of Expenses by Select Object



	2019	2020	2021	2022	2023
■ Grants and contributions	226,802	256,680	383,667	411,873	373,991
■ Operations and maintenance	803,068	867,301	831,614	923,204	1,050,357
■ Compensation and benefits	853,829	919,163	1,024,562	1,069,233	1,102,082

APPENDIX A

COMPLETION OF ENTITIES CONSOLIDATED WITHIN THE PUBLIC ACCOUNTS

The following table lists the consolidated entities and completion date of their audited financial statements:

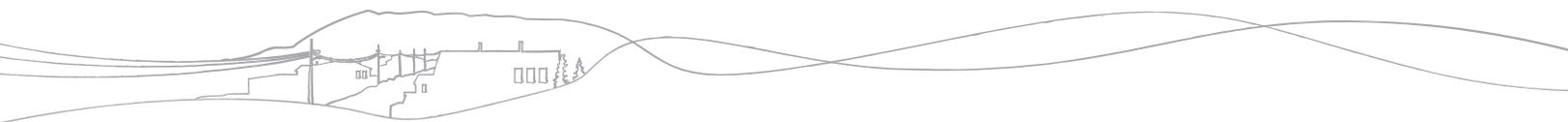
Entity	Due Date	Extension Due Date	Completion Date
Beaufort Delta Divisional Education Council	28-Sep-2022		31-Aug-2022
Commission scolaire francophone Territoires du Nord-Ouest	28-Sep-2022		28-Sep-2022
Dehcho Divisional Education Council	28-Sep-2022		30-Sep-2022
Dettah District Education Authority	28-Sep-2022		11-Oct-2022
N'dilo Divisional Education Council	28-Sep-2022		28-Sep-2022
Sahtu Divisional Education Council	28-Sep-2022		26-Sep-2022
South Slave Divisional Education Council	28-Sep-2022		10-Sep-2022
Yellowknife Catholic Schools	28-Sep-2022		21-Sep-2022
Yellowknife No.1 District Education Authority	28-Sep-2022		27-Sep-2022
Aurora College	28-Sep-2022	27-Nov-2022	23-Nov-2022
Northwest Territories Health and Social Services Authority	29-Jun-2023	28-Aug-2023	28-Aug-2023
Hay River Health and Social Services Authority	29-Jun-2023	28-Aug-2023	31-Aug-2023
Tłjchq Community Services Agency	29-Jun-2023		29-Jun-2023
Arctic Energy Alliance	29-Jun-2023		20-Jun-2023
Northwest Territories Hydro Corporation	29-Jun-2023	28-Aug-2023	11-Dec-2023
Northwest Territories Business Development and Investment Corporation	29-Jun-2023	28-Aug-2023	13-Sep-2023
Northwest Territories Heritage Fund	29-Jun-2023	28-Aug-2023	18-Oct-2023
Housing Northwest Territories	29-Jun-2023	28-Aug-2023	10-Oct-2023
Northwest Territories Human Rights Commission	29-Jun-2023		26-Jun-2023
Inuvialuit Water Board	29-Jun-2023		20-Jun-2023
Status of Women Council of the Northwest Territories	29-Jun-2023	28-Aug-2023	27-Jun-2023
Northwest Territories Surface Rights Board	29-Jun-2023		22-Jun-2023



2022-2023 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, 2023

SECTION II
NON-CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

HONOURABLE CAROLINE WAWZONEK
Minister of Finance

NON-CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

Non-Consolidated Statement of Financial Position	3
Non-Consolidated Statement of Operations and Accumulated Operating Surplus	4
Non-Consolidated Statement of Change in Net Debt	5
Non-Consolidated Statement of Remeasurement Gains and Losses	6
Non-Consolidated Statement of Cash Flow	7
Notes to Non-Consolidated Financial Statements	8
Schedule A - Non-Consolidated Schedule of Revenues by Source	51
Schedule B - Non-Consolidated Schedule of Expenses	52
Schedule C - Non-Consolidated Schedule of Tangible Capital Assets	53

Supplementary Schedules (unaudited)

Schedule 1 - Non-Consolidated Schedule of Revenues by Department	54
Schedule 2 - Non-Consolidated Schedule of Expenses by Department	58
Schedule 3 - Non-Consolidated Schedule of Recoveries of Prior Years' Expenses	62
Schedule 4 - Non-Consolidated Schedule of Summary of Capital Expenditures	63
Schedule 5 - Non-Consolidated Schedule of Grants	64
Schedule 6 - Non-Consolidated Schedule of Contributions	67
Schedule 7 - Non-Consolidated Schedule of Special Warrants	74
Schedule 8 - Non-Consolidated Schedule of Inter-activity Transfers exceeding \$250,000	75
Schedule 9 - Non-Consolidated Schedule of Bad Debt Write-offs, Forgiveness and Remissions	77
Schedule 10 - Non-Consolidated Schedule of Projects on Behalf of Others - Expenditures Recovered	79

Government of the Northwest Territories

Non-Consolidated Statement of Financial Position (unaudited)

as at March 31, 2023

(thousands of dollars)

	2023	2022 Restated (Note 2(x))
	\$	\$
Financial assets		
Portfolio investments (note 5)	51,729	40,307
Accounts receivable (note 6)	457,924	406,728
Due from the Government of Canada (note 12)	178,549	106,698
Inventories held for resale	49,342	37,100
Loans receivable (note 7)	86,152	88,988
Sinking fund (note 8)	-	500
Pension assets (note 17)	3,735	2,888
	827,431	683,209
Liabilities		
Bank overdraft (note 3)	50,708	23,159
Short-term loans (note 9)	432,334	364,972
Accounts payable and accrued liabilities (note 10)	404,811	354,125
Deferred revenue (note 11)	187,759	177,825
Due to the Government of Canada (note 12)	64,607	106,838
Environmental liabilities (note 13)	50,089	71,658
Liabilities for sewage lagoons and solid waste sites (note 14)	21,495	-
Asset retirement obligations (note 14)	85,020	87,228
Long-term debt (note 15)	362,783	357,922
Liabilities under public private partnerships (note 16)	262,172	270,510
Pension liabilities (note 17)	42,830	41,631
Other employee future benefits and compensated absences (note 18)	21,261	21,863
	1,985,869	1,877,731
Net Debt	(1,158,438)	(1,194,522)
Non-financial assets		
Tangible capital assets (schedule C)	3,006,278	2,919,636
Inventories held for use	3,080	2,148
Prepaid expenses	9,103	9,845
	3,018,461	2,931,629
Accumulated surplus	1,860,023	1,737,107
Accumulated surplus is comprised of:		
Accumulated operating surplus	1,859,182	1,737,107
Accumulated remeasurement gains	841	-
	1,860,023	1,737,107
Contractual obligations, rights, guarantees and contingencies, and subsequent events (notes 21, 22, 26)		

Approved by:


Caroline Wawzonek
Minister of Finance


Julie Mujcin, CPA, CGA
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, 2023

(thousands of dollars)

	2023 Budget (Note 1(b))	2023 Actual	2022 Restated (Note 2(x)) Actual
	\$	\$	\$
Revenues			
Revenues by source (<i>schedule A</i>)	2,404,759	2,448,104	2,306,689
Recoveries of prior years' expenses (<i>schedule 3</i>)	3,000	9,006	17,334
	2,407,759	2,457,110	2,324,023
Expenses (<i>schedule B</i>)			
Environment and Economic Development	167,957	175,735	177,721
Infrastructure	357,107	335,669	341,090
Education	375,162	383,183	373,454
Health and Social Services	613,962	659,431	656,817
Housing	78,358	85,045	76,713
Justice	137,697	147,073	141,364
General Government	491,549	523,957	501,128
Legislative Assembly and statutory offices	25,435	25,302	24,636
	2,247,227	2,335,395	2,292,923
Annual operating surplus	160,532	121,715	31,100
Petroleum Products Stabilization Fund net profit (loss) for the year (<i>note 19</i>)	-	360	(1,723)
Annual operating surplus before the following	160,532	122,075	29,377
Accumulated operating surplus at beginning of year	1,737,107	1,737,107	1,707,730
Accumulated operating surplus at end of year	1,897,639	1,859,182	1,737,107

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, 2023

(thousands of dollars)

	2023 Budget (Note 1(b))	2023 Actual	2022 Restated (Note 2(x)) Actual
	\$	\$	\$
Net debt at beginning of year	(1,194,522)	(1,194,522)	(1,158,266)
Items affecting net financial resources:			
Annual operating surplus	160,532	122,075	29,377
Change in tangible capital assets, net book value (<i>schedule C</i>)	(276,801)	(86,642)	(62,810)
Change in inventories held for use	-	(932)	(570)
Change in prepaid expenses	-	742	(2,253)
Increase in net debt excluding net remeasurement gains	(116,269)	35,243	(36,256)
Net remeasurement gains	-	841	-
Increase in net debt	(116,269)	36,084	(36,256)
Net debt at end of year	(1,310,791)	(1,158,438)	(1,194,522)

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, 2023

(thousands of dollars)

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

(thousands of dollars)

	2023	2022 Restated (Note 2(x))
	\$	\$
Cash and cash equivalents provided by (used for)		
Operating transactions		
Annual operating surplus*	122,075	29,377
Items not affecting cash and cash equivalents:		
Provision for bad debts and forgivable loans	2,087	2,551
Recoveries of forgivable loans	(492)	(389)
Amortization of tangible capital assets	130,421	126,051
Accretion expense	1,540	1,540
	255,631	159,130
Changes in non-cash assets and liabilities:		
Change in due to (from) Canada	(114,082)	(59,825)
Change in other financial assets	(54,130)	(62,529)
Change in other financial liabilities	89,161	144,961
Change in prepaid expenses	742	(2,253)
Change in inventories held for use	(932)	(570)
Change in inventories for resale	(12,242)	2,149
Cash and cash equivalents provided by operating transactions	164,148	181,063
Investing transactions		
Designated cash and investments purchased	(20,656)	(9,119)
Designated cash and investments sold	10,075	6,331
Net loans receivable receipts (disbursements)	3,328	2,443
Sinking fund installments	-	(34,519)
Sinking fund redemption	500	112,118
Cash and cash equivalents provided by (used for) investing transactions	(6,753)	77,254
Capital transactions		
Acquisition of tangible capital assets	(248,870)	(194,819)
Disposal of tangible capital assets (net)	41	244
Cash and cash equivalents used for capital transactions	(248,829)	(194,575)
Financing transactions		
Acquisition (repayment) of short-term financing	67,362	40,101
Acquisition (repayment) of long-term financing	(3,477)	(76,909)
Cash and cash equivalents provided by (used for) financing activities	63,885	(36,808)
Increase (decrease) in cash and cash equivalents	(27,549)	26,934
Cash and cash equivalents at beginning of year	(23,159)	(50,093)
Cash and cash equivalents at end of year	(50,708)	(23,159)

* Interest paid during the year \$36,751 (2022 - \$23,532). Interest received during the year \$6,031 (2022 - \$1,677).

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, 2023

(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
- Inuvialuit Water Board
- Northwest Territories Business Development and Investment Corporation
- Northwest Territories Heritage Fund
- Housing Northwest Territories
- Northwest Territories Human Rights Commission
- Northwest Territories Hydro Corporation
- Northwest Territories Surface Rights Board
- 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 2022-2023 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, 2023

(All figures in thousands of dollars)

1. AUTHORITY, OPERATIONS AND REPORTING ENTITY (continued)

(b) Budget (continued)

	2023 Main Estimates as Tabled \$	Projects on Behalf of Third Parties Adjustment ¹ \$	Carbon Tax Adjustment ² \$	Housing Northwest Territories Adjustment ³ \$	2023 Budget as Presented \$
Revenues					
Revenues by source	2,299,537	129,122	(23,900)	-	2,404,759
Recoveries of prior years' expenses	3,000	-	-	-	3,000
	2,302,537	129,122	(23,900)	-	2,407,759
Expenses					
Environment and Economic Development	158,348	9,609	-	-	167,957
Infrastructure	346,608	10,499	-	-	357,107
Education	367,771	7,391	-	-	375,162
Health and Social Services	597,332	16,630	-	-	613,962
Housing	-	-	-	78,358	78,358
Justice	137,054	643	-	-	137,697
General Government	509,457	84,350	(23,900)	(78,358)	491,549
Legislative Assembly and statutory offices	25,435	-	-	-	25,435
	2,142,005	129,122	(23,900)	-	2,247,227
Annual operating surplus before the following	160,532	-	-	-	160,532
Projects on behalf of third parties					
Expenses	(129,122)	129,122	-	-	-
Recoveries	129,122	(129,122)	-	-	-
Annual operating surplus	160,532	-	-	-	160,532

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 existence and extent of contamination, the responsibility for, 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 estimated.

The provision for asset retirement obligations is subject to a high degree of measurement uncertainty because the responsibility for, 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) Sinking fund

The sinking fund is externally restricted cash held specifically for the purpose of repaying outstanding debt at maturity. The sinking fund is recorded at amortized cost.

(g) 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.

(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 (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)

(h) 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 intangibles, works of art, and items inherited by right of Crown, such as Crown lands, forests, water and mineral resources are not recognized in these financial statements.

(i) 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 future event is considered likely to occur and is quantifiable, a contingent asset is disclosed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Environmental liabilities

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

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.

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

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

The estimated ARO is recorded as 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 related 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)

(l) Liabilities under Public-Private Partnerships

The Government may, as an alternative to traditional forms of procurement governed by the Government's Contract Regulations, enter into public private partnership (P3) agreements with the private sector to procure services and public infrastructure when: the total projected threshold for procuring those services, including capital, operating and service costs over the life of the agreement, exceeds \$50,000; 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 operating and service costs, that are clearly identified in the agreements, are expensed as they are incurred.

The Government accounts for P3 projects in accordance with the substance of the underlying agreements. In circumstances where the Government is determined to bear the risks and rewards of an asset under construction, the asset and the corresponding liability are recognized over time as the construction progresses and control is transferred to the Government. During construction, the 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 capital asset value is the total of progress payments made during construction and 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. Service fees may occur throughout the project or when the project is operational; these fees will include both a service and operational component. All payments are adjusted to reflect performance standards as outlined in the specific agreement and penalties may be deducted for sub-standard performance. When available for use, the P3 assets are amortized over their estimated useful lives.

A P3 agreement may encompass certain revenues, including those collected by the partner on behalf of the Government. In such instances the Government will report the gross revenue along with the asset, liability, and expenses as determined from the specific project.

(m) Financial Instruments

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

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

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)

(m) 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 expenses.

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.

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

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

(o) Contractual obligations and contingent liabilities

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

(p) Grant from the Government of Canada

The Grant from the Government of Canada is recognized as revenue when entitlement for the transfer occurs. Under *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.

(q) Transfer payments

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

(r) Taxes, regulatory, resource, and general 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.

Regulatory revenues, which are part of general revenues, are recognized on an accrual basis and include revenues for fines, fees, licenses, permits, and registrations. Amounts received prior to the end of the year, which relate to revenues that will be earned in a subsequent year, are recorded as deferred revenues and are recognized as revenue when earned.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Taxes, regulatory, resource, and general revenues (continued)

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

Non-renewable resource revenues are recognized on an accrual basis and include mineral, quarry, oil and gas, and water revenues as defined in the Northwest Territories Lands and Resources Devolution Agreement. Mineral and quarry revenues are collected under the authority of the *NWT Lands Act*, water revenues are collected under the authority of the *Water Act* and oil and gas revenues are collected under the authority of the *Petroleum Resources Act*. The Government is entitled to 50 percent of the resource revenues collected (which is referred to as the net fiscal benefit), up to a maximum amount based on a percentage of the Gross Expenditure Base under Territorial Formula Financing. The Government of Canada will deduct its share of the resource revenues collected by the Government (the remaining amount) from the Territorial Formula Financing Grant (*note 2(p)*) payable to the Government two years hence. The Government has also committed to sharing up to 25 percent of the net fiscal benefit with Aboriginal governments that are signatories to the Northwest Territories Lands and Resources Devolution Agreement as per the *Northwest Territories Intergovernmental Resource Revenue Sharing Act*.

(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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 Non-consolidated Statement of Operations and Accumulated Operating Surplus when settled.

(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, 2023, the Government 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. There will be no significant impact on the financial statements as a result of its application.

Effective April 1, 2023, the Government will be required to adopt PS 3160 Public Private Partnerships. This standard provides guidance on how to account for and disclose public private partnerships. There will be no significant impact on the financial statements as a result of its application.

(x) Adoption of new accounting standards

Asset retirement obligations

Effective April 1, 2022, the Government adopted the PS 3280 Asset Retirement Obligations standard using the modified retroactive method with restatement of prior year's comparative figures. Under the modified retroactive method, amounts are measured using information, assumptions and discount rates at April 1, 2022. The amount recognized as an asset retirement cost is measured as of the date the asset retirement obligation was incurred. Accumulated accretion and amortization are measured for the period from the date the liability would have been recognized had the provision of PS 3280 been in effect to the date as of which PS 3280 is first applied.

On initial application of the standard, the Government derecognized previously recorded asset retirement obligations and recognized:

- a liability for existing asset retirement obligations,
- an asset retirement obligation cost, capitalized as an increase to the carrying amount of the related tangible capital asset
- accumulated amortization on the capitalized asset retirement cost from the date the liability was deemed to occur, and
- an adjustment to the opening balance of accumulated surplus.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Adoption of new accounting standards (continued)

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. Significant impacts from the adoption of this standard are: a new Statement of Remeasurement Gains and Losses, additional disclosure on financial risk exposure and management, and certain portfolio investments are measured at fair value as opposed to amortized cost. The Government applied this new standard prospectively; therefore, recognition, derecognition, and measurement policies have not been reversed, and prior year's financial statements, including comparative information, have not been restated. Accumulated remeasurement gain was adjusted by \$2,371 which represents the adjustment on adoption of PS 3041 Portfolio Investments.

Other New Standards

Effective April 1, 2022, the Government adopted PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation, and PS 3041 Portfolio Investments. PS 1201, 2601, and 3041 were required to be adopted in the same fiscal year that PS 3450 Financial Instruments was adopted. The adoption of these standards did not result in any significant incremental impacts to the non-consolidated financial statements beyond those changes required by the adoption of PS 3450

The adoption of these standards has resulted in the following adjustments to the March 31, 2022 Non-consolidated financial statements:

Non-Consolidated Statement of Financial Position impact:

	As Previously Reported March 31, 2022 \$	Adjustment \$	Restated Amount As At March 31, 2022 \$
Asset retirement obligations	-	87,228	87,228
Net debt	(1,107,294)	(87,228)	(1,194,522)
Tangible capital assets	2,912,550	7,086	2,919,636
Accumulated surplus	1,817,249	(80,142)	1,737,107

Non-Consolidated Statement of Operations and Accumulated Operating Surplus impact:

	As Previously Reported March 31, 2022 \$	Adjustment \$	Restated Amount As At March 31, 2022 \$
General government expenses	499,007	2,121	501,128
Annual operating surplus	31,498	(2,121)	29,377
Accumulated surplus at beginning of year	1,785,751	(78,021)	1,707,730
Accumulated surplus at end of year	1,817,249	(80,142)	1,737,107

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Adoption of new accounting standards (continued)

Non-Consolidated Statement of Changes in Net Debt impact:

	As Previously Reported March 31, 2022 \$	Adjustment \$	Restated Amount As At March 31, 2022 \$
Net debt at beginning of year	(1,080,245)	(78,021)	(1,158,266)
Annual operating surplus	31,498	(2,121)	29,377
Change in tangible capital assets, net book value	(55,724)	(7,086)	(62,810)
Net debt at end of year	(1,107,294)	(87,228)	(1,194,522)

Non-Consolidated Statement of Cash Flow:

	As Previously Reported March 31, 2022 \$	Adjustment \$	Restated Amount As At March 31, 2022 \$
Annual operating surplus	31,498	(2,121)	29,377
Amortization of tangible capital assets	125,470	581	126,051
Accretion expense	-	1,540	1,540

Schedule B - Non-Consolidated Schedule of Expenses:

	As Previously Reported March 31, 2022 \$	Adjustment \$	Restated Amount As At March 31, 2022 \$
Finance expenses	331,352	2,121	333,473
Other expenses	586,091	1,540	587,631
Amortization expense	120,739	581	121,320
Prior year total expenses	2,290,802	2,121	2,292,923

March 31, 2023**(All figures in thousands of dollars)**

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

Schedule C - Non-Consolidated Schedule of Tangible Capital Assets:

	As Previously Reported		Restated Amount As At
	March 31, 2022	Adjustment	March 31, 2022
	\$	\$	\$
Cost of tangible capital assets, opening	331,352	34,438	365,790
Cost of tangible capital assets, closing	4,686,033	34,438	4,720,471
Accumulated amortization, opening	(1,648,692)	(26,771)	(1,675,463)
Amortization expense	(125,470)	(581)	(126,051)
Accumulated amortization, closing	(1,773,483)	(27,352)	(1,800,835)
Net book value	2,912,550	7,086	2,919,636

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, 2023, the investment pool had no net overdraft balance (2022 - nil).

The investment pool had an average portfolio yield range for the year of 0.90% - 4.99% (2022 was 0.65% - 0.96%). In 2023, the Government received interest on short-term investments of \$1,518 (2022 - \$191).

(b) Investment pool

As at March 31, 2023, the Government's share in the investment pool was a deficit of \$50,708 (2022 - \$23,159).

The Government's cash deficit related to the investment pool carried interest at an average rate of 5.15% (2022 - 2.47%).

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, 2023 is \$8,084 (2022 - \$5,533) and a corresponding liability is included in deferred revenue (note 11).

(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.

During the year, the Government established a fund for the purpose of retiring the bond that is due in September 2051. 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 17). Supplementary Retiring Allowance Regulations restrict the investments to those permitted under the *Pension Benefits Standards Act*.

The proportionate asset mix in the investment portfolio is as follows as at March 31:

	2023 %	2022 %
Canadian stocks	21.61	19.97
Cash and other assets	1.40	2.00
Fixed income mutual funds	57.82	42.80
Federal bonds	-	10.80
Foreign stocks	19.17	24.43
	<u>100.00</u>	<u>100.00</u>

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2023

(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:

	2023 \$	2022 \$
Student loan fund:		
Authorized limit for loans receivable	45,000	45,000
Less: Loans receivable balance	(40,225)	(41,294)
Funds designated for new loans	4,775	3,706
Environment Fund:		
Beverage Container Program net assets	8,808	7,475
Land Titles Assurance Fund:		
Land Titles net assets	5,656	5,301
Total designated assets in cash and cash equivalents	19,239	16,482
Designated for repayment of bond	9,694	-
Designated for the Legislative Assembly Supplementary Retiring Allowance Pension Plan	42,035	40,307
Total designated assets in portfolio investments	51,729	40,307
Total designated assets	70,968	56,789

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2023

(All figures in thousands of dollars)

5. PORTFOLIO INVESTMENTS

	2023 \$	2022 \$
Cost and amortized Cost	32,488	40,307
Fair valued	19,241	-
Total portfolio investments	51,729	40,307

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

	2023 Cost \$	2023 Market Value \$	2022 Cost \$	2022 Market Value \$
Bonds	31,660	27,982	21,802	19,683
Equities and other financial instruments	828	828	18,505	20,268
	32,488	28,810	40,307	39,951

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

	Level 1 \$	Level 2 \$	2023 Level 3 \$	Total \$
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

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2023

(All figures in thousands of dollars)

6. ACCOUNTS RECEIVABLE

	Accounts Receivable \$	Allowance for Doubtful Accounts \$	Net 2023 \$	Net 2022 \$
General	105,050	(29,496)	75,554	49,064
Government of Nunavut	12,192	-	12,192	8,997
Revolving fund sales	3,739	(375)	3,364	1,520
Non-renewable resource revenue	39,791	-	39,791	40,779
Workers' Safety Compensation Commission	214	-	214	84
	<hr/>	<hr/>	<hr/>	<hr/>
	160,986	(29,871)	131,115	100,444
	<hr/>	<hr/>	<hr/>	<hr/>
Receivables from related parties:				
Divisional Education Councils and District Education Authorities	8,587	-	8,587	15,256
Health and Social Services Authorities	303,078	-	303,078	275,606
Northwest Territories Business Development and Investment Corporation	303	-	303	254
Housing Northwest Territories	2,717	-	2,717	3,883
Tlicho Community Services Agency	6,120	-	6,120	5,080
Northwest Territories Hydro Corporation	55	-	55	211
Aurora College	5,755	-	5,755	5,900
Inuvialuit Water Board	127	-	127	94
Arctic Energy Alliance	67	-	67	-
	<hr/>	<hr/>	<hr/>	<hr/>
	326,809	-	326,809	306,284
	<hr/>	<hr/>	<hr/>	<hr/>
	487,795	(29,871)	457,924	406,728

During the year, no accounts receivable (2022 - \$0) were written off and \$1,051 (2022 - \$97) were forgiven.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2023

(All figures in thousands of dollars)

7. LOANS RECEIVABLE

	2023	2022
	\$	\$
Working capital advances to the Northwest Territories Business Development and Investment Corporation. 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.	24,898	26,067
Students Loan Fund loans due in installments to 2035, bearing fixed interest between 0.00% and 11.75%, unsecured.	40,225	41,294
Yellowknife Catholic School Board advance, unsecured, repayable in monthly installments of \$10 (2022 - \$10). Interest is calculated monthly based upon the Government's current borrowing rate.	205	315
Northwest Territories Power Corporation loan, unsecured, repayable in semi-annual installments of \$922, bearing fixed interest at 2.265%.	37,598	38,572
Other	-	6
	102,926	106,254
Valuation allowance - Student Loan Fund	(16,774)	(17,266)
	86,152	88,988

During the year, \$2,258 in student loans (2022 - \$1,958) was remised with proper authority.

Interest earned on loans receivable during the year is \$2,022 (2022 - \$1,492).

8. SINKING FUND

The Sinking Fund was established on July 15, 2019 and included cash held in a separate bank account for the purpose of retiring liabilities under public private partnerships for the Tlicho All Season Road contract (note 16). The Government made contributions and then in November 2022, at the time of substantial completion of the Tlicho All Season Road, the Government used the sinking fund to retire a portion of the related liability under the public private partnership. As at March 31, 2023, the Sinking Fund balance is \$0 (2022 - \$500).

9. SHORT-TERM LOANS

Based upon operational needs, the Government may enter into short term borrowing arrangements with its banks. Short term loans of \$432,334 (2022 - \$364,972) incurred interest at the weighted average year-end rate of 3.74% (2022 - 0.48%). Interest paid is \$10,749 (2022 - \$1,332).

The short-term borrowing limit under the *Appropriation Act* as at March 31, 2023 is \$890,000 (2022 - \$731,000).

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2023

(All figures in thousands of dollars)

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
	\$	\$
Trade	270,288	214,813
Government of Nunavut	707	553
Employee and payroll-related liabilities	81,544	87,171
Other liabilities	2,468	4,252
Non-renewable resource sharing	8,410	11,341
Workers' Safety and Compensation Commission (Northwest Territories and Nunavut)	2,647	1
	366,064	318,131
Payables to related parties:		
Arctic Energy Alliance	-	21
Aurora College	207	327
Divisional Education Councils and District Education Authorities	1,447	139
Health and Social Services Authorities	35,292	31,396
Northwest Territories Business Development and Investment Corporation	5	2,042
Housing Northwest Territories	449	17
Northwest Territories Hydro Corporation	542	734
Tlicho Community Services Agency	806	1,295
Northwest Territories Human Rights Commission	-	23
	38,748	35,994
	404,811	354,125

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2023

(All figures in thousands of dollars)

11. DEFERRED REVENUE

	2022 Balance \$	Additions \$	Usage \$	2023 Balance \$
Government of Canada	34,873	61,943	(54,268)	42,548
Government of Canada Agencies				
Canadian Northern Economic Development Agency	4,364	58	(1,966)	2,456
Crown - Indigenous Relations and Northern Affairs Canada	23,424	17,046	(18,532)	21,938
Department of National Defence	61,673	30,040	(29,128)	62,585
Health Canada	15,501	7,989	(11,579)	11,911
Infrastructure Canada	2,269	5,225	(5,767)	1,727
Ministry of Finance	2,431	3,523	(2,431)	3,523
Parks Canada	38	36	(27)	47
Polar Knowledge Canada	18	4	(22)	-
Public Health Agency of Canada	2,714	1,643	(742)	3,615
Royal Canadian Mounted Police	123	-	(123)	-
Transport Canada	7,872	20,224	(21,949)	6,147
Arctic Research Foundation	208	-	(40)	168
Baggage handling and runway projects	1,752	1,029	(1,751)	1,030
Bilateral Water Management Agreements	2,917	445	(331)	3,031
Canada Health Infoway	37	1,891	-	1,928
Government of Nunavut	362	-	-	362
Land leases and quarry permits	728	193	(49)	872
Large emitters carbon tax	4,171	3,397	-	7,568
Lease incentives	963	-	(301)	662
Mining recorders office	15	1,879	-	1,894
Restricted assets (note 4(b))	5,533	11,134	(8,583)	8,084
Ventura	4,800	-	-	4,800
Work deposits, commercial use permits and tourism licenses	680	198	(447)	431
Other	359	325	(252)	432
	177,825	168,222	(158,288)	187,759

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2023

(All figures in thousands of dollars)

12. DUE TO (FROM) THE GOVERNMENT OF CANADA

	2023	2022
	\$	\$
Due from Canada:		
Transfer payments and recoveries receivables	(178,549)	(106,698)
Due to Canada:		
Excess income tax advanced	37,258	82,105
Miscellaneous payables	27,349	24,733
	64,607	106,838
	(113,942)	140

The amounts due to the Government of Canada are non-interest bearing. The excess income tax advanced is repayable over the following years:

	\$
2024	31,949
2025	5,309
	37,258

13. 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 (2022 - 209) sites as potentially requiring environmental remediation at March 31.

Type of Site	2022 Liability \$	New Sites in 2023 \$	Change in estimate \$	Remediation Expenses \$	Transfer to liabilities \$	2023 Liability \$	Number of Sites
Abandoned mines ⁽¹⁾	31,434	-	(57)	(18,178)		13,199	8
Landfills ⁽²⁾	11,054	-	(63)	(350)	(4,112)	6,529	31
Abandoned infrastructure and schools ⁽³⁾	13,285	220	1,735	(613)	-	14,627	78
Airports, airport strips or reserves ⁽⁴⁾	4,108	-	86			4,194	25
Sewage lagoons ⁽⁵⁾	1,787	-	(422)	(145)	(58)	1,162	28
Fuel tanks and resupply lines ⁽³⁾	2,570	-	(57)	-	-	2,513	12
Abandoned lots and maintenance facilities ⁽³⁾	7,420	-	560	(115)	-	7,865	9
Total environmental liabilities	71,658	220	1,782	(19,401)	(4,170)	50,089	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, 2023 is \$1,116 (2022 - \$1,070). 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.

15 (2022 - 1) sites were closed or derecognized during the fiscal year as they were either remediated or no longer met all the criteria required to record a liability for contaminated sites. 0 (2022 - 35) sites were amalgamated with other already existing sites.

1 (2022 - 4) sites were added during the fiscal year. 3 (2022 - 0) sites were transferred to liabilities for sewage lagoons and solid waste sites.

13. ENVIRONMENTAL LIABILITIES (continued)

Included in the 191 (2022 - 208) sites, the Government has identified 67 (2022 - 68) 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.

Also included in the sites, the Government has identified 1 (2022 - none) site where future remediation and restoration expenses will be required. Absent any other stakeholder to fund the costs, the Government is responsible for the costs by default. No liability for full and final remediation and restoration has been recognized for this site as a reasonable estimate cannot be made until further analysis of the site is completed and a closure plan is completed. Expected costs categories include, but are not limited to: removal of buildings, equipment, bridges, storage tanks, site monitoring, chemical and contaminated soil management, surface and groundwater management as well as long-term monitoring.

14. 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	2022 Liability \$	Accretion Expense \$	Revisions in Estimated Cash Flows \$	2023 Liability \$
Buildings	87,228	1,587	(3,795)	85,020

The carrying amount of the obligation is based on total expected undiscounted expenditures of \$118,642 (2022 - \$118,642) and the weighted average discount rate of 3.93% (2022 - 3.28%). The undiscounted cash flows are expected to incurred between 1 to 60 years (2022 - between 2 to 61 years) and are expected to be settled between 2024 to 2083 (2022 - 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	2022 liability \$	New Or Transferred Liability \$	2023 Liability \$
Sewage lagoons	-	2,641	2,641
Solid waste sites	-	18,854	18,854
	-	21,495	21,495

The carrying amount of the obligation is based on total expected undiscounted expenditures of \$127,211 (2022 - nil) and the weighted average discount rate of 3.95% (2022 - nil). The undiscounted cash flows are expected to incurred between 1 to 88 years and are expected to be settled between 2024 to 2111.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2023

(All figures in thousands of dollars)

15. LONG-TERM DEBT

	2023 \$	2022 \$
Mortgage payable to Canada Mortgage and Housing Corporation, repayable in monthly installments of \$7 (2022), maturing June 2024, bearing interest at 3.30% (2022 - 3.30%), secured with real property.	110	197
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% (2022 - 3.17%), payable semi-annually, unsecured.	185,056	180,180
Bond, due in September 2051, bearing interest at 2.20% semi-annually (2022 - 2.20%), unsecured.	180,022	180,022
	365,188	360,399
Unamortized discount and issuance costs	(2,405)	(2,477)
Total long-term debt	362,783	357,922

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

	\$
2024	5,031
2025	5,284
2026	5,590
2027	5,936
2028	6,688
Beyond 2028	334,254
	362,783

Interest expense on long-term debt, included in operations and maintenance expenses, is \$19,297 (2022 - \$19,327).

16. LIABILITIES UNDER PUBLIC PRIVATE PARTNERSHIPS

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. Operations and maintenance provided by the respective partners cease at the repayment date, at which time operational responsibility reverts to the Government.

The calculation of the Public Private Partnerships (P3) liabilities is as follows:

	2022 \$	Additions during the year \$	Other Payments \$	Principal Payments \$	2023 \$	Repayment date \$
Stanton Territorial Hospital Renewal	127,128	-	-	(3,438)	123,690	2048
Mackenzie Valley Fibre Link	69,900	27,750	(27,750)	(2,800)	67,100	2037
Tlicho All Season Road	73,482	-	-	(2,100)	71,382	2047
Total	270,510	27,750	(27,750)	(8,338)	262,172	

During the year, the Government negotiated a final payment relating additional costs that had been incurred by the partner to construct to the Mackenzie Valley Fibre Link. The amount of final payment is treated as an addition to the associated assets as well as the liability with a corresponding payment of the liability at the same time.

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%

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

	\$
2024	8,007
2025	8,000
2026	8,044
2027	8,838
2028	9,597
2029 and beyond	219,686
Total	262,172

16. LIABILITIES UNDER PUBLIC PRIVATE PARTNERSHIPS (continued)

The capital payments for the Mackenzie Valley Fibre Link, Stanton Territorial Hospital Renewal and Tlicho All Season Road are fixed, equal monthly payments for the privately financed portion of the costs of building the infrastructure. The scheduled principal payments for the Tlicho All Season Road include monthly payments, including adjustments for inflation. P3 interest expense for the year is \$16,220 (2022 - \$12,700). Interest capitalized in the period as a function of construction or developing tangible capital assets relating to the Tlicho All Season Road is \$0 (2022 - \$4,000).

Tangible capital assets, contractual obligations, and contractual rights related to P3 projects are included in note 21 and schedule C.

17. 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.

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.

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2023

(All figures in thousands of dollars)

17. PENSIONS (continued)

(b) Pension liabilities (assets)

	2023 Regular Funded \$	2023 Supplemental Non Funded \$
Accrued benefit obligation	26,424	40,296
Pension fund assets - market related value	(32,793)	-
Unamortized actuarial gains (losses)	2,634	2,534
Pension liabilities (assets)	(3,735)	42,830

	2022 Regular Funded \$	2022 Supplemental Non Funded \$
Accrued benefit obligation	27,535	42,859
Pension fund assets - market related value	(30,566)	-
Unamortized actuarial gains	143	(1,228)
Pension liabilities (assets)	(2,888)	41,631

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2023

(All figures in thousands of dollars)

17. PENSIONS (continued)

(c) Change in pension liabilities (assets)

	2023 Regular Funded \$	2023 Supplemental Non Funded \$
Opening balance	(2,888)	41,631
Change to pension liabilities (assets) from cash items:		
Contributions from plan members	(302)	-
Contributions from Government	(954)	-
Benefit payment to plan members	(1,568)	(1,919)
Drawdown from plan assets	1,568	-
Net change to pension assets from cash items	(1,256)	(1,919)
Change to pension liabilities (assets) from accrual items:		
Current period benefit cost	1,117	1,331
Amortization of actuarial gains	(557)	(109)
Interest on average accrued benefit obligation	1,246	1,896
Expected return on average plan assets	(1,397)	-
Net change to pension liabilities from accrual items	409	3,118
Ending balance	(3,735)	42,830

17. PENSIONS (continued)

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

	2022 Regular Funded \$	2022 Supplemental Non Funded \$
Opening balance	(2,189)	40,453
Change to pension liability (asset) from cash items:		
Contributions from plan members	(306)	-
Contributions from Government	(953)	-
Benefit payment to plan members	(1,512)	(1,996)
Drawdown from plan assets	1,512	-
Net change to pension assets from cash items	(1,259)	(1,996)
Change to pension liability (asset) from accrual items:		
Current period benefit cost	1,099	1,371
Amortization of actuarial gains	(460)	(71)
Interest on average accrued benefit obligation	1,216	1,874
Expected return on plan assets	(1,295)	-
Net change to pension liabilities from accrual items	560	3,174
Ending balance	(2,888)	41,631

(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 \$3,407 (2022 - \$3,428). 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 \$6,919 (2022 - \$569).

In addition to the above, the Government contributed \$34,570 (2022 - \$33,156) to the Public Service Superannuation Plan. The employees' contributions to this plan were \$32,265 (2022 - \$31,836).

(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 2023 (no changes in 2022).

17. 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, 2023	April 1, 2024
Judges Registered Plan	April 1, 2022	January 1, 2023	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 \$23,123 (2022 - \$23,875). The asset valuation method for the Judges' plans is market value. The market value of the Judges' regular plan is \$7,622 (2022 - \$7,546).

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 4.5 years (2022 - 5.5 years) for the MLA's plans and 4.1 years (2022 - 0.3 years) for the Judges' plans.

Actuarial assumptions

	Judges' plans	MLAs' plans
Expected rate of return on plan assets	4.7%	4.4%
Rate of compensation increase	3.0%	2.0%
Annual inflation rate	2.0%	2.0%
Annual interest rate	4.7%	5.2%

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.

18. OTHER EMPLOYEE FUTURE BENEFITS AND COMPENSATED ABSENCES

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

Severance benefits are paid to the Government's employees based on the type of termination (e.g. resignation versus retirement) and appropriate combinations that include inputs such as when the employee 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, 2023. 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 \$	2023 \$	2022 \$
Changes in Obligation				
Accrued benefit obligations, beginning of year	17,116	4,633	21,749	19,437
Benefits earned	896	369	1,265	1,349
Interest	696	197	893	629
Benefits paid	(3,030)	(391)	(3,421)	(4,215)
Plan amendments	-	-	-	(89)
Actuarial (gains)/losses	214	(283)	(69)	4,638
Accrued benefit obligations, end of year	15,892	4,525	20,417	21,749
Unamortized net actuarial gain/(loss)	(2,802)	(2,941)	(5,743)	(6,324)
Net future obligation	13,090	1,584	14,674	15,425
Other employee future benefits	5,022	-	5,022	5,402
Other compensated absences	-	1,565	1,565	1,036
Total employee future benefits and compensated absences	18,112	3,149	21,261	21,863

Government of the Northwest Territories

Notes to Non-Consolidated Financial Statements (unaudited)

March 31, 2023

(All figures in thousands of dollars)

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

	Severance and Removal \$	Compensated Absences \$	2023 \$	2022 \$
Benefits Expense				
Benefits earned	896	369	1,265	1,349
Implicit interest	696	197	893	629
Plan amendments	-	-	-	(89)
Amortization of actuarial (gain)/loss	(149)	661	512	62
	1,443	1,227	2,670	1,951

The discount rate used to determine the accrued benefit obligation is 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	1,856	363	2,219
2025	2,027	402	2,429
2026	1,911	404	2,315
2027	1,855	436	2,291
2028	1,778	459	2,237
	9,427	2,064	11,491

19. 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 (2022 - \$3,000).

	2023 \$	2022 \$
Deficit at beginning of the year	(2,722)	(999)
Add: Petroleum Products Stabilization Fund Net profit (loss) for the year	360	(1,723)
Deficit at end of the year	(2,362)	(2,722)

20. TRUST ASSETS UNDER ADMINISTRATION

The Government administers trust assets of \$75,379 (2022 - \$23,607) 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 \$766,566 (2022 - \$733,355). 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, 2023

(All figures in thousands of dollars)

21. 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, 2023:

	Expiry Date	2024 \$	2025 \$	2026 \$	2027 \$	2028 \$	2029+ \$	Total \$
Operational commitments	2048	160,778	61,436	39,182	17,923	5,551	4,370	289,240
RCMP policing agreement	2032	57,300	57,300	57,300	57,300	57,300	222,684	509,184
Commercial leases	2052	21,653	18,036	15,698	12,056	9,917	133,573	210,933
Equipment leases	2028	418	266	161	66	24	-	935
TCAs in progress at year end	2030	68,816	3,126	1,091	185	185	370	73,773
P3 Operational commitments	2049	19,793	20,565	21,307	21,257	21,765	481,910	586,597
		328,758	160,729	134,739	108,787	94,742	842,907	1,670,662

Included within Commercial leases is a lease commitment of \$3,500 per year over 30 years estimated to begin 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.

The Government has 2 (2022 - 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 \$590 for the fiscal year ended 2023 (2022 - \$632). 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, 2023:

	Expiry Date	2024 \$	2025 \$	2026 \$	2027 \$	2028 \$	2029+ \$	Total \$
Transfer Payments	2034	308,318	235,509	171,082	114,246	48,795	92,873	970,823
Regulatory Revenue	2027	2,457	1,892	1,600	1,096	-	-	7,045
Lease Revenue	2052	4,810	4,594	4,497	3,365	3,108	30,618	50,992
Licence Revenue	2051	696	446	193	153	79	310	1,877
Other	2039	8,293	1,007	855	855	803	4,465	16,278
		324,574	243,448	178,227	119,715	52,785	128,266	1,047,015

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

The Government is contingently liable for the following guarantees:

	2023
	\$
Debentures issued by the Northwest Territories Power Corporation:	
maturing December 18, 2032	7,333
maturing September 13, 2040	39,846
maturing July 11, 2025	15,000
maturing November 25, 2052	25,000
maturing August 1, 2028	25,000
maturing December 15, 2034	25,000
maturing February 17, 2047	54,224
Guaranteed residential housing loans of Housing Northwest Territories	262
Total Guarantees	191,665

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 13, 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 future costs of remediation and 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 14, 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 future costs of retirement and the Government's obligation to incur these costs are undeterminable at this time.

22. 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 \$3,320 (2022 - \$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 \$81,828 (2022 - \$143,458). 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, 2023.

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, 2023

(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:

	2023	2022
	\$	\$
Arctic Energy Alliance	3,117	4,845
Aurora College	39,444	36,427
Inuvialuit Water Board	714	599
Divisional Education Councils and District Education Authorities	165,730	157,298
Health and Social Services Authorities	426,726	407,009
Northwest Territories Hydro Corporation	17,479	43,499
Tlicho Community Services Agency	40,672	40,745
Northwest Territories Business Development and Investment Corporation	2,102	2,042
Northwest Territories Heritage Fund	5,025	5,656
Housing Northwest Territories	85,499	77,158
Northwest Territories Human Rights Commission	180	180
Northwest Territories Surface Rights Board	328	318
Status of Women Council of the Northwest Territories	469	511
	787,485	776,287

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.

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

a) Credit Risk (continued)

The Government considers concentration in credit risk where one customer has more than ten percent of the total financial asset balance which results in a higher risk to the Government in the event of default. The Government has concentration of credit risk in accounts receivable. At March 31, 2023, receivables from 1 (2022 - 1) customer comprised 58% (2022 - 67%) of the total outstanding receivables.

The Government's maximum exposure to credit risk at March 31, 2023 is as follows:

	\$
Portfolio investments	51,729
Due from the Government of Canada	178,549
Accounts receivable	457,924
Loans receivable	86,152

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 future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Government primarily 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.

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 interest rate risk.

The Government manages its risk on short term loans by entering into borrowing agreements with fixed interest rates so that the short-term cash inflows and outflows are predictable.

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.

Short term loans and accounts payable and accrued liabilities are due within one year. Expected contractual maturities related to long term debt and capital lease obligations and liabilities under public private partnerships are disclosed in notes 15 and 16, respectively.

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.

d) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate unfavorably 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, no department (2022 - 4) exceeded their operations vote and no department (2022 - 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."

26. SUBSEQUENT EVENTS

During the 2023 fire season, the Northwest Territories experienced above normal wildfire conditions which resulted in evacuation notices as well as evacuation orders for various communities including the entire City of Yellowknife. On August 28, 2023 the Legislative Assembly approved Bill 99: Supplementary Appropriation Act (Operations Expenditures) No. 2 2023-2024 for \$75,000 additional funds for the Department of Environment and Climate Change. This appropriation is for estimated additional cost of the 2023 fire season. The Government is claiming from Canada under the Disaster Financial Assistance Arrangement Program for eligible costs incurred to provide support and financial relief to those affected by the fires and received an advance payment of \$84,000 in December 2023. On April 1, 2023, the Department of Environment and Natural Resources and the Department of Lands amalgamated to form the Department of Environment and Climate Change.

27. 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, 2023

(thousands of dollars)

	2023 Main Estimates (Note 1(b)) \$	2023 Actual \$	2022 Actual \$
Revenue from the Government of Canada			
Grant	1,519,233	1,519,233	1,480,118
Transfer payments	393,515	481,667	395,355
	1,912,748	2,000,900	1,875,473
Taxation			
Corporate income tax	24,572	48,468	24,729
Personal income tax	111,153	128,570	133,583
	135,725	177,038	158,312
Other taxes			
Cannabis	598	978	909
Carbon tax	46,438	16,299	12,797
Fuel	19,281	20,450	20,061
Tobacco	15,071	14,387	14,278
Payroll	43,856	47,522	45,820
Property and school levies	29,273	27,012	26,512
Insurance	5,500	6,834	6,106
	160,017	133,482	126,483
Non-renewable resource revenue			
Minerals, oil and gas royalties	18,686	35,356	37,013
Licenses, rental and other fees	2,779	2,599	5,202
Quarry fees	150	82	296
	21,615	38,037	42,511
General			
Sundry and other	20,489	33,531	33,750
Lease	3,981	4,579	4,420
Interest revenue	340	2,518	2,764
Gains on disposition of assets	-	221	61
Revolving Funds net revenue	21,292	26,190	31,047
Regulatory revenue	22,930	28,873	27,200
Investment income	400	2,662	4,504
Grants in kind	-	73	164
	69,432	98,647	103,910
Total Revenues	2,299,537	2,448,104	2,306,689

Government of the Northwest Territories

Non-Consolidated Schedule of Expenses (unaudited)

Schedule B

for the year ended March 31, 2023

(thousands of dollars)

	Main Estimates (note 1b) \$	Compensation and Benefits \$	Grants and Contributions* \$	Valuation Allowances \$	Other \$	Amortization \$	2023 Total Expenses \$	2022 Restated (Note 2(x)) Total Expenses \$
Legislative Assembly	25,435	17,943	180	2	6,594	583	25,302	24,636
Executive and Indigenous Affairs	22,114	16,275	2,664	-	3,466	-	22,405	20,629
Finance	335,239	91,744	142,761	938	98,396	7,619	341,458	333,473
Municipal and Community Affairs	152,104	18,451	162,040	173	64,437	37	245,138	223,738
Infrastructure	323,693	65,511	21,198	62	158,673	68,953	314,397	320,027
Health and Social Services	597,332	30,592	463,396	79	141,459	23,906	659,432	656,817
Justice	137,054	67,580	4,945	13	71,070	3,464	147,072	141,364
Education, Culture and Employment	367,771	41,117	277,038	3,175	46,831	15,022	383,183	373,454
Environment and Natural Resources	98,723	47,340	14,808	-	49,364	3,555	115,067	112,106
Industry Tourism and Investment	59,625	26,392	19,009	17	13,297	1,952	60,667	65,615
Lands	22,915	15,753	861	319	4,179	162	21,274	21,064
	2,142,005	438,698	1,108,900	4,778	657,766	125,253	2,335,395	
Prior Year Totals	2,078,838	437,511	1,142,535	3,926	587,631	121,320		2,292,923

* 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, 2023

(thousands of dollars)

	Land ⁵ \$	Buildings and Leasehold Improvements ¹ \$	Infrastructure and Other ² \$	Roads and Bridges \$	Equipment ^{1,3} \$	Computers \$	Work in Progress \$	2023 \$	2022 Restated (Note 2(X)) \$
Cost of tangible capital assets									
Opening balance	5,859	1,727,825	323,171	2,072,376	274,972	149,939	166,329	4,720,471	4,539,956
Transfers	-	8,097	46,830	58,101	18,397	3,158	(134,583)	-	-
Acquisitions	-	-	-	-	-	-	220,899	220,899	181,438
Revaluation of asset retirement obligations	-	(3,795)	-	-	-	-	-	(3,795)	-
Write-downs	-	(5,959)	(658)	(1,120)	(4,889)	(397)	-	(13,023)	-
Disposals	-	(1,359)	-	(52,418)	(1,441)	(8,881)	-	(64,099)	(923)
Closing balance	5,859	1,724,809	369,343	2,076,939	287,039	143,819	252,645	4,860,453	4,720,471
Accumulated amortization									
Opening balance	-	(694,195)	(151,129)	(704,751)	(133,348)	(117,412)	-	(1,800,835)	(1,675,463)
Amortization expense	-	(42,071)	(9,160)	(55,828)	(14,059)	(9,303)	-	(130,421)	(126,051)
Write-downs	-	5,959	658	1,120	4,889	397	-	13,023	-
Disposals	-	1,355	-	52,418	1,404	8,881	-	64,058	679
Closing balance	-	(728,952)	(159,631)	(707,041)	(141,114)	(117,437)	-	(1,854,175)	(1,800,835)
Net book value	5,859	995,857	209,712	1,369,898	145,925	26,382	252,645	3,006,278	2,919,636

¹ Included in buildings, leasehold improvements and equipment are assets under capital leases: cost, \$3,910 (2022 - \$3,910); accumulated amortization, \$2,256 (2022 - \$2,159); net book value, \$1,654 (2022 - \$1,751).

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 \$240 (2022 - \$1,431) was contributed to third parties.

Change in net book value of tangible capital assets	2023 \$	2022 \$
Assets transferred from work in progress	134,583	286,133
Disposals/write-downs/adjustments	(3,836)	(244)
Amortization	(130,421)	(126,051)
Increase (decrease) in work in progress	86,316	(104,695)
Increase	86,642	55,143

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1

for the year ended March 31, 2023

(thousands of dollars)

	Main Estimates \$	Projects on Behalf of Others \$	Increases (Decreases) \$	Budget \$	Actual Revenues \$	Over (Under) Budget \$
Legislative Assembly						
Transfer Payments						
Federal cost shared	-	-	-	-	156	156
Service and miscellaneous	5	-	-	5	5	-
Lease	10	-	-	10	19	9
Regulatory revenue	-	-	-	-	21	21
Investment income	-	-	-	-	2,662	2,662
	15	-	-	15	2,863	2,848
Executive and Indigenous Affairs						
Transfer Payments						
Federal cost shared	-	956	381	1,337	1,051	(286)
Industry, Tourism and Investment						
Transfer Payments						
Federal cost shared	1,459	806	730	2,995	7,515	4,520
Non-renewable Resources Revenue						
Licences, rental, and other fees	2,724	-	-	2,724	2,576	(148)
Minerals, oil and gas royalties	18,686	-	19,359	38,045	35,356	(2,689)
	21,410	-	19,359	40,769	37,932	(2,837)
General Revenues						
Regulatory revenue	914	-	-	914	1,012	98
Programs	-	-	715	715	703	(12)
	914	-	715	1,629	1,715	86
	23,783	806	20,804	45,393	47,162	1,769
Environment and Natural Resources						
Transfer Payments						
Federal cost shared	6,806	8,053	9,979	24,838	17,031	(7,807)
Non-renewable Resource Revenue						
Licences, rental, and other fees	55	-	-	55	23	(32)
General Revenue						
Regulatory revenue	703	-	1,973	2,676	2,897	221
Service and miscellaneous	32	750	2,518	3,300	804	(2,496)
Grants in Kind	-	-	-	-	58	58
Interest income	-	-	-	-	2	2
	735	750	4,491	5,976	3,761	(2,215)
	7,596	8,803	14,470	30,869	20,815	(10,054)

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1 (continued)

for the year ended March 31, 2023

(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	1,519,233	-	-	1,519,233	1,519,233	-
Transfer Payments						
Federal cost shared	9,554	-	2,091	11,645	3,237	(8,408)
Canada Health Transfer	53,982	-	1,487	55,469	53,193	(2,276)
Canada Social Transfer	19,032	-	(318)	18,714	18,754	40
	82,568	-	3,260	85,828	75,184	(10,644)
Taxation						
Corporate	24,572	-	23,417	47,989	48,468	479
Personal	111,153	-	10,690	121,843	128,570	6,727
Fuel	19,281	-	791	20,072	20,450	378
Tobacco	15,071	-	805	15,876	14,387	(1,489)
Cannabis	598	-	392	990	978	(12)
Carbon	46,438	-	584	47,022	16,299	(30,723)
Payroll	43,856	-	4,225	48,081	47,522	(559)
Property and school levies	29,273	-	(1,834)	27,439	27,012	(427)
Insurance	5,500	-	-	5,500	6,834	1,334
	295,742	-	39,070	334,812	310,520	(24,292)
General Revenues						
Service and miscellaneous	1,800	-	-	1,800	2,197	397
Program	60	-	-	60	686	626
Revolving fund net revenue	26,233	-	(842)	25,391	24,379	(1,012)
Interest income	400	-	-	400	983	583
Regulatory revenue	600	-	-	600	799	199
	29,093	-	(842)	28,251	29,044	793
	1,926,636	-	41,488	1,968,124	1,933,981	(34,143)
Municipal and Community Affairs						
Transfer Payments						
Federal cost shared	-	83,394	48,146	131,540	107,110	(24,430)
General Revenues						
Regulatory revenue	1,269	-	-	1,269	1,172	(97)
Service and miscellaneous	6	-	-	6	(1,524)	(1,530)
	1,275	-	-	1,275	(352)	(1,627)
	1,275	83,394	48,146	132,815	106,758	(26,057)

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1 (continued)

for the year ended March 31, 2023

(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	4,475	-	4,804	9,279	10,429	1,150
General Revenue						
Service and miscellaneous	-	-	-	-	1	1
Program	1,419	643	(381)	1,681	1,414	(267)
Regulatory revenue	6,902	-	-	6,902	8,690	1,788
Grants in Kind	-	-	-	-	15	15
	8,321	643	(381)	8,583	10,120	1,537
	12,796	643	4,423	17,862	20,549	2,687

Infrastructure

Transfer Payments						
Federal cost shared	156,137	74	(63,736)	92,475	52,975	(39,500)
Capital transfers	55,460	-	5,611	61,071	61,536	465
	211,597	74	(58,125)	153,546	114,511	(39,035)
General Revenues						
Service and miscellaneous	420	-	8,402	8,822	2,631	(6,191)
Lease	1,100	146	(146)	1,100	1,444	344
Program	840	10,279	(2,256)	8,863	10,254	1,391
Interest revenue	-	-	-	-	1,224	1,224
Regulatory revenue	12,055	-	-	12,055	13,685	1,630
Revolving funds net revenue	(4,941)	-	-	(4,941)	1,811	6,752
	9,474	10,425	6,000	25,899	31,049	5,150
	221,071	10,499	(52,125)	179,445	145,560	(33,885)

Health and Social Services

Transfer Payments						
Federal cost shared	60,612	16,630	11,392	88,634	102,024	13,390
Capital transfers	1,388	-	10,631	12,019	72	(11,947)
	62,000	16,630	22,023	100,653	102,096	1,443
General Revenues						
Program	15,900	-	540	16,440	16,452	12
Regulatory revenue	415	-	-	415	494	79
	16,315	-	540	16,855	16,946	91
	78,315	16,630	22,563	117,508	119,042	1,534

Government of the Northwest Territories

Non-Consolidated Schedule of Revenues by Department (unaudited)

Schedule 1 (continued)

for the year ended March 31, 2023

(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	24,229	7,391	21,741	53,361	46,254	(7,107)
General Revenue						
Service and miscellaneous	7	-	-	7	35	28
Interest income	340	-	-	340	310	(30)
Regulatory revenue	32	-	-	32	47	15
	379	-	-	379	392	13
	24,608	7,391	21,741	53,740	46,646	(7,094)
Lands						
Transfer Payments						
Federal cost shared	381	-	-	381	328	(53)
Non-renewable Resource Revenue						
Quarry royalties, fees	150	-	-	150	82	(68)
General Revenues						
Regulatory revenue	40	-	-	40	55	15
Lease	2,871	-	-	2,871	3,118	247
Service and miscellaneous	-	-	-	-	94	94
	2,911	-	-	2,911	3,267	356
	3,442	-	-	3,442	3,677	235
	2,299,537	129,122	121,891	2,550,550	2,448,104	(102,446)

Government of the Northwest Territories

Non-Consolidated Schedule of Expenses by Department (unaudited)

Schedule 2

for the year ended March 31, 2023

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Operating Fund Expenses* \$	Under(Over) Appropriation \$
Legislative Assembly						
Office of the Clerk	10,095	55	-	10,150	10,721	(571)
Expenses on Behalf of Members	9,976	-	-	9,976	9,590	386
Office of the Chief Electoral Officer	650	-	-	650	611	39
Statutory Offices	4,203	-	-	4,203	3,800	403
Office of the Speaker	511	-	-	511	580	(69)
	25,435	55	-	25,490	25,302	188
Executive and Indigenous Affairs						
Executive Council Offices	4,256	(80)	-	4,176	4,471	(295)
Directorate	6,521	651	-	7,172	6,741	431
Cabinet Support	2,310	(20)	-	2,290	2,261	29
Indigenous and Intergovernmental Affairs	7,515	-	-	7,515	6,906	609
Corporate Communications	1,512	-	-	1,512	1,279	233
	22,114	551	-	22,665	21,658	1,007
Industry, Tourism and Investment						
Economic Diversification and Business Support	17,919	1,086	-	19,005	18,492	513
Corporate Management	9,266	(9)	-	9,257	8,871	386
Tourism and Parks	16,254	501	-	16,755	15,828	927
Minerals and Petroleum Resources	16,186	571	-	16,757	17,460	(703)
	59,625	2,149	-	61,774	60,651	1,123

* 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, 2023

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Operating Fund Expenses* \$	Under(Over) Appropriation \$
Environment and Natural Resources						
Wildlife and Fish	16,147	2,207	-	18,354	18,738	(384)
Forest Management	39,096	8,648	-	47,744	45,991	1,753
Corporate Management	14,984	90	-	15,074	14,983	91
Water Management and Monitoring	9,893	325	-	10,218	10,048	170
Environmental Stewardship and Climate Change	14,270	1,348	-	15,618	14,352	1,266
Environmental Protection and Waste Management	4,333	311	-	4,644	5,061	(417)
	98,723	12,929	-	111,652	109,173	2,479
Finance						
Directorate	84,508	6,871	658	92,037	92,870	(833)
Management Board Secretariat	111,894	1,615	5,300	118,809	82,044	36,765
Office of the Comptroller General	93,835	-	(5,300)	88,535	122,462	(33,927)
Office of the Chief Information Officer	22,841	-	(658)	22,183	21,997	186
Human Resources	22,161	(150)	-	22,011	22,087	(76)
	335,239	8,336	-	343,575	341,460	2,115
Amortization of tangible capital assets of the NWT Liquor & Cannabis Commission	-	-	-	-	(2)	2
	335,239	8,336	-	343,575	341,458	2,117
Municipal and Community Affairs						
Regional Operations	131,915	-	-	131,915	130,231	1,684
Community Operations	2,383	48,146	-	50,529	21,078	29,451
Directorate	3,953	(2)	-	3,951	4,920	(969)
School of Community Government	2,955	(90)	-	2,865	2,103	762
Community Governance	2,146	(10)	-	2,136	2,048	88
Sport, Recreation and Youth	5,380	384	-	5,764	5,278	486
Public Safety	3,372	114,005	-	117,377	64,639	52,738
	152,104	162,433	-	314,537	230,297	84,240

* 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, 2023

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Operating Fund Expenses* \$	Under(Over) Appropriation \$
Justice						
Corrections	39,419	-	-	39,419	40,117	(698)
Policing Services	50,012	6,122	-	56,134	54,712	1,422
Court Services	15,123	1,237	-	16,360	16,992	(632)
Services to Government	13,188	755	-	13,943	13,882	61
Legal Aid Services	7,145	1,369	-	8,514	8,064	450
Services to the Public	4,769	239	-	5,008	4,649	359
Community Justice	6,168	1,951	-	8,119	7,549	570
Office of the Regulator of Oil and Gas Operations	1,230	-	-	1,230	923	307
	137,054	11,673	-	148,727	146,888	1,839
Health and Social Services						
Administration and Support Services	54,848	6,221	247	61,316	59,600	1,716
Health and Social Programs	350,476	43,450	(4,126)	389,800	385,934	3,866
Long Term and Continuing Care Services	62,194	3,428	3,879	69,501	64,742	4,759
Out of Territory Services	77,688	3,590	-	81,278	84,465	(3,187)
Supplementary Health Benefits	40,262	3,388	-	43,650	43,031	619
COVID Secretariat	11,864	(11,707)	-	157	444	(287)
	597,332	48,370	-	645,702	638,216	7,486
Education, Culture and Employment						
Corporate Management	11,264	1,668	43	12,975	13,058	(83)
Culture, Heritage and Languages	21,251	340	6	21,597	21,295	302
Early Learning and Child Care	12,791	9,336	(13)	22,114	18,581	3,533
Income Security	60,121	1,318	21	61,460	56,715	4,745
Labour Development and Advanced Education	56,745	10,065	539	67,349	61,565	5,784
Junior Kindergarten to Grade 12 School Services	205,599	7,243	(596)	212,246	209,628	2,618
	367,771	29,970	-	397,741	380,842	16,899

* 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, 2023

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Operating Fund Expenses* \$	Under(Over) Appropriation \$
Infrastructure						
Corporate Management	7,989	477	-	8,466	9,117	(651)
Asset Management	18,393	610	(13)	18,990	18,866	124
Programs and Services	16,716	8,218	(7,086)	17,848	26,401	(8,553)
Regional Operations	221,649	9,175	58	230,882	234,411	(3,529)
Energy and Strategic Initiatives	58,946	(29,061)	7,086	36,971	22,124	14,847
	323,693	(10,581)	45	313,157	310,919	2,238
Lands						
Corporate Management	3,637	(48)	-	3,589	4,367	(778)
Operations	11,492	(205)	-	11,287	10,306	981
Planning and Coordination	7,786	(70)	-	7,716	6,599	1,117
	22,915	(323)	-	22,592	21,272	1,320
	2,142,005	265,562	45	2,407,612	2,286,676	120,936

* 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, 2023

(thousands of dollars)

DEPARTMENT	Over-Accruals \$	Other Recoveries \$	Total \$
Legislative Assembly	-	32	32
Executive and Indigenous Affairs	-	1	1
Finance	103	469	572
Municipal and Community Affairs	-	1,636	1,636
Infrastructure	153	(3,413)	(3,260)
Health and Social Services	4,843	920	5,763
Justice	306	336	642
Education, Culture and Employment	42	1,822	1,864
Environment and Natural Resources	571	182	753
Industry, Tourism and Investment	590	185	775
Lands	9	219	228
	6,617	2,389	9,006

DEPARTMENT	Main Estimates* \$	Supplementary Estimates \$	Total Appropriation \$	Actual Expenditure \$
Legislative Assembly	400	175	575	514
Lands	225	310	535	253
Finance	79,849	29,175	109,024	30,895
Municipal and Community Affairs	150	-	150	138
Infrastructure	253,840	(44,272)	209,568	125,155
Health and Social Services	47,060	14,279	61,339	35,203
Justice	1,480	1,253	2,733	1,409
Education, Culture and Employment	16,572	6,224	22,796	7,560
Environment and Natural Resources	2,110	3,132	5,242	2,760
Industry, Tourism and Investment	4,437	13,667	18,104	12,306
	406,123	23,943	430,066	216,193

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.

* \$45 of the budget associated with Infrastructure Investment classified as non-capital in nature has been transferred to operations.

for the year ended March 31, 2023

(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	600	(300)
Annual General Assembly	-	-	-	-	23	(23)
Arctic Inspiration Prize	100	-	-	100	150	(50)
Canadian Red Cross	-	-	-	-	25	(25)
Core Funding to Métis Locals	225	-	-	225	240	(15)
Gender Equity Grant	50	-	-	50	44	6
Gwich'in Tribal Council 30th Anniversary	-	-	-	-	5	(5)
Murdered, Missing Indigenous Women and Girls Grant	-	-	-	-	113	(113)
North Slave Métis Alliance Participation Leadership Forum	-	-	-	-	16	(16)
Royal Tour - Platinum Queen Jubilee	-	-	-	-	25	(25)
Special Events - Indigenous Organizations	50	-	-	50	73	(23)
United Way - Hay River Flood Relief	-	-	-	-	150	(150)
Women's Initiatives	50	-	-	50	55	(5)
	775	-	-	775	1,519	(744)
Infrastructure						
Deh Gah Bridge Opportunities	200	-	-	200	200	-
Sachs Harbour Airlift	-	-	-	-	3,571	(3,571)
	200	-	-	200	3,771	(3,571)
Finance						
Carbon Tax Offset	38,900	-	-	38,900	10,889	28,011
Cost of Living Tax Credit	22,150	-	-	22,150	24,766	(2,616)
Kristine McLeod Emerging Indigenous Leadership	-	-	-	-	5	(5)
NWT Child Benefit	2,200	-	-	2,200	1,990	210
Whati Fibre Project	-	-	-	-	65	(65)
	63,250	-	-	63,250	37,715	25,535

for the year ended March 31, 2023

(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	50,684	(831)
Community Mandate Funding	4,167	-	-	4,167	2,594	1,573
Deline Self-Government	3,610	-	-	3,610	3,670	(60)
Designated Authority Additional Funding	624	-	-	624	624	-
Grant-in-Lieu of Taxes	14,650	-	-	14,650	13,766	884
High Performance Athlete Grant	100	-	-	100	48	52
New Deal Taxation Revenue Program	565	-	-	565	671	(106)
Senior Citizens and Disabled Persons Property Tax Relief	1,005	-	-	1,005	1,105	(100)
	74,574	-	-	74,574	73,162	1,412
Environment and Natural Resources						
Disaster Compensation	275	-	-	275	116	159
Fire Damage Compensation	100	-	-	100	12	88
Fur Price Program	605	-	-	605	194	411
	980	-	-	980	322	658
Health and Social Services						
Anti-Poverty Fund	234	-	-	234	234	-
Health and Social Services Authorities Funding	10	-	-	10	10	-
Healthy Choices Fund	53	-	-	53	53	-
Medical Professional Development	40	-	1	41	41	-
Northern Wellness Initiatives	21	-	-	21	21	-
	358	-	1	359	359	-
Justice						
National Justice Issues	9	-	-	9	7	2

for the year ended March 31, 2023

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Education, Culture and Employment						
Early Childhood Program Grants	105	-	5	110	15	95
Early Childhood Program Operator Subsidy	4,453	-	222	4,675	4,533	142
Early Childhood Scholarship	150	-	40	190	177	13
Early Childhood Worker Grant Program	890	-	(390)	500	477	23
French Language Broadcasting	10	-	-	10	10	-
Indigenous Languages Broadcasting	150	-	-	150	142	8
Indigenous Scholarships	80	-	-	80	105	(25)
Labour Market Development Agreement	-	2,179	-	2,179	2,291	(112)
NWT Arts Council	700	-	-	700	656	44
Senior Home Heating Subsidy	2,192	-	457	2,649	2,490	159
Student Financial Assistance	12,076	1,344	(457)	12,963	11,149	1,814
Support to Northern Performers	101	-	-	101	101	-
Thank You for Making a Difference	-	-	-	-	30	(30)
Trades and Occupations Wage Subsidy	1,072	-	-	1,072	982	90
Workforce Development Agreement	1,451	161	-	1,612	687	925
	23,430	3,684	(123)	26,991	23,845	3,146
Total	163,576	3,684	(122)	167,138	140,700	26,438

Land with cost and net book value of \$0, market value \$240 (2022 - \$1,321) was contributed to third parties.

for the year ended March 31, 2023

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Legislative Assembly						
Human Rights Commission Core Funding	180	-	-	180	180	-
Executive and Indigenous Affairs						
Native Women's Association	476	-	-	476	476	-
Nihtat Gwich'in Process and Schedule Status of Women Council	444	-	-	444	444	-
	920	-	-	920	920	-
Finance						
Aviation Sector Support	-	2,091	-	2,091	2,360	(269)
Net Fiscal Benefit Transfer to Aboriginal Parties	10,100	-	-	10,100	4,764	5,336
Northwest Territories Heritage Fund	7,600	-	-	7,600	5,025	2,575
Housing Northwest Territories Core Funding	78,358	6,687	-	85,045	85,045	-
Social Justice Fund	145	-	-	145	-	145
Territorial Power Subsidy Program	7,153	-	-	7,153	7,852	(699)
	103,356	8,778	-	112,134	105,046	7,088

for the year ended March 31, 2023

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Municipal and Community Affairs						
A Brilliant North	565	-	-	565	75	490
Annual Non-Government Organization						
Stabilization Fund	700	-	-	700	700	-
Canadian Sport Policy Implementation	272	394	-	666	589	77
Children and Youth Resiliency Program	450	-	-	450	423	27
Community Governments:						
Assistance	135	-	-	135	-	135
Capital Formula Funding	135	-	-	135	-	135
Community Financial Services	135	-	-	135	-	135
Recreation Funding	1,275	-	-	1,275	863	412
Water and Sewer Services Funding	19,887	-	-	19,887	20,629	(742)
Get Active NWT	100	-	-	100	100	-
Ground Ambulance and Highway Rescue	185	-	-	185	185	-
Healthy Choices Initiative	765	-	-	765	731	34
Partners Contribution - Assessment						
Services	125	-	-	125	125	-
Partners Contributions	460	-	-	460	460	-
Regional Youth Sport Events	400	-	-	400	273	127
Volunteer Contributions	70	-	-	70	21	49
Volunteer Recognition	30	-	-	30	-	30
Youth Centres	500	-	-	500	500	-
Youth Contribution Programs	225	-	-	225	209	16
Youth Corps - Regional Operations	1,175	-	-	1,175	945	230
Other	-	-	-	-	9	(9)
	27,589	394	-	27,983	26,837	1,146
Lands						
Land Use Planning Initiatives	265	-	-	265	384	(119)
Northwest Territories Surface Rights Board	303	-	-	303	328	(25)
Supporting Consultations for Land Use						
Decisions	75	-	-	75	26	49
Sustainable Land Use Management	150	-	-	150	123	27
	793	-	-	793	861	(68)

for the year ended March 31, 2023

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Health and Social Services						
Anti-Poverty Fund	1,516	-	-	1,516	1,514	2
Anti-Racism Patient Navigators	-	25	-	25	25	-
Child and Family Services	217	-	-	217	250	(33)
Community Based Suicide Prevention	225	73	-	298	226	72
Disabilities Fund	335	-	(113)	222	229	(7)
Early Childhood Development	342	-	-	342	194	148
Family Violence Prevention	395	-	-	395	223	172
First Nations and Inuit Home and Community Care Fund	-	250	-	250	112	138
French Language Services	970	-	-	970	835	135
Health and Social Services Authority Funding	394,072	47,762	4,479	446,313	447,561	(1,248)
Healthy Choices Fund	961	-	-	961	717	244
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	618	432
Mental Wellness and Addictions Recovery Capacity Building Fund	100	-	-	100	112	(12)
Mental Wellness and Addictions Recovery Fund	100	-	-	100	67	33
Mental Wellness and Addictions Recovery Peer Support Fund	180	-	-	180	145	35
Northern Wellness Initiatives	7,046	-	-	7,046	7,063	(17)
On the Land Healing Fund	1,825	-	-	1,825	1,458	367
Respite Fund	475	-	-	475	479	(4)
Seniors Fund	305	-	-	305	228	77
Supportive Care Initiative Fund	-	534	-	534	484	50
Tlicho Cultural Coordinator	35	-	-	35	44	(9)
Waste Water Surveillance	-	290	-	290	141	149
	412,996	48,934	4,366	466,296	463,017	3,279

for the year ended March 31, 2023

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Environment and Natural Resources						
Adaptation Plan	25	-	-	25	-	25
Caribou Monitoring	100	-	-	100	363	(263)
Climate Change Community Adaptation	353	-	-	353	426	(73)
Conservation Planning	415	20	-	435	355	80
Cumulative Impact Monitoring Program	1,751	-	-	1,751	1,888	(137)
Disease Contaminants	16	-	-	16	16	-
Industry Development	50	-	-	50	75	(25)
Interim Resource Management						
Assistance Program	1,655	-	-	1,655	1,752	(97)
Inuvialuit Water Board	924	-	-	924	714	210
Mackenzie River Basin Board	40	-	-	40	-	40
Modelling and Remote Sensing	65	-	-	65	75	(10)
Monitoring and Range Planning	76	-	-	76	147	(71)
Nature Fund Protected Areas	1,688	175	-	1,863	1,428	435
Stewardship Program	210	-	-	210	107	103
Sustainable Livelihoods	1,616	-	-	1,616	1,499	117
Traditional Knowledge	65	-	-	65	165	(100)
Transboundary Waters	185	-	-	185	566	(381)
Water Regulatory	100	-	-	100	273	(173)
Water Research and Monitoring	120	-	-	120	11	109
Water Strategy Action Plan	250	-	-	250	473	(223)
Wildfire Research Support	25	-	-	25	-	25
Wildfire Risk Management Plan	75	-	-	75	105	(30)
Wildlife Management Boards	78	-	-	78	78	-
	9,882	195	-	10,077	10,516	(439)

for the year ended March 31, 2023

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Industry, Tourism and Investment						
Advance the Knowledge Economy Business Development and Investment Corporation	240	-	-	240	240	-
Canadian Agricultural Partnership	2,072	30	-	2,102	2,102	-
Commercial Fisheries	488	732	-	1,220	1,051	169
Community Fisheries	600	-	-	600	661	(61)
Community Futures	825	-	-	825	791	34
Community Tourism Coordinators	350	-	-	350	340	10
Community Tourism Infrastructure	200	-	-	200	181	19
Community Transfers Initiative	1,587	-	-	1,587	1,361	226
Convention Bureau	100	-	-	100	100	-
Cultural Sealskin Program	-	80	-	80	-	80
Film Industry Rebate Program	100	-	-	100	100	-
Great Northern Arts Festival	25	-	-	25	25	-
Indigenous Mineral Development Support Program	100	-	-	100	94	6
Mineral Resources Act Implementation	-	-	-	-	79	(79)
Mining Incentive Program	1,300	-	-	1,300	1,274	26
Northern Food Development Program	550	-	-	550	533	17
Northwest Territories Chamber of Mines	55	-	-	55	252	(197)
NWT Producer Incentive Pilot Project	-	100	-	100	100	-
Prospector Training	-	-	-	-	168	(168)
Scientific Collaborative Research Projects Contribution	-	50	-	50	403	(353)
Support for Entrepreneur and Economic Development	3,866	-	-	3,866	3,566	300
Tourism Industry Funding	3,336	-	-	3,336	3,308	28
Tourism Product Diversification Program	1,086	-	-	1,086	1,034	52
Tourism Restart Investment Program	-	600	-	600	768	(168)
Tourism Skills Development	50	-	-	50	51	(1)
Various Contributions Economic Diversification	-	-	-	-	116	(116)
Various Contributions Minerals and Petroleum Resources	-	-	-	-	19	(19)
Various Contributions Tourism and Parks	-	-	-	-	131	(131)
Yellowknife Visitor Services	411	-	-	411	161	250
	17,341	1,592	-	18,933	19,009	(76)
Justice						
Community Justice Committees and Projects	1,805	718	-	2,523	1,844	679
Gun and Gang Strategy	450	-	-	450	644	(194)
Men's Healing Program	292	-	-	292	292	-
Offender Reintegration	179	-	-	179	-	179
Victims Assistance Support Projects	945	1,233	(25)	2,153	2,053	100
YWCA of Yellowknife	105	-	-	105	105	-
	3,776	1,951	(25)	5,702	4,938	764

for the year ended March 31, 2023

(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 Program	150	-	-	150	200	(50)
Arctic Energy Alliance Core Funding	1,600	-	-	1,600	1,600	-
Aurora Research Institute Energy Projects	70	-	-	70	100	(30)
Biomass District Heating Study - Various Communities	-	-	-	-	400	(400)
Biomass District Heating Study - Hay River	-	-	-	-	105	(105)
Biomass Energy Program	200	-	-	200	100	100
Commercial Energy Conservation and Efficiency Program	200	-	-	200	200	-
Community Access Program	1,480	-	-	1,480	1,246	234
Community Government Retrofits	200	-	-	200	190	10
Community Renewable Energy Program	100	-	-	100	100	-
Electricity System Analysis	30	-	-	30	-	30
Electric Vehicle Charging Stations	-	300	-	300	50	250
Electric Vehicle Fast Charger Corridor	-	200	-	200	200	-
Electric Vehicle Rebate Program	-	100	-	100	46	54
Energy Auditing Capacity	-	75	-	75	37	38
Energy Efficiency Incentive Program	100	-	-	100	200	(100)
Energy Rating Services Support Program	190	-	-	190	150	40
Geological Data Compilation	-	-	-	-	25	(25)
Geothermal Study Fort Liard	-	-	-	-	5	(5)
High Efficiency Heating Solutions	-	-	-	-	25	(25)
Infrastructure Contribution:						
Northwest Territories Power Corporation	43,040	(29,736)	-	13,304	9,847	3,457
Transmission Line Whati	-	-	-	-	223	(223)
Low Carbon Economy Leadership Fund	4,799	7,108	-	11,907	1,977	9,930
NWT Energy Corporation - Lease Agreement	96	-	-	96	98	(2)
NWT Energy Efficiency Projects	300	-	-	300	250	50
Permafrost Mapping - Wilfred Laurier University	-	-	-	-	28	(28)
Students Against Drinking and Driving	12	-	-	12	-	12
Tulita Solar Project	-	-	-	-	25	(25)
	52,637	(21,953)	-	30,684	17,427	13,257

for the year ended March 31, 2023

(thousands of dollars)

	Main Estimates \$	Supplementary Estimates \$	Transfers \$	Total Appropriation \$	Actual Expenditures \$	(Over)Under Appropriation \$
Education, Culture and Employment						
Arts Organizations Operating Funding	460	-	-	460	460	-
Aurora College Funding	34,761	-	-	34,761	34,761	-
Aurora College Transformation Initiatives	-	2,121	-	2,121	2,121	-
Building Skills 4 Success in the NWT	-	2,134	-	2,134	447	1,687
Career Development and Training	30	-	-	30	92	(62)
Community Library Services	839	-	-	839	840	(1)
Cultural Organizations	424	-	-	424	415	9
Early Childhood Child Care Fee Reduction Subsidy	-	5,288	(451)	4,837	3,612	1,225
Early Childhood Infrastructure Fund	1,000	-	78	1,078	261	817
Early Childhood Program	1,350	1,545	(438)	2,457	2,221	236
Early Childhood Program Sustainability Funding	-	600	-	600	537	63
Early Childhood Worker Funding	-	1,071	729	1,800	1,835	(35)
Education Authority Funding	165,369	-	-	165,369	165,113	256
Education Renewal and Innovation	-	-	136	136	321	(185)
Francophone Affairs	127	20	-	147	224	(77)
Healthy Food for Learning	650	-	-	650	650	-
Heritage Centres	491	500	-	991	948	43
Indigenous Languages	5,385	-	-	5,385	5,005	380
Indigenous Languages Broadcasting	878	-	-	878	878	-
Indigenous Languages Revitalization	200	-	-	200	220	(20)
Infrastructure Contributions:						
Junior Kindergarten to Grade 12 School Services	6,923	4,893	(40)	11,776	9,728	2,048
Labour Development and Advanced Education	2,530	-	40	2,570	-	2,570
Labour Market Development Agreement	-	1,225	-	1,225	1,205	20
Literacy Funding	2,356	-	-	2,356	2,231	125
Minority Language Education and Second Language Instruction (French)	3,250	2,177	-	5,427	5,320	107
Northern Distance Learning	1,945	-	-	1,945	2,301	(356)
Northern Youth Abroad	100	-	-	100	100	-
NWT Teachers' Association Professional Development Fund	2,019	-	-	2,019	2,280	(261)
Other Post Secondary Contributions	-	-	-	-	700	(700)
Skills Canada	70	-	-	70	70	-
Small Community Employment	4,244	(161)	-	4,083	3,832	251
Supporting Child Inclusion and Participation	1,700	-	-	1,700	1,609	91
Tlicho Cultural Coordinator	35	-	-	35	44	(9)
Treaty Simulation	-	-	-	-	43	(43)
Workforce Development Agreement	762	250	-	1,012	1,200	(188)
	237,898	21,663	54	259,615	251,624	7,991
Total	867,368	61,554	4,395	933,317	900,375	32,942

MUNICIPAL AND COMMUNITY AFFAIRS	\$
A special warrant was approved by the Commissioner on June 27, 2022.	60,000
	<hr/>
Total Special Warrants	60,000
	<hr/>

	Transfer to (from) \$	Explanation
OPERATIONS AND MAINTENANCE		
Health and Social Services		
Health and Social Programs	(4,126)	Transfer of budget from Health and Social Programs to Administrative and Support Services for amortization of information systems projects, labour market supplement and position related O&M. Transfer of budget from Health and Social Programs to Long Term and Continuing Care Services to reflect allocation of funding from federal home care and long term care agreements, amortization for long term care facilities, labour market supplement, adult in-territory supported living and COVID endemic requirements.
Administrative and Support Services	247	
Long Term and Continuing Care Services	3,879	
Education, Culture and Employment		
Junior Kindergarten and Grade 12 School Services	(677)	Consolidate Literacy Funding Budget to Labour Development and Advanced Education.
Labour Development and Advanced Education	677	
Infrastructure		
Programs and Services	(7,086)	Transfer of the Low Carbon Economy Leadership Fund from Program and Services to Energy and Strategic Initiatives where it will be administered.
Energy and Strategic Initiatives	7,086	
Finance		
Information Shared System Services Directorate	(658) 658	Transfer of Information Services records functions to Shared Corporate Services to amalgamate records functions within Finance and provide more effective service.
Office of the Comptroller General Management Board Secretariat	(5,300) 5,300	Transfer of Interest for the Mackenzie Valley Fibre Link (MVFL) Loan Interest from Accounting Services - Mgmt to Deputy Secretary of the FMB as the interest is directly linked to the service payments made on the MVFL and is more effectively grouped with other costs associated.

	Transfer to (from) \$	Explanation
CAPITAL INVESTMENT		
Health and Social Services		
Administrative and Support Services Health and Social Programs	(2,445) 2,445	Transfer of medical equipment evergreening budget from Administrative and Support Services to Health and Social Programs.
Industry, Tourism and Investment		
Tourism and Parks Economic Diversification and Business Support	(716) 716	Transfer of funding from the Tourism and Parks small capital budget to the Economic Diversification and Business Support large capital budget for the Hay River Fish Processing Plant project.
Infrastructure		
Asset Management Programs and Services	(610) 610	Transfer of capital projects from Asset Management to Programs and Services where they will be administered.

for the year ended March 31, 2023

ACCOUNTS RECEIVABLE WRITTEN OFF

No amounts were written off during the fiscal year ended March 31, 2023.

FORGIVENESS OF DEBT

The total debts forgiven during the fiscal year ended March 31, 2023 was \$1,050,979.

	\$
Education, Culture and Employment	
Boline, Brenda Marie	1,238
CJ's Family Day Home	3,649
Crook, Gene Darrel	14,144
Dawe, Jonathon Timothy	2,257
Elanik, Shane Edward	661
Francis, Agnes	12,000
Gibb, Barrett Ryan	3,284
Grandejambe, Cynthia Gail	6,198
Hubick, Linda	1,868
Lander, Karen Ann Marie	2,200
Leblanc, Gabrielle Danielle	6,469
Leger, Candace Samantha	846
Luciw, Robert Mark	12,585
Mantla, Stephanie Lisa	9,840
Ranseth, John	5,208
Sanderson, Alice Mary	10,426
Smith, Beverly Dale	1,564
Thrasher, Lloyd Brandon Eugene	3,425
Vail, Nancy	4,986
Vaughan, Ian	4,439
	<u>107,287</u>
Health and Social Services	
Edubas, M.	1,427
Simon, Wilfred	686
	<u>2,113</u>
Infrastructure	
994486 NWT	22,349
Arslanian Cutting Works (NWT) Ltd.	581
B & T Plumbing and Heating Ltd.	1,695
Bullmoose Ltd.	1,490
City of Yellowknife	725,000
Diamond Cabs Ltd.	920
Fontaine, Robert	1,256
	<u>753,291</u>

for the year ended March 31, 2023

FORGIVENESS OF DEBT (continued)

	\$
Industry, Tourism and Investment	
6005 NWT Ltd.	671
AJ's Slashing	2,404
Akhiatak, Noah	2,005
Alanak, Maggie	591
Alcantara Outfitting	12,000
Allen, Garret	998
Arslanian Cutting Works (NWT) Ltd.	4,755
Betsedea, Rita (Estate of)	2,863
Damaske, Mark	24,780
Delta Sun Services	10,000
Deneron, Dennis Peter	4,300
Desjarlais, Jean	1,736
Jijuu's Bed & Breakfast	993
Lac La Martre Lodge	35,766
Peel River Taxi	2,207
Sayine, Jamie Ernest Edward	2,488
Stewart, Georgie Herbert Stven	1,630
Waakw'a Development Corporation Ltd.	20,000
Wanderingspirit, Justin	1,500
Xah Ndah Resources Ltd.	4,500
Young, Paul J.C.	990
	<u>137,177</u>
Justice	
Alcantara Outfitting	28,182
Kuliktana, Angele Emoyak	750
Sevoliq Justice	20,076
Shabala & Associates	2,103
	<u>51,111</u>
Total Forgiveness	<u>1,050,979</u>

REMISSION OF STUDENT LOANS

The total student loans remised during the fiscal year ended March 31,2023 was \$2,258,083.

REMISSION OF TAXES AND PENALTY

No amounts were remised during the fiscal year ended March 31, 2023.

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, 2023

\$

Executive and Indigenous Affairs

Gwich'in Land Claim Implementation	183,064
Inuvialuit Land Claim Implementation	321,752
Sahtu Land Claim Implementation	33,928
Tlicho Land Claim Implementation	209,847

748,591

Municipal and Community Affairs

Clean Water and Waste Water Fund	738,665
Emergency Management Development	87,402
Gas Tax	14,018,051

14,844,118

Infrastructure

Gwich'in Land Claim Implementation	5,266
Sahtu Land Claim Implementation	5,265
Western Arctic Research Centre Warehouse Expansion - Inuvik	1,961,028
Wood Pellet Boiler Installation	1,505,000

3,476,559

Justice

Court-ordered Counsel	5,618
Estates Clerk	148,547
Gwich'in Land Claim Implementation	6,546
Sahtu Land Claim Implementation	9,570
Tlicho Land Claim Implementation	14,410

184,691

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, 2023

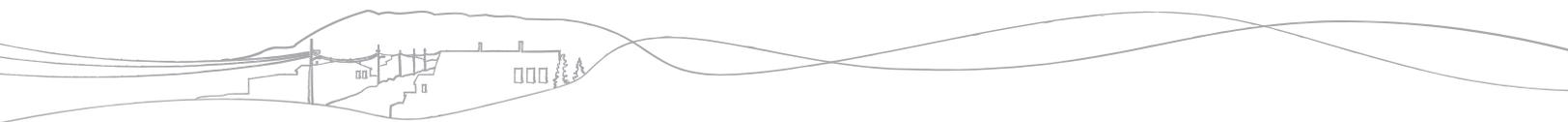
	\$
Health and Social Services	
Canadian Hospital Injury Research	19,051
Electronic Immunization Registry	6,108
Non-insured Health Benefits	20,858,582
Non-insured Health Benefits - Dental	26,453
Northern Wellness Funding	151,054
Pan-Canadian Public Health Network	569
Pan-Northern Data Admin	7,536
Pan-Territorial Health Investment Fund eMental Health	145,376
	21,214,729
Education, Culture and Employment	
Forum of Labour Market Ministers	2,191,451
Gwich'in Land Claim Implementation	37,315
Sahtu Land Claim Implementation	26,916
Tlicho Land Claim Implementation	85,632
	2,341,314
Environment and Natural Resources	
Boreal Caribou Habitat Restoration	45,768
Gwich'in Land Claim Implementation	138,172
Inuvialuit Implementation Funding	4,895,110
Knowledge on Resource Management	60,000
Monitoring Activities Thaidene Nene Territorial Protected Area	553,232
Northern Science and Technology Program	21,710
Sahtu Land Claim Implementation	137,451
Tlicho Agreement Implementation Funding	41,103
	5,892,546
Industry, Tourism and Investment	
Gwich'in Land Claim Implementation	10,189
Sahtu Land Claim Implementation	6,948
	17,137
Total	48,719,685



2022-2023 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, 2023**

**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**

Table of Contents

SECTION III

SUPPLEMENTARY FINANCIAL STATEMENTS – OTHER ENTITIES

Entities

Aurora College
Arctic Energy Alliance
Housing Northwest Territories
Inuvialuit Water Board
Northwest Territories Business Development and Investment Corporation
Northwest Territories Heritage Fund
Northwest Territories Human Rights Commission
Northwest Territories Hydro Corporation
Northwest Territories Surface Rights Board
Status of Women Council of the Northwest Territories

Revolving Funds

Fur Marketing Service Revolving Fund
Marine Transportation Services
Northwest Territories Liquor & Cannabis Commission
Northwest Territories Liquor Licensing Board and Liquor Enforcement
Fuel Services Division
Public Stores Revolving Fund
Yellowknife Airport Revolving Fund

Special Purpose Funds

Environment Fund
Legislative Assembly Retiring Allowance Fund
The Natural Resources Conservation Trust Fund
Public Trustee for the Northwest Territories
Students Loan Fund
Territorial Court Judges Registered Pension Plan Fund
Physical Activity, Sport and Recreation Fund

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Aurora College
ANNUAL REPORT
2021-2022



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.

TABLE OF CONTENTS

2021-2022 At A Glance	1
Administrator’s Message	3
President’s Message	4
2021-2022 Highlights	5
Facts, Figures & Finance	5
Transformation Into A Polytechnic University	9
Teaching and Learning	11
Research	14
Student Success	17
Partnerships	19
Aurora College Team	21
Audited Financial Statements	24
Appendix A: Unaudited Write-Offs	55

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.

2021-2022

AT A GLANCE

2

PROGRAM REVIEWS COMPLETED

work underway to re-establish Bachelor of Education and Social Work programs within next few years

1

NEW PROGRAM INTRODUCED

in partnership with Terry Harrold School of Aviation in Fort Smith, new Aviation Business Diploma offered which provides both diploma and Commercial Pilot Licence

4

NEW KEY PLANNING DOCUMENTS

3-Year Academic Plan; Strategic Enrolment Management and Marketing Plan; Communications Strategy; Student Recruitment and Marketing Plan 2021-2024

RESEARCH

Equity, Diversity & Inclusion

1st

First Northern post-secondary institution to endorse Equity, Diversity & Inclusion (EDI) Dimensions Canada Charter

- multi-year plan put in place to meet milestones

32

Aurora Research Institute-led projects



18

Aurora Research Institute-partnered projects

\$1,838,851 NEW

research funding awarded to Aurora Research Institute.

PARTNERSHIPS

1,600

students from four NWT school divisions have participated in the Trades Awareness Program since 2005

3

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

83  **GRADUATES**

from NWT communities and five provinces & territories graduated from degree, diploma and certificate programs

71+

ACADEMIC UPGRADING COMPLETIONS

21 UCAP
19 OCAP
31 ALBE

39 **CERTIFICATES**

28 **DIPLOMAS**

16 **DEGREES**

9 **NWT SECONDARY SCHOOL DIPLOMAS**

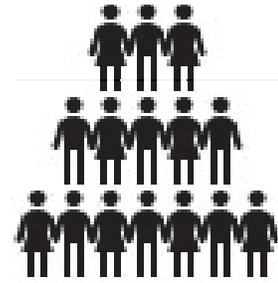
learners completed the requirements to receive their NWT secondary school diplomas

STEM OUTREACH

202 **HANDS-ON SCIENCE EVENTS** in JK-12 classrooms, reaching **3,622** students and **203** teachers

- 100+ hands-on science kits loaned to JK-12 for classroom use
- 31 teachers in 26 STEM "Train the Trainer" sessions
- 56 Beaufort-Delta science teachers attended two virtual information sessions with "show and tell" of best science kits available to loan
- 31 STEM unit consultations with teachers
- 4 virtual speaker events featuring 7 speakers and 139 participants
- 12 DIY STEM kits offered to 730 participants through contactless community outreach
- 2 professional development events for College educators
- 2 outreach presentations to school divisions and principals
- 1 coding and STEM activities support with Trades Awareness Program

EMPLOYEES



Aurora College Team

298
STRONG

19 have doctoral degrees plus 1 MD

77 have masters degrees

21 have Red Seal or Journey person tickets

5 have CPA or CFE designations

36 have post-graduate diplomas or certificates

31.2% Indigenous Aboriginal

6.7% Indigenous non-Aboriginal

62.1% Non-Indigenous non-Aboriginal

ADMINISTRATOR'S MESSAGE



The 2021-2022 academic year was a busy one, with a great deal of forward movement and positive change.

The first phase of Aurora College's transformation into a polytechnic university was completed when the Government of the Northwest Territories unanimously passed *Bill 30: An Act to Amend the Aurora College Act*. The passage of this bill will allow the College to be created as an arm's length post-secondary institution with a new governance system.

The institution will be unique in Canada, with a tri-cameral governance system that is made up of three governing bodies: a Board of Governors, an Academic Council and an Indigenous Knowledge Holders Council. Together, these three bodies will make decisions and recommendations on strategic direction, the business of the College, academics and research. The new governance system will help Aurora College become increasingly effective, efficient, sustainable and better positioned to identify and respond to the needs of Northern residents.

Nominations for Board of Governors members were opened early in the 2022-2023 academic year, and it is expected the new Board will be in place early in 2023. Membership on the Board will be competency-based rather than regionally-based, and at least half of the ten appointed members must be Indigenous persons living in the NWT. Once the Board of Governors is established, the focus will shift to creating the Academic Council and Indigenous Knowledge Holders Council. The establishment of the Board will also bring to completion my term as Administrator for Aurora College. While I have enjoyed the challenges and opportunities the role has offered, I am excited for the re-establishment of the Board of Governors and the next steps.

In addition to project work, engagement with co-investment partners has been gaining momentum, with the Government of Canada recognizing the importance of transforming Aurora College into a polytechnic university through a commitment of \$8 million in the federal budget 2021. Ongoing engagement with co-investment partners will continue to be critical to the success of the institution going forward.

The completion of Phase 1 of the transformation was also reflected in the change of leadership for Aurora College. Andy Bevan, who had served in the dual role of College President and Associate Deputy Minister of Post-Secondary Education Renewal, retired on April 1, 2022. To better reflect the coming arms-length relationship between the GNWT and the

College, his dual roles were split into two, and Dr. Glenda Vardy Dell was appointed as the new full-time president. Dr. Vardy Dell has held senior positions with Aurora College since 2019 and brings with her a wealth of experience and knowledge with both post-secondary education and the North. In addition to serving in senior leadership positions at several Canadian post-secondary institutions, she has lived and worked in many NWT communities as a nurse and in the health care field for many years. The continuity of leadership coupled with Dr. Vardy Dell's expertise bodes well for the ongoing success of Aurora College's transformation to a polytechnic university.

Denny Rodgers
Administrator,
Aurora College

PRESIDENT'S MESSAGE



One of the pleasures of my new role as Aurora College President is to showcase some of our successes and highlights through the 2021-2022 Annual Report. The report also provides an opportunity to celebrate the completion of the first of three phases of our journey to become a polytechnic university and the milestones that have been met along the way. Since the transformation work began, more than 45 critical and key milestones have been achieved across five areas: Academic Program Management, Accountability, Governance, Operations, and Recruitment and Retention of Students.

Among the key milestones achieved in 2021-2022 are the completion of the following plans: 3-year Academic Plan; Strategic Enrolment Management and Marketing Plan; Equity, Diversity and Inclusion Strategy; Communications Strategy; and 2021-2024 Marketing and Student Recruitment Plan.

We are now shifting to Phase 2, which is implementing concrete changes. We are utilizing what was shared with us through targeted engagement with students, the college community, Indigenous governments, community members and other stakeholders to visualize the polytechnic's physical form and to continue to explore its ability

to increase access to high-quality post-secondary education for Northerners.

Phase 2 is about ensuring resources are in place to support the implementation of the plans to affect transformation, including the creation of new units and positions. Some examples of areas of where resources have been put in place are:

- Positions to support the Centre for Learning and Teaching Innovation;
- Creation of a Program Development Unit to lead development of new academic programs;
- Positions to lead the redevelopment of Bachelor of Education and Social Work programs;
- Resources to undertake a program review of the Environment and Natural Resources Technology Diploma;
- An external review of our Information Systems and Technology needs and capacity currently and for the future;
- and, a Financial Processes Assessment by an external contractor to review our current financial processes and recommend processes and systems that would best suit a modern post-secondary institution.

Another important report, the Facilities Master Plan (FMP), was released early in the 2022-2023 academic year. The FMP takes inventory of current College facilities and looks forward to the needs of a polytechnic university. It will provide a roadmap for incremental enhancement and expansion of facilities over several years, and will be a planning tool for the new Board

of Governors.

We will continue building on our strengths and past successes to transform into a modern polytechnic university that will offer high quality programs with a distinctly Northern influence. As a northern education institution committed to reconciliation and inclusiveness, a central theme of our ongoing transformation is to ensure Indigenous voices are integral to and incorporated into our programs and operations. An important component of that work is the creation of the Indigenous Knowledge Holders Council, which is one of three governing bodies of College's new tri-cameral governance structure. The Council's primary responsibility will be to promote policies and operational decisions that foster the success of Indigenous students and staff, and of the institution as a whole. To achieve this, the Council will make recommendations to the Board of Governors regarding: the success of Indigenous students and staff; ways to incorporate and honour the culture, traditions and histories of Indigenous peoples; the strategic direction of the College; program development and reviews; operational activities and decision-making; and reporting of information. We anticipate the Council will be in place by early 2024.

Dr. Glenda Vardy Dell
President,
Aurora College

2021-2022

FACTS, FIGURES & FINANCE

STUDENTS

Number of Students by Campus

CAMPUS / YEAR	2021-2022		2020-2021		2019- 2020		2018-2019	
	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time	Full-Time	Part-Time
Aurora	35	119	22	67	84	394	124	450
Thebacha	111	385	84	163	161	494	161	669
Yellowknife North Slave	266	179	167	189	224	471	201	404
Communities	31	317	19	953				
TOTAL	443	1000	292	1372	469	1359	486	1523
TOTAL # STUDENTS	1828		2009		1989		2179	

NOTE: Until 2020-2021 students learning in Community Learning Centres were included in campus student counts.

Full-Time Equivalent (FTE) Students by Campus

CAMPUS / YEAR	2021-2022	2020-2021	2019-2020	2018-2019
Aurora	42.3	31.1	107.1	189.5
Thebacha	179.7	129.3	209.1	275.4
Yellowknife North Slave	310.1	204.3	283.4	274.3
Communities	58.3	100.7		
TOTAL	590.4	468.4	599.6	739.2

NOTE: Until 2020-2021 students learning in Community Learning Centres were included in campus student counts.

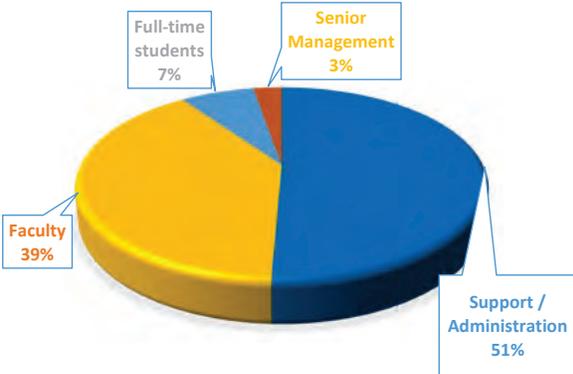
Full-Time Equivalent (FTE) Students by School - Division

SCHOOL-DIVISION / YEAR	2021-2022	2020-2021	2019-2020	2018-2019
Continuing Education	23.2	34.5	35.0	79.0
Developmental Studies	142.0	136.1	240.2	287.2
Arts & Science	26.7	22.2	18.0	23.5
Business & Leadership	105.9	50.5	72.9	90.3
Education	60.1	34.5	43.2	56.4
Health & Human Services	145.0	127.7	131.6	124.7
Trades, Apprenticeship & Industrial Training	87.5	59.9	58.7	78.1
TOTAL	590.4	465.4	599.6	739.2

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

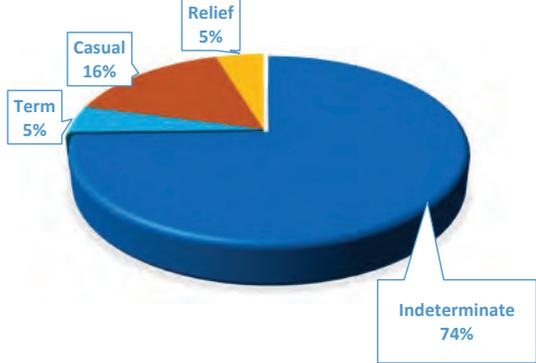
FACULTY & STAFF

Employees by Function*



Support/Administration	151
Faculty	118
Full-Time Students	21
Senior Management	8

Employees by Employment Status*



Indeterminate	222
Relief	14
Term	14
Casual	48

* These statistics are a snapshot of employees on March 31, 2022

RESEARCH

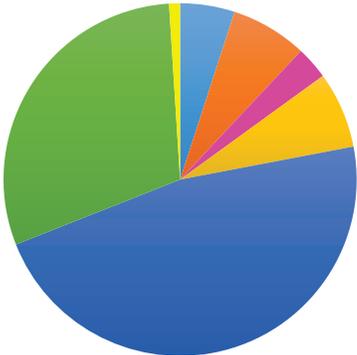
2021 Research Licences by NWT Region

North Slave	25%
Inuvialuit	23%
Gwich'in	16%
Dehcho	14%
Sahtu	12%
South Slave	10%



2021 Research Licences by Research Category

Physical Science	47%
Social Sciences	30%
Health	7%
Contaminants	7%
Biology	5%
Engineering	3%
Traditional Knowledge	1%



Aurora Research Institute Metrics (July 1, 2021 – June 30, 2022)

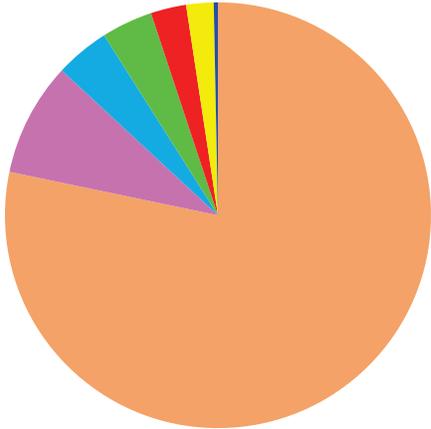


Research Projects – ARI Led	32
Research Projects – ARI Partnered	18
New funding (\$\$) awarded:	\$ 1,838,851
Research Partnerships	41
In-Kind Support Received	\$29,975
ArcticNet North by North Funding (2020-2024)	\$1,416,668
Peer-reviewed scientific publications	13

FINANCES AT A GLANCE

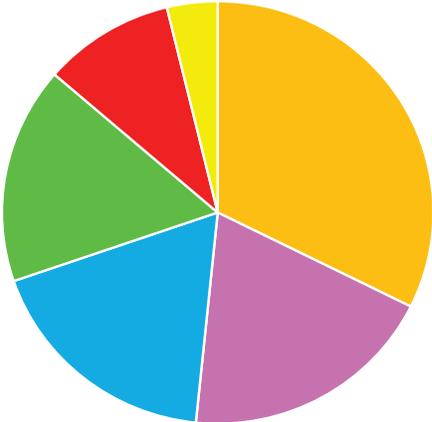
REVENUE BY SOURCE

Government of the Northwest Territories	78.3%
Government of Canada	8.6%
Other third party contributions	4.1%
Tuition	3.9%
Recoveries & Other	2.7%
Room & Board	2.1%
Interest	0.3%



EXPENDITURES BY SOURCE

Education & Training	32.3%
Student Services	19.2%
Pooled services	18.1%
Community & Extensions	16.7%
Aurora Research Institute	9.9%
Financial & Accounting Services	3.8%



2021-2022 HIGHLIGHTS

TRANSFORMING TO A POLYTECHNIC UNIVERSITY

With the passing of amendments to the Aurora College Act, the 2021-2022 academic year saw the Aurora College Transformation initiative transition from Phase 1: Strengthening the Foundation and Planning for Change to Phase 2: Transformational Change. Progress has been characterized by significant advancements in strategic planning and the building of capacity among leadership, faculty and staff in key areas.

Completing Phase 1

Phase 1 began with the launch of the transformation initiative in 2019 and was officially completed when the Northwest Territories Legislative Assembly passed *Bill 30: An Act to Amend the Aurora College Act* in November 2021, achieving a milestone in the transformation process.

The amended Aurora College Act came into force on May 20, 2022. 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, particular 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 1 projects completed over the past year have been driven by the hard work of faculty and staff at Aurora College. A partner in the transformation process, the Department of Education, Culture and Employment has also provided ongoing coordination and support for the wide-ranging transformation projects. During Phase 1, working groups and project teams reached more than 45 milestones across five areas, including Academic

Program Management, Accountability, Governance, Operations, and Recruitment and Retention of Students.

Flowing from the overall Aurora College Strategic Plan, a number of additional strategic documents have now been completed that will guide institutional development moving forward. Aurora College now has its first Academic Plan, Strategic Enrolment Management Plan, Student Recruitment and Marketing Plan, and Communications Strategy. The process of creating these documents has resulted in new and enhanced levels of expertise at Aurora College that will be integral to the successful completion of the transformation process.

Advancing Phase 2

The transformation initiative has entered Phase 2, which will see key aspects of the polytechnic university begin to 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. This engagement will culminate in a *What We Heard Report and Polytechnic University Facilities Master Plan* that will be released in summer 2022 to guide the ongoing enhancement and expansion of facilities.

Work has also started to prepare for re-establishment of the Aurora College Board of Governors. This has been a significant undertaking that will lay the groundwork for the shift from regional representation to a Board of Governors selected based on a set of legislated competencies critical to the institution's success. Recruitment of Board Members will take place during the 2022-2023 academic year.

Co-investment in transformation

Support from co-investments partners remains critical to achieving transformation milestones and Aurora College received significant support from the Government of Canada earlier this year. As part of their

Budget 2021, the Government of Canada recognized the importance of transforming Aurora College into a polytechnic university through a commitment of \$8 million over two years.

Increased capacity for teaching and research excellence

In order to advance the transformation process and help to ensure overall success in meeting the goals outlined in the Aurora College Strategic Plan, work has advanced over the past year to create new teams and new positions across the institution, particularly in the areas of teaching and research excellence. The recently established Centre for Learning and Teaching Innovation has begun to empower faculty in new ways and preparations for a Research Services Team are near completion. Each will bring exciting and critical supports in these areas over the coming years.

Three-year Academic Plan developed

As part of strengthening the foundation and planning for change, Aurora College released its first Academic Plan in September 2021. The Academic Plan is a critical milestone in the transformation of Aurora College to a polytechnic university: laying out how the College intends to support the academic achievement of students and the framework for processes of continuous quality improvement over the next three years. The Academic Plan will serve as a bridge between Aurora College's overarching strategic goals and academic program management and presents a vision for the College's academic future. It will be a touchstone for all academic and educational teams throughout the College to plan, prioritize and implement a wide range of projects and initiatives.

Strategic Enrolment Management Plan

A key priority for Aurora College's transformation is to implement a Strategic Enrolment Management & Marketing (SEMM) plan to guide and support student recruitment, enrolment, persistence, and completion. As a learning-centred institution with student success at its core, Aurora College has long demonstrated commitment to students and the delivery of quality post-secondary education and services. The new SEMM plan will support continuous improvement efforts. The plan is ultimately about student success and involves commitment from the entire organization to connect with potential and continuing students, and to provide

support and advice in order to maximize their success. It is both an educational and managerial framework for supporting student recruitment, registration, persistence, and graduation or completion, and seeks to balance student success and institutional health.

Equity, Diversity & Inclusion charter signed

Aurora College is the first Northern post-secondary institution to endorse the Equity, Diversity and Inclusion Canada (Dimensions) Charter, joining more than 100 Canadian post-secondary institutions to support its goals. The charter endorsement is part of the Dimensions pilot program, the goal of which is to foster increased research excellence, innovation and creativity within the post-secondary sector across all disciplines through greater equity, diversity, and inclusion (EDI). In signing the charter, Aurora College is publicly stating its commitment to embedding EDI principles in its policies, practices and action plans. Aurora College is now recognized nationally and internationally as a post-secondary academic community dedicated to promoting EDI principles. Signing the Dimensions Charter Endorsement is the most recent step in Aurora College's work to increase EDI within the institution. In 2019 Aurora College received an NSERC grant to develop an internal EDI policy and process to address obstacles faced by, but not limited to, women, Indigenous peoples, persons with disabilities, members of visible minority/racialized groups and members of LGBTQ2+ communities. Since that time the College has developed and implemented a five-year strategic plan to advance EDI principles. An EDI committee with members from across the College has been set up and an EDI coordinator will be hired to support this important work.

2021-2022 HIGHLIGHTS

TEACHING AND LEARNING

Aviation Business Diploma introduced

As of September 2022, Aurora College is offering a new Aviation Business Diploma in partnership with the Terry Harrold School of Aviation (THSA) in Fort Smith. The two-year program will allow students to achieve both a Diploma from the College and their Private and Commercial Pilot Licences from the THSA. The combined program is designed to both help address the pilot shortage in the northern aviation industry and to complement technical flying skills with business knowledge and skills that can better position graduates for employment and entrepreneurial opportunities in the North. It will prepare graduates for employment in business and government positions in northern aviation.

Bachelor of Education and Social Work reviews and next steps

In May 2022, Aurora College publicly released the Program Reviews and Institutional Responses for both the Aurora College Social Work and Bachelor of Education programs. The main recommendations are that Aurora College offer both the Social Work and Bachelor of Education programs; Aurora College has accepted those recommendations. The College will investigate both a diploma and a degree program for Social Work and the structure of a Bachelor of Education degree. The feasibility of a two-year post-graduate Bachelor of Education program will also be studied. Timing of the launch of both programs will depend upon funding approval and external quality assurance reviews. National environmental scans of Social Work and Bachelor of Education programs will be completed to aid in developing full program proposals and plans to ensure the new offerings meet the needs of both Northern students and the Northern labour market. Research and development of the new programs will begin in Fall 2022 with program delivery start up dates to be determined based on the research and planning.

Centre for Learning and Teaching Innovation

The pilot Centre for Learning and Teaching Innovation (CLTI – formerly the Centre for Teaching and Learning) continued to expand services and professional development opportunities for Aurora College employees. Early in the 2021-2022 academic year, the Adult Learning Specialist – Scholarship of Teaching and Learning (SoTL) position was hired to lead supports to facilitate SoTL. During the year, some of CLTI's offerings included four Instructional Skills Workshops and hosting the College's Making Connections and Celebrating Success conference. Nearly 150 Aurora College employees attended the five-day internal conference. Members of the Centre's team continue on their own paths of lifelong learning: two are in the process of earning their doctoral degrees and three completed a Facilitator Development Workshop.

Apprenticeship programs and facilities re-accredited

During 2021-2022, Aurora College's carpentry and electrical apprenticeship programs and facilities at Thebacha Campus were inspected by the GNWT Education, Culture and Employment Apprenticeship office and a team of industry experts and received accreditation for the next five years. Aurora Campus was also accredited to deliver the Fundamentals of Carpentry program. Accreditation of programs and facilities takes place at regular intervals to ensure high quality instruction and high standards are met in the classroom and shop facilities.

New Trades programs and courses

The new Fundamentals of Carpentry 1 was delivered at Aurora Campus in Inuvik, the first time it has been offered outside of Thebacha Campus. It is expected it will become a regularly scheduled program in Inuvik.

In collaboration with the Department of Municipal and Community Affairs, a pilot Heavy Equipment Operator Refresher course was developed and delivered. The course consists of both classroom and equipment seat time and provides experienced heavy equipment operators with a refresher for their particular areas of equipment operation.

An all-female Women in HEO (Heavy Equipment Operator) was successfully delivered. While women enrol in the regular HEO programs, there is demand for the female-only deliveries as well.

New mandatory Class 1 Driver Training requirements

Class 1 Driver Training has been updated to include a new mandatory component, Entry Level Training (ELT). The mandatory component is being introduced across Canada to ensure minimum standards are in place and are met for all Class 1 Driver training. Aurora College was the first training provider in the Northwest Territories to implement the Class 1 ELT, and worked closely with the Department of Infrastructure – Road Licensing during the development of the curriculum.

Reconciliation in action

Continuing to support Aurora College's commitment to Truth and Reconciliation, the Bachelor of Science in Nursing (BSN) program was able to return to land-based learning after a COVID-19-induced hiatus. In partnership with Dechinta Centre for Research and Learning, second year students spent the day learning from Indigenous Elders at a fish camp.

The Indigenous Peoples of the Northwest Territories course, a mandatory elective in the BSN program, is largely delivered on the land and provides students in-depth opportunities to learn the history of the NWT from local Indigenous Elders and Knowledge Holders.

Students, faculty and staff from the Practical Nurse Diploma, Personal Support Worker Certificate and Bachelor of Science in Nursing programs attended an afternoon session with Marie Wilson, Commissioner of Canada's Truth and Reconciliation Commission, to learn about the commission's work and engage in discussion about systemic racism. They also participated in a session about trauma-informed practice with the Relationship Matters team during Nurses Week in May, learning about how they, as health care providers, can provide better care.

INNOVATE (formerly the Arts, Crafts and Technology Micro-manufacturing Centre in Inuvik) supported the Inuit Unmarked Graves project by partnering with the Inuvialuit Regional Corporation to train local artists to use laser engraving, CNC milling and other manufacturing techniques to create unique and durable grave markers.

Expanded online course options

Expanding upon learnings through COVID-19, Aurora College expanded the number and breadth of courses offered through distance and online learning. Community Learning Centres, especially in the Sahtu and Beaufort Delta, offered a full slate of online Adult Literacy and Basic Education courses, Digital Literacy workshops and several Literacy and Essential Skills courses, such as Introduction to Office Skills. As well, the Continuing Education division ran more than 30 workshops online, including Excel, Writing and Editing Skills, Minute Taking, Quickbooks, Bookkeeping and Proposal Writing.

Merging Arts with Technology in Ulukhaktok

INNOVATE delivered blended delivery (five weeks of distance instruction and three weeks of in-person learning) of the Merging Arts and Crafts with Technology course in Ulukhaktok. Participants learned graphic design, printing, vinyl application, 3D printing, CAD, and business development topics. The course was a partnership with the Inuvialuit Regional Corporation and the College's Community Learning Centre in Ulukhaktok.

Pre-Trades STEM courses

Pre-trades and Trades Preparation courses were developed to prepare students to pass the NWT Trades Entrance Exams and updated trades entrance requirements. These courses focus on the math, science and English skills required for both for the exam and for working in trades positions. The courses are delivered through Community Learning Centres based on local need. In addition, several community-based students in Tulita successfully challenged their Trades Entrance Exams.



2021-2022 HIGHLIGHTS

RESEARCH

\$985,000 Northern REACHE grant for wind energy research

ARI-led research into wind power potential for the north continues to expand and evolve, due to \$985,000 from the Northern REACHE (Responsible Energy Approach for Community Heat and Electricity) program. This funding allows ARI to enhance its ability to conduct wind resource assessments by reducing the setup costs associated with visiting a potential site and will strengthen existing work being done in partnership with the GNWT Energy Division. Until recently, the standard tool for assessing the wind resource in an area was large meteorological towers each weighing several thousand kilograms. The most recent NWT-based tower was installed near Norman Wells to collect wind data for the GNWT. In 2020, ARI sought Canada Foundation for Innovation (CFI) grant funding to purchase a LiDAR (Light Detection and Ranging) wind monitoring unit. LiDAR technology is a remote sensing method that uses a laser to measure wind speed, wind direction and air turbulence. Each unit weighs approximately 80 kilograms and can be transported and set up by two people in a few hours. The first unit was deployed next to the Norman Wells tower to compare reliability, power consumption and maintenance needs. Results showed the LiDAR units were more efficient and could reliably gather measurements up to 200 metres in height with less maintenance effort compared to the tower's 60 metre detection range, which required many site visits to ensure good readings. Aurora College recently received a Northern REACHE grant to purchase and operate two additional LiDAR units. This support has permitted ARI to completely adopt the more mobile, more accurate technology. The additional units will allow research at multiple locations simultaneously, increasing the accuracy of data collected. This research into the viability of wind energy for northern communities could help reduce reliance on diesel and non-renewable energy sources.



Role of Indigenous language in early learning

Diploma and certificate students in Aurora College's Early Learning and Child Care (ELCC) program are conducting collaborative action research with University of Toronto researchers as part of the Northern Oral language and Writing through Play (NOW Play) Partnership Project. The overarching goal is to create experiential-based and culturally-appropriate materials for family members and Early Childhood Educators to learn and to teach children their Indigenous language(s).

Three ELCC diploma students (Gloria Francis, Shannon Wedawin, Suchitra Yadav) and Instructor Erica McDonald represented Aurora College at the University of Toronto's International Symposium on the Revitalization of Indigenous Language and Literacy. The students presented an update on their research findings regarding the development and implementation of home-based strategies to support families in the revitalization of Indigenous languages.

Environmental recovery from legacy mining pollution

The North Slave Research Centre is leading a multidisciplinary research program to better understand the environmental processes that control the recovery of lakes and soils in the Yellowknife region from legacy mining pollution. The program has leveraged funding from territorial and private partners in collaboration with researchers from Queen's University, Wilfrid Laurier University, University of Waterloo, Carleton University, Royal Military College, and Environment and Climate Change Canada. During 2021-2022, fourteen students from southern institutions were involved in collaborative research with the program and spent more than 150 days in the north. Strengthening natural science capacity at the North Slave Research Centre is a critical component of the transformation of Aurora College into a polytechnic university, as Aurora College looks to develop new programming and research capacity.



Faculty research improving student learning environment

The Bachelor of Science in Nursing faculty continues to provide evidence of scholarly work through receipt of grants, research licences, conference presentations and publications in academic, peer reviewed journals. In 2021-2022, more BSN faculty were involved in research than any previous year. This research continues to support program evolution and continued quality improvement. One example of how faculty research has led to changes in the program is the adaptation of a pre-briefing model to support student psychological safety and learning in the simulated setting.

Improving end-of-life care for aging population

The College's Manager of Health Research is completing doctoral research into the impacts of an acute home care team initiative during the first wave of COVID-19 in a region of Quebec.

Acute care at home teams are future practices in home care with the potential to decrease health care costs and improve both the quality of life and quality of end-of-life care offered to an aging population with multiple co-morbidities. The case study's goal is to better understand how new forms of care emerged through this initiative by using qualitative methods to gather organizational and healthcare providers' perspectives. It will also allow further investigation into the new "remote-hospital-centred care" approach and how inter-professional dynamics impact patients and their loved ones. Results from Andréanne Robitaille's research project - ***New Boundaries of Care and Interprofessional Dynamics in the Context of a Pandemic: A Case Study of Acute Care at Home Teams*** - may lead to additional research into facilitating access to end-of-life care in the NWT.

Top 50 Research College for sixth consecutive year

Aurora College was recognized by Research Infosource Inc. as one of Canada's Top 50 Research Colleges for 2021. Aurora College was ranked #34 overall among the nation's top research colleges. For research dollars per researcher – research intensity – Aurora College was ranked #7 in Canada. The College was also listed in the top 20 in several other categories: #14 in research partnerships; #16 in completed research projects and paid student researchers; #17 in industry research income as a percentage of total research income; and #18 in industry research income. 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.

PromoScience - STEM Outreach funding grant

An additional grant in the amount of \$475,000 over three years was received from the Natural Sciences and Engineering Research Council (NSERC). The funding is for the PromoScience program, which supports organizations that promote STEM (Science, Technology, Engineering and Mathematics) programming for youth, including hands-on learning experiences. The grant will support the growth and continuity of Aurora Research Institute's STEM Outreach Program, which offers programming to 19 of the NWT's 33 communities. The ARI STEM Outreach Program reaches 7,000 Northern youth and 150 Northern educators through 250 science promotion events every year.

Winter operation field-wear research

INNOVATE supported a large research project on the winter-use characteristics of traditional Indigenous clothing to inform federal government procurement offices interested in adding these products to their eligible winter operations field-wear list. INNOVATE supported social science research that included interviews with Inuit and other Northern Indigenous crafters. Knowledge was gathered on the suitability of materials and techniques depending on the intended use.

Western Arctic Research Centre Logistics Support

Long-term facility use	80
Short-term facility use	93
Technician support	168
Equipment rentals	242
Accommodation days	230

INNOVATE Metrics

Number of companies served	70
Workshops offered	26
Number of tours	24
Active memberships	44

(data for July 1, 2021-June 30, 2022)

STEM OUTREACH

97 **STEM**
(Science, technology, engineering and mathematics) public-health-approved events took place with



2,226
NORTHERN YOUTH
and residents in attendance

RESEARCH

RANKED

34th & **7th**

Overall out of
Canada's Top 50
Research Colleges

In Research Intensity
(dollars per researcher)
out of Canada's Top 50
Research Colleges

1

NEW CODING & ROBOTICS CLUB
for NWT high school students

2021-2022 HIGHLIGHTS

STUDENT SUCCESS

ELCC student receives \$20,000 Studentship Award

Second-year Early Learning and Child Care student Sarah McGregor received the 2022 Edets'seèhdzà Studentship Award. The \$20,000 stipend supports an Aurora College student to be involved in health-related research during their studies. McGregor is first recipient enrolled in a program outside of the School of Health and Human Services. She will be engaged in research projects promoting mental health and wellness, as well as Indigenous cultural and linguistic revitalization. The Edets'seèhdzà Studentship award is funded by Hotìì ts'eeda, and provided through a partnership between Hotìì ts'eeda and Aurora College/Aurora Research Institute. Hotìì ts'eeda is funded by the Canadian Institutes for Health Research (CIHR) and is a research support unit hosted by the Tłìchq Government. Edets'seèhdzà (eh-DEY-tsay-zah) means "stepping forward to challenge yourself" in the Tłìchq language.



Gahcho Kué Mine creates new scholarships for Early Learning



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 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, are ineligible for government funding. 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.

BSN graduates share road to success with Developmental Studies students

Two graduating BSN students shared how academic upgrading and the University and College Access Program (UCAP) helped them reach their goals of becoming nurses. At the Developmental Studies completion ceremony in Yellowknife, Jodi Larkin and Kelly Nicholls shared how the UCAP Nursing Career Pathway helped prepare them academically to enter the four-year degree program and encouraged the gathered learners to continue to pursue their dreams.

Distance learning opens door to new career

The opportunity to participate in the Personal Support Worker Certificate program by distance offered a chance for a career change for graduate Glen Ekhionina. After a long career in construction as a heavy equipment operator, he knew he wanted to work more closely with Elders and in a helping profession. Glen was born in Kugluktuk, NU and lived for many years in Enterprise, NT before moving to Fort Smith, where he completed his certificate. He looks forward to being part of the health care team.

Highest mark in NWT on diploma exam

University and College Access Program (UCAP) student Shiela Tusiime achieved the highest mark in the NWT on the 2021-2022 English Language Arts 30-2 diploma exam. She completed the Bachelor of Science in Nursing career pathway in UCAP. She received the 2021-2022 Minister's Award for Academic Achievement for her accomplishment.

Literacy support helps achieve long-term goals

A learner at the Yellowknife Literacy Outreach Centre secured permanent employment as a teaching assistant with a Yellowknife school division. The learner began at the centre with limited literacy and English Language skills and applied themselves over several years through Family Literacy, Tutoring and Basic Computing courses to succeed in their long-term goal.

Health and Human Services Awards

The RNANTNU Academic and Clinical Excellence Award is presented each year to a graduating Bachelor of Science in Nursing student by the Registered Nurses Association of Northwest Territories and Nunavut. The 2022 recipient was Erin Ross (right).



AVENS - A Community for Seniors annually presents the AVENS Sheila Broders Award to a graduating Personal Support Worker Certificate student who shows excellence of care and compassion for residents during their practicum at AVENS. Pauline Williah of Behchokò was the 2022 recipient (left).

The Bachelor of Science in Nursing Faculty Award was presented to BSN graduating student Rebecca Baxter.



2021-2022 HIGHLIGHTS

PARTNERSHIPS

Indigenous Business Centre of Excellence feasibility study

The Future Skills Centre committed to provide Aurora College with \$285,000 to undertake a feasibility study to look at establishing an Indigenous Business Centre of Excellence. The study will look at other Canadian and Indigenous business centre models and will include a scan of current Indigenous businesses and the needs, opportunities and gaps in the NWT's 33 communities. Aurora College plans to engage with Indigenous governments, Indigenous corporate entities, northern industry organizations and other key stakeholders in a variety of ways. An Indigenous Business Centre of Excellence could help Indigenous entrepreneurs with business start-up or expansion, partnerships and planning; help ensure Indigenous entrepreneurs have access to business support and advice; and provide support and advice about small business development and joint venture developments. It might also assist with developing core skills for Indigenous businesses to succeed, such as governance, risk management, financial management and best practices.

Building capacity in Western Arctic communities

The Remotely Piloted Aircraft Systems (RPAS) program is growing RPAS capacity within Northern communities and Aurora Research Institute (ARI). In 2021-2022, three RPAS pilots with ARI completed Transport Canada's Advanced Pilot Certification. Additionally, ten pilots at the Inuvialuit Community Economic Development Organization (ICEDO) and 13 at Inuvik Community Corporation (ICC) completed Transport Canada's Basic RPAS Certification. The next phase of the program is to equip community pilots with the theoretical and practical skills to achieve Transport Canada's Advanced Pilot Certification. Having at least one trained RPAS pilot in each Western Arctic community is of great benefit to communities as these pilots are able to immediately document and, where required, map as-they-occur issues of concern to the communities. Additionally, community RPAS pilots are equipped with the skills to support search and rescue and other emergencies. A number of community pilots are employed by researchers and government agencies to help map and monitor the effects of climate-driven changes on Western Arctic communities.

Early Words program

The Early Learning and Child Care distance program is partnering in a research project with the Canadian Child Literacy Foundation to conduct an environmental scan of the literacy landscape in the Northwest Territories, particularly around the availability of books appropriate for children age 0 – 5 years. This is an initial step in exploring the possibility of implementing the CCLF's nationally recognized "Early Words Program" in the Northwest Territories.

Physical literacy and early learning

The ELCC Program is partnering with Sport North and the Mackenzie Recreation Association to develop and implement a northern Indigenous program to support the promotion of physical literacy in the NWT. The project targets early childhood educators as well as junior kindergarten and kindergarten teachers in helping to support families in the development of physical literacy skills in children 2-6 years of age.

Nursing students assist with COVID-19 responses

Bachelor of Science in Nursing students and faculty continue to support local health authorities in the front line response to COVID-19, with all fourth-year BSN students becoming nationally certified in immunization administration. With the support and mentoring of the Northwest Territories Health and Social Services Authority (NTHSSA) staff, the College was able to assist with COVID-19 and influenza vaccination, as well the creation of unique learning resources for children as vaccines were approved. Second- and third-year BSN students worked with staff at the Yellowknife COVID-19 testing site to complete testing for COVID-19 and learn about result interpretation and

patient education. As COVID-19 cases rose in Yellowknife in the fall of 2021, BSN students gained invaluable learning experience at Stanton Territorial Hospital and assisted staff in the delivery of care during an exceptionally busy time.

Leadership program supports 12 Northern employers

For the first time, two cohorts of the Northern Leadership Development Program were offered simultaneously – one was a blended delivery model and one was delivered online. Both cohorts attended the final module in Yellowknife in June, which included an on-the-land component with local Indigenous Elders. The two programs had a total of 36 participants representing 12 Northern employers, which included Arctic Canadian Diamond Company Inc., Aurora College, DeBeers Group, Diavik Diamond Mines Inc., Government of Canada, Government of the NWT, Gwich'in Land & Water Board, K'asho Got'ine Housing Society, Larga Kitikmeot, NWT Metis Nation, Parks Canada and the Town of Fort Smith. Three Aurora College employees completed. In recognition of the value of the NLDP program, the College has set aside six seats for Aurora College employees in the 2022-2023 delivery.

Trades awareness expands to Tłı̄chǫ

Aurora College continues to collaborate with partner organizations to deliver the Trades Awareness Program at Thebacha Campus. High school students in the Tłı̄chǫ region can now participate in any of the Introductory, Intensive or Summer Camp Trades Awareness Programs. Students are exposed to various trades and college life during the one-week sessions. Currently, three regions – South Slave, the Dehcho and Tłı̄chǫ – are actively participating. More than 70 students from those regions took part in 2021-2022.

Gahcho Kué Mine supporting community development through scholarships

Gahcho Kué Mine has committed to provide \$216,000 over nine years to students in Aurora College's distance Early Learning and Child Care program in the form of twelve \$2,000 scholarships to the program's top students. Early Childhood professionals play a critical role in the development of healthy outcomes for children and families. Partnerships such as these can improve the quality of life for northern residents and communities. Obtaining certificates and diplomas in Early Learning and Child Care will enhance and expand career opportunities for the graduates, including upgraded or additional professional responsibilities, improved pay and opportunities for new or better positions. The majority of Early Childhood professionals are women: supporting them enables parents, particularly mothers, to reach their full economic potential; and helps create a generation of engaged and well-prepared young learners. The scholarships are part of a larger set of community-based programs that fall under Gahcho Kué Mine's Building Forever plans. Launched in 2020, Building Forever aims to provide lasting benefits to host communities and includes commitments to protect the natural world, accelerate equal opportunity, partner for thriving communities, and lead ethical practices across industry.

Journal to highlight Indigenous scholars and northern research

Staff at Aurora College and Hotì ts'eeda are close to launching a new online academic journal, Xàgots'eèhk'ò, supported with funding through the Social Sciences and Humanities Research Council (SSHRC). The open access peer-reviewed journal will highlight the work of Indigenous scholars and northern science that impacts, and is relevant to, the peoples of the NWT. The creation of a northern-led, Indigenous-governed, open-access journal will provide a unique platform to represent Northern and Indigenous voices and scientific endeavours. Existing circumpolar academic journals are based at southern or international institutions and are often less accessible as they sit behind a subscription or pay service. The online journal will increase discoverability of and access to research from scholars based in the North, disseminate research that can inform Northern policy and practice, and ensure the voices of Indigenous scholars and Traditional Knowledge are represented equally alongside western science. The project is also supported by the Dechinta Centre for Research and Learning.

2021-2022 HIGHLIGHTS

AURORA COLLEGE TEAM

University Medal for Outstanding Graduate Work

Mike Palmer, Manager of the North Slave Research Centre, completed his PhD in Geography and Environmental Studies from Carleton University in Ottawa.

His PhD research was directed at exploring environmental processes that control recovery of the mining impacted landscape around Yellowknife. The project was developed in collaboration with staff from the Yellowknives Dene First Nation Department of Land and Environment in response to ongoing concerns about environmental impacts from legacy mining activities in the region. Results from this research have been published in several leading scientific journals, have informed policy decisions in the GNWT, and have helped residents in Yellowknife, Ndilq̓, and Dettah better understand the extent of impact from past mining activities and the processes that control natural recovery of the landscape.



In recognition of Dr. Palmer's research, he was awarded the University Medal for Outstanding Graduate Work by the Carleton University Senate.

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. Mike Palmer, Manager, North Slave Research Centre: Doctorate of Geography and Environmental Studies, Carleton University.

93

Indigenous



205

Non-Indigenous



19 Doctoral degrees

27 Post-grad certificates

77 Masters degrees

9 Post-grad diplomas

4 CPA designation

16 Red Seal tickets

1 CFE designation

5 Journeyperson tickets

Melanie Adams Librarian/Student Success Coordinator, Aurora Campus: Master in Information Studies (Librarianship) with distinction, Charles Sturt University (distance). She received the Sage Research Award for the graduate with the highest mark in the required "Research in Practice" course, and was named to the Executive Dean's List.

Wanda Roberts, Program Head, Health Programs: Master of Education in Open, Digital and Distance Education, with a focus in Educational Leadership, Athabasca University (distance). She was nominated for the Governor General's Gold Medal Award of Excellence for accomplishments in a graduate program.

Catherine Ardiles, Instructor, BSN: Master of Education in Adult Education, Yorkville University (distance).

Lydia Montana, Senior Instructor, BSN: Master of Nursing, Athabasca University (distance).

Rosalee Taylor, Instructor, BSN: Master of Education, Adult Learning and Global Change, University of British Columbia (distance).



Certificates in Adult Education

Four faculty and staff members achieved their Aurora College Certificate in Adult Education:

Colin Dempsey, Instructor, Business Administration

Kimberley MacKenzie, Senior Instructor, Community Nurse Development

Greta Sittichinli, Program Head, Office Administration

Xiaoyi Yan, Coordinator, Literacy Outreach

BA instructor presents at Washington, DC conference

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.

north2north

In May 2022, three Aurora College employees participated in a north2north network trip along with a group from Yukon University and Nunavut Arctic College. The networking trip to seven universities in northern Norway, Sweden and Finland was designed to encourage future student and staff exchange opportunities with other circumpolar institutions. north2north is the University of the Arctic's mobility program designed to foster learning opportunities in other places and cultures in the North. Global Affairs Canada has funded this program in Canada, creating more opportunities for Aurora College students and staff to be part of future exchanges. There is an annual call for applications for students and staff interested in exchanges. One Aurora College staff member was approved for an exchange which is planned for fall 2022.







AURORA COLLEGE
**AUDITED FINANCIAL
STATEMENTS**

AS OF JUNE 30, 2022

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 Public Administrator. 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 Public Administrator is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Public Administrator meets regularly with management and the external auditors. The external auditors also have full and free access to the Public Administrator.

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
November 23, 2022



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 2022, 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 2022, 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, 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
23 November 2022

AURORA COLLEGE
STATEMENT OF FINANCIAL POSITION
as at June 30, 2022
(in thousands of dollars)

	<u>2022</u>	<u>2021</u>
Financial assets		
Cash	\$ 18,974	\$ 19,714
Accounts receivable (Note 3)	3,985	1,666
Inventories for sale	152	-
	<u>23,111</u>	<u>21,380</u>
Liabilities		
Accounts payable and accrued liabilities (Note 13a)	1,124	1,273
Payroll liabilities (Notes 13a and 17)	3,173	2,394
Deferred revenue (Note 15)	2,649	2,027
Due to the Government of the Northwest Territories (Note 9)	5,595	2,696
Employee future benefits (Note 4)	1,403	1,421
Professional development fund (Note 5)	3,238	2,750
	<u>17,182</u>	<u>12,561</u>
Net financial assets	<u>5,929</u>	<u>8,819</u>
Non-financial assets		
Prepaid expenses	708	510
Tangible capital assets (Note 6)	5,798	5,666
	<u>6,506</u>	<u>6,176</u>
Accumulated surplus (Note 7)	<u>\$ 12,435</u>	<u>\$ 14,995</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:



Denny Rodgers
Public Administrator



Glenda Vardy Deil
President

AURORA COLLEGE
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
for the year ended June 30, 2022
(in thousands of dollars)

	Budget	<u>2022</u> Actual	<u>2021</u> Actual
Revenues (Schedule A)			
Government of the Northwest Territories revenues (Note 8)	\$ 41,818	\$ 43,090	\$ 42,044
Project income			
Government of Canada	5,787	4,752	3,974
Other third party contributions	2,459	2,271	1,520
Own Source revenues			
Tuition fees	1,559	2,137	1,785
Recoveries and other	548	1,482	868
Room and board	906	1,146	744
Interest income	<u>140</u>	<u>174</u>	<u>148</u>
	<u>53,217</u>	<u>55,052</u>	<u>51,083</u>
Expenses (Schedule A)			
Education and training	20,982	18,634	15,995
Student services	11,577	11,103	10,897
Pooled services	3,082	10,440	8,602
Community and extensions	11,373	9,566	9,863
Aurora Research Institute	6,644	5,686	4,915
Financial and accounting services	2,282	2,183	1,952
	<u>55,940</u>	<u>57,612</u>	<u>52,224</u>
Annual (deficit)	(2,723)	(2,560)	(1,141)
Accumulated surplus at beginning of year	<u>14,995</u>	<u>14,995</u>	<u>16,136</u>
Accumulated surplus at end of year	<u><u>\$ 12,272</u></u>	<u><u>\$ 12,435</u></u>	<u><u>\$ 14,995</u></u>

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

AURORA COLLEGE
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
for the year ended June 30, 2022
(in thousands of dollars)

	Budget	<u>2022</u> Actual	<u>2021</u> Actual
Annual (deficit)	\$ (2,723)	\$ (2,560)	\$ (1,141)
Acquisition of tangible capital assets	755	(1,817)	(911)
Amortization of tangible capital assets	<u>1,100</u>	<u>1,685</u>	<u>1,513</u>
	<u>1,855</u>	<u>(132)</u>	<u>602</u>
Decrease (increase) in prepaid expenses	<u>-</u>	<u>(198)</u>	<u>(145)</u>
(Decrease) in net financial assets	(868)	(2,890)	(684)
Net financial assets at beginning of year	<u>8,819</u>	<u>8,819</u>	<u>9,503</u>
Net financial assets at end of year	<u>\$ 7,951</u>	<u>\$ 5,929</u>	<u>\$ 8,819</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, 2022
(in thousands of dollars)

	<u>2022</u>	<u>2021</u>
Operating transactions		
Cash received from:		
Government of the Northwest Territories	\$ 38,203	\$ 36,336
Students and other third parties	6,184	5,210
Government of Canada	2,755	4,573
Interest	174	148
Cash paid for/to:		
Compensation and benefits	(33,507)	(36,119)
Suppliers	<u>(12,732)</u>	<u>(12,284)</u>
Cash (used for) provided by operating transactions	<u>1,077</u>	<u>(2,136)</u>
Capital transactions		
Acquisition of tangible capital assets	<u>(1,817)</u>	<u>(852)</u>
Cash used for capital transactions	<u>(1,817)</u>	<u>(852)</u>
(Decrease) increase in cash	(740)	(2,988)
Cash at beginning of year	<u>19,714</u>	<u>22,702</u>
Cash at end of year	<u>\$ 18,974</u>	<u>\$ 19,714</u>

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

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2022

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) Contributions from the Government of the Northwest Territories

The College receives monthly contributions from the Government of the Northwest Territories (“Government”) based on appropriations consistent with the Government’s Main Estimates and adjusted for supplementary appropriations. The contributions 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 contributions 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, 2022

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, 2022

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 contributions

Government contributions 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 contributions 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, 2022

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 Public Administrator, 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 Public Administrator 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, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

the College's original fiscal plan for the year approved by the College's Public Administrator 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, 2022

3. ACCOUNTS RECEIVABLE

	<u>2022</u>		<u>2021</u>	
	(in thousands)			
	<u>Accounts Receivable</u>	<u>Allowance</u>	<u>Net</u>	<u>Net</u>
Government of Canada	\$ 2,181	\$ -	\$ 2,181	\$ 25
Other	1,580	235	1,345	574
Students	474	361	113	106
Government of the Northwest Territories	346	-	346	961
	<u>\$ 4,581</u>	<u>\$ 596</u>	<u>\$ 3,985</u>	<u>\$ 1,666</u>

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2022

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 (2021 - \$1.01) for every dollar contributed by the employee, and \$5.91 (2021 - \$3.59) for every dollar contributed by the employee for the portion of the employee's salary above \$191,300 (2021 - \$181,600).

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 (2021 - \$1.00) for every dollar contributed by the employee, and \$5.91 (2021 - \$3.59) for every dollar contributed by the employee for the portion of the employee's salary above \$191,300 (2021 - \$181,600).

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

	<u>2022</u>	<u>2021</u>
	(in thousands)	
Employees' contributions	\$ 2,291	\$ 2,280
College's contributions	<u>2,248</u>	<u>2,284</u>
	<u>\$ 4,539</u>	<u>\$ 4,564</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, 2022

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, 2022. 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, 2022. 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		2022	2021
	Removal	Absences		
			(in thousands)	
Accrued benefit obligation, beginning of year	\$918	\$371	\$1,289	\$1,399
Current service cost	50	39	89	91
Interest cost	30	13	43	38
Benefits paid	(79)	(37)	(116)	(190)
Actuarial (gain)/loss	95	(27)	68	(49)
Plan amendment	1	(4)	(3)	-
Accrued benefit obligation, end of year	1,015	355	1,370	1,289
Unamortized net actuarial (gain)/loss	(69)	102	33	132
Accrued benefit liability	\$ 946	\$ 457	\$ 1,403	\$ 1,421

Benefits Expense	Severance and Compensated		2022	2021
	Removal	Absences		
			(in thousands)	
Current service cost	\$50	\$39	\$89	\$91
Interest cost	30	13	43	38
Amortization of net actuarial (gain)	(23)	(8)	(31)	(24)
Plan amendment	1	(4)	(3)	-
Total	\$58	\$40	\$98	\$105

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2022

4. EMPLOYEE FUTURE BENEFITS (continued)

Assumptions

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Discount Rate	4.1% per annum	3.3% 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)		
2023	\$ 77	\$ 22	\$ 99
2024	91	25	116
2025	94	23	117
2026	104	27	131
2027	118	31	149
Total	\$ 484	\$ 128	\$ 612

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>2022</u>	<u>2021</u>
	(in thousands)	
Professional development fund, beginning of year	\$2,750	\$2,344
Contributions	623	556
Professional development paid during the year	<u>(135)</u>	<u>(150)</u>
Professional development fund, end of year	<u>\$3,238</u>	<u>\$2,750</u>

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2022

6. TANGIBLE CAPITAL ASSETS

June 30, 2022

(in thousands)	Mobile equipment	Building additions and renovations	Furniture and equipment ¹	Leasehold improvements	Work in progress	2022 Total	2021 Total
Cost							
Opening balance	\$ 5,857	\$ 1,991	\$ 9,295	\$ 1,732	\$ -	\$ 18,875	\$ 18,010
Additions	152	-	1,282	143	240	1,817	911
Disposals	(105)	-	-	-	-	(105)	(46)
Closing balance	<u>5,904</u>	<u>1,991</u>	<u>10,577</u>	<u>1,875</u>	<u>240</u>	<u>20,587</u>	<u>18,875</u>
Accumulated amortization							
Opening balance	3,925	1,991	5,945	1,348	-	13,209	11,742
Amortization	326	-	1,245	114	-	1,685	1,513
Disposals	(105)	-	-	-	-	(105)	(46)
Closing balance	<u>4,146</u>	<u>1,991</u>	<u>7,190</u>	<u>1,462</u>	<u>-</u>	<u>14,789</u>	<u>13,209</u>
Net book value	<u>\$ 1,758</u>	<u>\$ -</u>	<u>\$ 3,387</u>	<u>\$ 413</u>	<u>\$ 240</u>	<u>\$ 5,798</u>	<u>\$ 5,666</u>

¹ Computer equipment totalling \$252,791 are capitalized in furniture and equipment but not put into service and not amortized (2021 - \$0).

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2022

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:

	(in thousands)				
Reserves	Balance, opening July 1, 2021	Net results of operations	Appropriated	Used in operations	Balance, ending June 30, 2022
a) Northern strategic research reserve	\$ 625	\$ -	\$ -	\$ -	\$ 625
b) Program delivery	300	-	-	-	300
c) Research & development	301	-	48	-	349
d) Restricted donations	35	-	-	-	35
Total reserves	1,261	-	48	-	1,309
Operating surplus (deficit)	13,734	(2,560)	(48)	-	11,126
Total accumulated surplus	\$ 14,995	\$ (2,560)	\$ -	\$ -	12,435

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2022

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 Public Administrator.

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, 2022

8. GOVERNMENT OF THE NORTHWEST TERRITORIES REVENUES

	<u>2022</u>	<u>2021</u>
	(in thousands)	
Operating contributions	\$ 32,689	\$ 32,375
Services received without charge (Note 10)	5,887	5,369
Project income	<u>4,514</u>	<u>4,300</u>
	<u>\$ 43,090</u>	<u>\$ 42,044</u>

The College received 78% (2021 - 82%) of its revenue in the form of a contribution, 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 contribution disclosed in Note 8. In addition, the Government transfers tuition revenue, the value of which is \$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>2022</u>	<u>2021</u>
	(in thousands)	
Due from Government of the Northwest Territories (Note 3)	\$ 346	\$ 961
Due to the Government of the Northwest Territories		
Liability for payroll services provided	\$ 4,283	\$ 2,452
Other & Repayable program advances	<u>\$ 1,312</u>	<u>\$ 244</u>
Total amount due to Government of the Northwest Territories	<u>\$ 5,595</u>	<u>\$ 2,696</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 \$36,588,000 during 2022 (2021 - \$33,417,000) 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, 2022

9. RELATED PARTIES (continued)

services provided to the College. The College reimbursed the Government \$ 4,509,000 (2021 – \$ 4,138,000) for facility operating and utility costs, employee benefits and other expenses including 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 expense 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>2022</u>	<u>2021</u>
	(in thousands)	
Building utilities	\$ 2,624	\$ 2,164
Building leases	1,633	1,628
Repairs and maintenance	1,339	1,342
Contract services	291	235
	\$5,887	\$5,369
	\$5,887	\$5,369

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, 2022

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 agreements</u>	<u>Operating leases</u>	<u>Capital projects</u>
		(in thousands)	
2023	\$ 806	\$ 2,234	\$ 4,210
2024	184	1,639	590
2025	69	1,385	-
2026	7	397	-
Thereafter	-	221	-
	\$ 1,066	\$ 5,876	\$ 4,800
	\$ 1,066	\$ 5,876	\$ 4,800

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, 2022:

<u>Funding Partner</u>	<u>2022- 2023</u>	<u>2024-2031</u>	<u>Total</u>
	(in thousands)		
Government of the Northwest Territories	\$4,286	\$ -	\$ 4,286
Other	1,516	1,405	2,921
Government of Canada	1,008	484	1,492
	\$6,810	\$1,889	\$8,699
	\$6,810	\$1,889	\$8,699

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

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2022

13. FINANCIAL RISK MANAGEMENT (continued)

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	\$ 3,173	\$ -	\$ -	\$ -
Accounts payable and accrued liabilities	1,120	4	-	-
	\$ 4,293	\$ 4	\$ -	\$ -

(b) Credit risk

The College is exposed to credit risk on its cash and accounts receivable.

Cash

Credit risk on cash is minimized as these assets are held with a Canadian Chartered bank, the maximum exposure to credit risk is \$18,974,000 (2021 - \$19,714,000).

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, 2022, 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 \$3,985,000 (2021 - \$1,666,000).

At June 30, 2022, the following accounts receivable were past due but not impaired.

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2022

13. FINANCIAL RISK MANAGEMENT (continued)

	<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	\$ 566	\$ 23	\$ -
Students	24	-	9
Government of the Northwest Territories	9	1	-
Government of Canada	-	1	-
	<u>\$ 599</u>	<u>\$ 25</u>	<u>\$ 9</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, 2022

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>2022</u>	<u>2021</u>
	(in thousands)				
Balance, beginning of year	\$ 1,912	\$ 91	\$ 24	\$ 2,027	\$ 1,748
Additions	3,905	93	94	4,092	3,279
Revenue recognized	(3,347)	(91)	(32)	(3,470)	(3,000)
Balance, end of year	<u>\$ 2,470</u>	<u>\$ 93</u>	<u>\$ 86</u>	<u>\$ 2,649</u>	<u>\$ 2,027</u>

16. SUBSEQUENT EVENTS

Facilities Master Plan

As part of the Aurora College transformation into a polytechnic university, the College and the Government have been working with leading technical experts in the fields of architecture, university design and community engagement to develop the Polytechnic University Facilities Master Plan (FMP). Facility Master Plans are common tools used by universities across Canada and the completion is a milestone for transformation. The FMP is a lengthy, comprehensive document. It recommends how each of the institution's physical locations should be enhanced and provides a clear picture of proposed facilities at the Thebacha, Aurora and Yellowknife North Slave campuses, as well as across the network of community learning centres over the next 5, 10 and 20 years. This document is not a commitment but will become an important planning tool for Aurora College and the Aurora College Board of Governors, and supports co-investment efforts by the Government and the College. The estimated project costs for top priority facilities is \$82,900,000 for Thebacha Campus, \$239,400,000 for Yellowknife Campus and \$46,600,000 for Aurora Campus. The estimated project costs for medium priority facilities is \$14,000,000 for Thebacha Campus, \$125,200,000 for Yellowknife Campus and \$13,300,000 for Aurora Campus.

Contractual obligations:

The College has signed an amendment to an agreement for the Western Arctic Research Centre Warehouse Expansion Project subsequent to June 30, 2022 and is committing to an additional transfer of funds to the Government's Department of Infrastructure in the amount of \$4,020,000 to be paid by March 31, 2024.

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2022

17. PAYROLL LIABILITIES

	<u>2022</u>	<u>2021</u>
	(in thousands)	
Vacation leave accrual	\$ 2,548	\$ 2,280
Special leave and salaries accrual	483	11
Time off in lieu of overtime	142	103
	<hr/> <u>\$3,173</u>	<hr/> <u>\$2,394</u>

18. OVEREXPENDITURE

During the year the College exceeded their operations vote by \$1,672,000 or 3% (2021 – 0).

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 public agency to be exceeded".

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, 2022

20. 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.

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.

AURORA COLLEGE
Notes to the Financial Statements
June 30, 2022

20. SEGMENTED DISCLOSURE (continued)

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, 2022

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>2022 Total</u>	<u>2022 Budget</u>	<u>2021 Total</u>
For the year ended June 30, 2022									
(in thousands)									
Revenues									
Government of the Northwest Territories revenues	\$ 2,140	\$ 626	\$ 10,404	\$ 18,539	\$ 8,343	\$ 3,038	\$ 43,090	\$ 41,818	\$ 42,044
Project income									
Federal government	-	-	-	-	1,844	2,908	4,752	2,459	3,974
Other third party contributions	2	-	22	1,463	123	661	2,271	5,787	1,520
Own Source Revenue									
Tuition fees	-	-	28	1,482	626	1	2,137	1,559	1,785
Recoveries and other	15	778	469	27	18	175	1,482	548	868
Room and board	-	-	1,076	-	-	70	1,146	906	744
Interest income	174	-	-	-	-	-	174	140	148
	<u>2,331</u>	<u>1,404</u>	<u>11,999</u>	<u>21,511</u>	<u>10,954</u>	<u>6,853</u>	<u>55,052</u>	<u>53,217</u>	<u>51,083</u>
Expenses									
Compensation and benefits	1,985	5,078	5,063	12,139	8,292	4,031	36,588	34,677	33,417
Building leases	-	6	4,956	1,792	34	-	6,788	6,785	6,351
Contract services	11	1,184	218	298	531	1,130	3,372	1,961	2,641
Utilities	-	-	67	2,670	2	14	2,753	2,531	2,273
Repairs and maintenance	49	1,341	185	411	15	27	2,028	2,159	1,794
Amortization of tangible capital assets	-	1,685	-	-	-	-	1,685	1,100	1,513
Materials and supplies	15	126	136	700	314	196	1,487	2,153	1,648
Fees and payments	100	872	74	140	38	55	1,279	1,647	1,336
Communication, postage and freight	8	97	338	170	79	117	809	916	804
Travel and accommodation	7	40	4	164	68	54	337	659	175
Small equipment	8	11	62	108	37	62	288	711	155
Professional services	-	-	-	42	156	-	198	641	117
	<u>2,183</u>	<u>10,440</u>	<u>11,103</u>	<u>18,634</u>	<u>9,566</u>	<u>5,686</u>	<u>57,612</u>	<u>55,940</u>	<u>52,224</u>
Annual (deficit) surplus	<u>\$ 148</u>	<u>\$ (9,036)</u>	<u>\$ 896</u>	<u>\$ 2,877</u>	<u>\$ 1,388</u>	<u>\$ 1,167</u>	<u>\$ (2,560)</u>	<u>\$ (2,723)</u>	<u>\$ (1,141)</u>

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

APPENDIX A

UNAUDITED WRITE-OFFS

Balance Exceeds 7 Years		
Customer Name	Accounting Date	Amount
Leslie Beaulieu	2013-09-09	\$744.87
Robert Beaulieu	2013-04-08	\$50.00
Chantelle Beck	2012-09-04	\$236.57
Doris J Catholique	2013-09-25	\$186.09
Merlanda Chille	2014-05-07	\$60.00
Mandy Cleary	2015-02-18	\$131.46
Josh Desjarlais	2013-05-10	\$46.57
Adrian Drakes	2015-05-04	\$70.00
Mary Firth	2014-07-16	\$150.00
Jean-Sebastien Fore	2014-06-03	\$210.00
Judith Gale	2014-05-30	\$7,998.00
Clara George	2014-01-22	\$1,563.00
Norbert Steve Gomes	2014-10-22	\$96.69
Kara Lola Hendrie	2015-06-02	\$1,080.00
Cassien Kaskamin	2015-06-01	\$63.00
Priscilla Lamouelle	2015-11-30	\$5,797.16
Fiona Lyall	2014-10-17	\$65.00
Vicki Lee Martin	2014-09-15	\$173.66
Gregory McDonald	2013-05-15	\$75.00
Jordan Mercredi	2015-06-30	\$575.00
Andrew Modeste	2013-09-09	\$1,084.00
Pauline Mulgrave	2015-02-19	\$357.50
Douglas Norwegian	2014-04-23	\$1,626.66
Tammie O'Connor	2013-06-25	\$210.00
Jodie Raymond	2013-09-06	\$1,807.48

Jamie Marlin Shae	2015-06-30	\$249.00
Mary Madeline Smallgeese	2013-03-22	\$128.10
Carlene Smith	2015-02-10	\$480.00
Tynan Strus	2013-05-15	\$45.00
Cecile Tachynski	2014-10-01	\$186.00
Chelsea Taylor	2015-02-25	\$3,517.12
Lacey Taylor	2015-02-25	\$3,702.38
Annie Rose Thrasher	2015-05-01	\$7,323.84
Joshua Wanazah	2014-08-07	\$117.44
Bertha (Martina) Wedzin	2013-08-30	\$685.00
Courtney Jane Wedzin	2015-06-30	\$977.00
Nolan Weyallon	2015-06-30	\$270.00
Dusty Yakeleya	2015-06-30	\$2,373.50
Karla Zoe	2013-09-05	\$1,950.00
Total		\$46,462.09

Balance Under \$30		
Customer Name	Accounting Date	Amount
Catherine LaForest	11/25/2021	\$25.12
Alfred Wegener Institute	10/18/2021	\$14.00
Shiela Estuye	07/03/2020	\$10.00
Total		\$49.12

Credit Balance Under \$10		
Customer Name	Accounting Date	Amount
Gaylen Pischinger	01/09/2020	-\$7.00
Brett Elemie	02/28/2020	-\$5.00
Ashley Emaghok	08/10/2020	-\$5.00
Crystal Anderson	10/15/2021	-\$5.00
Actua	10/01/2021	-\$1.00
Misbah Hafeez	11/05/2021	-\$1.00
Nadia Strelloff	04/29/2022	-\$0.70
Priscilla Lamouelle	04/29/2022	-\$0.45
Miranda Taureau	03/04/2022	-\$0.27
Receiver General of Canada	07/15/2021	-\$0.12
John Jr. Francis	03/07/2022	-\$0.03
Karin Von Allmen	11/03/2021	-\$0.02
	Total	-\$25.59



COLLÈGE
AURORA
COLLEGE

ARCTIC ENERGY ALLIANCE
Yellowknife, NT

FINANCIAL STATEMENTS
For the year ended March 31, 2023

TABLE OF CONTENTS

	Page
Management's Responsibility for Reporting	
Independent Auditor's Report	
Statement of Financial Position	1
Statement of Operations	2
Statement of Changes in Net Assets	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 16
Schedule I - Schedule of Deferred Revenue	17-18
Schedule II - Schedule of Core Funding and Energy Programs	19-23



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MANAGEMENT'S RESPONSIBILITY FOR REPORTING

The accompanying financial statements have been prepared by management which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with Canadian public sector accounting standards applicable for government not-for-profit organizations. Where necessary, the statements include amounts that are based on informed judgments and estimates by management giving appropriate consideration to reasonable limits of materiality.

In discharging its responsibility for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records are maintained. These controls include quality standards in hiring and training employees, written policies and procedures manuals, and accountability for performance within appropriate and well-defined areas of responsibility. The Board's management recognizes its responsibility for conducting the Board's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate.

The accounting firm of Avery Cooper & Co. Ltd., Chartered Professional Accountants, annually provides an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards.

A handwritten signature in blue ink that reads "Mark Heyck".

Mark Heyck
Executive Director

June 20, 2023

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, 2023, 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, 2023, 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 20, 2023

ARCTIC ENERGY ALLIANCE

STATEMENT OF FINANCIAL POSITION

March 31, 2023

ASSETS

	<u>2023</u>	<u>2022</u>
CURRENT		
Cash	\$ 2,388,250	\$ 1,550,223
Short term investments (note 3)	92,218	90,380
Accounts receivable (note 4)	329,972	573,132
Government remittances receivable (note 6)	<u>20,624</u>	<u>2,709</u>
	2,831,064	2,216,444
TANGIBLE CAPITAL ASSETS (note 5)	<u>46,049</u>	<u>27,159</u>
	<u><u>\$ 2,877,113</u></u>	<u><u>\$ 2,243,603</u></u>

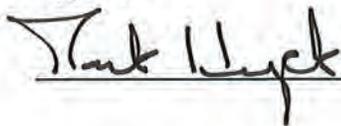
LIABILITIES

CURRENT		
Wages and benefits payable	\$ 21,098	\$ 35,840
Government remittances payable (note 6)	76,401	78,787
Trade payables and accruals (note 7)	143,773	164,631
Contributions payable (note 8)	835,205	203,036
Deferred revenue (note 9)	50,000	31,500
Deferred lease inducement liability	<u>-</u>	<u>5,000</u>
	1,126,477	518,794
DEFERRED GOVERNMENT ASSISTANCE (note 10)	<u>8,193</u>	<u>11,870</u>
	<u>1,134,670</u>	<u>530,664</u>

NET ASSETS

ACCUMULATED SURPLUS per page 3	699,774	721,723
RESERVES per page 3	1,012,813	983,925
INVESTED IN TANGIBLE CAPITAL ASSETS per page 3	<u>29,856</u>	<u>7,291</u>
	<u>1,742,443</u>	<u>1,712,939</u>
	<u><u>\$ 2,877,113</u></u>	<u><u>\$ 2,243,603</u></u>

Approved:



Director



Director

ARCTIC ENERGY ALLIANCE

STATEMENT OF OPERATIONS

For the year ended March 31, 2023

	(note 15) 2023 <u>Budget</u>	2023 <u>Actual</u>	2022 <u>Actual</u>
REVENUES			
Contributions from GNWT	\$ 6,051,500	\$ 4,174,331	\$ 4,595,487
Contributions from Canada	406,348	324,483	225,652
Membership fees	227,500	227,500	227,500
Other source income	49,091	222,084	159,820
Interest income	<u>10,000</u>	<u>45,660</u>	<u>5,934</u>
	<u>6,744,439</u>	<u>4,994,058</u>	<u>5,214,393</u>
EXPENSES			
Advertising and promotion	95,176	76,918	45,982
Amortization	6,029	10,273	6,700
Bad debts (recovered)	-	9,555	(20,000)
Consulting fees	247,531	339,939	131,267
Equipment rental	3,280	3,278	3,278
Facility rental and tradeshow fees	31,845	15,673	8,379
Fees and dues	22,837	17,383	14,693
Hospitality	58,200	16,843	8,351
Insurance	14,000	15,921	13,753
Interest and bank charges	5,500	3,520	4,458
Office and general	131,456	139,501	122,412
Professional development	56,146	41,767	48,964
Professional fees	26,000	25,546	34,637
Rebates	2,904,598	1,382,412	1,853,667
Rent and utilities	191,591	193,232	171,409
Telephone, Internet and Website	48,280	45,530	43,943
Travel and accommodation	408,584	282,656	111,491
Wages and benefits	<u>2,674,865</u>	<u>2,344,607</u>	<u>2,358,604</u>
	<u>6,925,918</u>	<u>4,964,554</u>	<u>4,961,988</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	<u>\$ (181,479)</u>	<u>\$ 29,504</u>	<u>\$ 252,405</u>

ARCTIC ENERGY ALLIANCE

STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31, 2023

	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	<u>\$ 699,774</u>	<u>\$ 1,012,813</u>	<u>\$ 29,856</u>	<u>\$ 1,742,443</u>
	2022			
	Accumulated Surplus	Reserves	Invested in Tangible Capital Assets	Total
BALANCE, opening	\$ 464,261	\$ 985,958	\$ 10,315	\$ 1,460,534
Excess of revenues over expenses	252,405	-	-	252,405
Transfer to reserves (note 19)	2,033	(2,033)	-	-
Amortization of tangible capital assets	6,701	-	(6,701)	-
Amortization of deferred government assistance	(3,677)	-	3,677	-
BALANCE, closing	<u>\$ 721,723</u>	<u>\$ 983,925</u>	<u>\$ 7,291</u>	<u>\$ 1,712,939</u>

ARCTIC ENERGY ALLIANCE

STATEMENT OF CASH FLOWS

For the year ended March 31, 2023

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES (note 20)		
Cash received from:		
GNWT contributions	\$ 4,796,000	\$ 4,884,047
Canada contributions	415,084	97,433
Other source income	388,643	44,124
Membership fees	232,500	447,500
Interest income	45,660	5,565
	<u>5,877,887</u>	<u>5,478,669</u>
Cash paid for:		
Materials and services	2,648,964	2,546,663
Wages and benefits	<u>2,361,735</u>	<u>2,380,211</u>
	<u>5,010,699</u>	<u>4,926,874</u>
	<u>867,188</u>	<u>551,795</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible capital assets	(29,161)	-
Redemption of short-term investments	90,000	378
Purchase of short-term investments	<u>(90,000)</u>	<u>(367)</u>
	<u>(29,161)</u>	<u>11</u>
INCREASE IN CASH	838,027	551,806
CASH, opening	<u>1,550,223</u>	<u>998,417</u>
CASH, closing	<u><u>\$ 2,388,250</u></u>	<u><u>\$ 1,550,223</u></u>

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023

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

These financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS) applicable to government not-for-profit organizations as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. The significant policies are detailed as follows:

(a) Cash equivalents

The Society considers all investments with maturities of three months or less and bank loans with no fixed terms of repayment to be cash equivalents.

(b) Financial instruments

The Society measures all its financial assets and financial liabilities at amortized cost.

(c) Tangible capital assets

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

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

Amortization of leasehold improvements is recorded over the remaining term of the lease plus one renewal option.

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, 2023

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, 2023

3. SHORT TERM INVESTMENTS

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

	2023	2022
2.60% interest, non-edeemable, matures April 20, 2023	\$ 90,000	\$ 90,000
Accrued interest	2,218	380
	\$ 92,218	\$ 90,380

4. ACCOUNTS RECEIVABLE

	2023	2022
Contributions receivable:		
Government of the Northwest Territories	\$ 278,456	\$ 299,456
Government of Canada	86,344	176,946
Total contributions receivable	364,800	476,402
Members	10,000	10,000
Other	31,696	153,699
Allowance for doubtful accounts	(76,524)	(66,969)
	\$ 329,972	\$ 573,132

5. TANGIBLE CAPITAL ASSETS

	2023		2022	
	Cost	Accumulated amortization	Net	Net
Computer equipment	\$ 36,010	\$ 36,010	\$ -	\$ -
Computer software	26,224	24,738	1,486	4,456
Heating equipment	36,242	18,227	18,015	19,827
Leasehold improvements	56,557	31,663	24,894	-
Office equipment	48,452	46,798	1,654	2,876
	\$ 203,485	\$ 157,436	\$ 46,049	\$ 27,159

Net assets invested in tangible capital assets as at March 31, 2023, are as follows:

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023

5. TANGIBLE CAPITAL ASSETS, continued

	2023	2022
Tangible capital assets	\$ 46,049	\$ 27,161
Asset retirement obligation (note 7)	(8,000)	(8,000)
Deferred government assistance (note 10)	(8,193)	(11,870)
Net assets invested in tangible capital assets per page 3	\$ 29,856	\$ 7,291

6. GOVERNMENT REMITTANCES

	2023	2022
Goods & Services Tax rebates receivable	\$ 20,624	\$ 2,709
	2023	2022
Payroll remittances payable	\$ 71,068	\$ 73,178
Related parties:		
GNWT Finance - NWT Payroll Tax payable	5,333	5,609
	\$ 76,401	\$ 78,787

7. TRADE PAYABLES AND ACCRUALS

	2023	2022
Accrued liabilities		
Pellet boiler asset retirement obligation	\$ 8,000	\$ 8,000
Other	57,378	42,015
	65,378	50,015
Trade payables	78,395	114,618
	\$ 143,773	\$ 164,633

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023

8. CONTRIBUTIONS PAYABLE

	Balance opening	Unexpended	Repaid	Balance closing
GNWT - Infrastructure				
Low Carbon Economy Leadership Fund (LCELF)	\$ 97,513	\$ 632,169	\$ -	\$ 729,682
GNWT - MACA				
Non-Government Organization Stabilization Operations	40,000	-	-	40,000
Other	65,523	-	-	65,523
	\$ 203,036	\$ 632,169	\$ -	\$ 835,205

9. DEFERRED REVENUE

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

	2023	2022
Restricted contributions balance, opening	\$ 31,500	\$ 50,000
Receipts	4,773,138	4,512,207
Funding receivable	326,344	437,945
Transfer to funding repayable	(632,168)	(97,513)
Funding expended	(4,498,814)	(4,871,139)
Restricted contributions balance, closing	-	31,500
Membership fees received in advance: GNWT-ENR	50,000	-
Deferred revenue, closing	\$ 50,000	\$ 31,500

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023

10. DEFERRED GOVERNMENT ASSISTANCE

	2023		2022	
	Cost	Accumulated amortization	Net	Net
GNWT-ENR - Alternative Energy Technology: Wood pellet boiler	\$ 14,121	\$ 7,413	\$ 6,708	\$ 7,414
GNWT-ENR - Energy Efficiency Incentive Program: Database	14,853	13,368	1,485	4,456
	\$ 28,974	\$ 20,781	\$ 8,193	\$ 11,870

11. RESERVES

During the year, Arctic Energy Alliance transferred \$28,888 from the unrestricted net assets to meet its capital management objectives as described in Note 19. In prior year, \$2,033 was transferred to the unrestricted net assets for the same purpose. The reserves at March 31, 2023, of \$1,012,813 (2022 - \$983,925) represent the minimum required net assets to support the reserves. These internally restricted reserves are not available for unrestricted purposes without approval of the Board of Directors.

The Society continually monitors net financial assets to measure the future revenues required to pay for past transactions and events, and the extent to which the costs of services provided in the year have been met by the revenues recognized in the year. Net financial assets at year end represents the difference between the Society's financial assets and its liabilities.

Changes in net financial assets during the year are as follows:

	2023 Budget	2023 Actual	2022 Actual
Excess of revenues over expenses per page 2	\$ (181,479)	\$ 29,504	\$ 252,405
	-	-	-
Amortization of tangible capital assets	6,029	10,273	6,702
Purchase of tangible capital assets	-	(29,163)	-
Amortization - deferred government assistance	(3,677)	(3,677)	(3,676)
Increase (decrease) in net financial assets	(179,127)	6,937	255,431
Net financial assets, opening	1,697,650	1,697,650	1,442,219
Net financial assets, closing (note 19)	\$ 1,518,523	\$ 1,704,587	\$ 1,697,650

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023

12. MEMBERSHIP FEES

Membership fees revenue for the year consist of the following:

	<u>2023</u>	<u>2022</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:

	<u>2023</u>	<u>2022</u>
GNWT:		
Department of Environment and Natural Resources	\$ 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. SUBSEQUENT EVENTS

Subsequent to year-end, the Society had the following events:

Contractual rights

- Entered into a contribution agreement with GNWT, Department of Infrastructure, for 2023-24 core and program funding for a maximum of \$3,520,000 of which \$3,168,000 was received, and

- Entered into a contribution agreement with GNWT, Department of Infrastructure, for 2023-24 Low Carbon Economy Leadership Fund (LCELF) funding for a maximum of \$3,227,000.

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023

14. TRUSTS UNDER ADMINISTRATION

At March 31, 2023, the Society holds \$19,146 (2022 - \$15,918) 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.

15. BUDGET

The 2023 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 7, 2022.

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.

16. 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.

17. 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 February 28, 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>
2024	\$ 118,956	\$ 3,200	\$ 122,156
2025	83,776	3,200	86,976
2026	-	1,600	1,600
	<u>\$ 202,732</u>	<u>\$ 8,000</u>	<u>\$ 210,732</u>

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023

17. COMMITMENTS, continued

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.

Upon signing of the lease agreement, the landlord paid \$5,000 in tenant inducement towards the renovation of the additional second floor space. As at March 31, 2023, the renovation had been completed.

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.

The lease for office space in Hay River carries an option to extend on a yearly basis to March 31, 2025.

During the year, included in other source income revenue are in-kind contributions with a total fair value of \$143,087 (2022- \$58,575). 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 (2022 - \$36,900), office expenses \$29,520 (2022 - \$18,875), and facility rental of \$4,000 (2022 - \$2,800).

18. CONTRACTUAL RIGHTS

The Society signed a multi-year non-repayable contribution agreement with the Federal Government's Department of Natural Resources, and with the GNWT's Department of Health and Social Services. Maximum contribution remaining under the Agreement is as follows:

	Clean Energy in Rural and Remote Communities Deployment Program (Government of Canada)	Designated Income Homeowner Energy Efficiency Project (GNWT)	Total
	<u> </u>	<u> </u>	<u> </u>
2023-2024	<u>\$ 27,000</u>	<u>\$ 30,000</u>	<u>\$ 57,000</u>

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023

19. 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, 2023, 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, 2023, are as follows:

	<u>2023</u>	<u>2022</u>
Accumulated surplus	\$ 699,774	\$ 721,723
Reserves	1,012,813	983,925
Invested in tangible capital assets	<u>29,856</u>	<u>7,291</u>
Net assets per page 3	<u>1,742,443</u>	<u>1,712,939</u>
Tangible capital assets	46,049	27,159
Deferred government assistance	<u>(8,193)</u>	<u>(11,870)</u>
	<u>37,856</u>	<u>15,289</u>
Net financial assets (note 11)	<u>\$ 1,704,587</u>	<u>\$ 1,697,650</u>

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.

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023

19. CAPITAL MANAGEMENT, continued

	Opening Balance	Transfers	Closing Balance
Operating Reserve	\$ 823,925	\$ 28,888	\$ 852,813
Credit Card Reserve	90,000	-	90,000
Contingency Reserve	70,000	-	70,000
	\$ 983,925	\$ 28,888	\$ 1,012,813

20. 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:

	2023	2022
Excess of revenues over expenses per page 2	\$ 29,504	\$ 252,405
Items not affecting cash:		
Amortization of tangible capital assets	10,273	6,700
Amortization of deferred government assistance	(3,676)	(3,676)
Change in accrued interest from GICs	(2,218)	(748)
Interest income received relating to short-term investments	380	369
Bad debts (recovered)	9,555	(20,000)
	43,818	235,050
Net change in non-cash operating working capital accounts:		
Decrease in accounts receivable	233,605	214,618
(Increase) decrease in GST receivable	(17,917)	14,647
Decrease in wages and benefits payable	(14,742)	(16,042)
Decrease in government remittances payable	(2,386)	(11,566)
Increase (decrease) in trade payables and accruals	(20,859)	31,075
Increase in contribution repayable	632,169	97,513
Increase (decrease) in deferred revenue	18,500	(18,500)
(Decrease) increase in deferred lease inducement liability	(5,000)	5,000
	823,370	316,745
Cash flows used for operating activities per page 4	\$ 867,188	\$ 551,795

ARCTIC ENERGY ALLIANCE

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023

21. 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.

	<u>2023</u>	<u>2022</u>
Revenue		
Revenue - Northwest Territories Housing Corporation	\$ <u>-</u>	\$ <u>17,550</u>
Expenses		
Aurora College: Professional development	\$ 3,662	\$ -
Workers' Safety and Compensation Commission	<u>19,171</u>	<u>23,157</u>
	<u>\$ 22,833</u>	<u>\$ 23,157</u>
Receivables from related parties:		
GNWT - Environment & Natural Resources (ENR)	\$ 37,176	\$ 37,176
GNWT - Health and Social Services	-	21,000
GNWT - Infrastructure	241,280	241,280
Northwest Territories Housing Corporation	<u>-</u>	<u>113,885</u>
	<u>\$ 278,456</u>	<u>\$ 413,341</u>

ARCTIC ENERGY ALLIANCE

Schedule I

SCHEDULE OF DEFERRED REVENUE

For the year ended March 31, 2023

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)	\$ -	\$ 238,138	\$ 86,344	\$ -	\$ -	\$ 324,483	\$ 324,483	\$ -
GOVERNMENT OF THE NORTHWEST TERRITORIES (GNWT)								
Department of Infrastructure - Core and Program Funding								
Core Funding	-	\$ 1,360,000	240,000		(40,147)	1,559,853	1,559,853	-
Alternative Energy Technologies Program (AETP)	-	\$ 300,000	-		47,035	347,035	347,035	-
Energy Rating Services Support Program (ERS)	-	\$ 150,000	-	12,924	75,000	212,076	212,076	-
Energy Efficiency Incentive Program (EEIP)	-	\$ 200,000	-		36,217	236,217	236,217	-
Biomass Energy	-	\$ 100,000	-		(39,524)	60,476	60,476	-
Commercial Energy Conservation & Efficiency Program (CECEP)	-	\$ 200,000	-		(9,500)	190,500	190,500	-
Community Government Retrofits (CGERP)	-	\$ 190,000	-		5,919	195,919	195,919	-
Electric Vehicle	31,500	\$ 150,000	-	54,000	(75,000)	52,500	52,500	-
	31,500	2,650,000	240,000	66,924	-	2,854,576	2,854,576	-
Department of Infrastructure - Low Carbon Economy Leadership Fund (LCELF)								
Alternative Energy Technologies Program (AETP)	-	500,695	-	316,385	-	184,310	184,310	-
Energy Efficiency Incentive Program (EEIP)	-	205,489	-		-	205,489	205,489	-
Commercial Energy Conservation & Efficiency Program (CECEP)	-	200,450	-	129,538	-	70,912	70,912	-
Community Government Building Energy Retrofit (CGBERP)	-	83,801	-	1,195	-	82,606	82,606	-
Deep Home Energy Retrofit	-	241,456	-	61,119	-	180,337	180,337	-
Low Income Energy Assistance	-	86,711	-	17,081	-	69,630	69,630	-

Program	Opening balance	Cash funding received	Funding Receivable	Repayments	Transfers	Total funding available	Funding expended	Closing balance
Energy Efficiency and Conservation Retrofits - NGO	-	167,752	-	2,203	-	165,549	165,549	-
Community Energy Plan Implementation	-	105,763	-	37,723	-	68,040	68,040	-
Community Wood Stoves	-	207,883	-	-	-	207,883	207,883	-
	-	1,800,000	-	565,244	-	1,234,756	1,234,756	
Total INF	31,500	4,450,000	240,000	632,169	-	4,089,331	4,089,331	-
Department of Health & Social Services (H & SS)								
Low Income Energy Retrofits	-	42,000	-	-	-	42,000	42,000	-
Community Wood Stoves	-	18,000	-	-	-	18,000	18,000	-
Total H & SS	-	60,000	-	-	-	60,000	60,000	-
Department of Infrastructure								
Cold Climate Air Source Heat Pumps	-	25,000	-	-	-	25,000	25,000	-
Total INF	-	25,000	-	-	-	25,000	25,000	-
Total GNWT	31,500	4,535,000	240,000	632,169	-	4,174,331	4,174,331	-
Other Revenue								
Membership fee received in advance from ENR	-	50,000	-	-	-	50,000	-	50,000
Total Other Revenue	-	50,000	-	-	-	50,000	-	50,000
Total contributions	\$ 31,500	\$ 4,823,138	\$ 326,344	\$ 632,169	\$ -	\$ 4,548,814	\$ 4,498,814	\$ 50,000

ARCTIC ENERGY ALLIANCE
SCHEDULE OF CORE FUNDING AND ENERGY PROGRAMS
For the year ended March 31, 2023

Schedule II

	Total	Core Funding	Alternative Energy Technologies Program (AETP)	Energy Rating Services Support Program	Biomass Energy
REVENUES					
Contributions from GNWT	\$ 4,174,331	1,559,853	347,035	212,076	60,476
Contributions from Canada	324,483	-	-	-	-
Membership fees	227,500	227,500	-	-	-
Other source income	218,407	9,100	-	38,200	-
Interest income	45,660	45,660	-	-	-
	<u>4,990,381</u>	<u>1,842,112</u>	<u>347,035</u>	<u>250,276</u>	<u>60,476</u>
EXPENSES					
Advertising and promotion	76,918	48,013	-	-	19,255
Amortization	-	-	-	-	-
Bad debts (recovered)	9,555	9,555	-	-	-
Consulting fees	339,939	49,387	-	61,428	905
Equipment rental	3,278	3,278	-	-	-
Facility rental and tradeshow fees	15,673	7,335	-	-	702
Fees and dues	17,383	14,083	-	561	1,485
Hospitality	16,843	12,146	-	-	-
Insurance	15,921	15,921	-	-	-
Interest and bank charges	3,520	3,520	-	-	-
Office and general	139,500	88,464	-	949	-
Professional development	41,767	16,670	-	-	-
Professional fees	25,546	25,546	-	-	-
Rebates	1,382,412	-	327,544	-	-
Rent and utilities	193,232	193,232	-	-	-
Telephone, Internet and Website	45,530	45,530	-	-	-
Travel and accommodation	282,656	178,039	-	6,228	-
Wages and benefits	2,344,607	1,158,345	19,491	142,909	38,130
	<u>4,954,281</u>	<u>1,869,064</u>	<u>347,035</u>	<u>212,076</u>	<u>60,476</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>36,100</u>	<u>(26,952)</u>	<u>-</u>	<u>38,200</u>	<u>-</u>
TRANSFERS					
Amortization of tangible capital assets	(10,273)	(10,273)	-	-	-
Amortization of government assistance	3,677	3,677	-	-	-
	<u>(6,596)</u>	<u>(6,596)</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 29,504</u>	<u>\$ (33,548)</u>	<u>\$ -</u>	<u>\$ 38,200</u>	<u>\$ -</u>

See accompanying notes.

ARCTIC ENERGY ALLIANCE
SCHEDULE OF CORE FUNDING AND ENERGY PROGRAMS
For the year ended March 31, 2023

Schedule II

	Commercial Energy Conservation & Efficiency Program (CECEP)	Community Government Retrofits (CGERP)	Energy Efficiency Incentive Program (EEIP)	Alternative Energy Technologies LCELF	Energy Efficiency Incentive Program LCELF
REVENUES					
Contributions from GNWT	190,500	195,919	236,217	184,310	205,489
Contributions from Canada	-	-	-	-	-
Membership fees	-	-	-	-	-
Other source income	-	7,729	-	-	-
Interest income	-	-	-	-	-
	<u>190,500</u>	<u>203,648</u>	<u>236,217</u>	<u>184,310</u>	<u>205,489</u>
EXPENSES					
Advertising and promotion	256	-	20	-	3,687
Amortization	-	-	-	-	-
Bad debts (recovered)	-	-	-	-	-
Consulting fees	8,785	20,494	8,499	6,890	553
Equipment rental	-	-	-	-	-
Facility rental and tradeshow fees	-	-	-	-	-
Fees and dues	-	-	-	88	159
Hospitality	-	-	1,199	-	-
Insurance	-	-	-	-	-
Interest and bank charges	-	-	-	-	-
Office and general	-	18,710	-	-	1
Professional development	-	-	-	2,179	3,949
Professional fees	-	-	-	-	-
Rebates	142,918	123,331	195,962	84,910	106,617
Rent and utilities	-	-	-	-	-
Telephone, Internet and Website	-	-	-	-	-
Travel and accommodation	40	-	-	-	-
Wages and benefits	38,501	33,385	30,537	90,243	90,523
	<u>190,500</u>	<u>195,919</u>	<u>236,217</u>	<u>184,310</u>	<u>205,489</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>-</u>	<u>7,729</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>\$ 7,729</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, 2023

Schedule II

	Commercial Energy Conservation & Efficiency LCELF	Community Government Building Energy Retrofit LCELF	Deep Home Energy Retrofit LCELF	Low Income Home Energy Assistance LCELF	Energy Efficiency & Conservation Retrofits NPOs LCELF
REVENUES					
Contributions from GNWT	70,912	82,606	180,337	69,630	165,549
Contributions from Canada	-	-	-	-	-
Membership fees	-	-	-	-	-
Other source income	-	-	-	-	-
Interest income	-	-	-	-	-
	<u>70,912</u>	<u>82,606</u>	<u>180,337</u>	<u>69,630</u>	<u>165,549</u>
EXPENSES					
Advertising and promotion	730	-	-	712	-
Amortization	-	-	-	-	-
Bad debts (recovered)	-	-	-	-	-
Consulting fees	-	-	8,240	-	-
Equipment rental	-	-	-	-	-
Facility rental and tradeshow fees	-	-	-	1,383	-
Fees and dues	102	159	159	-	159
Hospitality	-	-	-	546	-
Insurance	-	-	-	-	-
Interest and bank charges	-	-	-	-	-
Office and general	-	-	-	90	-
Professional development	2,533	3,949	3,949	-	3,949
Professional fees	-	-	-	-	-
Rebates	-	3,801	64,755	7,301	78,418
Rent and utilities	-	-	-	-	-
Telephone, Internet and Website	-	-	-	-	-
Travel and accommodation	-	-	4,904	18,383	-
Wages and benefits	67,547	74,697	98,331	41,216	83,023
	<u>70,912</u>	<u>82,606</u>	<u>180,337</u>	<u>69,630</u>	<u>165,549</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>

See accompanying notes.

ARCTIC ENERGY ALLIANCE
SCHEDULE OF CORE FUNDING AND ENERGY PROGRAMS
For the year ended March 31, 2023

Schedule II

	Community Energy Plan Implementation LCELF	Community Wood Stoves LCELF	Community Wood Stoves GNWT	Low Income Home Winterization GNWT	Cold Climate Air Source Heat Pumps
REVENUES					
Contributions from GNWT	68,040	207,883	18,000	42,000	25,000
Contributions from Canada	-	-	-	-	-
Membership fees	-	-	-	-	-
Other source income	-	-	-	-	20,292
Interest income	-	-	-	-	-
	<u>68,040</u>	<u>207,883</u>	<u>18,000</u>	<u>42,000</u>	<u>45,292</u>
EXPENSES					
Advertising and promotion	581	-	-	-	267.39
Amortization	-	-	-	-	-
Bad debts (recovered)	-	-	-	-	-
Consulting fees	-	7,538	-	-	44,842
Equipment rental	-	-	-	-	-
Facility rental and tradeshow fees	-	-	-	-	-
Fees and dues	184	-	-	-	-
Hospitality	-	-	-	-	-
Insurance	-	-	-	-	-
Interest and bank charges	-	-	-	-	-
Office and general	-	-	-	-	182.50
Professional development	4,589	-	-	-	-
Professional fees	-	-	-	-	-
Rebates	-	140,225	18,000	36,131	-
Rent and utilities	-	-	-	-	-
Telephone, Internet and Website	-	-	-	-	-
Travel and accommodation	-	12,786	-	5,869	-
Wages and benefits	62,686	47,335	-	-	-
	<u>68,040</u>	<u>207,883</u>	<u>18,000</u>	<u>42,000</u>	<u>45,292</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>

See accompanying notes.

ARCTIC ENERGY ALLIANCE
SCHEDULE OF CORE FUNDING AND ENERGY PROGRAMS
For the year ended March 31, 2023

Schedule II

	Electric Vehicle Rebate Program	CERRC Canada
REVENUES		
Contributions from GNWT	52,500	\$ -
Contributions from Canada	-	324,483
Membership fees	-	-
Other source income	-	143,087
Interest income	-	-
	52,500	467,570
EXPENSES		
Advertising and promotion	-	3,397
Amortization	-	-
Bad debts (recovered)	-	-
Consulting fees	-	122,377
Equipment rental	-	-
Facility rental and tradeshow fees	-	6,254
Fees and dues	-	246
Hospitality	-	2,952
Insurance	-	-
Interest and bank charges	-	-
Office and general	-	31,104
Professional development	-	-
Professional fees	-	-
Rebates	52,500	-
Rent and utilities	-	-
Telephone, Internet and Website	-	-
Travel and accommodation	-	56,407
Wages and benefits	-	227,709
	52,500	450,446
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	-	17,124
TRANSFERS		
Amortization of tangible capital assets	-	-
Amortization of government assistance	-	-
	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ -	\$ 17,124

2022-2023

Annual Report



Table of Contents

Minister’s Message	3
President’s Message.....	4
Mandate	5
Mission	5
Vision.....	5
Values	5
Corporate Structure	6
Corporate Summary	6
Branches:.....	6
LHO List.....	Error! Bookmark not defined.
Housing NWT Programs	10
Rental Programs	10
Homeownership Programs	10
Homelessness Programs	12
Partnerships	14
Homeownership Program Statistics	14



Norman Wells Duplexes were built in conjunction with CAB Construction out of Hay River and the Norman Wells Claimant Corporation.

Minister's Message



My fellow Northerners, 2022-2023 was a year of leaning hard into the renewed Mission of Housing NWT: to increase the well-being of individuals and communities by providing fair access to quality housing support for people most in need. Strengthening relationships with Indigenous Governments resulted in innovative partnering like never before. We particularly thank the Council of Leaders' housing working group. Their invaluable feedback and advice on our policies and programs drove many of our changes and will lead to better outcomes.

We have been pleased to watch Distinctions Based Funding unfold, meaning, the Crown increasingly funds Indigenous Governments directly, giving full autonomy over Housing decisions to the First Nations, Métis and Inuit who lived here for generations. When this happens, Housing NWT remains fully available to support as requested.

Sometimes parties prefer to formalize the nature of working together, such as the Sahtu Secretariat Incorporated Memorandum of Agreement, the Tlicho Government Memorandum of Understanding and the Déljñę Got'jñę Government Memorandum of Understanding. These agreements set out a formal framework for collaboration on housing planning and initiatives and are all historic and promising new ways of working together. It is reconciliation in action and it reflects this Government's mandate to implement the United Nations Declaration on the Rights of Indigenous Peoples.

These are all inspiring developments that will profoundly shape the future of housing in the north. But I would be remiss not to acknowledge the 50 years of housing work that has already been done, with the ongoing support of our other partner, the Government of Canada. These 50 years were celebrated on National Housing Day. Most recently, under Budget 2022 Housing NWT received a \$60 million funding allocation from Crown-Indigenous Relations and Northern Affairs Canada (CIRNAC) over two years that directly supported our government's Mandate in increasing the number of affordable housing units for the territory and also address much-needed repairs to aging housing infrastructure.

As I often say, the NWT housing crisis cannot be solved by Housing NWT alone. But by collaborating with our partners, I am hopeful that we are closer to meeting the housing needs of our NWT residents. I look forward to watching how the next Government builds upon this solid foundation.

Manji,

Honourable Paulie Chinna
Minister Responsible For
Housing Northwest Territories

President's Message

This is my third Annual Report on the housing activities that have occurred during my role as President. It has been gratifying to witness the Housing NWT Renewal from its inception to now seeing the specific program and process changes growing out of it.

The Minister enumerated the evolving political and partnership approaches; here I will describe some of the resulting practical changes in how we operate in a renewed way.



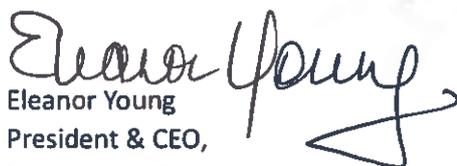
Where to start? Perhaps with the unexpected all-hands-on-deck, beyond-their-job-description assistance our Housing NWT staff provided to the residents of Hay River who experienced sudden dislocation due to flooding. This was client-focused responsiveness in action.

This same responsiveness was also evident in the ongoing work in supporting communities as they developed their individual housing plans. Communities took the lead in this important aspect of finding resident-centred housing solutions. I am pleased that Hay River, Kát'odeeche First Nation and Nahanni Butte completed theirs with the support of Housing NWT staff. Congratulations to each of the communities who exercised their local control over such a core part of living.

As part of Housing NWT's renewal, we eliminated the co-pay requirement for emergency repairs. We understood that requiring funds in the midst of needing an emergency repair caused further burden. So we eliminated it enabling individuals to return to a safe, properly repaired home without added financial stress.

We are all too aware of the climate change impacts in the North, where temperatures are warming at many times the global average. Housing NWT is getting ahead of this by developing an Energy Strategy specific to building housing to be finalized in 2023. Our Energy Strategy supports the core value of Housing NWT's mandate to *look for environmental and fiscal sustainability in all aspects of our work*. This strategy also focuses on innovation in construction programs taking into account cultural appropriateness, energy efficiency, climate change, greenhouse gas reduction, and changing technology and demographics.

I wish to thank the staff at Housing NWT for their continued work in carrying out our business activities with a renewed mindset of reconciliation and collaboration, all with an eye to the challenges the future will bring. We look forward to continuing to build tomorrow.


Eleanor Young
President & CEO,
Housing NWT

Mandate

Mission

Increasing the well-being of individuals and communities by providing fair access to quality housing support for people most in need.

Vision

We are a respected partner in providing effective housing support for people most in need.

Values

Client-Focused

- We are fair, respectful and compassionate
- We recognize that everyone has a unique lived experience that may include past trauma
- We communicate clearly and often

Collaboration

- We look for and accept opportunities to collaborate
- We recognize that greater success comes from working together
- We take steps to build and maintain partnerships

Accountability

- We are accountable to our clients, to our employees, to our partners and to the public for our conduct and our use of public resources
- We are transparent
- We look for accountability in others

Innovation

- We strive to continue to improve
- We are creative, adaptable and flexible
- We measure our effectiveness

Reconciliation

- We acknowledge the Indigenous inherent right of self-government
- We engage with Indigenous Governments on a government-to-government basis
- We educate ourselves about the NWT's history of colonization
- We strive for cultural appropriateness in our work

Sustainability

- We look for environmental and fiscal sustainability in all aspects of our work.

Corporate Structure

Corporate Summary

Housing NWT provides public and market housing programs and services including subsidized rental and homeownership programs (including purchase and repairs), and unsubsidized rental housing in rural and remote communities. Policy and program development play a key role in creating appropriate programs to address the core housing needs of NWT residents and to promote self-reliance. Housing NWT incorporates energy-efficient technologies in its housing design and in the retrofitting of housing to improve its sustainability and energy efficiency. Housing NWT also works in partnership with the Canada Mortgage and Housing Corporation to cost share the development and improvement of housing infrastructure across the NWT. At the community level, Housing NWT partners with Local Housing Organizations, and municipal and Indigenous governments to manage and administer community housing services in 33 communities.

Branches:

The Executive

Comprised of the President's Office and the Policy and Planning Division, the Executive manages the implementation of the Government's direction related to housing.

The President's Office

The President's Office is responsible for supporting the Minister Responsible for the Northwest Territories Housing Corporation, providing overall strategic and operational direction, leading the senior management team and managing the human and financial resources of Housing NWT.

Policy and Planning

The Policy and Planning Division provides support regarding long-term strategic direction and planning for Housing NWT. This Division is also responsible for strategic and business planning, policy development, qualitative and quantitative research, corporate communications and homelessness initiatives. This Division represents Housing NWT at the Federal/Provincial/Territorial level, on interdepartmental working groups and other committees.

Finance and Infrastructure Services

Comprised of the Finance and Administration Division, Financial Planning Section, the Infrastructures Services Division and the Occupational Health and Safety (OH&S) Section.

Finance and Administration Division

The Finance and Administration Division is responsible for the overall financial affairs of Housing NWT. This includes the provision of accounting and advisory services, reporting and monitoring, treasury services, mortgage administration and the management of own source revenues and federal funding. The Financial Planning Section leads the development of the infrastructure, revenues and operating budgets for Housing NWT, including the annual business plan and main estimates, and ongoing variance analysis and reporting.

Infrastructure Services Division

The Infrastructure Services Division is responsible for planning, designing and coordinating the delivery of Housing NWT's capital infrastructure projects, advising on and supporting

homeownership project delivery, securing suitable land for the delivery of housing programs and services and the overall maintenance management of Housing NWT's housing portfolio.

Occupational Health and Safety Section

The Occupational Health and Safety Section is responsible for the corporate-wide delivery and ongoing modernization of Housing NWT's Occupational Health and Safety Program working closely with headquarters, all District Offices and Local Housing Organizations.

Programs and District Operations

The Programs and District Operations Branch provides corporate support and oversight to Housing NWT's five District Offices in the delivery of programs and services to the residents of the NWT. This includes the development, implementation, training, monitoring and delivery of programs and initiatives that support Housing NWT's response to housing needs in the NWT and ensure a continuity of approach to program delivery and implementation.

The Programs Development and Implementation Section

The Program Development and Implementation Section works closely with District Offices and Local Housing Organizations (LHOs) to ensure compliance with existing program policies and procedures. This Section also develops and updates ongoing operational policies and procedures to ensure housing programs remain updated and responsive, and to ensure that District Offices and LHOs have the support, training and capacity required to deliver Housing NWT's programs and services effectively and efficiently.



In March 2023, Housing NWT staff and representatives from 5 communities met in Dettah for a workshop on the designs of a new singles duplex that will be built in their communities this year.

The goal of this process is to produce good quality, sustainable housing that is suitable for the people of the NWT and their lifestyles.

Housing NWT would like to thank all attendees for their valuable input!

District Operations

District Offices are responsible for the administration of district capital and program delivery. District Offices also play a pivotal role in lands acquisition and development, maintenance, training and working closely with stakeholders at the community level. District Offices work with LHOs and NWT residents to identify options for programming to assist individuals and families in decision-making regarding their housing needs. This assistance includes the delivery of Housing NWT's Home Purchase Program, Homeownership Initiative, Major Repairs, Mobility Enhancements, and Preventative Maintenance programs.

North Slave District Office:

This District Office supports the communities of Behchokò, Dettah, Ndilo, Gamètì, Łutselk'é, Wekweètì, Whatì and Yellowknife.

South Slave District Office:

This District Office supports the communities of Enterprise, Hay River, Kátł'odeeche First Nation, Kakisa, Fort Providence, Fort Resolution and Fort Smith.

Nahendeh District Office:

This District Office supports the communities of Fort Liard, Fort Simpson, Jean Marie River, Nahanni Butte, Sambaa K'e and Wrigley.

Sahtú District Office:

This District Office supports the communities of Colville Lake, Délı̄ne, Fort Good Hope, Norman Wells and Tulita.

Beaufort Delta District Office:

This District Office supports the communities of Aklavik, Fort McPherson, Inuvik, Paulatuk, Sachs Harbour, Tsiigehtchic, Tuktoyaktuk and Ulukhaktok.

Local Housing Organizations (LHOs)

Housing NWT, in partnership with 24 LHOs and community organizations, administers approximately 2,500 public housing units across the NWT. The LHOs, under agreement with Housing NWT, provide property management services including the allocation of units, the assessment of rent, the collection of rents, and the provision of preventative and demand maintenance services.

Each LHO has an advisory board that oversees their operations. Housing NWT's district offices are responsible for these operations in communities where an LHO has not been established.



Housing NWT brought together Local Housing Organization (LHO) Managers from across the territory in October 2022. Everyone took part in a meeting at the Chateau Nova in Yellowknife, bringing together ideas, perspectives and unique voices.

LHOs, operating as agents of Housing NWT, are responsible for the administration of public and affordable housing rental units in the majority of communities across the NWT. Public housing units were developed under the Social Housing Agreement between Housing NWT and the Canada Mortgage and Housing Corporation. The Public Housing Program is a rental program designed for individuals and families who do not have the financial resources to access shelter on their own. Affordable housing includes both our leased subsidized Homeownership Entry Level Program (HELP) units, and our unsubsidized Market Housing units that are used to house critical staff in NWT communities.

The following is a list of all LHOs and Indigenous Governments that support the delivery of Housing NWT's programs and services via a Housing Division:

Community	Local Housing Organization
Aklavik	Aklavik Housing Association
Behchokò	Behchokò Ko Gha K'àodèe
Colville Lake	Housing NWT Sahtu District Office
Déłjñę	Déłjñę Housing Association
Dettah/N'Dilo	Yellowknives Dene Band Housing Division
Enterprise	Housing NWT South Slave District Office
Fort Good Hope	Radilih Koe Housing Association
Fort Liard	Liard Housing Authority
Fort McPherson	Fort McPherson Housing Association
Fort Providence	Fort Providence Housing Association
Fort Resolution	Fort Resolution Housing Authority
Fort Simpson	Fort Simpson Housing Authority
Fort Smith	Fort Smith Housing Authority
Gamèti	Gamèti Housing Authority
Hay River	Hay River Housing Authority
Inuvik	Inuvik Housing Authority
Jean Marie River	Fort Simpson Housing Authority
Kakisa	Housing NWT South Slave District Office
Kát'odeeche First Nation	Kát'odeeche First Nation
Łutselk'e	Lutsel K'e Housing Authority
Nahanni Butte	Fort Simpson Housing Authority
Norman Wells	Norman Wells Housing Authority
Paulatuk	Paulatuk Housing Association
Sachs Harbour	Sachs Harbour Housing Association
Sambaa K'e	Fort Simpson Housing Authority
Tsiigehtchic	Tsiigehtchic Housing Association
Tuktoyaktuk	Tuktoyaktuk Housing Association
Tulita	Tulita Housing Association
Ulukhaktok	Ulukhaktok Housing Association
Wekweèti	Housing NWT North Slave District Office
Whati	Whati Housing Authority
Wrigley	Fort Simpson Housing Authority
Yellowknife	Yellowknife Housing Authority

Housing NWT Programs

Rental Programs

Public Housing

The Public Housing Program provides income-based subsidies for the rental of housing for residents in need. Housing NWT provides financial, administrative, maintenance, construction and repair support to its community partners who deliver the program on behalf of Housing NWT. Housing NWT utilizes management and service agreements with LHOs or community service organizations to manage its affordable housing portfolio. Currently, Housing NWT operates approximately 2,500 public housing units, which are managed by LHOs and community organizations, located in 31 communities throughout the NWT.

Canada-NWT Housing Benefit

The Canada-NWT Housing Benefit (CNHB) is a funding program administered by Housing NWT that began on April 1, 2021. CNHB provides a benefit to assist with rental costs. This benefit is available to eligible applicants who are paying more than 30% of their gross income towards rent. This benefit is not available to homeowners at this time.

The CNHB pays a portion of the difference between 30% of the household's income and the average market rent in the area, up to a maximum of \$800 per month for no longer than two years.

Market Housing Program

A lack of market housing options in NWT communities has been a key challenge in delivering programs and services for the Government of the Northwest Territories (GNWT). To support non-market communities, Housing NWT operates several units under the Market Housing Program. Under the program, Housing NWT provides rental housing units at rental rates set by Housing NWT, which is intended to increase the availability of housing in smaller communities for community workers.



Housing NWT works closely with stakeholders to collaborate on the planning and design of new buildings to ensure community needs are met.

In December 2022, Housing NWT design staff worked with community stakeholders in a collaborative process on the designs of 5 new Seniors duplexes that will be built in Fort McPherson, Fort Simpson, Fort Resolution, Tulita and Behchokò. The duplexes are planned to be completed in 2024.

Housing NWT would like to thank all attendees for their efforts!

Homeownership Programs

Housing NWT provides an opportunity for NWT residents to access government support through programming for the purchase of a modest private home, to repair their homes to ensure a safe and healthy residence and to increase the useful economic life of their homes or to access a rental program that allows them to experience the commitments required to be a successful homeowner.

The simplified structure of the homeownership programs offers flexible delivery options to NWT residents and meets the needs of seniors and those with accessibility challenges. These programs use education and counselling to help residents become successful homeowners. Recently, program application intake changed to a year-round intake to better provide timely supports to residents in need. These one-on-one discussions between residents and staff of Housing NWT are necessary in order to explore program requirements, to help individuals identify their housing needs and determine which program will best fit an individual's or a household's needs.

STEP – Educational Programs

STEP provides education and counselling assistance consisting of four courses designed to prepare participants for the responsibilities of homeownership. STEP aims to increase homeownership applicants' financial skills, as well as their knowledge of the home purchase process, basic home maintenance and repairs. STEP courses are not only offered to Housing NWT applicants and clients but also to NWT residents at large. Although priority is given to applicants or clients, space permitting, residents are encouraged to sign up for the courses through their District Offices.

Homeownership Initiative

Supports Housing NWT's objective of increasing private homeownership in rural and remote communities where there are families with enough income to own and operate their own home through:

- The existing homeownership rental portfolio will be converted to homeownership units for eligible tenants who wish to become homeowners.
- The NWT HC will provide eligible public housing tenants in detached units the opportunity to purchase their units to become homeowners if they have sufficient income to pay for the operating and maintenance costs.

Home Purchase Program

Provides an opportunity for clients to become homeowners by aiding the purchase of a modest home. A forgivable loan is available to subsidize the costs of purchasing an existing home.

- A maximum of up to 5% is available for homeowners in market communities.
- Market communities include Fort Simpson, Fort Smith, Hay River, Inuvik, Norman Wells and Yellowknife.

Home Repair Program

This provides financial assistance to eligible homeowners to make necessary health and safety-related repairs to their existing homes.

Mobility Modifications Program

Provides financial assistance to eligible households with a household member with a housing-related disability, to support modifications that will promote continued independent living.

Preventative Maintenance Program

Provides financial assistance to eligible households to complete preventative maintenance checks and make minor servicing or repairs to ensure a safe and healthy residence. A forgivable loan is available to subsidize the costs of preventative maintenance checks and minor repairs.

Emergency Repair Program

Provides financial assistance to eligible households to address emergency repairs that are urgently required to support the continued safe occupancy of the home. A forgivable loan is available to address emergency health and safety repairs.

Seniors Aging in Place

Provides financial assistance to eligible households to support repairs/upgrades that make their homes less expensive to operate so that they can live independently for as long as possible in their communities.

Fuel Tank Replacement Initiative

Provides financial assistance to eligible households to upgrade their ageing above-ground fuel tanks. The home must be the applicant's permanent, principal and sole residence.



In December 2022, District and Local Housing Organization staff from across the NWT came together in Yellowknife for a maintenance and technical workshop. All 5 District Offices and 25 LHO Offices had staff attend. Staff were able to connect, learn together, and share best practices.

Homelessness Programs

Rapid Rehousing Pilot Program

The Rapid Rehousing Program pilot builds on the experience of Non-Governmental Organizations (NGOs) using their effectiveness in case management and expertise in program referral. The Housing NWT partners with NGOs through a flexible contribution that allows the NGOs to help, in whatever manner they determine is appropriate, provide housing stability to the individuals they serve in their organizations.

Under the Rapid Rehousing approach, the focus is to assist people (both individuals and families) who are experiencing homelessness to quickly access and maintain market housing through the provision of rental assistance and programming.

Emergency Overnight Shelters

Housing NWT provides NWT emergency overnight shelters funding to assist shelter providers with the cost of rent and food to temporarily house people in need. There are eight emergency overnight shelters supported by the Housing NWT: three in Yellowknife, two in Inuvik, one in Fort Simpson, one in Hay River, and one with the Salt River First Nation.

SCHF (Small Community Homelessness Fund)

Communities are often best placed to identify solutions to address homelessness or assist homeless people. Sometimes these supports can come in the form of food security initiatives such as soup kitchens, food vouchers or food hampers. Sometimes communities want support to conduct their own planning to address homelessness. The Small Community Homelessness Fund, in its flexible funding design, allows communities to implement their own homelessness initiatives.

HAF (Homelessness Assistance Fund)

The Homelessness Assistance Fund works cooperatively with GNWT case managers and referral agents to support homeless residents to access housing, to prevent tenants from being evicted or to provide assistance for residents to return to more stable housing situations in their home.

Housing First

Housing NWT provides an ongoing contribution to support the sustainability of the Housing First program in Yellowknife. The Housing First philosophy involves taking a two-fold approach to addressing homelessness: opportunities for independent rental housing and the provision of wrap-around supports to address underlying homelessness factors.

Northern Pathways to Housing

To address homelessness in small communities outside of Yellowknife, Housing NWT has developed the Northern Pathways to Housing, a Supportive Housing Program for single adults experiencing housing stability. The goal of the program is to stabilize individuals with housing and work with communities to develop wrap-around systems of support to encourage the integration of individuals into the community. To date, the Housing NWT is supporting four northern pathway projects in Aklavik, Fort Simpson, Behchokò and Fort Good Hope.

Partnerships

Community Housing Support Initiative

Housing NWT continues to offer the Community Housing Support Initiative (CHSI) to provide funding to municipalities or other community corporate bodies for community-based housing projects that contribute to the delivery of affordable, adequate, suitable and culturally appropriate housing for families, seniors and single-member households or delivers programs that promote community prosperity and the health and well-being of community residents.

Homeownership Program Statistics

The following charts report the program approvals as a breakdown by regional basis and territorial-wide, then follows with number of approved applications for homeownership programs offered through Housing NWT.

Beaufort-Delta District

Program	Number of Programs
Home Repair Program	-
Preventative Maintenance Program	11
Mobility Modifications Program	5
Fuel Tank Replacement	20
Homeownership Initiative	13
Home Purchase Program	-
Emergency Repair Program	59
Seniors Aging in Place	70
Total	178

Nahendeh District

Program	Number of Programs
Home Repair Program	12
Preventative Maintenance Program	12
Mobility Modifications Program	-
Fuel Tank Replacement	10
Homeownership Initiative	1
Home Purchase Program	-
Emergency Repair Program	49
Seniors Aging in Place	10
Total	94

North Slave District

Program	Number of Programs
Home Repair Program	17
Preventative Maintenance Program	141
Mobility Modifications Program	2
Fuel Tank Replacement	15
Homeownership Initiative	10

Home Purchase Program	3
Emergency Repair Program	119
Seniors Aging in Place	79
Total	386

Sahtú District

Program	Number of Programs
Home Repair Program	6
Preventative Maintenance Program	72
Mobility Modifications Program	-
Fuel Tank Replacement	11
Homeownership Initiative	3
Home Purchase Program	3
Emergency Repair Program	43
Seniors Aging in Place	8
Total	146

South Slave District

Program	Number of Programs
Home Repair Program	3
Preventative Maintenance Program	115
Mobility Modifications Program	5
Fuel Tank Replacement	14
Homeownership Initiative	1
Home Purchase Program	1
Emergency Repair Program	51
Seniors Aging in Place	29
Total	219

Total NWT

Program	Number of Programs
Home Repair Program	38
Preventative Maintenance Program	351
Mobility Modifications Program	12
Fuel Tank Replacement	70
Homeownership Initiative	28
Home Purchase Program	7
Emergency Repair Program	321
Seniors Aging in Place	196
Total	1,023

Forgiveness

Type of obligation	Community	Amount, \$
Mortgage	Behchokò	946,029
Mortgage	Déłıne	600,577
Mortgage	Dettah/N'Dilo	1,068,942
Mortgage	Enterprise	157,833
Mortgage	Fort Good Hope	6,991
Mortgage	Fort Liard	709,034
Mortgage	Fort McPherson	310,022
Mortgage	Fort Resolution	509,631
Mortgage	Fort Smith	120,897
Mortgage	Ft. McPherson	26,627
Mortgage	Hay River	94,231
Mortgage	Kát'odeeche First Nation	351,135
Mortgage	Łutselk'e	821,570
Mortgage	Nahanni Butte	221,307
Mortgage	Sambaa K'e	198,899
Mortgage	Wekweètì	165,441
Mortgage	Whatì	151,886
Mortgage	Yellowknife	78,989
Rental Arrears	Aklavik	20,643
Rental Arrears	Behchokò	646,205
Rental Arrears	Colville Lake	39,996
Rental Arrears	Déłıne	29,455
Rental Arrears	Dettah/N'Dilo	32,168
Rental Arrears	Fort Liard	2,747
Rental Arrears	Fort Providence	16,168
Rental Arrears	Fort Resolution	286,130
Rental Arrears	Fort Simpson	31,246
Rental Arrears	Fort Smith	75,190
Rental Arrears	Gamètì	44,251
Rental Arrears	Hay River	12,934
Rental Arrears	Inuvik	116,871
Rental Arrears	Łutselk'e	16,907
Rental Arrears	Norman Wells	5,757
Rental Arrears	Paulatuk	129,713

Rental Arrears	Sachs Harbour	22,092
Rental Arrears	Tsiigehtchic	61,988
Rental Arrears	Tuktoyaktuk	71,777
Rental Arrears	Tulita	86,691
Rental Arrears	Ulukhaktok	86,181
Rental Arrears	Whatì	145,720
Rental Arrears	Wrigley/Yellowknife	1,851
Rental Arrears	Yellowknife	149,848

Total		\$8,672,570
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**APPENDIX A:
Management Discussion and
Analysis Fiscal Year 2022-2023**

Management Discussion and Analysis – Fiscal Year 2022/23

Managing Risk / Pressures

There are both external and internal pressures and risks that influence how Housing NWT delivers its housing programs and services. In response to these challenges, Housing NWT has employed various mitigation strategies to help manage these risks, to the extent possible.

Climate Change

Weather events brought on by climate change, including but not limited to low water levels, wildfires and permafrost degradation, are increasingly disrupting Housing NWT's regular operations and capital delivery. Housing NWT continues to consider these factors in planning its programs and services delivery as well as managing cash flow and budgets. Looking toward to the future, Housing NWT has developed a 2030 Energy Management Strategy that has set out specific goals and actions that Housing NWT will be taking to help mitigate these risks into the future.

CMHC Funding

Base operational and maintenance (O&M) funding for public housing operations from Canada Mortgage and Housing Corporation (CMHC) reduces annually and will reach zero by 2038-39. This funding continues to decline at varying amounts annually, depending on when the housing stock was initially constructed in partnership with the federal government.

A multi-year bilateral agreement with CMHC, in support of the National Housing Strategy, provided an additional nine years (2019/20 – 2027/28) of federal funding certainty that will assist Housing NWT in responding to the territory's housing priorities, including helping to mitigate the continued annual decline in CMHC O&M funding for public housing operations.

Another mitigation strategy to help offset CMHC's declining O&M funding is the Royal Canadian Mounted Police (RCMP) market housing initiative. This initiative involves the delivery of 45 additional market housing units for RCMP Members stationed throughout the NWT. This initiative not only increased the availability of market housing units for the territory but also generated additional own source revenues for Housing NWT to help mitigate declines in CMHC O&M funding.

During 2022-2023, Housing NWT signed a funding agreement with CIRNAC providing an additional \$30 million in federal funding for further investment in new public housing infrastructure and operational requirements. The delivery of these new energy efficient public housing units will assist Housing NWT in managing public housing unit operating costs.

Core Need (Quality of Housing and Affordability)

The level of core housing need in the NWT, according to *the 2019 NWT Community Survey*, is 23.6%. To assist in addressing this situation, Housing NWT continues to support capital

investments to replace and to retrofit older and less energy-efficient housing units. In addition to existing housing stock investment, Housing NWT continues to deliver a wide range of housing programs for private homeowners. For example, the Canada-NWT Housing Benefit Program is utilized to address market rental challenges for NWT residents and the Securing Assistance for Emergencies (SAFE) repair program is delivering financial assistance for low to moderate-income households to address their emergency home repairs.

Utility Costs

Housing NWT continues to invest in improving the overall quality and energy-efficiency of its owned housing assets. New construction for the replacement of aging, single detached Public Housing is now primarily multi-unit buildings, resulting in reduced utility costs. For the past number of years, Housing NWT ensured the energy efficiency standards for new construction met, or exceeded, EnerGuide for Housing (EGH) 80 design standards. Housing NWT also continues to invest in energy efficiency technologies, such as biomass and photovoltaic solar systems, to help offset the high cost of energy.

Land Development

Land availability for both current and future housing construction projects is an ongoing challenge. Land development in many Northwest Territories communities has not kept pace with the ongoing demand for suitable building lots. Housing NWT continues to work with community governments to identify and develop suitable land for residential construction and ensures compliance with zoning bylaws and local development approval processes.

Credit Risk

Housing NWT is exposed to credit risk from tenants and mortgage clients. Housing NWT and several Local Housing Organizations (LHOs) have had challenges with some collection accounts resulting in accumulated arrears over several years. To assist in the collection process, Housing NWT has collections staff that focus on working with the LHOs and other parties involved in collection matters. Housing NWT's Territorial Housing System (THS) also supports Housing NWT in closely monitoring the status of tenant collections.

Since 2012, Housing NWT has worked with clients to restructure their mortgages with a view to improving overall collections rates. Working with program participants, Housing NWT was able to restructure a number of existing mortgages to date to assist homeowners in satisfying their mortgage payment obligations.

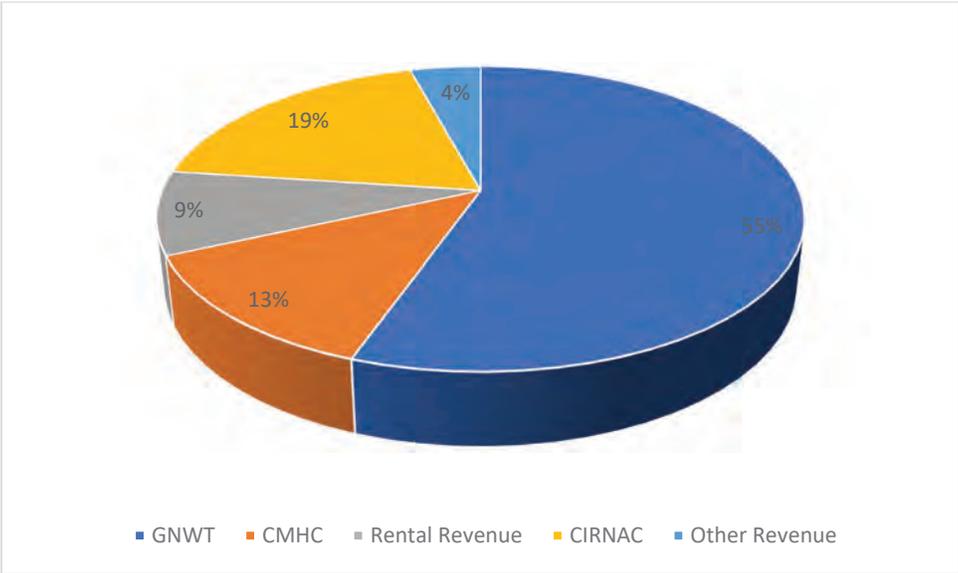
Financial Results

Revenues

The total revenues for Housing NWT in 2022/23 were \$160.3 million, an increase of \$19.2 million from the previous year's total of \$141.1 million.

Government funding from the GNWT, CMHC, CIRNAC and other transfers increased by approximately \$16.9 million, from \$123.5 million to \$140.4 million. This was due to increased funding for Homeownership Grants and Contribution core programs of \$4 million, Emergency Shelter and Homelessness funding of \$2.2 million, a \$3.25 million reimbursement for Hay River flood costs, \$5 million increase as per agreement with CIRNAC, \$0.9 million increase per collective agreement, \$0.4 million funding for biomass feasibility study, \$0.3m funding for public housing renovations, and \$0.3 million increase due to IRC revenue.

Revenue generated from operations amounted to \$19.9 million in 2022/23, an increase of \$2.3 million over the \$17.6 million in revenue generated in 2021/22. This increase was primarily related to increases in portfolio investment income due to higher interest rates in 2022/23.



Expenses

Housing NWT's total expenses for 2022/23 were \$125 million, \$8.5 million increase over the 2021/22 year's expenses of \$119.2 million.

The cost of operating the Public Housing program this past year increased by \$1.3 million or approximately 1.89% primarily due to \$2 million increases in utility rates, \$3 million increase in

minor M&I related to Hay River flood, \$1.5 million decrease on environmental contracts, and around \$2 million decrease mainly related to lower amortization in current year as a result of asset retirement obligations / asset retirement cost valuation adjustments. The Public Housing program costs continue to be the largest component of Housing NWT's expenses, representing 57% of the annual expenses, including amortization.

Expenses for the HELP and market housing programs including amortization were \$11.2 million in 2022/23, a \$1.2 million or 12% increase over the \$10 million expended in 2021/22. This increase was primarily attributable to a \$0.3 million increase of amortization as a result of more assets being brought into service, \$0.4 million attributable to increases in M&I expenses, and \$0.2 million attributable to increase in utility costs due to higher costs of fuel.

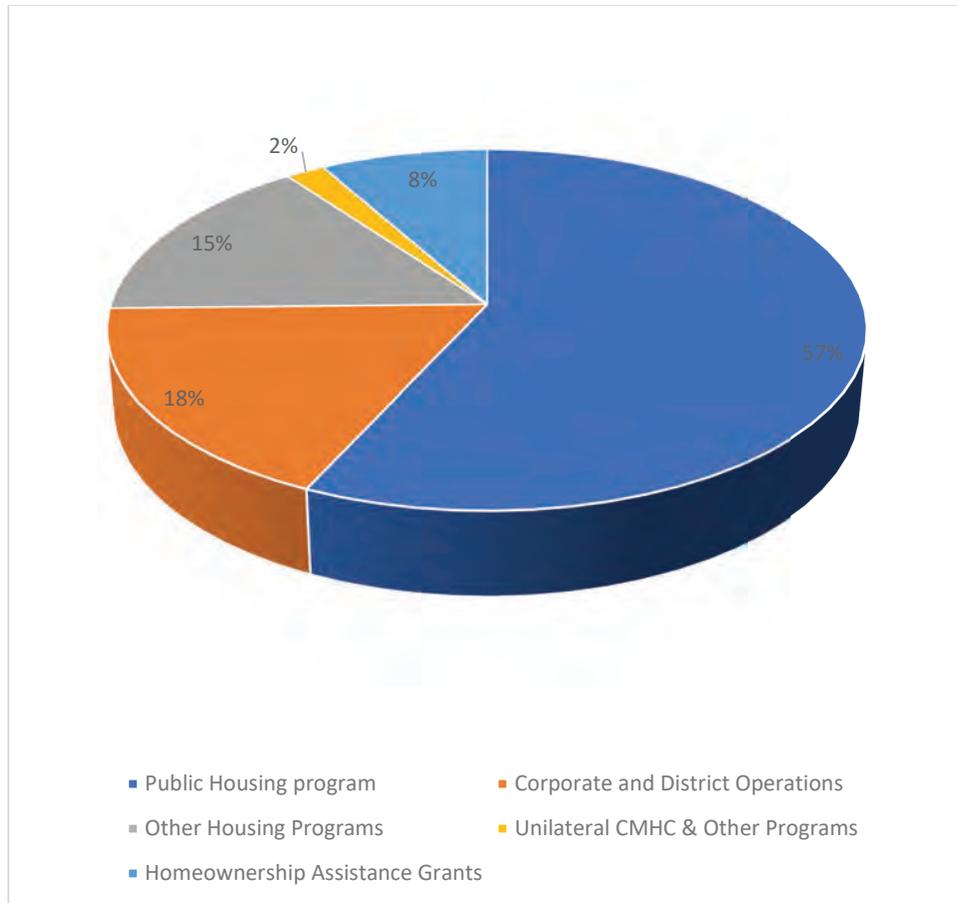
Homeownership assistance grants were \$10.2 million in 2022/23, an increase of \$1.8 million or 21.1% over the previous year's amount of \$8.4 million. This program funding supports private households in purchasing and repairing their homes. The increase in 2022/23 was largely attributable to increased program intake in 2022/23 revisions.

Homelessness assistance grants were \$6 million, an increase of \$1.3 million or 27.5% over previous year's amount of \$4.7 million. This program funding supports homelessness grants and contributions. Over \$0.9m increase is attributable to 2022/23 being the first full year of Housing NWT operating the Inuvik shelter with own forces and another \$0.3 million increase in emergency shelter grants and contributions.

Rent subsidy program grants were \$1.1 million, a decrease of \$0.6 million or 36.4% under previous year's amount of \$1.7 million. This funding provides rent assistance grants to renters in the private market. This decrease is due to the program being under subscribed in 2022/23.

Housing NWT expensed \$22.2 million on Housing Operations and Support in 2022/23, an increase of \$0.9 million or 4.5% from the \$21.3 million expended in 2021/22. Costs include program development and delivery and technical and administrative support for both the district offices and headquarters. Increase of \$0.3 million due to increased travel following the ease of COVID-19 restrictions, approximately \$0.3 million increase in contract services spending for the Energy Management Strategy and an approximate \$0.2 million increase due to increased insurance costs as a result of increased rates.

The acquisition or construction of new housing assets and the renovation of existing housing is typically funded by the GNWT, CMHC, and Housing NWT's own source revenues. During the year, revenues, including Housing NWT generated revenues, exceeded expenses resulting in an annual surplus of \$33 million. Annual surpluses help resource Housing NWT's capital investments and housing programming.



Financial Position

Housing NWT continued to maintain a sound financial position in 2022/23, with net financial assets of \$56 million, a \$1 million increase from the \$55 million in 2021/22. This increase is mainly due to \$5.2 million decrease in cash and portfolio investments, \$10.7 million increase in account receivable, \$8.3 million increase in account payable, and \$3.3 million decrease in asset retirement obligation (ARO). ARO a non-cash adjustment to reflect future obligation to retire hazardous materials. This year's adjustment was a result of using a higher discount rate in 2022/23 than the prior year.

Housing NWT recognizes the importance of having sufficient net financial assets to address contractual obligations and to complete the implementation of priority housing projects and initiatives.

The cash and cash equivalents balance of \$61.7 million (\$91.5 million on March 31, 2022) represents the March 31, 2023, bank balance for 23 LHOs and Housing NWT. Housing NWT invests excess cash flow in portfolio investments that meet the terms of the investment policy. As at March 31, 2023, \$62 million (\$37.5 million at March 31, 2021) was invested in portfolio

investments with a weighted average rate of return of 2.87%. These investments continue to be liquidated to support Housing NWT's capital delivery and other program needs.

Since 2012, Housing NWT has been assisting mortgage program participants in restructuring their loans. This approach has assisted homeowners in satisfying their mortgage payment obligations while supporting the on-going delivery of housing programs and services. The total mortgage and loans receivable balance decreased from \$4 million as at March 31, 2022, to \$3.8 million as at March 31, 2023, due to approved forgiveness adjustments in 2022/23.

Investment in Housing

As at March 31, 2023, Housing NWT had \$375 million of investments in land and buildings and other property and equipment, representing the amortized book value of approximately 2,600 owned public housing, homeownership rentals, and market rental units. During the year, Housing NWT acquired \$52.2 million in tangible capital assets.

**APPENDIX B:
Independent Auditor's Report and
Consolidated Financial Statements**

**Housing Northwest Territories
Consolidated Financial Statements
March 31, 2023**

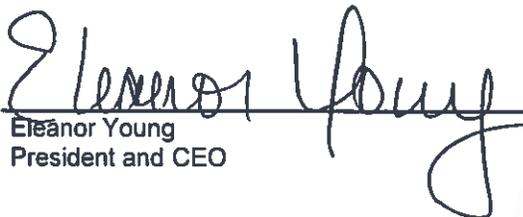
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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

Yellowknife, Northwest Territories
October 10, 2023



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 2023, 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 2023, 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.



Lana Dar, CPA, CA
Principal
for the Auditor General of Canada

Vancouver, Canada
10 October 2023

HOUSING NORTHWEST TERRITORIES

Consolidated Statement of Financial Position As at March 31, 2023 (in thousands)

	2023	2022
		(Restated - Note 3)
Financial assets		
Cash and cash equivalents	\$ 61,748	\$ 91,465
Portfolio investments (Note 4)	61,964	37,467
Accounts receivable (Note 5)	16,828	6,126
Mortgages and loans receivable (Note 6)	<u>3,783</u>	<u>3,969</u>
	<u>144,323</u>	<u>139,027</u>
Liabilities		
Accounts payable and accrued liabilities (Note 7)	32,273	24,000
Deferred revenue	326	359
Loans and mortgages payable to CMHC (Note 8)	3,984	4,645
Environmental liabilities (Note 10)	967	913
Retirement, post-employment, and other leave benefits	2,197	2,236
Asset retirement obligations (Note 9)	<u>48,552</u>	<u>51,817</u>
	<u>88,299</u>	<u>83,970</u>
Net financial assets	56,024	55,057
Non-financial assets		
Tangible capital assets (Schedule A)	375,375	341,555
Inventories held for use	2,731	2,529
Prepaid expenses	<u>485</u>	<u>116</u>
	<u>378,591</u>	<u>344,200</u>
Accumulated surplus	<u>\$ 434,615</u>	<u>\$ 399,257</u>
Contractual rights, contractual obligations and contingencies (Notes 13, 14 and 15)		

Approved by:



 Hon. Paulie Chinna
 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, 2023 (in thousands)

	2023	2023	2022
	Budget	Actual	(Restated - Note 3) Actual
Revenues			
Government funding:			
Government of the Northwest Territories	\$ 78,358	\$ 88,869	\$ 77,286
CMHC (Note 11)	21,178	20,566	20,725
CIRNAC (Note 12)	-	30,000	25,000
Other grants and transfers	-	968	532
	<u>99,536</u>	<u>140,403</u>	<u>123,543</u>
Generated revenues:			
Rental revenue	10,620	14,159	13,338
Recoveries from mortgages and loans	475	807	692
Income from portfolio investments	440	3,160	735
Other revenue and recoveries	419	1,721	2,759
Interest revenue on mortgages and loans	90	82	82
	<u>12,044</u>	<u>19,929</u>	<u>17,606</u>
	<u>111,580</u>	<u>160,332</u>	<u>141,149</u>
Expenses (Note 16)			
Public housing program	73,417	71,068	69,748
Unilateral CMHC programs and other programs	2,533	2,386	2,419
HELP and market housing	6,232	11,186	10,064
Non-residential building operations	180	897	926
Rent subsidy program	2,588	1,054	1,658
Homelessness fund program	4,252	5,961	4,677
Homeownership assistance grants	12,407	10,188	8,410
Housing operations and support	19,536	22,234	21,285
	<u>121,145</u>	<u>124,974</u>	<u>119,187</u>
Annual (deficit) surplus	<u>\$ (9,565)</u>	<u>\$ 35,358</u>	<u>\$ 21,962</u>
Accumulated surplus, beginning of year	<u>399,257</u>	<u>399,257</u>	<u>377,295</u>
Accumulated surplus, end of year	<u>\$ 389,692</u>	<u>\$ 434,615</u>	<u>\$ 399,257</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, 2023 (in thousands)

	2023	2023	2022
	Budget	Actual	(Restated - Note 3) Actual
Net financial assets, beginning of the year	\$ 55,057	\$ 55,057	\$ 45,196
Items affecting net financial assets:			
Annual (deficit) surplus	(9,565)	35,358	21,962
Acquisition of tangible capital assets	(10,625)	(51,895)	(30,297)
Amortization of tangible capital assets	15,900	12,896	15,683
Proceeds from disposal of tangible capital assets	-	357	441
Loss on disposal of tangible capital assets and write-down	-	150	448
Asset retirement cost adjustment (Note 9)	-	4,952	653
Other transfers (Note 18)	-	(280)	-
Grants in kind	-	-	912
Acquisition of inventories held for use	-	(2,080)	(1,614)
Consumption of inventories held for use	-	1,878	1,720
Acquisition of prepaid expenses	-	(439)	(106)
Consumption of prepaid expenses	-	70	59
Increase (decrease) in net financial assets	<u>(4,290)</u>	<u>967</u>	<u>9,861</u>
Net financial assets, end of the year	<u>\$ 50,767</u>	<u>\$ 56,024</u>	<u>\$ 55,057</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, 2023 (in thousands)

	2023	2022
		(Restated - Note 3)
Operating transactions		
Annual surplus	\$ 35,358	\$ 21,962
Items not affecting cash:		
Amortization of tangible capital assets	12,896	15,683
Accretion of asset retirement obligations	1,687	1,642
Other grants and transfers	(280)	-
Loss on disposal of tangible capital assets and write-down	150	448
Grant in kind	-	912
Non-cash portfolio investment income	-	39
Non-cash mortgage funding	113	(88)
Change in valuation allowance for doubtful accounts	34	104
Change in valuation allowance for mortgages and loans receivable	-	(1,432)
	14,600	17,308
Change in non-cash assets and liabilities:		
Change in accounts receivable	(10,702)	35,649
Change in inventories held for use	(202)	106
Change in prepaid expenses	(369)	(47)
Change in accounts payable and accrued liabilities	1,691	229
Change in deferred revenue	(33)	98
Change in environmental liabilities	54	(193)
Change in retirement, post-employment, and other leave benefits	(39)	(147)
	(9,600)	35,695
Cash provided by operating transactions	40,358	74,965
Capital transactions		
Acquisition of tangible capital assets	(45,479)	(32,504)
Proceeds from disposal of tangible capital assets	357	441
Cash used for capital transactions	(45,122)	(32,063)
Financing transactions		
Repayment of loans payable to CMHC	(661)	(625)
Cash used for financing transactions	(661)	(625)

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, 2023 (in thousands)

	2023	2022 (Restated - Note 3)
Investing transactions		
Proceeds from sale of portfolio investments	6,522	5,000
Acquisition of portfolio investments	(31,000)	(5,058)
Repayments of mortgages and loans receivable	186	250
Cash (used for) provided by investing transactions	(24,292)	192
(Decrease) increase in cash and cash equivalents	(29,717)	42,469
Cash and cash equivalents at beginning of the year	91,465	48,996
Cash and cash equivalents at end of the year	\$ 61,748	\$ 91,465

Total interest paid during the year was \$276 (2022 - \$312).

Total interest received during the year was \$3,242 (2022 - \$817).

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 \$60,170 (2022 - \$65,840) of cash and \$1,578 (2022 - \$25,625) 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, 2023 (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, 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, 2023

(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'òdèè	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	Tsiigehchic 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

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, 2023 (in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Rental revenue is recognized on a monthly accrual basis. An allowance is recognized for any rental amounts owing which are deemed uncollectible.

(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.

(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.

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2023 (in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

(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

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2023 (in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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.

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2023 (in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(I) 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	Radilih Koe Housing Association
Fort Resolution Housing Authority	Tulita Housing Association
Fort Simpson Housing Authority	Whati Housing Authority
Fort Smith Housing Authority	Yellowknife Housing Authority
Gameti Housing Authority	

NEBS establishes contribution rates for participating employers/employees, and contributions are remitted to NEBS on a regular basis throughout the year.

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.

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2023 (in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

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) Future accounting changes

Effective April 1, 2023, Housing NWT is required to adopt PS 3400 Revenue. This accounting standard provides guidance on how to account for and report on revenue, and specifically, it differentiates between revenue arising from exchange and non-exchange transactions. It is not expected to have a significant impact on the consolidated financial statements.

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2023 (in thousands)

3. Adoption of new accounting standard

Effective April 1, 2022, Housing NWT adopted the new Canadian Public Sector Accounting Standard PS 3280 Asset Retirement Obligations (ARO). This standard requires public sector entities to recognize liabilities for legal obligations to incur costs associated with the retirement of tangible capital assets on their acquisition, construction, development, or through their normal use and to expense those costs systematically over the life of the asset. Housing NWT recognized ARO relating to owned buildings that contain either asbestos or lead. Housing NWT applied the modified retrospective application approach with restatement of prior year comparative information. On initial application of the standard, the following were recognized:

- i. an ARO, adjusted for accumulated accretion to the effective date;
- ii. an asset retirement cost capitalized as an increase to the carrying amount of the related tangible capital assets;
- iii. accumulated amortization on the capitalized cost; and
- iv. an adjustment to the opening balance of net financial assets.

Amounts are measured using information, assumptions and discount rates that were current at the beginning of the current fiscal year.

The amount recognized as an asset retirement cost is measured as of the date the ARO was incurred. Accumulated accretion and amortization are measured for the period from the date the liability would have been recognized as if the provisions of this standard had been in effect to the date of transition.

The impact on the prior year's consolidated financial statements as a result of adopting this accounting standard is as follows:

	2022		
	As previously reported	Adjustments made	As restated
Consolidated Statement of Financial Position			
Asset retirement obligations	-	51,817	51,817
Tangible capital assets	337,981	3,574	341,555
Accumulated surplus	447,500	(48,243)	399,257

	2022		
	As previously reported	Adjustments made	As restated
Consolidated Statement of Operations and Accumulated Surplus			
Public housing program	68,532	1,216	69,748
HELP and market housing	10,021	43	10,064
Non-residential building operations	925	1	926
Annual (deficit) surplus	23,222	(1,260)	21,962
Accumulated surplus, beginning of year	424,278	(46,983)	377,295
Accumulated surplus, end of year	447,500	(48,243)	399,257

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2023 (in thousands)

	2022		
	As previously reported	Adjustments made	As restated
Consolidated Statement of Change in Net Financial Assets			
Annual (deficit) surplus	23,222	(1,260)	21,962
Amortization of tangible capital assets	15,495	188	15,683
Loss on disposal of tangible capital assets and writedown	1,018	(570)	448
Asset retirement cost adjustment	-	653	653
Net financial assets, beginning of year	96,024	(50,828)	45,196
Net financial assets, end of year	106,874	(51,817)	55,057

	2022		
	As previously reported	Adjustments made	As restated
Consolidated Statement of Cash Flow			
Annual (deficit) surplus	23,222	(1,260)	21,962
Amortization of tangible capital assets	15,495	188	15,683
Accretion of asset retirement obligations	-	1,642	1,642

	2022		
	As previously reported	Adjustments made	As restated
Note 16 Expenses by object			
Amortization	15,495	188	15,683
Accretion of asset retirement obligations	-	1,642	1,642
Loss on disposal of tangible capital assets and writedown	1,018	(570)	448

	2022		
	As previously reported	Adjustments made	As restated
Schedule A			
Public housing			
Opening balance, cost	412,192	16,731	428,923
Opening balance, accumulated amortization	194,758	13,322	208,080
Net book value	217,434	3,409	220,843
HELP and Market Housing			
Opening balance, cost	110,706	450	111,156
Opening balance, accumulated amortization	38,718	285	39,003
Net book value	71,988	165	72,153
Non-residential properties			
Opening balance, cost	6,234	6	6,240
Opening balance, accumulated amortization	3,312	6	3,318
Net book value	2,922	-	2,922

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2023 (in thousands)

4. PORTFOLIO INVESTMENTS

	2023	2022
Marketable securities (fair value \$60,281; 2022 - \$35,989)	\$ <u>61,964</u>	\$ <u>37,467</u>

5. ACCOUNTS RECEIVABLE

	2023	2022
Tenant rents receivable, before allowance of \$9,874 (2022 - \$11,580)	12,559	13,482
Trade accounts receivable, before allowance of \$1,205 (2022 - \$954)	\$ <u>4,667</u>	\$ <u>3,503</u>
	17,226	16,985
Less allowance for doubtful accounts	<u>(11,079)</u>	<u>(12,534)</u>
	6,147	4,451
Receivables from CMHC	8,777	1,095
Receivables from related parties:		
Government of the Northwest Territories	<u>1,904</u>	<u>580</u>
	\$ <u>16,828</u>	\$ <u>6,126</u>

Tenant rents receivable of \$2,133 were forgiven (2022 - \$191) during the year.

6. MORTGAGES AND LOANS RECEIVABLE

	2023	2022
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% (2022 - 0.00% and 10.50%).	\$ 10,615	\$ 11,479
Less allowance for impaired mortgages and loans receivable	<u>(6,832)</u>	<u>(7,510)</u>
	\$ <u>3,783</u>	\$ <u>3,969</u>

There were 20 accounts forgiven in the current year totalling \$989 (2022 - 28 write-offs totalling \$1,447).

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2023 (in thousands)

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Trade payables	\$ 17,645	\$ 11,138
Contractor holdbacks	3,254	1,364
Wages and employee benefits	2,555	2,450
Damage deposits	2,537	2,536
Tender and security deposits	981	596
Accrued interest	61	79
Payables to related parties:		
Government of the Northwest Territories	5,240	5,837
	\$ 32,273	\$ 24,000

8. LOANS AND MORTGAGES PAYABLE TO CMHC

	2023	2022		
	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 2024 to 2038, at interest rates from 7.63% to 19.00% (2022 - 7.63% to 19.00%).	\$ 18,475	\$ (18,475)	\$ -	\$ -
Loans payable to CMHC (NHA Section 82 debt), repayable in annual installments until the year 2033, bearing interest of 6.97% (2022 - 6.97%). These loans are guaranteed by the Government.	7,743	(4,302)	3,441	3,959
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%, (2022 - 0.68% to 1.01%).	543	-	543	686
	\$ 26,761	\$ (22,777)	\$ 3,984	\$ 4,645

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.

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2023 (in thousands)

8. LOANS AND MORTGAGES PAYABLE TO CMHC (continued)

Had CMHC not funded the repayments of the debt principal and interests payable to CMHC, Housing NWT would have incurred additional interest expense of \$2,785 (2022 - \$2,913) and would have made additional principal debt repayments to CMHC of \$1,402 (2022 - \$1,353).

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

Principal repayments and interest requirements over the life of the outstanding loans are as follows:

	Principal	Interest	Total
2024	\$ 699	\$ 248	\$ 947
2025	711	207	918
2026	695	166	861
2027	638	126	764
2028	458	88	546
2029-2033	783	121	904
	\$ 3,984	\$ 956	\$ 4,940

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 - \$88,671 (2022 - \$88,735)
- Expected timing of payments of the cash flow - asset removal and/or site remediation is expected to occur between 2025 and 2050 (2022 - 2025 and 2050) with the majority occurring after 2037 (2022 - 2037).
- The discount rate is the year-end cost of borrowing of 3.92% (2022 - 3.27%).
- The inflation rate is based on the Bank of Canada's targeted inflation rate of 2.00% (2022 - 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 \$6,238
- A 1% decrease in the discount rate would increase the obligation by \$7,429
- A 1% increase in the inflation rate would increase the obligation by \$7,501
- A 1% decrease in the inflation rate would decrease the obligation by \$6,402

Following is a summary of the ARO:

	2023	2022 (Restated - Note 3)
Opening Balance	\$ 51,817	\$ 50,828
Accretion expense	1,687	1,642
Valuation adjustment	(4,952)	(653)
Balance, end of year	\$ 48,552	\$ 51,817

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2023 (in thousands)

The valuation adjustment is comprised of:

- \$ 4,717 (2022 - nil) due to 0.65% increase (2022 - 0%) in the discount rate
- \$ 235 (2022 - \$653) due to the disposition of assets where no remediation was required and the liability is now extinguished.

10. ENVIRONMENTAL LIABILITIES

Housing NWT has identified sixteen fuel spill sites and no other contaminated sites (2022 - fourteen fuel spill sites and no other contaminated sites) for which an environmental liability has been recorded. There were no sites (2022 - two) closed during the fiscal year. Two new sites (2022 - five) 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 (2022 - nil). Housing NWT has not identified any sites where an environmental liability may exist but no liability has been recorded.

11. FUNDING FROM CMHC

	2023	2022
Funding from CMHC recognized as government funding under the:		
SHA:		
Contributions for public housing rental subsidies	\$ 7,415	\$ 8,147
Contributions to non-profit housing sponsor groups and cooperatives	3,406	3,600
Repairs, maintenance and other costs	1,047	1,068
Bilateral Agreement	<u>8,698</u>	<u>7,910</u>
	<u>\$ 20,566</u>	<u>\$ 20,725</u>

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 2038 (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 August 24, 2022 (2022 - August 21, 2021), Housing NWT signed the CIRNAC Agreement with the Government of Canada to provide one-time funding in the amount of \$30,000 (2022 - \$25,000). 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, 2023 (in thousands)

13. CONTRACTUAL RIGHTS

	Expiry Date	2024	2025	2026	2027	2028	2029+	Total
CMHC SHA	2038	\$ 11,068	\$ 9,659	\$ 8,394	\$ 7,346	\$ 5,753	\$ 20,764	\$ 62,984
CMHC Bilateral	2028	10,591	11,485	12,847	14,305	15,697	-	64,925
RCMP Lease	2043	991	991	991	991	991	13,766	18,721
Other Lease	2027	517	298	249	54	-	-	1,118
		<u>\$ 23,167</u>	<u>\$ 22,433</u>	<u>\$ 22,481</u>	<u>\$ 22,696</u>	<u>\$ 22,441</u>	<u>\$ 34,530</u>	<u>\$147,748</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 2024 contractual obligations are capital construction commitments for housing construction projects with contracts signed prior to year-end.

	Expiry Date	2024	2025	2026	2027	2028	2029+	Total
Lease	2031	\$ 4,249	\$ 2,793	\$ 955	\$ 709	\$ 598	\$ 1,391	\$ 10,695
Construction	2024	47,426	-	-	-	-	-	47,426
		<u>\$ 51,675</u>	<u>\$ 2,793</u>	<u>\$ 955</u>	<u>\$ 709</u>	<u>\$ 598</u>	<u>\$ 1,391</u>	<u>\$ 58,121</u>

15. CONTINGENCIES

Housing NWT provided guarantees to banks in financing certain new or renovated residential housing construction. As at March 31, 2023 a total of five (2022 - five) loan guarantees were in effect, and the outstanding balance of loans guaranteed was \$223 (2022 - \$262). All of these loans are secured by registered charges against real property. The period covered by these guarantees extends up to 2028 (2022 - 2026).

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, 2023 was \$3,236 (2022 - \$4,781). 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, 2023 is nil (2022 - nil).

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2023 (in thousands)

16. EXPENSES BY OBJECT

	2023	2022 (Restated - Note 3)
Amortization	\$ 12,896	\$ 15,683
Accretion of AROs	1,687	1,642
Compensation and benefits	33,313	31,452
Computer costs	90	84
Contract services	7,345	8,658
Controllable assets	271	224
Fees and payments	334	166
Grants and contributions	18,449	16,815
Interest on long-term debt	276	312
Loss on disposal of tangible capital assets	150	448
Materials and supplies	3,232	2,951
Minor modernization and improvements	7,605	5,535
Other expenses	1,186	984
Property taxes and land leases	2,506	2,256
Purchased services	1,066	924
Rental leasing	4,243	3,755
Travel	954	557
Utilities	29,337	26,637
Valuation allowances	34	104
	\$ 124,974	\$ 119,187

Public Service Pension Plan

Total employer contributions to the Public Service Pension Plan of \$1,476 (2022 - \$1,285) and to the NEBS of \$488 (2022 - \$439) were recognized as an expense in the current year. Total employee contributions were \$1,362 and \$487 respectively (2022 - \$1,199 and \$440).

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, 2023 (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	\$ 32,273	\$ -	\$ -	\$ 32,273
Loans and mortgages payable to CMHC	<u>699</u>	<u>2,502</u>	<u>783</u>	<u>3,984</u>
Total financial liabilities	<u>\$ 32,972</u>	<u>\$ 2,502</u>	<u>\$ 783</u>	<u>\$ 36,257</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 \$123,712 (2022 - \$128,932).

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 \$16,828 (2022 - \$6,126).

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 \$3,783 (2022 - \$3,969).

As at March 31, 2023, \$995 (2022 - \$1,212) 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, 2023, 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	\$ 390	\$ 260	\$ 1,496	\$ 11	\$ 2,157
Trade accounts receivable	70	3	425	171	669
Mortgages and loans receivable	-	147	58	230	435

HOUSING NORTHWEST TERRITORIES

Notes to Consolidated Financial Statements For the year ended March 31, 2023 (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. OTHER TRANSFERS

In accordance with agreements signed in 2017 and 2018, Housing NWT has received public housing units from the Inuvialuit Regional Corporation (IRC). The IRC constructs the units on land owned or leased by Housing NWT using funding provided directly to the IRC by Indigenous and Northern Affairs Canada. The units are transferred to Housing NWT on completion for a nominal fee. Housing NWT treats these tangible capital assets received as government transfers and accrues the tangible capital asset (including work in progress) and the related government transfer revenues as the units are constructed. During the year, IRC finished constructing and transferred one housing unit to Housing NWT (2022 - nil). This is the last unit delivery from IRC with no further units expected in future years.

19. 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 5 and 7.

	<u>2023</u>	<u>2022</u>
Related party expenses		
Arctic Energy Alliance	\$ 50	\$ 159
Aurora College	1	-
Fuel Services Division	3,624	2,968
Government of the Northwest Territories Departments	4,260	3,304
Marine Transportation Services		3
Northwest Territories Power Corporation	<u>7,334</u>	<u>7,177</u>
	<u>\$ 15,269</u>	<u>\$ 13,611</u>

HOUSING NORTHWEST TERRITORIES

Consolidated Schedule of Tangible Capital Assets As at March 31, 2023 (in thousands)

	Cost				Accumulated amortization					Schedule A Net Book Value (NBV)	
	Opening balance (Restated - Note 3)	Acquisitions	Transfers	Disposals	Closing balance	Opening balance (Restated - Note 3)	Amortization	Disposals	Closing balance	2023	2022 (Restated - Note 3)
	Lands and Buildings:										
Land	\$ 10,570	\$ -	\$ 417	\$ (16)	\$ 10,971	\$ -	\$ -	\$ -	\$ -	\$ 10,971	\$ 10,570
Public Housing ¹	428,923	-	9,993	(5,634)	433,282	208,080	8,195	(1,433)	214,842	218,440	220,843
HELP and market housing	111,156	-	11,828	(1,043)	121,941	39,003	3,905	(425)	42,483	79,458	72,153
Non-residential properties	6,240	-	-	(3)	6,237	3,318	144	-	3,462	2,775	2,922
Work in Progress	27,883	51,387	(22,859)	-	56,411	-	-	-	-	56,411	27,883
Sub-total	584,772	51,387	(621)	(6,696)	328,842	250,401	12,244	(1,858)	260,787	368,055	334,371
Property and equipment:											
Warehouses and offices	12,623	-	(88)	-	12,535	6,943	279	(88)	7,134	5,401	5,680
Mobile equipment	3,914	788	-	-	4,702	2,792	303	-	3,095	1,607	1,122
Leasehold improvements	1,030	-	709	-	1,739	868	33	709	1,610	129	162
Office furniture and equipment	6,073	-	-	-	6,073	5,868	26	-	5,894	179	205
Software	114	-	-	-	114	99	11	-	110	4	15
Sub-total	23,754	788	621	-	25,163	16,570	652	621	17,843	7,320	7,184
Total	\$ 608,526	\$ 52,175	\$ -	\$ (6,696)	\$354,005	\$ 266,971	\$ 12,896	\$ (1,237)	\$ 278,630	\$ 375,375	\$ 341,555

(1) Includes tangible capital assets transfers received from IRC with a value of \$2,799 (2022 - Nil) in Public Housing and \$0 (2022 - \$2,519) in Work in Progress

(2) Included in the disposals of accumulated amortization is a transfer of \$709 to Leasehold Improvements from Public Housing \$544, Help and Market Housing \$78 and Warehouse \$88.

(3) Not included in acquisition of tangible capital assets on the Consolidated Statement of Cash Flow are non-cash items of \$nil (2022 - \$nil)

(4) There were no capital leases as at March 31, 2023

Inuvialuit Water Board

Financial Statements

March 31, 2023

Inuvialuit Water Board

Financial Statements

March 31, 2023

Page

Management's Responsibility for Financial Reporting	3
Independent Auditors' Report	4
Statement of Operations	6
Statement of Accumulated Surplus	7
Statement of Change in Net Financial Assets	8
Statement of Financial Position	9
Statement of Cash Flows	10
Notes to Financial Statements	11 - 15

Management's Responsibility for the Financial Statements

June 20, 2023

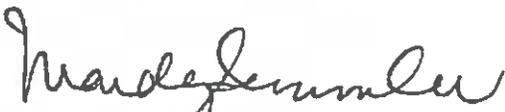
**To the Directors of
Inuvialuit Water Board**

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 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, 2023, 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, 2023, 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 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 20, 2023**

Chartered Professional Accountants

Inuvialuit Water Board

Statement of Operations

For the year ended March 31,	Budget (Note 12)	2023	2022
Revenue			
Contributions from GNWT	\$ 939,000	\$ 939,000	\$ 924,000
Donation in-kind (Note 12)	61,693	61,693	61,693
Other revenue	-	4,160	1,209
Total revenues before repayable contributions	-	1,004,853	986,902
Repayable contributions (Note 8)	-	(239,442)	(344,372)
Total revenues	1,000,693	765,411	642,530
Expenses			
Advertising	2,000	1,802	1,560
Amortization	10,000	10,025	11,975
Board review and evaluation	-	33,825	-
Board travel and training	26,500	14,503	3,867
Communications	33,000	27,952	22,572
Communication strategy implementation	10,000	-	8,512
Community capacity initiative	30,000	21,850	-
Community tour	20,000	10,343	11,351
Conferences (recovery)	4,000	8,366	3,060
Equipment maintenance	16,000	4,003	5,668
Equipment rental	6,000	5,961	7,297
Honoraria	81,500	82,857	58,381
Hospitality	-	533	815
Interest and bank charges	500	179	67
Office supplies	3,500	1,482	2,117
Postage	2,000	296	260
Professional fees	136,500	67,908	49,130
Publications - French translation	10,000	-	-
Rent (Note 12)	61,693	61,693	61,693
Salaries and benefits	514,000	391,586	384,234
Staff travel	19,500	15,986	9,346
Staff training	2,000	-	-
Staff recruitment and relocation	12,000	-	-
Total expenses	1,000,693	761,150	641,905
Operating surplus	-	4,261	625
Transfer to (from) tangible capital assets	-	(102)	585
Surplus	\$ -	\$ 4,159	\$ 1,210

Inuvialuit Water Board**Statement of Accumulated Surplus**

For the year ended March 31,	2023			2022
	Capital Asset Fund	Operating Fund	Total	Total
Balance, beginning of year	\$ 23,533	\$ 292,174	\$ 315,707	\$ 315,082
Operating surplus	-	4,261	4,261	625
Acquisition of tangible capital assets	10,127	(10,127)	-	-
Amortization of tangible capital assets	(10,025)	10,025	-	-
Balance, end of year	\$ 23,635	\$ 296,333	\$ 319,968	\$ 315,707

Inuvialuit Water Board

Statement of Change in Net Financial Assets

For the year ended March 31,	Budget (Note 12)	2023	2022
Operating surplus	\$ -	\$ 4,261	\$ 625
Acquisition of tangible capital assets	(10,500)	(10,127)	(11,390)
Amortization of tangible capital assets	10,000	10,025	11,975
Net change in financial assets	(500)	4,159	1,210
Net financial assets, beginning of year	292,174	292,174	290,964
Net financial assets, end of year	\$ 291,674	\$ 296,333	\$ 292,174

Inuvialuit Water Board

Statement of Financial Position

As at March 31,

2023

2022

Financial Assets

Cash	\$ 507,395	\$ 560,975
Temporary investments (Note 5)	205,352	201,200
Accounts receivable (Note 6)	4,567	3,008
	<hr/>	<hr/>
	717,314	765,183

Liabilities

Accounts payable and accrued liabilities (Note 7)	181,539	128,637
Repayable contributions (Note 8)	239,442	344,372
	<hr/>	<hr/>
	420,981	473,009

Net financial assets

296,333

292,174

Non-Financial Assets

Tangible capital assets (Note 9)	23,635	23,533
----------------------------------	--------	--------

Accumulated surplus

\$ 319,968

\$ 315,707

Approved on behalf of the Board



Director



Director

Inuvialuit Water Board

Statement of Cash Flows

For the year ended March 31,	2023	2022
Cash provided by (used in)		
Operating activities		
Operating surplus (deficit)	\$ 4,261	\$ 625
Item not affecting cash:		
Amortization of tangible capital assets	10,025	11,975
Changes in non-cash operating working capital		
Accounts receivable	(1,559)	75
Accounts payable and accrued liabilities	52,902	(14,625)
Repayable contributions	(104,929)	60,483
	(39,300)	58,533
Investing activities		
Purchase of temporary investments	(206,259)	(201,200)
Maturity of temporary investments	202,106	200,000
	(4,153)	(1,200)
Capital activity		
Acquisition of tangible capital assets	(10,127)	(11,390)
Increase (decrease) in cash	(53,580)	45,943
Cash, beginning of year	560,975	515,032
Cash, end of year	\$ 507,395	\$ 560,975

Inuvialuit Water Board

Notes to Financial Statements

March 31, 2023

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 3280, Asset Retirement Obligations, was issued by the Public Sector Accounting Standards Board ("PSAB") 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.

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, temporary 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. Cash equivalents are short-term, highly liquid investments with maturities of three months or less from acquisition that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

(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 9.

Inuvialuit Water Board

Notes to Financial Statements

March 31, 2023

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.

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.

Inuvialuit Water Board

Notes to Financial Statements

March 31, 2023

4. Future Accounting Standards

Revenue, Section PS 3400

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, 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.

The impact of the transition to these accounting standards is not expected to be significant.

5. Temporary Investments

Temporary investments include two one-year guaranteed investment certificates with the Canadian Imperial Bank of Commerce. These investments generate interest at a rate of 4.15% (2022 - 0.45%) per annum and mature on November 9, 2023.

6. Accounts Receivable

	2023	2022
Goods and Services Tax Rebate	\$ 4,567	\$ 3,008

7. Accounts Payable and Accrued Liabilities

	2023	2022
Government of the Northwest Territories - wages payable	\$ 158,695	\$ 94,324
Accrued liabilities	13,314	10,711
Credit card payable	2,575	20,585
Other accounts payable	6,949	3,017
	\$ 181,533	\$ 128,637

8. Repayable Contributions

	2023	2022
Government of the Northwest Territories Department of Environment and Natural Resources	\$ 239,442	\$ 344,372

9. Tangible Capital Assets

	Rate	Cost	Accumulated Amortization	2020 Net Book Value	2022 Net Book Value
Furniture and equipment	20%	\$ 52,597	\$ 38,603	\$ 13,994	\$ 17,972
Computer equipment	30%	58,034	48,393	9,641	5,561
		\$ 110,631	\$ 86,996	\$ 23,635	\$ 23,533

Inuvialuit Water Board

Notes to Financial Statements

March 31, 2023

10. 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.

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 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.

The Board's maximum exposure to credit risk is represented by the balance of the financial assets of \$712,747 (2021 - \$762,175).

(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, 2023, 100% (2022 - 100%) of the Board's cash and temporary 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.

(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 of \$420,981 (2022 - \$473,009). 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, 2023, mature within the next six 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

Inuvialuit Water Board

Notes to Financial Statements

March 31, 2023

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 and donation in-kind related to rent. 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 agreed to by related parties.

13. Budget Amounts

The budget figures presented are those approved by the Board.

Northwest Territories Business Development and Investment Corporation

Consolidated Financial Statements

For the year ended

March 31, 2023

Northwest Territories Business Development and Investment Corporation

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the Northwest Territories Business Development and Investment Corporation (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
Chief Executive Officer, CPA, CA



Edwin Shu
Director, Finance and Programs, CPA, CGA

September 13, 2023



INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Northwest Territories Business Development and Investment Corporation

Opinion

We have audited the consolidated financial statements of the Northwest Territories Business Development and Investment Corporation and its controlled entities (the Group), which comprise the consolidated statement of financial position as at 31 March 2023, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net financial assets 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 2023, and the consolidated results of its operations, consolidated changes in its net financial asset, 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.

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.

A handwritten signature in blue ink that reads "David Irving". The signature is written in a cursive style with a horizontal line above the name.

David Irving, CPA, CA
Principal
for the Auditor General of Canada

Edmonton, Canada
13 September 2023

Northwest Territories Business Development and Investment Corporation**Consolidated Financial Statements March 31, 2023**

	<u>Page</u>
Consolidated Statement of Financial Position	7
Consolidated Statement of Change in Net Financial Assets	8
Consolidated Statement of Operations and Accumulated Surplus	9
Consolidated Statement of Cash Flows	10
Notes to the Consolidated Financial Statements	11 – 31
Schedule A – Consolidated Schedule of Tangible Capital Assets	32

Northwest Territories Business Development and Investment Corporation**Consolidated Statement of Financial Position (000's)**

	March 31, 2023	March 31, 2022
	\$	\$
Financial Assets		
Cash (Notes 3 and 18)	18,156	15,473
Accounts receivable (Notes 4, 15 and 18)	409	2,195
Inventories held for resale (Note 5)	189	257
Loans receivable (Notes 6, 7 and 18)	42,525	44,184
Venture investments (Note 8)	350	350
	<hr/> 61,629	<hr/> 62,459
Liabilities		
Accounts payable and accrued liabilities	1,320	1,142
Other employee future benefits and compensated absences (Note 9)	282	286
Advances from the Government of the Northwest Territories (Notes 10 and 15)	24,898	26,067
Asset retirement obligations	85	34
	<hr/> 26,585	<hr/> 27,529
Net financial assets	<hr/> 35,044	<hr/> 34,930
Non financial assets		
Tangible capital assets (Schedule A)	145	172
Prepaid expenses	5	2
	<hr/> 150	<hr/> 174
Accumulated surplus	<hr/> 35,194	<hr/> 35,104

Contractual Obligations and Contingencies (Notes 13 and 14)

Approved by:



Matthew Bannister, CPA, CA
Acting Chairperson of the Board of Directors

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

Northwest Territories Business Development and Investment Corporation**Consolidated Statement of Change in Net Financial Assets (000's)**

For the year ended March 31	Budget 2023	Actual 2023	Actual 2022
	\$	\$	\$
Annual surplus (deficit)	(371)	90	825
Amortization of tangible capital assets	72	27	72
Acquisition of prepaid expenses	-	(5)	(2)
Use of prepaid expenses	-	2	12
	-	(3)	10
Increase (decrease) in net financial assets	(299)	114	907
Net financial assets, beginning of year	34,930	34,930	34,023
Net financial assets, end of year	34,631	35,044	34,930

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

Northwest Territories Business Development and Investment Corporation**Consolidated Statement of Operations and Accumulated Surplus (000's)**

For the year ended March 31	Budget 2023	Actual 2023	Actual 2022
	\$	\$	\$
Revenues			
Interest on loans receivable	2,160	2,104	2,270
Sales and other income	625	801	607
Interest on pooled cash (Note 3)	142	582	102
	2,927	3,487	2,979
Government transfers (Note 11)	3,049	3,106	2,882
	5,976	6,593	5,861
Expenses (Note 12)			
Lending and investments	5,235	4,984	3,912
Retail and manufacturing	1,112	1,519	1,124
	6,347	6,503	5,036
Annual surplus (deficit)	(371)	90	825
Accumulated surplus, beginning of year	35,104	35,104	34,279
Accumulated surplus, end of year	34,733	35,194	35,104

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

Northwest Territories Business Development and Investment Corporation**Consolidated Statement of Cash Flows (000's)**

For the year ended March 31	2023	2022
	\$	\$
Operating transactions		
Cash received from:		
Governments	4,380	130
Customers	801	675
Interest	2,882	2,793
	<hr/> 8,063	<hr/> 3,598
Cash paid for:		
Compensation and benefits	2,572	2,240
Payments to suppliers	1,566	914
Interest on advances from the Government of the Northwest Territories	392	633
Grants and contributions	199	206
	<hr/> 4,729	<hr/> 3,993
Cash provided by (used for) operating transactions	<hr/> 3,334	<hr/> (395)
Investing transactions		
Loans receivable disbursed	(4,087)	(6,002)
Venture investment disbursed	-	(350)
Loans receivable repaid	5,044	4,358
	<hr/> 957	<hr/> (1,994)
Cash provided by (used for) investing transactions	<hr/> 957	<hr/> (1,994)
Financing transactions		
Repayment of advances from the Government of the Northwest Territories	(1,608)	(367)
Advances from the Government of the Northwest Territories	-	-
	<hr/> (1,608)	<hr/> (367)
Cash (used for) financing transactions	<hr/> (1,608)	<hr/> (367)
Increase (Decrease) in cash	<hr/> 2,683	<hr/> (2,756)
Cash, beginning of year	15,473	18,229
Cash, end of year	<hr/> 18,156	<hr/> 15,473

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

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2023

1. The Corporation

(a) Authority

The Northwest Territories Business Development and Investment Corporation (the Corporation) was established on April 1, 2005, pursuant to the *Northwest Territories Business Development and Investment Corporation Act* (the Act).

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 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 have been derived from the budgets approved by the FMB and the Corporation's board of directors. Other budgeted amounts have been approved by the Corporation's senior management.

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2023

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).

(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, and 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.

The significant accounting policies followed by the Corporation in the preparation of these consolidated financial statements are summarized below:

(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. 5983 N.W.T. Ltd. (o/a Uluk-haktok Arts Centre)	Fort Liard, NT Ulukhaktok, NT	100% 100%	October 15, 1992 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

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2023

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.

Prior to the COVID-19 pandemic, loans were considered in default when payment was three months past due (unless the loan was fully secured), or six months past due (regardless of whether the loan was fully secured). However, under the COVID-19 economic relief programs, clients were able to obtain low interest loans and/or reduce or defer their loan payments for the 2020-2021 fiscal year without penalty or additional interest charges. Impairment for these loans were assessed differently. The Corporation conducted client surveys, reviewed loan extension and restructuring requests as well as loan payments received in 2021-2022 to determine whether loans were performing or impaired. The three and six months policy resumed in 2022-23.

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.

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2023

2. Summary of significant accounting policies (continued)

(f) Loans receivable (continued)

When a loan is classified as impaired, the carrying amount of the loan is reduced to its estimated net recoverable value through an adjustment to the allowance for credit losses. Subsequent changes in the estimated net recoverable value are also adjusted through the allowance for credit losses.

Interest income is recognized on an accrual basis using the effective interest rate method until such time as the loan is classified as impaired. All payments received (i.e., recoveries) subsequent to a

loan, or loan with concessionary terms, being classified as impaired are offset against the allowance for credit losses. The loan reverts to performing status when all provisions for credit losses are reversed and, in management's opinion, the ultimate collection of principal and interest is reasonably assured. At that time, previously non-accrued interest income is recognized as interest income.

In accordance to 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) 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 statement of operations 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.

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2023

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.

(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.

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2023

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. All revenues except for sales and other income are generated from lending and investment activities.

(q) New accounting standards

On April 1, 2022, the Corporation adopted Public Accounting Standard for Assets 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 Corporation also adopted new standard PS 3400-Revenue which account for how to report revenue arising from transactions that include performance obligations and transactions that do not have performance obligations.

These new standards have no effect on the financial statements.

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 \$582,000 in interest at an average investment yield of 3.42% during the year (2022: \$102,000 at an average investment yield of 0.71%).

In accordance with Section 27 of the Act, the Corporation is required to establish a Loan and Investments Fund for its lending and investing activities. The Program, Projects and Services Continuation Regulations (Regulations) of the Corporation specifies in Part 1 Section 4 (2), that a Loans and Bonds Fund will be used to record the lending operations while in Part 2 Section 19 (2), a Venture Investment Fund will be used to record the venture investment operations. Furthermore, under the Regulations Part 2 Section 18 (2), the Corporation has the obligation to continue to maintain a Capital Fund and the Subsidy Fund.

In addition to these funds, the Corporation is required under the Regulations Part 2 Sections 18 (6) and 19 (5) to establish a Capital Reserve Fund and Venture Reserve Fund respectively. The Corporation will continue to deposit to the reserve funds an amount equal to 10% of each capital or venture investment made. The Corporation may use the reserve funds for further investment or financing for its organizations and venture investments through approved drawdowns.

The Corporation is responsible for administering post-employment benefits including the cash held (Note 9b).

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements
March 31, 2023**

3. Cash (continued)

	000's	
	2023	2022
	\$	\$
Cash held by the Corporation for operations	6,128	3,795
Cash held by the Corporation's organizations	1,946	2,105
	8,074	5,900
Venture Investment Fund	3,805	3,805
Capital Fund	873	873
Subsidy Fund	610	559
Venture Reserve Fund	521	521
Loans and Bonds Fund	4,126	3,668
Capital Reserve Fund	147	147
	10,082	9,573
	18,156	15,473

4. Accounts receivable

	000's	
	2023	2022
	\$	\$
Receivables	257	182
Receivables from the Government of the Northwest Territories	85	2,079
Receivable from the Government of Canada	175	49
Less: provision for doubtful accounts	(108)	(115)
	409	2,195

5. Inventories held for resale

	000's	
	2023	2022
	\$	\$
Arts and crafts	48	70
Canvas products	141	187
	189	257

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2023

5. Inventories held for resale (continued)

During the year, \$45,000 of inventories were written down (2022: \$60,000) and no inventories were pledged as security. Also, during the year, the Corporation had \$99,000 in recoveries on inventory that had been previously written down (2022: \$99,000). Inventory write-downs and recoveries are included in the cost of goods sold. Effective April 01, 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, client's management ability, the client's investment, and the amortization period. The Corporation holds various types of security on its loans, including real property, equipment, guarantees and general security agreements. Loans receivable are expected to mature as follows:

		000's			
		2023		2022	
		Rate Range	Balances	Rate Range	Balances
		%	\$	%	\$
Performing	1 year	5.45-7.45	3,307	4.70-7.95	6,305
loans due	1-2 years	2.95-6.75	3,640	5.45-7.45	3,636
within:	2-3 years*	1.75-6.45	6,853	2.95-6.95	3,920
	3-4 years*	1.75-6.45	10,335	1.75-6.95	9,881
	over 4 years	3.00-8.95	9,972	1.75-6.45	12,173
			34,107		
Accrued loan interest receivable			328		
Impaired loans			12,128		
			46,563		
Less: allowance for credit losses (Note 7)			4,038		
			42,525		
					44,184

* These loans receivable have been reduced by \$86,000 (2022: \$153,000) under the concessionary terms

In 2023, no accounts were written off (2022: four accounts representing two borrowers totalling \$230,000 plus a receivable unrelated to loans in the amount of \$6,000) by the board of directors. One account totalling \$179,911 (including impaired interest of \$57,333 not recognized) was forgiven (2022: fourteen accounts representing ten borrowers totalling \$3,473,000, including impaired interest of \$1,513,000 not recognized) by the FMB. Recoveries on loans previously written off from both loans receivable and allowance totalled \$28,000 (2022: \$18,000).

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2023

6. Loans receivable (continued)

Concentration of credit risk

Concentration of credit risk may arise from exposure to groups of debtors having similar characteristics such that their ability to meet their obligations may be affected similarly by changes in economic or other conditions. The concentrations of performing loans and impaired loans by industry sector and geographic concentrations are displayed in the following tables:

Industry sector concentration

Sectors	000's			
	2023		2022	
	Performing	Impaired	Performing	Impaired
	\$	\$	\$	\$
Accommodations, food and beverage	4,436	2,557	6,852	1,207
Agriculture	183	2,386	276	2,333
Arts and craft	4	333	5	346
Business services	331	3	125	3
Communication	-	450	-	523
Construction	5,488	2,545	5,566	2,715
Educational services	14	-	31	-
Entertainment and recreation	539	-	18	-
Finance and insurance	273	-	296	-
Fisheries and wildlife	29	11	37	13
Forestry and logging	23	-	57	-
Health care	52	-	68	-
Information and cultural industries	52	-	69	-
Management of companies	1,486	-	1,555	-
Manufacturing	1,292	-	1,183	2
Mining	97	-	123	-
Oil and gas	-	337	-	359
Other services	2,074	33	1,852	38
Professional, scientific and technical services	265	-	331	-
Real estate	7,138	140	7,498	157
Retail	7,058	1,184	6,390	1,236
Transportation and storage	2,129	1,396	2,317	1,495
Travel and tourism	492	753	539	773
Wholesale	652	-	727	-
	34,107	12,128	35,915	11,200

Northwest Territories Business Development and Investment Corporation
Notes to the Consolidated Financial Statements
March 31, 2023

6. Loans receivable (continued)
Geographic concentration

Regions	000's			
	2023		2022	
	Performing	Impaired	Performing	Impaired
	\$	\$	\$	\$
Beaufort-Delta	3,360	451	3,387	512
Dehcho	5,053	2,064	4,990	2,251
North Slave	5,850	5,904	7,893	4,465
Sahtu	3,614	49	2,071	67
South Slave	16,230	3,660	17,574	3,905
	34,107	12,128	35,915	11,200

The following table illustrates performing loans outstanding classified by the Corporation's credit risk rating system:

Credit risk rating	000's	
	2023	2022
	\$	\$
Low	17,730	19,293
Medium	14,971	14,193
High	1,406	2,429
	34,107	35,915

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	2023	2022
31 – 60 days	3	22
61 – 90 days	-	-
Over 90 days	-	-
	3	22

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 2023 (2022: nil).

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements
March 31, 2023**

6. Loans receivable (continued)

The table represents loans receivable with and without concessionary terms before allowance:

Concessionary loans	000's	
	2023	2022
	\$	\$
With no concessionary terms	45,153	45,278
With concessionary terms	1,082	1,837
Accrued loan interest receivable	328	662
	46,563	47,777

Economic relief measures extended

Loans with concessionary terms

The Corporation offered low interest working capital loans during the pandemic in 2021. Loans up to \$25,000 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%).

The specific allowance on loans with concessionary terms is \$89,000 (2022: \$56,000).

Loan payments deferred

In 2021, the Corporation allowed clients that applied to have their loan repayments reduced or deferred without penalty or additional interest charges. Approval was provided for interest and payment deferrals throughout the year for all qualified loans receivable.

With the continued impact of COVID-19 affecting the Northwest Territories' economy in 2022 and 2023, the Corporation's Application Review Committee approved zero loans (2022: thirty-one loans) with additional deferral options.

These deferrals have no concessionary terms and will include penalty and/or additional interest charges. The value of these loans is \$10,966,329 (2022: \$11,936,673) before credit allowance of \$ 2,425,944 (2022: \$3,391,650).

New economic relief measures

In 2023, the Corporation's Application Review Committee approved forty-one loans (2022: nil) to be deferred for a three-month period in response to the severe flooding in Hay River. The unprecedented natural disaster necessitated these deferral options to support the affected borrowers during the challenging period.

These deferrals have no concessionary terms and will include penalty and/or additional interest charges. The value of these loans at March 31st, 2023 is \$11,139,291 (2022: \$9,947,986) before credit allowance of \$ 127,071 (2022: \$83,692).

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements
March 31, 2023**

7. Allowance for credit losses

	000's	
	2023	2022
	\$	\$
Balance, beginning of year	3,593	5,199
Provision for credit losses	742	912
Loans written off and forgiven	-	(2,154)
Recoveries from repayments of allowance	(297)	(364)
Balance, end of year	4,038	3,593
Comprised of:		
Specific allowance*	3,354	2,875
General allowance	684	718
Balance, end of year	4,038	3,593

* The specific allowance includes \$89,000 (2022: \$56,000) for the economic relief working capital loans that were disbursed in 2021 (Note 6).

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, 2023, the Corporation does not have significant influence in the companies in which it has invested.

The total cumulative venture investments at March 31, 2023 were \$943,000 (2022: \$943,000) with accumulated write-downs of \$593,000 (2022: \$593,000). In 2023, no venture investments were approved for write-off (2022: nil) by the board or for forgiveness by the FMB (2022: 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 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.

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements
March 31, 2023**

9. Other employee future benefits and compensated absences (continued)**(a) Pension benefits (continued)**

For employment start dates before January 1, 2013, the Corporation's contribution rate effective at year-end was 1.02 times (2022: 1.01) 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 (2022: 1.0) the employee's contribution. Total contributions of \$163,000 (2022: \$154,000) 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	
	2023	2022
	\$	\$
Corporation's contributions	163	154
Employees' contributions	162	154

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.

(b) Termination, removal benefits and leave

The Corporation provides termination benefits to employees based on years of service and final salary (Note 2(l)(ii)). It also provides removal assistance, along with sick and special leave to employees, as provided under labour contracts. This benefit plan is pre-funded from current contributions and recognized as part of cash.

The most recent actuarial valuation was completed in May 2023 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	
	2023	2022
	\$	\$
Accrued benefit obligation, beginning of year	198	142
Current period benefit cost	9	11
Interest cost	7	4
Benefit payments	(4)	(21)
Actuarial loss (gain)	(51)	(62)
Accrued benefit obligation, end of year	159	198
Unamortized net actuarial gain	123	88
Accrued benefit liability*	282	286

*Total retirement, post-employment, and other leave benefits includes \$250,340 (2022: \$246,158) related to severance and removal and \$31,683 (2022: \$31,955) related to compensated absences.

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements**
March 31, 2023

9. Other employee future benefits and compensated absences (continued)**(b) Termination, removal benefits and leave (continued)**

Benefit Expense	000's	
	2023	2022
	\$	\$
Current period benefit cost	9	11
Interest cost	7	4
Amortization of actuarial (gain) loss	(8)	(6)
Post-employment benefits	8	9

The discount rate used in determining the accrued benefit obligation is an average of 4.80% (2022: 4.10%). The assumed rate of compensation increase is 2% (2022: 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 (2022: 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 (2022: \$45 million) as at March 31, 2023.

Interest on the advances is based on the rate set during the last week of each month for the Government of Canada 3-year bonds, compounded annually. The rate varied from 2.54% to 3.94% (2022: 0.48% to 2.31%) during the year.

	000's	
	2023	2022
	\$	\$
Balance, beginning of year	26,067	26,798
Interest expense and cost of interest (Note 12)	831	269
Repayment of Advances (Note 18)	(2,000)	(1,000)
Advances received	-	-
Balance, end of year	24,898	26,067

During the year, no advances were provided to the Corporation (2022: nil) to cover new loans receivable. The \$2,000,000 paid during the year represents \$1,608,000 in principal and \$392,000 in interest.

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements
March 31, 2023**

11. Government transfers

	000's					
	Lending/ Invest- ments	2023 Retail/ Manufac- turing	Total	Lending/ Invest- ments	2022 Retail/ Manufac- turing	Total
	\$	\$	\$	\$	\$	\$
Government of the Northwest Territories:						
Operations and maintenance	1,692	450	2,142	1,565	510	2,075
Services received without charge (Note 16)	746	-	746	710	-	710
	2,438	450	2,888	2,275	510	2,785
Federal programs	218	-	218	97	-	97
	2,656	450	3,106	2,372	510	2,882

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 2023 (2022: nil).

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2023

12. Consolidated budgeted figures and expenses by object

The consolidated budgeted figures have been approved by the Minister and the FMB.

	Consolidated (000's)							
	2023			2022				
	Total Budget	Lending / Investments	Retail / Manufacturing	Total	Total Budget	Lending / Investments	Retail / Manufacturing	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Advertising and promotion	47	18	7	25	29	14	2	16
Amortization	72	8	19	27	77	53	19	72
Asset retirement	1	-	2	2	-	-	2	2
Bad debts	4	-	27	27	6	-	2	2
Bank charges and interest	26	2	27	29	29	2	26	28
Board members	79	29	2	31	48	14	2	16
Business Development Fund	200	199	-	199	200	206	-	206
Business Service Centre	282	275	-	275	233	246	-	246
Compensation and benefits	3,276	2,301	263	2,564	2,727	2,203	225	2,428
Computers and communications	137	96	28	124	128	81	21	102
Cost of goods sold	625	-	825	825	763	-	640	640
Digital technology support	-	218	-	218	-	-	-	-
Insurance	26	-	32	32	24	-	28	28
Interest expense and cost of interest rate reduction	230	831	-	831	225	269	-	269
Office and general	59	137	38	175	77	50	10	60
Provision for (recovery of) credit losses (net)	750	445	-	445	650	547	-	547
Professional services	248	220	94	314	118	47	53	100
Rent	179	169	15	184	176	170	15	185
Repairs and maintenance	19	-	26	26	15	-	19	19
Site clean up	-	-	70	70	-	-	-	-
Training and workshops	-	17	-	17	-	7	-	7
Travel	28	19	3	22	53	3	1	4
Utilities	59	-	41	41	71	-	59	59
	6,347	4,984	1,519	6,503	5,649	3,912	1,124	5,036

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2023

13. Contractual obligations

As at March 31, 2023, there were no loans to businesses approved but not yet disbursed (2022: \$370,000 at a weighted average interest rate of 5.1%). These loans do not form part of the loans receivable balance until disbursed. Also, as at March 31, 2023, there were no approved ventures not disbursed (2022: nil) and all contributions to businesses approved have been disbursed (2022: nil).

14. Contingencies

Loans

The Corporation has one outstanding loan to a Northern Community Futures organization for their own lending purposes totalling \$273,000 (2022: one loan totalling \$296,000). 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 2023, no accounts were assigned to the Corporation (2022: nil).

Letters of credit

The Corporation has one outstanding irrevocable standby letter of credit in the amount of \$2,000,000 (2022: \$2,000,000) that expires in fiscal 2024. 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 (2022: 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).

Northwest Territories Business Development and Investment Corporation**Notes to the Consolidated Financial Statements**
March 31, 2023

15. Related party transactions (continued)

Transactions with related parties during the year and balances at year end are as follows:

	000's	
	2023	2022
	\$	\$
Revenues		
Sales	31	15
Government of the NWT transfers (Note 11)	2,888	2,785
Expenses		
Purchases	948	208
Interest on advances from the Government of the NWT	831	269
Balances at year end		
Accounts receivable	86	2,079
Accounts payable and accrued liabilities	293	182
Advances from the Government of the NWT	24,898	26,067

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	
	2023	2022
	\$	\$
Staff support	524	488
Accommodation	222	222
	746	710

17. Economic dependence

The Corporation received 45.6% (2022: 47.5%) of its revenues in the form of a contribution and services without charge from the Government of the NWT. The Corporation's continued operations are dependent on these arrangements.

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2023

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, 2023, \$4,323,000 (2022: \$4,649,000) 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. However, under the economic relief that provided working capital loans to qualified businesses with a 1.75% interest rate creates an increase to credit risk as these loans did not require any security or financial support.

The table below illustrates the maximum credit exposure to the Corporation if all counterparties defaulted on March 31, 2023:

	000's	
	2023	2022
	\$	\$
Cash	18,156	15,473
Accounts receivable	409	2,195
Loans receivable	42,525	44,184
Letters of credit	2,000	2,000

Northwest Territories Business Development and Investment Corporation

Notes to the Consolidated Financial Statements March 31, 2023

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 \$2,000,000 (Note 10) were made to the Government (2022: \$1,000,000).

Based on the Corporation's advances from the Government of the NWT as at March 31, 2023 and the monthly cash balance on hand, a 100-basis point increase in interest rates would decrease annual surplus by \$89,000 (2022: decrease of \$117,000). A 100-basis point decrease in interest rates would increase annual surplus by \$89,000 (2022: increase of \$102,000).

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. Subsequent Event

Wildfires

The Northwest Territories have been impacted by wildfires in the summer of 2023, including an evacuation notice that was issued on August 16, 2023, for the capital city of Yellowknife. While this has no impact on the Corporation's financial statements for the year ended March 31, 2023, it may have a significant financial impact in fiscal year March 31, 2024, in particular with respect to the loan portfolio. However, it is not possible to reliably measure the financial impact at this time on the Corporation's financial statements for the next fiscal year.

Northwest Territories Business Development and Investment Corporation

**Consolidated Schedule of Tangible Capital Assets
March 31, 2023**

Schedule A

000's

	Land	Buildings	Vehicle and Equipment	Leasehold Im- provements	Computer Equipment	March 31, 2023	March 31, 2022
Cost of tangible capital assets, opening	\$ 78	\$ 1,789	\$ 658	\$ 540	\$ 9	\$ 3,074	\$ 3,084
Acquisitions	-	-	-	-	-	-	-
Disposals	-	-	(18)	-	-	(18)	(10)
Cost of tangible capital assets, closing	78	1,789	640	540	9	3,056	3,074
Accumulated amortization, opening	-	1,709	652	532	9	2,902	2,840
Amortization expense	-	13	6	8	-	27	72
Disposals	-	-	(18)	-	-	(18)	(10)
Accumulated amortization, closing	-	1,722	640	540	9	2,911	2,902
Net book value	78	67	-	-	-	145	172

NORTHWEST TERRITORIES HERITAGE FUND

Financial Statements

For the Year Ended March 31, 2023

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 is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility and meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. The Board also considers, for review approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by Metrix Group LLP, in accordance with Canadian public sector accounting standards.



Mr. William MacKay
Secretary, Financial Management Board

Yellowknife, Northwest Territories
October 18, 2023

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, 2023, and the statements of operations and 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2023, 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.

Emphasis of Matter

We draw attention to Note 1(a) in the financial statements, which describes that effects of Canadian public sector accounting standards adopted by the Fund. 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, 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)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

METRIX GROUP LLP

Chartered Professional Accountants

Edmonton, Alberta

October 18, 2023

NORTHWEST TERRITORIES HERITAGE FUND

Statement of Financial Position

As at March 31, 2023

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash	\$ 301,068	\$ 20,446
Interest receivable	273,133	159,267
Portfolio investments (Note 2)	<u>42,997,486</u>	<u>37,034,743</u>
	<u>43,571,687</u>	<u>37,214,456</u>
LIABILITIES		
Accounts payable and accrued liabilities	<u>35,714</u>	<u>31,227</u>
ACCUMULATED SURPLUS		
	<u>\$ 43,535,973</u>	<u>\$ 37,183,229</u>
ACCUMULATED SURPLUS CONSISTS OF:		
Accumulated surplus from operations	\$ 43,473,718	\$ 37,183,229
Accumulated remeasurement gains	<u>62,255</u>	<u>-</u>
	<u>\$ 43,535,973</u>	<u>\$ 37,183,229</u>

ON BEHALF OF THE BOARD



Chairman of the Financial Management Board



Deputy Secretary of the Financial Management Board

The accompanying notes are an integral part of these financial statements.

NORTHWEST TERRITORIES HERITAGE FUND
Statement of Operations and Accumulated Surplus
For The Year Ended March 31, 2023

	2023 (Budget)	2023 (Actual)	2022 (Actual)
REVENUE			
Contributions from the Government of the Northwest Territories	\$ 7,600,000	\$ 5,024,851	\$ 5,655,952
Investment income	-	1,344,322	1,442,442
	7,600,000	6,369,173	7,098,394
EXPENSES			
Professional fees	-	78,684	67,287
ANNUAL SURPLUS	7,600,000	6,290,489	7,031,107
ACCUMULATED SURPLUS, BEGINNING OF YEAR	37,183,229	37,183,229	30,152,122
ACCUMULATED SURPLUS, END OF YEAR	\$ 44,783,229	\$ 43,473,718	\$ 37,183,229

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, 2023

	2023 (Note 1a)	2022
ACCUMULATED REMEASUREMENT GAIN - BEGINNING OF YEAR	\$ -	\$ -
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 loss attributed to:		
Quoted in an active market	(338,248)	-
Designated at fair value	(524,748)	-
Net remeasurement for the year	<u>62,255</u>	<u>-</u>
ACCUMULATED REMEASUREMENT GAIN - END OF YEAR	<u>\$ 62,255</u>	<u>\$ -</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, 2023

	2023 (Budget)	2023 (Actual)	2022 (Actual)
ANNUAL SURPLUS	\$ 7,600,000	\$ 6,290,489	\$ 7,031,107
Increase in accumulated remeasurement gains	-	62,255	-
INCREASE IN NET FINANCIAL ASSETS	7,600,000	6,352,744	7,031,107
NET FINANCIAL ASSETS, BEGINNING OF YEAR	37,183,229	37,183,229	30,152,122
NET FINANCIAL ASSETS, END OF YEAR	\$ 44,783,229	\$ 43,535,973	\$ 37,183,229

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, 2023**

	2023	2022
OPERATING ACTIVITIES		
Annual surplus	\$ 6,290,489	\$ 7,031,107
Items not affecting cash:		
Amortization of investment premiums/discounts	(74,339)	(72,112)
Gain on disposal of investments	-	(252,163)
	<u>6,216,150</u>	<u>6,706,832</u>
Changes in non-cash working capital:		
Interest receivable	(113,866)	(15,269)
Accounts payable and accrued liabilities	4,487	553
	<u>(109,379)</u>	<u>(14,716)</u>
	<u>6,106,771</u>	<u>6,692,116</u>
INVESTING ACTIVITIES		
Purchase of investments	(7,188,049)	(21,681,934)
Proceeds from disposals and redemptions of investments	1,361,900	13,648,317
	<u>(5,826,149)</u>	<u>(8,033,617)</u>
INCREASE (DECREASE) IN CASH FLOWS	280,622	(1,341,501)
CASH, BEGINNING OF YEAR	20,446	1,361,947
CASH, END OF YEAR	\$ 301,068	\$ 20,446

The accompanying notes are an integral part of these financial statements.

NORTHWEST TERRITORIES HERITAGE FUND

Notes to Financial Statements

Year Ended March 31, 2023

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) *Change in accounting policy*

Effective April 1, 2022, the Fund has adopted Canadian public sector accounting standards PS 1201 Financial Statement Presentations, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments, and PS 3450 – Financial Instruments, required for government organizations beginning on or after April 1, 2022. The new accounting standards have been applied prospectively. Comparative results have not been restated. The primary changes to the Fund's financial statements from the previous years are as follows.

1. The carrying value of financial instruments included in portfolio investments are measured at fair value to correspond with how they are evaluated and managed. Prior to April 1, 2022, these financial instruments were recorded at cost or amortized cost.
2. Disclosure of the hierarchy of inputs used in the determination of fair value for investments are reported according to the following levels:
 - Level 1: Fair value is based on quoted prices in an active market.
 - Level 2: Fair value is based on model-based valuation methods for which all significant assumptions are observable in the market or quoted prices for similar but not identical assets.
 - Level 3: Fair value is based on valuation methods where inputs that are based on non-observable market data have a significant impact on the valuation.
3. The carrying value of financial assets and liabilities denominated in a foreign currency are adjusted to reflect the exchange rate in effect at the financial statement date.
4. Unrealized gains and losses are recorded in the new statement of remeasurement gains and losses. Prior to April 1, 2022, unrealized gains and losses were not recorded in the financial statements. This accounting change increased the April 1, 2022 opening balance of investments and accumulated remeasurement gains by \$1,043,872.

(continues)

NORTHWEST TERRITORIES HERITAGE FUND

Notes to Financial Statements

Year Ended March 31, 2023

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

(b) 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.

(c) 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.

(d) 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.

(continues)

NORTHWEST TERRITORIES HERITAGE FUND

Notes to Financial Statements

Year Ended March 31, 2023

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

(e) *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.

(f) *Use of estimates*

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(g) *Future changes in significant accounting policies*

The following summarizes upcoming changes to the Canadian public sector accounting standards. The Fund will continue to assess the impact and prepare for the adoption of these standards.

(i) Public Private Partnerships

PS 3160, Public Private Partnerships, establishes standards on how to account for public private partnership agreements. This standard is applicable to fiscal years beginning on or after April 1, 2023.

ii) Revenue

PS 3400, Revenue, establishes standards on how to account for and report revenue differentiating between revenue arising from transactions that include performance obligations and transactions that do not. This standard is applicable to fiscal years beginning on or after April 1, 2023.

iii) Purchased Intangible Assets

PSG-8, Purchased Intangible Assets, provides guidance regarding the recognition, measurement, and disclosure of purchased intangible assets in relation to the conceptual framework for financial reporting in the public sector. This guideline is applicable to fiscal years beginning on or after April 1, 2023.

NORTHWEST TERRITORIES HERITAGE FUND

Notes to Financial Statements

Year Ended March 31, 2023

2. PORTFOLIO INVESTMENTS

	2023	2022
Portfolio investments - amortized cost	\$ 33,305,894	\$ 37,034,743
Portfolio investments - fair valued	<u>9,691,592</u>	<u>-</u>
	<u>\$ 42,997,486</u>	<u>\$ 37,034,743</u>

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

	2023 Cost	2023 Market value	2022 Cost	2022 Market value
Canadian papers	\$ 28,778,485	\$ 26,831,493	\$ 24,488,222	\$ 23,187,816
Bonds	4,527,409	4,202,187	4,452,916	3,597,669
Equities and other financial instruments	-	-	8,093,605	9,137,439
	<u>\$ 33,305,894</u>	<u>\$ 31,033,680</u>	<u>\$ 37,034,743</u>	<u>\$ 35,922,924</u>

The composition of portfolio investments measured at fair value is as follows:

	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*	4,453,481	-	-	4,453,481
	<u>\$ 5,541,855</u>	<u>\$ 4,149,852</u>	<u>\$ -</u>	<u>\$ 9,691,707</u>

*Global equity includes investments in Canadian markets, equating to 31.7% of the pooled investment instrument as at March 31, 2023.

	2022			
	Level 1	Level 2	Level 3	Total
Interest bearing securities				
Other debt instruments	\$ -	\$ -	\$ -	\$ -
Equities				
Pooled investments - Canadian	-	-	-	-
Pooled investments - Global	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2023

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, 2023.

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 1.4%. 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:

	2023	2022
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, 2023

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. The Fund's liquidity risk is low as the Fund has access to available funds to meet short-term cash requirements. The Fund maintains a portfolio of cash and short-term investments while it has minimal operational expenses. As at March 31, 2023, the Fund has \$2,242,000 in fixed income securities due to mature within 12 months.

4. BUDGET

Budget figures presented in these financial statements are based on the 2022-2023 Government of Northwest Territories "Main Estimates".

5. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

Northwest Territories Human Rights Commission

Financial Statements

March 31, 2023

Northwest Territories Human Rights Commission

Financial Statements

March 31, 2022	Page
Management's Responsibility for Financial Reporting	3
Independent Auditors' Report	4 - 5
Statement of Operations	6
Statement of Changes in Net Assets	7
Statement of Financial Position	8
Statement of Cash Flows	9
Notes to Financial Statements	10 - 13



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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 Government 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 Government Not-for-Profit Organizations.

Northwest Territories Human Rights Commission

A handwritten signature in blue ink, appearing to be "W.D.", written over a horizontal line.

Executive Director
Yellowknife, Northwest Territories
June 20, 2022



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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, 2022, 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, 2022 and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards for not-for-profit organizations.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Independent Auditors' Report (continued)

Auditors' 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 20, 2022

Crowe MacKay LLP
Chartered Professional Accountants

Northwest Territories Human Rights Commission

Statement of Operations

For the year ended March 31,	2022	2021
Revenue		
Legislative Assembly of the Northwest Territories		
- Operating grant	\$ 180,000	\$ 180,000
- Expense reimbursement (Note 5)	(27,094)	(7,592)
	152,906	172,408
Expenses		
Accounting	8,130	7,015
Advertising and promotion	5,063	7,333
Benefits and pension	703	707
Contracts - administration	-	560
Events	1,843	123
Honorarium - commission chair	24,534	15,461
Honorarium - commission members	24,999	10,454
Legal expenses	705	14,066
Membership fees	2,000	3,700
Office and administration	1,243	1,810
Professional development	1,500	10,468
Telephone	-	475
	70,720	72,172
Excess revenue	\$ 82,186	\$ 100,236

Northwest Territories Human Rights Commission

Statement of Changes in Net Assets

For the year ended March 31,	2022	2021
	Total	Total
Balance, beginning of year	\$ 280,008	\$ 179,772
Excess revenue	82,186	100,236
Balance, end of year	\$ 362,194	\$ 280,008

Northwest Territories Human Rights Commission

Statement of Financial Position

As at March 31, 2022 2021

Assets

Current

Cash	\$ 344,915	\$ 262,226
Due from the Legislative Assembly of the Northwest Territories	22,906	24,408
Prepaid expenses	2,000	-
	\$ 369,821	\$ 286,634

Liabilities

Current

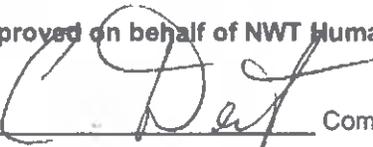
Accounts payable and accrued liabilities	\$ 7,625	\$ 6,626
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Net Assets

General Fund	362,194	280,008
	\$ 369,819	\$ 286,634

Contingency (Note 7)

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,	2022	2021
Cash provided by (used in)		
Operating activities		
Excess revenue	\$ 82,186	\$ 100,236
Change in non-cash operating working capital		
Due from the Legislative Assembly of the Northwest Territories	1,502	(21,660)
Prepaid expenses	(2,000)	2,600
Accounts payable and accrued liabilities	1,001	(409)
Increase in cash	82,689	80,767
Cash, opening	262,226	181,459
Cash, closing	\$ 344,915	\$ 262,226

Northwest Territories Human Rights Commission

Notes to Financial Statements

March 31, 2022

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. COVID-19

On March 11, 2020, the World Health Organization declared a global pandemic. The outbreak of the novel strain of the coronavirus, COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility. Governments and central banks including Canadian federal, provincial, territorial and municipal governments have responded with significant monetary and fiscal interventions designed to stabilize economic conditions.

At the time of approval of these financial statements, in response to the COVID-19 pandemic:

- The management of the Commission has been proactive and diligent in addressing the implementation of infection prevention and other precautionary measures, guided by public health authorities, to limit the spread of COVID-19 and the impact of the pandemic and the related economic contraction on the entity.
- The impact to operations has been minimal.
- The Commission has not pursued nor received government assistance specifically related to COVID-19.

Subsequent to April 1, 2022, all restrictions in the Northwest Territories were lifted, and the Commission resumed its pre-pandemic activities.

3. Accounting Policies

These financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations ("PSA-GNPO") 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.

Northwest Territories Human Rights Commission

Notes to Financial Statements

March 31, 2022

3. Accounting Policies (continued)

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) 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.

(c) Measurement uncertainty

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards for Government Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the updated amounts of revenues and expenses during the period. Actual results could differ from those estimates.

(d) 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.

(e) 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, 2022

4. Future Accounting Changes

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, 2022. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

5. 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, \$50,000 of the \$180,000 funding was given to the Legislative Assembly of the Northwest Territories for travel. The GNWT spent \$27,094 on behalf of the Commission and \$22,906 is shown as a receivable.

	Account 5785 Travel	Account 5892 Member Fees	Account 5893 Chair Fees	Account Misc	TOTAL 2022	TOTAL 2021
Administration	\$ -	\$ 1,406	\$ 425	\$ 1,411	\$ 3,242	\$ 2,947
Commission meetings	1,685	-	-	1,421	3,106	-
Legal	-	-	-	4,140	4,140	1,645
Community events	-	-	-	4,061	4,061	1,692
Publishing	-	-	-	8,948	8,948	987
Materials	-	-	-	3,597	3,597	321
Total	\$ 1,685	\$ 1,406	\$ 425	\$23,578	\$ 27,094	\$ 7,592

Northwest Territories Human Rights Commission

Notes to Financial Statements

March 31, 2022

6. 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 \$344,915 (2021 - \$262,226) as a result of having funds in excess of insurable limit with one financial institution.

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 \$367,821 (2021 - \$286,634).

(b) Concentration of credit risk

The Commission does have concentration of credit risk. At March 31, 2022, receivables from one government agency comprised \$22,906 (2021 - \$24,408), representing 100% (2021 - 100%) of the total outstanding accounts receivables.

At March 31, 2022, 100% (2021 - 100%) of the Commission's cash was held within one of Canada's chartered banks. This risk has not changed from the prior year.

7. Contingency

The Commission has received statements of claim related to matters arising in the ordinary course of business. These matters are at various stages and their outcome and an estimate of loss, if any, is not determinable. Liabilities related to these matters, if any, will be recorded when the matters are resolved.

**NORTHWEST TERRITORIES HYDRO CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2023**

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
December 11, 2023



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 2023, 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 2023, 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

Qualified Opinion

In conjunction with the audit of the consolidated financial statements, we have audited transactions of the Northwest Territories Hydro Corporation coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the *Financial Administration Act* of the Northwest Territories and regulations, the *Northwest Territories Hydro Corporation Act* and regulations, and the by-laws of the Northwest Territories Hydro Corporation.

In our opinion, except for the matter of non-compliance described in the *Basis for Qualified Opinion* section of our Report on Compliance with Specified Authorities, the transactions of the Northwest Territories Hydro Corporation that came to our notice during the audit of the consolidated financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Northwest Territories Hydro Corporation Act*, we report that, in our opinion, proper books of account have been kept by the Northwest Territories Hydro Corporation and the consolidated financial statements are in agreement therewith.

Basis for Qualified Opinion

Subparagraph 32(1)(b)(ii) of the *Financial Administration Act* of the Northwest Territories requires the Northwest Territories Hydro Corporation to submit its annual report to its Minister not later than 90 days after the end of its fiscal year or not later than an additional period, not

exceeding 60 days, that the Minister of Finance may allow. The Northwest Territories Hydro Corporation did not meet its statutory deadline for submitting its annual report to its Minister for the year ended 31 March 2023.

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.



Lana Dar, CPA, CA
Principal
for the Auditor General of Canada

Vancouver, Canada
11 December 2023

NORTHWEST TERRITORIES HYDRO CORPORATION

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

	2023	2022 Restated (Note 3)
Financial assets		
Cash	\$ 761	\$ 9,927
Revenues receivable (Note 4)	15,196	13,229
Government contributions receivable (Note 18)	7,451	3,505
Investment in Aadrii Ltd.	386	372
	23,794	27,033
Liabilities		
Operating line of credit (Note 5)	54,472	950
Accounts payable and accrued liabilities	51,857	27,276
Debenture debt owing to third parties (Note 6)	187,500	190,749
Debenture debt owing to the GNWT (Note 6)	37,596	38,573
Asset retirement obligations (Note 7)	6,498	7,313
Environmental liabilities (Note 8)	17,970	17,619
Capital lease obligation (Note 9)	15,545	15,950
Other employee future benefits (Note 10)	1,985	1,977
Deferred government contributions (Note 18)	2,199	13,117
	375,622	313,524
Net debt	(351,828)	(286,491)
Non-financial assets		
Tangible capital assets (Note 11)	524,642	456,196
Inventories (Note 12)	14,230	10,459
Prepaid expenses	2,033	1,472
	540,905	468,127
Accumulated surplus / equity (Note 13)	\$ 189,077	\$ 181,636

*Contractual obligations and contingent liabilities (Note 20)
Subsequent events (Note 22)*

The accompanying notes are an integral part of these consolidated financial statements.

Approved on behalf of the Board:



Stephen Loutitt, Chairperson of the Board



Martin Goldney, Director

NORTHWEST TERRITORIES HYDRO CORPORATION

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS FOR THE YEAR ENDED MARCH 31

(in thousands of dollars)

	2023 Budget	2023 Actual	2022 Actual Restated (Note 3)
Revenues			
Sale of power (Note 14)	\$ 114,260	\$ 112,269	\$ 110,155
Fuel rider revenue	2,152	2,123	2,150
Other revenue (Note 15)	2,075	3,463	2,117
Interest income (Note 17)	75	92	424
Income (loss) from investment in Aadrii Ltd.	75	14	(69)
	118,637	117,961	114,777
Expenses (Notes 16,17)			
Thermal generation	66,524	83,602	68,896
Hydro generation	21,946	19,044	22,861
Corporate services	16,364	15,070	14,693
Transmission, distribution and retail	11,756	13,081	10,811
Purchased power	3,783	5,039	3,141
Alternative power generation	208	219	201
	120,581	136,055	120,603
Deficit for the year before government contributions	(1,944)	(18,094)	(5,826)
Government contributions			
Other government contributions (Note 18)	30,093	25,535	25,669
Surplus (Deficit) for the year	\$ 28,149	\$ 7,441	\$ 19,843
Accumulated surplus / equity, beginning of year	183,630	181,636	161,793
Accumulated surplus / equity, end of year	\$ 211,779	\$ 189,077	\$ 181,636

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)

	2023 Budget	2023 Actual	2022 Actual Restated (Note 3)
Surplus for the year	\$ 28,149	\$ 7,441	\$ 19,843
Tangible capital assets			
Additions	(106,259)	(81,203)	(41,846)
Capitalized overhead	(4,500)	(3,877)	(3,339)
Capitalized interest (Note 17)	(1,373)	(1,546)	(1,488)
Disposals	2,500	971	2,311
Amortization (Note 11)	20,294	17,209	19,609
	(89,338)	(68,446)	(24,753)
Acquisition of inventories	(7,700)	(14,643)	(7,745)
Use of inventories	7,700	10,872	6,311
Acquisition of prepaids	(2,700)	(4,069)	(3,307)
Use of prepaids	2,700	3,508	3,389
	-	(4,332)	(1,352)
Increase in net debt for the year	\$ (61,189)	\$ (65,337)	\$ (6,262)
Net debt, beginning of year	(287,140)	(286,491)	(280,229)
Net debt, end of year	\$ (348,329)	\$ (351,828)	\$ (286,491)

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)

	2023	2022
Cash provided by operating activities		
Cash receipts from customers	\$ 115,979	\$ 115,386
Government contributions received (Note 18)	10,672	32,302
Cash paid to suppliers	(66,926)	(50,978)
Cash paid to employees	(31,683)	(30,607)
Interest paid	(10,948)	(10,071)
Interest received	92	64
	17,186	56,096
Cash provided by investing activities		
Loan receivable receipts	-	9,220
	-	9,220
Cash used in capital activities		
Acquisition and development of tangible capital assets	(75,249)	(45,459)
Proceeds on sale of tangible capital assets	51	27
	(75,198)	(45,432)
Cash provided by (used in) financing activities		
Issuance of debenture debt	-	-
Repayment of capital lease obligation	(405)	(202)
Repayment of debenture debt	(4,271)	(13,664)
Prepayment penalty for debenture debt	-	(1,787)
Proceeds from operating line of credit	53,522	948
	48,846	(14,705)
(Decrease) increase in cash	\$ (9,166)	\$ 5,179
Cash, beginning of year	9,927	4,748
Cash, end of year	\$ 761	\$ 9,927

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 13).

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. 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. NTPC filed its 2022/23 GRA on March 31, 2022. This application requested a change to NTPC's amortization rates as well as its energy rates, which include a return on equity component. In Decision 6-2023 the PUB approved amortization rates and a return on equity for 2022-23 of 8%. The approved return on equity will remain in effect until it is reassessed at the time of the next GRA. As actual operating conditions will vary from forecast, actual returns achieved may differ from approved returns.

The PUB reviews the affairs, earnings and accounts of NTPC every year by way of its annual report of finances.

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. The rider has remained in place through the first 2 quarters of the 2023-24 year due to high fuel prices and is expected to remain in effect until the fund balances are zero.

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) is accounted for under the modified equity method to record its investment, net income and other changes in equity. Inter-entity transactions and balances with the GBP are not eliminated.

The consolidated budget figures presented in these consolidated financial statements were approved by the Board of Directors and include adjustments to eliminate budgeted inter-entity revenues and expenses. The budget figures do not reflect any forecast changes made throughout the year.

b) Measurement uncertainty

To prepare these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses, and the disclosure of contingent liabilities. Significant estimates include the estimated useful 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

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 2. Significant accounting policies (continued)

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 obligations.

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.

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 2022-23 was 4.46% (2021-22 – 4.97%). Gains or losses on disposition are included in the consolidated statement of operations and accumulated surplus.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 2. Significant accounting policies (continued)

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.

iv) Amortization

Management has utilized amortization rates approved by the PUB in Decision 6-2023 (Note 1(b)). The cost, less residual value, is amortized over its useful life on a straight-line basis based on the average life of the group. Amortization rates were updated in 2022-23 to reflect the rates approved by the PUB. Assets under construction are not amortized until they are ready for their intended productive use. NTPC 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:

	2023	2022
	Rates (%)	Rates (%)
Electric power plants	1.00 – 5.00	1.00 – 4.86
Transmission and distribution systems	1.54 – 6.67	1.54 – 6.67
Warehouse, equipment, motor vehicles and general facilities	1.54 – 20.00	1.31 – 20.00
Electric power plant under capital lease	1.00 – 4.35	1.00 – 4.86

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 2. Significant accounting policies (continued)

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) Customer contributions in aid of construction

Certain tangible capital asset additions are made with the assistance of cash contributions from customers. These contributions are recorded as other revenues when all external restrictions or stipulations imposed by an agreement with the external party related to the contribution 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.

i) Other employee future benefits

The expected cost of providing these benefits is actuarially determined using assumptions based on management's best estimates and are 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 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 or death of an employee.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 2. Significant accounting policies (continued)

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.

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.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 2. Significant accounting policies (continued)

m) Revenues

Revenues for the sale of power and fuel riders are recognized in the period earned based on cyclical meter readings. Sale of power revenues and fuel riders include accruals for electricity sales not yet billed.

Interest and other revenue are recognized on an accrual basis.

n) Expenses

Expenses are recognized on an accrual basis.

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.

q) Future accounting changes

PSAB issued a new standard PS 3400 Revenue in November 2018. This standard has an effective date of April 1, 2023. NT Hydro continues to evaluate the potential impacts on its consolidated financial statements from the adoption of this standard.

NORTHWEST TERRITORIES HYDRO CORPORATION

3. Restatement

Effective April 1, 2022, NTPC adopted PS 3280 Asset Retirement Obligations standard, using the modified retroactive approach with restatement of prior year comparatives, and recognized the following to conform with the new standard:

- a) Asset retirement obligations, adjusted for accumulated accretion to the effective date;
- b) Asset retirement cost capitalized as an increase to the carrying amount of the related tangible capital assets in productive use;
- c) Accumulated amortization on the capitalized cost; and
- d) Adjustment to the opening balance of accumulated surplus/equity.

Amounts are measured using information, assumptions and discount rates where applicable that were current on the effective date.

The amount recognized as an asset retirement cost is measured as of the date of the asset retirement obligation. Accumulated accretion and amortization are measured for the period from the date the liability would have been recognized as if the provisions of this standard had been in effect to the date as of which this standard is first applied.

Reconciliations of the prior year consolidated financial statements are as follows:

Consolidated Statement of Financial Position	As previously reported	De-recognition	Recognition	As restated
Financial assets	\$ 27,033	\$ -	\$ -	\$ 27,033
Liabilities				
Asset retirement obligations	(7,962)	6,638	(5,989)	(7,313)
All other	(306,211)	-	-	(306,211)
Net debt	(287,140)	6,638	(5,989)	(286,491)
Tangible capital assets	458,839	(2,961)	318	456,196
Inventories and prepaid expenses	11,931	-	-	11,931
Accumulated surplus/equity, end of year	\$ 183,630	\$ 3,677	\$ (5,671)	\$ 181,636

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 3. Restatement (continued)

	As previously reported	De- recognition	Recognition	As restated
Consolidated Statement of Operations and Accumulated Surplus				
Revenue	\$ 114,777	\$ -	\$ -	\$ 114,777
Expenses	(120,748)	355	(210)	(120,603)
Government contributions	25,669	-	-	25,669
Annual surplus for the year	19,698	355	(210)	19,843
Accumulated surplus/equity beginning of year	163,932	3,322	(5,461)	161,793
Accumulated surplus/equity, end of year	<u>\$ 183,630</u>	<u>\$ 3,677</u>	<u>\$ (5,671)</u>	<u>\$ 181,636</u>

	As previously reported	De- recognition	Recognition	As restated
Consolidated Statement of Change in Net Debt				
Surplus for the year	\$ 19,698	\$ 355	\$ (210)	\$ 19,843
Tangible capital asset changes	(24,929)	(117)	284	(24,753)
Changes in inventory and Prepays	(1,352)	-	-	(1,352)
Increase in net debt for the year	(6,583)	238	83	(6,262)
Net debt, beginning of year	(280,557)	6,400	(6,072)	(280,229)
Net debt, end of year	<u>\$ (287,140)</u>	<u>\$ 6,638</u>	<u>\$ (5,989)</u>	<u>\$ (286,491)</u>

In connection with adoption of PS 3280, management discovered that NTPC does not have a legal obligation to remove all fuel tanks at the end of their useful lives. As such, related ARO, asset retirement costs in tangible capital assets, accretion expense and amortization expense should not have been recorded in prior years. These have been de-recognized and the comparative figures in these consolidated financial statements have been restated as indicated above in the de-recognition columns.

In accordance with PS 3280, NTPC recognizes ARO related to legal obligations for asbestos abatement together with the related asset retirement cost in tangible capital assets, accretion expense and amortization expense. These have been recognized and the comparative figures in these consolidated financial statements have been restated as indicated above in the recognition columns.

NORTHWEST TERRITORIES HYDRO CORPORATION

4. Revenues receivable

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)
	\$ 14,017	\$ 945	\$ 234	\$ 15,196

At March 31, 2022, the aging of revenues receivable was as follows:

	2022			Total
	Current (less than 28 days)	29-90 days	Over 90 days	
Utility	\$ 11,339	\$ 839	\$ 228	\$ 12,406
Non-utility	909	3	114	1,026
Allowance for doubtful accounts	-	-	(203)	(203)
	\$ 12,248	\$ 842	\$ 139	\$ 13,229

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

	2023	2022
Balance, beginning of the year	\$ (203)	\$ (579)
Receivables written off	60	191
Change to allowance	(34)	185
Balance, end of the year	\$ (177)	\$ (203)

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, 2023, 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 21.

NORTHWEST TERRITORIES HYDRO CORPORATION

5. Operating line of credit

NT Hydro has a \$75,000 (2021-22 - \$50,000) 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, 2023, NT Hydro has borrowed \$54,472 (2021-22 - \$950) against the line of credit. See also Note 22 (a).

NT Hydro has no outstanding letters of credit as of March 31, 2023 (2021-22 - one letter of credit for \$3,145) against its operating line of credit.

NORTHWEST TERRITORIES HYDRO CORPORATION

6. Debenture debt

a) Owing to Third Parties

	<u>2023</u>	<u>2022</u>
3.982% amortizing debenture, due February 17, 2047 repayable semi-annually in blended payments of \$1,722	\$ 52,926	\$ 54,224
5.16% amortizing debenture, due September 13, 2040 repayable semi-annually in blended payments of \$1,684	38,516	39,846
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	6,667	7,333
	\$ 188,109	\$ 191,403
Less: unamortized premium, discount and issuance costs	(609)	(654)
	<u>\$ 187,500</u>	<u>\$ 190,749</u>

The GNWT guarantees all third party debenture debt.

b) Owing to the GNWT

	<u>2023</u>	<u>2022</u>
2.265% amortizing debenture, due September 30, 2050 repayable semi-annually in blended payments of \$922	\$ 37,596	\$ 38,573

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

<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>Thereafter</u>	<u>Total</u>
\$ 4,413	\$ 4,566	\$ 19,721	\$ 4,885	\$ 5,055	\$187,065	\$ 225,705

NORTHWEST TERRITORIES HYDRO CORPORATION

7. 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 - \$13,241 (2021-22 -- \$13,872 as restated – Note 3).
- Expected timing of payments of the cash flow – asset removal and/or site remediation is expected to occur between 1 and 39 years with the majority occurring after 2036.
- The discount rate is the year-end cost of borrowing of 3.96% (2021-22 – 3.33%) for those obligations to be settled in less than 10 years and 4.34% (2021-22 – 3.61%) for those obligations to be settled in 10 years or longer.
- Inflation was assumed to be 2% (2021-22 – 2%).

Following is a summary of the asset retirement obligations:

	2023	2022 Restated (Note 3)
Opening balance	\$ 7,313	\$ 7,523
Liabilities settled	(35)	(1)
Accretion expense	257	254
Valuation adjustment	(1,037)	(473)
Additions	-	10
Balance, end of year	\$ 6,498	\$ 7,313

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.

8. 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 23 geographic locations (2021-22 - 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.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 8. Environmental liabilities (continued)

Following is a summary of the key assumptions upon which the carrying amount of the environmental liabilities is based:

- Total expected future cash flows - \$69,854 (2021-22 -- \$52,551).
- Expected timing of payments of the cash flow – asset removal and/or site remediation is expected to occur between 1 and 68 years with the majority occurring after 2059.
- The discount rate is the year-end cost of borrowing of 3.96% (2021-22 – 3.33%) for those obligations to be settled in less than 10 years and 4.34% (2021-22 – 3.61%) for those obligations to be settled in 10 years or longer.
- Inflation was assumed to be 2% (2021-22 – 2%).

Following is a summary of the estimated environmental liabilities:

	<u>2023</u>	<u>2022</u>
Opening balance	\$ 17,619	\$ 14,368
Liabilities settled	(2,877)	(1,383)
Valuation adjustment	3,228	4,634
Balance, end of year	<u>\$ 17,970</u>	<u>\$ 17,619</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 16).

NORTHWEST TERRITORIES HYDRO CORPORATION

9. 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, 2023 was 7.75% (2021-22 – 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 11).

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:

	2024	\$	1,656
	2025		1,624
	2026		1,593
	2027		1,562
	2028		1,530
	Thereafter		33,045
			<u>41,010</u>
Less: amounts representing imputed interest			<u>(25,465)</u>
Total capital lease obligation		\$	<u>15,545</u>

Additional disclosures on NTPC's exposure and management of risk associated with the capital lease obligation can be found in Note 21.

NORTHWEST TERRITORIES HYDRO CORPORATION

10. 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 (2021-22 – 1.02) the employees' contributions for employees who started prior to January 2013 and 1.00 times (2021-22 – 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 \$196 (2021-22 - \$191) was 5.29 times (2021-22 – 5.91) the employee's contributions. Employer contributions of \$2,577 (2021-22 - \$2,288) were recognized as an expense in the current year. The employees' contribution to this plan was \$2,348 (2021-22 - \$2,148).

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 10. Other employee future benefits (continued)

b) Other employee future benefits

Summary of other employee future benefit liabilities:

	2023			2022		
	Severance and Removal Benefit	Accumulated Sick Leave Benefit	Total	Severance and Removal Benefit	Accumulated Sick Leave Benefit	Total
Accrued benefit obligation, beginning of year	\$ 3,297	\$ 267	\$ 3,564	\$ 2,799	\$ 221	\$ 3,020
Benefits earned	279	19	298	299	21	320
Interest	115	9	124	77	6	83
Benefits paid	(563)	(37)	(600)	(1,269)	(36)	(1,305)
Actuarial (gains) losses	5	(12)	(7)	1,391	55	1,446
Accrued benefit obligation, end of year	3,133	246	3,379	3,297	267	3,564
Unamortized net actuarial gain/(loss)	(1,134)	(260)	(1,394)	(1,255)	(332)	(1,587)
Net future obligation	<u>\$ 1,999</u>	<u>\$ (14)</u>	<u>\$ 1,985</u>	<u>\$ 2,042</u>	<u>\$ (65)</u>	<u>\$ 1,977</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 10. Other employee future benefits (continued)

Total expenses related to the severance, removal and sick leave benefits include the following components:

	<u>2023</u>	<u>2022</u>
Current benefits earned	\$ 298	\$ 320
Interest	124	83
Amortization of net actuarial loss	<u>186</u>	<u>48</u>
	<u>\$ 608</u>	<u>\$ 451</u>

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

	<u>2023</u>	<u>2022</u>
Expected inflation rates	2%	2%
Discount rate used to determine the accrued benefit obligation	4.1%	3.4%
Expected average remaining service life of related employee groups (EARSL)	<u>10.4 years</u>	<u>10.4 years</u>

NORTHWEST TERRITORIES HYDRO CORPORATION

11. Tangible capital assets

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
March 31, 2022 (Restated – Note 3)						
	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	\$ 396,247	\$ 107,819	\$ 77,482	\$ 28,733	\$ 63,290	\$ 673,571
Additions	10	-	-	-	46,662	46,672
Transfers – completed projects	9,763	997	3,762	-	(14,522)	-
Disposals and adjustments	(3,390)	(166)	(1,891)	-	-	(5,447)
Closing balance	402,630	108,650	79,353	28,733	95,430	714,796
Accumulated amortization						
Opening balance	(148,348)	(40,294)	(43,344)	(10,141)	-	(242,127)
Amortization	(11,734)	(2,624)	(4,791)	(460)	-	(19,609)
Disposals and adjustments	1,493	144	1,499	-	-	3,136
Closing balance	(158,589)	(42,774)	(46,636)	(10,601)	-	(258,600)
Net book value	\$ 244,041	\$ 65,876	\$ 32,717	\$ 18,132	\$ 95,430	\$ 456,196

The cost of land as of March 31, 2023 included in electric power plants asset cost is approximately \$5,594 (2021-22 - \$5,894). Amortization is not recorded on land.

NORTHWEST TERRITORIES HYDRO CORPORATION

12. Inventories

	<u>2023</u>	<u>2022</u>
Materials, supplies and lubricants	\$ 9,490	\$ 5,200
Critical spare parts	4,244	4,989
Fuel	496	270
	<u>\$ 14,230</u>	<u>\$ 10,459</u>

Inventories are used to make repairs, complete overhauls or generate electricity. Production fuel inventory is held in five of NTPC's operating plants.

13. Accumulated surplus/equity

	<u>2023</u>	<u>Restated (Note 3) 2022</u>
Share capital, common and preferred shares	\$ 43,129	\$ 43,129
Accumulated operating surplus / equity	145,948	138,507
	<u>\$ 189,077</u>	<u>\$ 181,636</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, 2023, 1 common share (2021-22 – 1 common share), at \$43,129 per share (2021-22 – \$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.

14. Sale of power

	<u>2023</u>	<u>2022</u>
Power sales to external customers	\$ 83,647	\$ 82,023
Power sales to GNWT and related parties	17,431	16,947
GNWT TPSP payments	6,601	6,550
GNWT HSP payments	4,590	4,635
	<u>\$ 112,269</u>	<u>\$ 110,155</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 14. 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.

15. Other revenue

	<u>2023</u>	<u>2022</u>
Contract work	\$ 1,687	\$ 575
Heat revenues	670	482
Pole rental	355	373
Connection fees	310	410
Other	441	277
	<u>\$ 3,463</u>	<u>\$ 2,117</u>

16. Expenses

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

	<u>2023</u>	<u>2022</u> <u>Restated</u> <u>(Note 3)</u>
Fuel and lubricants (Notes 19, 20)	\$ 45,419	\$ 27,638
Salaries and wages	30,572	29,485
Supplies and services	28,908	27,449
Amortization (Note 11)	17,209	19,609
Interest expense (Note 17)	10,971	10,775
Travel and accommodation	2,701	2,422
Loss on settlement of NWTEC debentures	-	1,787
Loss on disposal of assets	18	1,184
Accretion on ARO (Note 7)	257	254
	<u>\$ 136,055</u>	<u>\$ 120,603</u>

NORTHWEST TERRITORIES HYDRO CORPORATION

17. Interest expense and interest income

Interest expense

	<u>2023</u>	<u>2022</u>
Interest on debenture debt and capital leases (Notes 6, 9)	\$ 11,383	\$ 12,014
Short-term debt financing costs	1,134	249
Capitalized interest during construction	<u>(1,546)</u>	<u>(1,488)</u>
	<u>\$ 10,971</u>	<u>\$ 10,775</u>

Interest income

	<u>2023</u>	<u>2022</u>
Interest on loan receivable	\$ -	\$ 360
Income from overdue accounts and bank balances	<u>92</u>	<u>64</u>
	<u>\$ 92</u>	<u>\$ 424</u>

18. Other government contributions

Government of Canada's Low Carbon Economy Leadership Fund

NTPC entered into two agreements with the GNWT under the Government of Canada's Low Carbon Economy Leadership Fund (LCELF) for the following projects:

Inuvik Power Plant – 3rd LNG Fuel Tank (2021-22 Agreement)

This agreement is to support 75% of the cost of installation of a 3rd LNG tank at the Inuvik Power Plant to a maximum of \$878. The agreement expires on March 31, 2023. During the year, NTPC received \$686 and incurred \$730 (2021-22 - \$135) in eligible expenditures. The amount of expenditures in excess of amount received, \$179, has been recorded as a government contribution receivable.

Inuvik Power Plant – EV Charging Station in Behchoko (2022-23 Agreement)

This agreement is to support 75% of the cost of installation of an electric vehicle charging station in Behchoko with 2 stalls to a maximum of \$468. The agreement expires on September 14, 2023. During the year, NTPC received \$31 and incurred \$68 in eligible expenditures. The amount of expenditures in excess of amount received, \$37, has been recorded as a government contribution receivable.

Investing in Canada Infrastructure Program

In 2019-20, NTPC entered into agreements with the GNWT under the Government of Canada's Investing in Canada Infrastructure Program (ICIP) for the following projects:

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 18. Other government contributions (continued)

Taltson Hydroelectric Facility Major Overhaul

This agreement is to support 75% of the cost of completing upgrades to various hydro, mechanical and electrical components of the facility in addition to the installation of a tailrace gate to a maximum of \$17,820. No funds were received in 2022-23. By March 31, 2022, NTPC received a total of \$14,855 and had incurred the maximum eligible expenditures per the agreement of \$17,820. The amount of eligible expenditures incurred in excess of the amount received, \$2,965 (2021-22 - \$2,965), has been recorded as a government contribution receivable. The agreement expires March 31, 2024.

Lutsel K'e – New Diesel Power Plant Facility Project

This agreement is to support 75% of the cost of replacing the existing power plant in the community to a maximum of \$8,775. During the year, NTPC received payments of \$0 (2021-22 - \$6,000). As of March 31, 2023, NTPC incurred the maximum eligible expenditures per the agreement of \$8,775 (2021-22 - \$7,155) and received the maximum eligible funding of \$8,775. The amount received in excess of eligible expenditures incurred, \$0 (2021-22 - \$1,620), has been recorded as a deferred government contribution liability. The agreement expires March 31, 2024.

Fort Simpson – Liquefied Natural Gas Power Generation Facility

This agreement is to support 75% of the cost to complete construction, installation and commissioning of a gas generation plant, as well as sufficient LNG storage and regasification to a maximum of \$11,250. During the year, NTPC received payments of \$0 (2021-22 - \$0). As of March 31, 2023, NTPC has incurred \$863 of eligible expenditures. The amount received in excess of eligible expenditures incurred, \$1,486 (2021-22 - \$1,515), has been recorded as a deferred government contribution liability. The agreement expired March 31, 2023.

In 2018-19, NT Hydro's subsidiaries entered into agreements with the GNWT under the Government of Canada's ICIP for the following projects:

Snare Forks Overhauls on Units 1 and 2

This agreement is to support 75% of the cost of completing turbine and generator upgrades on two units at NTPC's Snare Forks powerhouse to a maximum of \$14,100.

In October 2018, Unit 1 experienced a mechanical failure prior to the start of the planned overhaul. NTPC initiated an insurance claim related to the Unit 1 failure including the costs associated with additional diesel generation. In 2019-20, NTPC received \$5,000 in a preliminary installment on the insurance claim and recognized this amount as revenue. Further insurance proceeds may be receivable in the future and the amount, if any, will be recognized as revenue and a portion of the ICIP funding may be repayable. As of March 31, 2023, the amount of additional insurance proceeds cannot be reasonably estimated.

During the year, NTPC received payments of \$0 (2021-22 - \$1,080). Lifetime payments of \$9,270 were received in previous years. As of March 31, 2023, NTPC has incurred \$9,495 (2021-22 - \$9,170) of eligible expenditures. The eligible expenditures incurred in excess of amounts received was \$225 and is recorded as a government contribution receivable (2021-22 - \$100 deferred government contribution liability).

The agreement expires March 31, 2029.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 18. Other government contributions (continued)

Sachs Harbour Plant Replacement

This agreement is to support 75% of the costs to fund the installation and commissioning of a new power plant and fuel storage tanks in Sachs Harbour to a maximum of \$7,481. During the year, NTPC received payments of \$0 (2021-22 - \$1,881). Lifetime payments of \$7,481 have been received. As of March 31, 2023, NTPC has incurred \$7,037 of eligible expenditures. The amount received in excess of eligible expenditures incurred, \$444 (2021-22 - \$2,216), has been recorded as a deferred government contribution liability. The agreement expires March 31, 2024.

Inuvik Wind

This agreement between NT Energy and the GNWT is to support 100% of the costs of the design, construction and commissioning of the Inuvik High Point Wind project, to a maximum of \$39,900.

During the year, NT Energy received payments of \$9,258 (2021-22 - \$19,205). Lifetime payments of \$35,910 (2021-22 - \$26,652) have been received. As of March 31, 2023, NT Energy has incurred \$39,900 (2021-22 - \$19,556) of lifetime eligible expenditures. The eligible expenditures incurred in excess of contributions received of \$3,990 has been recorded as a government contribution receivable. (2021-22 - \$7,096 deferred government contribution liability).

The agreement expires March 31, 2024.

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 18. Other government contributions (continued)

The following table summarizes NT Hydro's budget and the actual eligible costs incurred on the respective ICIP and LCEL and other projects. The actuals reflect the amounts that NT Hydro has recorded as other government contributions:

	2023 Budget	2023 Actuals	2022 Actuals	Total Lifetime Costs
Taltson Hydroelectric Overhaul				
Salaries and wages	\$ -	\$ -	\$ 4	\$ 28
Supplies and services		-	4,209	17,724
Transportation costs		-	32	68
	\$ 2,965	\$ -	\$ 4,245	\$ 17,820
Lutsel K'e Diesel Plant				
Salaries and wages	\$ -	\$ 67	\$ 8	\$ 88
Supplies and services		1,421	5,029	8,510
Transportation costs		131	41	176
	\$ 1,087	\$ 1,619	\$ 5,078	\$ 8,774
Fort Simpson LNG				
Salaries and wages	\$ -	\$ -	\$ (9)	\$ 102
Supplies and services		28	124	758
Transportation costs		-	1	3
	\$ 375	\$ 28	\$ 116	\$ 863
Snare Forks Overhauls				
Salaries and wages	\$ -	\$ 42	\$ 25	\$ 417
Supplies and services		240	1,651	8,535
Transportation costs		41	30	541
	\$ -	\$ 323	\$ 1,706	\$ 9,493
Sachs Harbour Plant Replacement				
Salaries and wages	\$ -	\$ 39	\$ 9	\$ 88
Supplies and services		1,689	165	6,852
Transportation costs		44	8	97
	\$ 1,223	\$ 1,772	\$ 182	\$ 7,037
Inuvik Wind				
Salaries and wages	\$ -	\$ 294	\$ 74	\$ 922
Supplies and services		19,862	13,785	38,725
Transportation costs		187	-	253
	\$ 14,235	\$ 20,343	\$ 13,859	\$ 39,900
Total ICIP contributions	\$ 19,885	\$ 24,085	\$ 25,186	\$ 83,887
LCEL and other contributions	\$ 10,208	\$ 1,450	\$ 483	\$ 1,237
Total government contributions	\$ 30,093	\$ 25,535	\$ 25,669	\$ 85,124

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 18. Other government contributions (continued)

Other agreements

In 2022-23, NT Energy entered into three single year agreements with the GNWT. The first is for bridge funding costs associated with establishing an unregulated entity to facilitate the expansion of the electricity system through alternative energy development. The total agreement was for \$250, all of which was received and recognized as revenue in 2022-23.

The second agreement was to support lease costs for the NT Energy office in Hay River. The total agreement was for \$98 all of which was received and recognized as revenue in 2022-23.

The third agreement was entered into to be utilized to further the work on the Fort Providence/Kakisa Transmission Line. The total agreement was for \$550, all of which was received during the 2021-22 year. As of March 31, 2023, \$303 (2021-22 - \$0) were incurred for the project. The amount received in excess of eligible expenditures of \$247 is recorded as a deferred government contribution liability as of March 31, 2023 (2021-22 - \$550).

NORTHWEST TERRITORIES HYDRO CORPORATION

19. 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	2023	2022
Other revenue	\$ 652	\$ 558
Fuel rider revenue	448	457
	\$ 1,100	\$ 1,015
Expenses		
Purchases of fuel from Fuel Services Division of the GNWT (FSD) (Note 20)	\$ 30,761	\$ 20,295
Other operating expenses	1,070	1,302
	\$ 31,831	\$ 21,597
Financial assets		
Revenues receivable		
Utility	\$ 468	\$ 469
Non-utility	93	-
	\$ 561	\$ 469
Liabilities		
Accounts payable to FSD for fuel (Note 20)	\$ 16,734	\$ 3,731
Other accounts payable and accrued liabilities	12	152
	\$ 16,746	\$ 3,883

NORTHWEST TERRITORIES HYDRO CORPORATION

20. 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, 2023.

	2024	2025 and subsequent
Operational and lease commitments	\$ 8,349	\$ 368

Capital projects

NT Hydro has contractual obligations of \$29,325 related to capital projects, of which payments are expected to be made in 2023-24.

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.

LNG purchases

NTPC had an agreement with FSD to supply NTPC's Inuvik facilities with LNG that expired on March 31, 2020. The price of LNG under this agreement varied with FSD's costs, which included LNG fuel costs, which were subject to changes in the market price, transportation costs and an administrative fee. There were no minimum purchase requirements under the old contract. NTPC is currently in negotiations with FSD to sign a new agreement. NTPC is following the terms of the old contract until a new contract is finalized.

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, 2023.

In June 2023, uncertainty related to the Safety Acts violation counts disclosed in 2021-22 was resolved. NTPC was issued a \$200 fine which was recorded as an expense and accrued liability as of March 31, 2023.

NORTHWEST TERRITORIES HYDRO CORPORATION

21. Financial instruments and risk management

NT Hydro's financial instruments include cash, revenues receivable, government contributions receivable, operating line of credit, accounts payable and accrued liabilities, debenture debts, and capital lease obligations.

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.

	2023	2022
Revenues receivable	\$ 15,196	\$ 13,229
Government contributions receivable	7,451	3,505
Cash	761	9,927
	\$ 23,408	\$ 26,661

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-seven percent (2021-22 - 37%) of NTPC's sales of power are to two other utilities. Twenty-five percent (2021-22 - 26%) 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 21. 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, 2023				
	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	\$ 4,414	\$ 64,462	\$ 106,554	\$ 50,275	\$ 225,705
Operating line of credit	54,472	-	-	-	54,472
Capital lease obligation	1,656	7,808	17,684	13,862	41,010
	\$ 60,542	\$ 72,270	\$ 124,238	\$ 64,137	\$ 321,187

	March 31, 2022				
	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	\$ 4,271	\$ 38,641	\$ 132,401	\$ 54,663	\$ 229,976
Operating line of credit	950	-	-	-	950
Capital lease obligation	1,687	7,965	18,124	14,921	42,697
	\$ 6,908	\$ 46,606	\$ 150,525	\$ 69,584	\$ 273,623

NORTHWEST TERRITORIES HYDRO CORPORATION

Note 21. Financial instruments and risk management (continued)

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.

22. Subsequent events

a) Financing

In April 2023, NTPC issued a new long term debenture of \$75,000. Interest is payable semi-annually at 4.34% per year. The debenture is due April 2053. The proceeds were used to repay the line of credit and fund the 2023-24 capital plan.

b) Contribution from the GNWT and low water event

Low water in the Snare/Yellowknife zone occurred in 2022-23 and has persisted in 2023-24. In July 2023, the GNWT authorized and paid a contribution to NTPC of \$15,200 to assist with additional fuel costs related to increased fuel prices and additional fuel consumption.

**NORTHWEST TERRITORIES
SURFACE RIGHTS BOARD**

Audited Financial Statement

March 31, 2023

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
Financial Statements
Year ended March 31, 2023

Page

Independent Auditor's Report

Management's Responsibility for Financial Reporting

Financial Statements

Statement I	Statement of Financial Position	1
Statement II	Statement of Operations	2
Statement III	Statement of Changes in Net Financial Debts	3
Statement IV	Statement of Cash Flows	4
	Notes to the Financial Statements	5-9

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Northwest Territories Surface Rights Board are the responsibility of management and have been approved by the Board.

The financial statements have been prepared by management in accordance with Public Sector Accounting Standards (PSAS) as recommended by the board of the Canadian Institute of Chartered Professional Accountants and as such include amounts that are the best estimates and judgments of management.

Management is responsible for the integrity and objectivity of these statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and is ultimately responsible for reviewing and approving the financial statements.

The Board meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the financial statements and the external auditor's report.

The external auditors, EPR Yellowknife Accounting Professional Corporation, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Northwest Territories Surface Rights Board and meet when required.

On behalf of Northwest Territories Surface Rights Board

A handwritten signature in black ink, appearing to read 'Doug Rankin', with a stylized flourish at the end.

Doug Rankin, Executive Director
Northwest Territories Surface Rights Board
June 22, 2023



**YELLOWKNIFE
ACCOUNTING**
PROFESSIONAL CORPORATION

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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 Northwest Territories Surface Rights Board., which comprise the statement of financial position as at March 31, 2023, 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 Northwest Territories Surface Rights Board. as at March 31, 2023, 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 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 Northwest Territories Surface Rights Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Northwest Territories Surface Rights Board. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing 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:

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- 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 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 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 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.

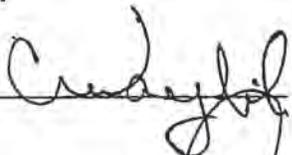
EPR Yellowknife Accounting Professional Corporation
Chartered Professional Accountants
Yellowknife, Northwest Territories
June 22, 2023

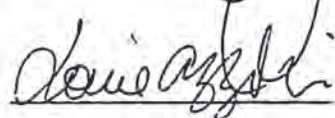
NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
Statement of Financial Position
As At March 31, 2023

Statement I

	2023	2022
Financial Assets		
Cash & cash equivalents <i>(Note 4)</i>	\$ 193,659	\$ 185,586
Accounts receivable <i>(Note 5)</i>	1,173	-
Total Financial Assets	194,832	185,586
Liabilities		
Accounts Payable <i>(Note 6)</i>	28,770	31,143
Deferred Revenue <i>(Note 7)</i>	166,062	156,573
Total Liabilities	194,832	187,716
Net Financial Debts	-	(2,130)
Non Financial Assets		
Prepaid Expenses	-	2,130
	-	2,130
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, 2023

Statement II

	2023	2022
Revenues		
Government of NWT Contributions	328,010	317,645
Prior year surplus	156,574	51,117
Interest revenue	4,306	205
Transferred to deferred revenue	(166,062)	(156,573)
Total Revenues	322,828	212,394
Expenses		
Bank charges and interest	837	550
Board travel and other costs	27,364	368
Honorarium	68,934	35,861
Insurance	2,130	2,421
Office and other supplies	26,512	12,156
Professional fees	90,694	61,867
Rent	28,237	28,122
Staff Travel and training	1,468	-
Telephone, fax and Internet	5,252	3,514
Wages and Benefits	71,400	67,535
Total Expenses	322,828	212,394
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, 2023

Statement III

	2023	2022
Net Financial Assets, Beginning of Year	\$ (2,130)	\$ (2,029)
Items Affecting Net Financial Asset:		
Operating Surplus for the Year	-	-
Acquisition of Prepaid	2,130	(101)
Net Financial Debts, End of Year	\$ -	\$ (2,130)

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

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
Statement of Cash Flows
For the Year Ended March 31, 2023

Statement IV

	2023	2022
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	(1,172)	52
Decrease (increase) in prepaid expenses	2,130	(101)
Increase (decrease) in accounts payable	(2,374)	(101,830)
Increase (decrease) in deferred revenue	9,489	105,457
	8,073	3,578
Net increase (decrease) in cash and equivalents	8,073	3,578
Cash and equivalents, beginning of year	185,586	182,008
Cash & Cash Equivalents, End of Year	193,659	185,586
Cash consists of :		
Cash in bank	15,899	185,586
GIC	177,760	-
	\$ 193,659	\$ 185,586

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, 2023

1. Nature of Organization

Northwest Territories Surface Right Board (The “Board”) is an institution of public government established pursuant to the Surface Right Board (SRB) Act of the NWT. The purpose of the Board is to fairly resolve matters in dispute regarding access to lands in the NWT and waters overlying those lands in the Mackenzie Valley and the compensation to be paid for that access. These lands include Gwich'in Land Claim Settlement lands, Sahtu land claim settlement lands, Tlicho land claim settlements lands, as well as private, commissioner's and crown lands. It also includes Inuvialuit land claim settlement lands.

The Board is exempt from income taxes under Section 149 of the Income Tax Act.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Public Sector Accounting Standards (PSAS).

2a) Use of Estimates

The preparation of financial statements necessarily involves the use of estimates, which have been made using careful judgment. Actual results could differ from these estimates and any differences will be reflected in the financial statements in the period in which they are known. The financial statements have, in the opinion of management, been properly prepared within the reasonable limits of materiality and the framework of the significant accounting policies summarized below.

2b) Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contributions. The minimum threshold for capitalization of assets is \$50,000. Amortization is calculated and recorded on a monthly basis, on a straight line basis in accordance with the asset categories. When a tangible capital asset belongs to a category that offers a range of useful lives, the board shall determine the useful life in a rational and systematic manner, appropriate to the nature and use of the tangible capital assets.

When a tangible capital asset no longer contributes to the Board’s ability to provide goods and services, or the value of future economic benefits or service potential associated with the tangible capital asset is less than its net carrying amount, the net carrying amount of the tangible capital asset is written down to the asset’s fair value or replacement cost.

2c) Revenue Recognition

Government Contracts and Contribution Agreements:

The Board follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
Notes to Financial Statements
For the Year Ended March 31, 2023

2. Significant Accounting Policies (Cont'd..)

2d) Financial Instruments

All significant financial assets, financial liabilities and equity instruments of the organization are either recognized or disclosed in the Financial Statements together with available information for a reasonable assessment of future cash flows, interest rate risk and credit risk. Where practicable, the fair values of financial assets and financial liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed.

i) Interest Rate Risk

The Board is exposed to Interest rate risk on its fixed and floating rate financial instruments. Fixed interest financial instruments subject the Board to a fair value risks while the floating rate instruments subject it to cash flow risk. The Board is not subject to significant interest rate risk as it does not have any long term debt or interest bearing liabilities.

ii) Liquidity Risk

Liquidity risk is the risk that the Board will not be able to meet its financial obligations as they become due. The Board manages liquidity risk by reviewing forecasted cash flows from operating activities, forecasted financing activities and forecasted investing activities including budgeted capital expenditures and related financing.

iii) Fair Values

The methods and assumptions followed to disclose fair value are inherently matters of judgment. Accordingly, fair values do not necessarily reflect the amounts that would be recovered or paid under the circumstances that immediate settlement of the financial instruments were required. The use of different methods of estimating and different assumptions could have a material effect on the estimated fair value amounts. Due to the short-term nature of accounts receivable, accounts payable and accrued liabilities the carrying amounts approximate fair value.

2e) Risk Management

The Board reviews financial risks and sets appropriate limits and controls when necessary.

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
Notes to Financial Statements
For the Year Ended March 31, 2023

3. New Accounting Standards

On April 1, 2022, the Company adopted public accounting standards on assets retirement obligations - PS 3280. The standard was adopted prospectively from the date of adoption. The new section established standards on how to account for and report a liability for asset retirement obligations (ARO).

The Company also adopted new standard PS 3400 on revenue. 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. The effective date to choose the policy is for financial years beginning on or after April 1, 2023. The Company has chose to do the early adoption.

These new standards have no effect on the financial statements.

4. Cash & Cash Equivalents

	2023	2022
Royal Bank Chequing	\$ 4,603	\$ 4,718
Royal Bank Savings	11,296	180,869
Royal Bank Cashable GIC	127,475	-
Royal Bank Non-redeemable GIC	50,285	-
	\$ 193,659	\$ 185,587

GIC's are for investment purpose, interest rate is per annum and is paid on maturity. Interest are paid at 3.25% for \$127,475 and 4% for \$50,284.79. These term deposits matured in August 22, 2023 and March 23, 2024 respectively.

5. Accounts Receivable

	2023	2022
Interest Receivable	1,173	-
	\$ 1,173	\$ -

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD
Notes to Financial Statement
For the Year Ended March 31, 2023

6. Accounts Payable

	2023	2022
Trades payable	\$ 9,969	\$ 10,765
Wages and honoraria fee payable	6,138	16,533
Vacation payable	3,226	1,935
WCB payable	240	108
Payroll remittances payable	8,486	1,619
GNWT payroll tax payable	711	183
	\$ 28,770	\$ 31,143

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 \$51,116 is repayable to GNWT.

	2023	2022
Balance, Beginning of Year	\$ 156,573	\$ 51,116
Deferred Revenue recognized as revenue during for the year	(156,573)	(51,116)
Deferred revenue for processing applications	166,062	156,573
Balance, End of Year	\$ 166,062	\$ 156,573

8. Economic Dependence

Revenues

The Board derives a material amount of its revenues from contribution agreements with the Government of the Northwest Territories. Interruption of this funding would materially affect the operations of the Board.

Supplies and Expenditures

The Board may purchase all of the resources necessary for its operations at fair market values from available vendors deemed to provide best value to the Board.

The Board does not engage in the employment services of skilled individuals who could not be replaced in the labour market.

NORTHWEST TERRITORIES SURFACE RIGHTS BOARD

Notes to Financial Statements

For the Year Ended March 31, 2023

9. Contingent Liabilities

The Board has determined that there have been no events that confirm that an asset has been impaired or liability incurred as at the financial statement date. The continued operations of the Board is dependent upon the Board securing financing by maintaining a volume of contribution funding. The Board has entered into a long term funding agreement with the Government of the Northwest Territories ending on March 31, 2026.

10. Commitments

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

2024	\$28,168
2025	\$28,168
2026	\$28,168

	\$84,504

STATUS OF WOMEN COUNCIL OF THE NWT
Yellowknife, NT

FINANCIAL STATEMENTS
For the year ended March 31, 2023

TABLE OF CONTENTS

	Page
Management's Responsibility for Reporting	
Independent Auditor's Report	
Statement of Financial Position	1
Statement of Operations	2
Statement of Changes in Fund Balances	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 13
Schedule of Core	14
Schedule of Family Violence Prevention Month	15
Schedule of NGO Stabilization Fund	16
Schedule of Safety Planning	17

Schedule of Economic Abuse	18
Schedule of Mmiwg Engagement Session	19
Schedule of Trauma and Violence Informed	20
Schedule of Workplace Sexual Harassment	21
Schedule of Expenses by Object	22

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 "Julie Levesque", with a long horizontal flourish extending to the right.

Executive Director



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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, 2023, 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, 2023, 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.

, 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.

, 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 27, 2023

STATUS OF WOMEN COUNCIL OF THE NWT

STATEMENT OF FINANCIAL POSITION

March 31, 2023

ASSETS

	2023	2022
CURRENT		
Cash	\$ 778,277	\$ 306,457
Accounts receivable (note 3)	-	58,052
Prepaid expenses	2,000	-
	780,277	364,509
DESIGNATED CASH	81,761	81,751
TANGIBLE CAPITAL ASSETS (note 4)	3,725	5,321
	\$ 865,763	\$ 451,581

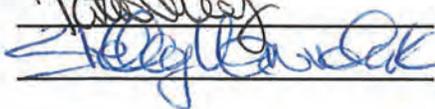
LIABILITIES

CURRENT		
Trade payables and accruals (note 5)	\$ 99,416	\$ 120,623
Wages and benefits payable (note 6)	-	66,415
Deferred revenue (note 7)	559,548	48,617
Government remittances payable	5,316	14,443
	664,280	250,098

FUND BALANCES

UNRESTRICTED SURPLUS (DEFICIT) per page 3	102,220	100,624
INVESTED IN TANGIBLE CAPITAL ASSETS per page 3	3,725	5,321
CONTINGENCY FUND per page 3	65,538	65,538
BENEFITS FUND per page 3	30,000	30,000
	201,483	201,483
	\$ 865,763	\$ 451,581

Approved:


 _____ Chairperson

 _____ Member

STATUS OF WOMEN COUNCIL OF THE NWT

STATEMENT OF OPERATIONS

For the year ended March 31, 2023

	<u>2023</u>	<u>2022</u>
REVENUES		
Core - Schedule 1	\$ 357,488	\$ 598,099
Family Violence Prevention Month - Schedule 2	-	57,600
NGO Stabilization Fund - Schedule 3	-	19,238
Safety Planning - Schedule 4	-	90,000
Economic Abuse - Schedule 5	30,553	81,920
MMIWG Engagement Session - Schedule 6	-	8,500
Trauma and Violence Informed - Schedule 7	38,365	106,635
Workplace Sexual Harassment - Schedule 8	<u>15,033</u>	<u>310,218</u>
	<u>441,439</u>	<u>1,272,210</u>
EXPENSES		
Core - Schedule 1	357,488	499,755
Family Violence Prevention Month - Schedule 2	-	57,600
NGO Stabilization Fund - Schedule 3	-	19,238
Safety Planning - Schedule 4	-	90,000
Economic Abuse - Schedule 5	30,553	81,920
MMIWG Engagement Session - Schedule 6	-	8,500
Trauma and Violence Informed - Schedule 7	38,365	106,635
Workplace Sexual Harassment - Schedule 8	<u>15,033</u>	<u>310,218</u>
	<u>441,439</u>	<u>1,173,866</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ 98,344</u>

STATUS OF WOMEN COUNCIL OF THE NWT

STATEMENT OF CHANGES IN FUND BALANCES

For the year ended March 31, 2023

	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>
	2022				
	Unrestricted Surplus (Deficit)	Invested in Tangible Capital Assets	Contingency Fund	Benefits Fund	Total
BALANCE, opening	\$ 13,806	\$ 7,601	\$ 51,732	\$ 30,000	\$ 103,139
Excess of revenues over expenses	98,344	-	-	-	98,344
Transfers	(13,806)	-	13,806	-	-
Amortization of tangible capital assets	<u>2,280</u>	<u>(2,280)</u>	<u>-</u>	<u>-</u>	<u>-</u>
BALANCE, closing	<u>\$ 100,624</u>	<u>\$ 5,321</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, 2023

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from contributions and donations	\$ 939,422	\$ 1,278,233
Cash paid for materials and services	(288,710)	(617,455)
Cash paid for wages and benefits	<u>(178,882)</u>	<u>(362,500)</u>
INCREASE IN CASH	471,830	298,278
CASH, opening	<u>388,208</u>	<u>89,930</u>
CASH, closing	<u>\$ 860,038</u>	<u>\$ 388,208</u>
REPRESENTED BY:		
Cash	\$ 778,277	\$ 306,457
Designated cash	<u>81,761</u>	<u>81,751</u>
	<u>\$ 860,038</u>	<u>\$ 388,208</u>

STATUS OF WOMEN COUNCIL OF THE NWT

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023

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, 2023

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, 2023

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>2023</u>	<u>2022</u>
GNWT - Health & Social Services	\$ -	\$ 14,201
Canada - Justice Partnership and Innovation Program	-	31,022
Canada - Women and Gender Equality (WAGE)	-	12,829
	<u>\$ -</u>	<u>\$ 58,052</u>

STATUS OF WOMEN COUNCIL OF THE NWT

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023

4. TANGIBLE CAPITAL ASSETS

	2023		2022	
	Cost	Accumulated amortization	Net	Net
Computer equipment	\$ 58,081	\$ 54,356	\$ 3,725	\$ 5,321
Equipment	4,870	4,870	-	-
	\$ 62,951	\$ 59,226	\$ 3,725	\$ 5,321

5. TRADE PAYABLES AND ACCRUALS

	2023	2022
Trade payables	\$ 1,999	\$ 90,734
Scotiabank Visa	18,307	9,209
Accrued liabilities	19,550	20,680
Government funds repayable	59,560	-
	\$ 99,416	\$ 120,623

6. WAGES AND BENEFITS PAYABLE

	2023	2022
Wages payable	\$ -	\$ 27,959
Severance liability	-	11,372
Vacation and lieu payable	-	27,084
	\$ -	\$ 66,415

STATUS OF WOMEN COUNCIL OF THE NWT

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023

7. DEFERRED REVENUE

Deferred revenue as at March 31, 2023, consists of the following:

	<u>2023</u>	<u>2022</u>
Economic Abuse	\$ 129,358	\$ -
Gender Equity	2,237	2,237
Workplace Sexual Harassment	236,680	-
Core fund	178,258	-
Trauma and Violence Informed	-	38,365
Wise women	8,015	8,015
Public Awareness	<u>5,000</u>	<u>-</u>
	<u>\$ 559,548</u>	<u>\$ 48,617</u>
Deferred revenue, opening	48,617	28,057
Receipts	952,370	175,000
Funding expended	<u>(441,439)</u>	<u>(154,440)</u>
	<u>559,548</u>	<u>48,617</u>

STATUS OF WOMEN COUNCIL OF THE NWT

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023

8. CONTRACTUAL RIGHTS

As at March 31, 2023, the Council had entered into contribution agreements with the GNWT - Department of Status of Women with the term April 1, 2021 - March 31, 2026, Canada - Justice Partnership and Innovation Program with the term January 6, 2020 - March 31, 2024 and Canada Women and Gender Equity with the term September 20, 2021 to March 31, 2024. The future maximum contributions are as follows:

	GNWT - Department of Status of Women	Canada Justice Partnership and Innovation Program	WAGE Canada	Total
2023-2024	\$ 444,000	\$ 490,615	\$ 103,644	\$ 1,038,259
2024-2025	444,000	-	-	444,000
2025-2026	444,000	-	-	444,000
	<u>\$ 1,332,000</u>	<u>\$ 490,615</u>	<u>\$ 103,644</u>	<u>\$ 1,926,259</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>2023</u>	<u>2022</u>
Government grants and contributions	\$ 349,693	\$ 1,085,760
Contributed rent	71,000	71,000
Sponsorship, donations and events	10,650	65,882
Administration fees	10,086	49,562
Interest income	<u>10</u>	<u>6</u>
	<u>\$ 441,439</u>	<u>\$ 1,272,210</u>

STATUS OF WOMEN COUNCIL OF THE NWT

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023

11. COMMITMENT

As at March 31, 2023, the Council has outstanding quarterly commitments of \$1,356 with respect to an office equipment lease expiring March 31, 2026 as follows:

2024	\$	5,424
2025		5,424
2026		<u>5,424</u>
	\$	<u>16,272</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>2023</u>	<u>2022</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>2023</u>	<u>2022</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, 2023

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, 2023, the Council has a \$20,000 (2022 - \$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>2023</u>	<u>2022</u>
Revenue		
GNWT - Executive & Indigenous Affairs	\$ 444,000	\$ 481,067
GNWT - Department of Justice	-	54,200
GNWT - Health & Social Services	-	28,400
GNWT - Municipal & Community Affairs	-	19,238
GNWT - Infrastructure (Contributed rent)	71,000	71,000
GNWT - Women's Initiative Grant	<u>5,000</u>	<u>-</u>
	<u>\$ 520,000</u>	<u>\$ 653,905</u>
Expenses		
GNWT - Infrastructure (Contributed rent)	\$ 71,000	\$ 71,000
GNWT - Financial Shared Services	1,435	2,347
Northwest Territories Health and Social Services Authority	-	1,250
Dehcho DEC	<u>20,000</u>	<u>-</u>
	<u>\$ 92,435</u>	<u>\$ 74,597</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, 2023

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, 2023

SCHEDULE OF CORE

Schedule 1

	<u>2023</u>	<u>2022</u>
REVENUES		
GNWT - Executive & Indigenous Affairs	\$ 265,742	\$ 444,000
GNWT - Contributed Rent	71,000	99,567
Grants	-	2,500
Administration Recovery	10,086	49,562
Miscellaneous	<u>10,660</u>	<u>2,470</u>
	<u>357,488</u>	<u>598,099</u>
EXPENSES		
Advertising	11,329	10,304
Amortization	1,596	2,280
Catering	5,026	-
Contributed Rent	71,000	71,000
Equipment Rental	5,955	5,767
Facilitators/Contractors	3,600	1,022
Honoraria	5,750	6,313
Interest & Bank Charges	453	104
Mail Service	1,447	1,916
Meeting Expenses/Conference Fees	-	1,791
Meetings	3,163	957
Professional Development - Staff	372	3,727
Professional/Contract Services	49,458	35,063
Resources/Subscriptions	1,838	1,092
Supplies	1,710	7,865
Technology	6,524	15,822
Community support	66,593	434
Telecommunications	11,176	24,469
Travel	10,881	8,412
Wages & Benefits	<u>99,617</u>	<u>301,417</u>
	<u>357,488</u>	<u>499,755</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ -</u>	<u>\$ 98,344</u>

STATUS OF WOMEN COUNCIL OF THE NWT

SCHEDULES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2023

SCHEDULE OF FAMILY VIOLENCE PREVENTION MONTH

Schedule 2

	<u>2023</u>	<u>2022</u>
REVENUES		
GNWT - Justice	\$ -	\$ 29,200
GNWT - Health & Social Services	<u>-</u>	<u>28,400</u>
	<u>-</u>	<u>57,600</u>
EXPENSES		
Administration	-	3,196
Community Events	-	39,340
FV Resource Package	-	10,199
Marketing & Communications	-	2,170
Postage & printing	-	1,464
YK Event	<u>-</u>	<u>1,231</u>
	<u>-</u>	<u>57,600</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, 2023

SCHEDULE OF NGO STABILIZATION FUND

Schedule 3

	<u>2023</u>	<u>2022</u>
REVENUE		
GNWT - Municipal & Community Affairs	\$ -	\$ 19,238
EXPENSES		
Professional Fees	<u>-</u>	<u>19,238</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, 2023

SCHEDULE OF SAFETY PLANNING

Schedule 4

	<u>2023</u>	<u>2022</u>
REVENUE		
GNWT - Justice	\$ -	\$ 25,000
De Beers Canada	<u>-</u>	<u>65,000</u>
	<u>-</u>	<u>90,000</u>
EXPENSES		
Professional fees	-	71,623
Marketing & communications	-	7,500
Print/Publication & Distribution	-	10,078
Freight/Transportation	<u>-</u>	<u>799</u>
	<u>-</u>	<u>90,000</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, 2023

SCHEDULE OF ECONOMIC ABUSE	Schedule 5	
	2023	2022
REVENUE		
Canada - Women and Gender Equity	\$ 30,553	\$ 81,920
EXPENSES		
Administration	-	2,120
Catering	-	1,500
Professional Fees	29,249	71,200
Project travel	1,304	-
Salaries and benefits	-	7,100
	<u>30,553</u>	<u>81,920</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, 2023

SCHEDULE OF MMIWG ENGAGEMENT SESSION

Schedule 6

	<u>2023</u>	<u>2022</u>
REVENUE		
Executive & Indigenous Affairs	\$ -	\$ 8,500
EXPENSES		
Administration fees	-	1,864
Wages and benefits	-	69
Project travel	-	4,167
Honoraria	-	2,400
	<u>-</u>	<u>8,500</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, 2023

SCHEDULE OF TRAUMA AND VIOLENCE INFORMED

Schedule 7

	<u>2023</u>	<u>2022</u>
REVENUE		
Canada - Women and Gender Equity	<u>\$ 38,365</u>	<u>\$ 106,635</u>
EXPENSES		
Marketing & Communications	5,506	39,145
Materials & Supplies	-	700
Office Equipment	-	280
Print/Publication & Distribution	7,773	9,494
Professional fees	15,000	40,609
Program delivery/costs	-	407
Salaries and Benefits	<u>10,086</u>	<u>16,000</u>
	<u>38,365</u>	<u>106,635</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, 2023

SCHEDULE OF WORKPLACE SEXUAL HARASSMENT

Schedule 8

	<u>2023</u>	<u>2022</u>
REVENUE		
Justice Canada	\$ 15,033	\$ 310,218
EXPENSES		
Accounting & Legal	-	5,105
Administration	-	40,463
Honoraria	-	6,000
Marketing & Communications	769	5,650
Print/Publication & Distribution	-	15,880
Professional Fees	8,100	99,500
Program Delivery	5,492	71,946
Project Travel	672	130
Training	-	2,994
Wages & Benefits	-	62,550
	<u>15,033</u>	<u>310,218</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, 2023

SCHEDULE OF EXPENSES BY OBJECT

Schedule 9

	<u>2023</u>	<u>2022</u>
Advertising & Promotion	\$ 18,410	\$ 84,568
Amortization	1,596	2,280
Administration Fees	897	48,247
Community grants	60,000	-
Computer	6,524	4,516
Community Events	9,088	43,168
Contributed Rent	71,000	71,000
Equipment Rental	5,955	5,627
Freight/ Postage	1,447	2,743
Honoraria	5,750	16,171
Interest and bank charges	380	104
Materials and supplies	6,710	14,502
Office Supplies	1,787	6,541
Print/Publication & Distribution	7,773	36,916
Professional/Contract Services	104,675	338,871
Program delivery costs	5,338	82,633
Telecommunications	11,176	9,414
Travel and Accommodation	12,858	12,709
Staff Training	372	6,720
Wages and Benefits	109,703	387,136
	<u>\$ 441,439</u>	<u>\$ 1,173,866</u>

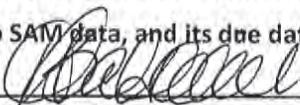
Fur Marketing Service Revolving Fund

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)

	2022/23 Actuals	2022/23 Revised Estimates	2022/23 Main Estimates	2021/22 Actuals
Authorized Limit	1,500	1,500	1,500	1,500
Opening Accounts Receivable	967	967	948	1,231
Advances to Trappers	295	131	838	198
Repayment of Fur Account Loans	(246)	(205)	(699)	(462)
Closing Accounts Receivable	1,016	893	1,087	967
Cash	(1,885)			(2,079)
Other Asset Accounts	1			7
Asset (Liability) Accounts	364			302
Clearing Accounts	68			64
Closing Balance Fund 12	(436)			(739)
Authorized limit	1,500			1,500

The information provided within this working paper addresses all requirements of YE Directive #50 with regards to content, format, completeness, analysis and reconciliation to SAM data, and its due date of May 11th, 2023.


 _____ Hilda Balsillie, A/DFA
 May 11, 2023

**Marine Transportation Services
(Marine Transportation Services Revolving Fund)**

Financial Statements

March 31, 2023

**Marine Transportation Services
(Marine Transportation Services Revolving Fund)**

Financial Statements

March 31, 2023	Page
Management's Responsibility for Financial Reporting	3
Independent Auditors' Report	4 - 5
Statement I - Statement of Financial Position	6
Statement II - Statement of Changes in Net Financial Debt	7
Statement III - Statement of Operations	8
Statement IV - Statement of Accumulated Surplus (Deficit)	9
Statement V - Statement of Cash Flows	10
Notes to Financial Statements	11 – 25

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 30, 2023

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, 2023, 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, 2023, 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.



Hay River, Northwest Territories
June 30, 2023

Ashton Chartered Professional Accountants

**Marine Transportation Services
(Marine Transportation Services Revolving Fund)**

Statement I

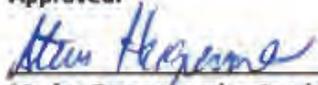
Statement of Financial Position

March 31,	2023	2022
Financial Assets		
Accounts receivable (note 4)	\$ 4,251,301	\$ 1,298,444
Employee future benefits (note 5)	-	9,140
	4,251,301	1,307,584
Liabilities		
Bank indebtedness (note 6)	20,360,103	22,587,906
Accounts payable and accrued liabilities (note 7)	13,040,072	3,974,908
Deferred revenue	167,671	208,417
Employee future benefits (note 5)	3,010	-
Due to Government of Northwest Territories - Revolving fund (note 8)	16,420,515	19,160,103
Due to Government of Northwest Territories - long-term loan (note 9)	10,260,438	10,260,438
Net financial debt	(56,000,508)	(54,884,188)
Non-financial assets		
Tangible capital assets (note 10)	52,167,176	52,062,790
Prepaid expenses and deposits (note 11)	1,463,237	1,362,833
Inventory (note 12)	2,370,095	1,458,565
	56,000,508	54,884,188
Surplus (deficit)	\$ -	\$ -

Contributed capital (note 13)

Contractual rights (note 14)

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,	2023 Budget	2023 Actual	2022 Actual
Net financial debt, beginning of year	\$ (54,884,188)	\$ (54,884,188)	\$ (51,351,749)
Excess (deficiency) of revenues over expenses	-	-	-
Amortization	2,350,735	2,613,678	2,111,431
Acquisition of inventories	-	(911,530)	(554,922)
Acquisition of prepaid expenses	-	(100,404)	(1,021,579)
Purchase of tangible capital assets	(1,904,150)	(2,718,064)	(4,067,369)
Change in net financial debt	446,585	(1,116,320)	(3,532,439)
Net financial debt, end of year	\$ (54,437,603)	\$ (56,000,508)	\$ (54,884,188)

**Marine Transportation Services
(Marine Transportation Services Revolving Fund)**

Statement III

Statement of Operations

For the year ended March 31,	2023 Budget	2023 Actual	2022 Actual
Revenues			
Cargo delivery revenue	\$ 7,946,285	\$ 9,374,638	\$ 6,663,695
Fuel delivery revenue	9,428,805	12,980,307	9,204,184
Fuel sales	7,700,000	12,456,269	5,951,635
Shipyards services	3,069,200	2,021,934	1,191,246
Charter revenue	700,000	3,601,184	3,464,835
Rental and other revenue	350,863	988,064	376,142
	29,195,153	41,422,396	26,851,737
Expenses (note 15)			
Fuel cost of sales	7,700,000	12,516,848	5,995,238
Maintenance	7,919,709	10,424,521	8,634,100
Marine operations	11,245,016	15,067,507	10,496,395
Shipyards service	560,000	1,451,077	750,661
Terminal operations	2,624,515	3,343,856	3,045,922
General and administrative	3,278,577	3,030,922	3,353,445
	33,327,817	45,834,731	32,275,761
Deficiency of revenue over expenses before other expenses and items	(4,132,664)	(4,412,335)	(5,424,024)
Other expenses			
Amortization	2,350,735	2,613,678	2,111,431
Finance charges (note 16)	1,129,271	1,224,337	1,016,842
	3,480,006	3,838,015	3,128,273
Deficiency of revenue over expenses before other item	(7,612,670)	(8,250,350)	(8,552,297)
Other item			
Grant contributions (note 17)	7,612,670	8,250,350	8,552,297
Excess (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, **2023** **2022**

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,	2023	2022
Cash provided by (used for)		
Operating activities		
Excess (deficiency) of revenues over expenses	\$ -	\$ -
Items not affecting cash		
Amortization	2,613,678	2,111,431
Finance charges	1,224,337	1,016,842
	3,838,015	3,128,273
Changes in non-cash working capital items		
Accounts receivable	(2,952,857)	7,041,869
Accounts payable and accrued liabilities	9,065,164	1,553,827
Deferred revenue	(40,746)	(400,000)
Employee future benefits	12,150	6,172
Inventory	(911,530)	(554,922)
Prepaid expenses and deposits	(100,404)	(1,021,579)
	8,909,792	9,753,640
Financing activities		
Payments to Government of Northwest Territories	(3,963,925)	(11,927,548)
Investing activity		
Purchase of tangible capital assets	(2,718,064)	(4,067,369)
Increase (decrease) in cash	2,227,803	(6,241,277)
Cash (bank indebtedness), beginning of year	(22,587,906)	(16,346,629)
Cash (bank indebtedness), end of year	\$ (20,360,103)	\$ (22,587,906)

See accompanying notes

Marine Transportation Services (Marine Transportation Services Revolving Fund)

Notes to the Financial Statements

March 31, 2023

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, 2023

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, 2023

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, 2023

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 Natural Resources
- 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 Heritage Fund
- Northwest Territories Power Corporation

Marine Transportation Services (Marine Transportation Services Revolving Fund)

Notes to the Financial Statements

March 31, 2023

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, 2023

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, 2023, 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

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 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, 2023

4. Accounts receivable

	2023	2022
Customer receivable	\$ 392,277	\$ 566,859
Government of Canada		
Transport Canada	2,080,982	975,000
Fisheries and Oceans	1,292,527	1,234
Federal excise tax	-	52,612
Government of Northwest Territories		
Northwest Territories Energy Corporation	638,409	-
Northwest Territories Power Corporation	412	-
	4,404,607	1,595,705
Less: Allowance for doubtful accounts	153,306	297,261
	\$ 4,251,301	\$ 1,298,444

5. 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, 2023. 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, 2023

5. Employee future benefits (continued)

	2023	2022
Accrued benefit obligation, beginning of year	\$ 85,478	\$ 55,778
Benefits earned	4,332	4,608
Interest	3,384	1,797
Benefit paid	(8,805)	(4,106)
Actuarial (gain) loss	(8,843)	33,513
Plan amendment	-	(6,112)
Accrued benefit obligation, end of year	75,546	85,478
Unamortized net actuarial loss	(72,536)	(94,618)
Employee future benefit liability (asset), end of year	\$ 3,010	\$ (9,140)

	2023	2022
Benefits Expense		
Current service cost	4,332	4,608
Interest cost	3,384	1,797
Amortization of net actuarial loss	13,239	9,985
Plan amendment	-	(6,112)
	\$ 20,955	\$ 10,278

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 contributions during the next five fiscal years are as follows:

	Total
2024	\$ 8,383
2025	11,221
2026	9,704
2027	10,514
2028	14,050
Total	\$ 53,872

Marine Transportation Services
(Marine Transportation Services Revolving Fund)

Notes to the Financial Statements

March 31, 2023

6. 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.

7. Accounts payable and accrued liabilities

	2023	2022
Trade accounts payable and accrued liabilities	\$ 12,685,287	\$ 3,799,855
Government of Canada		
Goods and service tax	77,636	94,079
Federal excise tax	58,054	-
Government of Northwest Territories		
Department of Infrastructure - Fuel Services Division	207,094	52,815
Northwest Territories Power Corporation	6,358	-
Department of Infrastructure	5,643	-
Department of Finance - Carbon tax	-	15,440
Department of Finance - Petroleum tax	-	12,719
	\$ 13,040,072	\$ 3,974,908

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 \$1,095,066 (2022 - \$867,368).

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 \$129,271 (2022 - \$149,474).

Fund made \$nil (2022 - \$nil) payment against the Government of Northwest Territories long-term loan.

**Marine Transportation Services
(Marine Transportation Services Revolving Fund)**

Notes to the Financial Statements

March 31, 2023

9. Due to Government of Northwest Territories – long-term loan (continued)

	2023	2022
Government of Northwest Territories long-term loan, due in December 2027	\$ 10,260,438	\$ 10,260,438
Estimated principal repayments are as follows:		
2024	\$ 5,491,865	
2025	1,159,740	
2026	1,181,079	
2027	1,202,811	
2028	1,224,943	
	\$ 10,260,438	

10. Tangible capital assets

For the year ended March 31,					2023	2022
	Land	Vessels and barges	Machinery and equipment	Capital work in progress	Total	Total
Cost						
Balance, beginning of the year	\$ 2,212,843	\$ 47,524,210	\$ 1,493,498	\$ 6,352,010	\$ 57,582,561	\$ 53,515,192
Addition during the year	-	1,918,611	236,307	2,718,066	4,872,984	8,778,760
Capitalized from capital work in progress	-	-	-	(2,154,918)	(2,154,918)	(4,711,391)
Balance, end of year	2,212,843	49,442,821	1,729,805	6,915,158	60,300,627	57,582,561
Accumulated amortization						
Balance, beginning of the year	-	5,195,693	324,078	-	5,519,771	3,408,340
Annual amortization	-	2,502,306	111,374	-	2,613,680	2,111,431
Balance, end of year	-	7,697,999	435,452	-	8,133,451	5,519,771
Net book value	\$ 2,212,843	\$ 41,744,822	\$ 1,294,353	\$ 6,915,158	\$ 52,167,176	\$ 52,062,790

11. Prepaid expenses and deposits

	2023	2022
Insurance	\$ 262,873	\$ 299,854
Other	1,200,364	1,062,979
	\$ 1,463,237	\$ 1,362,833

Prepaid expenses other includes \$1,018,589 (2022 - \$955,968) in costs related to cargo deliveries in transit that will be completed next fiscal year.

Marine Transportation Services
(Marine Transportation Services Revolving Fund)

Notes to the Financial Statements

March 31, 2023

12. Inventory

	2023	2022
Fuel	\$ 1,995,148	\$ 1,088,191
Parts and supplies	374,947	370,374
	\$ 2,370,095	\$ 1,458,565

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, 2023 the Government of Northwest Territories made accumulated contributions of \$19,631,318 (2022 - \$15,359,515).

14. Contractual rights

The Fund had a contract since August 27, 2019 for the use of the Nahidik II vessel for the duration of twenty (20) years with the estimated price of \$400,000 per year for the first ten years and \$500,000 per year for the next ten years.

The expected revenue over the next five fiscal years are as follows:

	Total
2024	\$ 400,000
2025	400,000
2026	400,000
2027	400,000
2028	400,000
Subsequent years	5,568,767
	\$ 7,568,767

Marine Transportation Services
(Marine Transportation Services Revolving Fund)

Notes to the Financial Statements

March 31, 2023

15. Expenses

	Fuel cost of sales	Maintenance	Marine operations	Shipyard service	Terminal operations	General and administrative	2023 Actual
Wages and benefits	\$ -	\$ 7,255,559	\$ 8,418,156	\$ -	\$ 1,880,772	\$ 1,679,129	\$ 19,233,616
Fuel cost of sales	12,516,848	-	-	-	-	-	12,516,848
Insurance	-	226,975	1,152,377	-	247,268	-	1,626,620
Fuel consumption	-	246,852	1,665,322	-	266,617	-	2,178,791
Shipyard service cost of sales	-	-	-	1,451,077	-	-	1,451,077
Other	-	2,695,135	3,831,652	-	949,199	1,351,793	8,827,779
	\$ 12,516,848	\$ 10,424,521	\$ 15,067,507	\$ 1,451,077	\$ 3,343,856	\$ 3,030,922	\$ 45,834,731

16. Financing charges

	2023	2022
Interest on revolving fund - due to Government of Northwest Territories	\$ 1,095,066	\$ 867,368
Interest on long-term loan - due to Government of Northwest Territories	129,271	149,474
	\$ 1,224,337	\$ 1,016,842

17. Grant contributions

	2023	2022
Government of Canada		
Transport Canada - Ocean Protection Fund - 75% of doubled hulled barges	\$ 1,105,981	\$ -
Low Carbon Economy Leadership Fund - capital expenditure for the refit of the Jock McNiven vessel	-	784,227
Government of Northwest Territories - Department of Infrastructure		
Operating losses	4,271,803	6,751,228
Airlift recovery	1,648,229	-
Finance charges	1,224,337	1,016,842
	\$ 8,250,350	\$ 8,552,297

Marine Transportation Services
(Marine Transportation Services Revolving Fund)

Notes to the Financial Statements

March 31, 2023

18. Related party transactions

During the year the Fund incurred the following transactions with the related parties:

	2023	2022
Revenue		
Government of Northwest Territories		
Department of Infrastructure - Fuel Services Division	\$ 8,068,218	\$ 5,667,346
Northwest Territories Energy Corporation	2,220,197	-
Northwest Territories Power Corporation	347,660	147,184
Department of Environmental and Natural Resources	108,678	144,293
NWT Housing Corporation	54,645	26,089
Department of Infrastructure	25,433	10,723
Beaufort Delta Divisional Education Council	23,265	3,683
Northwest Territories Health and Social Services Authorities	8,405	5,401
Sahtu Divisional Education Council	5,234	700
Department of Infrastructure - Yellowknife Airport Revolving Fund	972	-
Ulukhaktok Housing Association	692	-
Sahtu Divisional Board of Education	539	-
Department of Industry, Tourism and Investment	173	266
Ft Good Hope Renewable Resources Corp	-	1,494
	\$ 10,864,111	\$ 6,007,179
Expenses		
Government of Northwest Territories		
Department of Finance	\$ 281,371	\$ 263,893
Department of Infrastructure - Fuel Services Division	219,158	84,852
Department of Infrastructure	104,909	67,875
Northwest Territories Power Corporation	67,305	56,429
	\$ 672,743	\$ 473,049

Accounts receivable from related parties are disclosed in note 4.

Accounts payable and accrued liabilities to related parties are disclosed in note 7.

Finance charges are disclosed in note 16.

Grant contributions are disclosed in note 17.

Marine Transportation Services (Marine Transportation Services Revolving Fund)

Notes to the Financial Statements

March 31, 2023

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.

(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 \$4,251,301 (2022 - \$1,298,444). At March 31, 2023, the Fund's management has determined that \$153,306 (2022 - \$297,261) accounts receivable was impaired. Management's assessment was based on specific identification and age of receivables.

	0 to 30 Days	31 to 60 Days	61 to 90 Days	+ 90 Days	TOTAL
Accounts receivable	\$ 2,890,825	\$ 374,431	\$ -	\$ 1,139,351	\$ 4,404,607
Allowance for doubtful accounts	-	-	-	(153,306)	(153,306)
	\$ 2,890,825	\$ 374,431	\$ -	\$ 986,045	\$ 4,251,301

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, 2023, receivables from three customers comprised 97% (2022 - 90%) 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.

Marine Transportation Services (Marine Transportation Services Revolving Fund)

Notes to the Financial Statements

March 31, 2023

19. Risk management (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet all cash outflow obligations as they come due. The Fund mitigates this risk by monitoring cash activities and expected outflows and utilizing the overdraft availability on the Funds bank account to cover unexpected cash outflow should they arise.

The Fund's maximum exposure to liquidity risk is represented by the financial liabilities for a total of \$60,081,128 (2022 - \$55,983,355). 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.

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.

20. Comparative figures

Where necessary, comparative figures have been adjusted to conform with current year presentation.

69th Annual Report

2022–2023



**NORTHWEST TERRITORIES
LIQUOR AND
CANNABIS
COMMISSION**

Photo credit:
JCVossler



The Honourable Caroline Wawzonek

NWT Liquor & Cannabis Commission

Pursuant to Subsection 64 (1) of the Liquor Act, we are pleased to submit the sixty-ninth Annual Report of the Northwest Territories Liquor & Cannabis Commission for the fiscal year ending March 31, 2023.

We wish to express our thanks to our staff for all their support and contributions to the progress of the Commission during the year.

Jodi Cook-Vossler
Acting Director, Liquor & Cannabis Operations
NWT Liquor & Cannabis Commission

Terence Courtoreille
A/Deputy Minister
Department of Finance



Table of Contents

Members of the Legislative Assembly 3

Minister of Finance 4

Organization Chart 5

Northwest Territories Liquor & Cannabis Commission 6

Report on Liquor 7

Director, Liquor Operations Report..... 8

Mandate 9

Operations 10

Strategic Objectives 10

 Goal #1 – Management & Compliance 10

 Goal #2 – Social Responsibility 11

 Goal #3 – Financial Targets 14

Store Operations..... 19

Statement of Operations by Location 20

Store Locations 24

Report on Cannabis 25

Mandate 26

Operations 26

Strategic Objectives 26

 Goal #1 – Management & Compliance 26

 Goal #2 – Social Responsibility 28

 Goal #3 – Financial Targets 29

Store Operations..... 32

Statement of Operations by Location 33

Store Locations 35



Audited Financial Report Statements 36

Management’s Responsibility for Financial Reporting 39

Auditor’s Report 40

Statement of Financial Position 42

Statement of Operations 43

Statement of Accumulated Surplus..... 44

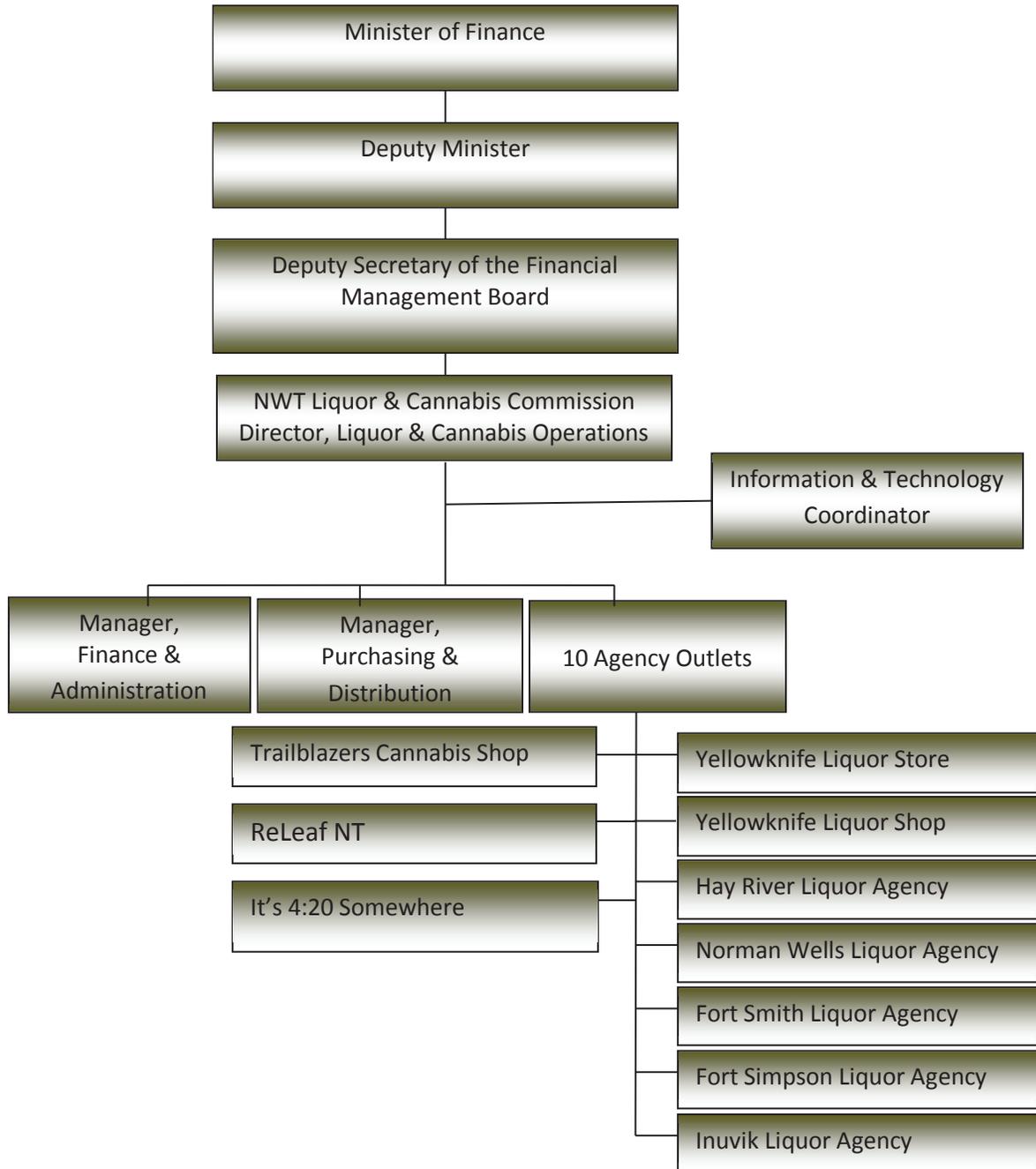
Statement of Changes in Net Financial Assets 45

Statement of Cash Flow 46

Notes to Financial Statements 47



Organization Chart





Northwest Territories Liquor & Cannabis Commission

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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 2022-2023 fiscal year showed an 2.45% sales decrease over the prior fiscal year at \$54 million in liquor sales. The overall volume of liquor sold, in litres, decreased by 3.05% over 2021-2022. Subsequently, the annual surplus for liquor was 4.23% below budget targets.

Cannabis sales increased over 2021-22 by 1.6%, at \$7.6 million in cannabis sales. Product selection and supply continue to improve across Canada.

Combined sales for liquor and cannabis products of \$62 million provided for a total \$26 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. Three of the seven retail outlets also sell cannabis. There is one private cannabis store in Hay River and two in Yellowknife; one which also operates as an online store, providing the only legal online cannabis sales to residents of the NWT.

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
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. The Commission was successful in meeting the goals established in the strategic plan.

The NTLCC and our private retailers continued with health & safety measures required by the Covid-19 Public Health Orders, ensuring the safety of staff and customers.

Now that restrictions have been lifted, we are seeing our sales figures more in line with numbers and targets prior to the unprecedented growth that occurred throughout Covid.

I would like to thank our staff, agents, customers, and partners for a safe and successful year.

A handwritten signature in blue ink, appearing to read "Jodi Cook-Vossler".

Jodi Cook-Vossler
Acting 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 2022–2023 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.

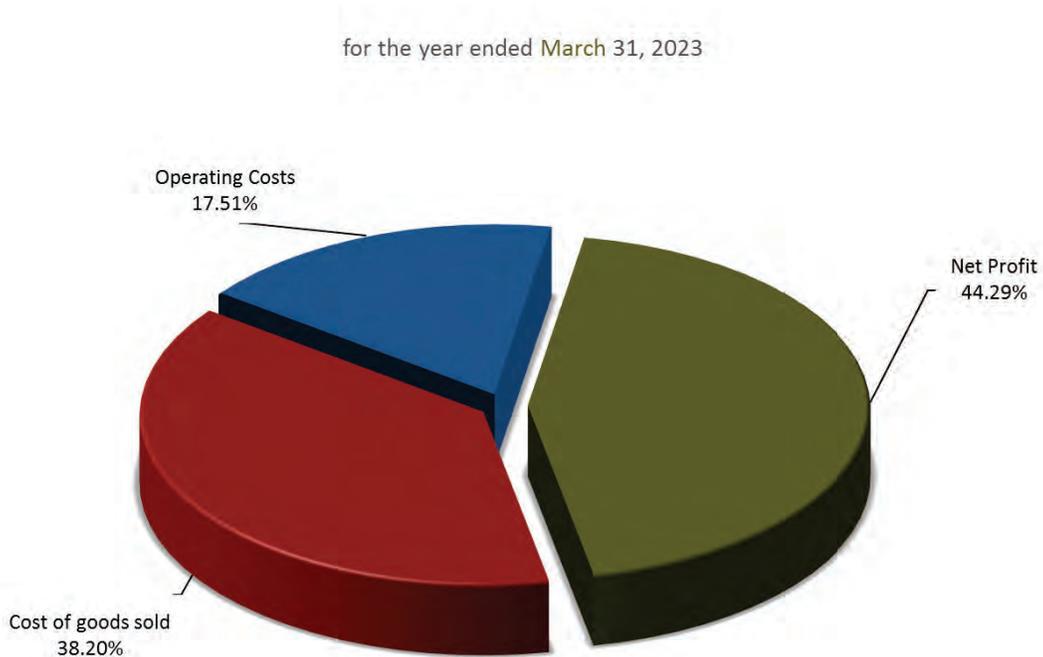
All seven of the private agency stores operate with inventory on consignment from the Commission. Sales to consumers and licensees are incurred through sales by the consignment stores.

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 11.97% was paid to liquor store contractors in Commissions.



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. All liquor store service personnel must successfully complete the NTLCC liquor store training program and demonstrate competence in the service of beverage alcohol.

Social Responsibility, cont.

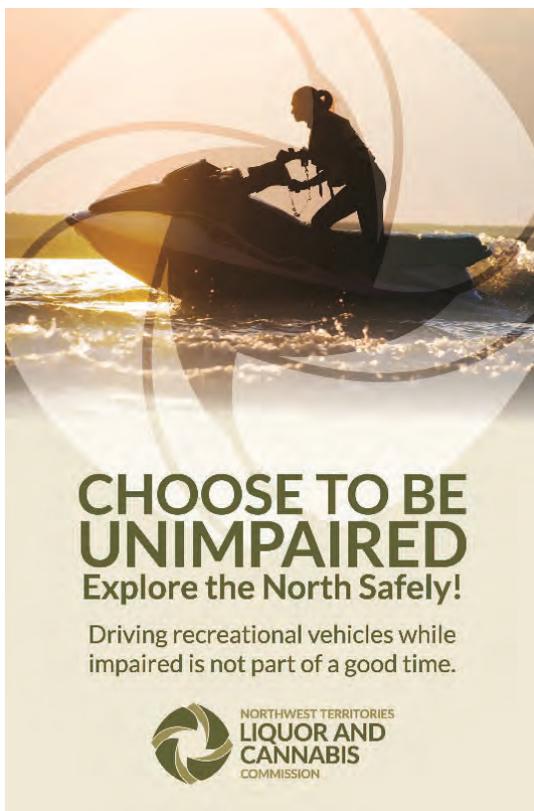
The Check 25 program is intended to strengthen controls concerning service to minors. The program conditions our customers to expect to be asked for proof of identification if they appear to be under the age of 25.

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 provided 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.

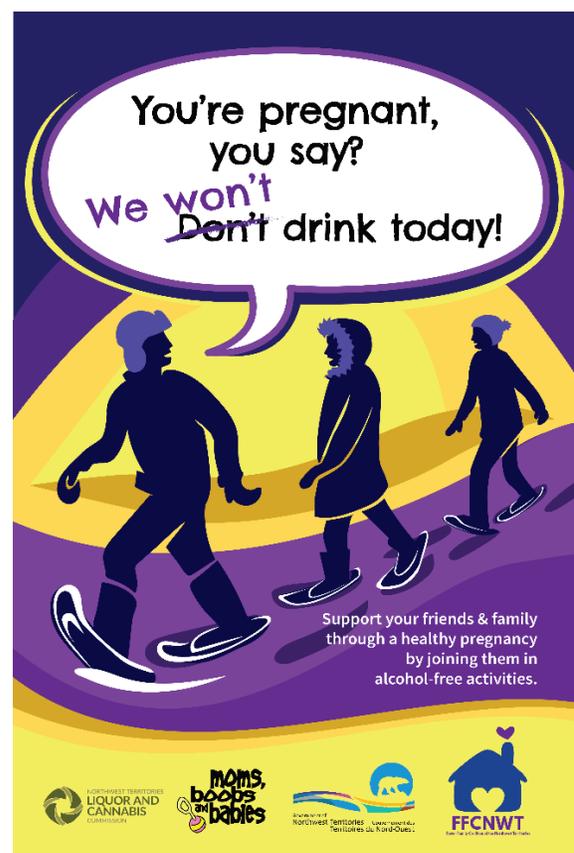
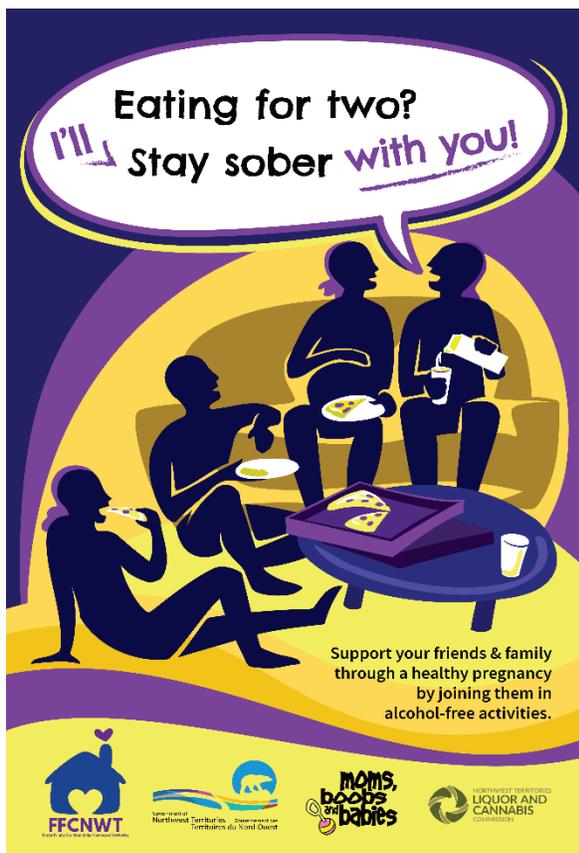


Social Responsibility, cont.

The NTLCC promotes increased awareness of Canada’s Low-Risk Drinking Guidelines, in all Stores through making available pamphlets and displaying posters as provided by the Canadian Centre on Substance Use and Addictions.

The NWT Liquor & Cannabis Commission, 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 2022-23.



Goal #3 – Financial Targets

Meet financial income targets.

Performance Highlights

The end of Covid 19 restrictions in the NWT and opening of the border contributed to a decline in sales volumes in overall litres for the first time in three years. Overall litre sales were down (3.05%). An increase in operating expenses has also contributed to lower surplus. The NTLCC annual surplus was (6.80%) below the previous fiscal year and fell short of the budgeted target by (4.23%). These numbers are more in line with sales numbers and targets prior to the unprecedented growth that occurred throughout Covid.

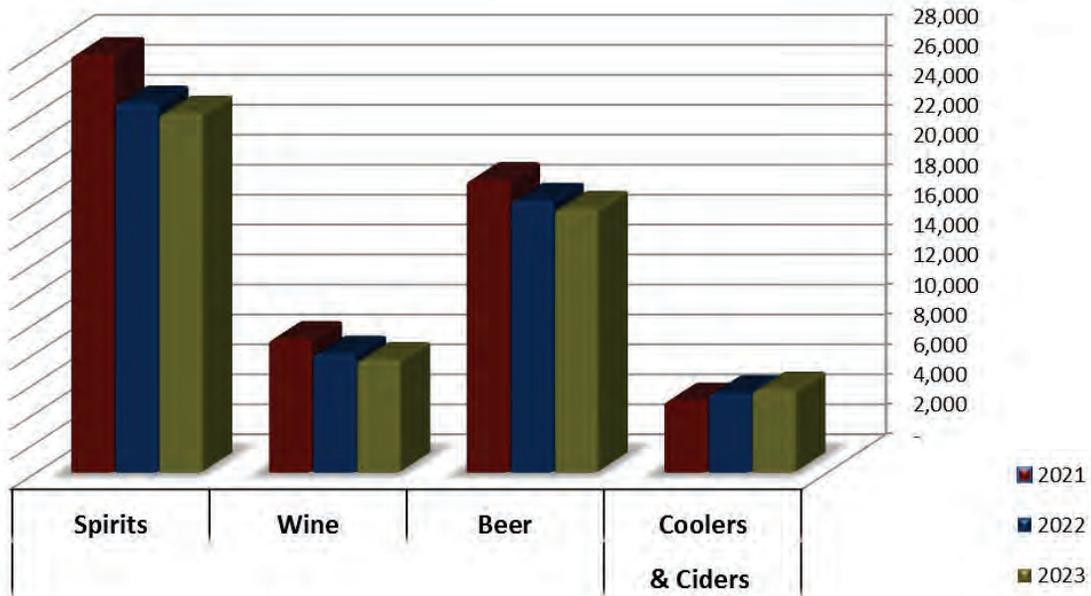
Five Year Performance History

for the year ending March 31
(000's)

	2023	2022	2021	2020	2019
Gross Sales	54,374	55,741	60,865	52,508	52,822
Gross Profit	33,594	34,892	38,638	33,310	33,482
as a % of sales	61.8%	62.6%	63.5%	63.4%	63.4%
Other Income	15	6	19	28	7
Net Surplus	23,972	25,721	29,338	24,652	24,924
as a % of sales	44.1%	46.1%	48.2%	47.5%	47.2%
Operating Expenses	9,637	9,177	9,319	8,686	8,565
as a % of sales	17.7%	16.5%	15.3%	16.5%	16.2%

Three Year Dollar Sales by Category

Gross Dollar Sales had an over-all decrease of (2.45%) from 2022; with decreases in the Spirits (2.73%), Wine (5.36%), Beer (2.94%) and an increase in Coolers & Ciders 4.95%.



Three Year Dollar Sales by Category

for the year ending March 31

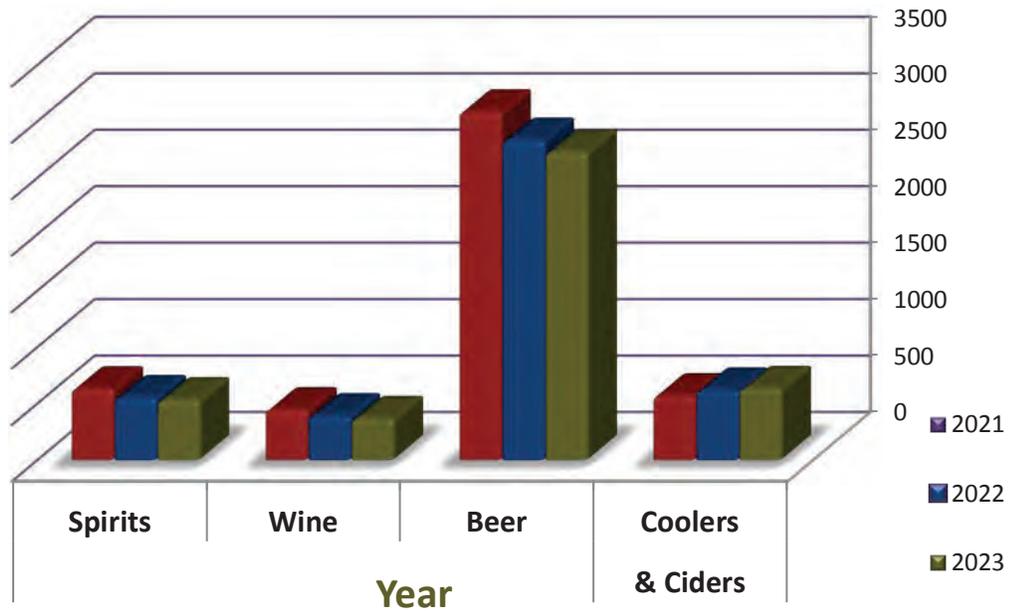
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	Spirits	Wine	Beer	& Ciders Coolers	Total
2021	27,814	8,848	19,467	4,736	60,865
2022	24,575	7,875	18,078	5,213	55,741
2023	23,904	7,453	17,546	5,471	54,374



Three Year Litre Sales by Category

Litre Sales had an overall decrease of (3.05%) from 2022. There was a decline in Spirits (3.68%), Wine (6.54%), Beer (3.65%) and growth in Coolers & Ciders of 2.46%.



Three Year Litre Sales by Category

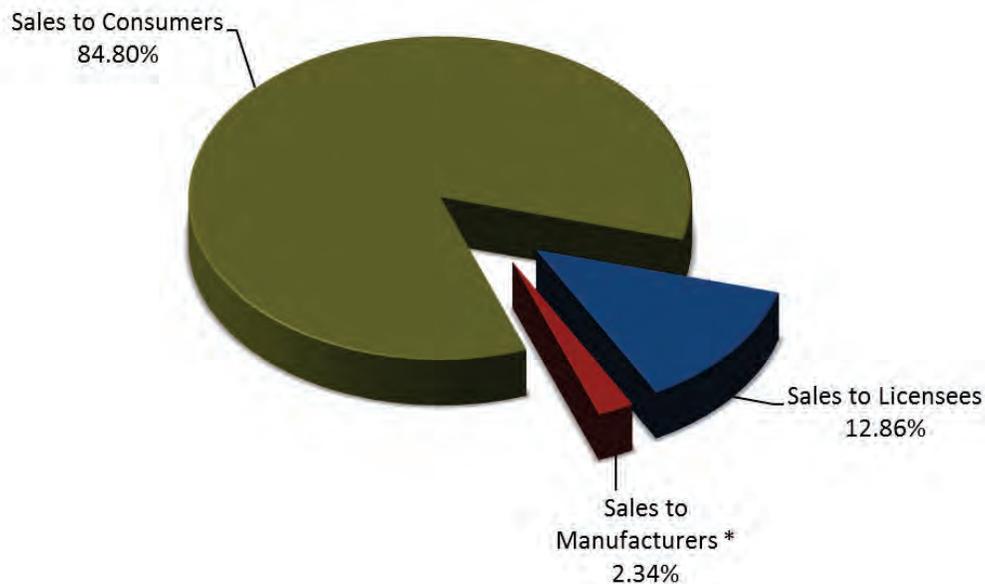
for the year ending March 31
(000's)

	Spirits	Wine	Beer	Coolers & Ciders	Total
2021	620	435	3,074	558	4,687
2022	543	382	2,823	609	4,357
2023	523	357	2,720	624	4,224

Litre Sales by Distribution Channel

Litre Sales by Distribution decreased over 2022. There was a decrease in Consumer Sales of (5.79%), and increases in both Manufacturer Sales 15.78%, and Licensee Sales 13.79%.

for the year ended March 31, 2023



* 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

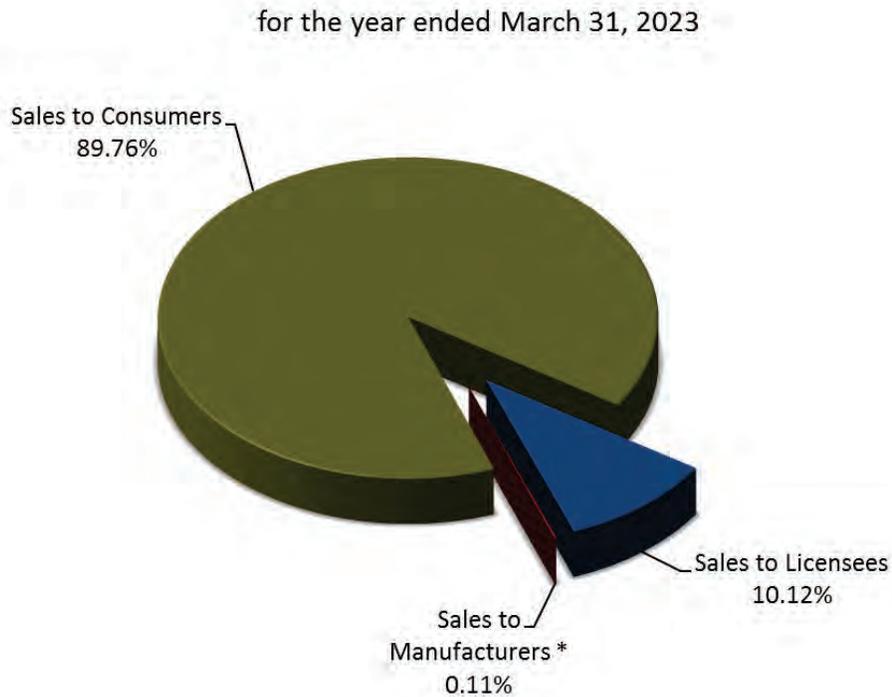
(000's)

	2023	2022	2021
Sales to Consumers	3,582	3,802	4,174
Sales to Licensees	543	469	419
Sales to Manufacturers *	99	87	93
Total	4,224	4,358	4,686

Dollar Sales by Distribution Channel

Gross Dollar Sales by Distribution decreased from 2022. Consumer Sales decreased (4.39%), while Licensee Sales increased 18.77% and Manufacturer Sales increased 6.90%.

The increase in both Licensee Sales and Manufacturer Sales is in part due to the reopening of licensee establishments following a couple years of closures and restrictions due to Covid-19.



* 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)

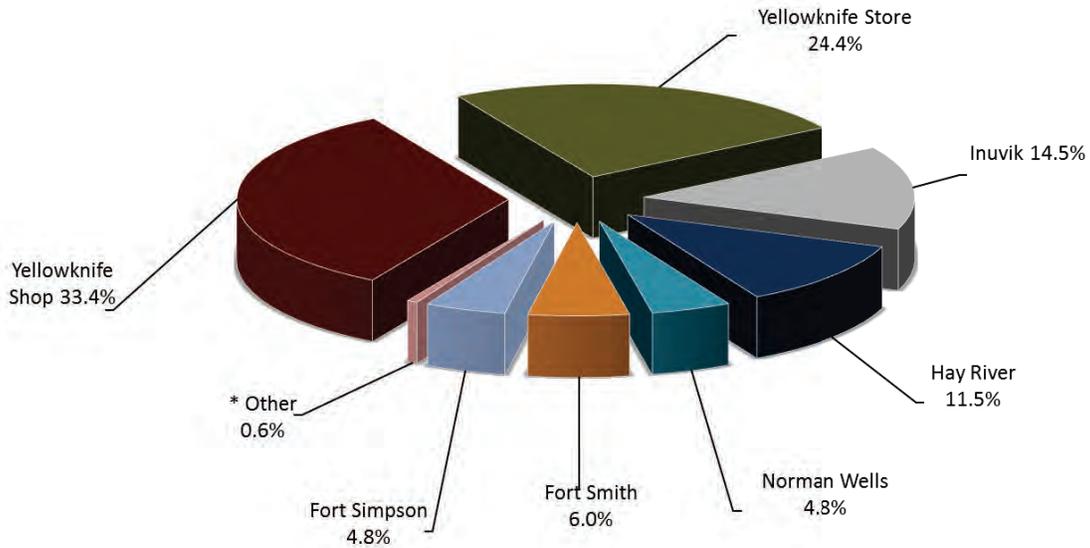
	2023	2022	2021
Sales to Consumers	48,807	51,048	56,106
Sales to Licensees	5,505	4,635	4,697
Sales to Manufacturers *	62	58	62
Total	54,374	55,741	60,865



Store Operations

Location Sales

for the year ending March 31, 2023



Sales by Location

for the year ending March 31

(000's)

	2023	2022	2021	2020	Increase (Decrease)
Yellowknife Shop	18,157	17,864	18,951		293
Yellowknife Store	13,262	13,444	15,724	12,727	(182)
Inuvik	7,876	8,145	8,420	7,395	(269)
Hay River	6,272	7,217	8,057	6,362	(945)
Norman Wells	2,588	2,417	2,755	2,704	171
Fort Smith	3,264	3,304	3,477	3,087	(40)
Fort Simpson	2,616	3,036	3,177	2,381	(420)
* Other	339	314	304	265	25
Total	54,374	55,741	60,865	34,921	(1,367)



Statement of Operations by Location

(for the year ended March 31, 2023 with comparative figures for 2022)
(revenue and expenses directly related to sales per location)

Yellowknife Shop

(\$000's)

	Spirits	Wine	Beer	Coolers	2023 Total	2022 Total
Sales						
Consumers	6,204	2,399	4,645	1,722	14,970	15,829
Licensees	849	562	1,513	264	3,188	2,035
	<u>7,053</u>	<u>2,961</u>	<u>6,158</u>	<u>1,986</u>	<u>18,158</u>	<u>17,864</u>
Cost of goods sold	<u>2,336</u>	<u>1,472</u>	<u>2,698</u>	<u>864</u>	<u>7,370</u>	<u>7,064</u>
Gross margin	4,717	1,489	3,460	1,122	10,788	10,800
Other income					-	-
Operating expenses					<u>2,810</u>	<u>2,505</u>
Net income					<u>7,978</u>	<u>8,295</u>

Yellowknife Store

(\$000's)

	Spirits	Wine	Beer	Coolers	2023 Total	2022 Total
Sales						
Consumers	6,503	2,499	3,273	987	13,262	15,724
Licensees	-	-	-	-	-	-
	<u>6,503</u>	<u>2,499</u>	<u>3,273</u>	<u>987</u>	<u>13,262</u>	<u>15,724</u>
Cost of goods sold	<u>2,016</u>	<u>1,144</u>	<u>1,459</u>	<u>428</u>	<u>5,047</u>	<u>5,756</u>
Gross margin	4,487	1,355	1,814	559	8,215	9,968
Other income					-	-
Operating expenses					<u>1,283</u>	<u>1,574</u>
Net income					<u>6,932</u>	<u>8,394</u>



Statement of Operations by Location, Cont.

(for the year ended March 31, 2023 with comparative figures for 2022)
(revenue and expenses directly related to sales per location)

Inuvik Operations

(\$000's)

	Spirits	Wine	Beer	Coolers	2023 Total	2022 Total
Sales						
Consumers	3,689	580	2,230	880	7,379	8,037
Licensees	107	17	311	62	497	380
	<u>3,796</u>	<u>597</u>	<u>2,541</u>	<u>942</u>	<u>7,876</u>	<u>8,145</u>
Cost of goods sold	<u>1,156</u>	<u>265</u>	<u>1,087</u>	<u>415</u>	<u>2,923</u>	<u>2,981</u>
Gross margin	2,640	332	1,454	527	4,953	5,165
Other income					-	-
Operating expenses					<u>946</u>	<u>961</u>
Net income					<u>4,007</u>	<u>4,204</u>

Hay River Operations

(\$000's)

	Spirits	Wine	Beer	Coolers	2023 Total	2022 Total
Sales						
Consumers	1,943	555	1,886	543	4,927	6,584
Licensees	622	27	637	59	1,345	1,164
	<u>2,565</u>	<u>582</u>	<u>2,523</u>	<u>602</u>	<u>6,272</u>	<u>7,217</u>
Cost of goods sold	<u>777</u>	<u>247</u>	<u>1,027</u>	<u>259</u>	<u>2,310</u>	<u>2,619</u>
Gross margin	1,788	335	1,496	343	3,962	4,786
Other income					-	-
Operating expenses					<u>1,003</u>	<u>1,053</u>
Net income					<u>2,959</u>	<u>3,733</u>



Statement of Operations by Location, Cont.

(for the year ended March 31, 2023 with comparative figures for 2022)
(revenue and expenses directly related to sales per location)

Norman Wells Operations

(\$000's)

	Spirits	Wine	Beer	Coolers	2023 Total	2022 Total
Sales						
Consumers	1,310	153	824	190	2,477	2,410
Licensees	25	10	65	11	111	48
	1,335	163	889	201	2,588	2,417
Cost of goods sold	388	74	367	93	922	857
Gross margin	947	89	522	108	1,666	1,560
Other income					-	-
Operating expenses					660	594
Net income					1,006	966

Fort Smith Operations

(\$000's)

	Spirits	Wine	Beer	Coolers	2023 Total	2022 Total
Sales						
Consumers	1,139	305	1,213	429	3,086	3,189
Licensees	60	4	92	22	178	114
	1,199	309	1,305	451	3,264	3,304
Cost of goods sold	373	135	509	188	1,205	1,199
Gross margin	826	174	796	263	2,059	2,197
Other income					-	-
Operating expenses					663	630
Net income					1,396	1,567



Statement of Operations by Location, Cont.

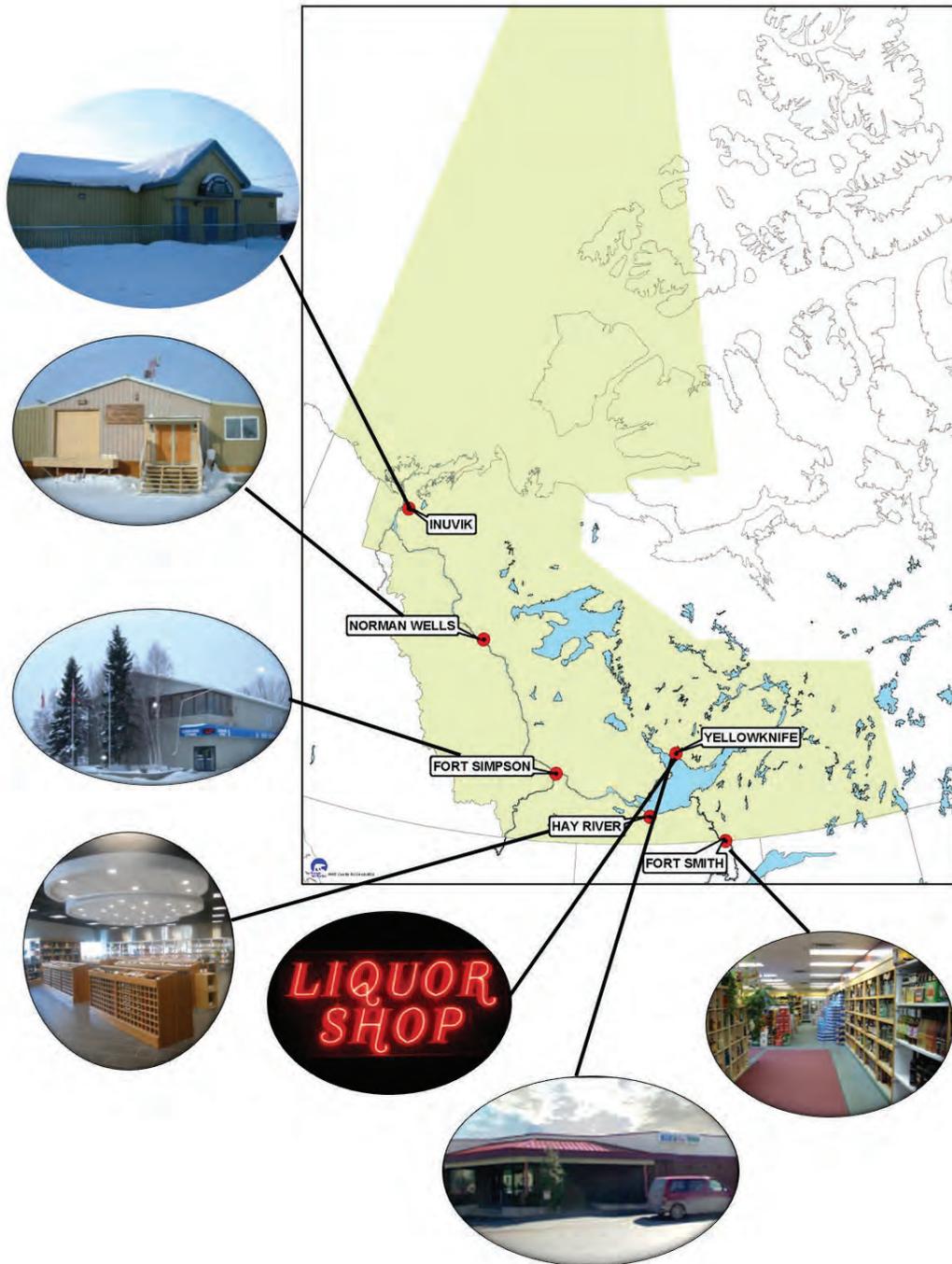
(for the year ended March 31, 2023 with comparative figures for 2022)
(revenue and expenses directly related to sales per location)

Fort Simpson Operations

(\$000's)

	Spirits	Wine	Beer	Coolers	2023 Total	2022 Total
Sales						
Consumers	1,360	150	644	276	2,430	2,875
Licensees	60	4	100	22	186	161
	<u>1,420</u>	<u>154</u>	<u>744</u>	<u>298</u>	<u>2,616</u>	<u>3,036</u>
Cost of goods sold	<u>400</u>	<u>65</u>	<u>277</u>	<u>125</u>	<u>867</u>	<u>953</u>
Gross margin	1,020	89	467	173	1,749	2,083
Other income					-	-
Operating expenses					<u>544</u>	<u>487</u>
Net income					<u>1,205</u>	<u>1,596</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. NWT residents can purchase recreational cannabis at NTLCC liquor stores in Fort Smith, Norman Wells and Fort Simpson, and three private stores: two in Yellowknife and one in Hay River. Cannabis products are distributed from the NTLCC Cannabis warehouse in Hay River. NWT residents also have the option to purchase recreational 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 2022–2023 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 three consignment stores operated by private contractors in conjunction with our liquor stores, three private cannabis retail stores, including one also operating as an online cannabis store.

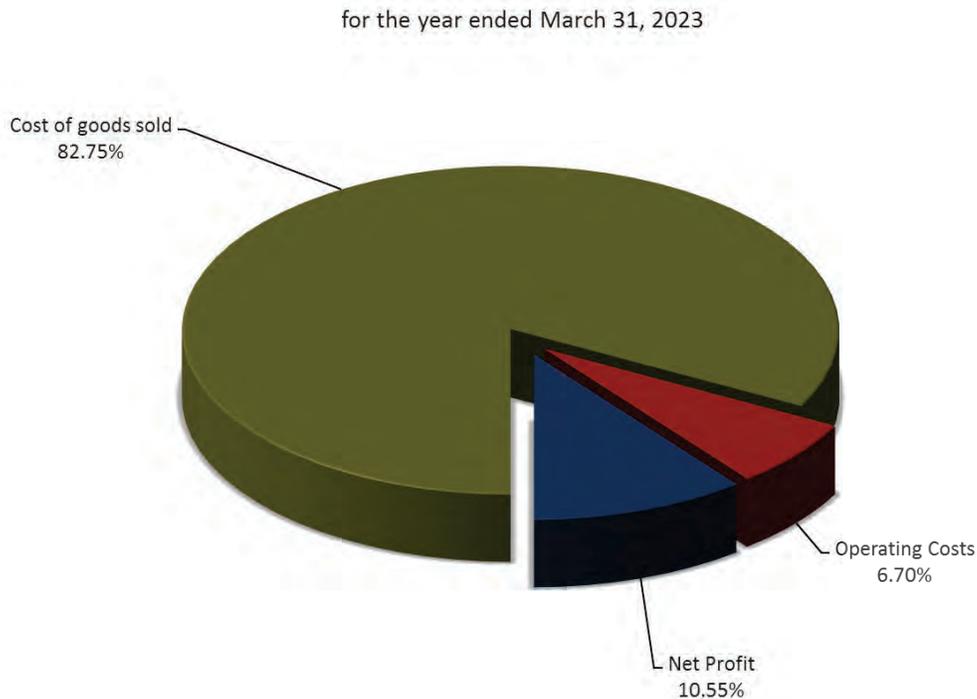
Management & Compliance, continued

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 6.70% of sales revenue, of which 2.92% was paid to liquor retail stores 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 was 11.37% above 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 and Hay River 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.

Four Year Performance History

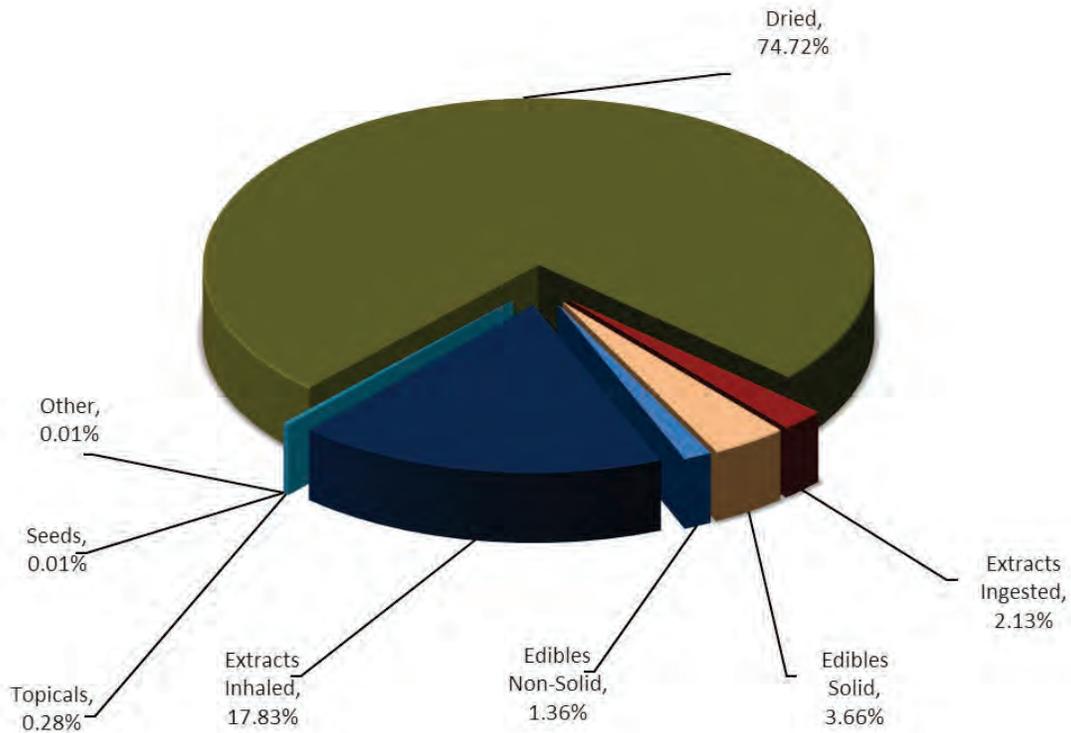
for the year ending March 31
(000's)

	2023	2022	2021	2020
Gross Sales	7,566	7,447	5,141	3,252
Gross Profit	1,305	1,405	1,581	1,200
as a % of sales	17.2%	18.9%	30.8%	36.9%
Net Surplus	911	818	709	405
as a % of sales	12.0%	11.0%	13.8%	12.5%
Operating Expenses	394	587	872	795
as a % of sales	5.2%	7.9%	17.0%	24.4%

Cannabis Dollar Sales by Category

Dollar Sales of Cannabis by Sales Category; Dried Cannabis represents 74.72% of product sold in the NWT, Extracts Ingested (formerly Cannabis Oil) product at 2.13%, Edibles Solid 3.66%, Edibles Non-Solid 1.36%, Extracts Inhaled 17.83%, Topicals 0.28%, and both Seeds and other at 0.01%.

for the year ended March 31, 2023



Dollar Sales by Category

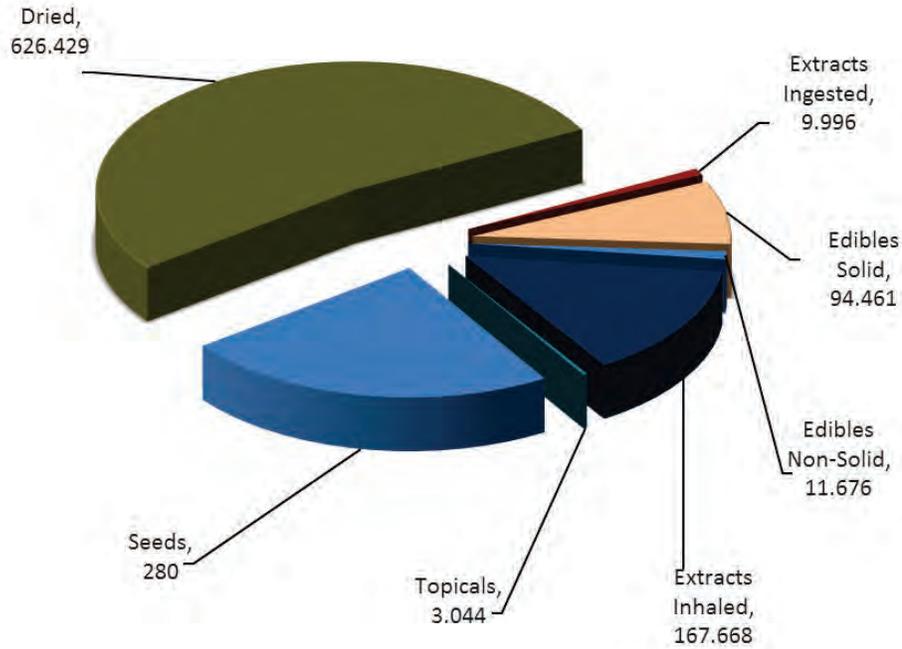
for the year ending March 31
(000's)

	Extracts		Edibles		Extracts Inhaled	Topicals	Seeds	Other	Total
	Dried	Ingested	Solid	Non-Solid					
2020	2,959	275	6	N/A	6	0	6	N/A	3,252
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



Cannabis Volume Sales by Category

Equivalent Grams
for the year ended March 31, 2023



Volume Sales by Category

for the year ending March 31
(\$'000's)

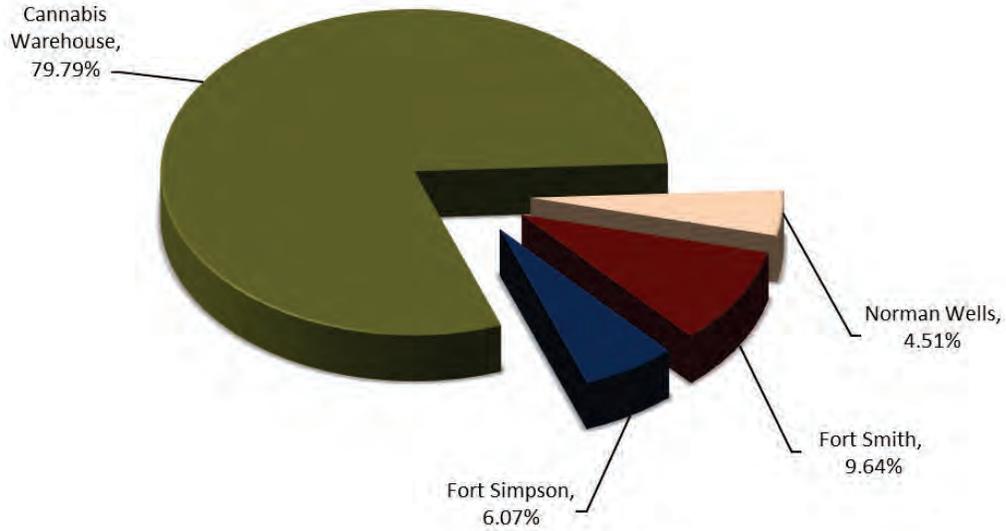
Cannabis, Grams and Equivalent Grams	2023	2022	2021
Dried	626.429	676.17	482.68
Extracts Ingested	9.996	7.87	15.52
Edibles Solid	94.461	42.49	22.95
Edibles Non-Solid	11.676	69.04	45.96
Extracts Inhaled	167.668	104.16	10.54
Topicals	3.044	0.47	-
Seeds **	280	640	264

** Seeds are reported by total number of seeds



Store Operations

Location Sales
for the year ending March 31, 2023



Sales by Location

for the year ending March 31
(000's)

	2023	2022	2021	2020	Oct 18 to Mar 2019
On-line Store	-	8	20	17	44
Yellowknife Shop	-	-	1,730	1,874	806
Hay River	-	448	740	513	187
Cannabis Warehouse	6,037	5,547	1,453	-	-
Norman Wells	341	344	335	289	101
Fort Smith	729	641	444	329	129
Fort Simpson	459	459	419	229	97
	7,566	7,447	5,141	3,252	1,364



Statement of Operations by Location

(for the year ended March 31, 2023, with comparative figures for 2022)
(revenue and expenses directly related to sales per location)

Norman Wells Operations

(\$000's)

	Extracts Dried	Edibles Ingested	Edibles Solid	Edibles Non-Solid	Extracts Inhaled	Extracts Topicals	Seeds	Other	2023 Total	2022 Total
Sales										
Consumers	288	6	3	-	43	-	-	1	341	344
Cost of goods sold	201	4	2	-	30	-	-	-	238	232
Gross margin	87	2	1	-	13	-	-	-	103	112
Operating expenses									49	50
Net income									54	62

Fort Smith Operations

(\$000's)

	Extracts Dried	Edibles Ingested	Edibles Solid	Edibles Non-Solid	Extracts Inhaled	Extracts Topicals	Seeds	Other	2023 Total	2022 Total
Sales										
Consumers	558	23	24	16	106	1	-	1	729	641
Cost of goods sold	379	16	16	11	72	1	-	1	495	415
Gross margin	179	7	8	5	34	-	-	-	234	226
Operating expenses									106	93
Net income									128	133



Statement of Operations by Location, cont.

(for the year ended March 31, 2023, with comparative figures for 2022)
(revenue and expenses directly related to sales per location)

Fort Simpson Operations

(\$000's)

	Extracts		Edibles	Edibles	Extracts				2023	2022
	Dried	Ingested	Solid	Non Solid	Inhaled	Topicals	Seeds	Other	Total	Total
Sales										
Consumers	366	7	15	3	66	2	-	-	459	459
Cost of goods sold	252	5	10	2	45	1	-	-	316	298
Gross margin	114	2	5	1	21	1	-	-	143	161
Operating expenses									66	66
Net income									77	95

Cannabis Warehouse

(\$000's)

	Extracts		Edibles	Edibles	Extracts				2023	2022
	Dried	Ingested	Solid	Non Solid	Inhaled	Topicals	Seeds	Other	Total	Total
Sales										
Consumers	4,441	126	234	83	1,134	19	1	(1)	6,037	5,547
Cost of goods sold	3,834	109	202	72	979	16	1	(1)	5,212	4,793
Gross margin	607	17	32	11	155	3	-	-	825	754
Operating expenses									286	101
Net income									539	653



Store Locations

The map displays the Northwest Territories with a light green shaded area representing the regulated region. Six red dots indicate store locations, each with a label: INUVIK, NORMAN WELLS, FORT SIMPSON, YELLOWKNIFE, HAY RIVER, and FORT SMITH. Lines connect these dots to circular images: Inuvik (store exterior), Norman Wells (store exterior), Fort Simpson (circular logo with text 'RECREATIONAL IT'S 4:20 Somewhere CANNABIS'), Yellowknife (store interior), Hay River (store interior), and Fort Smith (store interior). At the bottom, there are logos for 'YELLOWKNIFE TRAILBLAZERS CANNABIS SHOP' and 'releaf nt'.



Audited Financial Report Statements

2022 - 2023

Northwest Territories Liquor & Cannabis Commission

Financial Statements

Year ended March 31, 2023

Northwest Territories Liquor & Cannabis Commission

Index to Financial Statements

March 31, 2023

Management's Responsibility for Financial Reporting.....	39
Auditor's Report.....	40
Statement of Financial Position	42
Statement of Operations	43
Statement of Accumulated Surplus.....	44
Statement of Change in Net Financial Assets	45
Statement of Cash Flow.....	46
Notes to Financial Statements	47

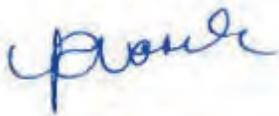
Management's Responsibility for Financial Reporting

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 Canadian generally accepted accounting principles for the public sector, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants. 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.



Jodi Cook-Vossler
Acting Director, Liquor & Cannabis Operations
NWT Liquor & Cannabis Commission
June 30, 2023

INDEPENDENT AUDITOR'S REPORT

To the Ministers of NWT Liquor & Cannabis Commission

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, 2023, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the commission as at March 31, 2023, 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 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 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 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.

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 Ministers of NWT Liquor & Cannabis Commission (*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 commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Hay River, Northwest Territories
June 30, 2023



Chartered Professional Accountants

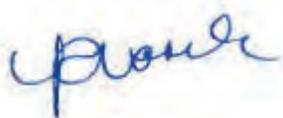
Northwest Territories Liquor & Cannabis Commission

Statement of Financial Position

As at March 31 (\$000)	2023	2022
Financial Assets		
Cash	\$ 4,637	\$ 6,898
Accounts receivable	151	72
Inventories for resale (note 3)	3,104	3,399
	<u>7,892</u>	<u>10,369</u>
Financial Liabilities		
Accounts payable and accrued liabilities (note 7)	1,676	2,256
Pension and other employee benefits (note 4)	62	48
Due to the NWT Liquor Licensing Board (note 5)	92	114
	<u>1,830</u>	<u>2,418</u>
Net Financial Assets	<u>6,062</u>	<u>7,951</u>
Non-Financial Assets		
Tangible capital assets (note 6)	434	409
Prepaid expenses	115	92
	<u>549</u>	<u>501</u>
Accumulated Surplus	<u>\$ 6,611</u>	<u>\$ 8,452</u>

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

Approved by the Northwest Territories Liquor & Cannabis Commission:



Jodi Cook-Vossler
Acting Director, Liquor & Cannabis Operations

Northwest Territories Liquor & Cannabis Commission

Statement of Operations

For the year ended March 31 (\$000)	2023		2023		2022	
	Budget		Actual		Actual	
Sales						
Spirits	\$	23,286	\$	23,904	\$	24,574
Wine		8,373		7,453		7,875
Beer		18,768		17,545		18,079
Coolers and Ciders		5,670		5,472		5,213
Cannabis		8,301		7,566		7,447
		<u>64,398</u>		<u>61,940</u>		<u>63,188</u>
Cost of goods sold						
Spirits		7,110		7,458		7,491
Wine		3,870		3,525		3,645
Beer		7,802		7,426		7,506
Coolers and Ciders		2,408		2,371		2,207
Cannabis		6,823		6,261		6,042
		<u>28,013</u>		<u>27,041</u>		<u>26,891</u>
Gross profit on sales		<u>36,385</u>		<u>34,899</u>		<u>36,297</u>
Other income						
Government contribution - services provided without charge (note 7)		-		6		1
Import fees and Income		8		9		5
		<u>8</u>		<u>15</u>		<u>6</u>
Expenses (notes 7)						
Commissions to agents - Liquor		6,939		6,510		6,510
Commissions to agents - Cannabis		196		221		275
Licensee Discounts		569		554		455
Salaries, wages and employee benefits		1,239		1,270		1,165
Administration - Liquor		719		844		759
Administration - Cannabis		156		173		150
Travel		30		26		20
Rent		282		313		255
Amortization of tangible capital assets (note 6)		106		120		175
		<u>10,236</u>		<u>10,031</u>		<u>9,764</u>
Annual surplus	\$	<u>26,157</u>	\$	<u>24,883</u>	\$	<u>26,539</u>

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)	2023		2022	
	Budget	Actual	Actual	
Accumulated surplus, beginning of the year	\$ 8,452	\$ 8,452	\$ 6,665	
Annual surplus	26,157	24,883	26,539	
Amounts transferred to the Consolidated Revenue Fund	(25,391)	(26,233)	(24,217)	
Amounts Transferred to the NWT Liquor Licensing Board (note 5)	(766)	(491)	(535)	
Increase in accumulated surplus	-	(1,841)	1,787	
Accumulated surplus, end of year	\$ 8,452	\$ 6,611	\$ 8,452	

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)	2023		2022	
	Budget	Actual	Actual	Actual
Net financial assets, beginning of year	\$ 7,951	\$ 7,951	\$ 7,951	\$ 6,075
Items affecting net financial resources:				
Increase (decrease) in accumulated surplus	-	(1,841)		1,787
Net investment in tangible capital assets:				
Acquisitions	-	(145)		(30)
Amortization expense	106	120		174
Increase in prepaid expenses	-	(23)		(55)
Net financial assets, end of year	\$ 8,057	\$ 6,062	\$ 6,062	\$ 7,951

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)	2023	2022
Operating activities		
Cash received from customers	\$ 61,870	\$ 63,263
Cash paid to employees and suppliers	(37,240)	(36,574)
Cash provided by operating activities	24,630	26,689
Capital activities		
Purchase of tangible capital assets	(145)	(30)
Financing activities		
Cash transferred to the Consolidated Revenue Fund	(26,233)	(24,217)
Cash transferred to the NWT Licensing Board	(513)	(559)
Cash provided by financing activities	(26,746)	(24,776)
Change in cash	(2,261)	1,883
Cash, beginning of year	6,898	5,015
Cash, end of Year	\$ 4,637	\$ 6,898

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

Northwest Territories Liquor & Cannabis Commission

Notes to Financial Statements

March 31, 2023 (\$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, 2023 the Fund's assets exceeded the liabilities by \$6,062 (2022 – \$7,951).

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, 2023 (\$000)

2. Significant accounting policies (continued)

(c) Revenue recognition

The Commission recognizes revenue on an accrual basis (i.e. when the goods are shipped, and the customer assumes all risks of ownership and the collection of any amounts receivable is considered probable).

(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	20%
Computer hardware and software	30%
Leasehold improvements	Over the life of the lease plus any additional renewal period

(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.

Northwest Territories Liquor & Cannabis Commission

Notes to Financial Statements

March 31, 2023 (\$000)

2. Significant accounting policies (continued)

(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

	2023	2022
Spirits	\$ 1,163	\$ 1,167
Beer	531	770
Wine	694	546
Coolers and ciders	258	253
Cannabis	458	663
	\$ 3,104	\$ 3,399

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.

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.

Northwest Territories Liquor & Cannabis Commission

Notes to Financial Statements

March 31, 2023 (\$000)

4. Other employee future benefits (continued)

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 Commission.

	2023			2022		
	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	\$ 88	\$ 14	\$ 102	\$ 59	\$ 15	\$ 74
Current Service Costs	3	1	4	4	1	5
Interest Cost	4	1	5	2	-	2
Benefits paid during the year	-	(1)	(1)	(29)	(2)	(31)
Actuarial (gain)/loss	(17)	(1)	(18)	53	-	53
Accrued benefit obligation, end of the year	\$ 78	\$ 14	\$ 92	\$ 89	\$ 14	\$ 103
Unamortized net actuarial gain (loss)	1	(30)	(29)	(18)	(37)	(55)
Accrued benefit (liability)/asset	\$ 79	\$ (16)	\$ 63	\$ 71	\$ (23)	48

Northwest Territories Liquor & Cannabis Commission

Notes to Financial Statements

March 31, 2023 (\$000)

4. Other employee future benefits (continued)

	<u>2023</u>	<u>2022</u>
Expected inflation rate	2.0%	2.0%
Discount rate used to determine the accrued benefit obligation	4.8%	4.1%
Expected average remaining service life of related employee groups (EARS�)	10.3	10.3

Timing of expected payments for other employee benefits are as follows:

2024	\$	13
2025		13
2026		17
2027		13
2028		11
2029 and beyond		40
	\$	<u>107</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, 2023 (\$000)

6. Tangible capital assets

	Furniture and fixtures	Computer hardware and software improvements	Leasehold improvements	2023	2022
Cost:					
Opening balance	\$ 145	\$ 746	\$ 860	\$ 1,751	\$ 2,067
Acquisitions	-	144	-	144	30
Disposals and write-downs	-	-	-	-	(346)
Closing balance	145	890	860	1,895	1,751
Accumulated Amortization:					
Opening balance	(127)	(660)	(554)	(1,341)	(1,513)
Amortization	(5)	(80)	(35)	(120)	(175)
Disposals and write-downs	-	-	-	-	346
	(132)	(740)	(589)	(1,461)	(1,342)
Net book value	\$ 13	\$ 150	\$ 271	\$ 434	\$ 409

Northwest Territories Liquor & Cannabis Commission

Notes to Financial Statements

March 31, 2023 (\$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 \$1,270 (2022 – \$1,165) 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 \$6 (2022 – \$1). The cost of the services noted above has been recognized on the statement of operations.

Included in accounts payable and accrued liabilities is an amount of \$153 (2022 – \$158) for bottle deposits payable to the Department of Environment and Natural Resources, \$80 (2022 – \$176) 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:

2023/24	\$ 248
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.



**69th Annual Report
2022-2023**





June 30th, 2023

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 2022 - 2023 Annual Report.

Sincerely,

A handwritten signature in black ink, appearing to read "Louis Sebert". The signature is written in a cursive style with a large, prominent initial "L".

Louis Sebert
Chairperson

Contents

- Board Overview..... 1
 - Board Members and Staff..... 1
- Board Activity..... 3
 - Total Meetings 3
 - Administration and Orientation Meetings 3
 - Licence Applications and Board Requests..... 3
 - Compliance Hearings 4
- Liquor Licences..... 5
 - Total Liquor Licences..... 6
- Special Occasion Permits 7
 - Total Special Occasion Permits 8
- Special Purpose Permits..... 9

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 (*Fort Smith*)

Paul Falvo – Board Member (*Yellowknife*)

Michael Hansen - Board Member (*Hay River*)

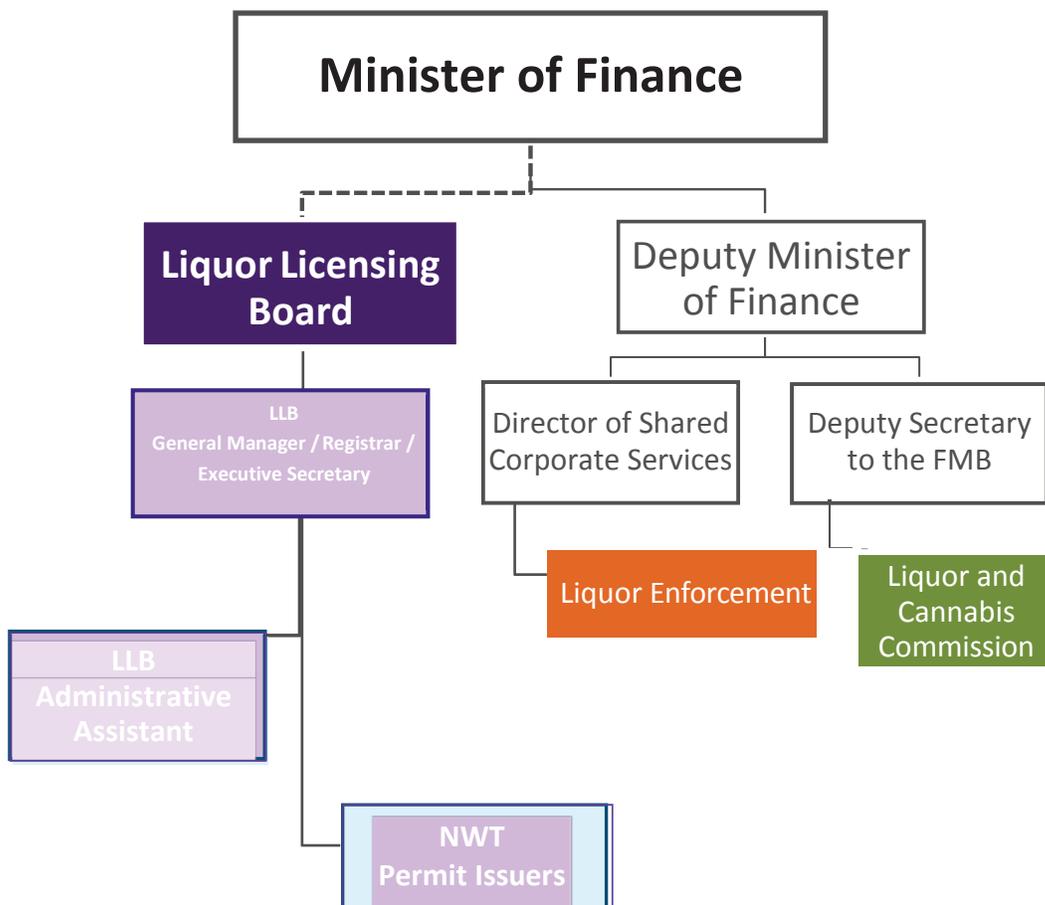
Jaimie Graham – General Manager/Registrar/Executive Secretary (*Hay River*)

Kesree Loutit – Administrative Assistant (*Hay River*)

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

The majority of Board activities were managed primarily by the Chairperson in collaboration with the Executive Secretary.

Total Meetings

Board Meeting Type	2021 - 2022	2022-2023
Orientation	1	0
Administrative	1	0
Teleconferences	1	0
Public Hearings	0	0
Compliance Hearings	0	0
Total	3	0

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 there was no items requiring an administrative or an orientation 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	2022-23	2021-22
Fort Providence	2	1	0	0	0	0	3	3
Fort Simpson	1	1	0	2	0	0	4	6
Fort Smith	1	1	0	2	0	0	4	3
Hay River	2	4	0	6	0	0	12	13
Inuvik	1	2	0	4	0	0	7	8
Norman Wells	2	2	0	2	0	0	6	6
Remote Lodges	-	-	-	8	-	-	8	8
Yellowknife	12	23	1	10	1	1	48	52
Total	21	34	1	34	1	1	92	99

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	2022-23	2021-22
Fort Providence	0	4	4	8	3
Fort Resolution	0	1	0	1	0
Fort Simpson	1	3	9	13	5
Fort Smith	9	6	11	26	23
Hay River	7	1	37	45	28
Inuvik	0	3	18	21	6
Norman Wells	1	0	2	3	3
Ulukhaktok	1	0	0	1	0
Yellowknife	72	12	112	196	55
Total	91	30	193	314	123

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, 2023.

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 2022-2023

**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	
	2021/22	2022/23
Fort Providence	21	18
Fort Simpson	23	17
Fort Smith	6	15
Hay River	232	196
Inuvik	141	39
Norman Wells	157	292
Yellowknife	552	726
TOTAL	1,132	1,300

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 30, 2023, **694** 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 are able to 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:

- 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.

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:

- a) Combination 1: 200 ml of spirits and 12 355 ml containers of beer;
- b) Combination 2: 200 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 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’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, 2023

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Index to Financial Statements

March 31, 2023

Management's Responsibility for Financial Reporting.....	21
Auditor's Report	22
Statement of Financial Position.....	24
Statement of Operations.....	25
Statement of Accumulated Surplus	26
Statement of Change in Net Debt.....	27
Statement of Cash Flow	28
Notes to Financial Statements.....	29

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 Canadian generally accepted accounting principles for the public sector as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. 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, 2023

INDEPENDENT AUDITOR'S REPORT

To the Ministers of Northwest Territories Liquor Licensing Board and Liquor Enforcement

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, 2023, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2023, 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 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 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 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.

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.

(continues)

Independent Auditor's Report to the Ministers of Northwest Territories Liquor Licensing Board and Liquor Enforc (*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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Hay River, Northwest Territories
June 30, 2023

Chartered Professional Accountants

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Statement of Financial Position

As at March 31, (\$000)	2023	2022
Financial Assets		
Accounts Receivable	\$ -	\$ -
Due from NWT Liquor & Cannabis Commission (note 3)	92	113
Pension and other employee benefits (note 4)	14	22
	<u>106</u>	<u>135</u>
Financial Liabilities		
Accounts payable (Note 6)	74	107
Deferred revenue	32	28
	<u>106</u>	<u>135</u>
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)	2023	2023	2022
	Budget	Actual	Actual
Revenue			
License fees and permits	\$ 65	\$ 50	\$ 34
Government contribution - services provided without charge (note 6)	-	-	-
	<u>65</u>	<u>50</u>	<u>34</u>
Expenses (notes 5 and 6)			
Salaries, wages and employee benefits	536	414	413
Honoraria	50	3	7
Inspector's fees	68	52	56
Rent	31	37	31
Travel	75	14	15
Professional fees	29	6	15
Administration	42	15	32
	<u>831</u>	<u>541</u>	<u>569</u>
Annual loss	<u>\$ (766)</u>	<u>\$ (491)</u>	<u>\$ (535)</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)	2023		2022	
	Budget	Actual	Actual	Actual
Accumulated surplus, beginning of the year	\$ -	\$ -	\$ -	-
Annual loss	(766)	(491)		(535)
Amounts transferred from the NWT Liquor & Cannabis Commission	766	491		535
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)	2023	2023	2022
	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)	2023	2022
Operating activities		
Cash received from customers	\$ 54	\$ 34
Cash paid to employees and suppliers	(567)	(593)
Cash provided by operating activities	(513)	(559)
Financing activities		
Cash transferred from the NWT Liquor & Cannabis Commission	513	559
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, 2023 (\$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 for the 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, 2023, the Fund's assets exceeded the liabilities by \$6,062 (2022 – \$7,951).

Neither the Commission nor the Board is 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, 2023 (\$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, 2023 (\$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, 2023 (\$000)

4. Other employee future benefits (continued)

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 Board.

	2023	2022
Accrued benefit obligation,		
beginning of the year	\$ 5	\$ 9
Current Service Costs	-	-
Interest Cost	-	-
Benefits paid during the year	-	-
Actuarial (gain)/loss	-	(4)
Accrued benefit obligation,		
end of the year	\$ 5	\$ 5
Unamortized net actuarial gain (loss)	(19)	(27)
Accrued benefit (liability)/asset	\$ (14)	\$ (22)

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Notes to Financial Statements

March 31, 2023 (\$000)

4. Pension and other employee benefits (continued)

The actuarial valuation at March 31, 2023 reflects management's best estimate based upon a number of future orientated assumptions including:

	<u>2023</u>	<u>2022</u>
Expected inflation rate	2.0%	2.0%
Discount rate used to determine the accrued benefit obligation	4.8%	4.1%
Expected average remaining service life of related employee groups (EARSLS)	10.3	10.3

Timing of expected payments for other employee benefits are as follows:

2024	\$	0
2025		0
2026		0
2027		0
2028		0
2029 and beyond		<u>2</u>
	\$	<u><u>2</u></u>

Northwest Territories Liquor Licensing Board and Liquor Enforcement

Notes to Financial Statements

March 31, 2023 (\$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)		
	2023 Budget	Enforcement 2023 Actual	2022 Actual
Expenses			
Salaries, wages and employee benefits	\$ 323	\$ 200	\$ 197
Inspector's fees	54	52	56
Rent	19	23	19
Travel	18	14	15
Professional fees	5	-	-
Administration	15	11	25
	<u>434</u>	<u>300</u>	<u>312</u>
Annual loss	\$ (434)	\$ (300)	\$ (312)

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 \$414 (2022 – \$413) related to salaries, wages, and employee benefits for the Board's employees and \$3 (2022 - \$7) 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 (2022 – \$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 \$22 (2022 – \$52) 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, 2023 (\$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:

2023/24	\$ 31
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 management's 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.

Fuel Services Division

Financial Statements

March 31, 2023

Fuel Services Division

Financial Statements

March 31, 2023	Page
Management's Responsibility for Financial Reporting	3
Independent Auditors' Report	4 - 5
Statement of Financial Position	6
Statement of Changes in Net Financial Debt	7
Statement of Operations	8
Statement of Accumulated Deficit	9
Statement of Cash Flows	10
Notes to Financial Statements	11 - 26

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 Fuel Services Division 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 23, 2023

Independent Auditors' Report

To the Minister of Infrastructure Government of the Northwest Territories

Opinion

We have audited the financial statements of Fuel Services Division, which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in net financial debt, accumulated deficit, 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 Fuel Services Division as at March 31, 2023, and its results of operations, changes in net financial debt, statement of accumulated deficit, 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 Fuel Services Division'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 Fuel Services Division or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Fuel Services Division'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 Fuel Services Division'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 Fuel Services Divisions 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 Fuel Services Division 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 23, 2023

Chartered Professional Accountants

Fuel Services Division**Statement of Financial Position**

March 31,	2023	2022
Financial Assets		
Accounts receivable (note 5)	\$ 23,077,196	\$ 8,231,219
Inventory held for resale (note 6)	46,237,579	33,701,963
	69,314,775	41,933,182
Financial Liabilities		
Accounts payable and accrued liabilities (note 7)	5,448,625	5,550,804
Salaries payable	163,485	163,566
Employee future benefits payable (note 8)	45,732	27,125
Due to the Government of the Northwest Territories (note 9)	66,019,917	38,915,766
	71,677,759	44,657,261
Net Debt	\$ (2,362,984)	\$ (2,724,079)
Non-financial Assets		
Prepaid expenses	282	911
Accumulated Deficit	\$ (2,362,702)	\$ (2,723,168)

Commitments (note 10)

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,	2023 Budget	2023 Actual	2022 Actual
Annual surplus (deficit)	\$ -	\$ 360,466	\$ (1,723,169)
Change in prepaid expenses	-	629	51,271
Decrease (increase) in net financial debt		361,095	(1,671,898)
Net financial debt, beginning of year	(2,724,079)	(2,724,079)	(1,052,181)
Net financial debt, end of year	\$ (2,724,079)	\$ (2,362,984)	\$ (2,724,079)

Fuel Services Division

Statement of Operations

For the year ended March 31,	2023 Budget	2023 Actual	2022 Actual
Revenues			
Sales of petroleum products (note 11)	\$ 40,000,000	\$ 53,610,994	\$ 38,936,427
Cost of sales			
Cost of goods sold	33,000,000	44,795,234	32,409,826
Loss due to evaporation	100,000	7,484	-
Commission	2,400,000	3,212,980	3,319,207
	35,500,000	48,015,698	35,729,033
Gross margin	4,500,000	5,595,296	3,207,394
Gross margin percentage	11.3 %	10.4 %	8.2 %
Expenses			
Bad debts (recovered)	100,000	315,276	(84,921)
Contracts and purchased services	450,000	600,187	617,896
Operating and maintenance costs	1,150,000	989,738	1,005,710
Office and administration	-	5,337	22,805
Salaries, wages and employee benefits	2,000,000	2,510,065	2,489,258
Travel	400,000	353,686	378,831
Utilities	400,000	500,627	493,376
	4,500,000	5,274,916	4,922,955
Annual surplus (deficit) before other items	-	320,380	(1,715,561)
Other revenue (expenses)			
Grant contribution - air freight (note 14)	-	1,922,540	-
Grant-in-kind, Government assets provided at no cost (note 15)	-	4,015,074	1,923,863
Tangible capital assets - rent expenses (note 15)	-	(2,115,738)	(1,632,093)
Financing charges (note 15)	-	(1,899,336)	(291,770)
Other revenues and expenses (note 16)	-	40,086	(7,608)
Air freight	-	(1,922,540)	-
	-	40,086	(7,608)
Annual surplus (deficit)	\$ -	\$ 360,466	\$ (1,723,169)

Fuel Services Division

Statement of Accumulated Deficit

For the year ended March 31,	2023	2022
Accumulated deficit, beginning of year	\$ (2,723,168)	\$ (999,999)
Annual surplus (deficit)	360,466	(1,723,169)
Accumulated deficit, end of year	\$ (2,362,702)	\$ (2,723,168)

Fuel Services Division

Statement of Cash Flows

For the year ended March 31,	2023	2022
Cash provided by (used for)		
Operating activities		
Annual surplus (deficit)	\$ 360,466	\$ (1,723,169)
Change in non-cash working capital items		
Accounts receivable	(14,845,977)	1,841,722
Inventory held for resale	(12,535,616)	1,849,788
Accounts payable and accrued liabilities	(102,179)	(525,507)
Salaries payable	(81)	3,168
Employee future benefits payable	18,607	4,517
Due to the Government of the Northwest Territories	27,104,151	(1,501,790)
Prepaid expenses	629	51,271
Cash, beginning and end of year	\$ -	\$ -

Fuel Services Division

Notes to the Financial Statements

March 31, 2023

1. Authority and Operations

Fuel Services Division 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 of the Northwest Territories.

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 (2022 - \$3,000,000) at the end of the fiscal year. The balance in the Stabilization Fund at March 31, 2023 is a deficit of \$2,362,702 (2022 - deficit of \$2,723,168).

2. Change in accounting policies

(a) Asset Retirement Obligations, Section PS 3280

This Section is effective for fiscal periods beginning on or after April 1, 2022 and is intended to enhance comparability of financial statements among public sector entities by establishing uniform criteria for recognition and measurement of asset retirement obligations, including obligations that may not have previously been reported. The standard requires the Fund to review existing contract, legislation, regulations, and other sources to identify retirement activities associated with its controlled tangible capital assets.

The adoption of this new standard had no impact on the financial statements.

Fuel Services Division

Notes to the Financial Statements

March 31, 2023

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 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 of the Northwest Territories and accordingly are not reported in the financial statements. Use of assets, such as fuel storage facilities and fuel delivery vehicles are accounted for as a rent offset by a grant in kind from the Government which is calculated based on the amortization of the assets as described in Note 15.

(c) Financing charges

Financing charges for the use of working capital provided by the Government of the Northwest Territories are estimated based upon a rolling monthly average prime corporate interest plus 0.35% per annum as described in Note 15.

(d) Services provided without charge

The Fund does not record the following services provided without charge by the Government: the procurement of goods and services, the processing of payroll, legal counsel, records storage and computer operations, and internal audit services, as it is difficult to estimate them.

(e) 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, 2023

3. Significant accounting policies (continued)

(f) 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 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 Public Service Superannuation Plan administered by the Government of Canada. 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 \$153,870 (2022 - \$142,427) to the plan which was recognized as an expense while employees contributed \$151,956 (2022 - \$142,636). 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, to the Public Service Superannuation Account.

Fuel Services Division

Notes to the Financial Statements

March 31, 2023

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 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.

(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 receivable or become receivable under the Government of Northwest Territories *Revolving Funds Act*.

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, 2023

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

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 include 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, 2023

3. Significant accounting policies (continued)

(I) 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.

Fuel Services Division

Notes to the Financial Statements

March 31, 2023

3. Significant accounting policies (continued)

(m) 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 (l).

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
- Northwest Territories Health and Social Services Authority
- Hay River Health and Social Services Authority
- Inuvialuit Water Board
- Marine Transportation Services - Revolving Fund
- Northwest Territories Heritage Fund
- Northwest Territories Power Corporation
- NWT Business Development & Investment Corporation
- NWT Environmental Studies Research Fund
- NWT Housing Corporation
- NWT Human Rights Commission
- NWT Liquor Commission
- NWT Liquor Licensing Board
- NWT Sports and Recreation
- NWT Surface Rights Board
- Stanton Foundation
- 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 ("NTPC"). In accordance with an agreement with the Government of the Northwest Territories, NTPC is charged the weighted average cost of petroleum products consumed.

Fuel Services Division

Notes to the Financial Statements

March 31, 2023

4. Future changes to significant accounting policies

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 impact of the transition to this accounting standard, if any, has not yet been determined.

5. Accounts receivable

	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
Northwest Territories Housing Corporation	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, 2023

5. Accounts receivable (continued)

	Balance	Allowance	2022
Non-Government	\$ 1,295,055	\$ 45,066	\$ 1,249,989
Government of Canada	12,082	-	12,082
Government of the Northwest Territories			
Boards and Agencies			
Education Authorities	1,503	-	1,503
Northwest Territories Health and Social Services Authority	5,603	-	5,603
Marine Transportation Services - Revolving Fund	52,406	-	52,406
Northwest Territories Housing Corporation	1,306,303	-	1,306,303
Northwest Territories Power Corporation	4,211,329	-	4,211,329
Tlicho Community Services Agency	11,317	-	11,317
Departments			
Education, Culture and Employment	182,999	4,766	178,233
Environment and Climate Change	7,310	-	7,310
Infrastructure	186,459	1,528	184,931
Local (Municipalities, Community Governments)	1,021,756	11,543	1,010,213
	\$ 8,294,122	\$ 62,903	\$ 8,231,219

6. Inventory for resale

	2023	2022
Diesel	\$ 36,757,883	\$ 26,627,472
Gasoline	5,750,278	4,785,630
Jet A1	3,608,643	2,246,519
Naphtha	120,775	42,342
	\$ 46,237,579	\$ 33,701,963

An inventory write-down of \$7,484 (2022 - \$nil) 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.

An additional inventory write-down of \$nil (2022 - \$15,903) was expensed during the year (note 15).

Fuel Services Division

Notes to the Financial Statements

March 31, 2023

7. Accounts payable and accrued liabilities

	2023	2022
Non-Government trade accounts payable	\$ 5,045,152	\$ 5,253,722
Government of Canada - Federal excise tax	53,316	52,830
Government of Canada - Goods and services tax	342,370	218,473
Government of the Northwest Territories		
Boards and Agencies		
Northwest Territories Power Corporation	6,314	25,779
Department of Infrastructure	1,473	-
	\$ 5,448,625	\$ 5,550,804

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.

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, 2023. 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.

Fuel Services Division

Notes to the Financial Statements

March 31, 2023

8. Employee future benefits payable (continued)

Changes in Liability	Severance and Removal	Compensated Absences	2023	2022
Accrued benefit obligation, beginning of year	\$ 119,542	\$ 35,392	\$ 154,934	\$ 56,776
Benefits earned	4,816	2,332	7,148	5,006
Interest	4,840	1,487	6,327	1,763
Benefits paid	(3,855)	(2,927)	(6,782)	(4,783)
Actuarial (gains)/losses	(12,607)	(1,520)	(14,127)	96,217
Plan amendment	-	-	-	(44)
Accrued benefit obligation, end of year	112,736	34,764	147,500	154,935
Unamortized net actuarial loss	(73,707)	(28,061)	(101,768)	(127,810)
Accrued benefit liability	\$ 39,029	\$ 6,703	\$ 45,732	\$ 27,125

Benefits expense

	Severance and Removal	Compensated Absences	2023	2022
Current service cost	\$ 4,816	\$ 2,332	\$ 7,148	\$ 5,006
Interest cost	4,839	1,487	6,326	1,763
Amortization of net actuarial loss	7,329	4,586	11,915	2,574
Plan amendment	-	-	-	(44)
	\$ 16,984	\$ 8,405	\$ 25,389	\$ 9,299

The discount rate used in the 2022 fiscal year to determine the accrued benefit obligation is an average of 4.1% (2021 - 3.3%). The expected payments during the next five fiscal years are as follow:

	Severance and Removal	Compensated Absences	Total
2023	\$ 20,892	\$ 4,780	\$ 25,672
2024	23,837	5,257	29,094
2025	17,335	4,323	21,658
2026	14,285	5,298	19,583
2027	10,732	4,359	15,091
Next 5 years	33,028	14,832	47,860
	\$ 120,109	\$ 38,849	\$ 158,958

Fuel Services Division

Notes to the Financial Statements

March 31, 2023

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:

	2023	2022
Balance, beginning of year	\$ 38,915,766	\$ 40,417,556
Payments made by the Government of the Northwest Territories		
Purchases of petroleum products	57,330,850	30,559,991
Other cash disbursements	9,826,388	9,821,974
Cash paid to the Government of the Northwest Territories	(40,053,087)	(41,883,755)
	\$ 66,019,917	\$ 38,915,766

10. Commitments

Fuel resupply contracts

The Fund has entered into contracts with Imperial Oil Limited, Midnight Petroleum Ltd., Midnight Petroleum Distributors Ltd., Arctic Petroleum Services and Summit Air 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 April 2023 and the last contract terminates in May 2025.

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 \$27,818,635 (2022 - \$25,530,484) as follows:

2024	\$ 22,681,111
2025	4,287,419
2026	850,105
	\$ 27,818,635

Fuel Services Division

Notes to the Financial Statements

March 31, 2023

11. Sales of petroleum products

	2023	2022
Non-Government	\$ 11,009,437	\$ 9,100,561
Government of Canada	382,767	306,396
Government of the Northwest Territories		
Boards and Agencies		
Education Authorities	19,359	10,394
Northwest Territories Health and Social Services Authority	48,681	38,820
Northwest Territories Housing Corporation	3,708,086	2,961,805
Northwest Territories Power Corporation	30,202,973	19,987,754
Tlicho Community Services Agency	30,271	20,416
Departments		
Education, Culture and Employment	1,027,340	796,236
Environment and Climate Change	26,012	24,511
Infrastructure	2,026,559	1,687,960
Municipality and Community Affairs	4,280	77,043
Local (Municipalities, Community Governments)	5,125,229	3,924,531
	\$ 53,610,994	\$ 38,936,427

12. Budget information

The budget figures are from the 2022-2023 Main Estimate approved by the Legislative Assembly of the Northwest Territories.

13. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

14. 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 2022 sailing season.

Fuel Services Division

Notes to the Financial Statements

March 31, 2023

15. Grant in kind

Financing charges

Management estimated that the Fund required up to \$66 million (2022 - \$40 million) in working capital with an estimated annual financing cost of \$1,899,336 (2022 - \$291,770).

Tangible capital assets - rent expenses

Tangible capital assets, i.e. fuel storage facilities and fuel delivery vehicles, are owned by the Government of the Northwest Territories. 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	2023	2022
Fuel storage facilities	\$ 61,186,706	\$ 33,079,658	\$ 28,107,048	\$ 29,052,539
Fuel delivery vehicles	5,048,853	3,614,582	1,434,271	1,314,766
Construction in process	2,690,855	-	2,690,855	2,554,325
Buildings	561,513	183,305	378,208	391,311
	\$ 69,487,927	\$ 36,877,545	\$ 32,610,382	\$ 33,312,941

Rent expense for 2023 is \$2,115,738 (2022 - \$1,632,093).

16. 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:

	2023	2022
Other revenues		
Northwest Territories Power Corporation - Tank maintenance	\$ 40,086	\$ 907,565
Other recoveries	-	4,249
	40,086	911,814
Other expenses		
Write-down of inventory to net realizable value (note 6)	-	(15,903)
	\$ 40,086	\$ 895,911

Fuel Services Division

Notes to the Financial Statements

March 31, 2023

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.

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

The Fund is managed to ensure that the cost of goods sold and operating expenses are recovered through the price structure to achieve a break-even operation.

(a) 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 \$23,077,196 (2022 - \$8,231,219). The risk has increased from 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, 2023, receivables from one customer comprised 74% of the total outstanding accounts receivables (2022 - 67% 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, 2023, the following accounts receivable were past due:

	30 days	60 days	90 days	Total
Accounts receivable	\$ 10,052,049	\$ 2,337,607	\$ 4,122,542	\$ 16,512,198
Allowance for doubtful accounts	-	-	(378,179)	(378,179)
	\$ 10,052,049	\$ 2,337,607	\$ 3,744,363	\$ 16,134,019

Fuel Services Division

Notes to the Financial Statements

March 31, 2023

17. Risk management (continued)

(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 \$71,677,759 (2022 - \$44,657,261). 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.

(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.

18. Related party transactions

Significant expenses incurred from related parties are as follows:

	2023	2022
<hr/>		
Government of the Northwest Territories		
Marine Transportation Services - Revolving Fund - Cost of goods sold	\$ 8,068,218	\$ 5,643,606
Marine Transportation Services - Revolving Fund - Contracts and purchased services	6,946	-
Department of Infrastructure - Contracts and purchased services	8,333	6,424
Northwest Territories Power Corporation - Utilities	495,928	482,353
	<hr/>	<hr/>
	\$ 8,579,425	\$ 6,132,383
	<hr/>	<hr/>

PUBLIC STORES REVOLVING
FOR THE YEAR ENDED MARCH 31, 2023

Unaudited

**Schedule of Public Stores Revolving Fund Inventories
for the year ended March 31, 2023**

Public Stores	Balance March 31, 2022	Net Receipts	Net Issues	Board of Survey	Inventory (Write- downs) Write- ups	Balance March 31, 2023
	\$	\$	\$	\$	\$	\$
Yellowknife	191,786			0	0	191,786
		102,252	(81,376)	0	0	20,876
	191,786	102,252	(81,376)	0	0	212,662

Prepared by: Shamir Siraj

Date July 24, 2023

Finance and Administration Manager (NSRO)

Approved: Jason Carroll

Date July 24, 2023

Regional Superintendent (NSRO)

Yellowknife Airport Revolving Fund

Financial Statements

March 31, 2023

Yellowknife Airport Revolving Fund

Financial Statements

March 31, 2023

Page

Management's Responsibility for Financial Reporting	
Independent Auditor's Report	
Statement of Financial Position	1
Statement of Changes in Net Financial Assets	2
Statement of Operations and Accumulated Surplus	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 17
Schedule 1 - Tangible Capital Assets	18

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
December 1, 2023, 2022**

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, 2023, 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, 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 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, 2023 and March 31, 2022 and payroll liabilities, employee future benefits, net financial assets, and accumulated surplus as at April 1 and March 31 for both the 2023 and 2022 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, 2022 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 2023 and 2022 years and amortization expense and annual surplus for the years ended March 31, 2023 and March 31, 2022. The audit opinion on the financial statements for the year ended March 31, 2022 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, 2023.

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.

Other Matter

The financial statements for the year ended March 31, 2022 were audited by another auditor that expressed a qualified opinion for the above noted issues related to employee compensation and benefits, tangible capital assets inventory on July 28, 2022.

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
December 1, 2023

EPR Yellowknife Accounting Professional Corporation
Chartered Professional Accountants

Yellowknife Airport Revolving Fund

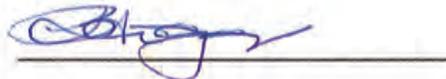
Statement of Financial Position

March 31,	2023	2022
Financial Assets		
Accounts receivable (Note 4)	\$ 2,419,359	\$ 1,653,388
Due from the Government of the Northwest Territories	13,590,238	10,427,735
	<u>16,009,597</u>	<u>12,081,123</u>
Financial Liabilities		
Accounts payable and accrued liabilities	600,720	593,380
Deferred revenue (Note 7)	9,236,698	7,427,003
Employee future benefits (Note 8)	599	39,150
Security deposits	-	81,769
	<u>9,838,017</u>	<u>8,141,302</u>
Net Financial Assets	<u>6,171,580</u>	<u>3,939,821</u>
Non-Financial Assets		
Inventories held for use	497,290	497,290
Tangible capital assets	42,567,760	42,930,478
Prepaid expenses	6,128	4,721
	<u>43,071,178</u>	<u>43,432,489</u>
Accumulated Surplus	<u>\$ 49,242,758</u>	<u>\$ 47,372,310</u>

Contractual Obligations (Note 13)

Contractual Rights (Note 14)

Approved:


_____

See accompanying notes

Yellowknife Airport Revolving Fund

Statement of Changes in Net Financial Assets

For the year ended March 31,	Budget	2023	2022
Annual Surplus	\$ 1,870,448	\$ 1,870,448	\$ 4,882,082
Change in prepaid expenses	-	(1,408)	(7,411)
Acquisition of tangible capital assets	-	(2,212,719)	(6,385,384)
Amortization of tangible capital assets	-	2,575,438	2,112,824
Increase (decrease) in Net Financial Asset	1,870,448	2,231,759	602,111
Net Financial assets, beginning of year	3,939,821	3,939,821	3,337,710
Net financial assets, end of year	\$ 5,810,269	\$ 6,171,580	\$ 3,939,821

See accompanying notes

Yellowknife Airport Revolving Fund

Statement of Operations and Accumulated Surplus

For the year ended March 31,	Budget	2023	2022
Revenue			
Aeronautical revenue (Note 15)	\$ 7,944,000	\$ 6,021,912	\$ 4,355,518
Non-aeronautical revenue (Note 15)	3,356,000	3,009,024	2,630,677
	11,300,000	9,030,936	6,986,195
Government transfers (Note 10)	-	2,578,674	3,573,514
Airport improvement fees	1,500,000	624,784	3,855,111
	12,800,000	12,234,394	14,414,820
Expenses (Note 16)			
Airport capital	2,703,000	2,575,438	2,112,824
Finance and administration	-	1,080,179	1,184,364
Operations and maintenance	-	3,580,418	3,389,202
Safety and security	-	3,188,818	2,882,034
	10,398,000	10,424,853	9,568,424
Operating Surplus before other items	2,402,000	1,809,541	4,846,396
Other items			
Grant-in-kind, occupancy costs (Note 11)	-	1,439,801	1,158,753
Occupancy costs (Note 11)	-	(1,439,801)	(1,158,753)
Recovery of prior year expenses	-	60,907	35,687
	-	60,907	35,687
Annual Surplus	2,402,000	1,870,448	4,882,082
Accumulated surplus, beginning of year	47,372,310	47,372,310	42,490,228
Accumulated surplus, end of year	\$ 49,774,310	\$ 49,242,758	\$ 47,372,310

See accompanying notes

Yellowknife Airport Revolving Fund

Statement of Cash Flows

For the year ended March 31,	2023	2022
Cash provided by (used in)		
Operating activities		
Annual Surplus	\$ 1,870,448	\$ 4,882,082
Items not affecting cash:		
Amortization	2,575,438	2,112,824
	4,445,886	6,994,906
Changes in non-cash assets and liabilities		
Accounts receivable	(765,970)	(828,280)
Accounts payable and accrued liabilities	7,341	53,942
Deferred revenue	1,809,695	(2,260,860)
Employee future benefits	(38,552)	4,832
Prepaid expenses	(1,408)	6,668
Security deposits	(81,769)	-
Due from Government of the Northwest Territories	(3,162,504)	2,428,255
Cash from operating activities	2,212,719	6,399,463
Investing activities		
Acquisition of tangible capital assets	(2,212,719)	(6,385,384)
Disposal of capital assets	-	(14,079)
Cash used in investing activities	(2,212,719)	(6,399,463)
Increase in cash	4,445,886	6,994,906
Cash, beginning and end of period.	\$ -	\$ -

See accompanying notes

Yellowknife Airport Revolving Fund

Notes to the Financial Statements

March 31, 2023

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, 2023

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, 2023

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 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 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, 2023

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, 2023

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, 2023

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 Natural Resources
- 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

Boards and Agencies

- Education Authorities
- Health and Social Services Authorities
- Aurora College
- NWT Business Development & Investment Corporation
- NWT Housing Corporation
- Northwest Territories Power Corporation
- Tlichon 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, 2023

3. Future accounting changes

(a) Revenue, Section PS 3400

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, 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. Management is assessing the impact of the new standards.

4. Accounts receivable

	Accounts receivable	Allowance for doubtful accounts	Net 2023	Net 2022
Accounts receivable	\$ 2,435,732	\$ 16,373	\$ 2,419,359	\$ 1,653,388

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:

	2023	2022
Balance, beginning of year	\$ 10,427,735	\$ 12,855,990
Add: cash received by Treasury on behalf of the Fund	9,152,590	13,622,226
Less: payments made by the Treasury on the Fund's behalf	(6,049,653)	(16,050,481)
Add: government transfers receivable from the GNWT.	-	-
Balance, end of the year	\$ 13,530,672	\$ 10,427,735

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, 2023

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:

	2023	2022
Cumulative AIF revenue	\$ 16,666,992	\$ 13,490,895
Cumulative AIF expenses	(8,582,868)	(7,958,084)
Surplus of revenue over expenses	\$ 8,084,124	\$ 5,532,811

The excess of AIF revenues over expenses is recorded as deferred revenue.

7. Deferred revenue

Deferred revenue is composed of:

	2023	2022
Airport Improvement fees	\$ 8,084,124	\$ 5,532,811
Government transfers - Airfield Drainage project	-	990,739
Government transfers - ACAP equipment purchases	1,030,195	760,750
Prepaid lease revenues	122,379	142,703
Surplus of revenue over expenses	\$ 9,236,698	\$ 7,427,003

Yellowknife Airport Revolving Fund

Notes to the Financial Statements

March 31, 2023

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, 2023. 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	2023	2022
Accrued benefit obligation, beginning of year	\$ 52,747	\$ 64,042
Benefits earned	3,446	4,863
Interest	2,238	2,087
Benefits paid	(45,203)	(4,428)
Actuarial (gains)/losses	38,675	(13,817)
Accrued benefit obligation, end of year	51,903	52,747
Unamortized net actuarial loss	(51,303)	(13,597)
Accrued benefit liability	\$ 600	\$ 39,150

Yellowknife Airport Revolving Fund

Notes to the Financial Statements

March 31, 2023

8. Employee future benefits (continued)

	2023	2022
Current service cost	\$ 3,446	\$ 4,863
Interest cost	2,238	2,087
Amortization of net actuarial (gain) loss	969	2,310
	\$ 6,653	\$ 9,260

The discount rate used to determine the accrued benefit obligation is an average of 4.8% (2022 - 4.1%). The expected payments during the next five fiscal years are:

	Total
2024	\$ 3,723
2025	5,132
2026	4,838
2027	4,683
2028	4,227
	\$ 22,603

9. Tangible capital assets

	Cost	Accumulated Amortization	March 31, 2023	March 31, 2022
Buildings	\$ 29,938,383	\$ 5,866,580	\$ 24,071,803	\$ 25,270,161
Fuel Tanks	109,924	7,328	102,596	106,260
Machinery, equipment and vehicles	10,594,210	2,800,198	7,794,012	7,414,719
Water/sewer works	453,919	143,975	309,944	333,941
Airstrips/runways	12,873,906	2,664,123	10,209,783	8,481,356
Work in progress	79,620	-	79,620	1,324,041
	\$ 54,049,962	\$ 11,482,204	\$ 42,567,760	\$ 42,930,478

Schedule 1 provides a breakdown of tangible capital assets and work in progress

Yellowknife Airport Revolving Fund

Notes to the Financial Statements

March 31, 2023

10. Government transfers

The Fund received and recorded as revenue the following grants:

Received from	Type of transfer	Project	2023	2022
Transport Canada	Capital	Runway Lighting Upgrades;	\$ -	\$ 2,064,948
Transport Canada	Capital	Aircraft Rescue Fire Fighting Vehicle	-	1,508,566
Transport Canada	Capital	Airfield Drainage	2,578,674	-
			-	-
			\$ 2,578,674	\$ 3,573,514

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 2022-2023 Main Estimate 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, 2023 the commitments amounted to \$3,864,699. The annual payments for these commitments are as follows:

	2024	2025	2026	2027
Service contracts	\$ 1,872,609	\$ 1,525,678	\$ 408,148	\$ 58,264

Yellowknife Airport Revolving Fund

Notes to the Financial Statements

March 31, 2023

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:

	2024	2025	2026	2027	2028 and thereafter
Leases	\$ 3,040,573	\$ 2,644,913	\$ 2,202,330	\$ 2,140,057	\$ 20,584,760
Licenses	327,556	189,986	143,324	130,214	559,214
	\$ 3,368,129	\$ 2,834,899	\$ 2,345,654	\$ 2,270,271	\$ 21,143,974

15. Revenue by object

The following is a summary of aeronautical and non-aeronautical revenues by object:

For the year ended March 31,	Budget	2023	2022
Concession fees	\$ 430,000	\$ 190,034	\$ 134,818
Aeronautical	7,944,000	6,021,912	4,093,631
Leases	2,886,000	2,606,877	2,293,509
Parking	40,000	286,747	18,145
Recoveries	-	211,084	438,802
Other	-	14,282	7,290
	\$ 11,300,000	\$ 9,330,936	\$ 6,986,195

16. Expenses by object

For the year ended March 31,	Budget	2023	2022
Amortization	\$ 2,703,000	\$ 2,575,438	\$ 2,112,824
Bad debts (recovery)	10,000	-	-
Computer hardware and software	225,000	203,914	226,874
Contract services	1,800,000	1,608,895	1,551,354
Fees and payments	40,000	13,912	21,572
Materials and supplies	600,000	783,659	516,739
Purchased services	60,000	71,790	60,563
Travel	30,000	5,112	286
Utilities	130,000	209,720	159,280
Salaries and benefits	4,800,000	4,952,413	4,918,932
	\$ 10,398,000	\$ 10,424,853	\$ 9,568,424

Yellowknife Airport Revolving Fund

Notes to the Financial Statements

March 31, 2023

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 \$16,009,597 (2022 - \$12,081,123). 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, 2023, the accounts receivable aging profile is as follows:

	0-30 days	31-60 days	61-90 days	Over 90 days	Total
Accounts receivable	\$ 2,231,557	\$ 122,598	\$ -	\$ 65,204	\$ 2,419,359

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 \$16,373 (2022 - \$100,313).

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, 2023, receivables two (2022 - two) customers comprise 55% (2022 - 51%) 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 \$600,720 (2022 - \$593,380). Financial liabilities consist of accounts payable and accrued liabilities. All of the Fund's financial assets and financial liabilities as at March 31, 2023 mature within the next six months.

The Fund has disclosed future financial liabilities and commitments in Note 13.

Yellowknife Airport Revolving Fund

SCHEDULE 1

Schedule of Tangible Capital Assets

March 31, 2023

	Buildings	Fuel Tanks	Machinery, Equipment and Vehicles	Water & sewer Works	Airstrips	Work-In- Progress	2023	2022
Cost								
Balance, beginning of the year	\$ 29,938,383	\$ 109,924	\$ 9,457,168	\$ 453,919	\$ 10,553,808	\$ 1,324,041	\$ 51,837,243	\$ 45,451,859
Add: additions during the year	-	-	1,137,042	-	1,075,677	-	2,212,719	6,385,384
Add: transfers to tangible capital assets	-	-	-	-	1,244,421	(1,244,421)	-	-
Balance, end of year	29,938,383	109,924	10,594,210	453,919	12,873,906	79,620	54,049,962	51,837,243
Accumulated amortization								
Balance, beginning of the year	4,668,222	3,664	2,042,449	119,979	2,072,452	-	8,906,765	6,808,020
Add: amortization	1,198,358	3,664	757,749	23,996	591,671	-	2,575,438	2,112,824
Less: adjustment	-	-	-	-	-	-	-	(14,079)
Balance, end of year	5,866,580	7,328	2,800,198	143,975	2,664,123	-	11,482,203	8,906,765
Net book value	\$ 24,071,803	\$ 102,596	\$ 7,794,012	\$ 309,944	\$ 10,209,783	\$ 79,620	\$ 42,567,760	\$ 42,930,478

Environment Fund

Financial Statements

March 31, 2023

Environment Fund

Financial Statements

March 31, 2023

	Page
Management Responsibility Statement	3
Independent Auditors' Report	4 - 6
Statement of Operations	7
Statement of Changes in Fund Balances	8
Statement of Financial Position	9
Notes to the Financial Statements	10 - 15
Schedule of Beverage Container Program	16
Schedule of Electronic Recycling Program	17
Schedule of Other Programs and Initiatives	18

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



Hilda Balsillie
Acting Director, Finance and Capital Planning
Department of Environment and Climate Change

June 29, 2023

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, 2023, 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, 2023 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 \$6,003,039 (2022 - \$6,076,740), depot handling fees \$846,341 (2022 - \$906,792), processing fees \$479,176 (2022 - \$653,854) and refundable deposits \$2,401,953 (2022 - \$2,380,022). 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, 2023 and 2022, accounts receivable, accounts payable or fund balances as at March 31, 2023 and 2022.

The Environment Fund includes a liability for unredeemed containers in the amount of \$898,325 (2022 - \$911,511) that is derived from 15% of total beverage container program fees. The 15% could not be independently verified, and consequently, our review of this liability was limited to the value provided by management. As a result, we are unable to determine if adjustments would be required to the liability for the years ended March 31, 2023 and 2022.

Wages and benefits of \$1,047,725 (2022 - \$1,189,831) were paid to employees of the Fund and 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, 2023 and 2022, liabilities and fund balances as at March 31, 2023 and 2022.

Our audit opinion on the financial statements for the year ended March 31, 2022 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, 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 29, 2023**

Chartered Professional Accountants

Environment Fund

Statement of Operations

For the year ended March 31,	2023	2022
Revenues		
Beverage Container Program (schedule 1)	\$ 6,879,795	\$ 6,448,470
Electronic Recycling Program (schedule 2)	216,655	271,757
Other Programs and Initiatives (schedule 3)	434,391	684,105
	7,530,841	7,404,332
Expenses		
Beverage Container Program (schedule 1)	5,191,502	5,333,415
Electronic Recycling Program (schedule 2)	271,702	304,229
Other Programs and Initiatives (schedule 3)	734,203	1,045,987
	6,197,407	6,683,631
Excess of revenues over expenses	\$ 1,333,434	\$ 720,701

Environment Fund

Statement of Changes in Fund Balances

For the year ended March 31, 2023

	Unrestricted	Equipment replacement reserve	Total 2023	Total 2022
Balance, beginning of year	\$ 6,990,448	\$ 484,471	\$ 7,474,919	\$ 6,754,218
Excess of revenues over expenses	1,333,434	-	1,333,434	720,701
Transfer to reserve (Note 3c)	(30,396)	30,396	-	-
Balance, end of year	\$ 8,293,486	\$ 514,867	\$ 8,808,353	\$ 7,474,919

Environment Fund

Statement of Financial Position

March 31, 2023 2022

Assets

Accounts receivable	\$ 1,059,129	\$ 806,770
Due from Treasury (note 5)	9,003,106	8,317,443
Loan receivable	-	6,122
	\$ 10,062,235	\$ 9,130,335

Liabilities

Accounts payable and accrued liabilities	\$ 355,557	\$ 743,905
Unredeemed container liability (note 6)	898,325	911,511
	1,253,882	1,655,416

Fund balances

Unrestricted	8,293,486	6,990,448
Equipment replacement reserve	514,867	484,471
	8,808,353	7,474,919
	\$ 10,062,235	\$ 9,130,335

Approved on behalf of the Board:



(for) Deputy Minister



Acting Director, Finance and Capital Planning

Environment Fund

Notes to the Financial Statements

March 31, 2023

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.

Effective April 1, 2023 the Department of Environment and Natural Resources merged with the Department of Lands to form the Department of Environment and Climate Change.

Environment Fund

Notes to the Financial Statements

March 31, 2023

2. Change in accounting policy

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.

3. Significant accounting policies

The financial statements are prepared by management in accordance with Canadian public sector accounting standards for government not-for-profits.

The significant accounting policies used are as follows:

(a) Revenue recognition

Beverage Container Program revenue, Single-use Retail Bag Program, and Electronics Recycling Program revenue is recognized when beverage containers, single use retail bags or electronics are sold by distributors to retailers. Recoveries and salvage revenue from recycled materials are recognized when cash is received or receivable.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the Statement of Operations as the stipulation liabilities are settled.

Interest revenue is recognized as it is earned.

(b) Capital assets

The capital assets managed by the Fund are not included in these financial statements as they are not capital assets of the Fund.

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard.

As the Government of the Northwest Territories owns the assets of the Fund, it also accepts responsibility for any contaminated sites. As a result, the Fund does not record any liabilities associated with contaminated sites or their remediation. Asset retirement obligations are the responsibility of the Department of Environment and Climate Change.

(c) Reserve funds

Restrictions have been placed on surplus to reserve funds for future operations:

This reserve was approved by the Government of the Northwest Territories to be set up for future capital equipment purchases/replacement. The Equipment replacement reserve is equal to 1/10 of the cost of capital equipment, including capital equipment purchased with start-up funds, has been reserved annually for future replacements of capital equipment. The 2023 transfer is \$30,396 (2022 - \$30,396).

Environment Fund

Notes to the Financial Statements

March 31, 2023

3. Significant accounting policies (continued)

(d) Contributed services

The Department of Environment and Climate Change maintains the accounts of the Fund. 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.

(e) Start-up funding

The Department of Environment and Climate Change received \$1,143,000 in start-up funding from the Government of the Northwest Territories to cover the costs of implementing the Beverage Container Program. The start-up costs, which were incurred before the Beverage Container Program came into force on November 1, 2005, are not reflected in the financial statements as they are reported on in the consolidated financial statements of the Government of the Northwest Territories.

(f) Cash flow statement

As the Fund does not maintain a bank account, but rather receives working capital advances and finances accounts receivable and operating expenses through the Government's Consolidated Revenue Fund (the "CRF"); as a result a Statement of Cash Flows has not been presented.

(g) Financial instruments

The Fund classifies its financial instruments at cost or amortized cost. The Fund's accounting policy for this financial instrument category is as follows:

This category includes accounts receivable, 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.

Environment Fund

Notes to the Financial Statements

March 31, 2023

3. Significant accounting policies (continued)

(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. Future accounting changes

Revenue, Section PS 3400

This new section established 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. Earlier adoption is permitted. The impact of the transition to these accounting standards is being reviewed by management.

5. 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.

6. Unredeemed container liability

The unredeemed container liability is an amount that is equal to 15% (2022 - 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*.

Environment Fund

Notes to the Financial Statements

March 31, 2023

7. 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

	<u>2023</u>	<u>2022</u>
Revenue		
NWT Liquor Commission - Beverage container program fees	<u>\$ 1,928,641</u>	<u>\$ 1,990,693</u>
Government of the Northwest Territories - Human Resources - Payroll	<u>\$ 1,047,725</u>	<u>\$ 1,189,831</u>
Chief T'Seleye School - Grants and contributions	<u>10,348</u>	<u>10,423</u>
École Sir John Franklin High School - Grants and contributions	<u>7,072</u>	<u>-</u>
Marine Transportation Services - Freight	<u>57,333</u>	<u>37,700</u>
	<u>\$ 1,122,478</u>	<u>\$ 1,237,954</u>
	<u>2023</u>	<u>2022</u>
Accounts receivable		
NWT Liquor Commission	<u>\$ 279,424</u>	<u>\$ 157,753</u>
Accounts payable and accrued liabilities		
École Sir John Franklin High School	<u>\$ 786</u>	<u>\$ -</u>
Chief T'Seleye School	<u>873</u>	<u>-</u>
	<u>\$ 1,659</u>	<u>\$ -</u>

Environment Fund

Notes to the Financial Statements

March 31, 2023

8. 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, loans 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 \$10,062,235 (2022 - \$9,124,213). All financial assets are considered current except for the loan receivable. The risk has not changed from prior year.

(b) Concentration of credit risk

Concentration of credit risk is the risk that a customer has more than ten percent of the total accounts receivable balance and thus there is a higher risk to the business in the event of a default by one of these customers. The Fund does have a concentration of credit risk.

Concentrations of credit risk relates to groups of counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

At March 31, 2023 receivables from 3 (2022- 3) customers comprised approximately 65% (2022 - 48%) of the total outstanding receivables. The Fund reduces this risk by regularly assessing the credit risk associated with these accounts.

(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

	2023	2022
Revenues		
Beverage container program fees	\$ 6,003,039	\$ 6,076,740
Salvage	574,321	312,916
Interest revenue	288,625	57,553
Recoveries	13,810	1,261
	6,879,795	6,448,470
Expenses		
Advertising and promotion	6,737	-
Contract service - satellite depot	57,694	58,855
Depot handling fees	846,341	906,792
Equipment, supplies and maintenance	215,664	206,356
Freight	387,563	374,001
Grants and contributions	117,933	86,390
Insurance	19,382	21,003
Office and software	9,010	8,508
Processing centre handling fees	479,176	653,854
Processing centre salvage	114,199	63,286
Professional fees	-	34,191
Quality control fees	24,750	41,044
Refundable deposit fees	2,401,953	2,380,022
Storage	57,450	60,200
Travel and training	36,352	1,551
Wages and benefits	417,298	437,362
	5,191,502	5,333,415
Excess of revenues over expenses	\$ 1,688,293	\$ 1,115,055

Environment Fund

Schedules to the Financial Statements

For the year ended March 31,

Schedule of Electronic Recycling Program

Schedule 2

	2023	2022
Revenues		
Electronic recycling program fees	\$ 216,655	\$ 271,757
Expenses		
Advertising and promotion	675	5,160
Contract service - satellite depot	-	2,500
Depot, processing centre and recycling fees	100,052	109,197
Equipment, supplies and maintenance	85	1,150
Freight	21,318	18,470
Professional fees	36,195	36,777
Storage	5,600	6,000
Travel and training	1,168	-
Wages and benefits	106,609	124,975
	271,702	304,229
Deficiency of revenues over expenses	\$ (55,047)	\$ (32,472)

Environment Fund

Schedules to the Financial Statements

For the year ended March 31,

Schedule of Other Programs and Initiatives

Schedule 3

	2023	2022
Revenues		
Single-use retail bag program fees	\$ 434,391	\$ 684,105
Expenses		
Advertising and promotion	4,052	17,544
Grants and contributions	106,713	220,091
Contract services - satellite depot	28,437	25,699
Office	5,513	21,600
Professional fees	54,295	132,079
Travel and training	11,377	1,480
Wages and benefits - Single-use retail bag program	119,314	82,669
Wages and benefits - Policy development	370,005	498,822
Wages and benefits - Waste reduction and recycling	34,497	46,003
	734,203	1,045,987
Deficiency of revenues over expenses	\$ (299,812)	\$ (361,882)

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND
Yellowknife, NT**

FINANCIAL STATEMENTS
For the Year Ended March 31, 2023

TABLE OF CONTENTS

Managements' Responsibility for Financial Reporting

Independent Auditors' Report

Statement of Financial Position 1

Statement of Changes in Net Assets Available for Benefits 2

Statement of Changes in Pension Obligations 3

Notes to the Financial Statements 4 - 14



MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

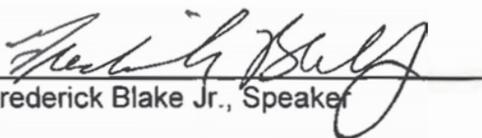
The accompanying financial statements have been prepared by management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with Canadian accounting standards for pension plans. Where necessary the statements include amounts that are based on informed judgements and estimates by management, giving appropriate consideration to reasonable limits of materiality.

In discharging its responsibility for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records are maintained. These controls include quality standards in hiring and training employees, written policies and procedures manuals, and accountability for performance within appropriate and well-defined areas of responsibility. The Board's management recognizes its responsibility for conducting the Fund's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate.

The Accounting firm of Ashton Chartered 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:


Frederick Blake Jr., Speaker


Glen Rutland, Clerk

September 25, 2023

INDEPENDENT AUDITORS' 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, 2023, 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, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted 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 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 the financial statements in accordance with Canadian generally accepted 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 relating 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.



**LEGISLATIVE ASSEMBLY RETIRING
ALLOWANCE FUND**

STATEMENT OF FINANCIAL POSITION
March 31, 2023

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT		
Accounts Receivable (Note 3)	\$ 35,894	\$ 16,643
Accrued Interest Income	<u>-</u>	<u>18,502</u>
	35,894	35,145
INVESTMENTS (Note 4)	<u>23,250,267</u>	<u>23,968,061</u>
	<u>\$ 23,286,161</u>	<u>\$ 24,003,206</u>
LIABILITIES		
CURRENT		
Accounts Payable	<u>\$ 52,511</u>	<u>\$ 37,053</u>
NET ASSETS AVAILABLE FOR BENEFITS per page 2	23,233,650	23,966,153
PENSION OBLIGATIONS per page 3 (Note 5)	<u>18,566,700</u>	<u>19,948,300</u>
PENSION PLAN FUND SURPLUS	<u>4,666,950</u>	<u>4,017,853</u>

APPROVED



Speaker



Clerk

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the Year Ended March 31, 2023

	<u>2023</u>	<u>2022</u>
INCREASE IN ASSETS		
Contributions:		
Members	236,162	224,854
Government of the NWT	856,000	856,000
In-Kind Contributions	<u>8,500</u>	<u>7,500</u>
	<u>1,100,662</u>	<u>1,088,354</u>
Investment Income:		
Interest	534,177	325,776
Dividends	305,581	259,104
Gain on Sale of Investments	<u>781,238</u>	<u>1,687,947</u>
	1,620,996	2,272,827
Current Period Change in Fair Values of Investments	<u>(2,098,658)</u>	<u>(1,734,036)</u>
Net Investment Income (Loss)	<u>(477,662)</u>	<u>538,791</u>
Total Increase in Assets	<u>623,000</u>	<u>1,627,145</u>
DECREASE IN ASSETS		
Benefits		
Pension Payments	1,074,910	1,054,627
Termination/Lump sum Payments	<u>115,764</u>	<u>22,974</u>
Total Benefits	<u>1,190,674</u>	<u>1,077,601</u>
Administrative		
Actuary Fees	34,537	24,396
Audit Fees	8,500	7,500
Investment Management Fees	84,772	78,448
Meeting Travel & Accommodation	13,456	-
Trustee Fees	<u>23,564</u>	<u>25,867</u>
Total Administrative	<u>164,829</u>	<u>136,211</u>
Total Decrease in Assets	<u>1,355,503</u>	<u>1,213,812</u>
INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS	\$ (732,503)	\$ 413,333
NET ASSETS AVAILABLE FOR BENEFITS		
BEGINNING OF YEAR	<u>23,966,153</u>	<u>23,552,820</u>
END OF YEAR	<u>\$ 23,233,650</u>	<u>\$ 23,966,153</u>

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

STATEMENT OF CHANGES IN PENSION OBLIGATIONS
For the Year Ended March 31, 2023

	<u>2023</u>	<u>2022</u>
INCREASE IN PENSION OBLIGATIONS		
Interest Accrued on Benefits	\$ 890,000	\$ 863,000
Benefits Accrued	868,000	849,000
Experience Loss	<u>-</u>	<u>-</u>
	<u>1,758,000</u>	<u>1,712,000</u>
 DECREASE IN PENSION OBLIGATIONS		
Benefits Paid	\$ 1,188,000	\$ 1,070,000
Experience Gains	<u>1,951,600</u>	<u>-</u>
	<u>3,139,600</u>	<u>1,070,000</u>
INCREASE (DECREASE) IN PENSION OBLIGATIONS	642,000	(1,381,600)
 PENSION OBLIGATIONS, BEGINNING OF YEAR	 <u>19,948,300</u>	 <u>19,306,300</u>
PENSION OBLIGATIONS, END OF YEAR	<u>\$ 18,566,700</u>	<u>\$ 19,948,300</u>
 AS REPRESENTED BY		
Active Members	\$ 4,633,900	\$ 4,375,100
Pensioners & Terminated Members	<u>13,932,800</u>	<u>15,573,200</u>
	<u>\$ 18,566,700</u>	<u>\$ 19,948,300</u>

**LEGISLATIVE ASSEMBLY
RETIRING ALLOWANCE FUND**

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

3. ACCOUNTS RECEIVABLE

	2023	2022
Member Contributions	\$ 27,394	\$ 9,143
In-Kind Contributions- GNWT	8,500	7,500
	\$ 35,894	\$ 16,643

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:

	Cost	2023 Market	Cost	2022 Market
Cash & Cash Equivalents	127,596	127,594	89,132	89,132
Canadian Equity Mutual Funds	4,063,399	4,129,509	3,648,522	4,329,714
International Equity Mutual Funds	6,752,056	7,335,466	7,465,909	8,218,315
Temporary Investments	124,475	124,475	90,890	90,890
Canadian Fixed Income Funds	13,471,026	11,533,223	9,475,254	8,397,179
Government of Canada Bonds	-	-	1,957,327	2,175,035
Province of Ontario Bonds	-	-	430,653	667,796
	\$ 24,538,552	\$ 23,250,267	\$ 23,157,687	\$ 23,968,061

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, 2023**

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:

	2023	2022
Level 1	\$ 23,250,267	\$ 23,968,061

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, 2023 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.

	2023	2022
Valuation Interest Rate (net of expenses)	4.40%	4.40%
Remuneration Projection Rate	2.00%	2.00%
Interest Credited on Contributions	5.20%	4.40%
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, 2023 has been obtained using a measurement date of January 31, 2023 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, 2023

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, 2023

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, 2023

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, 2023

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, 2023, the Plan is not in violation of any externally imposed legal or regulatory requirements.

8. AUTHORIZATION

On September 25, 2023 the Board of Management authorized the issue of the financial statements for the year ended March 31, 2023.

**THE NATURAL RESOURCES
CONSERVATION TRUST FUND**

Yellowknife, NT

FINANCIAL STATEMENTS

For the year ended March 31, 2023

TABLE OF CONTENTS

	Page
Management's Responsibility for Reporting	
Independent Auditor's Report	
Statement of Financial Position	1
Statement of Operations	2
Statement of Changes in Fund Balances	3
Notes to the Financial Statements	4 - 6

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.



Hilda Balsillie
Director, Financial and Capital Planning
Department of Environment and Climate Change

June 30, 2023



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Chartered Professional Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Minister of the Department of Environment and Natural Resources 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, 2023, 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

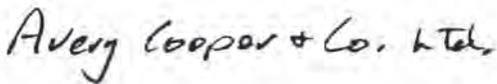
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.
Chartered Professional Accountants
Yellowknife, NT

June 30, 2023

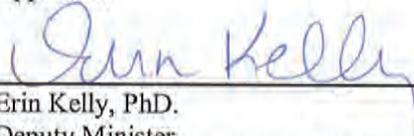
THE NATURAL RESOURCES CONSERVATION TRUST FUND

STATEMENT OF FINANCIAL POSITION

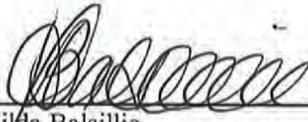
March 31, 2023

ASSET		2023	2022
CURRENT			
Cash		\$ 244,329	\$ 239,484
LIABILITY			
CURRENT			
Accounts payable and accrued liabilities		\$ 2,900	\$ 2,900
FUND BALANCES			
CAPITAL PORTION per page 3		187,828	187,828
INTEREST PORTION per page 3		53,601	48,756
		241,429	236,584
		\$ 244,329	\$ 239,484

Approved:



Erin Kelly, PhD.
Deputy Minister
Department of Environment and Climate Change



Hilja Balsillie
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, 2023

	<u>2023</u>	<u>2022</u>
REVENUE		
Interest income	\$ 8,095	\$ 1,789
EXPENSES		
Professional fees	<u>3,250</u>	<u>3,088</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 4,845</u>	<u>\$ (1,299)</u>

THE NATURAL RESOURCES CONSERVATION TRUST FUND

STATEMENT OF CHANGES IN FUND BALANCES

For the year ended March 31, 2023

	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>
	2022		
	<u>Capital Portion</u>	<u>Interest Portion</u>	<u>Total</u>
BALANCE, opening	\$ 187,828	\$ 50,055	\$ 237,883
Deficiency of revenue over expenses	-	(1,299)	(1,299)
BALANCE, closing	<u>\$ 187,828</u>	<u>\$ 48,756</u>	<u>\$ 236,584</u>

THE NATURAL RESOURCES CONSERVATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023

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 Natural Resources 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, 2023

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, 2023

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, 2023

TABLE OF CONTENTS

Management's Responsibility for Financial Reporting

Independent Auditors' Report

Estate & Trust Fund

Statement I

Balance Sheet

Statement II

Statement of Operations

Statement III

Statement of Changes in Estate & Trust Fund Balance

Notes to the Financial Statements



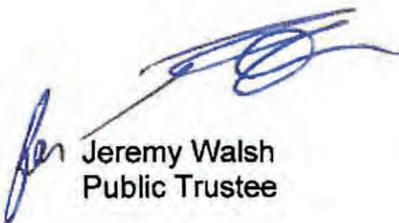
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

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



Jeremy Walsh
Public Trustee

May 31, 2023

Brad Patzer
ASSISTANT DEPUTY MINISTER
(ATTORNEY GENERAL)

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, 2023, 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, 2023, 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 31, 2023

**PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES
ESTATE & TRUST FUND**

BALANCE SHEET

March 31, 2023

ASSETS

	<u>2023</u>	<u>2022</u>
Cash (Note 3)	\$8,626,251	\$8,345,649
Other assets at nominal value (Note 2b)	<u>1</u>	<u>1</u>
	<u>\$8,626,252</u>	<u>\$8,345,650</u>

NET ASSETS

Undistributed Common Fund earnings per Statement II (Note 4)	\$ 195,137	\$ 32,379
Public Trustee Management Fund (Note 6)	19,996	13,430
Estate & Trust Fund per Statement III (Note 5)	<u>8,411,119</u>	<u>8,299,841</u>
	<u>\$8,626,252</u>	<u>\$8,345,650</u>

Approved:


Brad Patzer

**ASSISTANT DEPUTY MINISTER
(ATTORNEY GENERAL)**

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, 2023

	<u>2023</u>	<u>2022</u>
Undistributed Common Fund earnings, opening	<u>\$ 32,379</u>	<u>\$ 27,916</u>
Add:		
Common Fund earnings	<u>288,307</u>	<u>49,011</u>
Less:		
Interest paid to estates and trusts (Statement III)	107,983	44,233
Excess interest paid to the Government of the Northwest Territories	-	-
Transfers to Public Trustee Management Fund (Note 6)	<u>17,566</u>	<u>315</u>
	<u>125,549</u>	<u>44,548</u>
Increase (decrease) in Undistributed Common Fund earnings balance	<u>162,758</u>	<u>4,463</u>
Undistributed Common Fund earnings, closing (Note 4)	<u>\$ 195,137</u>	<u>\$ 32,379</u>

See the accompanying notes.

STATEMENT III

**PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES
ESTATE & TRUST FUND**

STATEMENT OF CHANGES IN ESTATE & TRUST FUND BALANCE

For the year ended March 31, 2023

	<u>2023</u>	<u>2022</u>
Estate & trust funds provided:		
Estate and trust assets received	\$ 1,836,193	\$ 2,075,510
Common Fund interest paid to estates and trusts (Statement II)	<u>107,983</u>	<u>44,233</u>
	<u>1,944,176</u>	<u>2,119,743</u>
Estate & trust funds applied:		
Payments to beneficiaries	704,588	622,875
Disbursements made on behalf of estates and trusts	1,001,997	842,015
Administration fees (Note 2c)	120,118	146,925
GST on Administration fees	6,000	7,346
Court fees	<u>195</u>	<u>338</u>
	<u>1,832,898</u>	<u>1,619,499</u>
Increase in Estate & Trust Fund balance	111,278	500,244
Estate & Trust Fund balance, opening	<u>8,299,841</u>	<u>7,799,597</u>
Estate & Trust Fund balance, closing (Note 5)	<u>\$ 8,411,119</u>	<u>\$ 8,299,841</u>

See the accompanying notes.

PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023

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 \$120,118 (2022 - \$146,925) 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, 2023

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>2023</u>	<u>2022</u>
Common Fund	\$8,411,119	\$8,299,840
Other assets at nominal value	<u> 1</u>	<u> 1</u>
	\$8,411,120	<u>\$8,299,841</u>

PUBLIC TRUSTEE FOR THE NORTHWEST TERRITORIES

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023

NOTE 6 PUBLIC TRUSTEE MANAGEMENT FUND

The change during the year in the Public Trustee Management Fund is as follows:

	<u>2023</u>	<u>2022</u>
Public Trustee Management Fund balance, opening	\$13,430	\$24,115
Add:		
Management fees transferred to the Public Trustee out of the excess interest earned (Statement II)	17,566	315
Less:		
Costs incurred in respect of the annual audit	<u>(11,000)</u>	<u>(11,000)</u>
Public Trustee Management Fund balance, closing	<u>\$19,996</u>	<u>\$13,430</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.

**Government of the Northwest Territories
Students Loan Fund
Statement of Operations
for the year ended March 31, 2023**

	2023	2022
Loans Receivable, opening balance	41,294	41,925
Loans granted during the year	<u>5,513</u>	<u>4,872</u>
	46,807	46,797
Less:		
Principal amount of loans repaid	(3,039)	(3,196)
Principal amount of loan forgiveness	(708)	(37)
Principal amount of loan remissions	(2,258)	(1,958)
Principal Amount of Northern Bonus	<u>(577)</u>	<u>(312)</u>
Loans Receivable, closing balance	40,225	41,294
Less:		
Allowance for remissible and doubtful loans	<u>(16,774)</u>	<u>(17,266)</u>
Net Loans Receivable, closing balance	<u>23,451</u>	<u>24,028</u>

Effect of Students Loan Fund on Government Operations

Interest earned and credited to general revenues	312	331
Reduction to allowance for doubtful accounts credited to Recovery of Prior Year Expenses		
Less:		
Collection agency fees	(4)	(3)
Estimated provision for remission and doubtful accounts	<u>(3,036)</u>	<u>(2,087)</u>
Operating deficiency for the year	<u>(2,728)</u>	<u>(1,759)</u>

Approved:



 John MacDonald
 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, 2023

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>2023</u>	<u>2022</u>
Allowance for Forgiveness – Remissible Loans	\$ 5,945	\$6,253
Allowance for Doubtful Accounts – Repayable Loans	\$10,829	\$11,013
Total Allowance	<u>\$16,774</u>	<u>\$17,266</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 SLF, 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, 2023

Territorial Court Judges Registered Pension Plan Fund

Financial Statements

January 1, 2023

Page

Management Responsibility Statement	2
Independent Auditors' Report	3-4
Statement of Financial Position	5
Statement of Changes in Net Assets Available for Benefits	6
Statement of Changes in Pension Obligations	7
Notes to Financial Statements	8-17

Management's Responsibility Statement

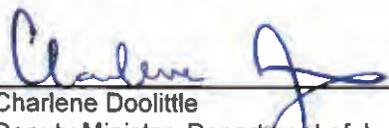
The accompanying financial statements have been prepared by the Government of the Northwest Territories, Department of Justice's management, which is responsible for the reliability, integrity and objectivity of the information provided. They have been prepared in accordance with Canadian accounting 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 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 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 19, 2023

Date



Crowe MacKay LLP

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Independent Auditors' Report

To the Members of Territorial Court Judges Registered Pension Plan Fund

Opinion

We have audited the accompanying financial statements of the Territorial Court Judges Registered Pension Plan Fund ("the Plan"), which comprise the statement of financial position as at January 1, 2023 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, 2023, 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
April 28, 2023**

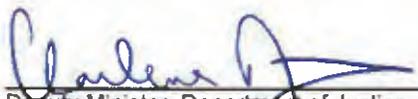
Chartered Professional Accountants

Territorial Court Judges Registered Pension Plan Fund

Statement of Financial Position

As at January 1, 2023	2023	2022
Assets		
Contributions receivable - Sponsor (note 3)	84,300	7,418
Investments (note 4)	6,844,322	8,048,464
Total Assets	6,928,622	8,055,882
Liabilities		
Accounts payable and accrued liabilities	22,023	21,661
Total Liabilities	22,023	21,661
Net Assets Available for Benefits	6,906,599	8,034,221
Pension obligations (Note 5)	7,857,700	7,655,839
Surplus (Deficiency)		
Pension Plan Fund Surplus (Deficit)	\$ (951,101)	\$ 378,382

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, 2023 2023 2022

Increase in assets:

Contributions - members	\$ 69,494	\$ 69,023
Contributions - sponsor (current service cost)	98,150	95,350
Current year change in fair value of investments	(1,217,862)	199,745
In-kind contributions - sponsor	46,195	7,418
Investment income	297,570	591,509
Net realized capital gains income	91,175	133,599

(615,278) 1,096,644

Decrease in assets:

Administrative expenses (Note 7)	112,287	84,683
Benefit payments - regular	400,057	372,361

512,344 457,044

Increase (decrease) in net assets available for benefits **(1,127,622)** 639,600

Net assets available for benefits, beginning of year **8,034,221** 7,394,621

Net assets available for benefits, end of year **\$ 6,906,599** \$ 8,034,221

Changes in pension plan fund surplus (deficit):

Beginning of year **\$ 378,382** \$ (31,579)

Increase (decrease) in net assets available for benefits	(1,127,622)	639,600
Decrease in pension obligation	(201,861)	(229,639)

Net change **(1,329,483)** 409,961

End of year **\$ (951,101)** \$ 378,382

Territorial Court Judges Registered Pension Plan Fund

Statement of Changes in Pension Obligations

For the year ended January 1, 2023	2023	2022
Increase in pension obligations:		
Interest accrued on benefits	\$ 355,700	\$ 351,900
Benefits accrued	248,700	250,100
Experience (gains) and losses	46,900	-
	651,300	602,000
Decrease in pension obligations:		
Benefits paid	449,439	372,361
Increase in pension obligation	201,861	229,639
Pension obligation, beginning of year	7,655,839	7,426,200
Pension obligation, end of year	\$ 7,857,700	\$ 7,655,839

Territorial Court Judges Registered Pension Plan Fund

Notes to Financial Statements

January 1, 2023

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, 2023

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, 2023

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, 2023

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 - members and 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, 2023

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 - GNWT

	2023	2022
In-kind contribution	\$ 10,500	\$ 7,418
Current services contributions	73,800	-
Contribution receivable	\$ 84,300	\$ 7,418

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:

	2023	2022
Cash and cash equivalents	\$ 261,101	\$ 104,630
Canadian equities	1,293,497	\$ 1,674,081
Global equities	2,675,497	3,324,016
Fixed income funds	2,328,296	2,688,187
Real estate	285,931	257,550
Total market value of the investment portfolio	\$ 6,844,322	\$ 8,048,464

The book value of the investments for the year ended January 1, 2023 is \$5,938,638 (2022 - \$5,294,718).

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, 2023

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 data and assumptions used for January 1, 2023 are the same as that used in the actuarial valuation 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.

	2023	2022
Discount rate	4.70 %	4.80 %
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, 2023

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.

	2023		2022	
Actuarial fees	\$	35,695	\$	-
Audit		10,500		7,468
Investment management		42,446		51,352
Trustee and custodial fees		23,646		25,863
	\$	112,287	\$	84,683

Territorial Court Judges Registered Pension Plan Fund

Notes to Financial Statements

January 1, 2023

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, 2023, had market interest rates increased or decreased by 1% with all other variables held constant, the impact on the Plan's net assets available for benefits would have been an increase or decrease of 2.1% (2022 - 2.8%). 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, 2023

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, 2023 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% (2022 - 2.1%). 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, 2023 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 5.7% (2022 - 5.1%). 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, 2023

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.

Northwest Territories and Nunavut Lotteries
Physical Activity, Sport and Recreation Fund Report
For the year ended March 31, 2023

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, 2023

	2023 Activity Unaudited	
Opening Balance, April 1, 2022		\$ 1,511,077
Revenue (Statement of Operations)	\$ 6,047,269	
Less: Contributions to Organizations (Schedule 2)	(4,489,306)	
Less: Contributions to Multisport Games (Schedule 3)	(2,094,980)	
Less: Administration Expenses (Statement of Operations)	(987,072)	
		<u>(1,524,089)</u>
Balance as at March 31, 2023		<u>\$ (13,012)</u>

Northwest Territories and Nunavut Lotteries
Physical Activity, Sport and Recreation Statement of Operation
For the year ended March 31, 2023

		March 31, 2023 Unaudited	March 31, 2022 Unaudited
	Opening Fund balance, Note 1	1,511,077	671,151
	Revenue		
40110	Other Grants - MACA		-
42440	Lottery Revenue	5,807,383	6,612,277
42220	Program Recipient Recoveries		(624,506)
42940	Nunavut Government Recoveries	137,536	124,901
44020	Fees	1,500	500
44840	Sundry Income	80,000	
45020	Recoveries of Prior Year Expenses	20,850	8,672
		6,047,269	6,121,844
	Expenses		
MAINS	Compensation and Benefits	367,755	425,952
MAINS	Grants, Contributions and Transfers	6,416,770	4,315,790
MAINS	Travel	7,295	-
MAINS	Material and Supplies	153,377	109,354
MAINS	Purchased Services	80,856	72,504
MAINS	Utilities	67	-
MAINS	Contract Services	346,524	308,586
MAINS	Fees & Payments	167,516	46,731
MAINS	Interest Expense		-
MAINS	Chargeback Expense		-
MAINS	Controllable Assets	26,851	2,196
MAINS	Computer Hardware/Software	4,347	805
		7,571,358	5,281,918
	Net Income	\$ (1,524,089)	\$ 839,926
	Year End Fund balance	\$ (13,012)	\$ 1,511,077

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, 2023

	March 31, 2023 Unaudited	March 31, 2022 Unaudited
SALES		
Lottery Ticket Sales	\$ 21,526,374	\$ 21,885,915
Interest and other income	40,323	16,216
	21,566,697	21,902,131
DIRECT EXPENSES		
Free Tickets	1,206,981	1,198,605
Prizes	11,111,478	11,365,291
Retailer Commissions	1,149,061	1,173,845
Ticket Printing	294,730	317,475
	13,762,250	14,055,216
OPERATING INCOME		
	7,804,447	7,846,915
EXPENSES		
Amortization	152886	145,178
Communications	109471	100,911
Cost of premises	14583	16,887
Draws and winning numbers publication	4255	3,757
Employee development	3101	4,200
Equipment	102918	69,219
Federal Government	213549	210,787
Freight and product transport	3787	3,798
Goods and services tax	109974	93,894
I. L. C. expense	18800	21,948
Insurance and bank charges	24604	18,741
Media & advertising	167362	167,588
Overhead allocation	-273	(287)
Presentations, publications and miscellaneous	4324	7,495
Professional fees	96893	91,716
Promotion	8657	7,040
Supplies	1848	1,663
Travel	1641	312
Wages and Benefits	281,194	278,971
	1,319,574	1,243,818
EXCESS OF REVENUES OVER EXPENSES		
	\$ 6,484,873	\$ 6,603,097

Northwest Territories and Nunavut Lotteries
Schedule 2 - Contributions to Organizations
For the year ended March 31, 2023

	March 31, 2023 Unaudited	March 31, 2022 Unaudited
REVENUE		
Lottery Contribution	\$ -	\$ -
MACA Contribution	-	-
	<u>-</u>	<u>-</u>
EXPENSES		
Aboriginal Sports Circle of the NWT	800,000	800,000
Inuvik and Sahtu Sport and Recreation	167,516	45,464
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	1,561,790	1,530,790
	<u>4,489,306</u>	<u>4,336,254</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (4,489,306)</u>	<u>\$ (4,336,254)</u>

	March 31, 2021 Unaudited	March 31, 2021 Unaudited
Territorial Sport Organizations		
Archery - Note 6	\$ 20,000	\$ 20,000
Arctic Sports/Dene Games - Note 6	40,000	40,000
Athletics	65,790	65,790
Basketball	100,000	100,000
Biathlon	20,000	20,000
Bowling	20,000	20,000
Boxing	20,000	20,000
Broomball	20,000	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
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	-
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
	<u>\$ 1,561,790</u>	<u>\$ 1,530,790</u>

Northwest Territories and Nunavut Lotteries
Schedule 3 - Contributions Multisport Games
For the year ended March 31, 2023

	March 31, 2022 Unaudited	March 31, 2022 Unaudited
REVENUE		
MACA Contribution	\$ -	\$ -
	<u>-</u>	<u>-</u>
EXPENSES		
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	
Aboriginal Sports Circle of the NWT-2023 NAIG	662,980	-
NWT 55+ Games Association		25,000
	<u>2,094,980</u>	<u>25,000</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (2,094,980)	\$ (25,000)

Northwest Territories and Nunavut Lotteries

Notes

For the year ended March 31, 2023

1. Basis of Presentation

The financial information in these reports for the year ended March 31, 2023 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, 2023

	\$	%
Eastern Arctic / Nunavut	2,551,650	13.0%
Western Arctic / NWT	17,121,239	87.0%
	19,672,889	100.0%

4. Number of Terminals as at March 31, 2022

	#	% of Total Sales
Eastern Arctic / Nunavut	4	10.0%
Western Arctic / NWT	36	90.0%
Total Number of Terminals	40	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 \$3.5 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, Arctic Sports and Dene Games

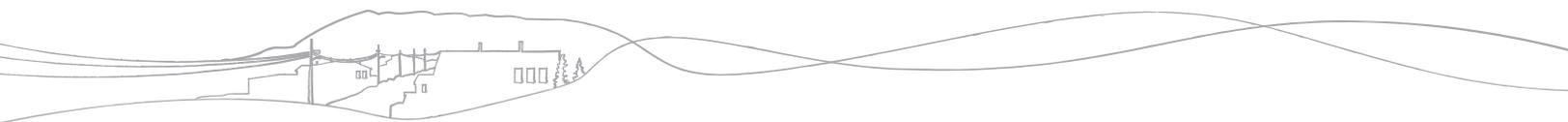
Funding for these sports was provided to the Aboriginal Sports Circle of the NWT.



2022-2023 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, 2023

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**

Table of Contents

SECTION IV

SUPPLEMENTARY FINANCIAL STATEMENTS – BOARDS

Education Boards

Beaufort-Delta Divisional Education Council
Commission scolaire francophone Territoires du Nord-Ouest
Dehcho Divisional Education Council
Dettah District Education Authority
N'Dilo 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
Tlicho Community Services Agency

Health and Social Services Authorities

Hay River Health and Social Services Authority
Northwest Territories Health and Social Services Authority

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**BEAUFORT-DELTA EDUCATION COUNCIL
INUVIK, NT**

**CONSOLIDATED ANNUAL FINANCIAL REPORT
June 30, 2022**

INDEX

Page

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

INDEPENDENT AUDITORS' REPORT

FINANCIAL STATEMENTS

Statement I - Consolidated Statement of Financial Position	1
Statement II - Consolidated Statement of Operations	2
Statement III - Consolidated Statement of Changes in Net Financial Assets	3
Statement IV - Consolidated Statement of Cash Flow	4
Notes to the consolidated financial statements	5 - 25
Specific Programs	
Schedule 1 - Consolidated Details of Expenses	26
Schedule 2 - Inclusive Schooling Expenses	27
Schedule 3 - Indigenous Languages and Education Expenses	28
Schedule 5 - French Language Program	30
Schedule 6 - Jordan's Principle	31
Schedule 7 - Northern Distance Learning	32 - 33
Schedule 8 - Student Success Initiative - Professional Development Initiative	34
District Education Authorities (DEAs) Operations	
Schedule 9 - Statement of Financial Position - Aklavik District Education Authority	35
Schedule 10 - Statement of Financial Operations - Aklavik District Education Authority	36
Schedule 11 - Details of Expenses - Aklavik District Education Authority	37
Schedule 12 - Statement of Financial Position - Ft McPherson District Education Authority	38
Schedule 13 - Statement of Financial Operations - Ft McPherson District Education Authority	39
Schedule 14 - Details of Expenses - Ft McPherson District Education Authority	40
Schedule 15 - Statement of Financial Position - Inuvik District Education Authority	41
Schedule 16 - Statement of Financial Operations - Inuvik District Education Authority	42
Schedule 17 - Details of Expenses - Inuvik District Education Authority	43
Schedule 18 - Statement of Financial Position - Paulatuk District Education Authority	44

Schedule 19 - Statement of Financial Operations - Paulatuk District Education Authority	45
Schedule 20 - Details of Expenses - Paulatuk District Education Authority	46
Schedule 21 - Statement of Financial Position - Sachs Harbour District Education Authority	47
Schedule 22 - Statement of Financial Operations - Sachs Harbour District Education Authority	48
Schedule 23 - Details of Expenses - Sachs Harbour District Education Authority	49
Schedule 24 - Statement of Financial Position - Tsiigehtchic District Education Authority	50
Schedule 25 - Statement of Financial Operations - Tsiigehtchic District Education Authority	51
Schedule 26 - Details of Expenses - Tsiigehtchic District Education Authority	52
Schedule 27 - Statement of Financial Position - Tuktoyaktuk District Education Authority	53
Schedule 28 - Statement of Financial Operations - Tuktoyaktuk District Education Authority	54
Schedule 29 - Details of Expenses - Tuktoyaktuk District Education Authority	55
Schedule 30 - Statement of Financial Position - Ulukhaktok District Education Authority	56
Schedule 31 - Statement of Financial Operations - Ulukhaktok District Education Authority	57
Schedule 32 - Details of Expenses - Ulukhaktok District Education Authority	58
Non-Consolidated Council Operations	
Schedule 33 - Statement of Financial Position - Non-Consol Beaufort Delta Education Council	59
Schedule 34 - Statement of Financial Operations - Non-Consol Beaufort Delta Education Council	60
Schedule 35 - Details of Expenses - Non-Consol Beaufort Delta Education Council	61

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 Education Council have been conducted within the statutory powers of the Beaufort-Delta Education Council. The operations and administration of the Beaufort-Delta 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 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 Education Council



Devin Roberts
Superintendent
August 31, 2022



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 Education Council which comprise the Consolidated Statement of Financial Position as at June 30, 2022 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 Education Council as at June 30, 2022 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 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 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 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

August 31, 2022

BEAUFORT-DELTA EDUCATION COUNCIL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 June 30, 2022

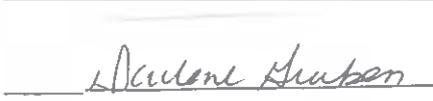
Statement I

	<u>2022</u>	<u>2021</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents (Note 4)	\$ 12,182,861	\$ 16,129,122
Restricted Assets (Note 6)	313,515	294,960
Accounts Receivable (Note 8)	<u>730,183</u>	<u>419,017</u>
	<u>13,226,559</u>	<u>16,843,099</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 10)	921,457	829,750
Payroll Liabilities (Note 10)	5,974,885	4,324,867
Contribution Repayable (Note 12)	592	-
Employee Deductions Payable	24,233	2,597
Deferred Revenue (Note 11)	302,324	5,235,178
Post-Employment Benefits (Note 17)	1,920,063	2,352,075
Trust Liabilities (Note 6)	<u>313,515</u>	<u>294,960</u>
	<u>9,457,069</u>	<u>13,039,427</u>
NET FINANCIAL ASSETS (Statement III)	<u>3,769,490</u>	<u>3,803,672</u>
NON-FINANCIAL ASSETS		
Prepaid Expenses (Note 20)	<u>39,989</u>	<u>1,500</u>
	<u>39,989</u>	<u>1,500</u>
ACCUMULATED SURPLUS	<u>\$ 3,809,479</u>	<u>\$ 3,805,172</u>

Approved:



Superintendent



Council Member

See the accompanying notes and schedules.

BEAUFORT-DELTA EDUCATION COUNCIL

Statement II

CONSOLIDATED STATEMENT OF OPERATIONS

For the Year Ended June 30, 2022

	2022 Budget <u>(Unaudited)</u>	2022 <u>Actual</u>	2021 <u>Actual</u>
REVENUE			
Government of the NWT			
Regular contributions	\$ 31,935,147	\$ 32,667,120	\$ 32,515,540
Other ECE contributions (Note 31)	1,292,146	1,753,396	1,466,229
Other contributions (Note 32)	74,250	153,720	137,407
GNWT - COVID contributions	<u>-</u>	<u>-</u>	<u>1,733,697</u>
Total Government of the NWT	<u>33,301,543</u>	<u>34,574,236</u>	<u>35,852,873</u>
Government of Canada			
Jordan Prinicpal	10,483,818	8,891,946	10,081,000
Other Government of Canada	<u>8,020</u>	<u>-</u>	<u>7,900</u>
Total Government of Canada	<u>10,491,838</u>	<u>8,891,946</u>	<u>10,088,900</u>
Board Generated Funds			
Investment Income	160,000	90,720	125,685
Other	<u>435,217</u>	<u>436,743</u>	<u>432,502</u>
Total Board Generated Funds	<u>595,217</u>	<u>527,463</u>	<u>558,187</u>
TOTAL REVENUE	<u>44,388,598</u>	<u>43,993,645</u>	<u>46,499,960</u>
EXPENSES (Schedule 1)			
Indigenous Languages and Education	3,097,873	3,009,306	3,106,384
Administration	3,507,763	2,730,263	2,786,503
Inclusive Schooling	5,815,019	4,867,242	5,058,902
School Programs	21,348,948	23,352,852	23,128,503
Jordan's Principle	10,484,818	8,891,946	10,081,001
Student Accommodations	-	121,493	31,970
Operations & Maintenance	<u>135,000</u>	<u>1,016,236</u>	<u>937,455</u>
TOTAL EXPENSES	<u>44,389,421</u>	<u>43,989,338</u>	<u>45,130,718</u>
OPERATING SURPLUS (DEFICIT)	<u>\$ (823)</u>	<u>\$ 4,307</u>	<u>\$ 1,369,242</u>

See the accompanying notes and schedules.

BEAUFORT-DELTA EDUCATION COUNCIL

Statement III

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

June 30, 2022

	2022 Budget <u>(Unaudited)</u>	2022 <u>Actual</u>	2021 <u>Actual</u>
OPERATING SURPLUS (DEFICIT)	\$ (823)	\$ 4,307	\$ 1,369,242
Purchase of Prepaid Expenses	-	(39,989)	(1,500)
Use of Prepaid Expenses	<u>-</u>	<u>1,500</u>	<u>3,000</u>
	-	(38,489)	1,500
DECREASE IN NET FINANCIAL ASSETS	<u>(823)</u>	<u>(34,182)</u>	<u>1,370,742</u>
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>3,803,672</u>	<u>3,803,672</u>	<u>2,432,930</u>
NET FINANCIAL ASSETS, END OF YEAR	\$ <u>3,802,849</u>	\$ <u>3,769,490</u>	\$ <u>3,803,672</u>

See the accompanying notes and schedules.

BEAUFORT-DELTA EDUCATION COUNCIL

Statement IV

CONSOLIDATED STATEMENT OF CASH FLOW

For the Year Ended June 30, 2022

Cash provided by (used in):	<u>2022</u>	<u>2021</u>
OPERATING TRANSACTIONS		
Operating surplus (deficit)	\$ 4,307	\$ 1,369,242
Changes in non-cash assets and liabilities:		
Decrease (increase) in accounts receivable	16,629	37,415
Increase (decrease) in accounts payable	91,707	(64,032)
Increase (decrease) in payroll liabilities	1,649,692	306,698
Increase (decrease) in contributions repayable	592	-
Increase (decrease) in employee deductions payable	21,636	910
Increase (decrease) in deferred revenue	(5,260,323)	4,379,172
Increase (decrease) in post-employment benefits	(432,012)	(352,572)
Decrease (increase) in prepaid expenses	<u>(38,489)</u>	<u>1,500</u>
Cash provided by operating transactions	<u>(3,946,261)</u>	<u>5,678,333</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,946,261)	5,678,333
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>16,129,122</u>	<u>10,450,789</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 12,182,861</u>	<u>\$ 16,129,122</u>

See the accompanying notes and schedules.

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

NOTE 1 NATURE OF ORGANIZATION

The Beaufort-Delta 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 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 EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

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 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 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 Beaufort-Delta 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 EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

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 give 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 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 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 EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

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 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 Education Council are not included even if custody of the funds is held by the Beaufort-Delta Education Council. Examples of excluded funds might be student clubs or associations for which the Beaufort-Delta 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 EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

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 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 Education Council.

The budget may be amended within a given fiscal year in accordance with Beaufort-Delta 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 Education Council are treated as expenses during the year of acquisition and are not recorded on the statement of financial position.

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

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 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 EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

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 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 EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

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.

Effective July 1, 2023, Education Bodies will be required to adopt PS 3400 Revenue. This

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

NOTE 3 FUTURE ACCOUNTING CHANGES, continued

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>2022</u>	<u>2021</u>
Cash	\$ <u>12,182,861</u>	\$ <u>16,129,122</u>
	\$ <u>12,182,861</u>	\$ <u>16,129,122</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>2022</u>	<u>2021</u>
Comprised of:			
Short-term	- GIC 2.7% due June 27, 2022	\$ 270,000	\$ 270,000
	- Due from general cash	<u>19,727</u>	<u>336</u>
		\$ <u>289,727</u>	\$ <u>270,336</u>
Stallworthy / Carpenter Endowment Fund:			
	Principal proceeds received	\$ 234,686	\$ 216,515
	Interest earned to date	272,846	271,624
	Expenses to date	<u>(217,805)</u>	<u>(217,803)</u>
		\$ <u>289,727</u>	\$ <u>270,336</u>

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

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 2.7% due June 27, 2022	\$ 21,000	\$ 21,000
	- Due from general cash	<u>(781)</u>	<u>(379)</u>
		\$ <u>20,219</u>	\$ <u>20,621</u>

Terry Halifax Fund:

Principal proceeds received		\$ 21,000	\$ 21,000
Interest earned to date		1,219	840
Expenses to date		<u>(2,000)</u>	<u>(500)</u>
		\$ <u>20,219</u>	\$ <u>20,621</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 2.7% due June 27, 2022	\$ 4,000	\$ 4,000
	- Due from general cash	<u>(431)</u>	<u>-</u>
		\$ <u>3,569</u>	\$ <u>4,000</u>

R. Gosselin Go For It Award Fund:

Principal proceeds received		\$ 4,500	\$ 5,000
Interest earned to date		69	-
Expenses to date		<u>(1,000)</u>	<u>(1,000)</u>
		\$ <u>3,569</u>	\$ <u>4,000</u>

TOTAL RESTRICTED ASSETS

\$ 313,515 \$ 294,957

NOTE 7 PORTFOLIO INVESTMENTS

(Not applicable)

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

NOTE 8 ACCOUNTS RECEIVABLE

	<u>Accounts Receivable</u>	<u>Allowance</u>	<u>2022</u>	<u>2021</u>
Government of the Northwest Territories:				
- Education, Culture and Employment	\$ 188,360	\$ -	\$ 188,360	\$ 212,269
- Municipal and Community Affairs	<u>17,547</u>	<u>-</u>	<u>17,547</u>	<u>13,014</u>
Due from GNWT	<u>205,907</u>	<u>-</u>	<u>205,907</u>	<u>225,283</u>
Other Accounts receivable	<u>907,401</u>	<u>383,125</u>	<u>524,276</u>	<u>193,734</u>
	<u>\$ 1,113,308</u>	<u>\$ 383,125</u>	<u>\$ 730,183</u>	<u>\$ 419,017</u>

NOTE 9 INVENTORY

(Not applicable)

NOTE 10 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2022</u>	<u>2021</u>
Government of the Northwest Territories:		
Education, Culture and Employment	\$ -	\$ 12,500
Health and Social Services	5,035	-
Municipal and Community Affairs	5,318	28,224
Industry, Tourism and Investment	<u>5,696</u>	<u>-</u>
Government of the Northwest Territories	16,049	40,724
Related Parties	331,680	449,969
Accounts payable	203,342	129,417
Accrued payables	<u>370,386</u>	<u>209,640</u>
	921,457	829,750
Payroll Liabilities		
To GNWT (A)	<u>\$ 5,974,885</u>	<u>\$ 4,324,867</u>

Note A: Amount outstanding to be paid to GNWT by Council for salaries and wages paid by June 30.

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

NOTE 11 DEFERRED REVENUE

	<u>2022</u>	<u>2021</u>
Government of the Northwest Territories		
Education, Culture & Employment		
- Healthy Food For Learning	\$ 36,228	\$ 8,290
- Breakfast Program - DEA's	48,234	15,900
- Hamlet of Sachs Harbour	-	9,457
- Facility Use - Inuvik DEA	3,344	3,502
- Tutor Program - Aklavik and Paulatuk DEA's	1,272	3,850
Environment & Natural Resources		
- TAKH & TAKT	15,794	9,083
Municipal & Community Affairs		
- Experience/Encounter with Canada/Keepers/TGC On the Land	8,883	11,524
Government of Canada		
- Jordon Prinicpal	-	4,919,618
Other		
OTL Youth Wellness	798	1,078
Show Kids You Care	-	5,000
Fundraising	33,716	-
Home Depot	2,296	-
Lights on CAF America	7,418	7,418
Inuvialuit Regional Corporation	73,189	7,320
Food First Foundation	51,689	75,970
Presidents Choice Foundation	821	2,076
Trust Income	-	500
Breakfast Program	-	66,347
Get Active NWT	-	8,545
Tides - OTL - Collaborative Fund	8,296	79,700
NWT Parks & Rec Get Active NWT	<u>10,346</u>	<u>-</u>
	<u>\$ 302,324</u>	<u>\$ 5,235,178</u>

NOTE 12 CONTRIBUTION REPAYABLE

- Library Services - Aklavik DEA	<u>592</u>	<u>-</u>
	<u>592</u>	<u>-</u>

(Not applicable)

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

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 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 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 EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

NOTE 17 POST-EMPLOYMENT BENEFITS, COMPENSATED ABSENCES AND TERMINATION BENEFITS, continued

	<u>Severance and Removal</u>	<u>Compensated Absences</u>	<u>2022</u>	<u>2021</u>
Changes in Obligation:				
Accrued benefit obligations beginning of year	\$ 1,490,040	\$ 314,031	\$ 1,804,071	\$ 1,939,171
Current period benefit cost	150,159	38,152	188,311	197,295
Interest accrued	51,180	10,993	62,173	54,175
Benefit payments	(474,945)	(38,104)	(513,049)	(463,203)
Plan amendments	-	(226)	(226)	-
Actuarial (gains)/losses	<u>579,647</u>	<u>2,316</u>	<u>581,963</u>	<u>76,633</u>
Accrued benefit obligations end of year	1,796,081	327,162	2,123,243	1,804,071
Unamortized net actuarial gain	<u>(172,858)</u>	<u>(157,068)</u>	<u>(329,926)</u>	<u>386,531</u>
Net future obligation	<u>1,623,223</u>	<u>170,094</u>	<u>1,793,317</u>	<u>2,190,602</u>
Total employee future benefits and compensated absences	<u>1,623,223</u>	<u>170,094</u>	<u>1,793,317</u>	<u>2,190,602</u>
Benefits Expense:				
Current period benefit cost	150,159	38,152	188,311	197,295
Interest accrued	51,180	10,993	62,173	54,175
Plan amendments	-	(226)	-	-
Amortization of actuarial gains	<u>(139,724)</u>	<u>5,229</u>	<u>(134,495)</u>	<u>(143,695)</u>
	<u>61,615</u>	<u>54,148</u>	<u>115,989</u>	<u>107,775</u>

The discount rate used to determine the accrued benefit obligation is an average of 2.70%. No inflation rate was applied. The expected payments during the next five fiscal years are:

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

NOTE 17 POST-EMPLOYMENT BENEFITS, COMPENSATED ABSENCES AND TERMINATION BENEFITS, continued

	<u>Severance and Removal</u>	<u>Compensated Absences</u>	<u>Total</u>
2023	\$ 189,297	\$ 26,122	\$ 215,419
2024	187,986	26,649	214,635
2025	193,489	28,355	221,844
2026	191,223	30,035	221,258
2027	182,333	32,306	214,639
Next 5 years	1,006,775	188,509	1,195,284
Thereafter	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ <u>1,951,103</u>	\$ <u>331,976</u>	\$ <u>2,283,079</u>

NOTE 18 TRUST ASSETS UNDER ADMINISTRATION

(Not applicable)

NOTE 19 TANGIBLE CAPITAL ASSETS

(Not applicable)

NOTE 20 PREPAID EXPENSES

	<u>2022</u>	<u>2021</u>
Air Canada	5,731	-
Air North	\$ 2,353	\$ -
Canadian North	10,895	-
Hilton Hotels	773	-
NBX Cassa	1,797	-
Taxi Services	103	-
Prepaid Rent - Paula Stefure E-Learning Tuktoyaktuk	5,400	1,500
Sheraton	2,785	-
Tatchun Centre	96	-
Prepaid Rent - Aklavik DEA	3,350	-
W Zarchikof	990	-
WestJet	2,372	-
Wilson Langu	<u>3,344</u>	<u>-</u>
	\$ <u>39,989</u>	\$ <u>1,500</u>

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

NOTE 21 GNWT ASSETS PROVIDED AT NO COST

	<u>Cost</u>	<u>Accumulated Amortization</u>	2022 <u>Net Book Value</u>	2021 <u>Net Book Value</u>
BBDEC Student Housing Inuvik	\$ 182,650	\$ 182,650	\$ -	\$ -
Samuel Hearne Carpentry Shop	461,563	461,563	-	-
Samuel Hearne Auto Shop	1,308,100	595,462	712,638	748,721
Moose Kerr School	8,352,213	6,403,893	1,948,320	2,010,632
Aklavik Portable Classrooms	62,052	62,052	-	-
Chief Julius School	10,064,072	5,340,917	4,723,155	4,881,916
Mangilaluk School	7,146,891	5,528,144	1,618,747	1,827,618
Inualthuya School	2,750,507	2,158,887	591,620	806,755
Helen Kalvak School	8,864,887	7,974,023	890,864	1,189,168
Angik School	4,517,372	2,666,657	1,850,715	1,992,171
Chief Paul Niditchie Moose Kerr Foundation Replacement	2,467,762	1,126,460	1,341,302	1,412,522
Chief Paul Niditchie School	753,546	211,964	541,582	560,419
Moose Kerr School - Ventilation	1	-	1	1
Moose Kerr School - Playscape	173,505	114,638	58,867	70,448
Helen Kalval HVAC	250,904	41,817	209,087	225,814
East 3 New Inuvik School	354,896	273,566	81,330	110,905
East Three - Wood Pellet System	106,182,229	26,166,447	80,015,782	82,675,586
Tsiigehtchic Gym Pilings	2,040,628	487,483	1,553,145	1,689,186
Aklavik Community Library	205,668	46,704	158,964	164,106
Angik Junior Kindergarden Play	234,794	133,543	101,251	107,121
East Three Carpentry Shop	350,877	40,936	309,941	333,333
Chief P. Niditchie - Playscape	734,188	85,655	648,533	685,242
Inualth Jr Kindergarden Playscape	208,874	34,812	174,062	187,987
E3 Elementary School - Playscape	233,044	28,483	204,561	220,097
Chief Julius Kinder Playscape	347,809	57,968	289,841	313,028
	190,051	21,117	168,934	-

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

2021 GMC Sierra 3500				
Crew	54,168	7,674	46,494	-
2021 GMC Sierra 2500HD	<u>57,747</u>	<u>8,181</u>	<u>49,566</u>	<u>-</u>
	<u>\$158,550,998</u>	<u>\$ 60,261,696</u>	<u>\$ 98,289,302</u>	<u>\$102,212,776</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, 2022:

	<u>Expiry Date</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Total</u>
Equipment					
Leases	2025	\$ 45,233	\$ 45,233	\$ 3,769	\$ 94,235
Commercial	December				
Leases	2022	<u>146,100</u>	<u>73,050</u>	<u>-</u>	<u>219,150</u>
Total		<u>\$ 191,333</u>	<u>\$ 118,283</u>	<u>\$ 3,769</u>	<u>\$ 313,385</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 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.

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

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>2022</u>	<u>2021</u>
Due to related parties		
Accounts payable:		
Contributions		
Government of the Northwest Territories:		
Department of Education, Culture & Employment	\$ -	\$ 12,500
Department of Health and Social Services	5,035	-
Department of Municipal & Community Affairs	5,318	28,224
Department of Industry, Tourism and Investment	<u>5,696</u>	<u>-</u>
Government of the Northwest Territories	<u>16,049</u>	<u>40,724</u>
Other Related Parties:		
Various BDEC Schools	<u>331,680</u>	<u>449,969</u>
Total Accounts Payable	<u>347,729</u>	<u>490,693</u>
Due to Related Parties	\$ <u>347,729</u>	\$ <u>490,693</u>

	<u>Accounts</u>		<u>Net 2022</u>	<u>2021</u>
	<u>Receivable</u>	<u>Allowance</u>		
Due from related parties				
Accounts receivable:				
Government of the Northwest Territories:				
Department of Education, Culture & Employment	\$ 188,360	\$ -	\$ 188,360	\$ 181,684
Department of Municipal & Community Affairs	<u>17,547</u>	<u>-</u>	<u>17,547</u>	<u>13,015</u>
Due from Related Parties	\$ <u>205,907</u>	\$ <u>-</u>	\$ <u>205,907</u>	\$ <u>194,699</u>

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

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 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 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 Education Council receives its funding primarily from the GNWT. If the funding arrangements were to change, management is of the opinion that Beaufort-Delta 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 EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

NOTE 28 EXPENSES BY OBJECT

	2022 Budget <u>(Unaudited)</u>	2022 <u>Actual</u>	2021 <u>Actual</u>
Compensation	\$ 38,917,475	\$ 38,445,351	\$ 39,593,657
Other	<u>5,471,946</u>	<u>5,543,987</u>	<u>5,537,061</u>
	<u>\$ 44,389,421</u>	<u>\$ 43,989,338</u>	<u>\$ 45,130,718</u>

NOTE 29 SUBSEQUENT EVENTS

(Not applicable)

NOTE 30 COMPARATIVE FIGURES

(Not applicable)

NOTE 31 ECE OTHER CONTRIBUTIONS

	<u>2022</u>	<u>2021</u>
French Program	\$ 118,504	\$ 78,000
eLearning	1,453,587	1,232,504
Literacy (Tuktoyaktuk)	40,191	27,811
NWT Literacy Program (Aklavik)	2,349	-
Library (Aklavik)	46,948	48,614
Public Library Services (Ft McPherson)	35,518	29,574
Community Literacy Projects (Ft McPherson)	12,266	-
Literacy (Ulukhaktok)	15,000	15,000
Library (Ulukhaktok)	<u>29,033</u>	<u>34,726</u>
	<u>\$ 1,753,396</u>	<u>\$ 1,466,229</u>

BEAUFORT-DELTA EDUCATION COUNCIL

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

NOTE 32 GNWT OTHER CONTRIBUTIONS

	<u>2022</u>	<u>2021</u>
Self Regulation & Action Research (ECE)	1,695	-
RYS - Basketball (MACA)	-	7,000
NGDG Summit (MACA)	-	138
RYS - Volleyball (MACA)	-	956
Drop the Pop (H & SS)	7,860	23,193
TAKT	5,279	39,346
Experience Exchange Program	150	-
After School Physical Activity (MACA)	128,071	66,774
TGC - On The Land Program (Ft McPherson)	9,693	-
Misc revenue (Ulukhaktok)	<u>972</u>	<u>-</u>
	<u>153,720</u>	<u>137,407</u>

NOTE 33 CONTINGENT ASSETS

(Not applicable)

NOTE 34 CONTRACTUAL RIGHTS

(Not applicable)

BEAUFORT-DELTA EDUCATION COUNCIL

Schedule 1

CONSOLIDATED DETAILS OF EXPENSES

For the Year Ended June 30, 2022

	<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	\$ -	\$ 1,265,414	\$ 1,437,833	\$ 12,365,957	\$ -	\$ -	\$ 3,180,138	\$ 18,249,342
Instruction Assistants	-	-	-	111,296	-	-	229,381	340,677
Non-instructional Staff	940,493	1,746,414	405,213	3,027,545	-	-	2,934,640	9,054,305
Board/Trustee Honoraria	37,939	-	74,992	21,304	-	-	-	134,235
EMPLOYEE BENEFITS								
Employee Benefit/Allowance	313,949	1,215,837	661,718	5,285,670	-	323,180	2,547,511	10,347,865
Leave and Termination	-	-	-	318,927	-	-	-	318,927
SERVICES								
PURCHASED/ CONTRACTED								
Professional/Technical Services	53,982	76,881	-	-	-	-	-	130,863
Postage/Communication	38,164	1,876	1,103	110,403	2,084	-	-	153,630
Utilities & Leases	-	-	-	5,208	-	-	-	5,208
Travel	291,545	105,443	30,972	73,322	-	-	276	501,558
Student Travel	-	21,664	14,445	8,828	118,405	-	-	163,342
Advertising/Printing/Publishing	87,860	-	-	-	-	-	-	87,860
Maintenance/Repair	53,556	-	16,077	65,207	-	-	-	134,840
Rentals/Leases	34,483	-	26,096	165,331	-	141,025	-	366,935
Others	211,364	4,153	1,395	20,468	-	552,031	-	789,411
Contracted Services	133,042	48,497	58,124	438,962	-	-	-	678,625
MATERIALS/SUPPLIES/FREIGHT								
Materials	400,379	127,042	228,817	958,024	1,004	-	-	1,715,266
Furniture and Equipment	280,963	238,861	32,967	222,337	-	-	-	775,128
Freight	45,113	15,160	19,554	154,063	-	-	-	233,890
CONTRIBUTIONS/TRANSFERS								
Transfers - Other	(192,569)	-	-	-	-	-	-	(192,569)
Total	<u>\$ 2,730,263</u>	<u>\$ 4,867,242</u>	<u>\$ 3,009,306</u>	<u>\$ 23,352,852</u>	<u>\$ 121,493</u>	<u>\$ 1,016,236</u>	<u>\$ 8,891,946</u>	<u>\$ 43,989,338</u>

BEAUFORT-DELTA EDUCATION COUNCIL

Schedule 2

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
INCLUSIVE SCHOOLING EXPENSES
For the Year Ended June 30, 2022**

<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	\$ 1,265,414	\$ -	\$ -	\$ -	\$ 1,265,414
Consultants	478,874	-	-	-	478,874
Support Assistants	1,237,126	-	-	-	1,237,126
Non Instructional Staff	-	-	30,414	-	30,414
<u>EMPLOYEE BENEFITS</u>					
Employee Benefits/Allowances	1,215,837	-	-	-	1,215,837
<u>SERVICES PURCHASED/ CONTRACTED</u>					
Professional/Technical Services	78,576	2,458	-	-	81,033
Travel	96,766	8,677	-	-	105,443
Student Transportation (bussing)	21,664	-	-	-	21,664
Other Contracted Services	50,373	-	-	-	50,373
<u>MATERIAL/SUPPLIES/FREIGHT</u>					
Materials	111,488	-	15,554	-	127,042
Furniture and Equipment	10,654	-	228,207	-	238,861
Freight	<u>12,730</u>	<u>-</u>	<u>2,430</u>	<u>-</u>	<u>15,161</u>
TOTAL	<u>\$ 4,579,502</u>	<u>\$ 11,135</u>	<u>\$ 276,605</u>	<u>\$ -</u>	<u>\$ 4,867,242</u>

BEAUFORT-DELTA EDUCATION COUNCIL

Schedule 3

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
INDIGENOUS LANGUAGES AND EDUCATION EXPENSES
For the Year Ended June 30, 2022**

<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	\$ 1,437,832	\$ -	\$ -	\$ -	\$ 1,437,832
Language Consultants	212,058	-	-	142,050	354,108
Non Instructional Staff	-	-	-	51,105	51,105
Honoraria	12,230	4,797	-	57,966	74,993
<u>EMPLOYEE BENEFITS</u>					
Employee Benefits/Allowances	622,007	-	-	39,221	661,229
<u>SERVICES PURCHASED/ CONTRACTED</u>					
Professional/Technical Services	1,103	-	1,395	-	2,498
Travel	6,956	5,057	18,300	660	30,973
Student Transportation (bussing)	-	-	-	14,445	14,445
Rentals/Leases	1,110	-	-	26,986	28,096
Other Contracted Services	24,150	25,942	-	8,025	58,117
<u>MATERIAL/SUPPLIES/FREIGHT</u>					
Materials	64,724	56,122	-	120,261	241,107
Furniture and Equipment	500	-	-	32,467	32,967
Freight	<u>4,528</u>	<u>4,047</u>	<u>-</u>	<u>10,978</u>	<u>19,553</u>
TOTAL	\$ <u>2,387,199</u>	\$ <u>95,965</u>	\$ <u>19,695</u>	\$ <u>504,164</u>	\$ <u>3,007,023</u>

BEAUFORT-DELTA EDUCATION COUNCIL

Schedule 4

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
INDIGENOUS LANGUAGES AND EDUCATION (CONTRIBUTIONS)**

For the Year Ended June 30, 2022

<u>Contribution Agreement</u> <u>Indigenous Languages</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	<u>-</u>	<u>2,251,567</u>	<u>673,649</u>	<u>2,925,216</u>
Expenses				
Salaries	-	1,582,246	942,457	2,524,703
Other - O & M	-	103,438	58,974	162,412
Moose Kerr	-	3,224	27,878	31,102
Chief Paul Niditchie	-	3,645	6,111	9,756
Chief Julis	-	12,268	32,398	44,666
East Three Elementary	-	24,009	11,948	35,957
Angik	-	2,464	4,249	6,713
Inualthuyak	-	1,413	-	1,413
Mangilaluk	-	13,039	19,252	32,291
Helen Kalvak	-	16,496	7,262	23,757
East Three Secondary	<u>-</u>	<u>31,062</u>	<u>103,190</u>	<u>134,253</u>
Total Expenses	<u>-</u>	<u>1,793,304</u>	<u>1,213,719</u>	<u>3,007,023</u>
Net Surplus (Deficit)	<u>-</u>	<u>458,263</u>	<u>(540,070)</u>	<u>(81,807)</u>

BEAUFORT-DELTA EDUCATION COUNCIL

Schedule 5

REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS

FRENCH LANGUAGE PROGRAM

For the Year Ended June 30, 2022

	ECE Contributions <u>July 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	\$ 30,499	\$ 90,499
French Monitor - Wage	27,007	7,481	34,488
French Monitor - Travel	-	4,800	4,800
French Monitor - Housing	-	11,945	11,945
French Resources	5,000	(184)	4,816
Cultural Activities	5,000	(5,000)	-
Professional Development	5,000	(5,000)	-
Mentorship with YCS on Immersion Program	15,000	-	15,000
Support Partnership of FSL Programs with the NWT	4,500	(4,500)	-
Update Resources (Partnership)	10,000	(10,000)	-
Peer Observation/Teacher Shadowing (Partnership)	2,000	(2,000)	-
Teacher's Salary	<u>-</u>	<u>644,591</u>	<u>644,591</u>
Total	<u>\$ 133,507</u>	<u>\$ 672,632</u>	<u>\$ 806,139</u>
Regular GNWT Funding			
Immersion Program	<u>\$ 118,507</u>		
Mentorship YCS	<u>15,000</u>		
CMEC Odysseel Program	<u>38,517</u>		
Total	<u>\$ 172,024</u>		

BEAUFORT-DELTA EDUCATION COUNCIL

Schedule 6

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
JORDAN'S PRINCIPLE
For the Year Ended June 30, 2022**

	<u>Full Year Total</u>			<u>9 and 3 Month Split</u>	
	June 30, 2022 Budget <u>Unaudited</u>	June 30, 2022 <u>Actual</u>	June 30, 2021 <u>Actual</u>	July 1, 2019 - March 31, 2022 <u>Actual</u>	April 1, 2020 - June 30, 2022 <u>Actual</u>
Revenue					
First Nations and Inuit Health Branch	\$ 5,991,909	\$ 3,761,656	\$14,546,383	\$ 1,503,660	\$ 2,257,996
Carry Forward from Previous Year	<u>4,491,909</u>	<u>5,130,290</u>	<u>454,235</u>	<u>-</u>	<u>5,130,290</u>
Total Revenue	<u>10,483,818</u>	<u>8,891,946</u>	<u>15,000,618</u>	<u>1,503,660</u>	<u>7,388,286</u>
Expenses					
Administration	1,131,942	229,379	773,128	-	229,379
Personnel	<u>9,352,876</u>	<u>8,662,567</u>	<u>9,307,872</u>	<u>5,687,875</u>	<u>2,974,692</u>
Total Expenses	<u>10,484,818</u>	<u>8,891,946</u>	<u>10,081,000</u>	<u>5,687,875</u>	<u>3,204,071</u>
Net Surplus (Deficit)	\$ <u>(1,000)</u>	\$ <u>-</u>	\$ <u>4,919,618</u>	\$ <u>(4,184,215)</u>	\$ <u>4,184,215</u>
Deferred Revenue	\$ <u>-</u>	\$ <u>-</u>	\$ <u>4,919,618</u>	\$ <u>-</u>	\$ <u>-</u>

BEAUFORT-DELTA EDUCATION COUNCIL

Schedule 7

NORTHERN DISTANCE LEARNING

For the Year Ended June 30, 2022

<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	<u>1,450,750</u>	<u>992,723</u>	<u>460,864</u>	<u>1,453,587</u>
Expenses				
Salaries/Wages				
Instructional Staff				
36 Teacher Blocks	711,783	458,647	250,452	709,099
DL Coordinator	177,467	119,026	64,289	183,315
Non-Instructional Staff				
IT Coordination & Support	120,000	71,900	41,056	112,956
Power School Services	16,500	-	-	-
Coordinator Travel (15 Schools)	40,000	10,032	4,034	14,066
Coordinator Telephone	-	910	447	1,358
Services Purchased/ Contracted				
In-class support person (person, phone, doc cam)	215,000	276,920	(52,989)	223,931
Classroom materials and other supplies	-	20,117	310	20,427
Hardware and software				
Computer Equipment				
Inuvik Hardware/software	170,000	10,223	2,072	12,294
Freight	-	2,513	40	2,553
Total Expenses	<u>1,450,750</u>	<u>970,288</u>	<u>309,711</u>	<u>1,279,999</u>
Net Surplus (Deficit)	<u>-</u>	<u>22,435</u>	<u>151,153</u>	<u>173,588</u>

BEAUFORT-DELTA EDUCATION COUNCIL

Schedule 6 cont'd

NORTHERN DISTANCE LEARNING

For the Year Ended June 30, 2022

	<u>Total Fiscal</u> <u>Year</u>	<u>Aklavik</u>	Ft. <u>McPherson</u>	<u>Inuvik</u>	<u>Paulatuk</u>	<u>Tuktovaktuk</u>	<u>Ulukhaktok</u>	<u>Total</u>
REVENUE:								
Education, Culture and Employment	\$ <u>1,453,587</u>	\$ <u>33,750</u>	\$ <u>67,500</u>	\$ <u>1,235,750</u>	\$ <u>40,000</u>	\$ <u>33,750</u>	\$ <u>40,000</u>	\$ <u>1,450,750</u>
EXPENSES								
Salaries/Wages								
Instructional Staff								
- 36 Teacher Blocks	709,099	-	-	709,099	-	-	-	709,099
- DL coordinator	183,315	-	-	183,315	-	-	-	183,315
Non-Instructional Staff								
- IT coordinator & support	112,956	-	-	112,956	-	-	-	112,956
- Coordinator Travel (15 schools)	14,066	-	-	14,066	-	-	-	14,066
Classroom materials and other supplies	20,427	-	-	20,427	-	-	-	20,427
Services Purchased/ Contracted								
In-class support persom (person, phone, doc cam)	223,931	44,492	37,785	-	53,882	45,922	41,850	223,931
Hardware and software								
Computer Equipment								
- Inuvik Hardware/software	12,294	-	-	12,294	-	-	-	12,294
- Telephone	1,358	-	-	1,358	-	-	-	1,358
Freight	<u>2,553</u>	-	-	<u>2,553</u>	-	-	-	<u>2,553</u>
Total Expenses	<u>1,279,999</u>	<u>44,492</u>	<u>37,785</u>	<u>1,056,068</u>	<u>53,882</u>	<u>45,922</u>	<u>41,850</u>	<u>1,279,999</u>
Net Surplus/(Deficit)	\$ <u>173,588</u>	\$ <u>(10,742)</u>	\$ <u>29,715</u>	\$ <u>179,682</u>	\$ <u>(13,882)</u>	\$ <u>(12,172)</u>	\$ <u>(1,850)</u>	\$ <u>170,751</u>

BEAUFORT-DELTA EDUCATION COUNCIL

Schedule 8

**REPORT ON ACTIVITIES OF SPECIFIC PROGRAMS
STUDENT SUCCESS INITIATIVE**

For the Year Ended June 30, 2022

NWT Student Success Initiative

Professional Development Initiative

Title of Project: Ongoing Development of Collaborative Teams and Response to Intervention

	2022 Budget (Unaudited)	2022 <u>Actual</u>	2021 <u>Actual</u>
Revenue	\$ <u>130,000</u>	\$ <u>-</u>	\$ <u>77,850</u>
Expenses:			
Salaries/Wages			
Facilitator Fees	25,500	55,340	3,554
Travel			
Air Charter	76,500	13,483	112
Accommodation	25,500	13,154	-
Daily Per Diems	8,500	6,800	-
Workshop Expenses			
Room Rental	-	800	-
Refreshments	25,500	5,691	-
Miscellaneous	<u>8,500</u>	<u>47,531</u>	<u>8,632</u>
Total Expenses	<u>170,000</u>	<u>142,799</u>	<u>12,298</u>
Net Surplus (Deficit)	\$ <u>(40,000)</u>	\$ <u>(142,799)</u>	\$ <u>65,552</u>

AKLAVIK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2022

	<u>2022</u>	<u>2021</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 17,717	\$ 21,612
Due from Related Parties	9,973	2,558
Accounts Receivable	<u>15,282</u>	<u>10,241</u>
	<u>42,972</u>	<u>34,411</u>
LIABILITIES		
Due to Related Parties	5,398	3,822
Payroll Liabilities	529	869
Contribution Repayable	592	-
Deferred Revenue	<u>1,708</u>	<u>4,349</u>
	<u>8,227</u>	<u>9,040</u>
NET FINANCIAL RESOURCES	<u>34,745</u>	<u>25,371</u>
NON-FINANCIAL ASSETS		
Prepaid Expenses	<u>3,350</u>	<u>-</u>
ACCUMULATED SURPLUS	<u>\$ 38,095</u>	<u>\$ 25,371</u>

AKLAVIK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2022

	2022 Budget (Unaudited)	2022 <u>Actual</u>	2021 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 74,822	\$ 69,424	\$ 71,327
Other ECE contributions	50,400	49,297	48,614
Other	<u>9,932</u>	<u>6,313</u>	<u>7,586</u>
TOTAL REVENUE	<u>135,154</u>	<u>125,034</u>	<u>127,527</u>
EXPENSES			
Indigenous Languages and Education	18,000	-	-
Administration	11,824	12,855	20,486
Inclusive Schooling	2,500	-	-
School Programs	<u>102,830</u>	<u>99,815</u>	<u>98,102</u>
TOTAL EXPENSES	<u>135,154</u>	<u>112,670</u>	<u>118,588</u>
OPERATING SURPLUS	-	12,364	8,939
OPENING ACCUMULATED SURPLUS	<u>25,731</u>	<u>25,731</u>	<u>16,792</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 25,731</u>	<u>\$ 38,095</u>	<u>\$ 25,731</u>

AKLAVIK DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES
For the Year Ended June 30, 2022

	<u>Administration</u>	<u>School Programs</u>	<u>Total</u>
SALARIES:			
Non-instructional Staff	\$ 2,898	\$ 44,054	\$ 46,952
Board/Trustee Honoraria	1,450	-	1,450
EMPLOYEE BENEFITS			
Employee Benefit/Allowance	-	3,351	3,351
SERVICES PURCHASED/ CONTRACTED			
Postage/Communication	1,150	-	1,150
Student Travel	-	1,500	1,500
Rentals/Leases	-	13,500	13,500
Others	483	-	483
MATERIALS/SUPPLIES/FREIGHT			
Materials	4,063	37,410	41,473
Furniture and Equipment	1,973	-	1,973
Freight	838	-	838
Total	<u>\$ 12,855</u>	<u>\$ 99,815</u>	<u>\$ 112,670</u>

**FT MCPHERSON DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION**

For the year ended June 30, 2022

	<u>2022</u>	<u>2021</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 106,260	\$ 54,124
Due from Related Parties	10,523	7,516
Accounts Receivable	<u>3,486</u>	<u>11,556</u>
	<u>120,269</u>	<u>73,196</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	46,995	62,176
Due to Related Parties	49,191	4,366
Payroll Liabilities	166	563
Deferred Revenue	<u>798</u>	<u>2,491</u>
	<u>97,150</u>	<u>69,596</u>
ACCUMULATED SURPLUS	\$ <u>23,119</u>	\$ <u>3,600</u>

FT MCPHERSON DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2022

	2022 Budget (Unaudited)	2022 Actual	2021 Actual
REVENUE			
Contributions from Divisional Council	\$ 100,737	\$ 47,092	\$ 56,177
Other ECE contributions	45,515	47,781	29,574
Other contributions	-	9,693	5,257
Other	<u>10,000</u>	<u>18,253</u>	<u>25,952</u>
TOTAL REVENUE	<u>156,252</u>	<u>122,819</u>	<u>116,960</u>
EXPENSES			
Indigenous Languages and Education	2,000	11,121	13,802
Administration	36,727	27,509	32,345
School Programs	<u>117,525</u>	<u>64,670</u>	<u>61,019</u>
TOTAL EXPENSES	<u>156,252</u>	<u>103,300</u>	<u>107,166</u>
OPERATING SURPLUS	-	19,519	9,794
OPENING ACCUMULATED SURPLUS	<u>3,600</u>	<u>3,600</u>	<u>(6,194)</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 3,600</u>	<u>\$ 23,119</u>	<u>\$ 3,600</u>

FT MCPHERSON DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES
For the Year Ended June 30, 2022

	<u>Administration</u>	<u>Indigenous Languages and Education</u>	<u>School Programs</u>	<u>Total</u>
SALARIES:				
Instruction Assistants	\$ -	\$ -	\$ 16,378	\$ 16,378
Non-instructional Staff	1,250	8,122	-	9,372
Board/Trustee Honoraria	75	-	-	75
EMPLOYEE BENEFITS				
Employee Benefit/Allowance	442	154	431	1,027
SERVICES PURCHASED/ CONTRACTED				
Postage/Communication	1,654	-	-	1,654
Student Travel	-	-	150	150
Rentals/Leases	-	-	14,640	14,640
Others	3,713	-	13,865	17,578
MATERIALS/SUPPLIES/FREIGHT				
Materials	20,375	2,845	18,518	41,738
Freight	-	-	688	688
Total	<u>\$ 27,509</u>	<u>\$ 11,121</u>	<u>\$ 64,670</u>	<u>\$ 103,300</u>

INUVIK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2022

	<u>2022</u>	<u>2021</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 42,331	\$ 56,621
Due from Related Parties	72,662	19,353
Accounts Receivable	<u>11,547</u>	<u>12,230</u>
	<u>126,540</u>	<u>88,204</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	2,650	2,650
Payroll Liabilities	7,062	11,644
Deferred Revenue	<u>13,344</u>	<u>5,823</u>
	<u>23,056</u>	<u>20,117</u>
ACCUMULATED SURPLUS	<u>\$ 103,484</u>	<u>\$ 68,087</u>

INUVIK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2022

	2022 Budget (Unaudited)	2022 <u>Actual</u>	2021 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 107,551	\$ 116,588	\$ 125,873
Other	<u>27,500</u>	<u>29,821</u>	<u>37,669</u>
TOTAL REVENUE	<u>135,051</u>	<u>146,409</u>	<u>163,542</u>
EXPENSES			
Indigenous Languages and Education	27,500	46,288	55,123
Administration	67,551	37,294	77,807
School Programs	<u>40,000</u>	<u>27,430</u>	<u>33,986</u>
TOTAL EXPENSES	<u>135,051</u>	<u>111,012</u>	<u>166,916</u>
OPERATING SURPLUS	-	35,397	(3,374)
OPENING ACCUMULATED SURPLUS	<u>68,087</u>	<u>68,087</u>	<u>71,461</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 68,087</u>	<u>\$ 103,484</u>	<u>\$ 68,087</u>

INUVIK DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES
For the Year Ended June 30, 2022

	<u>Administration</u>	<u>Indigenous Languages and Education</u>	<u>School Programs</u>	<u>Total</u>
SALARIES:				
Non-instructional Staff	\$ 36,275	\$ 42,983	\$ -	\$ 79,258
Board/Trustee Honoraria	2,800	-	-	2,800
EMPLOYEE BENEFITS				
Employee Benefit/Allowance	4,866	3,305	1,010	9,181
SERVICES PURCHASED/ CONTRACTED				
Postage/Communication	1,170	-	-	1,170
Travel	159	-	-	159
Advertising/Printing/Publishing	80	-	-	80
Others	(8,785)	-	-	(8,785)
Contracted Services	462	-	26,420	26,882
MATERIALS/SUPPLIES/FREIGHT				
Materials	<u>267</u>	<u>-</u>	<u>-</u>	<u>267</u>
Total	<u>\$ 37,294</u>	<u>\$ 46,288</u>	<u>\$ 27,430</u>	<u>\$ 111,012</u>

PAULATUK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2022

	<u>2022</u>	<u>2021</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 33,536	\$ 13,779
Due from Related Parties	8,504	23,364
Accounts Receivable	<u>2,115</u>	<u>2,115</u>
	<u>44,155</u>	<u>39,258</u>
LIABILITIES		
Due to Related Parties	2,843	4,716
Payroll Liabilities	4,932	3,957
Deferred Revenue	<u>10,668</u>	<u>10,668</u>
	<u>18,443</u>	<u>19,341</u>
ACCUMULATED SURPLUS	<u>\$ 25,712</u>	<u>\$ 19,917</u>

PAULATUK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2022

	2022 Budget (Unaudited)	2022 <u>Actual</u>	2021 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 58,871	\$ 60,743	\$ 46,284
Other	<u>10,818</u>	<u>245</u>	<u>11,325</u>
TOTAL REVENUE	<u>69,689</u>	<u>60,988</u>	<u>57,609</u>
EXPENSES			
Administration	15,100	9,377	13,968
School Programs	<u>54,589</u>	<u>45,816</u>	<u>32,909</u>
TOTAL EXPENSES	<u>69,689</u>	<u>55,193</u>	<u>46,877</u>
OPERATING SURPLUS	-	5,795	10,732
OPENING ACCUMULATED SURPLUS	<u>19,917</u>	<u>19,917</u>	<u>9,185</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 19,917</u>	<u>\$ 25,712</u>	<u>\$ 19,917</u>

PAULATUK DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES
For the Year Ended June 30, 2022

	<u>Administration</u>	<u>School Programs</u>	<u>Total</u>
SALARIES:			
Non-instructional Staff	\$ 3,542	\$ -	\$ 3,542
Board/Trustee Honoraria	2,925	-	2,925
EMPLOYEE BENEFITS			
Employee Benefit/Allowance	164	78	242
SERVICES PURCHASED/ CONTRACTED			
Others	2,746	-	2,746
Contracted Services	<u>-</u>	<u>45,738</u>	<u>45,738</u>
Total	<u>\$ 9,377</u>	<u>\$ 45,816</u>	<u>\$ 55,193</u>

**SACHS HARBOUR DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION**

For the year ended June 30, 2022

	<u>2022</u>	<u>2021</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 41,678	\$ 42,173
Due from Related Parties	<u>12,924</u>	<u>6,376</u>
	<u>54,602</u>	<u>48,549</u>
LIABILITIES		
Payroll Liabilities	462	461
Deferred Revenue	<u>14,457</u>	<u>14,457</u>
	<u>14,919</u>	<u>14,918</u>
ACCUMULATED SURPLUS	<u>\$ 39,683</u>	<u>\$ 33,631</u>

SACHS HARBOUR DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2022

	2022 Budget (Unaudited)	2022 <u>Actual</u>	2021 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 6,548	\$ 6,548	\$ 6,376
TOTAL REVENUE	<u>6,548</u>	<u>6,548</u>	<u>6,376</u>
EXPENSES			
Indigenous Languages and Education	50	496	18
Administration	5,498	-	-
School Programs	<u>1,000</u>	<u>-</u>	<u>-</u>
TOTAL EXPENSES	<u>6,548</u>	<u>496</u>	<u>18</u>
OPERATING SURPLUS	-	6,052	6,358
OPENING ACCUMULATED SURPLUS	<u>33,631</u>	<u>33,631</u>	<u>27,273</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 33,631</u>	<u>\$ 39,683</u>	<u>\$ 33,631</u>

SACHS HARBOUR DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES
 For the Year Ended June 30, 2022

EMPLOYEE BENEFITS

Employee Benefit/Allowance

SERVICES PURCHASED/ CONTRACTED

Contracted Services

Total

	Indigenous Languages and <u>Education</u>	<u>Total</u>
\$	489	\$ align="right">489
	<u>7</u>	<u>7</u>
\$	<u>496</u>	\$ align="right"> <u>496</u>

TSIIGEHTCHIC DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2022

	<u>2022</u>	<u>2021</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 30,073	\$ 24,420
Due from Related Parties	<u>2,824</u>	<u>8,698</u>
	<u>32,897</u>	<u>33,118</u>
LIABILITIES		
Payroll Liabilities	<u>37</u>	<u>8</u>
	<u>37</u>	<u>8</u>
ACCUMULATED SURPLUS	<u>\$ 32,860</u>	<u>\$ 33,110</u>

TSIIGEHTCHIC DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2022

	2022 Budget <u>(Unaudited)</u>	2022 <u>Actual</u>	2021 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 8,913	\$ 8,913	\$ 8,698
Other	<u>2,000</u>	<u>3,370</u>	<u>-</u>
TOTAL REVENUE	<u>10,913</u>	<u>12,283</u>	<u>8,698</u>
EXPENSES			
Indigenous Languages and Education	2,243	-	2,565
Administration	6,670	8,960	4,058
Inclusive Schooling	-	3,573	-
School Programs	<u>2,000</u>	<u>-</u>	<u>550</u>
TOTAL EXPENSES	<u>10,913</u>	<u>12,533</u>	<u>7,173</u>
OPERATING DEFICIT	-	(250)	1,525
OPENING ACCUMULATED SURPLUS	<u>33,110</u>	<u>33,110</u>	<u>31,585</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 33,110</u>	<u>\$ 32,860</u>	<u>\$ 33,110</u>

TSIIGEHTCHIC DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES
For the Year Ended June 30, 2022

	<u>Administration</u>	<u>Indigenous Languages and Education</u>	<u>Total</u>
SALARIES:			
Board/Trustee Honoraria	\$ 4,350	\$ -	\$ 4,350
EMPLOYEE BENEFITS			
Employee Benefit/Allowance	201	-	201
SERVICES PURCHASED/ CONTRACTED			
Others	2,190	-	2,190
MATERIALS/SUPPLIES/FREIGHT			
Materials	<u>2,219</u>	<u>3,573</u>	<u>5,792</u>
Total	<u>\$ 8,960</u>	<u>\$ 3,573</u>	<u>\$ 12,533</u>

TUKTOYAKTUK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION

For the year ended June 30, 2022

	<u>2022</u>	<u>2021</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 102,878	\$ 87,612
Due from Related Parties	11,092	2,521
Accounts Receivable	<u>19,110</u>	<u>21,765</u>
	<u>133,080</u>	<u>111,898</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	38,990	39,692
Due to Related Parties	15,349	10,933
Payroll Liabilities	754	681
Deferred Revenue	<u>12,084</u>	<u>7,084</u>
	<u>67,177</u>	<u>58,390</u>
NET FINANCIAL RESOURCES	<u>65,903</u>	<u>53,508</u>
NON-FINANCIAL ASSETS		
Prepaid Expenses	<u>5,400</u>	<u>1,500</u>
ACCUMULATED SURPLUS	<u>\$ 71,303</u>	<u>\$ 55,008</u>

TUKTOYAKTUK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2022

	2022 Budget (Unaudited)	2022 <u>Actual</u>	2021 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ -	\$ 74,322	\$ 69,758
Other ECE contributions	-	40,191	27,811
Other	-	<u>23,602</u>	<u>56,483</u>
TOTAL REVENUE	<u>-</u>	<u>138,115</u>	<u>154,052</u>
EXPENSES			
Administration	-	13,690	22,329
School Programs	-	<u>108,130</u>	<u>113,598</u>
TOTAL EXPENSES	<u>-</u>	<u>121,820</u>	<u>135,927</u>
OPERATING SURPLUS	-	16,295	18,125
OPENING ACCUMULATED SURPLUS	<u>55,008</u>	<u>55,008</u>	<u>36,883</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 55,008</u>	<u>\$ 71,303</u>	<u>\$ 55,008</u>

TUKTOYAKTUK DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES
For the Year Ended June 30, 2022

	<u>Administration</u>	<u>School Programs</u>	<u>Total</u>
SALARIES:			
Non-instructional Staff	\$ 915	\$ 47,530	\$ 48,445
Board/Trustee Honoraria	1,225	-	1,225
EMPLOYEE BENEFITS			
Employee Benefit/Allowance	1,328	1,761	3,089
SERVICES PURCHASED/ CONTRACTED			
Utilities & Leases	-	3,957	3,957
Rentals/Leases	2,250	20,700	22,950
Others	1,773	-	1,773
Contracted Services	-	8,055	8,055
MATERIALS/SUPPLIES/FREIGHT			
Materials	<u>6,199</u>	<u>26,127</u>	<u>32,326</u>
Total	<u>\$ 13,690</u>	<u>\$ 108,130</u>	<u>\$ 121,820</u>

ULUKHAKTOK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION

For the year ended June 30, 2022

	<u>2022</u>	<u>2021</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 2,883	\$ 16,591
Due from Related Parties	6,327	4,568
Accounts Receivable	<u>(690)</u>	<u>(690)</u>
	<u>8,520</u>	<u>20,469</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	250	250
Payroll Liabilities	546	684
Deferred Revenue	<u>588</u>	<u>972</u>
	<u>1,384</u>	<u>1,906</u>
ACCUMULATED SURPLUS	\$ <u>7,136</u>	\$ <u>18,563</u>

ULUKHAKTOK DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL OPERATIONS
For the Year Ended June 30, 2022

	2022 Budget <u>(Unaudited)</u>	2022 <u>Actual</u>	2021 <u>Actual</u>
REVENUE			
Contributions from Divisional Council	\$ 62,280	\$ 64,130	\$ 60,240
Other ECE contributions	40,000	44,033	49,726
Other contributions	-	972	-
Other	<u>11,300</u>	<u>12,581</u>	<u>20,614</u>
TOTAL REVENUE	<u>113,580</u>	<u>121,716</u>	<u>130,580</u>
EXPENSES			
Indigenous Languages and Education	-	-	450
Administration	16,460	24,994	20,572
School Programs	<u>97,120</u>	<u>108,149</u>	<u>112,040</u>
TOTAL EXPENSES	<u>113,580</u>	<u>133,143</u>	<u>133,062</u>
OPERATING DEFICIT	-	(11,427)	(2,482)
OPENING ACCUMULATED SURPLUS	<u>18,563</u>	<u>18,563</u>	<u>21,045</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 18,563</u>	<u>\$ 7,136</u>	<u>\$ 18,563</u>

ULUKHAKTOK DISTRICT EDUCATION AUTHORITY
DETAILS OF EXPENSES
For the Year Ended June 30, 2022

	<u>Administration</u>	<u>School Programs</u>	<u>Total</u>
SALARIES:			
Non-instructional Staff	\$ 2,404	\$ 91,322	\$ 93,726
Board/Trustee Honoraria	9,875	-	9,875
EMPLOYEE BENEFITS			
Employee Benefit/Allowance	347	3,127	3,474
SERVICES PURCHASED/ CONTRACTED			
Student Travel	-	3,698	3,698
Others	6,409	-	6,409
MATERIALS/SUPPLIES/FREIGHT			
Materials	<u>5,959</u>	<u>10,002</u>	<u>15,961</u>
Total	<u>\$ 24,994</u>	<u>\$ 108,149</u>	<u>\$ 133,143</u>

**NON-CONSOL BEAUFORT DELTA EDUCATION COUNCIL
STATEMENT OF FINANCIAL POSITION**

For the year ended June 30, 2022

	<u>2022</u>	<u>2021</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents	\$ 11,805,505	\$ 15,812,190
Accounts Receivable	679,333	361,802
Restricted Assets	<u>313,515</u>	<u>294,960</u>
	<u>12,798,353</u>	<u>16,468,952</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities	832,572	724,982
Due to Related Parties	62,048	51,117
Payroll Liabilities	5,960,409	4,306,381
Employee Deductions Payable	24,250	2,603
Deferred Revenue	248,677	5,189,334
Post-Employment Benefits	1,920,063	2,352,075
Trust Liabilities	<u>313,515</u>	<u>294,960</u>
	<u>9,361,534</u>	<u>12,921,452</u>
NET FINANCIAL RESOURCES	<u>3,436,819</u>	<u>3,547,500</u>
NON-FINANCIAL ASSETS		
Prepaid Expenses	<u>31,240</u>	<u>-</u>
ACCUMULATED SURPLUS	<u>\$ 3,468,059</u>	<u>\$ 3,547,500</u>

**NON-CONSOL BEAUFORT DELTA EDUCATION COUNCIL
STATEMENT OF FINANCIAL OPERATIONS**

For the Year Ended June 30, 2022

	2022 Budget (Unaudited)	2022 Actual	2021 Actual
REVENUE			
Government of the NWT			
Regular contributions	\$ 32,958,861	\$ 32,667,120	\$ 32,515,540
Other ECE contributions	75,000	1,572,094	1,310,504
Other contributions	74,250	143,055	132,150
GNWT - COVID contributions	<u>-</u>	<u>-</u>	<u>1,733,697</u>
Total Government of the NWT	<u>33,108,111</u>	<u>34,382,269</u>	<u>35,691,891</u>
Government of Canada			
Jordan Prinicpal	10,483,818	8,891,946	10,081,000
Other Government of Canada	<u>8,020</u>	<u>-</u>	<u>7,900</u>
Total Government of Canada	<u>10,491,838</u>	<u>8,891,946</u>	<u>10,088,900</u>
Board Generated Funds			
Investment Income	160,000	90,720	125,685
Other	<u>628,649</u>	<u>342,558</u>	<u>272,873</u>
Total Board Generated Funds	<u>788,649</u>	<u>433,278</u>	<u>398,558</u>
TOTAL REVENUE	<u>44,388,598</u>	<u>43,707,493</u>	<u>46,179,349</u>
EXPENSES			
Indigenous Languages and Education	3,027,580	2,947,828	3,034,427
Administration	3,020,400	2,981,835	3,005,107
Inclusive Schooling	5,885,019	4,867,245	5,058,902
School Programs	20,695,151	22,960,351	22,710,863
Jordan's Principle	10,484,818	8,891,946	10,081,000
Student Accommodations	176,453	121,493	31,970
Operations & Maintenance	<u>1,100,000</u>	<u>1,016,236</u>	<u>937,455</u>
TOTAL EXPENSES	<u>44,389,421</u>	<u>43,786,934</u>	<u>44,859,724</u>
OPERATING DEFICIT	(823)	(79,441)	1,319,625
OPENING ACCUMULATED SURPLUS	<u>3,547,500</u>	<u>3,547,500</u>	<u>2,227,875</u>
CLOSING ACCUMULATED SURPLUS	<u>\$ 3,546,677</u>	<u>\$ 3,468,059</u>	<u>\$ 3,547,500</u>

NON-CONSOL BEAUFORT DELTA EDUCATION COUNCIL
DETAILS OF EXPENSES
 For the Year Ended June 30, 2022

	<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	\$ -	\$ 1,265,414	\$ 1,437,833	\$ 12,365,957	\$ -	\$ -	\$ 3,180,138	\$ 18,249,342
Instruction Assistants	-	-	-	94,918	-	-	229,381	324,299
Non-instructional Staff	893,209	1,746,413	354,108	2,844,639	-	-	2,934,640	8,773,009
Board/Trustee Honoraria	15,239	-	74,992	21,304	-	-	-	111,535
EMPLOYEE BENEFITS								
Employee Benefit/Allowance	306,601	1,215,840	657,770	5,275,912	-	323,180	2,547,511	10,326,814
Leave and Termination	-	-	-	318,927	-	-	-	318,927
SERVICES PURCHASED/ CONTRACTED								
Professional/Technical Services	53,982	76,881	-	-	-	-	-	130,863
Postage/Communication	34,190	1,876	1,103	110,403	2,084	-	-	149,656
Utilities & Leases	-	-	-	1,251	-	-	-	1,251
Travel	291,386	105,444	30,972	73,322	-	-	276	501,400
Student Travel	-	21,664	14,445	3,480	118,405	-	-	157,994
Advertising/Printing/Publishing	87,780	-	-	-	-	-	-	87,780
Maintenance/Repair	53,556	-	16,077	65,207	-	-	-	134,840
Rentals/Leases	32,233	-	26,096	116,491	-	141,025	-	315,845
Others	202,835	4,153	1,395	6,603	-	552,031	-	767,017
Contracted Services	132,580	48,497	58,117	358,749	-	-	-	597,943
MATERIALS/SUPPLIES/FREIGHT								
Materials	361,297	127,042	222,399	865,967	1,004	-	-	1,577,709
Furniture and Equipment	278,990	238,861	32,967	222,337	-	-	-	773,155
Freight	44,275	15,160	19,554	153,375	-	-	-	232,364
CONTRIBUTIONS/TRANSFERS								
Transfers - Other	193,682	-	-	61,509	-	-	-	255,191
Total	<u>\$ 2,981,835</u>	<u>\$ 4,867,245</u>	<u>\$ 2,947,828</u>	<u>\$ 22,960,351</u>	<u>\$ 121,493</u>	<u>\$ 1,016,236</u>	<u>\$ 8,891,946</u>	<u>\$ 43,786,934</u>

**Commission scolaire francophone
Territoires du Nord-Ouest**

Consolidated Financial Statements

June 30, 2022

Commission scolaire francophone Territoires du Nord-Ouest

Table of Contents

June 30, 2022	Page
Management Discussion and Analysis	2 - 15
Management's Responsibility for Financial Reporting	16
Independent Auditors' Report	17 - 19
Consolidated Statement of Financial Position	20
Consolidated Statement of Operations	21
Consolidated Statement of Changes in Net Financial Liabilities	22
Consolidated Statement of Cash Flows	23
Schedule 1 - Details of Expenses	24 - 25
Schedule 2 - Indigenous Languages and Culture Expenses	26
Schedule 3 - Inclusive Schooling Expenses	27
Schedule 4 - French Language Funding	28
Schedule 5 - Student Success Initiative	29
Schedule 6 - Jordan's Principle	30
Notes to Consolidated Financial Statements	31 - 51



Commission scolaire francophone Territoires du Nord-Ouest

Généralités

L'objectif du rapport de gestion consiste à expliquer, du point de vue du bureau central, la situation financière et les perspectives d'avenir de la Commission scolaire francophone TNO. Le rapport de gestion est la responsabilité de la direction générale et du Conseil des commissaires de la Commission scolaire francophone TNO et sert à promouvoir la transparence et la reddition de comptes.

Les objectifs de la gestion financière de la Commission scolaire francophone des TNO se résument 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 Commission scolaire francophone TNO est de permettre à l'élève de développer ses compétences et de cultiver ses talents, selon ses besoins spécifiques, dans une perspective de développement global de sa personne et de son identité francophone.

Selon la *Loi sur l'Éducation des Territoires du Nord-Ouest*, la Commission scolaire francophone compte six sièges de commissaires élus, trois à Yellowknife et trois à Hay River.

Ce sont les commissaires qui supervisent la gestion de la Commission scolaire 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 2021-22 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 Commission scolaire francophone

En 2021-22, le personnel (en termes de FTE) de la CSFTNO était de 43.9 FTE et se présente comme suit :

- Bureau central : 6 FTE (1 SRM, 2 EXCLUDED, 3 NWTTA)
- École Allain St-Cyr (EASC) : 16 NWTTA et 7 UNW
- École Boréale : 11 NWTTA et 3.9 UNW

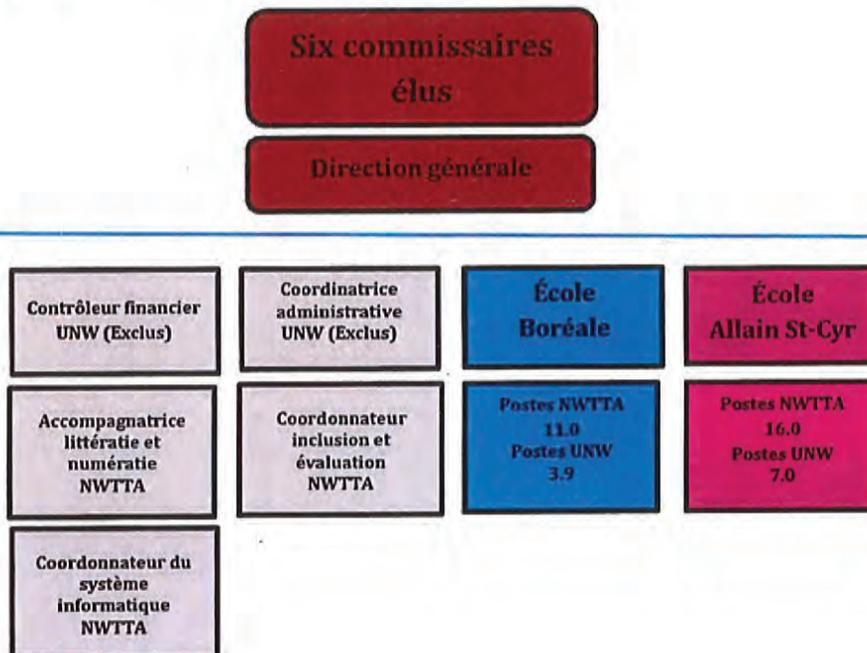
Effectif des élèves

Au 30 septembre 2021, 158 élèves fréquentaient l'école Allain St-Cyr et 62,5 l'école Boréale.

Organigramme de la Commission scolaire francophone

L'organigramme de la Commission scolaire francophone des TNO pour l'année 2021-2022 se présente comme suit :

Organigramme fonctionnel de la CSFTNO (2021-2022)



Plan stratégique 2021-2026

La Commission scolaire francophone a exécuté et achevé avec succès son plan stratégique 2015-2020 et a mis en place son nouveau plan stratégique pour la période 2021-2026.

Les nouveaux axes définis sont les suivants :

- 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'informations 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.**

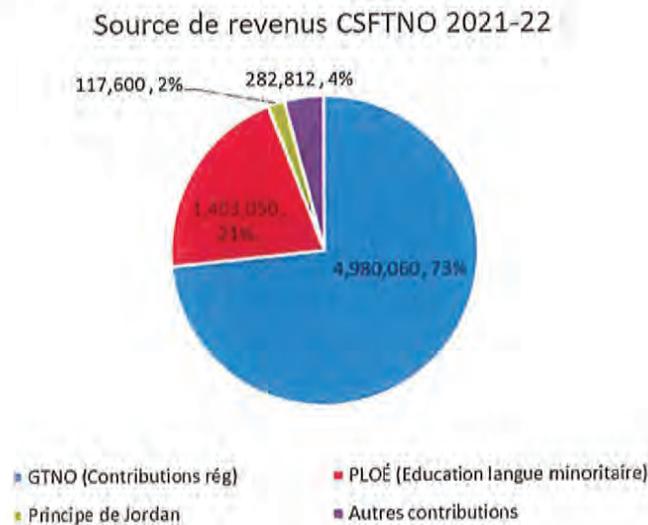
Un citoyen éthique et engagé qui...

- **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 par le Cadre de financement scolaire des Territoires du Nord-Ouest (5.005 M\$) et les subventions du Secrétariat aux affaires francophones et le programme SELF-REG;
- La contribution provenant de l'entente *Enseignement en français langue de la minorité* de Patrimoine canadien (1.403 M);
- Les autres revenus provenant essentiellement des autres contributions du gouvernement (départements GTNO y compris ECE) et du Principe de Jordan s'élèvent à 400 k\$.

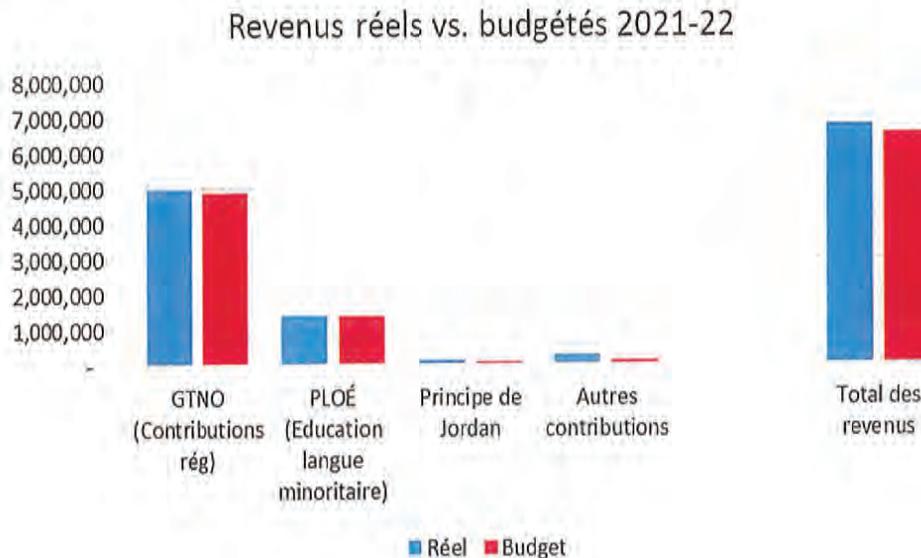


En 2021-2022, la Commission scolaire francophone TNO a enregistré des revenus d'un montant de 6.784 M\$ comparativement à un montant budgété de 6.542 M\$. Cette variance de 242 k\$ s'explique principalement par les facteurs suivants :

¹ Les revenus n'incluent pas le montant des fonds générés par les écoles qui fait l'objet d'une section séparée.

- Une hausse des contributions régulières de 80 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\$, le principe de Jordan pour 37 k\$ et les autres revenus pour un montant net de 38 k\$ (une hausse de la contribution de Land on the Collaborative and TAKT pour 33 k\$, une nouvelle subvention pour Orthophonie pour 13 k\$, et une baisse du montant des ordonnances de 8 k\$).
- Le programme Odyssee, bien qu'ayant été budgété pour l'école Boréale n'a pas eu lieu au titre de l'année scolaire 21-22. Cela a entraîné une baisse des revenus de 37 k\$ compensée par une hausse des divers revenus de 38 k\$ (PES 440 pour 25.5 k\$, FNCSF pour 4 k\$ et divers pour 9 k\$).

Voici un tableau illustrant les revenus réels comparativement aux revenus budgétés :



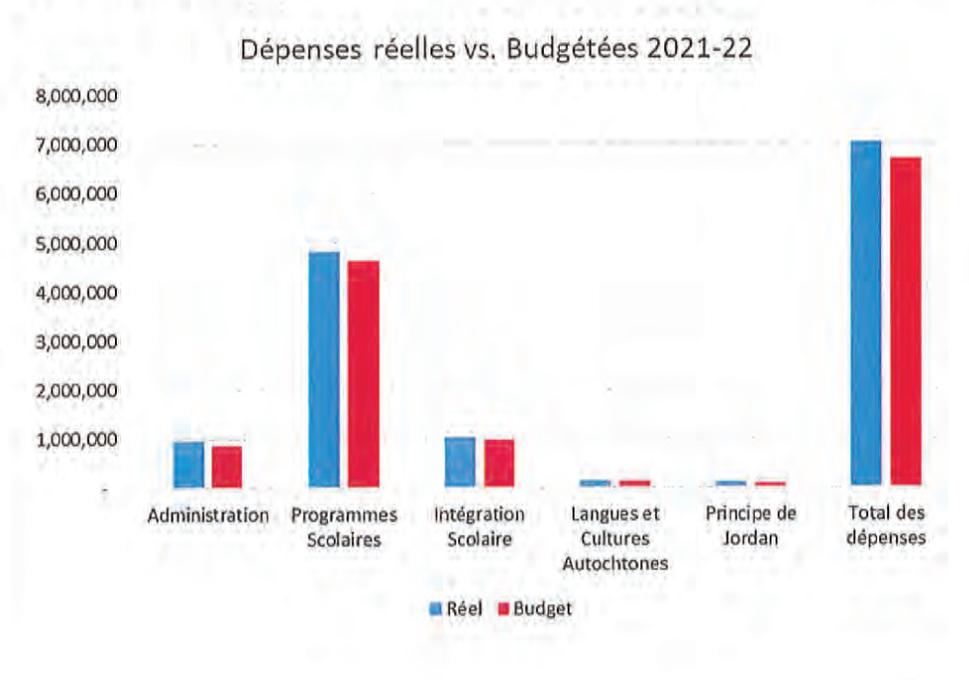
Dépenses²

Le total des dépenses de la Commission scolaire francophone TNO au 30 juin 2022 se chiffre à 7.014 M\$ comparativement à un budget approuvé de 6.680 M\$, soit un dépassement de 334 k\$.

Ce dépassement s'explique essentiellement par les facteurs suivants :

- Une hausse des frais d'administration de 92 k\$, notamment lié aux frais d'avocat pour les causes en cours;
- Une hausse des dépenses des programmes scolaires (notamment les salaires) de 172 k\$;
- Une augmentation des frais du principe de Jordan à hauteur de 37 k\$;
- Une augmentation des dépenses d'intégration scolaire de 37 k\$;
- Un quasi-équilibre des dépenses autochtones caractérisé par une faible réduction de 4 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 2022 de la CSFTNO révèle un déficit de 230.3 k\$. Ce déficit s'explique essentiellement par l'importance des honoraires d'avocats qui n'étaient pas connus jusqu'à la fin de l'année fiscale. Ces frais s'élèvent à environ 167 k\$ et sont relatifs à :

- Une facture concernant l'appel à la Cour Suprême du Canada (CSC) d'un montant total de 145 k\$ dont une somme de 68.75 k\$ est supportée par le Programme de Contestation Judiciaire (PCJ). La quote-part qui a été supportée par la CSFTNO est de 76 k\$. Cette portion payée pourrait être partiellement remboursée si une décision favorable était prise à la suite d'une demande supplémentaire au PCJ.
- Une autre facture concernant l'appel à la CSC s'élevant à 91 k\$.

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 39 k\$, traduisant un allègement des engagements de la CSFTNO au 30 juin 2022;
- Les provisions pour congés payés ont augmenté le déficit de 17 k\$;
- Les opérations courantes, notamment, les salaires réels ont été plus élevés que les prévisions, expliquant essentiellement le plus gros du déficit de 85 k\$ relevant des activités ordinaires.

Ce déficit hors dette (1,270 k\$) envers le GTNO est partiellement compensé par le surplus opérationnel cumulé de l'exercice précédent qui s'élève à 103.6 k\$, ramenant ainsi notre déficit cumulé opérationnel (hors dette GTNO) à 126.7 k\$ au 30 juin 2022.

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 2022. C'est le premier 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 ECE et toute qualification relative à cette partie ne rend pas le rapport audité irrecevable. En d'autres termes, ECE 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 54.5 k\$.

Programmes

Administration

La section administration comprend les dépenses pour les salaires et bénéfiques des employés au bureau central, les honoraires du Conseil d'administration, les honoraires des différents consultants (incluant les frais d'avocat) et les dépenses administratives de la Commission scolaire francophone TNO. Le total des dépenses réelles (hors honoraires juridiques non prévus) s'élève à 0.793 M\$ versus un budget de 0.869 M\$. Les honoraires d'avocats non prévus se sont élevés à 167 k\$, conduisant à des dépenses réelles d'administration de 0.961 M\$, soit une hausse de 92 k\$ par rapport au budget.

Programmes scolaires

Cette section inclut les dépenses opérationnelles des écoles telles que les salaires et bénéfiques des enseignants, adjoints en soutien au programme, consultants, secrétaires et concierges. Les programmes scolaires comprennent également les frais de développement professionnel, le transport par autobus, les matériaux scolaires et les fournitures scolaires dans les écoles. Les dépenses encourues et réalisées se chiffrent à 4.823 M\$ contre un budget de 4.623 M\$.

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. Les dépenses réelles sont sensiblement équivalentes au montant budgété et s'élèvent à 0.981 M\$ contre un montant budgété de 0.972 M\$.

Langue et cultures 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 2021-2022 s'est soldé par des dépenses réelles de 0.131 M\$ contre un budget de 0.135 M\$.

Perspectives 2022-2023

L'année 2021-2022 est celle qui a suivi l'année de la pandémie avec de nouveaux défis. La réalité du marché du travail a fondamentalement changé tant au niveau de la façon de travailler (possibilité de travailler à distance) que de la disponibilité d'une main d'œuvre qui se fait rare.

Malgré ce défi, la CSFTNO et toutes les parties prenantes ont énormément travaillé pour offrir quasiment le même niveau de services à leurs clients compte tenu des restrictions sanitaires. Et la CSFTNO s'engage à toujours offrir ce même niveau de services quel que soit le coût supplémentaire que cela a entraîné et continue d'entraîner.

Enfin, la CSFTNO expérimente une augmentation de l'effectif des élèves à l'école Allain St-Cyr (184,5 espérés contre 158 l'année dernière, soit une hausse de 26.5 élèves ou 16.77%) qui ouvrirait droit l'obtention d'un financement extraordinaire dont le montant n'est pas encore connu.

Sommaire

En 2021-2022, la Commission scolaire francophone TNO a approuvé un déficit opérationnel y compris les dépenses extraordinaires de 230,297\$ contre un déficit initialement budgété de 138,074\$.

La prise en compte du déficit cumulé incluant la dette du GTNO (1,166 M\$) et du déficit courant de 230 k\$ aboutit à un déficit cumulé de 1.396 M\$.

Malgré ce déficit, les fonds budgétés pour l'année fiscale 2022-2023 s'alignent avec le Plan stratégique à venir 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 Commission scolaire francophone TNO.

**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, 2022

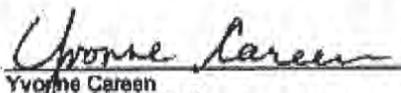
The Management Discussion and Analysis, Consolidated Financial Statements, Schedules and Notes herein submitted have been prepared and approved by management. They provide full disclosure and accurately reflect the financial and non-financial condition of Commission scolaire francophone Territoires du Nord-Ouest ("the Commission") in all material respects and in accordance with Canadian Public Sector Accounting Standards ("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.

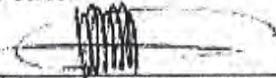
Management hereby asserts that adequate internal controls exist to ensure that transactions are complete, accurate and timely, appropriately authorized and include only valid transactions of the entity; that duties related to processes are appropriately segregated, that assets are safeguarded and that 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 Commission scolaire francophone Territoires du Nord-Ouest 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 ("ECE") of the Government of the Northwest Territories.

Approved and confirmed on behalf of the Commission

 **Directrice générale**
Yvonne Caron

 **Contrôleur financier**
Marc Akpos, MBA, CIA, CPA, CMA, FRM, CP3P

September 28, 2022

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, 2022, 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, 2022 and the results of its operations, change 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

School funds generated and controlled by the Commission during the years ended June 30, 2021 are not reported nor presented in the accompanying consolidated financial statements. 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 Canadian public accounting standards 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 revenues, expenses, assets, and surplus for the year ended June 30, 2021, as well as school generated funds assets and surplus as at July 1 and June 30 for both 2022 and 2021 years are not recognized nor audited in the accompanying consolidated financial statements. Our audit opinion on the consolidated financial statements for the year ended June 30, 2021 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, 2022 and 2021; employee deductions payable, vacation payable, salaries and wages payable, post-employment benefits payable at June 30, 2022 and 2021, and accumulated surplus (deficit) as at July 1 and June 30 for both 2022 and 2021 years. Our audit opinion on the consolidated financial statements for the year ended June 30, 2021 was modified accordingly because of the possible effects of this limitation in scope.

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

Independent Auditors' Report (continued)

Other Information

Management is responsible for the other information. The other information comprises the Management 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 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 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 transactions of the Commission 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 Commission 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 Commission's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the entity to comply with the specified authorities.

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

Crowe Mackay LLP

Yellowknife, Northwest Territories
September 28, 2022

Chartered Professional Accountants

Commission scolaire francophone Territoires du Nord-Ouest

Statement of Financial Position

As at June 30, 2022 2021

Financial Assets

Cash (Note 5)	\$ 1,755,438	\$ 1,405,171
Accounts receivable (Note 9)	96,683	172,351
Due from Government of Canada (Note 15)	15,005	25,356
	1,867,126	1,602,878

Liabilities

Accounts payable and accrued liabilities (Note 10)	797,214	453,699
Payroll liabilities (Note 10)	599,740	541,102
Payable to GNWT (Note 11)	1,269,573	1,269,573
Deferred revenue (Note 12)	274,754	147,586
Post-employment benefits (Note 18)	330,167	369,385
	3,271,448	2,781,345

Net financial liabilities (1,404,322) (1,178,467)

Non-financial assets

Prepaid expenses (Note 22)	8,062	12,504
Accumulated deficit	\$ (1,396,260)	\$ (1,165,963)

Represented By:

Operating deficit \$ (1,396,260) \$ (1,165,963)

Contractual obligations and contingencies (Note 23 and 24)

Approved on behalf of the Board:



Simon Cloutier Trustee



Jean de Dieu TUYISHIME Trustee

Commission scolaire francophone Territoires du Nord-Ouest

Statement of Operations

For the year ended June 30,	2022 Budget	2022 Actual	2021 Actual
Revenues			
Government of the NWT			
ECE regular contributions	\$ 4,915,086	\$ 4,980,060	\$ 5,050,421
French language instruction (Schedule 4)	1,403,050	1,403,050	1,422,450
ECE other contributions (Note 31)	96,900	140,550	263,832
Total GNWT ECE	6,415,036	6,523,660	6,736,703
GNWT other contributions (Note 32)	26,000	60,996	40,333
Total GNWT	6,441,036	6,584,656	6,777,036
Government of Canada			
Jordan's Principle	80,721	117,600	246,760
Other contributions	-	-	28,600
	80,721	117,600	275,360
Education body generated funds			
Northwest Territories Teachers' Association Contributions	-	6,658	17,002
Interest	20,000	14,072	13,573
School generated fund	-	54,535	-
Other revenues	-	60,536	41,600
	20,000	135,801	72,175
	6,541,757	6,838,057	7,124,571
Expenses (Schedule 1)			
School programs	4,623,137	4,823,077	4,700,770
Inclusive schooling	971,985	981,161	1,067,403
Administration	868,673	962,602	1,055,828
Indigenous languages and culture	135,315	131,199	162,614
Jordan's Principle	80,721	117,600	246,760
School Generated Fund	-	54,535	-
	6,679,831	7,070,174	7,233,375
Operating deficit before other items	(138,074)	(232,117)	(108,804)
Other items			
Post-employment benefit recovery (expense) (Note 18)	-	1,820	(2,609)
Grant in-kind - Assets provided at no cost (Note 22)	-	1,065,676	1,060,439
Rent expense - Assets provided at no cost (Note 22)	-	(1,065,676)	(1,060,439)
Operating deficit	(138,074)	(230,297)	(111,413)
Opening accumulated deficit	(1,165,963)	(1,165,963)	(1,054,550)
Closing accumulated deficit	\$ (1,304,037)	\$ (1,396,260)	\$ (1,165,963)

Commission scolaire francophone Territoires du Nord-Ouest

Statement of Changes in Net Financial Liabilities

For the year ended June 30,	2022 Budget	2022 Actual	2021 Actual
Operating deficit	\$ (138,074)	\$ (230,297)	\$ (111,413)
Acquisition of prepaid expense	-	-	(960)
Consumption of prepaid expense	-	4,442	-
Increase in net financial liabilities	(138,074)	(225,855)	(112,373)
Net financial liabilities, beginning of year	(1,178,467)	(1,178,467)	(1,066,094)
Net financial liabilities, end of year	\$ (1,316,541)	\$ (1,404,322)	\$(1,178,467)

Commission scolaire francophone Territoires du Nord-Ouest

Statement of Cash Flows

For the year ended June 30, 2022 2021

Cash provided by (used in):

Operating transactions
Operating deficit \$ (230,297) \$ (111,413)

Changes in non-cash assets and liabilities

Decrease (increase) in accounts receivable	75,668	(78,445)
Increase in accounts payable and accrued liabilities	343,515	80,296
Increase in payroll liabilities	58,638	16,765
Decrease (increase) in due from Government of Canada	10,351	(25,356)
Increase in deferred revenue	127,168	15,272
Decrease in post-employment benefits	(39,218)	(5,569)
Decrease (increase) in prepaid expenses and deposits	4,442	(960)

Increase (decrease) in cash **350,267** **(109,410)**

Cash at beginning of year **1,405,171** **1,514,581**

Cash at end of year **\$ 1,755,438** **\$ 1,405,171**

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 2022	Budget 2022	Total 2021
Salaries									
Teachers	\$ 3,794,519	\$ 326,276	\$ -	\$ 48,922	\$ -	\$ -	\$ 4,169,717	\$ 3,931,324	\$ 3,746,713
Instruction assistants	-	403,810	-	-	116,190	-	520,000	430,610	697,644
Non-instructional staff	586,132	178,043	494,417	-	-	-	1,258,592	1,327,898	1,530,487
Board/trustees honoraria	-	-	32,661	44,385	-	-	77,046	28,000	83,256
	4,380,651	908,129	527,078	93,307	116,190	-	6,025,355	5,717,832	6,058,100
Employee Benefits									
Employee benefits	-	-	51,239	-	-	-	51,239	70,000	70,293
Leave and termination	-	-	14,228	-	-	-	14,228	55,000	45,032
	-	-	65,467	-	-	-	65,467	125,000	115,325
Services Purchased/Contracted									
Advertising/publishing	-	-	24,758	-	-	-	24,758	55,234	77,270
Communications	14,705	-	12,819	-	-	-	27,524	32,719	26,987
Contracted services	76,475	22,147	272,546	-	1,410	54,535	427,113	174,620	266,809
Maintenance and repairs	44,597	-	749	-	-	-	45,346	16,615	41,560
Other	21,299	2,938	18,762	-	-	-	42,999	143,772	147,669
Professional / technical	-	-	-	-	-	-	-	2,000	-
Rental/leases	22,564	-	2,994	-	-	-	25,558	25,994	23,918
Student travel	58,657	-	-	-	-	-	58,657	74,542	62,921
Travel	11,297	4,471	9,407	14,453	-	-	39,628	36,410	39,728
	249,594	29,556	342,035	14,453	1,410	54,535	691,583	561,906	686,862

Continued on next page

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 1 (continued)

Detail of Expenses

For the year ended June 30,

	School Programs	Inclusive Schooling (Schedule 3)	Administration	Indigenous Languages and Culture (Schedule 2)	Jordan's Principle	Transfer and Other	Total 2022	Budget 2022	Total 2021
Supplies and Materials									
Freight	603	-	49	-	-	-	652	2,000	369
Materials	192,229	43,476	27,973	23,439	-	-	287,117	273,093	372,719
	192,832	43,476	28,022	23,439	-	-	287,769	275,093	373,088
	\$ 4,823,077	\$ 981,161	\$ 962,602	\$ 131,199	\$ 117,600	\$ 54,535	\$ 7,070,174	\$ 6,679,831	\$ 7,233,375

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 2
Indigenous Languages and Culture Expenses

For the year ended June 30, 2022

	School Instruction	Teaching/ Learning Resources	School Activities and Integrated Community Programs	Total
Salaries				
ILE teachers	\$ -	\$ 48,922	\$ -	\$ 48,922
Board/trustees honoraria	44,385	-	-	44,385
	44,385	48,922	-	93,307
Services Purchased/Contracted				
Travel	-	-	14,453	14,453
Supplies and Materials	-	-	23,439	23,439
	\$ 44,385	\$ 48,922	\$ 37,892	\$ 131,199

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 3
Inclusive Schooling Expenses

For the year ended June 30, 2022

	Staff Development	Student Resources	General Inclusive Schooling	Total
Salaries				
Regional Coordinator	\$ -	\$ -	\$ 178,043	\$ 178,043
Program support teachers	-	-	326,276	326,276
Support assistants	-	-	403,810	403,810
	-	-	908,129	908,129
Services Purchased/Contracted				
Contracted services	2,000	-	20,147	22,147
Other	2,938	-	-	2,938
Travel	4,471	-	-	4,471
	9,409	-	20,147	29,556
Supplies and Materials	-	32,975	10,501	43,476
	\$ 9,409	\$ 32,975	\$ 938,777	\$ 981,161

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 4
French Language Funding

For the year ended June 30, 2022

	Contributions from ECE and Heritage Canada	Commitments from Commission	Expenses	(Under) Over Funding
STUDENT PARTICIPATION				
School administration (salary)	\$ 316,666	\$ 45,166	\$ 345,208	\$ 16,624
Retention bursaries	28,000	-	9,750	18,250
2 grade level per class (salary)	402,987	952,693	3,023,525	(1,667,845)
2 secretaries / librarian (salary)	186,461	73,227	250,719	8,969
Promotion	47,764	-	23,864	23,900
SCHOOL PROGRAMS				
Cyber pedagogy (salary)	73,923	88,876	168,019	(5,220)
Technology resources	30,000	-	38,387	(8,387)
PROGRAM ENRICHMENT				
Cultural facilitators	89,344	-	90,859	(1,515)
Partnership early childhood	25,000	-	25,000	-
French monitors (rent)	-	-	812	(812)
Coach for francisation	80,168	85,225	174,551	(9,158)
Art program	35,866	-	39,555	(3,689)
Cultural activities	27,711	6,500	31,423	2,788
French resource purchase	35,000	-	38,447	(3,447)
EDUCATIONAL SUPPORT FOR PERSONNEL				
Professional development	24,160	-	17,646	6,514
Total	\$ 1,403,050	\$ 1,251,687	\$ 4,277,765	\$(1,623,028)

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 5
Student Success Initiative

For the year ended June 30, 2022

	Total
Revenue - Government of the NWT Education, Culture & Employment	\$ 15,000
Expenses	
Salaries/Wages	
Facilitator fees	40
Workshop expenses	
Resources	21,658
	21,698
Deficit	\$ (6,698)

Commission scolaire francophone Territoires du Nord-Ouest

Schedule 6
Jordan's Principle

For the year ended June 30,

	Budget 2022	Actual 2022	Actual 2021
Revenue			
Government of Canada - Indigenous Services Canada Contribution agreement	\$ 80,721	\$ 117,600	\$ 246,760
Expenses			
Personnel	80,721	116,190	246,760
Contracted services	-	1,410	-
Total expenses	80,721	117,600	246,760
Net surplus (deficit)	\$ -	\$ -	\$ -
Deferred revenue	\$ -	\$ -	\$ 42,925

Notes to Consolidated Financial Statements

June 30, 2022

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. COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Commission's environment and in the global markets due to the possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) having had a material impact on the Commission's operations.

To mitigate the risk of virus spreading in the community, the schools were required to close for a period of time during the year. This has led to temporary suspension in the delivery of some services outlined per the funding agreements, which resulted in a large portion of funding being deferred to the subsequent fiscal period. To address the challenges posted by the pandemic, the Commission has received \$187K additional funding from the Department of Education, Culture and Employment in 2020-2021, the purpose of which was to provide COVID-19 related cost offsets for the reopening of schools in the fiscal year. The unused portion will continue to be used in the subsequent fiscal periods to fund COVID-19 related expenses. The unused portion to be used for 2022/2023 is \$15,556.

Subsequent to April 1, 2022, all restrictions in the Northwest Territories were lifted, and the Commission resumed its pre-pandemic activities.

June 30, 2022

3. Significant Accounting Policies

(a) Basis of Accounting

The financial statements of the Commission have been prepared in accordance with Canadian public sector accounting standards. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality. The financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity, which is composed of all organizations, two schools, which are controlled by the Commission.

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. 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 assets, liabilities, 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.

(c) Cash

Cash is comprised of bank account balances, net of outstanding cheques.

(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.

June 30, 2022

3. Significant Accounting Policies (continued)

(d) 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.

(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.

(f) Tangible Capital Assets

All tangible capital assets 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

Commission scolaire francophone Territoires du Nord-Ouest

Notes to Consolidated Financial Statements

June 30, 2022

3. Significant Accounting Policies (continued)
settled.

June 30, 2022

3. Significant Accounting Policies (continued)

(g) Revenue Recognition (continued)

Government Transfers (continued)

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 additional costs related to French minority language, and are received in one payment.

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.

June 30, 2022

3. Significant Accounting Policies (continued)

(g) Revenue Recognition (continued)

School Generated Funds

School activity funds which are fully controlled by the Commission 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 Commission are not included even if custody of the funds is held by the Commission. Examples of excluded funds might be student clubs or associations for which the Commission has no ongoing responsibility of liability for losses. See Note 6.

The distinctions between the treatment of School and Student activity funds are under review.

(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 Trustees of the Commission 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 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 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.

June 30, 2022

3. Significant Accounting Policies (continued)

(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.

(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, 2022

3. 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) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organize or radioactive material or live organism that exceeds an environmental standard. A liability would be recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met: an environmental standard exists; contamination exceeds the environmental standard; The Commission is directly responsible and 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, 2022.

At each financial reporting date, management reviews the carrying amounts of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. Management at the Commission has concluded that there is no contamination that exceeds environmental standards and as a result there are no liabilities for contaminated sites.

(p) 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, 2022

3. Significant Accounting Policies (continued)

(q) Segment disclosure

The Schedule of Details of Expenses 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 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.

4. Future Accounting Changes

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.

Commission scolaire francophone Territoires du Nord-Ouest

Notes to Consolidated Financial Statements

June 30, 2022

5. Cash

	2022	2021
Cash	\$ 1,755,438	\$ 1,405,171

The cash is held in a bank account with Royal Bank of Canada (RBC).

6. Special Purpose Funds

The Commission did not report any special purpose funds except for school generated funds.

7. Restricted Assets

The Commission does not have any restricted assets.

8. Portfolio Investments

The Commission does not have any portfolio investments.

9. Accounts Receivable

	Accounts Receivable 2022	Allowance for doubtful accounts 2022	Net 2022	Net 2021
Due from related parties (Note 25)	\$ -	\$ -	\$ -	\$ 278
Due from GNWT (Note 25)	30,043	-	30,043	37,999
Trade and other receivables	66,640	-	66,640	134,074
	\$ 96,683	\$ -	\$ 96,683	\$ 172,351

Commission scolaire francophone Territoires du Nord-Ouest

Notes to Consolidated Financial Statements

June 30, 2022

10. Accounts Payable and Accrued Liabilities

	2022	2021
Due to GNWT	\$ 497,778	\$ 274,479
Trade payable	299,436	179,220
	\$ 797,214	\$ 453,699

Payroll Liabilities

	2022	2021
NWTTA	\$ 381,054	\$ 366,633
UNW	77,793	77,471
Other	140,893	96,998
	\$ 599,740	\$ 541,102

11. Repayment 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 refused to be heard.

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 financial statements, there is no scheduled repayment plan in place.

Commission scolaire francophone Territoires du Nord-Ouest**Notes to Consolidated Financial Statements**

June 30, 2022

12. Deferred Revenue

Deferred revenue consists of funding received for expenses not yet incurred at year end.

	2022	2021
Government of the Northwest Territories		
ECE - 2023 Core Funding	\$ 246,114	\$ -
ECE - COVID-19 Support	15,556	102,661
Government of Canada		
Indigenous Services Canada - Jordan's Principle	-	42,925
Indigenous Services Canada - Menstrual Products	11,084	-
Other		
Funds raised for Ecole Boreal gymnasium - Nicole Fournier	2,000	2,000
	\$ 274,754	\$ 147,586

13. Contributions Repayable

The Commission does not have any contributions repayable.

14. Due from the Government of Canada

	2022	2021
Heritage Canada - Discretionary Fund	\$ -	\$ 25,356
Indigenous Services Canada - Jordan's Principle	15,005	-
	\$ 15,005	\$ 25,356

Notes to Consolidated Financial Statements

June 30, 2022

15. Capital Lease Obligations

The Commission does not have capital lease obligations.

16. Pensions

The Commission does not have pensions. Members of the Northwest Territories Teachers Association are covered by the government pension plan.

17. Long-Term Debt

The Commission does not have long-term debt.

18. 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 March 31, 2022. The effective date of the next actuarial valuation is March 31, 2023. The liabilities are actuarially determined as the present value of the accrued benefits at March 31, 2022 and the results extrapolated to June 30, 2022. 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, 2022

18. Post-Employment Benefits (continued)

Changes in Obligation	Severance and Removal	Compensated Absences	2022	2021
Accrued benefit obligation				
beginning of year	\$ 199,812	\$ 70,361	\$ 270,173	\$ 282,901
Current period benefit cost	18,055	6,558	24,613	25,803
Interest accrued	6,821	2,418	9,239	7,877
Benefits payments	(30,121)	(7,281)	(37,402)	(8,178)
Actuarial loss/(gain)	17,068	(10,526)	6,542	(38,230)
Accrued benefit obligation end of year	211,635	61,530	273,165	270,173
Unamortized net actuarial gain	54,136	2,866	57,002	99,212
Total accrued liability	\$ 265,771	\$ 64,396	\$ 330,167	\$ 369,385
Benefits Expense				
Current period benefit cost	\$ 18,055	\$ 6,558	\$ 24,613	\$ 25,803
Interest accrued	6,821	2,418	9,239	7,877
Amortization of gains	(30,324)	(5,348)	(35,672)	(31,071)
Total benefits expenses (recovery)	\$ (5,448)	\$ 3,628	\$ (1,820)	\$ 2,609

The discount rate used in the 2022 fiscal year to determine the accrued benefit obligation was an average of 4.1% (2021 - 3.3%).

The expected payments during the next five fiscal years are:

	Severance and Removal	Compensated Absences	Total
2023	\$ 14,177	\$ 1,769	\$ 15,946
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
2028-2032	124,750	31,124	155,874
Total	\$ 206,438	\$ 43,759	\$ 250,197

Commission scolaire francophone Territoires du Nord-Ouest

Notes to Consolidated Financial Statements

June 30, 2022

19. Trust Assets Under Administration

The Commission does not have trust assets under administration.

20. Tangible Capital Assets

The Commission does not have tangible capital assets.

21. Prepaid Expenses

	2022	2021
Prepaid expenses	\$ 8,062	\$ 12,504

22. GNWT Assets Provided At No Cost

	Cost	Accumulated Amortization	2022 Net Book Value	2021 Net Book Value
Ecole Allain St-Cyr	\$ 17,310,964	\$ 4,461,480	\$ 12,849,484	\$ 13,616,618
Ecole Boreale	3,960,439	1,533,355	2,427,084	2,528,919
Ecole Allain St-Cyr Phase 1	4,490,598	1,720,494	2,770,104	2,899,952
Ecole Boreale Modular Units	1,189,060	399,313	789,747	822,314
Ecole Boreale Pellet Boiler	86,115	52,745	33,370	37,675
Ecole Boreale Biomass System	90,649	15,612	75,037	81,081
Ecole Boreale JK Playscape	223,658	41,004	182,654	197,565
Ecole Allain St-Cyr JK Playscape	135,490	33,120	102,370	111,403
	\$ 27,486,973	\$ 8,257,123	\$ 19,229,850	\$ 20,295,527

Rent expense of \$1,065,676 (2021 - \$1,060,439) was offset by a grant in-kind.

Commission scolaire francophone Territoires du Nord-Ouest

Notes to Consolidated Financial Statements

June 30, 2022

23. Contractual Obligations

The Commission has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to June 30, 2022.

The future minimum payments are as follows:

	Expires in fiscal year	2023	2023-2026	Total
Equipment leases				
Xerox B8055 MONO MFP	2024	\$ 3,109	\$ 3,109	6,218
Xerox C8045 COLOUR MFP	2024	4,011	4,011	8,022
XEROX C8055 COLOUR MFP	2025	1,497	5,240	6,737
Operational Contracts				
Medias Tenois	2023	8,655	-	8,655
First Canada ULC	2026	59,088	177,264	236,352
		\$ 76,360	\$ 189,624	\$ 265,984

24. Contingencies

The Commission is currently evaluating the impact of the appeal won by the GNWT regarding the van Bochove judicial review.

25. 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:

Commission scolaire francophone Territoires du Nord-Ouest

Notes to Consolidated Financial Statements

June 30, 2022

25. Related Parties (continued)

Due from related parties:

	2022		2021
Government of Northwest Territories:			
Department of Education, Culture and Employment	\$ 30,043	\$	37,999
DehCho Division Education Council	-		278
	\$ 30,043	\$	38,277

Due to related parties:

	2022		2021
Government of Northwest Territories:			
Department of Education, Culture and Employment	\$ 7,000	\$	-
Department of Finance	993,416		737,309
	\$ 1,000,416	\$	737,309

Revenues from related parties:

	2022		2021
Government of Northwest Territories:			
Department of Education, Cultural and Employment	\$ 6,523,660	\$	6,736,703
Department of Environment and Natural Resources	25,556		8,000
Department of Municipal and Community Affairs	30,600		30,600
Department of Health and Social Services	4,840		1,733
Department of Finance - Interest	14,072		13,573
	\$ 6,598,728	\$	6,790,609

Expenses paid to related parties:

	2022		2021
Dehcho Divisional Education Council	\$ 300	\$	300
Hay River District Education Authority	19,058		48,933
	\$ 19,358	\$	49,233

Commission scolaire francophone Territoires du Nord-Ouest

Notes to Consolidated Financial Statements

June 30, 2022

26. 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 23, 2021.

27. Economic Dependence

The Commission receives its funding primarily from the GNWT. If the funding arrangements were to change management is of the opinion that the Commission's operations would be significantly affected.

28. 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. The Commission is exposed to credit and liquidity risks from the 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:

	2022	2021
Cash	\$ 1,755,438	\$ 1,405,171
Accounts receivable	96,683	172,351
Due from Government of Canada	15,005	25,356
Maximum credit exposure	\$ 1,867,126	\$ 1,602,878

The is a concentration of credit risk in cash as the majority of the deposits are held in one Canadian chartered bank and the balance is in excess of the insurable limit.

Commission scolaire francophone Territoires du Nord-Ouest**Notes to Consolidated Financial Statements**

June 30, 2022

28. Financial Instruments (continued)

At June 30, 2022, the following accounts receivable were past due but not impaired:

	30 Days	60 Days	90 Days	Total
Accounts receivable	\$ 6,611	\$ 1,221	\$ 22,297	\$ 30,129

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, 2022, receivables from the GNWT comprised approximately 35% (2021 - 22%) 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 \$1,396,954 (2021 - \$994,801).

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.

29. Expenses By Object

	2022 Budget	2022 Actual	2021 Actual
Compensation	\$ 5,842,832	\$ 6,090,822	\$ 6,173,425
Supplies and materials	275,093	287,769	373,088
Services purchased/contracted	561,906	691,583	686,862
	\$ 6,679,831	\$ 7,070,174	\$ 7,233,375

Commission scolaire francophone Territoires du Nord-Ouest

Notes to Consolidated Financial Statements

June 30, 2022

30. Comparative Figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

31. ECE Other Contributions

	2022	2021
Fonds de Tiroir	\$ -	\$ 25,356
Frais Orthophonie	13,000	-
French Monitor	-	79,559
COVID-19 Support	87,105	114,725
English Languages Communication & Services	20,000	20,000
Self-Regulation	5,000	5,000
Ordonnances	15,445	19,192
	\$ 140,550	\$ 263,832

32. GNWT Other Contributions

	2022	2021
Department of Environment and Natural Resources	\$ 25,556	\$ 8,000
Department of Health and Social Services	4,840	1,733
Department of Municipal and Community Affairs	30,600	30,600
	\$ 60,996	\$ 40,333

June 30, 2022

33. Contingent Assets

The Commission does not have any contingent assets.

34. Contractual Rights

The Commission has signed the following contribution agreements that will provide program funding to the Commission:

Contracting Parties	Description of Contract	Expiry Date	2023
Government of Canada	Menstrual Products Funding	March 2024	\$ 11,473

Consolidated Financial Statements of

**DEHCHO DIVISIONAL
EDUCATION COUNCIL**

June 30, 2022

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).

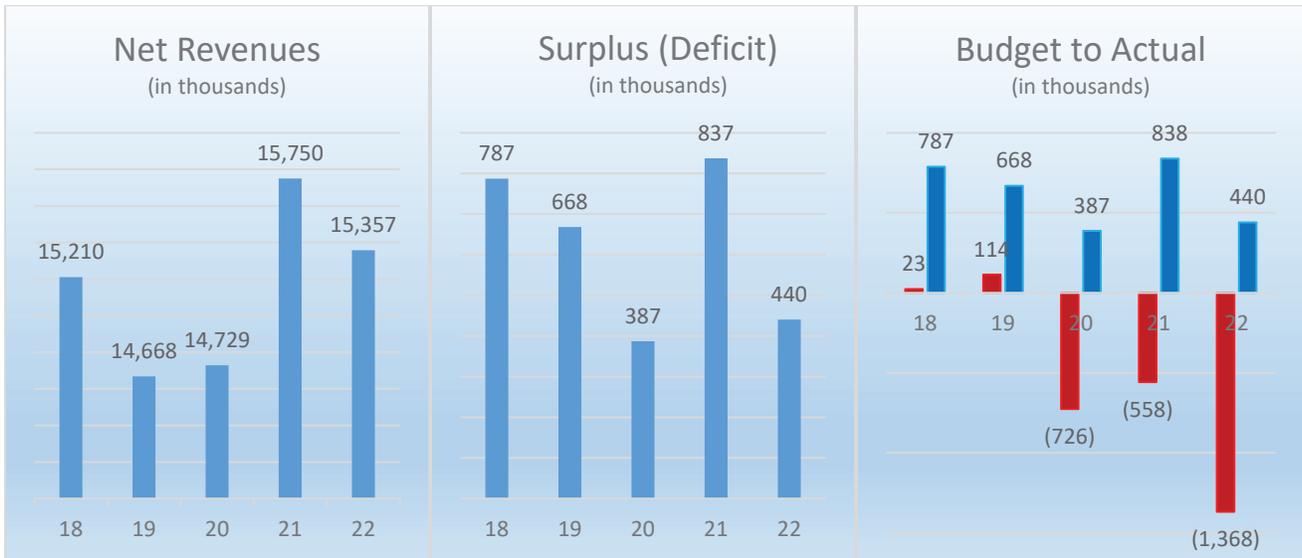
Governance, Trustees and Key Management

Presently, the Council is represented by trustees from eight communities in the Dehcho region. The Council Members are as follows:

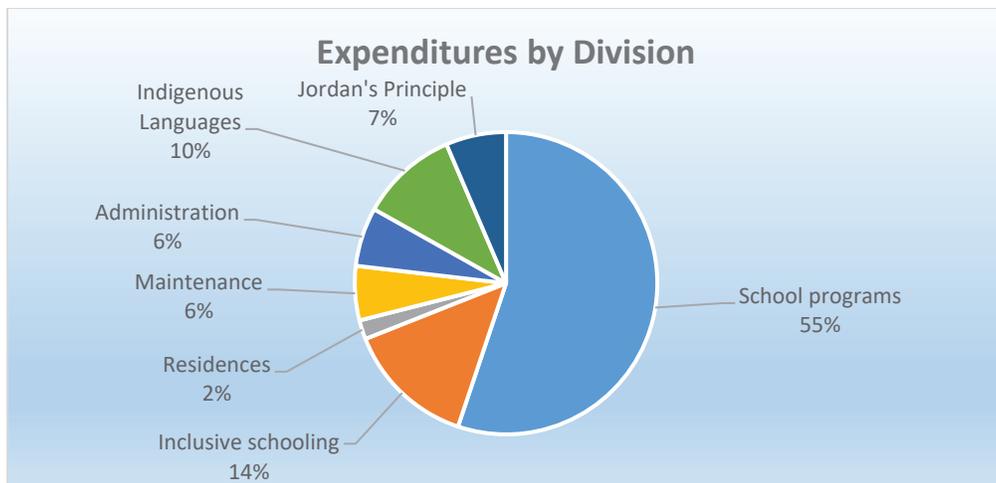
- Fort Providence- Albertine Canadien
- Fort Liard- Herbert Berreault
- Fort Simpson- Renalyn Pascua-Matte- Chairperson
- Jean Marie River- Yvonne Norwegian
- Kakisa Lake- Anita Chicot-Simba
- Samba K'e- Ruby Jumbo
- Wrigley- Lisa Moses
- Nahanni Butte- Jayne Konisenta

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 decline for periods prior to 2021. That increase in revenue continued in 2022 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 over the past six years, following a large deficit in 2016. Actual surpluses have been favorable over original budgets in the past six 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. During the current fiscal year, the Council recorded a favorable surplus for the sixth consecutive year, which offset the larger deficit recorded in 2016. Much of this surplus resulted from additional sources of outside funding as well as spending restrictions caused by the Covid pandemic disruptions.



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
<u>STUDENTS</u>										
Beginning of Year Enrollment	85	78	95	10	3	24	23	109	8	435
End of Year Enrollment	80	77	91	10	3	24	23	107	5	420
TOTAL BY DISTRICT EDUCATION AUTHOR (DEA) END OF YEAR		157	91	10	3	24	23	107	5	420
<u>TEACHING STAFF</u>										
Beginning of Year Teachers	7	7	8	1	1	2	1.5	7	1	35.5
End of Year Teachers	7	7	8	1	1	2	1.5	7	1	35.5
TOTAL BY DISTRICT EDUCATION AUTHORITY (DEA) END OF YEAR		14	8	1	1	2	1.5	7	1	35.5

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, 2022, 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 \$ 1,173,657. During the year, the Council managed to incorporate several significant sources of additional program funds as well as prudent fiscal management, to record a non-consolidated surplus of \$335,168 and a consolidated surplus of \$440,208. A significant portion of the surplus was also due to the reduced program activity due to the Covid-19 closures. This surplus for the 2022 year brought the overall accumulated book surplus up to \$3,153,597 (DEC - \$2,619,797; DEA - \$533,801). The accumulated surplus is now in excess of the limits under the Surplus Retention Policy, so a plan will be developed in the coming month to reduce this during the 2022-23 fiscal year by additional expenditures combined with a planned budgeted deficit for the year of \$1,834,216. Despite the budget deficit planned for 2022-23 of \$1,834,216, the current cash balance of \$6,945,626 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 \$1,834,216 for the 2022-23 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 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 trades introduction, judo, sports and music programs. Finally, Council plans to continue upgrade aging technology and bandwidth issues and provide ongoing training for education applications including PowerSchool.

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Financial Statements

June 30, 2022

Management Discussion and Analysis		
Management Responsibility for the Financial Statements		1
Independent Auditors' Report		2 - 3
Operating Fund		
Consolidated Statement of Financial Position		4
Consolidated Statement of Operations		5
Consolidated Statement of Change in Net Assets (Debt)		6
Consolidated Statement of Cash Flow		7
Consolidated Details of Expenses		8
Notes to the Consolidated Financial Statements		9 -21
Report on Activities for Specific Programs		
Inclusive Schooling Expenses	Schedule A	22
Indigenous Languages and Education Expenses	Schedule B	23
French Language Program	Schedule C	24
Jordan's Principle	Schedule D	25
Northern Distance Learning	Schedule E	26
Student Success Initiative Projects	Schedule F	27
Supplementary Information		
Statement of Council Operations and Financial Position (Non-Consolidated)	Schedule G-1	28
Details of Council Expenses (Non-Consolidated)	Schedule G-2	29
District Education Authority Operations Summary (Non-Consolidated)	Schedule H-1	30 - 31
Details of DEA Expenses Summary (Non-Consolidated)	Schedule H-2	32
Individual DEA Schedules (Non-Consolidated)		33 - 48

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.

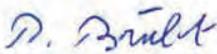
Management hereby asserts that adequate internal controls exist to ensure that transactions are complete, accurate and timely, appropriately authorized and include only valid transactions of the entity; that duties related to processes are appropriately segregated, that assets are safeguarded and that 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

September 30, 2022
Date



David Fiebelkorn, CPA, CGA
Comptroller
Dehcho Divisional Education Council

September 30, 2022
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, 2022, 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, 2022, 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, 2022 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, 2022 and June 30, 2021.

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 name 'Ashton' in a stylized, handwritten-style script.

ASHTON
Chartered Professional Accountants

Hay River, NT
September 30, 2022

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Statement of Financial Position

June 30, 2022

	2022	*2021
FINANCIAL ASSETS		
Cash and cash equivalents, Note 4	\$ 6,945,626	\$ 5,817,796
Special purpose funds, Note 5	507,299	407,079
Due from the Government of Canada, Note 13	-	10,478
Accounts receivable, Note 8	86,071	78,561
Total Financial Assets	\$ 7,538,996	\$ 6,313,914

LIABILITIES

Accounts payable and accrued liabilities, Note 10	\$ 179,608	\$ 35,714
Payroll liabilities, Note 10	2,236,557	1,405,185
Due to the Government of Canada, Note 13	-	-
Deferred revenue, Note 11	985,619	906,209
Other employee future benefits and compensated absences, Note 17	876,734	1,148,793
Trust Liabilities, Note 18	126,880	124,624
Total Liabilities	4,405,398	3,620,525
Net Assets (Deficit)	\$ 3,133,598	\$ 2,693,389

NON-FINANCIAL ASSETS

Prepaid expenses, Note 20	\$ 20,000	\$ 20,000
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ACCUMULATED SURPLUS (DEFICIT)	\$ 3,153,598	\$ 2,713,389
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* Reclassified for comparative purposes

Represented by:

Accumulated Operating surplus (deficit)		
Divisional Education Council	\$ 2,619,797	\$ 2,284,629
District Education Authorities	533,801	428,760
	\$ 3,153,598	\$ 2,713,389

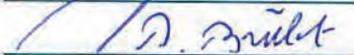
* Reclassified for comparative purposes

Contractual obligations, Note 22

Contingencies, Note 23

Approved:

 Chair

 Superintendent

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Statement of Operations

For the year ended June 30, 2022

	Budget 2022	Actual 2022	Actual *2021
Revenue			
Government of the NWT			
ECE regular contribution	\$ 13,033,545	\$ 13,306,612	\$ 13,411,847
French language program, Schedule C	110,000	128,800	50,000
ECE other contributions, Note 31	270,750	279,205	407,738
Deferred revenues - SSI program	-	-	7,438
Total ECE contributions	13,414,295	13,714,617	13,877,023
GNWT other contributions, Note 32	400,000	113,819	161,942
Total GNWT	13,814,295	13,828,436	14,038,965
Jordan's Principle, Schedule D	1,774,514	959,712	1,035,957
Government of Canada - other contributions	-	-	219,398
Total Government of Canada contributions	1,774,514	959,712	1,255,355
	15,588,809	14,788,148	15,294,320
Self-Generated Funds			
Rentals	36,000	51,400	85,200
Investment income	30,000	51,038	33,540
Contract and other	82,000	248,037	134,512
	148,000	350,475	253,252
Education Authority self-generated funds, Schedule H-1	-	198,602	166,309
GNWT contributions to Education Authorities, Schedule H-1	-	20,000	36,766
	-	218,602	203,075
	15,736,809	15,357,225	15,750,647
Expenses			
School programs	8,749,810	8,225,499	8,462,199
Inclusive schooling, Schedule A	2,547,121	2,065,622	2,016,581
Student accommodation	190,950	304,975	278,064
Operations and maintenance	892,635	866,545	675,825
Administration	1,036,564	940,731	1,039,207
Indigenous language/cultural programs, Schedule B	1,718,872	1,553,932	1,405,002
Jordan's Principle, Schedule D	1,968,473	959,712	1,035,957
	17,104,425	14,917,016	14,912,835
Operating surplus (deficit) before other item	(1,367,616)	440,209	837,812
Other item:			
Other Employee Future Benefits and Compensated Absences recovery (expense), Note 17	-	-	-
Operating surplus (deficit)	\$ (1,367,616)	\$ 440,209	\$ 837,812
Accumulated surplus (deficit), beginning of year		2,713,389	1,875,577
Accumulated surplus (deficit), end of year		\$ 3,153,598	\$ 2,713,389

* Reclassified for comparative purposes

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Statement of Change in Net Assets (Debt)

For the year ended June 30, 2022

	2022	2021
Operating Surplus (Deficit)	\$ 440,209	\$ 837,812
Amortization of tangible assets	-	-
Net change in prepaids	-	-
(Increase) Decrease in net debt	440,209	837,812
Net assets (debt) beginning of the year	2,693,389	1,855,577
Net assets (debt) end of year	\$ 3,133,598	\$ 2,693,389

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Statement of Cash Flow

For the year ended June 30, 2022

	2022	2021
Operating Activities		
Operating Surplus (Deficit)	\$ 440,209	\$ 837,812
Items not affecting cash:		
Amortization	-	-
Changes in non-cash assets and liabilities		
Decrease (increase) in due from the Government of Canada	10,478	(10,478)
Decrease (increase) in trust assets	-	-
Decrease (increase) in accounts receivable	(7,510)	29,205
Increase (decrease) in accounts payable	143,894	(54,881)
Increase (decrease) in payroll liabilities	831,372	516,640
Increase (decrease) in contributions repayable	-	-
Increase (decrease) in due to the Government of Canada	-	-
Increase (decrease) in deferred revenues	79,410	526,062
Increase (decrease) in Other Employee Future Benefits and Compensated Absences	(272,059)	(250,642)
Increase (decrease) in trust liabilities	2,256	2,291
Decrease (increase) in prepaids	-	-
	787,841	758,197
Cash provided by operating transactions	1,228,050	1,596,009
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	1,228,050	1,596,009
Cash and cash equivalents, beginning of year	6,224,875	4,628,866
Cash and cash equivalents, end of year	\$ 7,452,925	\$ 6,224,875
Cash consists of :		
Cash and cash equivalents, Note 4	\$ 6,945,626	\$ 5,817,796
Special purpose funds, Note 5	507,299	407,079
	\$ 7,452,925	\$ 6,224,875

DEHCHO DIVISIONAL EDUCATION COUNCIL

Consolidated Details of Expenses

For the year ended June 30, 2022

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations and Maintenance	Administration	Indigenous Languages and Education	Jordan's Principle	2022 Total	2022 Budget	2021 Total
Salaries										
Teachers' salaries	\$ 6,043,193	\$ 765,561	\$ -	\$ -	\$ -	\$ 838,023	\$ 950,337	\$ 8,597,114	\$ 7,008,607	\$ 8,698,760
Instruction assistants	-	699,817	-	-	-	-	-	699,817	3,957,660	751,976
Non-instructional staff	716,662	393,242	-	690,340	540,077	434,635	-	2,774,956	2,266,542	2,473,896
Board/Trustee Honoraria	-	-	-	-	79,831	4,580	-	84,411	82,800	77,046
	6,759,855	1,858,620	-	690,340	619,908	1,277,238	950,337	12,156,298	13,315,609	12,001,678
Employee Benefits										
Employee benefits and allowances	234,050	103,168	-	24,187	19,265	43,522	-	424,192	350,000	286,854
Leave and termination	115,557	19,259	-	-	-	19,259	-	154,075	90,000	148,720
	349,607	122,427	-	24,187	19,265	62,781	-	578,267	440,000	435,574
Services Purchased/Contracted										
Professional/Technical Services	-	-	-	-	39,410	44,127	-	83,537	161,000	32,387
Postage/Communication	-	-	-	-	85,262	-	-	85,262	90,000	132,787
Utilities	48,155	-	1,253	-	-	385	-	49,793	40,000	-
Travel	90,425	36,251	43,071	-	66,838	9,374	-	245,959	632,000	422,812
Student Travel (Bussing)	135,280	-	-	-	-	-	-	135,280	102,000	141,307
Advertising/Printing/Publishing	22,307	-	-	-	-	27,166	-	49,473	117,353	83,278
Maintenance/Repair	-	-	-	122,427	33,919	21,038	-	177,384	115,000	102,803
Rentals/Leases	30,697	-	-	28,450	14,181	4,655	-	77,983	113,200	83,581
Other - Contracted Services	231,440	27,076	179,888	-	2,831	15,079	9,375	465,689	475,909	313,905
	558,304	63,327	224,212	150,877	242,441	121,824	9,375	1,370,360	1,846,462	1,312,860
Materials, Supplies and Freight										
Materials	524,686	21,006	79,310	1,141	59,117	88,644	-	773,904	1,446,206	1,126,352
Freight	33,047	242	1,453	-	-	3,445	-	38,187	56,148	36,371
	557,733	21,248	80,763	1,141	59,117	92,089	-	812,091	1,502,354	1,162,723
Contributions and Transfers										
Transfers	-	-	-	-	-	-	-	-	-	-
Amortization										
	-	-	-	-	-	-	-	-	-	-
Total	\$ 8,225,499	\$ 2,065,622	\$ 304,975	\$ 866,545	\$ 940,731	\$ 1,553,932	\$ 959,712	\$ 14,917,016	\$ 17,104,425	\$ 14,912,835

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2022

Note 1. Dehcho Divisional Education Council

The Dehcho Divisional Education Council (formerly known as the Divisional Board of Education) was established on March 30, 1990. The Dehcho Division encompasses an area which includes the communities of Wrigley (Chief Julian Yendo School), Nahanni Butte (Charles Yohin School), Sambaa K'e (Charles Tetcho School), Fort Simpson (Liidlii Kue Elementary and Regional High Schools), Fort Liard (Echo-Dene School), Fort Providence (Deh Gah Elementary and Secondary School), Jean Marie River (Louie Norwegian School) and Kakisa Lake (Territorial School - Kakisa Lake School).

The Education Body's purpose is to administer and manage the educational affairs of the Division in accordance with the Education Act and the Financial Administration Act of the Northwest Territories and the regulations of the Order establishing the Education Division.

Consequently, the Council is dependent on funding from the Department of Education, Culture, and Employment (ECE) of the GNWT. Member Communities have formed local District Education Authorities (DEA) which have assumed responsibility to provide sufficient educational programs within their respective communities.

The Council is an independent legal and accounting entity with an elected Board of Trustees as stipulated in Section 82 of the *Education Act*. The Board of Trustees has decision making authority, the power to delegate authority, the ability to significantly influence operations and the sole accountability for all fiscal matters.

The Council is a public body performing a function of government in Canada. Paragraph 149(1)(C) of the *Income Tax Act* provides that a public body performing a function of government in Canada is exempt from taxation.

Note 2. Summary of Significant Accounting Policies

(a) Basis of Accounting

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. The consolidated financial statements have, in management's opinion, been properly prepared with reasonable limits of materiality. The basis of accounting refers to the timing of when revenue and expenditure items are recognized in the accounts and reported in the financial statements. The accrual basis of accounting is utilized for all funds. Under this basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recorded when they are incurred.

(b) Cash and Cash Equivalents

Cash and cash equivalents are comprised of bank account balances, net of outstanding cheques, and short term highly liquid investments that are readily convertible to cash and with a date of 90 days or less from the date of acquisition.

(c) Financial Instruments

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently measured at its fair value, the initial fair value is adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value are expensed.

Financial assets subsequently measured at amortized cost include cash, accountable funds, due from the GNWT and other accounts receivable.

Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities, accrued salaries, deferred revenue, post-employment benefits and accountable funds.

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2022

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, 2022

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, 2022

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

PSAB has approved Section PS 3400, Revenues. 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. This Section applies to fiscal years beginning on or after April 1, 2023, but earlier adoption is permitted. This Section may be applied retroactively or prospectively. Management is currently assessing the impact of the standard.

Financial Instruments - Section PS 3450

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. Management is currently assessing the impact of the standard. There is no significant impact on the financial statements as a result of its application.

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2022

Note 3. Future Accounting Changes (continued)

Asset Retirement Obligations - PS 3280

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.

Other New Standards

Effective July 1, 2022, Education Bodies will concurrently be required to adopt: PS 2601 Foreign Currency Translation, PS 3280 Asset Retirement Obligations, and PS 3041 Portfolio Investments in the same fiscal period. There are no significant impacts on the financial statements as a result of these applications.

Note 4. Cash and Cash Equivalents

	2022	2021
Cash	\$ 6,945,626	\$ 5,817,796
Short term investments	-	-
	\$ 6,945,626	\$ 5,817,796

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.

	2022	2021
Fort Simpson (Liidlii Kue Elementary and Regional High Schools)	\$ 170,989	\$ 69,702
Fort Providence (Deh Gah Elementary/Secondary Schools)	50,901	87,004
Fort Liard (Echo-Dene School)	78,268	71,000
Jean Marie River (Louie Norwegian School)	24,236	17,457
Wrigley (Chief Julian Yendo School)	97,226	88,833
Nahanni Butte (Charles Yohin School)	53,714	50,431
Sambaa K'e (Charles Tetcho School)	18,033	13,402
Kakisa Lake (Territorial School - Kakisa Lake School)	13,932	9,250
	\$ 507,299	\$ 407,079

Note 6. Restricted Assets - Nil Report

Note 7. Portfolio Investments - Nil Report

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2022

Note 8. Accounts Receivable

	Receivables 2022		AFDA 2022		Net 2022		Net 2021	
GNWT - ECE	\$	4,355	\$	-	\$	4,355	\$	6,004
GNWT - FSS		10,456		-		10,456		3,405
Yellowknife Catholic Schools		-		-		-		-
Total Due from GNWT		14,811		-		14,811		9,409
WSCC		-		-		-		-
Other		71,260		-		71,260		69,152
Total receivables before amounts due from Government of Canada		86,071		-		86,071		78,561
Government of Canada		-		-		-		10,478
	\$	86,071	\$	-	\$	86,071	\$	89,039

Note 9. Inventories - Not Applicable

Note 10. Accounts Payable and Accrued Liabilities

	2022		2021	
GNWT - MACA	\$	16,560	\$	-
Due to NWT Power Corp		-		-
WSCC		-		-
Employee source deductions		9,644		5,727
Accounts payable and accrued liabilities		153,404		29,987
		179,608		35,714
Payroll liabilities				
To GNWT (A)		1,382,489		459,605
To Employees (B)		767,936		882,186
Annual Leave		81,719		61,014
Lieu		4,413		2,380
		2,236,557		1,405,185
	\$	2,416,165	\$	1,440,899

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, 2022

Note 11. Deferred Revenue

	2022	2021
GNWT - ECE		
Covid-19 Support	\$ 111,697	\$ 279,814
Student Success Initiative	-	-
	111,697	279,814
GNWT - MACA		
Active After School	-	23,452
GNWT - ENR		
Science Camp	-	6,800
	-	30,252
Government of Canada		
Indigenous Services - Jordan's Principle	873,922	596,143
Canadian Heritage - Sport Support Program - Judo	-	-
Tides Canada Foundation		
NWT on the Land Collaborative	-	-
	\$ 985,619	\$ 906,209

Note 12. Contribution Repayable - Nil Report

Note 13. Due From and To the Government of Canada

	2022	2021
Receivables		
Canadian Heritage - Sport Support Program - Judo	\$ -	\$ 10,478
Indigenous Services - Jordan's Principle	-	-
	\$ -	\$ 10,478
Payables	\$ -	-

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, 2022

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, 2022. 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	2022	2021
Changes in Obligation				
Accrued benefit obligations beginning of the year	\$ 552,167	\$ 155,821	\$ 707,988	\$ 855,444
Current period benefit cost	41,171	20,232	61,403	62,897
Interest accrued	17,945	5,387	23,332	22,798
Benefits payments	(216,435)	(25,593)	(242,028)	(183,167)
Plan amendments	-	(137)	(137)	-
Actuarial (gain)/loss	404,267	6,038	410,305	97,472
Accrued benefit obligation, end of year	799,115	161,748	960,863	855,444
Unamortized net actuarial gain	18,111	(102,240)	(84,129)	293,349
Net future obligation	\$ 817,226	\$ 59,508	\$ 876,734	\$ 1,148,793
Benefits Expense				
Current period benefit cost	\$ 41,171	\$ 20,232	\$ 61,403	\$ 62,897
Interest cost	17,945	5,387	23,332	22,798
Plan amendments	-	(137)	(137)	-
Amortization of actuarial gains	(128,656)	13,926	(114,730)	(113,430)
	\$ (69,540)	\$ 39,408	\$ (30,132)	\$ (27,735)

The discount rate used to determine the accrued benefit obligation is an average of 4.1%. No inflation rate was applied. The expected payments during the next five fiscal years are:

	Severance and removal	Compensated Absences	2023
2023	\$ 165,541	\$ 27,330	\$ 192,871
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
Next 5 years	342,156	96,039	438,195
	\$ 937,336	\$ 216,590	\$ 1,153,926

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2022

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.

	2022	2021
Superintendent Fund	\$ 15,759	\$ 11,778
Steve Rowan Memorial Scholarship Fund	98,291	100,120
Mercedes Benz Scholarship Fund	12,830	12,726
	\$ 126,880	\$ 124,624

Note 19. Tangible Capital Asset - Nil Report

Note 20. Prepaid Expenses

	2022	2021
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	2022 Net Book Value	2021 Net Book Value
Buildings				
Schools and colleges	\$ 34,480,792	\$ 22,067,934	\$ 12,412,858	\$ 13,376,843
Residences	1,032,376	626,047	406,329	430,587
Staff Housing	287,453	245,109	42,344	49,528
	\$ 35,800,621	\$ 22,939,090	\$ 12,861,531	\$ 13,856,958

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	\$ 16,086	\$ 4,648	\$ 20,734
Operational leases	2022	-	-	-
		\$ 16,086	\$ 4,648	\$ 20,734

* 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, 2022

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.

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:

	2022	2021
Accounts payable, Note 10		
Government of the Northwest Territories		
Municipal and Community Affairs	\$ 16,560	\$ -
Other related parties		
NWT Power Corporation	-	-
	\$ 16,560	\$ -
Payroll liabilities, Note 10		
Government of the Northwest Territories	\$ 1,382,489	\$ 459,605
Deferred Revenues, Note 11		
Government of the Northwest Territories		
Education, Culture and Employment (ECE)	\$ 111,697	\$ 279,814
Municipal and Community Affairs (MACA)	-	23,452
Environment and Natural Resources (ENR)	-	6,800
	\$ 111,697	\$ 310,066
Accounts receivable, Note 8		
Government of the Northwest Territories		
Education, Culture and Employment	\$ 4,355	\$ 6,004
Financial Shared Services (FSS)	10,456	3,405
Total GNWT	14,811	9,409
Other related parties		
Yellowknife Catholic Schools	-	-
	\$ 14,811	\$ 9,409

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2022

Note 24. Related Parties (continued)

	2022	2021
Revenues		
Government of the Northwest Territories		
ECE - Core contribution	\$ 13,306,612	\$ 13,411,847
ECE - French language program, Schedule C	128,800	50,000
ECE - other contributions, Note 31	279,205	407,738
MACA - GNWT other Contributions, Note 32	98,364	115,387
ENR - GNWT other Contributions, Note 32	1,700	30,800
DHSS - GNWT other Contributions, Note 32	13,755	15,755
GNWT contributions to Education Authorities, Schedule H-1	20,000	36,766
Department of Finance - rent and custodian	18,120	18,120
Deferred revenues - SSI program	-	-
Total GNWT	13,866,556	14,086,413
Other related parties		
Aurora College	33,921	33,921
	\$ 13,900,477	\$ 14,120,334

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 December 20, 2021 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, 2022.

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, 2022

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

	2022 Budget	2022 Actual	2021 Actual
Compensation	\$ 13,755,609	\$ 12,734,565	\$ 12,437,252
Professional/Technical Services	161,000	83,537	32,387
Postage/Communication	90,000	85,262	132,787
Utilities	40,000	49,793	-
Travel	632,000	245,959	422,812
Student Travel (Bussing)	102,000	135,280	141,307
Advertising/Printing/Publishing	117,353	49,473	83,278
Maintenance/Repair	115,000	177,384	102,803
Rentals/Leases	113,200	77,983	83,581
Other - Contracted Services	475,909	465,689	313,905
Materials, Supplies and Freight	1,502,354	812,091	1,162,723
Amortization	-	-	-
	\$ 17,104,425	\$ 14,917,016	\$ 14,912,835

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

	2022	2021
Covid funding	\$ -	\$ 595,302
Distance education	84,500	85,750
Community Library	36,000	-
Regulation funding	6,500	6,500
Contributions repaid	(15,912)	-
Deferred revenue - ECE, opening	279,814	-
Deferred revenue - ECE, closing	(111,697)	(279,814)
	\$ 279,205	\$ 407,738

DEHCHO DIVISIONAL EDUCATION COUNCIL

Notes to the Consolidated Financial Statements

June 30, 2022

Note 32. GNWT Other Contributions

	2022	2021
Municipal and Community Affairs		
Sports and youth programs	\$ -	\$ 42,272
Sport strategy	-	-
Children and youth resiliency	33,408	-
Active after school	46,700	101,377
Trades	-	-
Other	-	4,000
Environment and Natural Resources		
Take a kid trapping	-	24,000
Science Camp	1,700	6,800
Health and Social Services		
Drop the pop	13,755	15,755
Contributions repaid	(11,996)	(19,860)
Deferred revenue - GNWT, opening	30,252	17,850
Deferred revenue - GNWT, closing	-	(30,252)
	\$ 113,819	\$ 161,942

Note 33. **Contingent Assets - Nil Report**

Note 34. **Contractual Rights - Nil Report**

DEHCHO DIVISIONAL EDUCATION COUNCIL

Inclusive Schooling Expenses

Schedule A

For the year ended June 30, 2022

Function	General Inclusive Schooling	Staff Development	Assistive Technology	Magnet Facilities	Total
Salaries					
Regional Coordinator	\$ 197,268	\$ -	\$ -	\$ -	\$ 197,268
Program Support Teachers	962,830	-	-	-	962,830
Support Assistants	784,950	-	-	-	784,950
Honoraria	-	-	-	-	-
	<u>1,945,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,945,048</u>
Employee Benefits					
Employee benefits and allowances	117,561	-	-	-	117,561
	<u>117,561</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>117,561</u>
Services Purchased/Contracted					
Professional and technical services	-	-	-	-	-
Travel	-	36,251	-	-	36,251
Student transportation	-	-	-	-	-
Advertising, printing and publishing	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-
Rentals and leases	-	-	-	-	-
Other contracted services	27,076	-	-	-	27,076
	<u>27,076</u>	<u>36,251</u>	<u>-</u>	<u>-</u>	<u>63,327</u>
Materials, Supplies and Freight					
Materials	-	-	21,248	-	21,248
Freight	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>21,248</u>	<u>-</u>	<u>21,248</u>
Total	\$ 2,089,685	\$ 36,251	\$ 21,248	\$ -	\$ 2,147,184

DEHCHO DIVISIONAL EDUCATION COUNCIL

Indigenous Languages and Education Expenses

Schedule B

For the year ended June 30, 2022

	Student Instruction	Teaching/ Learning Resources	Professional Development	School Activities and Integrated Community Programs	2022 Total
Salaries					
ALCBE teachers	\$ 900,190	\$ -	\$ -	\$ -	900,190
Language consultants	-	153,547	-	-	153,547
Instruction assistants	-	-	-	-	-
Non-instructional staff	-	252,253	-	-	252,253
Honoraria	2,694	-	-	-	2,694
Elders in schools	-	-	-	-	-
	902,884	405,800	-	-	1,308,684
Employee Benefits					
Employee benefits and allowances	43,542	19,259	-	-	62,801
	43,542	19,259	-	-	62,801
Services Purchased/Contracted					
Professional services	-	44,127	-	-	44,127
Travel	-	7,746	1,628	-	9,374
Student transportation	-	-	-	-	-
Advertising, printing and publishing	-	27,551	-	-	27,551
Maintenance and repairs	-	-	-	-	-
Rentals and leases	-	4,655	-	-	4,655
Other contracted services	-	31,996	-	193,959	225,955
	-	116,075	1,628	193,959	311,662
Materials, Supplies and Freight					
Materials	-	-	-	58,521	58,521
Freight	-	-	-	3,445	3,445
	-	-	-	61,966	61,966
Total	\$ 946,426	\$ 541,134	\$ 1,628	\$ 255,925	\$ 1,745,113

DEHCHO DIVISIONAL EDUCATION COUNCIL

French Language Program

Schedule C

For the year ended June 30, 2022

	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)	\$ 128,800	\$ 50,000	\$ 151,966	\$ 26,834

DEHCHO DIVISIONAL EDUCATION COUNCIL

Jordan's Principle

For the year ended June 30, 2022

Schedule D

	2022 Budget	2022 Actual	2021 Actual	July 1'21 - March 31'22	April 1'22 - June 30'22	Total
Revenue						
Government of Canada	\$ 814,400	\$ 1,237,492	\$ 1,312,005	\$ 1,201,506	\$ 35,986	\$ 1,237,492
Carry forward from previous year	-	596,142	320,094	596,142	-	596,142
	814,400	1,833,634	1,632,099	1,797,648	35,986	1,833,634
Expenses						
Administration	-	9,375	-	-	9,375	9,375
Personnel	814,400	950,337	929,018	608,270	342,067	950,337
Transportation	-	-	-	-	-	-
Materials and supplies	-	-	106,939	-	-	-
Rent and utilities	-	-	-	-	-	-
Evaluation	-	-	-	-	-	-
Other	-	-	-	-	-	-
	814,400	959,712	1,035,957	608,270	342,067	959,712
Surplus (Deficit)	\$ -	\$ 873,922	\$ 596,142	\$ 1,189,378	\$ (306,081)	\$ 873,922
Deferred Revenue	\$ -	\$ (873,922)	\$ (596,142)			\$ (873,922)

DEHCHO DIVISIONAL EDUCATION COUNCIL

Northern Distance Learning

Schedule E

For the year ended June 30, 2022

	Budget	Fort Liard	Fort Simpson	Fort Providence	Total	March 31	June 30	Total
Revenue								
Education, Culture and Employment	\$ 84,500	\$ 55,000	\$ 29,500	\$ -	\$ 84,500	\$ 56,615	\$ 27,885	\$ 84,500
Other	-	-	-	-	-	-	-	-
	84,500	55,000	29,500	-	84,500	56,615	27,885	84,500
Expenses								
Salaries/Wages								
Instructional Staff	-	-	-	-	-	-	-	-
<i>Teachers</i>	-	-	-	-	-	-	-	-
<i>On-site support person</i>	84,500	54,942	-	-	54,942	35,664	19,278	54,942
Non-Instructional Staff	-	-	-	-	-	-	-	-
<i>Moodle (Online strategy)</i>	-	-	-	-	-	-	-	-
<i>DL Coordinator</i>	-	-	-	-	-	-	-	-
<i>PD - online learning field</i>	-	-	-	-	-	-	-	-
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	-	285	900	1,302	2,487	2,487	-	2,487
Total expenses	84,500	55,227	900	1,302	57,429	38,151	19,278	57,429
Net surplus/(deficit)	\$ -	\$ (227)	\$ 28,600	\$ (1,302)	\$ 27,071	\$ 18,464	\$ 8,607	\$ 27,071

DEHCHO DIVISIONAL EDUCATION COUNCIL

Student Success Initiative Projects

Schedule F

For the year ended June 30, 2022

	Budget	2022	2021
Revenue			
GNWT - Education, Culture & Employment	\$ 55,000	\$ 55,000	\$ 55,000
NWT Teachers Association	54,000	65,479	-
	109,000	120,479	55,000
Carry forward from previous year	-	-	7,438
	109,000	120,479	62,438
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	15,309
Accommodations and per diems	-	-	-
Other expenses	-	-	-
Workshop expense			
Room rental	-	-	-
Refreshments	-	198	-
Resources	35,000	33,909	735
Miscellaneous	-	237	-
Total professional development	54,000	52,241	16,044
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	10,292	52,427
Miscellaneous	-	-	14,446
Total program delivery	55,000	55,292	111,873
Total Expenses	109,000	107,533	127,917
Surplus (Deficit)	\$ -	\$ 12,946	\$ (65,479)
Deferred Revenue		\$ -	\$ -

DEHCHO DIVISIONAL EDUCATION COUNCIL

Statement of Council Operations and Financial Position (Non-Consolidated)

Schedule G-1

For the year ended June 30, 2022

	2022 Budget	2022 Actual	*2021 Actual
Revenue			
Government of the NWT			
ECE regular contributions	\$ 13,033,545	\$ 13,306,612	\$ 13,411,847
Indigenous Languages and Education, Schedule B	-	-	-
French language instruction, Schedule C	110,000	128,800	50,000
ECE other contributions, Note 31	270,750	279,205	407,738
Deferred revenues - SSI program	-	-	7,438
	13,414,295	13,714,617	13,877,023
GNWT - other contributions, Note 32	400,000	113,819	161,942
Total GNWT	13,814,295	13,828,436	14,038,965
Indigenous Services - Jordan's Principle Schedule D	1,774,514	959,712	1,035,957
Canadian Heritage - Sport Support Program - Judo	-	-	219,398
Total Government of Canada	1,774,514	959,712	1,255,355
Self-Generated Funds			
Rentals	36,000	51,400	85,200
Investment income	30,000	51,038	33,540
Contract and other	82,000	248,037	134,512
	148,000	350,475	253,252
	15,736,809	15,138,623	15,547,572
Expenditure			
School programs	8,749,810	8,259,512	8,497,841
Inclusive schooling	2,547,121	2,065,622	2,016,581
Student accommodations	190,950	304,975	278,064
Operations and maintenance	892,635	860,667	670,225
Administration	1,036,564	864,000	959,594
Indigenous language/cultural programs	1,718,872	1,488,967	1,389,746
Jordan's Principle	1,774,514	959,712	1,035,957
	16,910,466	14,803,455	14,848,008
Excess (Deficiency) of Revenue over Expenditure	\$ (1,173,657)	\$ 335,168	\$ 699,564
Other Items:			
Other Employee Future Benefits and Compensated Absences recovery (expense), Note 17		-	-
Excess (Deficiency) of Revenue over Expenditure	\$ (1,173,657)	\$ 335,168	\$ 699,564
Accumulated surplus (deficit), beginning of year		2,284,629	1,585,065
Accumulated surplus (deficit), end of year		\$ 2,619,797	\$ 2,284,629

* Reclassified for comparative purposes

DEHCHO DIVISIONAL EDUCATION COUNCIL

Details of Council Expenses (Non-Consolidated)

Schedule G-2

For the year ended June 30, 2022

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Indigenous Languages and Education	Jordan's Principle	2022 Total	2022 Budget	*2021 Total
Salaries										
Teachers' salaries	\$ 6,046,227	\$ 765,561	\$ -	\$ -	\$ -	\$ 838,023	\$ 950,337	\$ 8,600,148	\$ 7,008,607	\$ 8,751,960
Instruction Assistant	-	699,817	-	-	-	-	-	699,817	3,957,660	751,976
Non Instructional Staff	687,771	393,242	-	691,253	515,588	408,494	-	2,696,348	2,266,542	2,320,992
Board/Trustee Honoraria	-	-	-	-	35,008	-	-	35,008	82,800	28,118
	6,733,998	1,858,620	-	691,253	550,596	1,246,517	950,337	12,031,321	13,315,609	11,853,046
Employee Benefits										
Employee benefits and allowances	234,050	103,168	-	24,187	19,265	43,522	-	424,192	350,000	286,854
Leave and termination	115,557	19,259	-	-	-	19,259	-	154,075	90,000	148,720
	349,607	122,427	-	24,187	19,265	62,781	-	578,267	440,000	435,574
Services Purchased/Contracted										
Professional/Technical Services	-	-	-	-	39,410	44,127	-	83,537	161,000	31,152
Postage/Communication	-	-	-	-	85,262	-	-	85,262	90,000	132,781
Utilities	48,155	-	1,253	-	-	385	-	49,793	40,000	-
Travel	232,776	36,251	43,071	-	66,582	9,374	-	388,054	632,000	408,510
Student Travel (Bussing)	146,767	-	-	-	-	-	-	146,767	102,000	148,428
Advertising/Printing/Publishing	22,307	-	-	-	-	27,166	-	49,473	117,353	83,878
Maintenance/Repair	-	-	-	116,777	33,919	-	-	150,696	115,000	103,103
Rentals/Leases	25,797	-	-	28,450	14,181	4,655	-	73,083	113,200	76,481
Other - Contracted Services	-	27,076	179,888	-	-	1,079	9,375	217,418	281,950	275,922
	475,802	63,327	224,212	145,227	239,354	86,786	9,375	1,244,083	1,652,503	1,260,255
Materials, Supplies and Freight										
Materials	473,377	21,006	79,310	-	54,785	89,438	-	717,916	1,446,206	1,068,473
Freight	32,769	242	1,453	-	-	3,445	-	37,909	56,148	36,371
	506,146	21,248	80,763	-	54,785	92,883	-	755,825	1,502,354	1,104,844
Contributions and Transfers										
Transfers to DEA	193,959	-	-	-	-	-	-	193,959	-	194,289
Amortization										
	-	-	-	-	-	-	-	-	-	-
Total	\$ 8,259,512	\$ 2,065,622	\$ 304,975	\$ 860,667	\$ 864,000	\$ 1,488,967	\$ 959,712	\$ 14,803,455	\$ 16,910,466	\$ 14,848,008

* Reclassified for comparative purposes

DEHCHO DIVISIONAL EDUCATION COUNCIL

District Education Authority Operations Summary

Non-Consolidated

For the year ended June 30, 2022

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	\$ 41,642	\$ 40,307	\$ 26,938	\$ 16,275	\$ 19,360	\$ 16,152	\$ 17,446	\$ 15,839	\$ 193,959
Other contributions from Divisional Council	152,669	20,294	28,216	-	-	675	61,352	18,805	282,011
Contributions from GNWT	-	12,000	-	-	-	-	-	8,000	20,000
Self-generated funds	875	196,786	141	-	-	-	-	800	198,602
	195,186	269,387	55,295	16,275	19,360	16,827	78,798	43,444	694,572
Expenditure									
School programs	64,490	241,521	34,354	1,562	3,850	11,408	52,436	16,825	426,446
Inclusive schooling	-	-	-	-	-	-	-	-	-
Student accommodations	-	-	-	-	-	-	-	-	-
Operations and maintenance	-	6,791	-	-	-	-	-	10,000	16,791
Administration	11,095	21,406	7,711	2,634	2,277	634	18,956	12,018	76,731
Indigenous language/cultural programs	19,161	35,538	5,962	5,300	-	827	2,775	-	69,563
	94,746	305,256	48,027	9,496	6,127	12,869	74,167	38,843	589,531
Excess (Deficiency) of Revenue over Expenditure	100,440	(35,869)	7,268	6,779	13,233	3,958	4,631	4,601	105,041
Accumulated surplus, beginning of year	69,966	108,421	71,000	17,457	88,833	50,431	13,402	9,250	428,760
Accumulated surplus, end of year	\$ 170,406	\$ 72,552	\$ 78,268	\$ 24,236	\$ 102,066	\$ 54,389	\$ 18,033	\$ 13,851	\$ 533,801
Composition of Ending Accumulated Surplus									
Cash	\$ 170,989	\$ 50,901	\$ 78,268	\$ 24,236	\$ 97,226	\$ 53,714	\$ 18,033	\$ 13,932	\$ 507,299
Investment in GIC	-	-	-	-	-	-	-	-	-
Accounts receivable	-	27,260	-	-	4,840	675	-	1,375	34,150
Accounts payable	(583)	(5,609)	-	-	-	-	-	(1,456)	(7,648)
	\$ 170,406	\$ 72,552	\$ 78,268	\$ 24,236	\$ 102,066	\$ 54,389	\$ 18,033	\$ 13,851	\$ 533,801

DEHCHO DIVISIONAL EDUCATION COUNCIL

District Education Authority Statement of Financial Position

Non-Consolidated

For the year ended June 30, 2022

Schedule H-1 - Appendage

	Fort Simpson	Fort Providence	Fort Liard	Jean Marie River	Wrigley	Nahanni Butte	Sambaa K'e	Kakisa Lake	2022	2021
Financial Assets										
Cash	\$ 170,989	\$ 50,901	\$ 78,268	\$ 24,236	\$ 97,226	\$ 53,714	\$ 18,033	\$ 13,932	\$ 507,299	\$ 407,079
Investments in GIC	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	27,260	-	-	4,840	675	-	1,375	34,150	28,634
Total Financial Assets	170,989	78,161	78,268	24,236	102,066	54,389	18,033	15,307	541,449	435,713
Liabilities										
Accounts payable	583	5,609	-	-	-	-	-	1,456	7,648	6,953
Total Liabilities	583	5,609	-	-	-	-	-	1,456	7,648	6,953
Net Financial Resources	\$ 170,406	\$ 72,552	\$ 78,268	\$ 24,236	\$ 102,066	\$ 54,389	\$ 18,033	\$ 13,851	\$ 533,801	\$ 428,760
NON-FINANCIAL ASSETS										
Prepaid expenses	-	-	-	-	-	-	-	-	-	-
ACCUMULATED SURPLUS (DEFICIT)	\$ 170,406	\$ 72,552	\$ 78,268	\$ 24,236	\$ 102,066	\$ 54,389	\$ 18,033	\$ 13,851	\$ 533,801	\$ 428,760

DEHCHO DIVISIONAL EDUCATION COUNCIL

Details of DEA Expenses Summary
 Non-Consolidated
 For the year ended June 30, 2022

Schedule H-2

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations and Maintenance	Administration	Indigenous Languages and Education	Jordan's Principle	Total
Salaries								
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-	-
Non-instructional Staff	46,593	-	-	10,000	24,489	26,141	-	107,223
Board/Trustee Honorarium	-	-	-	-	44,823	4,580	-	49,403
	46,593	-	-	10,000	69,312	30,721	-	156,626
Employee Benefits								
Employee Benefits and Allowances	-	-	-	-	-	-	-	-
Leave and Termination	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Services Purchased/Contracted								
Professional/Technical Services	-	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-
Travel	21,649	-	-	-	256	-	-	21,905
Student Travel (Bussing)	48,931	-	-	-	-	-	-	48,931
Advertising/Printing/Publishing	-	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	5,650	-	21,038	-	26,688
Rentals/Leases	4,900	-	-	-	-	-	-	4,900
Other - Awards	20,584	-	-	-	-	-	-	20,584
Other - Contracted Services	64,753	-	-	-	2,031	14,000	-	80,784
Other - School Programs	146,103	-	-	-	800	-	-	146,903
	306,920	-	-	5,650	3,087	35,038	-	350,695
Materials/Supplies/Freight								
Materials	72,655	-	-	1,141	4,332	3,804	-	81,932
Freight	278	-	-	-	-	-	-	278
	72,933	-	-	1,141	4,332	3,804	-	82,210
Total	\$ 426,446	\$ -	\$ -	\$ 16,791	\$ 76,731	\$ 69,563	\$ -	589,531

FORT SIMPSON

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenues			
Contributions from Divisional Council	\$ 41,642	\$ 41,642	\$ 44,722
Other - Dehcho DEC	-	152,669	66,035
Other - Contributions from GNWT	-	-	-
Other	-	875	23,588
	41,642	195,186	134,345
Expenses			
School programs	25,142	64,490	92,801
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Administration	12,500	11,095	13,958
Indigenous language/cultural programs	4,000	19,161	5,204
	41,642	94,746	111,963
Surplus (Deficit)	\$ -	100,440	22,382
Opening equity		69,966	47,584
Closing equity		\$ 170,406	\$ 69,966
Composition of Closing Equity			
Cash		\$ 170,989	\$ 69,702
Accounts receivable		-	784
Accounts payable		(583)	(520)
		\$ 170,406	\$ 69,966

FORT SIMPSON

District Education Authority
 Details of Expenses - Non-Consolidated

For the year ended June 30, 2022

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Indigenous Languages and Education	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	1,820	-	-	-	-	-	1,820
Board/Trustee Honoraria	-	-	-	-	10,799	4,580	15,379
	1,820	-	-	-	10,799	4,580	17,199
Employee Benefits							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Student Travel (Bussing)	48,931	-	-	-	-	-	48,931
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Student Awards	3,226	-	-	-	-	-	3,226
Other - Contracted Services	-	-	-	-	296	14,000	14,296
Other - School programs	1,772	-	-	-	-	-	1,772
	53,929	-	-	-	296	14,000	68,225
Materials/Supplies/Freight							
Materials	8,741	-	-	-	-	581	9,322
Freight	-	-	-	-	-	-	-
	8,741	-	-	-	-	581	9,322
Total	\$ 64,490	\$ -	\$ -	\$ -	\$ 11,095	\$ 19,161	\$ 94,746

FORT PROVIDENCE

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenue			
Contributions from Divisional Council	\$ 40,307	\$ 40,307	\$ 41,022
Other - Dehcho DEC	-	20,294	134,625
Other - Contributions from GNWT	-	12,000	36,766
Other	-	196,786	139,565
	40,307	269,387	351,978
Expenses			
School programs	17,032	241,521	228,100
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	6,791	1,088
Administration	21,275	21,406	15,619
Indigenous language/cultural programs	2,000	35,538	3,000
	40,307	305,256	247,807
Surplus (Deficit)	\$ -	(35,869)	104,171
Opening equity		108,421	4,250
Closing equity		\$ 72,552	\$ 108,421
Composition of Closing Equity			
Cash		\$ 50,901	\$ 87,004
Accounts receivable		27,260	27,850
Accounts payable		(5,609)	(6,433)
		\$ 72,552	\$ 108,421

FORT PROVIDENCE

District Education Authority
Details of Expenses - Non-Consolidated

For the year ended June 30, 2022

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Indigenous Languages and Education	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	32,678	-	-	-	-	14,500	47,178
Board/Trustee Honoraria	-	-	-	-	16,500	-	16,500
	32,678	-	-	-	16,500	14,500	63,678
Employee Benefits							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	21,649	-	-	-	-	-	21,649
Student Travel (Bussing)	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	5,650	-	21,038	26,688
Rentals/Leases	4,900	-	-	-	-	-	4,900
Other - Awards/Gifts	8,885	-	-	-	-	-	8,885
Other - Contracted Services	13,353	-	-	-	574	-	13,927
Other - School programs	137,033	-	-	-	-	-	137,033
	185,820	-	-	5,650	574	21,038	213,082
Materials/Supplies/Freight							
Materials	22,745	-	-	1,141	4,332	-	28,218
Freight	278	-	-	-	-	-	278
	23,023	-	-	1,141	4,332	-	28,496
Total	\$ 241,521	\$ -	\$ -	\$ 6,791	\$ 21,406	\$ 35,538	\$ 305,256

FORT LIARD

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenue			
Contributions from Divisional Council	\$ 26,938	\$ 26,938	\$ 25,508
Other - Dehcho DEC	10,224	28,216	38,877
Other - Contributions from GNWT	-	-	-
Other	-	141	406
	<u>37,162</u>	<u>55,295</u>	<u>64,791</u>
Expenses			
School programs	14,918	34,354	47,693
Inclusive Schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	10,224	-	7,223
Administration	10,020	7,711	10,386
Indigenous language/cultural programs	2,000	5,962	12,274
	<u>37,162</u>	<u>48,027</u>	<u>77,576</u>
Surplus (Deficit)	\$ -	7,268	(12,785)
Opening equity		71,000	83,785
Closing equity		\$ 78,268	\$ 71,000
Composition of Closing Equity			
Cash		\$ 78,268	\$ 71,000
Investment in GIC		-	-
Accounts receivable		-	-
Accounts payable		-	-
		<u>\$ 78,268</u>	<u>\$ 71,000</u>

FORT LIARD

District Education Authority
 Details of Expenses - Non-Consolidated

For the year ended June 30, 2022

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Indigenous Languages and Education	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	-	-	3,616	3,616
Board/Trustee Honoraria	-	-	-	-	7,460	-	7,460
	-	-	-	-	7,460	3,616	11,076
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	5,917	-	-	-	-	-	5,917
Other - Contracted Services	650	-	-	-	251	-	901
Other - Local Programs	5,097	-	-	-	-	-	5,097
	11,664	-	-	-	251	-	11,915
Materials/Supplies/Freight							
Materials	22,690	-	-	-	-	2,346	25,036
Freight	-	-	-	-	-	-	-
	22,690	-	-	-	-	2,346	25,036
Total	\$ 34,354	\$ -	\$ -	\$ -	\$ 7,711	\$ 5,962	\$ 48,027

JEAN MARIE RIVER

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenues			
Contributions from Divisional Council	\$ 16,275	\$ 16,275	\$ 15,670
Other - Dehcho DEC	-	-	-
Other - Contributions from GNWT	-	-	-
Other	-	-	750
	16,275	16,275	16,420
Expenses			
School programs	3,325	1,562	5,923
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Administration	10,950	2,634	5,970
Indigenous language/cultural programs	2,000	5,300	750
	16,275	9,496	12,643
Surplus (Deficit)	\$ -	6,779	3,777
Opening equity		17,457	13,680
Closing equity	\$	24,236	\$ 17,457
Composition of Closing Equity			
Cash	\$	24,236	\$ 17,457
Accounts receivable		-	-
Accounts payable		-	-
	\$	24,236	\$ 17,457

JEAN MARIE RIVER

District Education Authority
Details of Expenses - Non-Consolidated

For the year ended June 30, 2022

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Indigenous Languages and Education	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	-	1,960	4,750	6,710
Board/Trustee Honoraria	-	-	-	-	480	-	480
	-	-	-	-	2,440	4,750	7,190
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	500	-	-	-	194	-	694
Other - School Programs	-	-	-	-	-	-	-
	500	-	-	-	194	-	694
Materials/Supplies/Freight							
Materials	1,062	-	-	-	-	550	1,612
Freight	-	-	-	-	-	-	-
	1,062	-	-	-	-	550	1,612
Total	\$ 1,562	\$ -	\$ -	\$ -	\$ 2,634	\$ 5,300	\$ 9,496

WRIGLEY

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenue			
Contributions from Divisional Council	\$ 19,360	\$ 19,360	\$ 18,920
Other - Dehcho DEC	-	-	980
Other - Contributions from GNWT	-	-	-
Other	-	-	2,750
	<u>19,360</u>	<u>19,360</u>	<u>22,650</u>
Expenses			
School programs	4,760	3,850	8,567
Inclusive schooling	-	-	-
Student accomodations	-	-	-
Operations and maintenance	-	-	-
Administration	12,600	2,277	3,519
Indigenous language/cultural programs	2,000	-	2,408
	<u>19,360</u>	<u>6,127</u>	<u>14,494</u>
Surplus (Deficit)	\$ -	13,233	8,156
Opening equity		88,833	80,677
Closing equity	\$	102,066	\$ 88,833
Composition of Closing Equity			
Cash	\$	97,226	\$ 88,833
Accounts receivable		4,840	-
Accounts payable		-	-
	\$	102,066	\$ 88,833

WRIGLEY

District Education Authority
 Details of Expenses - Non-Consolidated

For the year ended June 30, 2022

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations and Maintenance	Administration	Indigenous Languages and Education	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	-	-	-	-
Board/Trustee Honoraria	-	-	-	-	2,025	-	2,025
	-	-	-	-	2,025	-	2,025
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	-	-	-	-	252	-	252
Other - Local programs	-	-	-	-	-	-	-
	-	-	-	-	252	-	252
Materials/Supplies/Freight							
Materials	3,850	-	-	-	-	-	3,850
Freight	-	-	-	-	-	-	-
	3,850	-	-	-	-	-	3,850
Total	\$ 3,850	\$ -	\$ -	\$ -	\$ 2,277	\$ -	6,127

NAHANNI BUTTE

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenues			
Contributions from Divisional Council	\$ 16,152	\$ 16,152	\$ 15,822
Other - Dehcho DEC	-	675	300
Other - Contributions from GNWT	-	-	-
Other	-	-	-
	16,152	16,827	16,122
Expenses			
School programs	2,872	11,408	2,963
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Administration	11,280	634	874
Indigenous language/cultural programs	2,000	827	1,500
	16,152	12,869	5,337
Surplus (Deficit)	\$ -	3,958	10,785
Opening equity		50,431	39,646
Closing equity		\$ 54,389	\$ 50,431
Composition of Closing Equity			
Cash		\$ 53,714	\$ 50,431
Accounts receivable		675	-
Accounts payable		-	-
		\$ 54,389	\$ 50,431

NAHANNI BUTTE

District Education Authority
 Details of Expenses - Non-Consolidated

For the year ended June 30, 2022

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Indigenous Languages and Education	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	-	375	750	1,125
Board/Trustee Honoraria	-	-	-	-	-	-	-
	-	-	-	-	375	750	1,125
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	250	-	-	-	259	-	509
Other - School Programs	-	-	-	-	-	-	-
	250	-	-	-	259	-	509
Materials/Supplies/Freight							
Materials	11,158	-	-	-	-	77	11,235
Freight	-	-	-	-	-	-	-
	11,158	-	-	-	-	77	11,235
Total	\$ 11,408	\$ -	\$ -	\$ -	\$ 634	\$ 827	\$ 12,869

SAMBAA K'E

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenue			
Contributions from Divisional Council	\$ 17,446	\$ 17,446	\$ 17,226
Other - Dehcho DEC	-	61,352	14,173
Other - Contributions from GNWT	-	-	-
Other	-	-	-
	17,446	78,798	31,399
Expenses			
School programs	4,496	52,436	-
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Administration	10,950	18,956	20,991
Indigenous language/cultural programs	2,000	2,775	500
	17,446	74,167	21,491
Surplus (Deficit)	\$ -	4,631	9,908
Opening equity		13,402	3,494
Closing equity		\$ 18,033	\$ 13,402
Composition of Closing Equity			
Cash		\$ 18,033	\$ 13,402
Accounts receivable		-	-
Accounts payable		-	-
		\$ 18,033	\$ 13,402

SAMBAA K'E

District Education Authority
Details of Expenses - Non-Consolidated

For the year ended June 30, 2022

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Indigenous Languages and Education	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	-	16,054	2,525	18,579
Board/Trustee Honoraria	-	-	-	-	2,759	-	2,759
	-	-	-	-	18,813	2,525	21,338
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	1,050	-	-	-	-	-	1,050
Other - Contracted Services	50,000	-	-	-	143	-	50,143
Other - School Programs	-	-	-	-	-	-	-
	51,050	-	-	-	143	-	51,193
Materials/Supplies/Freight							
Materials	1,386	-	-	-	-	250	1,636
Freight	-	-	-	-	-	-	-
	1,386	-	-	-	-	250	1,636
Total	\$ 52,436	\$ -	\$ -	\$ -	\$ 18,956	\$ 2,775	\$ 74,167

KAKISA LAKE

District Education Authority
Statement of Operations - Non-Consolidated

For the year ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenues			
Contributions from Divisional Council	\$ 15,399	\$ 15,839	\$ 15,399
Other - Dehcho DEC	-	18,805	4,675
Other - Contributions from GNWT	-	8,000	-
Other	-	800	-
	15,399	43,444	20,074
Expenditure			
School programs	2,449	16,825	10,264
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	10,000	4,250
Administration	10,950	12,018	11,456
Indigenous language/cultural programs	2,000	-	2,250
	15,399	38,843	28,220
Surplus (Deficit)	\$ -	4,601	(8,146)
Opening equity		9,250	17,396
Closing equity		\$ 13,851	\$ 9,250
Composition of Closing Equity			
Cash		\$ 13,932	\$ 9,250
Accounts receivable		1,375	-
Accounts payable		(1,456)	-
		\$ 13,851	\$ 9,250

KAKISA LAKE

District Education Authority
Details of Expenses - Non-Consolidated

For the year ended June 30, 2022

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Indigenous Languages and Education	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	12,095	-	-	10,000	6,100	-	28,195
Board/Trustee Honoraria	-	-	-	-	4,800	-	4,800
	12,095	-	-	10,000	10,900	-	32,995
Employee Benefits							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	256	-	256
Student Travel (Bussing)	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Awards	1,506	-	-	-	-	-	1,506
Other - Contracted Services	-	-	-	-	62	-	62
Other - School Programs	2,201	-	-	-	800	-	3,001
	3,707	-	-	-	1,118	-	4,825
Materials/Supplies/Freight							
Materials	1,023	-	-	-	-	-	1,023
Freight	-	-	-	-	-	-	-
	1,023	-	-	-	-	-	1,023
Total	\$ 16,825	\$ -	\$ -	\$ 10,000	\$ 12,018	\$ -	\$ 38,843

Dettah District Education Authority

Financial Statements

June 30, 2022

Dettah District Education Authority

Financial Statements

June 30, 2022

Page

Management Discussion and Analysis	3 - 8
Management's Responsibility for Financial Reporting	9
Independent Auditors' Report	10 - 12
Statement of Financial Position	13
Statement of Operations	14
Statement of Changes in Net Financial Assets	15
Statement of Cash Flows	16
Notes to Financial Statements	17 - 30
Schedule 1 - Details of Expenses	31
Schedule 2 - Details of Indigenous Language and Education Program Expenses	32
Schedule 3 - Details of Inclusive Schooling Expenses	33
Schedule 4 - Student Success Initiative	34

Management 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

Beatrice Sangris – Member

James Sanderson – Member

Marie Hardisty – Member

Jessica DeLeary – Member

Mary Liske – 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 Williideh 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 ATIP 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

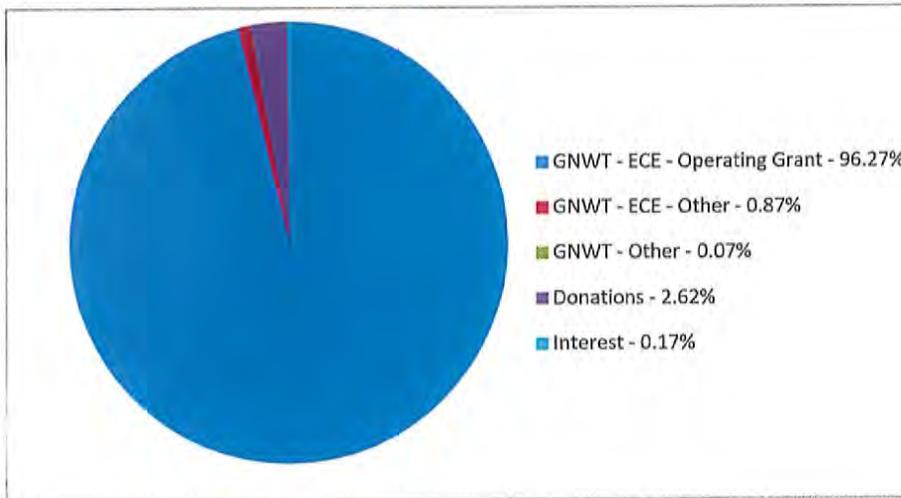
Challenges and Threats:

- 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

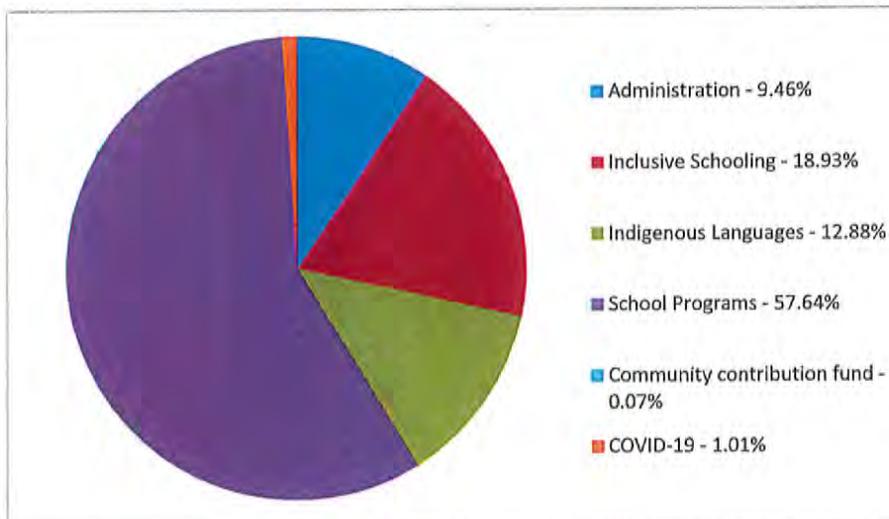
position, bus funding that does not provide for the actual cost amount, the fee for superintendency services, as well as fees for any book-keeping or the annual audit.

- 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

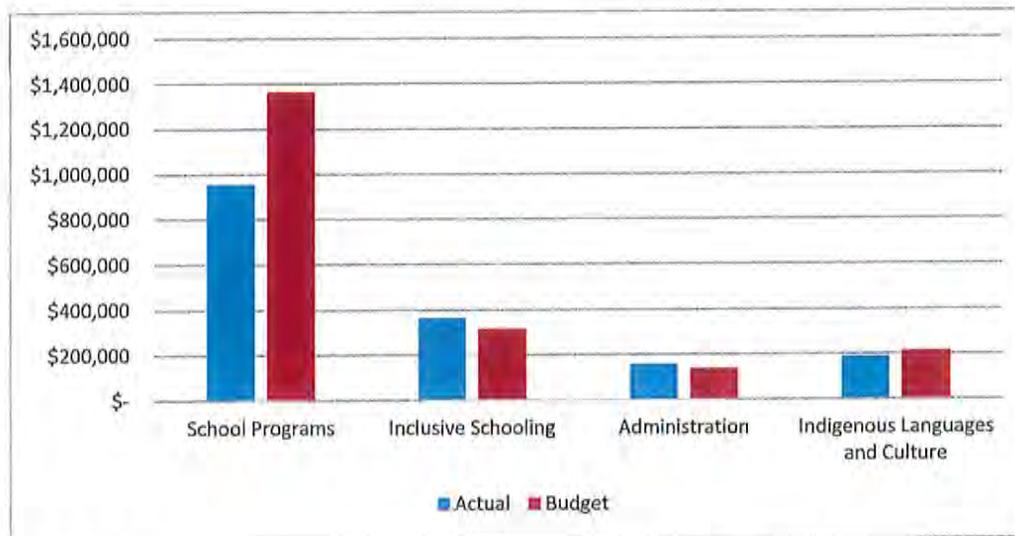
Operating Revenue for the DDEA in 2021-2022



Expenses by program for the DDEA in 2021-2022



Operating expenses actual compared to budget for DDEA in 2021-2022



Financial Condition

The Authority's financial assets increased from \$917,538 to \$1,253,115. This year the net financial assets (financial assets less liabilities) were \$1,083,482 compared to \$811,617 in the prior year, indicating a stronger financial position.

The Authority had an operating surplus of \$274,398 for the year compared to an operating surplus of \$273,631 in the prior year. The surplus for the year was consistent with the prior years figures. The accumulated surplus at year end is \$1,083,478.

The Yellowknife Education District #1 Payable have increased from \$4,872 to \$53,439. This is due to the Authority not having paid the salaries accrued for August 2022 as of year-end. As noted in the previous year, the August 2021 salaries accrued were paid as of June 30, 2021. This increase is due to the timing of payments at year end.

Dettah DEA received 97% (2021 – 99%) of its funding from the GNWT. The core funding increased from \$1,727,135 to \$1,858,398 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 \$50,489.

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:

- The COVID-19 Global Pandemic remains having an unpredictable impact on enrolment
- 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, 2022

The Management 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.

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

October 11, 2022

Independent Auditors' Report

To the Minister of Education, Culture and Employment
Government of Northwest Territories

Report on the Audit of the Financial Statements

Qualified 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, 2022, 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, except for the possible effect of the matters described in the *Basis of Qualified Opinion* paragraph, the financial statements present fairly, in all material respects, the financial position of Dettah District Education Authority as at June 30, 2022, 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

During the year, the Authority generated a significant amount of revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these 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, operating surplus, cash flows from operations, financial assets and accumulated surplus for the year ended June 30, 2022. Our audit opinion on the financial statements for the year ended June 30, 2021 was not 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 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.

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.



Independent Auditors' Report (continued)

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.

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
October 11, 2022**

Chartered Professional Accountants

Dettah District Education Authority

Statement of Financial Position

As at June 30, 2022 2021

Financial Assets

Cash and cash equivalents (Note 5)	\$ 1,253,115	\$ 917,424
Accounts receivable (Note 9)	-	114
	1,253,115	917,538

Liabilities

Accounts payable and accrued liabilities (Note 11)	59,370	35,591
Payroll liabilities (Note 11)	545	847
Deferred revenue (Note 12)	10,910	27,713
Contributions repayable (Note 13)	3,176	2,000
Leave and termination benefits (Note 18)	43,192	34,893
Due to Yellowknife Education District No. 1 (Note 25)	52,439	4,872
	169,632	105,916

Net financial assets **1,083,483** **811,622**

Non-financial Assets

Prepaid expenses (Note 21) 2,999 462

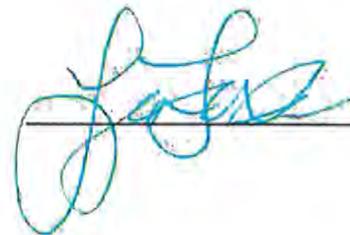
Accumulated Surplus **\$ 1,086,482** **\$ 812,084**

Contractual obligations and contingencies (Note 23 and 24)

Approved on behalf of the Education Authority



for K. Mahon
Chairperson



Principal

Dettah District Education Authority

Statement of Operations

For the year ended June 30,	2022	2022	2021
	Budget	Actual	Actual
Revenues			
Government of the NWT			
ECE regular contributions	\$ 1,820,700	\$ 1,858,398	\$ 1,727,135
ECE other contributions (Note 31)	1,200	16,827	36,548
Total GNWT ECE	1,821,900	1,875,225	1,763,683
Other GNWT contributions (Note 32)	700	1,260	-
Total GNWT	1,822,600	1,876,485	1,763,683
Education body generated funds			
Donations	-	50,489	22,163
Investment Income	2,000	3,344	2,535
Other	15,800	-	-
	17,800	55,093	24,698
Total Revenues	1,840,400	1,930,318	1,788,381
Expenses (Schedule 1)			
School programs	1,363,500	954,493	775,316
Inclusive schooling	361,100	313,465	353,136
Administration	136,000	156,709	108,860
Indigenous languages and culture	186,900	213,266	239,650
Community contribution fund	-	1,184	2,864
COVID-19	-	16,803	33,570
President's Choice Children's Charity	-	-	1,354
	2,047,500	1,655,920	1,514,750
Operating surplus (deficit) before other items	(207,100)	274,398	273,631
Other Items			
Grant in-kind - Assets provided at no cost (Note 22)	-	42,111	42,111
Rent expense - Assets provided at no cost (Note 22)	-	(42,111)	(42,111)
Operating surplus (deficit)	(207,100)	274,398	273,631
Opening accumulated surplus	812,084	812,084	538,453
Closing accumulated surplus	\$ 604,984	\$ 1,086,482	\$ 812,084

Dettah District Education Authority**Statement of Changes in Net Financial Assets**

For the year ended June 30,	2022	2021
Operating surplus	\$ 274,398	\$ 273,631
Change in prepaid expenses	(2,537)	(462)
Increase in net financial assets	271,861	273,169
Net financial assets, beginning of year	812,084	538,453
Net financial assets, end of year	\$ 1,083,945	\$ 811,622

Dettah District Education Authority

Statement of Cash Flows

For the year ended June 30,	2022	2021
Cash provided by:		
Operating transactions		
Operating surplus	\$ 274,398	\$ 273,631
Changes in non-cash assets and liabilities		
Decrease in accounts receivable	114	1,426
Increase (decrease) in accounts payable and accrued liabilities	23,778	(18,338)
Increase (decrease) in payroll liabilities	(301)	54
Decrease in due to Yellowknife District Education No. 1	47,567	4,872
Increase (decrease) in contribution repayable	1,176	(52,400)
Increase (decrease) in deferred revenue	(16,803)	27,713
Increase in leave and termination benefits	8,299	2,187
Increase in prepaid expenses	(2,537)	(462)
	61,293	(34,948)
Increase in cash and cash equivalents	335,691	238,681
Cash and cash equivalents, at beginning of year	917,424	678,743
Cash and cash equivalents, at end of year	\$ 1,253,115	\$ 917,424

Dettah District Education Authority

Notes to Financial Statements

June 30, 2022

1. Nature of Operations

The Dettah District Education Authority (the "Education Authority") was established under the *Education 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 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.

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. 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. COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Education Authority's environment and in the global markets due to the possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) having had a material impact on the Education Authority's operations.

To mitigate the risk of the virus spreading in the community, the school was required to close for a period of time during the year. This has led to temporary suspension in the delivery of some services outlined per funding agreements. To address the challenges posted by the pandemic, the Education Authority received \$56K additional funding from the Department of Education, Culture and Employment during 2021-2021, the purpose of which was to provide COVID-19 related cost offsets for the reopening of the school in the fiscal year. The unused portion will continue to be used in the subsequent periods to fund COVID-19 related expenses.

Dettah District Education Authority

Notes to Financial Statements

June 30, 2022

3. 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 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 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 measured at amortized cost include cash and cash equivalents, and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, payroll liabilities, contributions repayable, and amounts due to Yellowknife Education District No. 1.

At the end of each reporting period, management assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired. If there is an indication of impairment, management determines whether a significant adverse change has occurred in the expected timing or the amount of future cash flows from the asset, in which case the asset's carrying amount is reduced to the highest expected value that is recoverable by either holding the asset, selling the asset or by exercising the right to any collateral. The carrying amount of the asset is reduced directly or through the use of an allowance account and the amount of the reduction is recognized as an impairment loss in operations. 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 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.

Dettah District Education Authority

Notes to Financial Statements

June 30, 2022

3. Significant Accounting Policies (continued)

(e) Tangible Capital Assets

All buildings and works, furniture, equipment and vehicles are the property of the Government of the Northwest Territories. 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 Government of the Northwest Territories. Capital assets with a value of less than \$50,000 are recorded as a current expenses.

(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 recognized as 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, 2022

3. 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

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.

(g) Budget Data

The *Education Act* of the Northwest Territories requires that Education Authorities 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 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, 2022

3. 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. 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) 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.

(k) 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, 2022

3. Significant Accounting Policies (continued)

(I) Segment Disclosures

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 expenditure activities of the Board. 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.

Inclusive Schooling: pertains to access to quality education for all students by effectively meeting their diverse needs.

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.

Community Contribution Fund: pertains to purchases of hygiene items and food cards for families in need.

President's Choice Children's Charity: pertains to the provision of food program.

COVID-19 Expenses: pertains to expenses incurred during the year to address issues caused by the COVID-19 pandemic.

4. Future Accounting Changes

Revenue, Proposed Section PS 3400

For fiscal periods beginning on or after July 1, 2022, 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 financial statements is currently being assessed.

5. Cash and Cash Equivalents

	2022	2021
Cash and cash equivalents	\$ 1,253,115	\$ 917,424

Dettah District Education Authority

Notes to Financial Statements

June 30, 2022

6. Special Purpose Funds

The Education Authority does not have special purpose funds.

7. Restricted Assets

The Education Authority does not have restricted assets.

8. Portfolio Investments

The Education Authority does not have any portfolio investments.

9. Accounts Receivable

The Education Authority has accounts receivable from the following customer:

	2022	2021
GNWT Education, Culture and Employment	\$ -	\$ 114

10. Inventory

The Education Authority does not have inventory.

11. Accounts Payable and Payroll Liabilities

	2022	2021
Trade payable	\$ 59,370	\$ 35,591
Payroll liabilities	545	847
	\$ 59,915	\$ 36,438

12. Deferred Revenue

	2022	2021
Government of Northwest Territories		
Department of Education, Culture and Employment - COVID-19 funding	\$ 10,910	\$ 27,713

Dettah District Education Authority

Notes to Financial Statements

June 30, 2022

13. Contributions Repayable

	2022	2021
Government of the Northwest Territories		
Department of Education, Culture and Employment - Self-regulation	\$ 1,176	\$ 2,000
Health and Wellness support	2,000	-
	\$ 3,176	\$ 2,000

14. Due From and To the Government of Canada

The Education Authority does not have amounts due from or to the Government of Canada.

15. Capital Lease Obligations

The Education Authority does not have capital lease obligations.

16. Pensions

The Education Authority makes contributions to the Northern Employee Benefits ("NEBS") Pension 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 \$4,965,0439. 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 \$193,715 for January 2022, and \$183,838 for January 2021. The maximum monthly contributions is \$3,420 for January 2022, and \$3,246 for January 2021.

NEBS is an employer owned program and as such the Education Authority will be liable for its portion of any shortfall. The Plan serves 3,655 Employee Members and 118 Employer Members (total active, disabled and on leave 2,046).

As of January 1, 2021, the excess (deficiency) of actuarial value of net assets over actuarial present value of defined benefits is estimated to be \$65,950,000 - funded ratio 124% (2021 - \$45,100,000 and 118%) on a going concern valuation basis. .

As of April 2004, the OSFI has exempted NEBS from compliance with the Pension Benefits Standards Act (PBSA). On April 2015, the Legislative Assembly passed The Northern Employee Benefits Act (Bill 12) which was enacted October 1, 2015.

17. Long-Term Debt

The Education Authority does not have long-term debt.

Deftah District Education Authority

Notes to Financial Statements

June 30, 2022

18. 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.

Valuation results

The actuarial valuation was completed as at March 31, 2022. The effective date of the next actuarial valuation is March 31, 2023. The liabilities are actuarially determined as the present value of the accrued benefits at March 31, 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 Education Authority.

	Severance and Removal	Compensated Absences	2022
Changes in Obligations			
Accrued benefit obligation, beginning of year	\$ 14,603	\$ 5,450	\$ 20,052
Current period benefit cost	1,942	580	2,522
Interest accrued	513	189	702
Benefits payments	-	(612)	(612)
Plan amendments	7,747	-	7,747
Actuarial (gain)/loss	(7,970)	(3,736)	(11,705)
Accrued benefit obligations end of year	(16,835)	(1,871)	(18,706)
Unamortized net actuarial (gain)/loss	(17,952)	(6,534)	(24,486)
Accrued benefit liability	(34,787)	(8,405)	(43,192)
Benefit expenses			
Current service costs	1,942	580	2,522
Interest costs	513	189	702
Plan amendments	7,747	-	7,747
Amortization of actuarial gains	(1,709)	(349)	(2,060)
	\$ 8,493	\$ 420	\$ 8,911

Dettah District Education Authority

Notes to Financial Statements

June 30, 2022

18. Post-Employment Benefits and Compensated Absences and Termination Benefits (continued)

The discount rate used to determine the accrued benefit obligation was an average of 4.10% (2021 - 3.30%). The expected payments during the next five fiscal years are:

	Severance and removal	Compensated absences	Total
2023	\$ 1,621	\$ -	\$ 1,621
2024	1,866	-	1,866
2025	1,808	-	1,808
2026	1,816	-	1,816
2027	1,759	-	1,759
2028- 2032	8,888	6	8,894
Total	\$ 17,758	\$ 6	\$ 17,764

19. Trust Assets Under Administration

The Education Authority does not have trust assets under administration.

20. Tangible Capital Assets

The Education Authority does not have tangible capital assets.

21. Prepaid Expenses

The Education Authority has prepaid expenses and deposits of \$2,999 (2021 - \$462).

22. GNWT Assets Provided At No Cost

	Cost	Accumulated Amortization	2022 Net Book Value	2021 Net Book Value
Kaw Tay Whee	\$ 895,327	\$ 653,194	\$ 242,133	\$ 284,244

Rent expense of \$42,111 (2021 - \$42,111) was offset by a grant in-kind.

23. Contractual Obligations

The Education Authority does not have any contractual obligations.

Deftah District Education Authority

Notes to Financial Statements

June 30, 2022

24. Contingencies

The Education Authority does not have any contingencies.

25. 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.

Accounts Receivable

	2022	2021
GNWT - Department of Education, Cultural and Employment	\$ -	\$ 114

Due to Related Party

Yellowknife Education District No. 1	\$ 52,439	\$ 4,872
--------------------------------------	-----------	----------

	2022	2021
Revenues from related parties		
Government of the Northwest Territories		
Department of Education, Cultural and Employment	\$ 1,875,225	\$ 1,763,683
Department of Health and Social Services	1,260	-
Department of Finance	3,344	2,535
Total revenues from related parties	\$ 1,876,485	\$ 1,766,218

Dettah District Education Authority

Notes to Financial Statements

June 30, 2022

25. Related Parties (continued)

	2022	2021
Expenses Paid to Related Parties		
Ndilo District Education Authority - Transfer costs	\$ 35,051	\$ -
Yellowknife Catholic Schools - Transfer costs	103,130	189,710
Yellowknife Education District No. 1 - Superintendent fees and custodian salaries	48,645	46,345
Yellowknife Education District No. 1 - Transfer costs	192,782	-
Total expenses to related parties	\$ 379,608	\$ 236,055

26. 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 17, 2021.

27. 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.

28. Financial Instruments

The Education Authority is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the significant risks from the Education Authority's financial instruments is provided by type of risk below. The Education Authority is exposed to credit and liquidity risks from the its financial instruments. Qualitative and quantitative analysis of the significant risks from the Education Authority's financial instruments is provided by type of risk below.

a) Credit risk

Credit risk is the risk of financial loss to the Education Authority if a debtor fails to make payments of interest and principal when due. The Education Authority is exposed to this risk relating to its cash and cash equivalents, and accounts receivable. 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 \$1,253,115 (2021 - \$917,538).

Dettah District Education Authority

Notes to Financial Statements

June 30, 2022

28. Financial Instruments (continued)

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'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 \$158,722 (2021 - \$78,203). The Education Authority has a credit facility with a limit of up to \$50,000.

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

The table below shows when various financial assets and liabilities mature.

	Up to 6 months
Financial assets	
Cash and cash equivalents	\$ 1,253,115
Total financial assets	\$ 1,253,115
Total financial assets - prior year	\$ 917,538
Financial liabilities	
	Up to 6 months
Due to Yellowknife Education District No. 1	52,439
Contribution repayable	3,176
Accounts payable and accrued liabilities	59,370
Payroll liabilities	545
Total financial liabilities	\$ 115,530
Total financial liabilities - prior year	\$ 78,203
Net total	\$ 1,137,585
Net total - prior year	\$ 839,335

Deftah District Education Authority

Notes to Financial Statements

June 30, 2022

29. Expenses By Object

	2022 Budget	2022 Actual	2021 Actual
Compensation	\$ 1,091,500	\$ 922,763	\$ 889,575
Materials and freight	813,000	180,351	228,874
Services purchased or contracted	143,000	552,806	396,301
	\$ 2,047,500	\$ 1,655,920	\$ 1,514,750

30. Subsequent Events

There are no material subsequent events that have taken place between June 30, 2022 and the audit report date.

31. ECE Other Contributions

	2022	2021
Government of the Northwest Territories - Department of Education, Culture and Employment Health and Wellness Support	\$ 24	\$ 2,978
COVID-19	16,803	33,570
	\$ 16,827	\$ 36,548

32. GNWT Other Contributions

	2022	2021
Government of the Northwest Territories Department of Health and Social Services - Drop the pop	\$ 1,260	\$ -

33. Contingent Assets

The Education Authority does not have any contingent assets.

34. Contractual Rights

The Education Authority does not have any contractual rights.

Dettah District Education Authority

Schedule 1 - Details of Expenses

For the year ended June 30,	School Programs	Community Contribution	Administration	Indigenous Language and Culture (schedule 2)	Inclusive Schooling (schedule 3)	COVID-19	Total 2022	Budget 2022	Total 2021
Salaries									
Teachers	\$ 235,096	\$ -	\$ 25,093	\$ -	\$ 260,053	\$ -	\$ 520,242	\$ 510,300	\$ 466,703
Instructional assistant	3,312	-	-	-	-	-	3,312	494,000	-
YK1 superintendent	-	-	27,500	-	-	-	27,500	-	27,500
Non-instructional staff	42,290	-	-	155,546	-	-	197,836	67,200	230,258
Board/Trustee honoraria	-	-	9,690	-	-	-	9,690	20,000	19,040
School secretary	-	-	31,158	-	-	-	31,158	-	12,917
Total salaries	280,698	-	93,441	155,546	260,053	-	789,738	1,091,500	756,418
Employee benefits									
Employee benefits and allowances	52,926	-	9,116	23,721	38,963	-	124,726	-	130,970
Leave and termination benefits	5,261	-	492	736	1,810	-	8,299	-	2,187
Total employee benefits	58,187	-	9,608	24,457	40,773	-	133,025	-	133,157
Services Purchased or Contracted									
Advertising and promotion	21,320	-	205	2,133	-	-	23,658	-	28,016
Contracted services	337,608	-	30,635	-	-	-	368,243	-	219,581
Maintenance and upgrades	1,770	-	-	231	-	-	2,001	-	2,640
Other	33,837	-	22,820	-	-	2,926	59,583	-	54,491
Professional and technical services	33,388	-	-	-	-	-	33,388	63,000	28,144
Student transportation (busing)	65,933	-	-	-	-	-	65,933	80,000	63,429
Total services purchased or contracted	493,856	-	53,660	2,364	-	2,926	552,806	143,000	396,301
Materials and Freight									
Freight	725	-	-	-	-	-	725	-	445
Materials	121,027	1,184	-	30,899	12,639	13,877	179,626	813,000	228,429
Total materials and freight	121,752	1,184	-	30,899	12,639	13,877	180,351	813,000	228,874
Total expenses	\$ 954,493	\$ 1,184	\$ 156,709	\$ 213,266	\$ 313,465	\$ 16,803	\$ 1,655,920	\$ 2,047,500	\$ 1,514,750

Detah District Education Authority

**Schedule 2
Details of Indigenous Language and Culture Program Expenses**

For the year ended June 30, 2022

	Student Instruction
Salaries	
Non-instructional staff	\$ 155,546
Employee Benefits	
Employee benefits and allowances	23,721
Leave and termination benefits	736
	24,457
Services Purchased or Contracted	
Advertising and promotion	2,133
Contracted services	231
	2,364
Materials and Freight	
Materials	30,899
Total	\$ 213,266

Dettah District Education Authority

**Schedule 3
Details of Inclusive Schooling Expenses**

For the year ended June 30, 2022

General Inclusive Schooling

Salaries

Program support teachers \$ 260,053

Employee Benefits

Employee benefits and allowances 38,963

Leave and termination benefits 1,810

40,773

Materials and Freight

Materials 12,639

Total

\$ 313,465

Dettah District Education Authority

**Schedule 4
Student Success Initiative**

For the year ended June 30, 2022

	2022
Revenue - Government of the NWT Education, Culture and Employment	\$ 15,000
Expense - Materials	6,419
Surplus	\$ 8,581

**K'alemi Dene School
(Ndilo District Education Authority)**

Financial Statements

June 30, 2022

K'alemi Dene School
(Ndilo District Education Authority)

Financial Statements

June 30, 2022	Page
Management Discussion and Analysis	3 - 8
Management Responsibility for Financial Reporting	9
Independent Auditors' Report	10 - 12
Statement of Financial Position	13
Statement of Operations	14
Statement of Changes in Net Financial Assets	15
Statement of Cash Flows	16
Schedule 1 - Details of Expenses	17
Schedule 2 - Details of Inclusive Schooling Expenses	18
Schedule 3 - Details of Indigenous Language and Education Program Expenses	19
Schedule 4 - Jordan's Principle	20
Notes to Financial Statements	21 - 35

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 2021-22 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

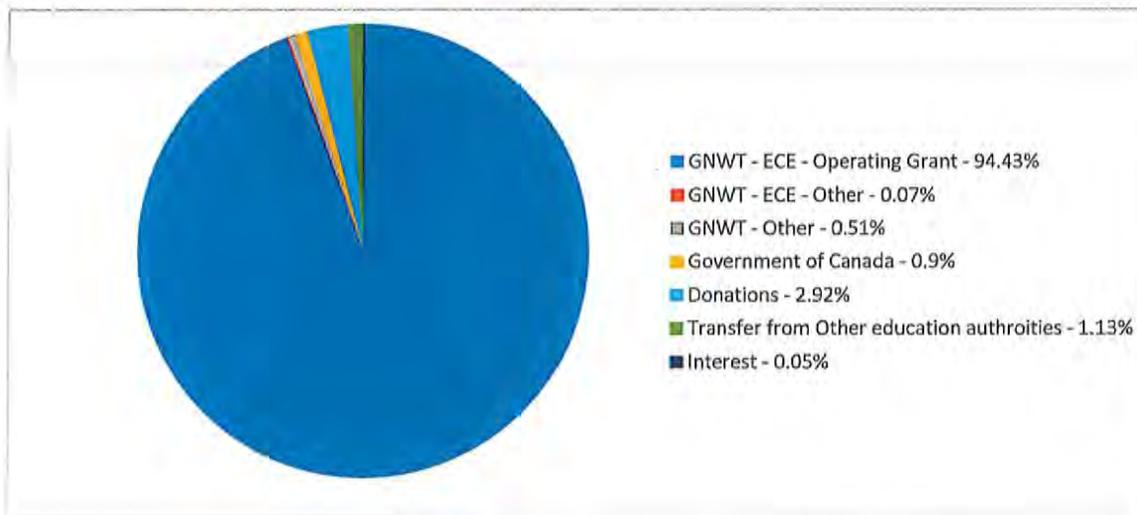
Ndilo District Education Authority Administration:

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

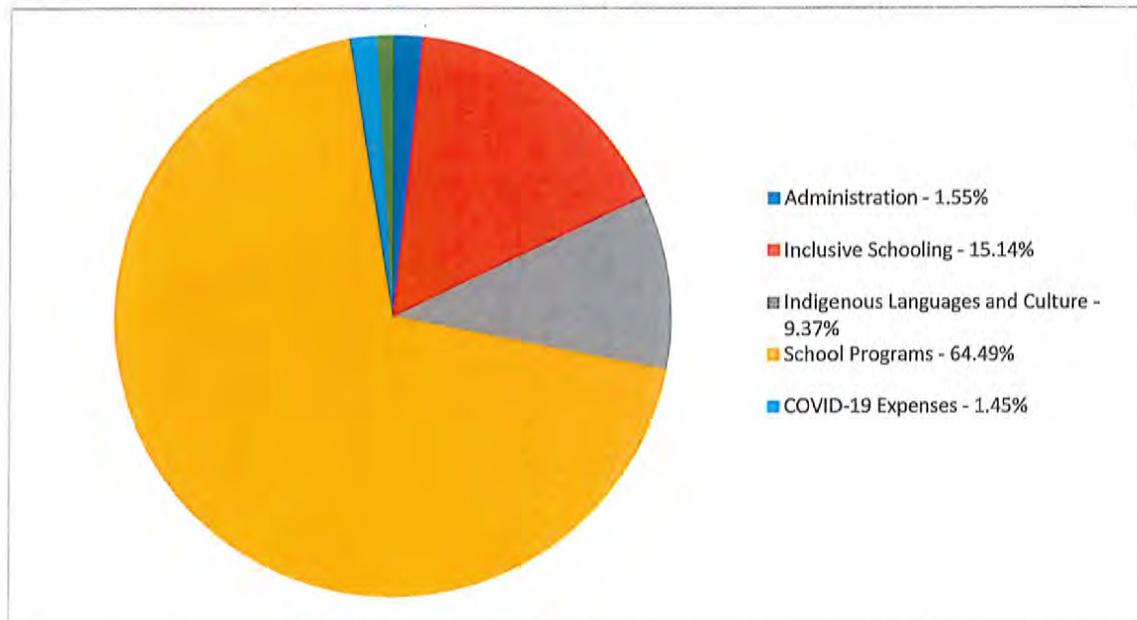
Key Financial Highlights

- In 2021-22, KDS had an enrollment of 131.5 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 \$1,244,969. This decreased from \$1,291,522 in 2021. 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.

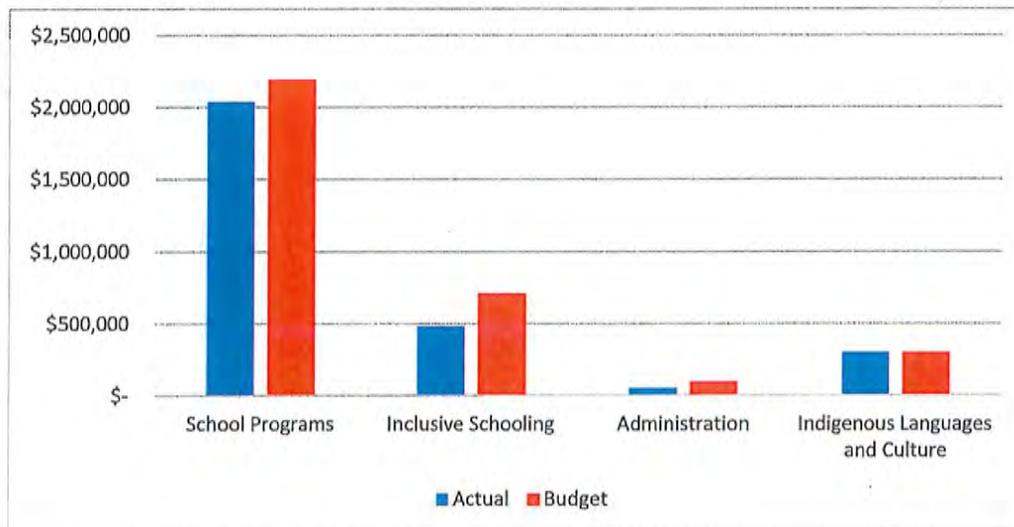
Operating Revenue for the NDEA in 2022



Expenses by program for the NDEA in 2022



Operating expenditure actuals compared to budget for NDEA in 2022



NDEA Enrolment (FTE) by school and by grade as of September 30, 2021

School	Grades														
	JK	K	1	2	3	4	5	6	7	8	9	10	11	12	HS
KDS	7	12	12	9	12	10	10	10	6	9	6	5	15	12	3
Enrolment Total	7	12	12	9	12	10	10	10	6	9	6	5	15	12	1.5

HS = Home School Students. There were two home school students in 2021-22. They count as 0.5 each.

During the 2021-22 school year, the NDEA employed:

Positions	Number of staff
Classroom Teachers	9
Language Instructor/Elder*	1
Indigenous Language and Culture Coordinator	1
PST	1
Educational Assistants	5
Food Service Assistant*	0.7
JK Bus Driver*	0.6
JK Bus Monitor*	0.5
Custodian*	1
Principal/Regional Inclusive Coordinator	1
Total NDEA Staff	20.8

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, Willideh 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 Ndiłq 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 \$1,370,790 to \$1,365,552. A large portion of this increase relates to larger balance of cash at the end of the year. This year the net financial assets (financial assets less liabilities) were \$1,240,524 compared to \$1,287,522 in the prior year.

The Authority had an operating deficit of \$46,553 for the year. This deficit is mainly attributed to additional expenses relating to the surplus plan. The accumulated surplus at year end is \$1,244,969

Accounts payable and accrued liabilities have increased from \$41,205 to \$63,591 due to the timing in which the CRA payroll remittances were paid.

The Yellowknife Education District No. 1 payable is zero in 2022, same as in 2021. In 2022, the June, July, and August wages were paid before year-end. As such, there is no outstanding payable balance.

In 2021, the NDEA received 94% of its funding from the GNWT. The core funding increased from \$2,857,174 to \$2,940,175 in the current year. The NDEA received funding from the Government of Canada from the Jordan's Principle program to subsidize the cost of transportation and non-instructional staff in 2022, but has not accessed those funds since. Other revenue in the current year of funding mainly consists of donations for the food program in 2022.

Management 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, 2022

The Management 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
September 28, 2022

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 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, 2022 and the statement of changes in net financial assets, statements of operations and statement of 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, 2022 and its operations, change 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 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, 2022 and 2021, financial assets as at June 30, 2022 and 2021 and accumulated surplus as at July 1, 2021 and 2020 and June 30, 2022 and 2021 years. Our audit opinion on the financial statements for the year ended June 30, 2021 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 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.

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 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.

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.

In our opinion, the transactions of the Education Authority that came to our notice during the audit of the financial statements have complied, in all material respects, with the specified authorities referred to above.

Management is responsible for the Education Authority's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the entity to comply with the specified authorities.

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

Crowe MacKay LLP

Yellowknife, Northwest Territories
September 28, 2022

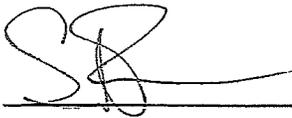
Chartered Professional Accountants

K'alemi Dene School
(Ndilo District Education Authority)

Statement of Financial Position

As at June 30,	2022	2021
Financial Assets		
Cash and cash equivalents (Note 5)	\$ 817,625	\$ 1,281,728
Portfolio investments (Note 8)	528,694	77,649
Due from the Government of Canada (Note 11)	19,233	11,413
	1,365,552	1,370,790
Liabilities		
Accounts payable and accrued liabilities	63,591	41,205
Payroll liabilities	2,288	-
Leave and termination benefits (Note 15)	59,149	42,063
	125,028	83,268
Net Financial Assets	1,240,524	1,287,522
Non-Financial Assets		
Prepaid expenses (Note 18)	4,445	4,000
Accumulated Surplus (Note 30)	\$ 1,244,969	\$ 1,291,522
Represented By:		
Operating Fund	\$ 1,214,772	\$ 1,261,325
High School Travel Fund	30,197	30,197
	\$ 1,244,969	\$ 1,291,522

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,	2022	2022	2021
	Budget	Actual	Actual
Revenue			
Government of the Northwest Territories (GNWT)			
ECE regular contributions	\$2,885,000	\$2,940,175	\$2,857,174
ECE other contributions (Note 27)	-	2,300	91,760
Total ECE	2,885,000	2,942,475	2,948,934
GNWT Other contributions (Note 28)	25,000	15,895	34,130
Government of Canada			
Jordan's Principle (Schedule 5)	78,000	27,973	78,808
Total Government of Canada	2,822,700	27,973	78,808
Education authority generated funds			
Donations - general	19,300	90,791	30,141
Transfers from other education authorities	-	35,161	-
Investment income	500	1,424	442
	3,007,800	3,113,719	3,092,455
Expenses (Schedule 1)			
School programs	2,192,400	2,038,075	1,859,369
Inclusive schooling	709,000	478,480	669,092
Administration	92,500	49,131	23,648
Indigenous Language and Culture	299,000	296,138	253,110
COVID-19 Expenses	-	45,714	97,865
Surplus Plan	-	223,432	-
Jordan's Principle	-	29,302	78,809
	3,292,900	3,160,272	2,981,893
Operating surplus before other items	(285,100)	(46,553)	110,562
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	(285,100)	(46,553)	110,562
Opening accumulated surplus	1,291,522	1,291,522	1,180,960
Closing accumulated surplus	\$1,006,422	\$1,244,969	\$1,291,522

K'alemi Dene School
(Ndilo District Education Authority)

Statement of Changes in Net Financial Assets

For the year ended June 30,	2022	2021
Operating surplus	\$ (46,553)	\$ 110,562
Change in prepaid expenses	(445)	(911)
Increase in net financial assets	(46,998)	109,651
Net financial assets, beginning of year	1,287,522	1,177,871
Net financial assets, end of year	\$ 1,240,524	\$ 1,287,522

K'alemi Dene School
(Ndilo District Education Authority)

Statement of Cash Flows

For the year ended June 30,	2022	2021
Cash provided by:		
Operating Activities		
Operating surplus	\$ (46,553)	\$ 110,562
Change in non-cash assets and liabilities		
Decrease in accounts receivable	-	475
Decrease in accounts payable and accrued liabilities	22,385	2,619
Decrease in payroll liabilities	2,288	-
Increase (decrease) in leave and termination benefits	17,086	(5,079)
Decrease in amounts due from Government of Canada	(7,820)	(1,338)
Increase in prepaid expenses	(445)	(911)
	33,494	(4,234)
Cash provided by (used in) operating transactions	(13,059)	106,328
Investing Activity		
Re-invested interest	(451,044)	-
Increase (decrease) in cash and cash equivalents	(464,103)	106,328
Cash and cash equivalents, beginning of year (Note 5)	1,281,728	1,175,400
Cash and cash equivalents, end of year (Note 5)	\$ 817,625	\$ 1,281,728

K'alemi Dene School

Schedule 1 Details of Expenses

For the year ended June 30,

	2022		2022		2021					
	School Programs	Inclusive Schooling (schedule 2)	Administration	Indigenous Language and Culture Program (schedule 3)	COVID-19 Expenses	Jordan's Principle (Schedule 4)	Surplus Plan	Total	Budget	Total
Salaries										
Teachers' salaries	\$ 1,193,682	\$ 372,443	\$ -	\$ 194,842	\$ 1,092	\$ -	\$ -	\$ 1,762,059	\$ 1,460,000	\$ 1,990,933
Instruction assistants	-	-	-	-	-	-	-	-	929,000	-
Non-Instructional staff	-	-	-	-	-	27,939	-	27,939	133,000	27,094
Board/Trustee honoraria	1,500	-	14,045	1,190	-	-	-	16,735	15,000	13,517
Total Salaries	1,195,182	372,443	14,045	196,032	1,092	27,939	-	1,806,733	2,537,000	2,031,544
Employee Benefits										
Employee benefits and allowances	367,811	76,096	1,754	41,735	104	34	-	487,534	-	352,135
Leave and termination benefits	10,400	4,457	-	2,229	-	-	-	17,086	-	(5,079)
Total Employee Benefits	378,211	80,553	1,754	43,964	104	34	-	504,620	-	347,056
Services Purchased or Contracted										
Advertising/printing/publishing	634	-	-	-	-	-	-	634	-	-
Bad debts expense (recovery)	-	-	-	-	-	-	-	-	-	475
Insurance and permits	(1,434)	-	-	-	-	-	-	(1,434)	-	5,745
Interest and bank charges	225	-	479	-	-	-	-	704	-	643
Maintenance and repairs	27,632	-	24,178	-	-	-	192,026	243,836	135,000	4,575
Postage/communication	16,051	-	-	-	4,337	-	-	20,388	-	35,533
Professional/technical services	81,010	24,152	-	26,487	-	-	-	131,649	85,000	133,908
Rentals/leases	-	-	-	20,293	-	-	17,458	37,751	2,000	-
Student transportation (busing)	79,923	949	-	-	-	-	-	80,872	84,000	82,479
Travel	19,860	-	-	-	-	-	-	19,860	12,000	12,981
Utilities	-	-	-	-	-	-	-	-	1,800	763
Total Services Purchased or Contracted	223,901	25,101	24,657	46,780	4,337	-	209,484	534,260	319,800	277,102
Total Materials/Supplies/Freight	240,781	383	8,675	9,362	40,181	1,329	13,948	314,659	436,100	326,191
Total Expenses	\$ 2,038,075	\$ 478,480	\$ 49,131	\$ 296,138	\$ 45,714	\$ 29,302	\$ 223,432	\$ 3,160,272	\$ 3,292,900	\$ 2,981,893

K'alemi Dene School

Schedule 2 Details of Inclusive Schooling Expenses

For the year ended June 30,

2022

	General Inclusive Schooling	Total
Salaries		
Teachers' salaries	\$ 372,443	\$ 372,443
Total Salaries	372,443	372,443
Employee Benefits	\$ 80,553	80,553
Services Purchased or Contracted		
Professional/technical services	24,152	24,152
Student transportation (busing)	949	949
Total Services Purchased or Contracted	25,101	25,101
Total Materials/Supplies/Freight	383	383
Total Expenses	\$ 478,480	\$ 478,480

K'alemi Dene School**Schedule 3****Details of Indigenous Language and Culture Program Expenses**

For the year ended June 30, 2022

	Student Instruction
Salaries	
Teachers' salaries	\$ 194,842
Language consultants	-
Instruction assistants	-
	196,032
Employee Benefits	43,964
Services Purchased/Contracted	
Maintenance and repairs	-
Professional/technical services	26,487
Rentals/leases	20,293
Travel	
	46,780
Materials/Supplies/Freight	9,362
Total	\$ 296,138

K'alemi Dene School**Schedule 4****Jordan's Principle**

	June 30, 2022 Actual	June 30, 2021 Actual	July 1, 2021 - March 31, 2022 Actual	April 1, 2022 - June 30, 2022 Actual
Revenue				
Government of Canada	\$ 38,428	\$ 78,808	\$ 30,255	\$ 8,173
Transferred from deferred revenue	-	-	-	-
Contribution repaid	-	-	-	-
Total Revenue	38,428	78,808	30,255	8,173
Expenses				
Personnel	27,973	29,671	27,973	-
Transportation	-	48,375	-	-
Materials and supplies	1,329	-	-	1,329
Rent and utilities	-	-	-	-
Total Expenses	29,302	78,808	27,973	1,329
Surplus	\$ 9,126	\$ -	\$ 2,282	\$ 6,844
Deferred Revenue	\$ -	\$ -	\$ -	\$ -

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

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 N'Dilo 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. COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Education Authority's environment and in the global markets due to the possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) having had a material impact on the Education Authority's operations .

To mitigate the risk of the virus spreading in the community, the school was required to close for a period of time during the year. This has led to temporary suspension in the delivery of some services outlined per funding agreements, which resulted in a large portion of funding being deferred to the subsequent fiscal period. To address the challenges posted by the pandemic, the Education Authority received \$89K additional funding from the Department of Education, Culture and Employment during in the previous years, the purpose of which was to provide COVID-19 related cost offsets for the reopening of the school in the fiscal year. The unused portion will continue to be used in the subsequent periods to fund COVID-19 related expenses

3. 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.

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

3. Significant Accounting Policies (continued)

(b) Cash and Cash Equivalents

Cash and cash equivalents are 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.

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 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.

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

3. 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.

GNWT - Regular Contributions

The regular contributions from the GNWT are determined by a funding formula, based on student enrolment and price and volume fluctuation, and are received in monthly installments. The Education Authority retains surpluses and is responsible for deficits. Any funding requests, over and above those levels provided by the formula, must be first approved by the GNWT.

Other Contributions

The Education Authority follows the deferral method of accounting for contributions from funding arrangements. Unrestricted contributions are recognized as revenue when they are received or receivable, if the amount can be reasonably estimated and its collection is reasonably assured. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred.

Other Revenue - Donations

Donations are recognized as revenue when they are received or receivable, if the amount can be reasonably estimated and its collection is reasonably assured.

Contributed Services

The school bus used by the Education Authority 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 \$8,250 (2021 - \$5,250).

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.

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

3. Significant Accounting Policies (continued)

(f) Revenue Recognition (continued)

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 128 and 129.

The priorities and funding allocations are determined by the Board of Trustees and the budget is legally adopted by a motion of the Board of in accordance with Section 135(3) of the *Education Act*.

Board approved budgets are submitted to the Minister of Education, Culture and Employment for final approval as directed by Sections 117(2) k, l and m of the *Education Act*.

The annual budget includes estimates of revenues, expenses and the net operating surplus (deficit). Budgets are considered a management control and planning tool and as such are incorporated into the accounting system of the Education Authority.

The budget may be amended within a given fiscal year in accordance with Education Authority policy, regulations and approved budget procedures. The budget data presented in the financial statements reflects the Minister approved budget for the school year.

(h) Measurement Uncertainty

The preparation of these financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenue and expenses during the period. Actual results could differ from these estimates.

(i) Inventories Including Materials and Supplies

Inventories of books, materials, supplies and other expendables purchased by the Education Authority are treated as expenses during the year of acquisition and are not recorded on the statement of financial position.

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

3. Significant Accounting Policies (continued)

(j) Payroll Liabilities

Teacher payrolls for July and August 2022 were recognized and paid as of June 30, 2022. 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.

(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 (Debt)

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 (debt) of the Education Authority is determined by its financial assets less its liabilities. Net financial assets (debt) combined with non-financial assets comprises a second indicator of financial position, accumulated surplus.

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

3. Significant Accounting Policies (continued)

(p) Segment Disclosure

The Schedule of Operating Fund - Detail of Expenditures has been prepared in accordance with PS Handbook Section PS 2700 – Segment Disclosures. The segments selected are to enable users to better understand the government reporting entity and the major revenue and expense activities of the Board. For each reported segment, revenue and expenses represent amounts directly attributable to each segment. Segments include:

School Programs: pertains to the delivery of instructional services that falls under the basic public education mandate.

Inclusive Schooling: pertains to access to quality education for all students by effectively meeting their diverse needs.

Administration: pertains to the delivery of board governance and central office administration and maintenance.

Indigenous Languages and Culture: pertains to Indigenous language resource development, support for language teachers and instructors, and enhance community engagement.

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.

(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, 2022.

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.

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

4. 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.

5. Cash and Cash Equivalents

Cash and cash equivalents represent cash held in a bank account with the Royal Bank of Canada (RBC).

6. Special Purpose Funds

The Education Authority does not have special purpose funds.

7. Restricted Assets

The Education Authority does not have restricted assets.

8. Portfolio Investments

The Education Authority has two, one-year guaranteed investment certificate (GIC) with the Royal Bank of Canada (RBC). One GIC (\$77,650) has an interest rate of 0.550% (2021 - 0.400%) per annum and matures on July 04, 2022. The second GIC (\$451,044) has an interest rate of 1.800% (2021- 0%) per annum and matures on May 04, 2023.

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

	2022	2021
Goods and Services Tax receivable	\$ 19,233	\$ 11,413

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

12. Capital Lease Obligations

The Education Authority does not have capital lease obligations.

13. Pensions

The Education Authority makes contributions to the Northern Employee Benefits (NEBS) Pension Plan ("the Plan"), which is a multi-employer plan, on behalf of some members of its staff. The Plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to the NEBS pension was \$123,178 (2021 - \$128,037). 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 \$193,715 for January 2022, and \$183,838 for January 2021. The maximum monthly contributions is \$3,420 for January 2022, and \$3,246 for January 2021.

NEBS is an employer owned program and as such the Education Authority will be liable for its portion of any shortfall. The Plan serves 3,655 Employee Members and 118 Employer Members (total active, disabled and on leave 2,046).

As of January 1, 2022, the excess (deficiency) of actuarial value of net assets over actuarial present value of defined benefits is estimated to be \$65,900,000 - funded ratio 124% (2021 - \$45,100,000 and 118%) on a going concern valuation basis. Solvency analysis was not performed in the January 1, 2022, valuation report. For the January 1, 2021 report the Plan had a solvency ratio deficiency of \$164,720,000 and a solvency ratio of 66.0%. Solvency is calculated for the purposes of determining obligations only in the event of a plan wrap up. Any potential deficiency in termination payments is guaranteed to be paid over the next 10 years or less, depending on the position of the fund.

As of April 2004, the OSFI has exempted NEBS from compliance with the Pension Benefits Standards Act (PBSA). On April 2015, the Legislative Assembly passed The Northern Employee Benefits Act (Bill 12) which was enacted October 1, 2015. NEBS is now operating under Bill 12.

14. Long-Term Debt

The Education Authority does not have long-term debt.

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

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.

Valuation results

The actuarial valuation was completed as at March 31, 2022. The effective date of the next actuarial valuation is March 31, 2023. The liabilities are actuarially determined as the present value of the accrued benefits at March 31, 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 Education Authority.

	Severance and Removal	Compensated Absences	2022	2021
Changes in Obligation				
Accrued benefit obligation, beginning of year	\$ 24,586	\$ 9,219	\$ 33,805	\$ 33,812
Current period benefit cost	3,510	977	4,487	4,714
Interest accrued	878	323	1,201	988
Benefits payments	-	(803)	(803)	(9,004)
Actuarial (gains)/losses	(10,717)	(5,694)	(16,411)	3,295
Plan amendments	13,580	-	13,580	-
Accrued benefit obligation, end of year	(31,837)	(4,022)	(35,859)	(33,805)
Unamortized net actuarial gain/(loss)	(20,638)	(2,652)	(23,290)	(8,265)
Accrued benefit liability	\$ (52,475)	\$ (6,674)	\$ (59,149)	\$ (42,070)

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

15. Leave and termination benefits (continued)

	Severance and Removal	Compensated Absences		
			2022	2021
Benefit expenses				
Current service cost	\$ 3,510	\$ 977	\$ 4,487	\$ 4,714
Interest costs	878	323	1,201	988
Amortization of actuarial gains	(1,709)	329	(1,380)	(1,777)
Plan amendment	13,580	-	13,580	-
Total expense	\$ 16,259	\$ 1,629	\$ 17,888	\$ 3,925

The discount rate used in the 2022 fiscal year to determine the accrued benefit obligation was an average of 2.7% (2021 - 2.7%). The expected payments during the next five fiscal years are:

	Severance and Removal	Compensated Absences		
	\$	\$	Total	
			\$	
2022	2,996	20	3,016	
2023	3,001	53	3,054	
2024	3,245	40	3,285	
2025	3,581	31	3,612	
2026	3,691	24	3,715	
	\$ 16,514	\$ 168	\$ 16,682	

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

	2022	2021
Vehicle licenses and insurance	\$ 4,445	\$ 4,000

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

19. GNWT Tangible Capital Assets Provided At No Cost

	Cost	Accumulated Amortization	2022 Net Book Value	2021 Net Book Value
Buildings	\$ 9,066,125	\$ 2,379,857	\$ 6,686,268	\$ 6,686,268

Rent expense of \$226,653 (2021 - \$226,653) equal to the current year amortization of the tangible capital assets was offset by a grant in-kind.

20. Contingencies

As of the audit report date, the Education Authority does not have contingencies.

21. Related Parties

The Education Authority is related in terms of common ownership to all GNWT created departments, agencies and corporations. The Education Authority enters into transactions with these entities in the normal course of business. The Education Authority is provided with various administrative services by the GNWT, the value of which is not reflected in these financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage, payroll services and internal audit services by the Department of Finance, and utilities and maintenance by Public Works and Services. Transactions with related parties and balances at year-end not disclosed elsewhere in the financial statements are summarized in this note.

	Accounts receivable 2022	Allowance 2022	2022 Net 2022	2021 Net 2021
Due from related parties				
Government of the Northwest Territories Health and Social Services	\$ 475	(475)	\$ -	\$ 475

	2022	2021
Revenue from related parties		
Government of the Northwest Territories Department of Education, Culture and Employment	\$ 2,942,475	\$ 2,946,634
Department of Environment and Natural Resources	13,555	8,000
Department of Municipal and Community Affairs	1,500	15,600
Department of Health and Social Services	840	-
Dettah District Education Authority	35,161	-
Total revenues from related parties	\$ 2,993,531	\$ 2,970,234

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

21. Related Parties (continued)

	2022	2021
Expenses paid to related parties		
Government of the Northwest Territories	\$ 940	\$ -
Yellowknife Education District #1	2,148,551	2,198,899
Total expenses to related parties	\$ 2,149,491	\$ 2,198,899

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 17, 2021.

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, 2022

24. Financial Instruments (continued)

The Education Authority's maximum exposure to credit risk is as follows:

	2022
Cash and cash equivalents	\$ 817,625
Portfolio investments	<u>528,694</u>
Maximum credit risk exposure	<u>\$ 1,346,319</u>

At March 31, 2022, there were no accounts receivable past due and no impaired accounts receivable.

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, 2022 receivables from one (2021 - one) customers comprised 100% (2021 - 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 \$65,879 (2021 - \$41,205). 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	\$ 817,625
Portfolio investments	<u>528,694</u>
Total financial assets	<u>\$ 1,365,552</u>
Total financial assets - prior year	<u>\$ 1,370,790</u>

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

24. Financial Instruments (continued)

Financial liabilities	Up to 6 months
Accounts payable and accrued liabilities	\$ 63,591
Total financial liabilities	\$ 65,879
Total financial liabilities - prior year	\$ 41,205
Net total	\$ 1,299,673
Net total - prior year	\$ 1,329,585

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 \$528,694 (2021 - \$77,649). 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 2022	Actual 2022	Actual 2021
Compensation	\$ 2,537,000	\$ 2,311,353	\$ 2,378,600
Materials and freight	436,100	314,659	326,191
Services purchased/contracted	319,800	534,260	277,102
	\$ 3,292,900	\$ 3,160,272	\$ 2,981,893

26. Comparative Figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

K'alemi Dene School
(Ndilo District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

27. ECE Other Contributions

	2022	2021
Government of the Northwest Territories, Department of Education, Culture and Employment		
Self Regulation	\$ 2,300	\$ 2,300
COVID-19 Support	-	89,460
	\$ 2,300	\$ 91,760

28. GNWT Other Contributions

	2022	2021
Department of Municipal and Community Affairs		
After School Activity Program	\$ 1,500	\$ 15,600
Department of Environment and Natural Resources		
Take a Kid Trapping Program	13,555	8,000
Department of Health and Social Services		
Drop the Pop Program	840	2,930
Department of Finance		
Personal Computing and Internet Connectivity Devices Funding	-	7,600
	\$ 15,895	\$ 34,130

29. Contingent Assets

The Education Authority does not have any contingent assets.

30. Accumulated Surplus

A statement of funds and surplus have been prepared as follows:

Details of Funds

For the year ended June 30,	2022	2021
OPERATING FUND		
Balance, beginning of year	\$ 1,261,325	\$ 1,150,763
Operating surplus	(46,553)	110,562
Balance, end of year	\$ 1,214,772	\$ 1,261,325
HIGH SCHOOL TRAVEL FUND		
Balance, beginning of year	\$ 30,197	\$ 30,197
Balance, end of year	\$ 30,197	\$ 30,197

Consolidated Financial Statements of

Sahtu Divisional Education Council

June 30, 2022

Sahtu Divisional Education Council

Consolidated Financial Statements

June 30, 2022

Management Discussion and Analysis

Management's Responsibility for Financial Reporting 1

Auditor's Report 2 - 3

Operating Fund

Consolidated Statement of Financial Position 4

Consolidated Statement of Operations and Surplus 5

Consolidated Statement of Changes in Net Assets (Debt) 6

Consolidated Statement of Cash Flow 7

Consolidated Details of Expenses 8

Report on Activities for Specific Programs

Inclusive Schooling Expenses 9

Indigenous Languages and Education Expenses 10

French Language Programs 11

Jordan's Principle 12

Northern Distance Learning 13

Student Success Initiative Projects 14

Notes to the Consolidated Financial Statements 15-27

Supplementary Information

Schedule A-1 - Statement of Council Operations and Financial Position (Non-Consolidated) 28

Schedule A-2 - Details of Council Expenses (Non-Consolidated) 29

Schedule B-1 - DEA - Statement of Operations Summary (Non-Consolidated) 30

Schedule B-2 - Details of DEA Expenses (Non-Consolidated) 31

Individual DEA Schedules (Non-Consolidated) 32 - 41

Management Discussion and Analysis For the year ended June 30, 2022

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 520 students in the communities of Délı̄ne, 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 2021 - 2022 representatives were as follows:

Heather Bourassa (Chairperson)

Norman Wells - Sarah Baker (Vice-Chairperson)

Délı̄ne - Mary Ann Vital

Tulit'a - Sally Horassi

Fort Good Hope - Lisa Marie Pierrot

Colville Lake - Isabel Orlias

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 in an effort 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
- Enhanced on-the-land programmings 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
- Enhanced Dene Kede Language program for high school students
- Enhanced on-the-land programming for students in grades 8 - 12
- Northern Distance Learning (two endpoints)

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
- Guided reading blocks
- Naizeza 15 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

2021 - 2022	Students	Teachers
zehtseo Ayha – Délıne	99	11
Chief Albert Wright – Tuli't'a	88	12
Mackenzie Mountain – Norman Wells	156	14
Chief T'Selehye – Fort Good Hope	127.5	13
Coville Lake – Colville Lake	47	8
Totals	517.5	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 a number of 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, in particular 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 actually provided by the 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, 2022, the SDEC had an operating surplus of \$591,554. During the 2021-2022 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. Additionally, the SDEC continued to see disruptions to learning due to the pandemic and COVID-19, which resulted in less duty travel, no student travel and general expenditures being lower over the course of the year.

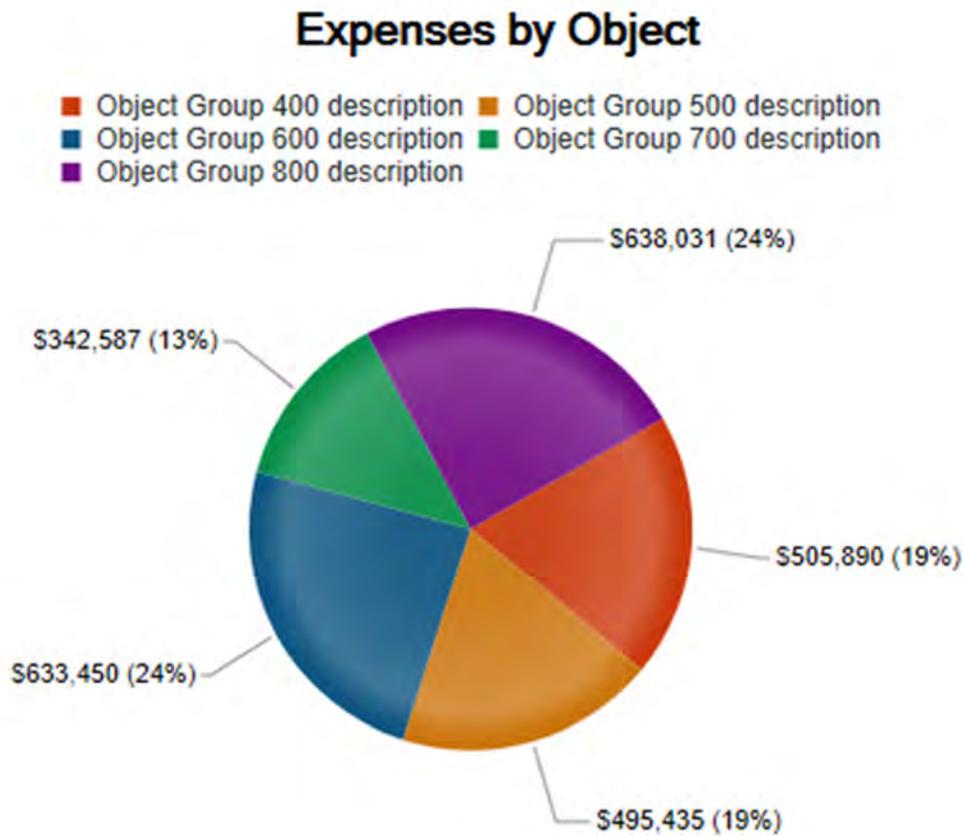
For the year ended June 30, 2022

	2022	2021
Annual surplus (deficit)	\$ 591,554	\$ 1,492,664
Change in prepaid expenses	(24,629)	20,369
Increase (decrease) in net financial resources	566,925	1,513,033
Net financial resources, beginning of year	2,167,859	654,826
Net financial resources, end of year	\$ 2,734,784	\$ 2,167,859

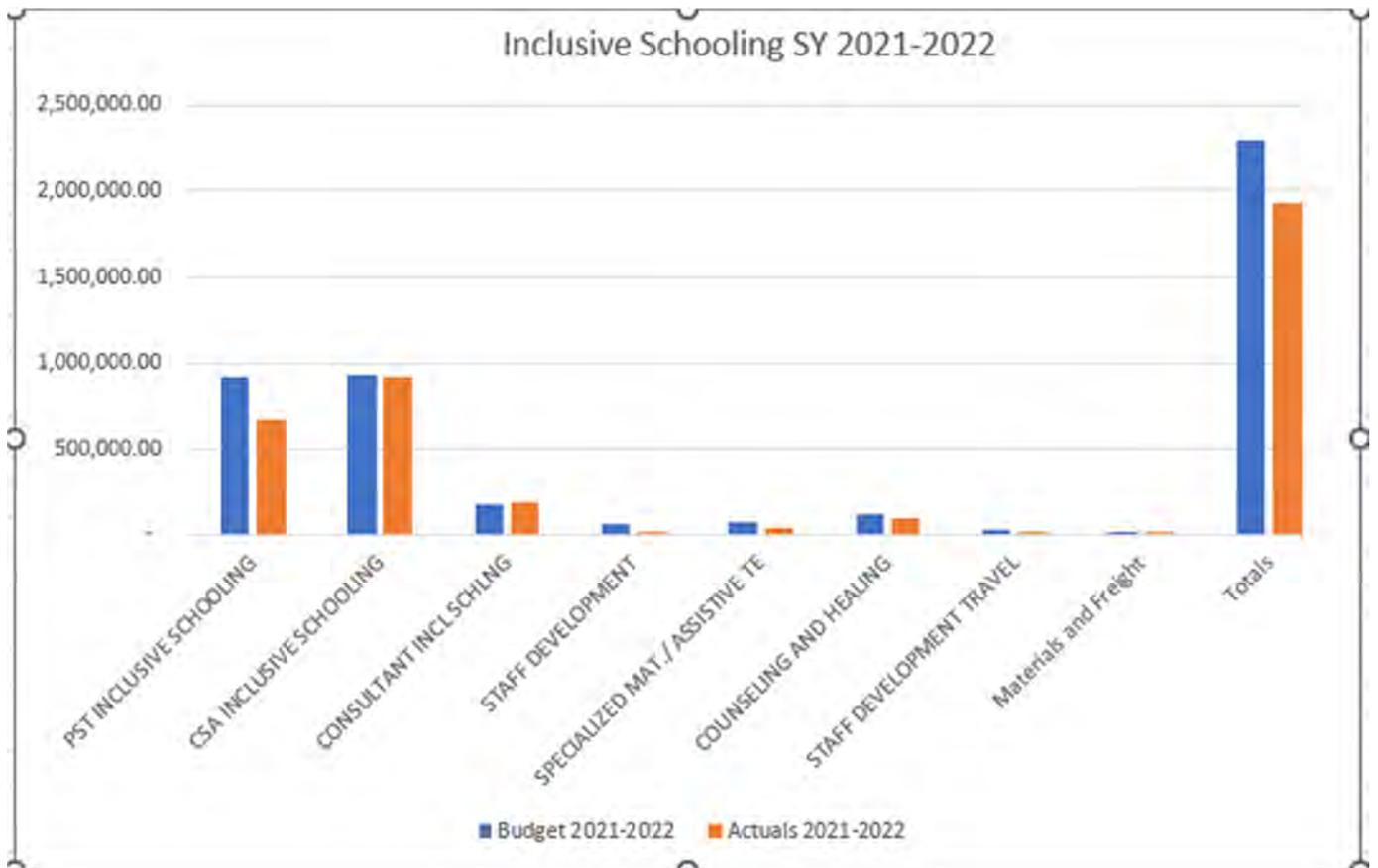
Funding from the Government of the Northwest Territories, Department of Education, Culture and Employment makes up 84% of the SDEC's revenues that include \$2.61 million revenue from the Jordan's Principle

The following are the featured financial metrics of SDEC:

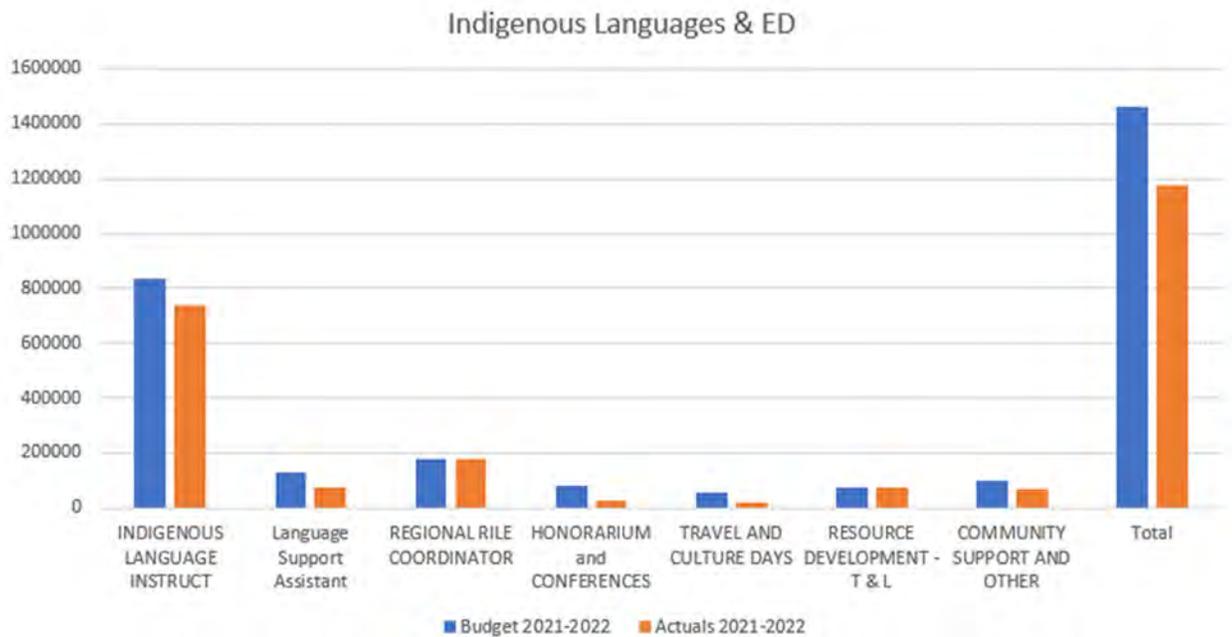
- **Jordan's Principle:** Jordan's Principle was a focused initiative of SDEC in the SY2021-2022. The SDEC administered programs of the Jordan's Principle for \$2.615 million and this trend will be continued in the next school years. Expenses by Objects (Group 400 is Mackenzie Mountain School, Group 500 is Chief Albright Wright School, Group 600 is Chief T'Selehye School, Group 700 is ?ethseo Ayha School and Group 800 is Colville Lake School in the following pie graph: -



- Inclusive Schooling: The approved budget was \$2.3 million for the SY2021-2022 and the actual utilization of budget was \$1.92 million, or 83.8% utilization of the budget. This is a remarkable accomplishment in a difficult school year.



- Indigenous Language & ED: The ILE approved budget for SY2021-2022 was \$1.45 million and expenses were \$1.18 million or 80.8% utilization of approved budget.



Summary and Outlook

The SDEC's vision for education has been to provide excellence in teaching and learning within contexts that honour 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 2021-2022 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 a positive financial position, although we are currently above the maximum surplus allowed under the GNWT Surplus Retention Policy, due to school and DEA surpluses in the calculation. The SDEC is implementing approved retention plan SY2022-2023 with a focus on providing quality education programs in the Sahtu Region.

In 2021-2022, COVID-19, travel restrictions and heightened anxiety around the spread of the virus cause disruptions in learning. The pandemic also caused additional interruptions in the usual course of business for the SDEC. For example, duty travel was restricted during the better part of the school year. SDEC office staff conducted less school visits and attended very few meetings in Yellowknife during the school year. For the 2022-2023 school year, we are anticipating that, for the most part, schools and general department business will return to pre-pandemic normal.

We are also 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 \$4.921million 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

September 26, 2022
Date



Siddik Mohammad
Comptroller
Sahtu Divisional Education Council

September 26, 2022
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, 2022, 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, 2022, 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, featuring the word "Ashton" in a stylized, handwritten-style font.

ASHTON
Chartered Accountants
Business Advisors

Hay River, NT
September 26, 2022

Sahtu Divisional Education Council

Consolidated Statement of Financial Position

June 30, 2022

	2022	2021
FINANCIAL ASSETS		
Cash, Note 4	\$ 8,362,813	\$ 6,825,746
Special purpose funds, Note 5	140,549	141,341
Accounts receivable, Note 8	305,934	354,745
	<u>\$ 8,809,296</u>	<u>\$ 7,321,832</u>
LIABILITIES		
Accounts payable and accrued liabilities, Note 10	\$ 715,890	\$ 468,676
Payroll liabilities, Note 10	1,732,923	2,802,921
Deferred revenue, Note 11	2,548,911	704,804
Other employee future benefits and compensated absences, Note 17	1,076,788	1,177,572
	<u>6,074,512</u>	<u>5,153,973</u>
Net Financial Assets (Deficit)	<u>\$ 2,734,784</u>	<u>\$ 2,167,859</u>
NON-FINANCIAL ASSETS		
Prepaid expenses, Note 20	\$ 31,793	\$ 7,165
ACCUMULATED SURPLUS (DEFICIT)	<u>\$ 2,766,578</u>	<u>\$ 2,175,024</u>

Contractual obligations, Note 22

Approved on behalf of council:

Heather Boe Chair

Rene Goss Superintendent

Sahtu Divisional Education Council

Consolidated Statement of Operations and Surplus

For the year ended June 30, 2022

	Budget 2022	Actual 2022	Actual 2021
Revenue			
Government of the Northwest Territories			
ECE Regular Contributions	\$ 14,832,098	\$ 14,971,140	\$ 14,475,796
Teaching and Learning Centres	-	-	-
French Language Instruction	71,500	71,500	57,300
ECE Other Contributions, Note 31	255,000	181,461	555,797
Total ECE	15,158,598	15,224,101	15,088,893
GNWT Other Contributions, Note 32	-	215,874	97,002
Total GNWT	\$ 15,158,598	\$ 15,439,975	\$ 15,185,895
Jordan's Principle	-	2,615,392	2,657,111
Total Government of Canada	-	2,615,392	2,657,111
Education council generated funds			
Interest income	30,000	63,726	37,898
Other	25,000	336,866	572,384
	55,000	400,592	610,282
	15,213,598	18,455,959	18,453,288
Expenses			
Administration	784,782	958,732	882,451
School programs	10,544,041	10,937,546	10,231,848
Inclusive schooling	2,304,695	1,929,619	1,855,849
Operations and maintenance	172,952	190,846	182,639
Indigenous language and education	1,457,825	1,179,066	1,210,076
Jordan's Principle	-	2,615,392	2,657,111
	15,264,295	17,811,201	17,019,974
Operating Surplus (Deficit) before other item	\$ (50,697)	\$ 644,758	\$ 1,433,314
Other item:			
Other employee future benefits and compensated absences, Note 17		100,784	59,350
Surplus retention expenses		(153,988)	-
	\$ (50,697)	\$ 591,554	\$ 1,492,664
Accumulated surplus (Deficit), beginning of year		\$ 2,175,024	\$ 682,360
Accumulated surplus (deficit), end of year		\$ 2,766,578	\$ 2,175,024

Sahtu Divisional Education Council

Consolidated Statement of Changes in Net Assets (Debt)

For the year ended June 30, 2022

	2022	2021
Annual surplus (deficit)	\$ 591,554	\$ 1,492,664
Change in prepaid expenses	(24,629)	20,369
Increase (decrease) in net financial resources	566,925	1,513,033
Net financial resources, beginning of year	2,167,859	654,826
Net financial resources, end of year	\$ 2,734,784	\$ 2,167,859

Sahtu Divisional Education Council

Consolidated Statement of Cash Flow

For the year ended June 30, 2022

	2022	2021
Cash provided by (used in):		
Operating Transactions		
Operating Surplus (Deficit)	\$ 591,554	\$ 1,492,664
	591,554	1,492,664
Change in non-cash assets and liabilities:		
Accounts receivable	48,811	595,141
Accounts payable and accrued liabilities	247,214	161,423
Payroll liabilities	(1,069,998)	1,323,938
Deferred revenue	1,844,107	(259,754)
Post-employment benefits	(100,784)	(59,350)
Prepaid expenses	(24,628)	20,369
	944,722	1,781,767
Increase (Decrease) in cash and cash equivalents	1,536,276	3,274,431
Cash and cash equivalents, beginning of year	6,967,087	3,692,656
Cash and cash equivalents, end of year	\$ 8,503,363	\$ 6,967,087
Consists of:		
Cash	\$ 8,362,813	\$ 6,825,746
Special purpose funds	140,549	141,341
	\$ 8,503,362	\$ 6,967,087

Sahtu Divisional Education Council

Consolidated Detail of Expenses

For the year ended June 30, 2022

Function	School Programs	Inclusive Schooling	Student Accom.	Operations & Maintenance	Administration	Indigenous Languages and Education	Jordan's Principle	2022 Total	2022 Budget	2021 Total
Salaries										
Teachers' salaries	\$ 7,503,425	\$ 670,624	\$ -	\$ -	\$ -	\$ 810,537	\$ 2,134,387	\$ 11,118,973	\$ 9,398,481	\$ 10,349,008
Instruction assistants	221,515	914,977	-	-	-	177,756	-	1,314,248	1,361,231	1,166,379
Non-instructional staff	1,254,936	179,558	-	-	737,290	-	-	2,171,784	2,053,985	2,286,775
Board/Trustee honorarium	-	-	-	-	49,467	25,092	-	74,559	71,300	32,780
	8,979,876	1,765,159	-	-	786,757	1,013,385	2,134,387	14,679,564	12,884,997	13,834,942
Employee Benefits										
Employee benefits and allowances	1,300	-	-	-	-	-	-	1,300	-	-
Leave and termination benefits	704,849	-	-	-	-	-	-	704,849	412,000	296,264
	706,149	-	-	-	-	-	-	706,149	412,000	296,264
Services Purchased/Contracted										
Professional services	218,598	91,950	-	-	-	-	-	310,548	335,932	418,272
Postage and communication	48,884	-	-	-	18,015	-	-	66,899	66,500	61,730
Utilities	-	-	-	-	-	-	-	-	-	-
Heating	-	-	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-	-	-
Water/Sewage	-	-	-	-	-	-	-	-	-	-
Travel	36,877	12,210	-	-	72,943	2,445	-	124,475	106,292	58,625
Student transportation (busing)	150,536	-	-	-	-	-	3,711	154,247	150,536	152,372
Advertising/printing/publishing	2,676	-	-	-	-	-	-	2,676	2,500	4,510
Maintenance and repair	40,283	-	-	6,350	-	-	-	46,633	57,200	117,399
Rentals and leases	-	-	-	184,496	-	-	-	184,496	165,752	7,200
Other contracted services	45,924	3,551	-	-	-	4,061	188,193	241,729	66,000	304,550
Other	17,116	53,776	-	-	53,440	-	99,235	223,567	200,220	571,251
	560,894	161,487	-	190,846	144,398	6,506	291,139	1,355,270	1,150,932	1,695,909
Materials, Supplies and Freight										
Materials	643,253	-	-	-	24,312	155,300	189,866	1,012,731	764,566	1,150,832
Freight	47,374	2,973	-	-	3,265	3,875	-	57,487	51,800	42,027
	690,627	2,973	-	-	27,577	159,175	189,866	1,070,218	816,366	1,192,859
Contributions/Transfers										
Transfers	-	-	-	-	-	-	-	-	-	-
Debt Services										
Other	-	-	-	-	-	-	-	-	-	-
Total	\$ 10,937,546	\$ 1,929,619	\$ -	\$ 190,846	\$ 958,732	\$ 1,179,066	\$ 2,615,392	\$ 17,811,201	\$ 15,264,295	\$ 17,019,974

Sahtu Divisional Education Council

Inclusive Schooling Expenses

For the year ended June 30, 2022

	General Inclusive Schooling	Staff Development	Assistive Technology	Magnet Facilities	Total
Salaries					
Program Support Teachers	\$ 670,624	\$ -	\$ -	\$ -	\$ 670,624
Support Assistants	914,977	-	-	-	914,977
Regional Coordinator	179,558	-	-	-	179,558
	1,765,159	-	-	-	1,765,159
Employee Benefits					
Employee benefits and allowances	-	-	-	-	-
Services Purchased/Contracted					
Professional/Technical Services	91,950	-	-	-	91,950
Travel	12,210	-	-	-	12,210
Student Transportation (Busing)	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-
Rentals/Leases	-	-	-	-	-
Other contracted services	57,326	-	-	-	57,326
	161,486	-	-	-	161,486
Materials, Supplies and Freight					
Materials	-	-	-	-	-
Freight	2,974	-	-	-	2,974
	2,974	-	-	-	2,974
Total	\$ 1,929,619	\$ -	\$ -	\$ -	\$ 1,929,619

SAHTU DIVISIONAL EDUCATION COUNCIL

Indigenous Languages and Education Expenses

For the year ended June 30, 2022

	Student Instruction	Teaching/ Learning Resources	Professional Development	School Activities and Integrated Community Programs	2022 Total
Salaries					
ALCBE teachers	\$ 810,537	\$ -	\$ -	\$ -	\$ 810,537
Language consultants	-	-	-	-	-
Instruction assistants	177,756	-	-	-	177,756
Non-instructional staff	-	-	-	-	-
Honoraria	-	-	-	-	-
Elders in schools	25,092	-	-	-	25,092
	1,013,385	-	-	-	1,013,385
Employee Benefits					
Employee benefits and allowances	-	-	-	-	-
Services Purchased/Contracted					
Professional services	-	-	-	-	-
Postage and communication	-	-	-	-	-
Travel	-	-	-	2,445	2,445
Student transportation (busing)	-	-	-	-	-
Advertising, printing and publishing	-	-	-	-	-
Maintenance and repairs	-	-	-	-	-
Rentals and leases	-	-	-	-	-
Other contracted services	-	-	-	4,061	4,061
	-	-	-	6,506	6,506
Materials, Supplies and Freight					
Materials	-	141,146	-	14,155	155,301
Freight	-	-	-	3,875	3,875
	-	141,146	-	18,030	159,176
Total	\$ 1,013,385	\$ 141,146	\$ -	\$ 24,536	\$ 1,179,067

Sahtu Divisional Education Council

French Language Programs

For the year ended June 30, 2022

	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	\$ 128,184
French Program - Other	16,500	-	10,675

Sahtu Divisional Education Council

Jordan's Principle

For the year ended June 30, 2022

	June 30, 2022 Budget	Full Year Total June 30, 2022 Actual	June 30, 2021 Actual	9 and 3 Month Split July 1, 2021 - Mar 31, 2022 Actual	Apr 1, 2022 - Jun 30, 2022 Actual
Revenue					
Government of Canada					
FN and Inuit Health Branch	\$ -	\$ 4,666,604	\$ 2,273,699	\$ 2,720,503	\$ 2,177,025
Carry Forward from Previous Year	-	230,924	614,336	-	-
Total Revenue	-	4,897,528	2,888,035	2,720,503	2,177,025
Expenses					
Administration	-	-	-	-	-
Personnel	-	2,134,387	1,795,433	1,329,985	804,402
Transportation	-	3,711	1,837	3,711	-
Materials and Supplies	-	189,866	324,025	188,211	1,656
Rent and Utilities	-	-	-	-	-
Evaluation	-	-	-	-	-
Speech Language Pathology	-	92,989	30,232	34,654	58,335
Consulting	-	188,193	86,511	146,012	42,180
Other	-	6,246	419,073	4,886	1,360
Total Expenses	-	2,615,392	2,657,111	1,707,459	907,933
Net Surplus/(Deficit)	-	\$ 2,282,136	\$ 230,924	\$ 1,013,044	\$ 1,269,092
Deferred revenue		\$ 2,282,136	\$ 230,924	\$ -	\$ -

Sahtu Divisional Education Council

Northern Distance Learning

For the year ended June 30, 2022

	Budget	MMS	CAWS	CTS	EAS	CLS	Total	July 1 to March 31	April 1 to June 30	Total
Revenue										
Education, Culture and Employment	\$ -	\$ 33,750	\$ 71,500	\$ 73,500	\$ 36,750	\$ -	\$ 215,500	\$ -	\$ -	\$ 215,500
Other	-	-	-	-	-	-	-	-	-	-
	-	33,750	71,500	73,500	36,750	-	215,500	-	-	215,500
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>	-	6,917	34,906	44,112	1,307	-	87,242	59,535	27,707	87,242
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	-	6,917	34,906	44,112	1,307	-	87,242	59,535	27,707	87,242
Net surplus/(deficit)	\$ -	\$ 26,833	\$ 36,594	\$ 29,388	\$ 35,443	\$ -	\$ 128,258	\$ (59,535)	\$ (27,707)	\$ 128,258

Sahtu Divisional Education Council

Student Success Initiative Projects

For the year ended June 30, 2022

	Budget 2021-2022	Actual 2021-2022
Revenue		
Education, Culture and Employment	\$ 55,000	\$ 55,000
NWTTA	42,000	42,000
Total Revenue	97,000	97,000
Expenses		
Professional Development		
<u>Salaries/Wages</u>		
Facilitator fees (include per diem)	55,000	77,534
Substitute teacher wages	-	-
Staff (p/y)	-	-
<u>Travel</u>		
Facilitator travel	-	1,525
Staff travel	-	-
Accommodation/Daily per diems	-	-
Other expenses	-	-
<u>Workshop Expenses</u>		
Room rental	-	-
Refreshments	-	-
Resources	-	-
Miscellaneous	-	-
Total Professional Development	55,000	79,059
Program Delivery (ECE SSI Funding Only)		
<u>Salaries/Wages</u>		
Facilitator fees (include per diem)	-	-
Substitute teacher wages	40,000	11,279
Staff (p/y)	-	-
<u>Other Expenses</u>		
Room rental	-	-
Materials and Supplies	2,000	5,000
Miscellaneous	-	-
Total Program Delivery	42,000	16,279
Total Expenses	97,000	95,338
Net Surplus/(Deficit)	-	1,662

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2022

Note 1. Nature of Organization

The Sahtu Divisional Education Council ("The Council") was established by the *Education Act* of the Government of the Northwest Territories (GNWT) by order of the Minister dated April 1, 1989. Its purpose is to administer and maintain the standards of education program defined under the *Education Act* in the communities in the Sahtu Region.

Consequently, the Council is dependent on funding from the Department of Education, Culture, and Employment (ECE) of the GNWT. Member Communities have formed local District Education Authorities (DEA) which have assumed responsibility to provide sufficient educational programs within their respective communities.

The Council is an independent legal and accounting entity with an elected Board of Trustees as stipulated in Section 82 of the *Education Act*. The Board of Trustees has decision making authority, the power to delegate authority, the ability to significantly influence operations and the sole accountability for all fiscal matters.

The Council is a public body performing a function of government in Canada. Paragraph 149(1)(C) of the *Income Tax Act* provides that a public body performing a function of government in Canada is exempt from taxation.

The accompanying consolidate financial statements include the operations of the Council, and the member District Education Authorities of Colville Lake, Deline, Fort Good Hope, Norman Wells, and Tulita.

Note 2. Significant Accounting Policies

(a) Basis of Accounting

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. The consolidated financial statements have, in management's opinion, been properly prepared with reasonable limits of materiality. The basis of accounting refers to the timing of when revenue and expenditure items are recognized in the accounts and reported in the financial statements. The accrual basis of accounting is utilized for all funds. Under this basis of accounting, revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recorded when they are incurred.

(b) Cash and Cash Equivalents

Cash and cash equivalents are comprised of bank account balances, net of outstanding cheques, and short term highly liquid investments that are readily convertible to cash and with a maturity date of 90 days or less from the date of acquisition.

(c) Financial Instruments

Financial assets originated or acquired or financial liabilities issued or assumed in an arms' length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently measured at its fair value, the initial fair value is adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value are expensed.

Financial assets subsequently measured at amortized cost include cash, accountable funds, due from the GNWT and other accounts receivable.

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2022

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, 2022

(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, 2022

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, 2022

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

Revenues - Section PS 3400

PSAB has approved Section PS 3400, Revenues. This Section establishes standards on how to account for and report on revenue. This Section applies to fiscal years beginning on or after April 1, 2022. Earlier adoption is permitted. This Section may be applied retroactively or prospectively. Management is currently assessing the impact of the standard.

Financial Instruments - Section PS 3450

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. Management is currently assessing the impact of the standard. There is no significant impact on the financial statements as a result of its application.

Asset Retirement Obligations - PS 3280

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.

Various

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,

Sahtu Divisional Education Council

Consolidated Statement of Operations and Surplus

For the year ended June 30, 2022

Note 4. Cash and Cash Equivalents

	2022	2021
Cash	\$ 8,362,813	\$ 6,825,746
Short term investments	-	-
	\$ 8,362,813	\$ 6,825,746

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. Additionally, the SDEC administers funding for the Community Justice Committee.

	2022	2021
Colville Lake	\$ -	\$ 3,750
Deline	23,902	11,250
Fort Good Hope	25,169	10,949
Norman Wells	29,998	58,109
Tulita	26,356	9,000
SDEC (CJC)	35,124	48,283
	\$ 140,549	\$ 141,341

Note 6. Restricted Assets - Not Applicable

Note 7. Portfolio Investments - Not Applicable

Note 8. Accounts Receivable

	Receivables 2022	AFDA 2022	Net 2022	Net 2021
GNWT - ECE	\$ 151,760	\$ -	\$ 151,760	\$ 150,096
GNWT - HSS	-	-	-	-
GNWT - MACA	26,751	-	26,751	77,177
GNWT - Justice	28,000	-	28,000	28,000
GNWT - ENR	-	-	-	-
Total Due from GNWT	206,511	-	206,511	255,273
WSCC	-	-	-	-
Other	209,690	110,267	99,423	99,472
	\$ 416,201	\$ 110,267	\$ 305,934	\$ 354,745

Note 9. Inventories - Not Applicable

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2022

Note 10. Accounts Payable and Accrued Liabilities

	2022	2021
Accounts payable and accrued liabilities		
GNWT	\$ 190,155	\$ 225,711
WSCC	70,000	69,696
Trade payables	455,735	173,269
	<u>715,890</u>	<u>468,676</u>
Payroll liabilities		
To GNWT (A)	563,969	543,021
To Employees (B)	1,045,021	2,137,368
Annual Leave	111,836	113,774
Lieu	-	1,974
Other	12,097	6,784
	<u>1,732,923</u>	<u>2,802,921</u>
	<u>\$ 2,448,813</u>	<u>\$ 3,271,597</u>

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

	2022	2021
MACA		
Rainbow Coalition	\$ 5,304	\$ 19,500
Make a way	218	-
Active After School	-	58,949
Youth Contribution	-	29,085
Health and Social Services		
CEC Indigenous Health Supplies	54,250	-
Justice		
Community Justice	35,124	48,283
ECE		
Library	100,122	127,398
Self-regulation	2,034	-
Covid-19 Support Funding	63,898	190,665
French program	5,825	-
Government of Canada		
Jordan's Principle	2,282,136	230,924
	<u>\$ 2,548,911</u>	<u>\$ 704,804</u>

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2022

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 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 Terminations Benefits for the consolidated Government.

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2022

Note 17. Other employee future benefits and compensated absences (continued)

	Severance and removal	Compensated Absences	2022	2021
Changes in Obligation				
Accrued benefit obligations beginning of the year	\$ 642,253	\$ 135,201	\$ 777,454	\$ 875,401
Current period benefit cost	56,054	13,792	69,846	72,808
Interest accrued	21,670	4,659	26,329	23,895
Benefits payments	(76,896)	(15,626)	(92,522)	(67,742)
Actuarial (gain)/loss	60,021	1,921	61,942	(126,908)
Plan amendments	-	(827)	(827)	-
Accrued benefit obligation end of year	703,102	139,120	842,222	777,454
Unamortized net actuarial gain	240,043	(5,477)	234,566	400,118
Net future obligation	943,145	133,643	1,076,788	1,177,572
Benefits Expense				
Current period benefit cost	56,054	13,792	69,846	72,808
Interest accrued	21,670	4,659	26,329	23,895
Plan amendments	-	(827)	(827)	(88,309)
Amortization of actuarial gains	(95,282)	(8,327)	(103,609)	-
	(17,558)	9,297	(8,261)	8,394

The discount rate used to determine the accrued benefit obligation is an average of 2.7%. No inflation rate was applied. The expected payments during the next five fiscal years are:

	Severance and removal	Compensated Absences	Total
Year 1	\$ 81,155	\$ 10,936	\$ 92,091
Year 2	82,931	11,880	94,811
Year 3	90,164	13,575	103,739
Year 4	85,424	15,545	100,969
Year 5	73,938	15,954	89,892
Next 5 years	350,712	82,275	432,987
	\$ 764,324	\$ 150,165	\$ 914,489

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2022

Note 18. **Trust Assets and Liabilities under Administration - Not Applicable**

Note 19. **Tangible Capital Asset - Not Applicable**

Note 20. **Prepaid Expenses**

	2022	2021
Prepaid expenses	\$ 31,793	\$ 7,165

Note 21. **GNWT Assets Provided at No Cost**

	Cost	Accumulated Amortization	Net Book Value	
			2022	2021
Buildings				
Schools and colleges	\$ 67,332,558	\$ 28,153,390	\$ 39,179,168	\$ 40,931,489
Staff Housing	275,800	150,325	125,475	137,817
	\$ 67,608,358	\$ 28,303,715	\$ 39,304,643	\$ 41,069,306

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, 2022.

	Expires in Fiscal Year *	2023	2024 and thereafter	Total
Commercial and residential leases	2024	\$ 106,752	\$ 17,792	\$ 124,544
Operational leases	2023	2,745	-	2,745

* Refers to the last fiscal year of all agreements in that line category

The lease on the Council's office expires on August 31, 2023. A 15 year lease agreement was entered into at the Edward Hodgson Building with monthly lease payments starting September 1, 2008. From September 1, 2008 to August 31, 2018 the annual lease payments will remain at \$106,752. After 10 years, the lease amount may be adjusted based on the expected market conditions for the following 5 years.

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, 2022

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, 2021 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, 2022.

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, 2022

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

	2022 Budget	2022 Actual	2021 Actual
Salaries	\$ 12,884,997	\$ 14,679,564	\$ 13,834,942
Employee Benefits	412,000	706,149	296,264
Services Purchased/Contracted	1,150,932	1,355,270	1,695,909
Materials, Supplies and Freight	816,366	1,070,218	1,192,859
Debt Services	-	-	-
	\$ 15,264,295	\$ 17,811,201	\$ 17,019,974

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

	2022	2021
Library	\$ 144,000	\$ 144,000
Northern distance learning	215,500	176,500
Self regulation	6,000	6,000
Covid - 19 support	-	542,984
Less: Deferred revenue & contributions repaid	(184,039)	(313,687)
	\$ 181,461	\$ 555,797

Sahtu Divisional Education Council

Notes to the Consolidated Financial Statements

June 30, 2022

Note 32. **GNWT - Other Contributions**

	2022	2021
MACA		
Active After School	\$ 76,500	\$ 59,900
Rainbow	10,300	19,500
Take a Kid Trapping	39,546	24,000
Youth corps	-	17,250
SSI	55,000	-
HSS		
Drop The Pop	8,900	8,900
Nutrition North	29,400	28,000
Justice		
Community Justice	56,000	56,000
Less: Deferred revenue & contributions repaid	(59,772)	(116,548)
	\$ 215,874	\$ 97,002

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, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenue			
Government of the Northwest Territories	\$ 15,158,598	\$ 15,439,975	\$ 15,185,895
Jordan's Principle	-	2,615,392	2,657,111
Other education body generated funds	55,000	400,592	610,282
	15,213,598	18,455,959	18,453,288
Expenditure			
Administration	784,782	829,789	764,639
School programs	10,544,041	10,534,386	9,939,748
Inclusive schooling	2,304,695	1,929,619	1,855,849
Operations and maintenance	172,952	190,846	182,639
Aboriginal languages	1,457,825	1,179,066	1,210,076
Jordan's Principle	-	2,615,392	2,657,111
	15,264,295	17,279,098	16,610,062
Excess (Deficiency) of Revenue over Expenditure	\$ (50,697)	\$ 1,176,861	\$ 1,843,226
Accumulated surplus (deficit), beginning of year		5,641,999	3,798,773
Accumulated surplus (deficit), end of year		\$ 6,818,860	\$ 5,641,999

SATHU DIVISIONAL EDUCATION COUNCIL

Schedule A-2 - Details of Council Expenses (Non-Consolidated)

For the year ended June 30, 2022

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Council Administration	Aboriginal Languages	Jordan's Principle	2022 Total
Salaries								
Teachers' salaries	\$ 7,503,425	\$ 670,624	\$ -	\$ -	\$ -	\$ 810,537	\$ 2,134,387	\$ 11,118,973
Instruction Assistant	134,274	914,977	-	-	-	177,756	-	1,227,007
Non Instructional Staff	1,131,021	179,558	-	-	689,536	-	-	2,000,115
Board/Trustee Honoraria	-	-	-	-	16,262	25,092	-	41,354
	8,768,720	1,765,159	-	-	705,798	1,013,385	2,134,387	14,387,449
Employee Benefits								
Employee benefits and allowances	1,300	-	-	-	-	-	-	1,300
Leave and termination benefits	704,849	-	-	-	-	-	-	704,849
	706,149	-	-	-	-	-	-	706,149
Services Purchased/Contracted								
Professional/Technical Services	218,598	91,950	-	-	-	-	-	310,548
Postage/Communication	48,884	-	-	-	18,015	-	-	66,899
Utilities	-	-	-	-	-	-	-	-
Heating	-	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-	-
Water/Sewage	-	-	-	-	-	-	-	-
Travel	36,877	12,210	-	-	72,943	2,445	-	124,475
Student Travel (busing)	150,536	-	-	-	-	-	3,711	154,247
Advertising/Printing/Publishing	2,676	-	-	-	-	-	-	2,676
Maintenance/Repair	40,283	-	-	6,350	-	-	-	46,633
Rentals/Leases	-	-	-	184,496	-	-	-	184,496
Other - Contracted Services	45,924	3,551	-	-	-	4,061	188,193	241,729
Other - Miscellaneous	17,116	53,776	-	-	9,802	-	99,235	179,929
	560,894	161,487	-	190,846	100,760	6,506	291,139	1,311,632
Materials, Supplies and Freight								
Materials	451,249	-	-	-	19,966	155,300	189,866	816,381
Freight	47,374	2,973	-	-	3,265	3,875	-	57,487
	498,623	2,973	-	-	23,231	159,175	189,866	873,868
Contributions and Transfers								
Transfers to DEAs	-	-	-	-	-	-	-	-
Transfers to Capital	-	-	-	-	-	-	-	-
Amortization								
	-	-	-	-	-	-	-	-
Debt Services								
	-	-	-	-	-	-	-	-
Total	\$ 10,534,386	\$ 1,929,619	\$ -	\$ 190,846	\$ 829,789	\$ 1,179,066	\$ 2,615,392	\$ 17,279,098

SAHTU DIVISIONAL EDUCATION COUNCIL

Schedule B-1 District Education Authorities
Statement of Operations - Non-Consolidated

For the year ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenue			
Contributions from Divisional Council	\$ -	117,914	113,507
GNWT	-	644,736	633,096
Other	-	-	3,500
Deferred Revenue	-	(241,576)	(276,398)
Contributions Repaid	-	-	(64,598)
	-	403,160	295,600
Total revenue	-	521,074	409,107
Expenditure			
Administration	-	128,943	117,812
School programs	-	403,160	292,100
Inclusive schooling	-	-	-
Student accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	-	-
	\$ -	532,103	409,912
Surplus (Deficit)	-	(11,029)	(805)
Opening equity		64,297	65,102
Closing equity	\$	53,268	\$ 64,297
Composition of Ending Accumulated Surplus			
Cash	\$	-	\$ -
Accounts receivable		53,268	64,297
Accounts payable		-	-
	\$	53,268	\$ 64,297

SAHTU DIVISIONAL EDUCATION COUNCIL

Schedule B-2 - Details of DEA Expenses

Non-Consolidated

For the year ended June 30, 2022

Function	School Programs	Inclusive Schooling	Student Accom.	Operations and Maintenance	Council Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	87,241	-	-	-	-	-	87,241
Non-instructional Staff	123,915	-	-	-	47,754	-	171,669
Board/Trustee Honorarium	-	-	-	-	33,205	-	33,205
	211,156	-	-	-	80,959	-	292,115
Employee Benefits							
Employee Benefits and Allowances	-	-	-	-	-	-	-
Leave and Termination	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities							
Heating	-	-	-	-	-	-	-
Electricity	-	-	-	-	-	-	-
Water/Sewage	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Student Transportation (busing)	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Fees	-	-	-	-	-	-	-
Other - Special Requests	-	-	-	-	43,638	-	43,638
	-	-	-	-	43,638	-	43,638
Materials/Supplies/Freight							
Materials	192,004	-	-	-	4,346	-	196,350
Freight	-	-	-	-	-	-	-
	192,004	-	-	-	4,346	-	196,350
Total	\$ 403,160	\$ -	\$ -	\$ -	\$ 128,943	\$ -	532,103

COLVILE LAKE

District Education Authority
Statement of Operations

For the year ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenue			
Contributions from Divisional Council	\$ -	\$ 19,644	\$ 17,408
GNWT	-	9,492	61,850
Other	-	-	-
Deferred Revenue	-	(7,892)	(3,750)
Contributions Repaid	-	-	(38,016)
	-	21,244	37,492
Expenses			
Administration	-	18,191	25,433
School programs	-	1,600	20,084
Inclusive schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	-	-
	-	19,791	45,517
Surplus (Deficit)	-	1,453	(8,025)
Opening equity		444	8,469
Closing equity	\$	1,897	\$ 444
Composition of Closing Equity			
Cash	\$	-	\$ -
Accounts Receivable		1,897	444
Accounts Payable		-	-
	\$	1,897	\$ 444

COLVILLE LAKE

District Education Authority
Details of Expenses

For the year ended June 30, 2022

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	-	-	-	-	-	-	-
Non Instructional Staff	-	-	-	-	-	-	-
Board/Trustee Honoraria	-	-	-	-	14,287	-	14,287
	-	-	-	-	14,287	-	14,287
Employee Benefits							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Student Transportation	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Contracted Services	-	-	-	-	-	-	-
Other - Special Requests	-	-	-	-	3,904	-	3,904
	-	-	-	-	3,904	-	3,904
Materials/Supplies/Freight							
Materials	1,600	-	-	-	-	-	1,600
Freight	-	-	-	-	-	-	-
	1,600	-	-	-	-	-	1,600
Total	\$ 1,600	\$ -	\$ -	\$ -	\$ 18,191	\$ -	\$ 19,791

NORMAN WELLS

District Education Authority
Statement of Operations

For the year ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenue			
Contributions from Divisional Council	\$ -	\$ 27,642	\$ 27,728
GNWT	-	174,220	193,463
Other	-	-	3,500
Deferred Revenue	-	(56,831)	(93,341)
Contributions Repaid	-	-	(4,077)
	-	145,031	127,273
Expenses			
Administration	-	27,720	23,637
School programs	-	117,389	96,045
Inclusive schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	-	-
	-	145,109	119,682
Surplus (Deficit)	-	(78)	7,591
Opening equity		22,932	15,341
Closing equity	\$	22,854	\$ 22,932
Composition of Closing Equity			
Cash	\$	-	\$ -
Accounts Receivable		22,854	22,932
Accounts Payable		-	-
	\$	22,854	\$ 22,932

NORMAN WELLS

District Education Authority
Details of Expenses

For the year ended June 30, 2022

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	6,917	-	-	-	-	-	6,917
Non Instructional Staff	30,302	-	-	-	11,804	-	42,106
Board/Trustee Honoraria	-	-	-	-	-	-	-
	<u>37,219</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,804</u>	<u>-</u>	<u>49,023</u>
Employee Benefits							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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	-	-	-	-	15,916	-	15,916
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,916</u>	<u>-</u>	<u>15,916</u>
Materials/Supplies/Freight							
Materials	80,170	-	-	-	-	-	80,170
Freight	-	-	-	-	-	-	-
	<u>80,170</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>80,170</u>
Total	\$ 117,389	\$ -	\$ -	\$ -	\$ 27,720	\$ -	145,109

DELINE

District Education Authority
Statement of Operations

For the year ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenue			
Contributions from Divisional Council	\$ -	\$ 23,514	\$ 21,880
GNWT	-	132,239	135,855
Other	-	-	-
Deferred Revenue	-	(59,345)	(63,782)
Contributions Repaid	-	-	(15,996)
	-	96,408	77,957
Expenses			
Administration	-	44,072	21,023
School programs	-	72,894	56,077
Inclusive schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	-	-
	-	116,966	77,100
Surplus (Deficit)	-	(20,558)	857
Opening equity		21,155	20,298
Closing equity	\$	597	\$ 21,155
Composition of Closing Equity			
Cash	\$	-	\$ -
Accounts Receivable		597	21,155
Accounts Payable		-	-
	\$	597	\$ 21,155

DELINE

District Education Authority
Details of Expenses

For the year ended June 30, 2022

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	1,307	-	-	-	-	-	1,307
Non Instructional Staff	35,368	-	-	-	11,304	-	46,672
Board/Trustee Honoraria	-	-	-	-	10,565	-	10,565
	36,675	-	-	-	21,869	-	58,544
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	-	-	-	-	19,949	-	19,949
	-	-	-	-	19,949	-	19,949
Materials/Supplies/Freight							
Materials	36,219	-	-	-	2,254	-	38,473
Freight	-	-	-	-	-	-	-
	36,219	-	-	-	2,254	-	38,473
Total	\$ 72,894	\$ -	\$ -	\$ -	\$ 44,072	\$ -	116,966

FORT GOOD HOPE

District Education Authority
Statement of Operations

For the year ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenue			
Contributions from Divisional Council	\$ -	\$ 25,105	\$ 25,019
GNWT	-	172,655	119,536
Other	-	-	-
Deferred Revenue	-	(54,557)	(61,604)
Contributions Repaid	-	-	(4,990)
	-	143,203	77,961
Expenses			
Administration	-	23,051	32,370
School programs	-	118,098	52,942
Inclusive schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	-	-
	-	141,149	85,312
Surplus (Deficit)	-	2,054	(7,351)
Opening equity		3,155	10,506
Closing equity	\$	5,209	\$ 3,155
Composition of Closing Equity			
Cash	\$	-	\$ -
Accounts Receivable		5,209	3,155
Accounts Payable		-	-
	\$	5,209	\$ 3,155

FORT GOOD HOPE

District Education Authority
Details of Expenses

For the year ended June 30, 2022

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	44,112	-	-	-	-	-	44,112
Non Instructional Staff	35,771	-	-	-	12,246	-	48,017
Board/Trustee Honoraria	-	-	-	-	6,765	-	6,765
	<u>79,883</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,011</u>	<u>-</u>	<u>98,894</u>
Employee Benefits							
Employee Benefits/Allowances	-	-	-	-	-	-	-
Leave and Termination Benefits	-	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Services Purchased/Contracted							
Professional/Technical Services	-	-	-	-	-	-	-
Postage/Communication	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-
Student Transportation	-	-	-	-	-	-	-
Advertising/Printing/Publishing	-	-	-	-	-	-	-
Maintenance/Repair	-	-	-	-	-	-	-
Rentals/Leases	-	-	-	-	-	-	-
Other - Contracted Services	-	-	-	-	-	-	-
Other - Special Requests	-	-	-	-	3,167	-	3,167
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,167</u>	<u>-</u>	<u>3,167</u>
Materials/Supplies/Freight							
Materials	38,215	-	-	-	873	-	39,088
Freight	-	-	-	-	-	-	-
	<u>38,215</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>873</u>	<u>-</u>	<u>39,088</u>
Total	\$ 118,098	\$ -	\$ -	\$ -	23,051	\$ -	141,149

TULITA

District Education Authority Statement of Operations

For the year ended June 30, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenue			
Contributions from Divisional Council	\$ -	\$ 22,009	\$ 21,472
GNWT	-	156,130	122,392
Other	-	-	-
Deferred Revenue	-	(62,951)	(53,921)
Contribution Repayable	-	-	(1,519)
	-	115,188	88,424
Expenses			
Administration	-	15,909	15,349
School programs	-	93,179	66,952
Inclusive schooling	-	-	-
School accommodations	-	-	-
Operations and maintenance	-	-	-
Aboriginal language/cultural programs	-	-	-
	-	109,088	82,301
Surplus (Deficit)	-	6,100	6,123
Opening equity		16,611	10,488
Closing equity	\$	22,711	\$ 16,611
Composition of Closing Equity			
Cash	\$	-	\$ -
Accounts Receivable		22,711	16,611
Accounts Payable		-	-
	\$	22,711	\$ 16,611

TULITA

District Education Authority
Details of Expenses

For the year ended June 30, 2022

Function	School Programs	Inclusive Schooling	Student Accommodation	Operations & Maintenance	Administration	Aboriginal Languages	Total
Salaries							
Teachers' Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Instruction Assistant	34,905	-	-	-	-	-	34,905
Non Instructional Staff	22,474	-	-	-	12,400	-	34,874
Board/Trustee Honoraria	-	-	-	-	1,588	-	1,588
	57,379	-	-	-	13,988	-	71,367
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	-	-	-	-	702	-	702
	-	-	-	-	702	-	702
Materials/Supplies/Freight							
Materials	35,800	-	-	-	1,219	-	37,019
Freight	-	-	-	-	-	-	-
	35,800	-	-	-	1,219	-	37,019
Total	\$ 93,179	\$ -	\$ -	\$ -	15,909	\$ -	109,088

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL

FORT SMITH, NT.

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

TABLE OF CONTENTS

Management Discussion and Analysis

Responsibility for Financial Reporting

Auditors' Report

Statement I - Consolidated Statement of Financial Position

Statement II - Consolidated Statement of Changes in Net Debt

Statement III - Consolidated Statement of Operations

Statement IV - Consolidated Statement of Cash Flow

Notes to the Consolidated Financial Statements

Schedule 1 - Schedule of Consolidated Expenses

Schedule 2 - Statement of Financial Position - Fort Smith DEA

Schedule 3 - Statement of Operations - Fort Smith DEA

Schedule 4 - Schedule of Expenses - Fort Smith DEA

Schedule 5 - Statement of Financial Position - Hay River DEA

Schedule 6 - Statement of Operations - Hay River DEA

Schedule 7 - Schedule of Expenses - Hay River DEA

Schedule 8 - Statement of Financial Position – K'atlodeeche First Nations DEA

Schedule 9 - Statement of Operations – K'atlodeeche First Nations DEA

Schedule 10 - Schedule of Expenses – K'atlodeeche First Nations DEA

Schedule 11 - Statement of Financial Position - Fort Resolution DEA

Schedule 12 - Statement of Operations - Fort Resolution DEA

Schedule 13 - Schedule of Expenses - Fort Resolution DEA

Schedule 14 - Statement of Financial Position - Lutsel K'e DEA

Schedule 15 - Statement of Operations - Lutsel K'e DEA

Schedule 16 - Schedule of Expenses - Lutsel K'e DEA

Schedule 17 - SSDEC Non-Consolidated Statement of Financial Position

Schedule 18 - SSDEC Non-Consolidated Statement of Changes in Net Debt

Schedule 19 - SSDEC Non-Consolidated Statement of Operations

Schedule 20 - SSDEC Non-Consolidated Schedule of Expenses

Schedule 21 – Inclusive Schooling Expenses

Schedule 22 – Indigenous Languages Education Expenses

Schedule 23 – French Language Expenses

Schedule 24 – Student Success Initiative Professional Development

Schedule 25 – Northern Distance Learning

Schedule 26 – Jordan's Principle

Schedule 27 – 2020/21 Fund Balances (unaudited)

**Management Discussion and Analysis
For the year ended June 30, 2022**

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 a 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 2021/22 representatives were as follows:

Fort Smith – Crystal Villebrun
Fort Resolution – Bess Ann McKay (Chairperson)
Hay River – Pennie Pokiak (Vice-Chairperson)
K'atlodeeche – Josie Tourangeau
Lutsel K'e – Iris Catholique

Key senior management positions were as follows:

Superintendent – Dr. Curtis Brown and Dr. Souhail Soujah
Asst. Superintendent – Trudy Rowlands and Cora America
Comptroller – Jamie Watts, CPA and Shawn Brace, CPA

Note: All three senior management positions changed in 2021/22

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 2021/22 year.

School	Students (FTE's)	Staffing (PY's) *
Joseph Burr Tyrrell	267.5	40.0
Paul William Kaeser	215.5	30.4
Sub-total (Fort Smith)	483.0	70.40
Harry Camsell	135.0	19.3
Princess Alexandra	145.5	19.2
Diamond Jenness	210.0	30.4
Sub-total (Hay River)	490.5	68.9
Chief Sunrise Education Centre (K'stloedeeche)	66.75	11.3
Deninu School (Fort Resolution)	94.5	20.2
Lutsel K'e Dene School (Lutsel K'e)	68.5	15.8
Overall Totals	1203.25	186.4

- Includes staff hired with Jordan's Principle funding.

Operating Environment

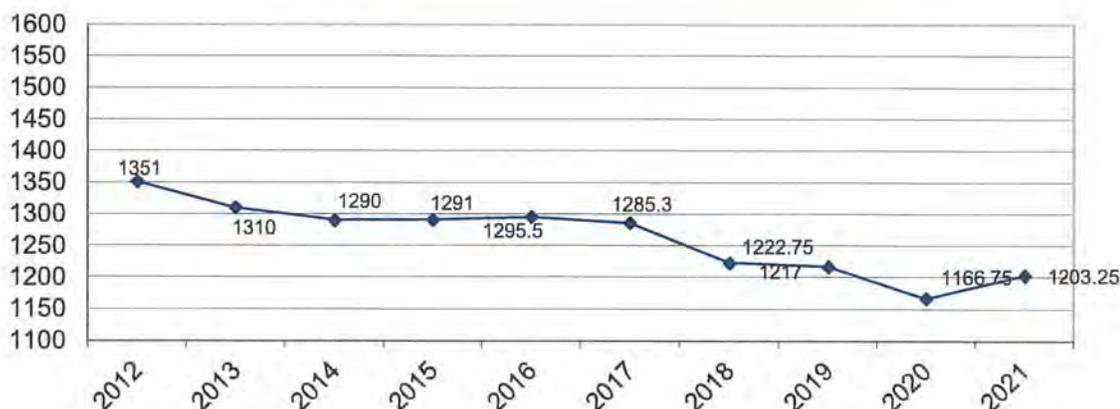
The SSDEC receives the financial resources for the entire division on an annual basis, largely through a funding formula established by the *GNWT Department of Education, Culture and Employment (ECE)*. Unfortunately, there are a number of unfunded and underfunded areas in the formula. For example:

- 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
- ECE confirms that they are underfunding school boards 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 has decreased over the past several years as well.

Shrinking enrolment has also brought significant challenges over the last several years. South Slave student enrolment is now less than two thirds what it was fifteen years ago (approx. 1203 now vs. over 1800 previously).

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. 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.

Finalization of the GNWT's policy on surpluses provides clarity on 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 results from the 2021/22 financial audit, inclusive of 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 as well as 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 growth in the percentage of students reading at or above acceptable levels (from 64% to 67%). 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 also increased from 70-73% from the previous year. 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 it's continuing affects this past year..

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*, five of the South Slave school principals have now been selected to the exclusive National Academy of *Canada's Outstanding Principals (The Learning Partnership)*, and 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 12 inductees into the NWT Education Hall of Fame.

Three of the South Slave's educators have also received *Indspire Indigenous Educator Awards* and 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 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 not only disruptive to classroom routine, but compromises the quality of students' education and is costly for the SSDEC.

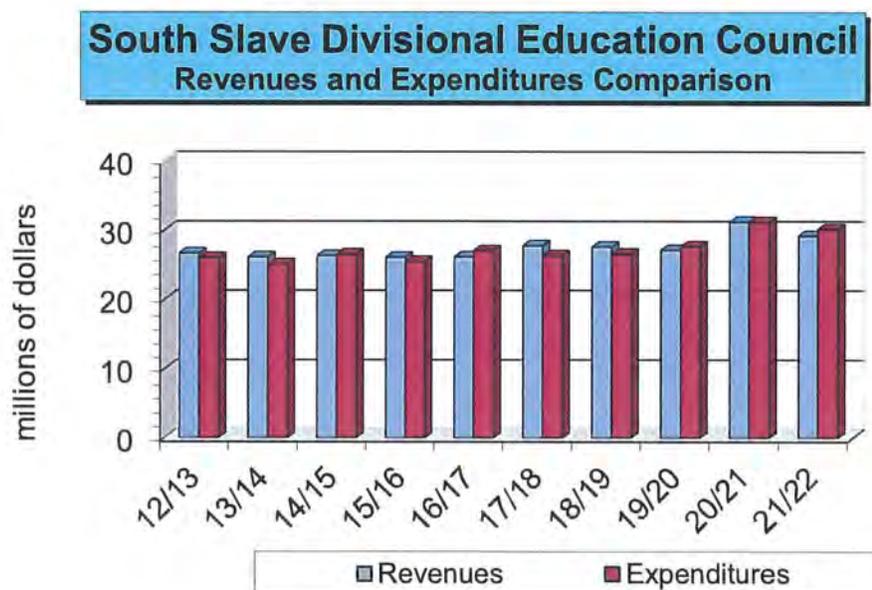
Teacher turnover, compounded by the shortage of suitable applicants, means there is a need to engage in more formalized transition planning. Specialist positions are continuing to be difficult to fill, in particular; Indigenous Language teachers, French Immersion and senior Math/Science. We were proactive in finding and funding 4 Indigenous Language interns last year.

ECE's *Education Renewal and Innovation* initiative also includes aspects that look to help educate and provide support for mental health and wellness of both staff and students. Recent

SSDEC strategies and targets are also intended to improve student attendance, ownership for 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.



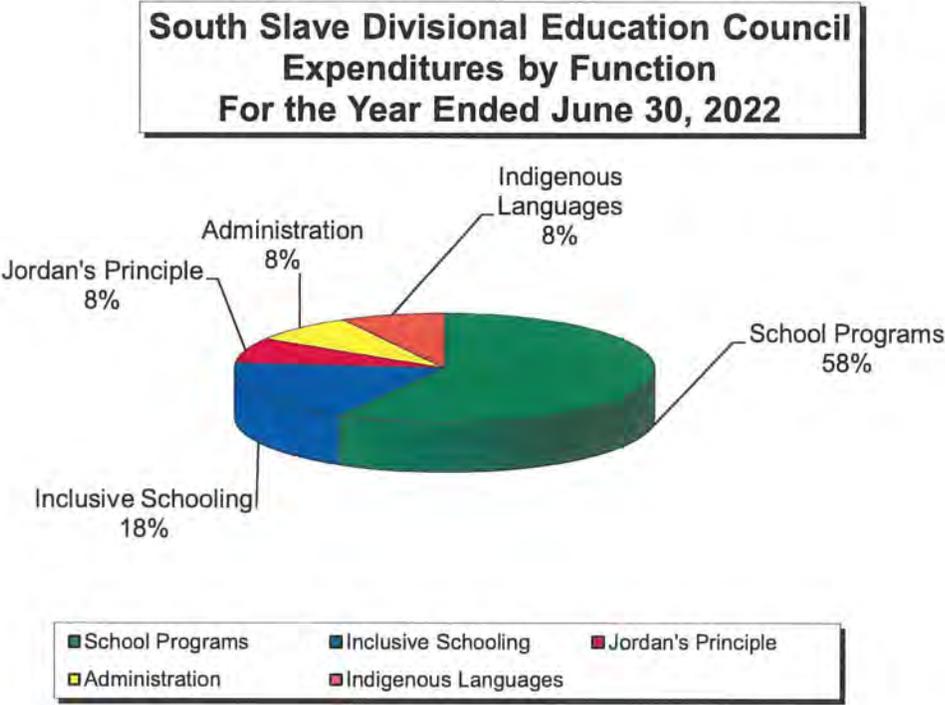
For the year ended June 30, 2022 the Council had an operating deficit of \$979,452 inclusive of DEA surpluses and deficits. This was lower than the projected deficit due mostly to an adjustment to the Council’s employee future benefits liability amount \$413,112. Other reasons for the result include, but are not limited to, COVID-19 still affecting schools for the majority of the year resulting in lower casual wages costs, no duty travel, and general expenditures being lower. Also related to COVID-19 was increased funding from ECE to cover costs in teacher salaries, custodial services, casual wages and materials and supplies (approx. \$490 million). As well, the Council recorded approx. \$2.2 million in Jordan’s Principle funding this past year

The accumulated uncommitted fund balance for the Council now sits at \$2,958,699 (see chart below) which is \$975,156 above the Council’s maximum fund balance of \$1,983,543 spelled out in policy DFAA – Financial Surplus. The Council’s budget for 2022/23 is a deficit budget of \$957,096 that, if realized, would bring the Council’s accumulated fund balance down to \$2,001,603.

	<u>2023</u>	<u>2022</u>
Accumulated Fund Balance at beginning of year	\$2,958,699	\$3,907,227
Operating Surplus/(Deficit) for year	<u>(957,096)</u>	<u>30,924</u>
Accumulated Fund Balance at end of year	\$2,001,603	\$3,938,151
Commitments against Fund Balance (incl. bus purchase)	<u>(1,241,704)</u>	<u>(1,313,243)</u>
Uncommitted Fund Balance at end of year	<u>\$ 759,899</u>	<u>\$2,624,908</u>

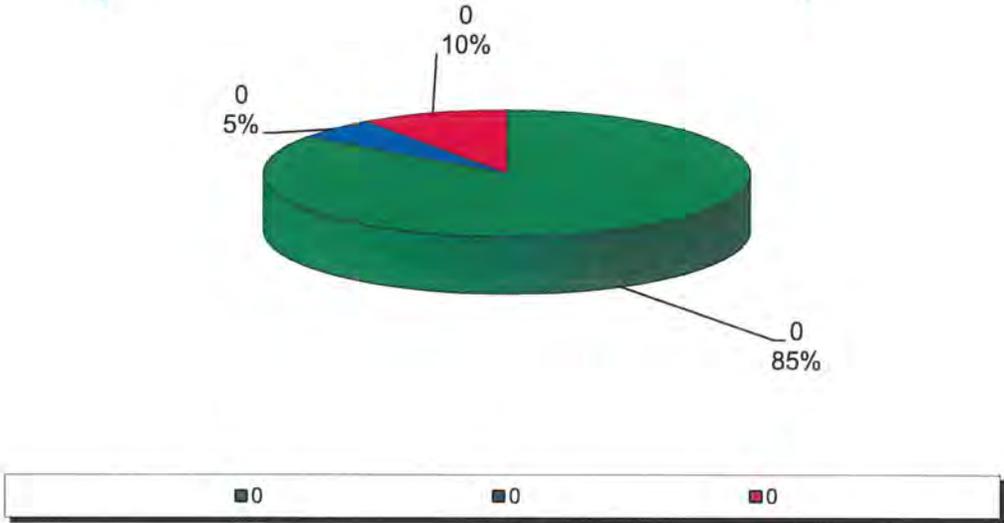
Currently the Council's liquidity position is good but, given the back-end loading of allocations to school boards by ECE, there is still the concern that funds could be short around the end of March. Given that about 85% (see second chart below) of the SSDEC's expenditures are for staffing payroll and benefits, any unanticipated reductions in allocations from ECE, or unexpected expenditures, would be difficult to adjust for 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 18% of the Council's expenditures in 2021/22. Indigenous Languages Education expenditures was also above what was funded by ECE.

During the 2021/22 year the Council was reimbursed a total of \$252,611 for termination costs related to the 2020/21 fiscal year covering 6 retirements/resignations (all NWTTA).



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, 2022**



Summary and Outlook

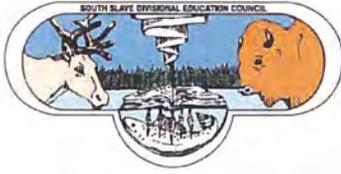
In summary, the SSDEC is currently in a positive financial position although, due to the inclusion of school and DEA surpluses in the calculation, we are currently above the maximum surplus allowed under the new GNWT policy as detailed earlier. Our deficit budget for 2022/23 is planned to address that excess.

It should also be noted that in the last four years our surplus has increased by almost \$2.2 million due to a reduction in the Council’s post-employment benefits liability (a number provided by the GNWT in July, after our fiscal year spending is complete, and after our next year budget and staffing has been finalized as well). This reduction is not a result of operations but artificially increases our surplus without adding anything to our cash balances. It is expected that this will be taken into consideration when applying the GNWT’s surplus policy to Education Bodies.

We anticipate a return to almost normal pre-COVID operations for the Fall of 2023. Of course if the situation changes we will be ready to adapt as necessary.

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 been proactive in applying for and receiving over \$4 million in 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 supports 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'S RESPONSIBILITY FOR FINANCIAL REPORTING

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, 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.

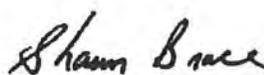
The auditors, Avery, Cooper & Co. Ltd., Chartered Professional Accountants, annually provide an independent, objective audit for the purpose of expressing an opinion on the

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



Dr. Souhail Soujah
Superintendent
September 10, 2022



Shawn Brace, CPA
Comptroller



AVERY 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, 2022 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, 2022 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.

EVERY COOPER & CO. LTD.
Chartered Professional Accountants
Yellowknife, NT

September 10, 2022

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at June 30, 2022**

	<u>2022</u>	<u>2021</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents (Note 4)	\$8,722,675	\$9,969,397
Trust Assets (Note 18)	77,740	77,595
Due from the GNWT (Note 8)	39,992	27,556
Due from the Government of Canada (Note 13)	0	0
Other Accounts Receivable (Note 8)	94,227	162,486
Total Financial Assets	<u>\$8,934,634</u>	<u>\$10,237,034</u>
<u>Liabilities</u>		
Bank Indebtedness	\$0	\$0
Accounts Payable and Accrued Liabilities (Note 10)	162,283	90,864
Trust Liabilities (Note 18)	77,740	77,595
Due to the GNWT (Note 10)	0	75,085
Payroll Liabilities (Note 10)	2,683,276	2,392,794
Deferred Revenue (Note 11)	1,810,058	1,704,133
Post-Employment Benefits (Note 17)	1,781,424	2,194,535
Total Liabilities	<u>\$6,514,781</u>	<u>\$6,535,006</u>
Net Financial Resources	<u>\$2,419,853</u>	<u>\$3,702,028</u>
<u>Non-Financial Assets</u>		
Prepaid Expenses (Note 20)	\$0	\$0
Tangible Capital Assets (Note 19)	212,508	236,123
Total Non-Financial Resources	<u>\$212,508</u>	<u>\$236,123</u>
Accumulated Fund Balance	<u>\$2,632,361</u>	<u>\$3,938,151</u>
Represented By:		
Operating Fund Balance	\$859,728	\$2,406,968
DEA Fund Balances	\$318,421	\$217,940
Capital Asset Depreciation	\$212,508	\$236,120
School Staffing Surpluses (Note 35)	\$1,241,704	\$1,077,123
Accumulated Fund Balance	<u>\$2,632,361</u>	<u>\$3,938,151</u>

Approved:


Chairperson


Comptroller

See attached notes and schedules.

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET (DEBT)
For the Year Ended June 30, 2022**

	Unaudited 2022 Budget	2022	2021
Operating Surplus/(Deficit) (Statement III)	\$1,197,752	(\$1,305,790)	\$30,924
Prior Year Adjustments	<u> </u>	<u> </u>	<u> </u>
Increase/(Decrease) in Net Financial Resources	\$1,197,752	(\$1,305,790)	\$30,924
Opening Net Financial Resources	<u>3,938,151</u>	<u>3,938,151</u>	<u>3,907,227</u>
Closing Net Financial Resources	<u><u>\$5,135,903</u></u>	<u><u>\$2,632,361</u></u>	<u><u>\$3,938,151</u></u>

See attached notes and schedules.

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended June 30, 2022**

	(Note 25) (unaudited) <u>2022 Budget</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
<u>REVENUES</u>			
ECE Contributions			
ECE Regular Contributions	\$24,303,003	\$24,914,033	\$25,294,194
Other ECE Contributions	403,000	1,017,921	2,728,621
Total ECE Contributions	<u>\$24,706,003</u>	<u>\$25,931,954</u>	<u>\$28,022,815</u>
Other GNWT Contributions	\$15,000	\$251,221	\$232,919
Total GNWT Contributions	<u>\$24,721,003</u>	<u>\$26,183,175</u>	<u>\$28,255,734</u>
Other Education Bodies	\$0	\$0	\$0
Government of Canada			
Jordan's Principle	\$2,181,815	\$2,204,639	\$2,496,973
Other Government of Canada	0	(1,000)	1,836
Total Government of Canada	<u>\$2,181,815</u>	<u>\$2,203,639</u>	<u>\$2,498,809</u>
Generated Funds			
Investment Income	\$50,400	\$68,814	\$49,974
Non-GNWT Contributions	70,000	110,000	86,319
Donations	0	3,186	2,050
Other	43,800	593,866	286,356
Total Generated Funds	<u>\$164,200</u>	<u>\$775,867</u>	<u>\$424,699</u>
Total Revenues	<u>\$27,067,018</u>	<u>\$29,162,680</u>	<u>\$31,179,242</u>
<u>EXPENSES (Schedule 1)</u>			
Administration	\$2,493,961	\$2,476,829	\$2,498,636
School Programs	16,437,800	17,803,757	18,410,455
Inclusive Schooling	5,072,846	5,507,671	5,135,856
Indigenous Language and Education	1,864,659	2,433,773	2,959,615
Jordan's Principle	0	2,246,442	2,507,756
Total Expenses	<u>\$25,869,266</u>	<u>\$30,468,471</u>	<u>\$31,148,319</u>
OPERATING SURPLUS/(DEFICIT)	<u>\$1,197,752</u>	<u>(\$1,305,790)</u>	<u>\$30,924</u>
Opening Fund Balance		<u>3,938,151</u>	<u>3,907,227</u>
Closing Fund Balance		<u>\$2,632,361</u>	<u>\$3,938,151</u>

See attached notes and schedules.

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
CONSOLIDATED STATEMENT OF CASH FLOW
For the Year Ended June 30, 2022**

	<u>2022</u>	<u>2021</u>
Cash Provided By (Used In):		
Operating Surplus/(Deficit)	(\$1,305,790)	\$30,924
Changes in Non-cash Assets and Liabilities		
Decrease (increase) due from Government of Canada	\$0	\$0
Decrease (increase) in accounts receivable	56,823	174,218
Decrease (increase) in capital assets	23,612	(236,120)
Increase (decrease) in acc. payroll/emp. deductions	290,482	314,977
Increase (decrease) in accounts payable	(3,666)	83,176
Increase (decrease) in trust liability	145	(262)
Increase (decrease) in deferred revenue	105,925	870,198
Increase (decrease) in post-employment benefits	(413,111)	(456,159)
Decrease (increase) in prepaid expenses	0	0
	<u>(1,245,580)</u>	<u>\$780,952</u>
Cash Provided by (Used In) Operating Transactions	<u>(1,245,580)</u>	<u>\$780,952</u>
Increase/(Decrease) in Cash and Cash Equivalents	<u>(1,245,580)</u>	<u>\$780,952</u>
Cash and Cash Equivalents at Beginning of Year	\$9,783,444	\$9,003,688
Cash and Cash Equivalents at End of Year *	<u><u>\$8,536,668</u></u>	<u><u>\$9,783,444</u></u>

* Cash and cash equivalents are represented by cash and short-term investments.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

Note 1. Nature of the Organization

The Council was formerly known as the South Slave Divisional Board of Education. With the adoption of the new Education Act, its legal name is now the South Slave Divisional Education Council (Council).

The Council was established under the Education Act of the Government of the Northwest Territories by order of the Minister of Education dated July 1, 1991. Its purpose is to administer and maintain standards of educational programs defined under the Act in the member communities of the South Slave region.

Consequently, the Council is economically dependent upon funding from the Department of Education, Culture and Employment of the GNWT. Member communities have formed local District Education Authorities (DEA) which have assumed the responsibility of providing sufficient educational programs within their respective communities.

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 usually 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 arm's length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently 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.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

Financial assets subsequently measured at amortized costs 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.

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 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 Council.

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 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.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

f) Revenue Recognition

Government Transfers:

Revenues are recognized in the period in which the transactions or events occur that give 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.

GNWT – Regular Contributions:

The regular contributions from the GNWT are determined by a funding formula and are received in monthly installments. The council retains surpluses and is responsible for deficits. Any funding requests, over and above those levels provided for by the formula, must first be approved by the GNWT.

Other Contributions:

The 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 expenses are incurred.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

Investment income:

Investment income is recognized when received or receivable, if the amount can be reasonable estimated.

Special Purpose Funds:

School activity funds which are fully controlled by the Council with respect to when and how the funds available can be disbursed are included in these financial statements. The funds reported are internally restricted as to purpose and may include the proceeds of fundraising and/or 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 Council are not included in these financial statements even if custody of the funds is held by the Council. Examples might include student clubs or associations for which the Council has no on-going responsibility or liability for losses.

g) Budget Data

The *Education Act* of the NWT requires that the Council prepare an annual budget, as outlined in Sections 128 and 129.

The priorities and funding allocations are determined by the Council and the budget is then legally adopted by a motion of the Council in accordance with Section 135(3) of the *Education Act*.

Council approved budgets are submitted to the Minister of Education, Culture and Employment for final approval as directed by sections 117(2)(k), (l) and (m) of the *Education Act*.

The annual budget includes estimates of revenues, 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 Council.

The budget may be amended within a given fiscal year in accordance with Council policy, regulations and approved budget procedures. The budget data presented in the consolidated financial statements reflects the Minister approved budget for the school year.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

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 amount 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 Council are treated as expenditures during the year of acquisition and are not being 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 of each year which provides for continued payment during the summer. GNWT payroll for NWTTA staff 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 (usually 26). The pay periods that fall within the month of July therefore have to be accrued.

The duties and compensation base for UNW school year employees are scheduled to align with the academic year although the actual start dates and durations vary by specific location and job function. Accordingly, the Council determines the start dates of their UNW employees and accrues the related payroll liability as necessary

All other staff salaries are accrued to include earnings to June 30th.

k) Post-Employment Benefits, Compensated Absences and Termination Benefits

Under the terms and conditions of employment, Council 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

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

include sick, special, parental and maternity leave. Accumulating non-vesting sick and special leave is 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 parental and maternity leave) has been prepared using data provided by the GNWT and assumptions based on management's best estimates.

D) 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.

Note 3. 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 measurement will be reported in the Statement of Remeasurement of Gains and Losses.

Other New Standards

Effective July 1, 2022, Education Bodies will concurrently be required to adopt: PS2601 – Foreign Current Translations, PS1201 – Financial Statement Presentation and PS3041 – Portfolio Investments in the same fiscal period. Government organizations that apply PSAS were required to adopt these standards effective April 1, 2021 however there is no significant impact on the financial statements as a result of this application.

Effective July 1, 2022, Education Bodies will be required to adopt PS3280 – Asset Retirement Obligations. This standard provides guidance on how to account for and report liabilities for retirement of tangible capital assets. There is no significant impact on the financial statements as a result of this application.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

Effective July 1, 2023, Education Bodies will be required to adopt PS3400 – 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 this standard on the consolidated financial statements is currently being assessed.

Note 4. Cash and Cash Equivalents

	<u>2022</u>	<u>2021</u>
Cash	\$ 8,722,675	\$ 9,969,397
Trust Assets	77,740	77,595
Bank Indebtedness	<u>0</u>	<u>0</u>
Total	<u>\$ 8,800,415</u>	<u>\$10,046,992</u>

Note 5. Special Purpose Funds

Nothing to report.

Note 6. Restricted Assets

Nothing to report.

Note 7. Portfolio Investments

Security	June 30 balance	Interest for year	March 31 balance	Date Purchased	Term	Maturity	Interest Rate
T-Bill (FR)	\$18,424.97	\$28.63	\$18,413.14	Unknown	n/a	n/a	n/a
GIC (FS)	\$177,276.77	\$286.30	\$177,276.77	2022/04/21	1 yr.	2023/04/20	2.7%
GIC (KFN)	\$5,877.66	\$2.95	\$5,877.66	2022/06/29	2 mos. 30 days	2022/09/28	0.05%

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

Note 8. Accounts Receivable

	<u>2022 Net</u>	<u>2021 Net</u>
GNWT – Finance	\$ 13,829	\$ 5,035
GNWT – HSS	6,765	0
GNWT – ECE	610	0
Fort Smith DEA	0	22,521
Diamond Jenness	12,288	0
Chief Sunrise	<u>6,500</u>	<u>0</u>
Total due from GNWT	<u>\$ 39,992</u>	<u>\$ 27,556</u>
Due from Government of Canada	2,000	0
Payroll Chargeback Recoveries	59,902	0
Other	<u>32,325</u>	<u>163,486</u>
Total Receivables	<u>\$134,219</u>	<u>\$190,042</u>

Note 9. Inventories

Not applicable.

Note 10. Accounts Payable and Accrued Liabilities

	<u>2022</u>	<u>2021</u>
GNWT – Dept. of Education, Culture & Employment	\$ 0	\$ 0
GNWT – Lutsel K'e Dene School	0	5,000
GNWT – Infrastructure	0	85
WSSC	<u>0</u>	<u>70,000</u>
	\$ 0	\$ 75,085
<u>Payroll Liabilities</u>		
To GNWT (Finance)	\$2,566,360	\$2,252,516
Government of Canada	0	0
Annual/Lieu	<u>116,916</u>	<u>140,278</u>
	<u>\$2,683,276</u>	<u>\$2,392,794</u>
Total Due to GNWT	\$2,683,276	\$2,467,879
Other	<u>162,283</u>	<u>90,864</u>
Total Accounts Payable	<u>\$2,845,559</u>	<u>\$2,558,743</u>

Note 11. Deferred Revenue

	<u>2022</u>	<u>2021</u>
COVID-19 funding - SSDEC (ECE)	\$ 0	\$ 493,784
Library funding – Fort Resolution (ECE)	0	1,626
Take A Kid Gardening – K'atlodeeche (ITI)	<u>0</u>	<u>2,102</u>
Total GNWT	\$ 0	\$ 497,512
Jordan's Principle	<u>1,810,058</u>	<u>1,206,621</u>
Total Deferred Revenue	<u>\$1,810,058</u>	<u>\$ 1,704,133</u>

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

Note 12. Contribution Repayable

	<u>2022</u>	<u>2021</u>
GNWT		
Department of Education, Culture & Employment	\$ 0	\$ 27,504

Note 13. Due To/From the Government of Canada

Nothing to report.

14. Capital Lease Obligations

Nothing to report.

15. Pensions

Nothing to report.

16. Long-term Debt

Nothing to report

17. Post-Employment Benefits, Compensated Absences and Termination Benefits

In addition to pension benefits the Council provides severance (resignation and retirement), removal and compensated absences (sick, special, parental and maternity 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 Council employees based on the type of termination (resignation vs. 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 dependant 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.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

Valuation result

The actuarial valuation was completed as at March 31, 2022. The effective date of the next actuarial valuation is March 31, 2022. The liabilities are actuarially determined as the present value of the accrued benefits at February 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.

	Severance and Removal \$	Compensated Absences \$	2022 \$	2021 \$
Changes in Obligation				
Accrued benefit obligations at beginning of year	\$1,348,276	\$430,281	\$1,778,557	\$2,038,291
Current period benefit cost	\$89,220	\$32,669	\$121,889	\$126,329
Interest accrued	\$43,833	\$14,325	\$58,158	\$54,286
Benefits payments	(\$386,413)	(\$57,746)	(\$444,159)	(\$473,418)
Plan amendments	\$10,375	(\$9)	\$10,366	\$0
Actuarial (gains)/losses	\$301,457	(\$41,331)	\$260,126	(\$33,069)
Accrued benefit obligations at end of year	\$1,406,748	\$378,189	\$1,784,937	\$1,778,557
Surplus/(deficit) at end of year	(\$1,406,748)	(\$378,189)	(\$1,784,937)	(\$1,778,557)
Unamortized net actuarial (gain)/loss	(\$81,426)	\$84,939	\$3,513	(\$415,978)
Net future obligation	(\$1,488,174)	(\$293,250)	(\$1,781,424)	(\$2,194,535)
Other employee future benefits	\$0	\$0	\$0	\$0
Other compensated absences	\$0	\$0	\$0	\$0
Total employee future benefits and compensated absences	(\$1,902,593)	(\$291,935)	(\$2,194,535)	(\$2,650,694)
Benefits Expense				
Current period benefit cost	\$89,220	\$32,669	\$121,889	\$126,329
Interest accrued	\$43,833	\$14,325	\$58,158	\$54,286
Plan amendments	\$10,375	(\$9)	\$10,366	\$0
Amortization of actuarial gains	(\$171,435)	\$12,076	(\$159,356)	(\$163,356)
Total Expense	(\$28,007)	\$59,061	\$31,057	\$17,259

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

The discount rate used to determine the accrued benefit obligation is an average of 4.1%. No inflation rate was applied. The expected payments during the next five fiscal years are:

	Severance & Removal \$	Compensated Absences \$	Total \$
2023	\$164,080	\$28,789	\$192,869
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
	\$780,395	\$154,697	\$935,092

18. Trust Assets Under Administration

	<u>2022</u>	<u>2021</u>
Andrew John Piche Scholarship Fund	\$77,740	\$77,595

19. Tangible Capital Assets

	Cost	Additions	Deletions	Opening Acc. Amortization	Amortization	Closing Acc. Amortization	2022 NBV	2021 NBV
Equipment								
Buses	\$262,356	\$0	\$0	\$0	\$23,612	\$49,848	\$212,508	\$236,123
Total	\$262,356	\$0	\$0	\$0	\$23,612	\$49,848	\$212,508	\$236,123

20. Prepaid Expenses

Nothing to report.

21. GNWT Assets Provided at no Cost.

	<u>Cost</u>	<u>Acc. Amort.</u>	<u>2022 NBV</u>	<u>2021 NBV</u>
Joseph Burr Tyrrell School	\$10,354,271	\$6,145,666	\$4,208,604	\$4,496,183
Paul William Kaeser School	\$8,070,058	\$6,156,332	\$1,913,726	\$2,161,591
Deninu School	\$5,447,087	\$5,241,679	\$205,408	\$222,063
Lutsel K'e Dene School	\$16,791,305	\$3,875,291	\$12,916,014	\$13,483,571
Princess Alexandra School	\$7,762,885	\$6,357,802	\$1,405,083	\$1,688,416
Diamond Jenness School	\$34,388,973	\$15,234,184	\$19,154,789	\$19,976,350

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

Harry Camsell School	\$6,949,011	\$4,721,683	\$2,227,328	\$2,355,970
Chief Sunrise Education Ctr.	\$3,342,966	\$1,501,719	\$1,841,246	\$1,973,903
DJSS Trades Building	\$2,423,804	\$708,517	\$1,715,288	\$1,775,827
PWK High School Seacan	\$687,229	\$515,422	\$171,807	\$217,623
PWK Welding Shop	\$389,368	\$74,629	\$314,740	\$324,474
	\$96,606,955	\$50,532,923	\$46,074,032	\$48,676,150

22. Contractual Obligations

	2023	2024	2025	2026	2027	Total
<u>Equipment</u>						
Altalink B8065	\$1,227					\$1,227
Altalink C8145	\$4,066	\$4,066	\$4,066			\$12,198
<u>Commercial Lease</u>						
Fort Smith Construction	\$163,615	\$54,538				\$218,153
Total	\$168,908	\$58,604	\$4,066			\$231,578

23. COVID-19

On March 11, 2020, there was a global outbreak of a novel coronavirus known as COVID-19, which has had a significant impact on organizations and companies through the restrictions put in place by federal, provincial, territorial and municipal governments regarding travel, business operations and isolation or quarantine orders. While the Council was unable to quantify the overall financial effect of these events, they have resulted in school closures and disruptions in regular operations. The Council continues to take measures to mitigate the effects of the current crisis.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

24. Related Parties and Inter-Entity Transactions

The 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 business. The Council 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 disclosed in this note.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

Accounts Payable

	<u>2022</u>	<u>2021</u>
Dept. of Finance	\$2,566,360	\$2,392,794
Dept. of Education, Culture and Employment	0	0
WSCC	0	70,000
Lutsel K'e Dene School	0	5,000
Dept. of Infrastructure	0	85

Accounts Receivable

GNWT – Finance	\$ 13,829	\$ 5,035
GNWT – HSS	6,765	0
GNWT – ECE	610	0
Fort Smith DEA	0	22,521
Diamond Jenness	12,288	0
Chief Sunrise	6,500	0
Lutsel K'e DEA	0	0

25. Budget Data

The Education Act of the Northwest Territories requires that Education Bodies prepare an annual budget as outlined in Section 117, Duties of Education Body. The budget is legally adopted by a motion of the 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 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 Council.

The budget figures presented are those approved by the Minister of Education, Culture and Employment on December 20, 2021 and have not been audited.

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 the South Slave Divisional Education Council's operations would be significantly affected.

27. Financial Instruments

The Council's carrying value of cash, accounts receivable, due from the GNWT, accounts payable and accrued liabilities, due to the GNWT, accrued salaries and the trust liability approximate fair value due to the immediate and short-term maturity of these instruments.

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

The Council's carrying value of the accrued leave and termination benefits approximates fair value due to the information readily available in the NWTTA, UNW and Senior Manager's Handbook.

It is management's opinion that the Council is not exposed to significant interest rate, currency, market, credit, liquidity or cash flow risks arising from these financial instruments and that there are no significant concentrations of such risk.

28. Expenses by Object

	<u>2022 Budget</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
Compensation	\$22,631,876	\$25,834,981	\$26,027,102
Other	<u>3,328,390</u>	<u>4,633,490</u>	<u>5,121,217</u>
Total	<u>\$25,959,266</u>	<u>\$30,468,471</u>	<u>\$31,148,319</u>

29. Subsequent Events

Nothing to report.

30. Comparative Figures

Nothing to report.

31. ECE Other Contributions

Career Coordinator	\$ 154,720
French (FSL) Funding	313,500
Trades Awareness	64,802
Self-Regulation resources	9,000
COVID-19 funding (deferred from 2021)	493,784
Library Funding	<u>1,626</u>
Total	<u>\$1,037,432</u>

32. GNWT Other Contributions

Health & Social Services

Drop the Pop

\$ 15,112

Energy & Natural Resources

Take a Kid Trapping

42,818

Municipal & Community Affairs

Child/Youth Resiliency

27,191

Youth Paddling

15,000

Active After School

107,100

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2022

Drumming	5,000
Take a Kid Trapping	<u>39,000</u>
Total	<u>\$251,221</u>

33. Contingent Assets

Nothing to report.

34. Contractual Rights

Nothing to report.

35. Commitments Against Surplus

The Council currently has approved commitments against its surplus of \$2,101,433 consisting of school staffing surpluses (\$1,241,704) and as detailed in the Consolidated Balance Sheet and Schedule 27 to the financial statements.

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
CONSOLIDATED SCHEDULE OF EXPENSES
For the Year Ended June 30, 2022**

	School Programs	Inclusive Schooling	Admin.	Indigenous Language	Jordan's Principle	Fiscal & Transfers	Total
Salaries							
Teachers	\$13,179,611	\$2,618,820	\$0	\$1,215,346	\$0	\$0	\$17,013,776
Instruction Assistants	\$23,041	\$2,162,440	\$12,525	\$346,461	\$2,170,021	\$0	\$4,714,487
Non-Instructional Staff	\$2,004,623	\$151,133	\$1,621,314	\$149,632	\$0	\$0	\$3,926,702
Board/Trustee Honoraria	\$10,600	\$7,800	\$35,080	\$20,770	\$0	\$0	\$74,250
Employee Benefits							
Employee Benefits/Allowances	\$155,297	\$65,251	\$11,745	\$20,880	\$0	\$0	\$253,173
Leave & Termination Benefits	(\$90,419)	(\$37,991)	(\$6,838)	(\$12,157)	\$0	\$0	(\$147,406)
Services Purchased/Contracted							
Professional/Technical Services	\$62,250	\$75,052	\$115,066	\$12,255	\$0	\$0	\$264,623
Postage/Communication	\$59,329	\$426	\$43,759	\$762	\$0	\$0	\$104,276
Utilities	\$2,400	\$0	\$0	\$0	\$0	\$0	\$2,400
Travel	\$19,579	\$62,865	\$26,385	\$13,662	\$0	\$0	\$122,490
Student Travel	\$8,703	\$699	\$0	\$2,320	\$1,109	\$0	\$12,831
Advertising/Printing/Publishing	\$0	\$12,292	\$19,549	\$22,730	\$0	\$0	\$54,571
Maintenance/Repair	\$27,196	\$0	\$10,607	\$5,921	\$0	\$0	\$43,723
Rentals/Leases	\$93,758	\$501	\$192,350	\$2,001	\$0	\$0	\$288,611
Contracted Services	\$462,957	\$80,413	\$14,883	\$149,238	\$60,090	\$0	\$767,581
Materials/Supplies/Freight							
Materials	\$1,749,480	\$304,637	\$351,939	\$482,036	\$15,222	\$0	\$2,903,315
Amortization			\$23,612				\$23,612
Freight	\$35,352	\$3,333	\$4,854	\$1,918	\$0	\$0	\$45,457
Total	\$17,803,757	\$5,507,671	\$2,476,829	\$2,433,773	\$2,246,442	\$0	\$30,468,471

FORT SMITH DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at June 30, 2022

	<u>2022</u>	<u>2021</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$58,886	\$52,862
Cash Held in Trust	77,740	77,595
Other Accounts Receivable (net)	<u>0</u>	<u>0</u>
Total Financial Assets	<u>\$136,626</u>	<u>\$130,456</u>
<u>Liabilities</u>		
Accounts Payable & Accrued Liabilities	(\$3)	(\$3)
Trust Liability	<u>77,740</u>	<u>77,595</u>
Total Liabilities	<u>\$77,737</u>	<u>\$77,854</u>
Net Financial Resources	<u>\$58,889</u>	<u>\$52,865</u>
Fund Balance	<u>\$58,889</u>	<u>\$52,865</u>

FORT SMITH DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
For the Year Ended June 30, 2022

	<u>2022 Budget</u> <u>(unaudited)</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
<u>REVENUES</u>			
ECE Contributions			
ECE Regular Contributions	\$526,376	\$498,414	\$558,476
Other ECE Contributions	0	594,500	547,396
Total ECE Contributions	<u>\$526,376</u>	<u>\$1,092,914</u>	<u>\$1,105,872</u>
Other GNWT Contributions	\$0	\$81,600	\$56,000
Total GNWT Contributions	<u>\$526,376</u>	<u>\$1,174,514</u>	<u>\$1,161,872</u>
Government of Canada Contributions			
Jordan's Principle	\$0	\$19,870	\$52,680
Other Government of Canada	0	0	0
Total Government of Canada Contributions	<u>\$0</u>	<u>\$19,870</u>	<u>\$52,680</u>
Generated Funds			
Investment Income	\$400	\$286	\$597
Other	43,800	129,171	90,173
Total Generated Funds	<u>\$44,200</u>	<u>\$129,457</u>	<u>\$90,770</u>
Total Revenues	<u>\$570,576</u>	<u>\$1,323,841</u>	<u>\$1,305,322</u>
<u>EXPENSES (Schedule 4)</u>			
Administration	\$80,600	\$175,332	\$135,003
School Programs	386,888	754,015	970,560
Inclusive Schooling	144,769	92,526	46,532
Indigenous Language and Education	0	234,747	184,292
Jordan's Principle	0	61,199	53,588
Total Expenses	<u>\$612,257</u>	<u>\$1,317,818</u>	<u>\$1,389,974</u>
Operating Surplus/(Deficit)	<u>(\$41,681)</u>	\$6,024	(\$84,652)
Fund Balance at beginning of year		52,865	137,517
Prior Period Adjustment		<u>0</u>	<u>0</u>
Fund Balance at end of year		<u>\$58,889</u>	<u>\$52,865</u>

FORT SMITH DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2022

School Programs	Inclusive Schooling	Admin.	Indigenous Language	Jordan's Principle	Fiscal & Transfers	Total
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Salaries

Teachers						\$0
Instruction Assistants						\$0
Non-Instructional Staff		\$84,570				\$84,570
Board/Trustee Honoraria						\$0

Employee Benefits

Employee Benefits/Allowances						\$0
Leave & Termination Benefits						\$0

Services Purchased/Contracted

Professional/Technical Services						\$0
Postage/Communication	\$32,436		\$3,601			\$36,037
Utilities						\$0
Travel						\$0
Student Travel				\$1,109		\$1,109
Advertising/Printing/Publishing						\$0
Maintenance/Repair	\$3,598					\$3,598
Rentals/Leases	\$18,539		\$2,060			\$20,599
Contracted Services	\$96,908			\$60,090		\$156,998

Materials/Supplies/Freight

Materials	\$602,534	\$92,526	\$85,101	\$234,747		\$1,014,908
Freight						\$0

Total	\$754,015	\$92,526	\$175,332	\$234,747	\$61,199	\$0	\$1,317,818
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**HAY RIVER DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at June 30, 2022**

	<u>2022</u>	<u>2021</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$39,578	\$27,038
Due from the GNWT	0	0
Other Accounts Receivable (net)	0	0
Total Financial Assets	<u>\$39,578</u>	<u>\$27,038</u>
<u>Liabilities</u>		
Accounts Payable & Accrued Liabilities	\$2,158	\$2,191
Deferred Revenue	\$0	\$0
Total Liabilities	<u>\$2,158</u>	<u>\$2,191</u>
Net Financial Resources	<u>\$37,420</u>	<u>\$24,847</u>
<u>Non-Financial Assets</u>		
Tangible Capital Assets	\$212,508	\$236,120
Fund Balance	<u><u>\$249,928</u></u>	<u><u>\$260,967</u></u>

HAY RIVER DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
For the Year Ended June 30, 2022

	<u>2022 Budget</u> <u>(unaudited)</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
<u>REVENUES</u>			
ECE Contributions			
ECE Regular Contributions	\$679,537	\$506,880	\$679,537
Other ECE Contributions	0	524,842	595,486
Total ECE Contributions	<u>\$679,537</u>	<u>\$1,031,722</u>	<u>\$1,275,023</u>
Other GNWT Contributions	\$0	\$84,900	\$77,538
Total GNWT Contributions	<u>\$679,537</u>	<u>\$1,116,622</u>	<u>\$1,352,561</u>
Government of Canada Contributions			
Jordan's Principle	\$0	\$0	\$0
Other Government of Canada	0	0	0
Total Government of Canada Contributions	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Generated Funds			
Investment Income	\$0	\$0	\$1,101
Other	0	46,877	54,876
Total Generated Funds	<u>\$0</u>	<u>\$46,877</u>	<u>\$55,977</u>
Total Revenues	<u>\$679,537</u>	<u>\$1,163,499</u>	<u>\$1,408,538</u>
<u>EXPENSES (Schedule 7)</u>			
Administration	\$119,000	\$145,252	\$152,148
School Programs	561,100	860,461	1,133,992
Inclusive Schooling	28,407	27,266	7,000
Indigenous Language and Education	115,769	141,559	222,325
Jordan's Principle	0	0	0
Total Expenses	<u>\$824,276</u>	<u>\$1,174,538</u>	<u>\$1,515,465</u>
Operating Surplus/(Deficit)	<u>(\$144,739)</u>	<u>(\$11,039)</u>	<u>(\$106,927)</u>
Fund Balance at beginning of year		<u>260,967</u>	<u>367,894</u>
Fund Balance at end of year		<u>\$249,928</u>	<u>\$260,967</u>

HAY RIVER DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2022

School Programs	Inclusive Schooling	Admin.	Indigenous Language	Jordan's Principle	Fiscal & Transfers	Total
Salaries						
Teachers	\$36,669					\$36,669
Instruction Assistants						\$0
Non-Instructional Staff		\$107,880				\$107,880
Board/Trustee Honoraria		\$8,327				\$8,327
Employee Benefits						
Employee Benefits/Allowances						\$0
Leave & Termination Benefits						\$0
Services Purchased/Contracted						
Professional/Technical Services						\$0
Postage/Communication	\$24,027		\$3,323			\$27,350
Utilities						\$0
Travel						\$0
Student Travel						\$0
Advertising/Printing/Publishing						\$0
Maintenance/Repair	\$15,612					\$15,612
Rentals/Leases	\$36,062					\$36,062
Contracted Services	\$151,803					\$151,803
Materials/Supplies/Freight						
Materials	\$586,512	\$27,266	\$2,110	\$141,559		\$757,447
Amortization			\$23,612			\$23,612
Freight	\$9,776					\$9,776
Total	\$860,461	\$27,266	\$145,252	\$141,559	\$0	\$0
					\$0	\$1,174,538

K'ATLODEECHE FIRST NATIONS DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at June 30, 2022

	<u>2022</u>	<u>2021</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$90,841	\$26,421
Other Accounts Receivable (net)	33,023	5,836
Total Financial Assets	<u>\$123,864</u>	<u>\$32,257</u>
<u>Liabilities</u>		
Accounts Payable & Accrued Liabilities	\$121,291	\$27,834
Deferred Revenue	1,185	2,102
Total Liabilities	<u>\$122,476</u>	<u>\$29,935</u>
Net Financial Resources	<u>\$1,388</u>	<u>\$2,322</u>
Fund Balance	<u>\$1,388</u>	<u>\$2,322</u>

K'ATLODEECHE FIRST NATIONS DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
For the Year Ended June 30, 2022

	<u>2022 Budget</u> <u>(unaudited)</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
<u>REVENUES</u>			
ECE Contributions			
Regular ECE Contributions	\$127,194	\$127,194	\$75,604
Other ECE Contributions	0	187,089	309,266
Total ECE Contributions	<u>\$127,194</u>	<u>\$314,283</u>	<u>\$384,870</u>
Other GNWT Contributions	\$0	\$33,936	\$48,184
Total GNWT Contributions	<u>\$127,194</u>	<u>\$348,219</u>	<u>\$433,054</u>
Government of Canada Contributions			
Jordan's Principle	\$0	\$16,748	\$0
Other Government of Canada	0	0	1,836
Total Government of Canada Contributions	<u>\$0</u>	<u>\$16,748</u>	<u>\$1,836</u>
Generated Funds			
Investment Income	\$0	\$3	\$3
Donations	0	1,186	2,050
Other	0	130,629	35,787
Total Generated Funds	<u>\$0</u>	<u>\$131,817</u>	<u>\$37,840</u>
Total Revenues	<u>\$127,194</u>	<u>\$496,785</u>	<u>\$472,731</u>
<u>EXPENSES (Schedule 10)</u>			
Administration	\$26,032	\$69,851	\$37,590
School Programs	63,362	345,474	393,678
Inclusive Schooling	0	5,995	6,000
Indigenous Language and Education	37,800	60,835	61,062
Jordan's Principle	0	15,563	0
Total Expenses	<u>\$127,194</u>	<u>\$497,718</u>	<u>\$498,330</u>
Operating Surplus/(Deficit)	<u>\$0</u>	(\$934)	(\$25,599)
Fund Balance at beginning of year		<u>\$2,322</u>	<u>\$27,921</u>
Fund Balance at end of year		<u>\$1,388</u>	<u>\$2,322</u>

K'ATLODEECHE FIRST NATIONS DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2022

School Programs	Inclusive Schooling	Admin.	Indigenous Language	Jordan's Principle	Fiscal & Transfers	Total
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Salaries

Teachers						\$0
Instruction Assistants	\$3,960	\$12,525	\$12,857	\$2,000		\$31,341
Non-Instructional Staff						\$0
Board/Trustee Honoraria	\$10,600	\$6,600	\$20,770			\$37,970

Employee Benefits

Employee Benefits/Allowances						\$0
Leave & Termination Benefits						\$0

Services Purchased/Contracted

Professional/Technical Services		\$13,020				\$13,020
Postage/Communication	\$663	\$3,485				\$4,148
Utilities						\$0
Travel			\$1,271			\$1,271
Student Travel	\$8,703		\$1,100			\$9,803
Advertising/Printing/Publishing						\$0
Maintenance/Repair	\$7,961		\$3,353			\$11,314
Rentals/Leases	\$1,783	\$4,270				\$6,053
Contracted Services	\$19,461	\$600				\$20,061

Materials/Supplies/Freight

Materials	\$290,701	\$5,995	\$29,352	\$21,484	\$13,563	\$361,095
Freight	\$1,642					\$1,642

Total	\$345,474	\$5,995	\$69,851	\$60,835	\$15,563	\$0	\$497,718
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FORT RESOLUTION DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at June 30, 2022

	<u>2022</u>	<u>2021</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$73,313	\$57,512
Due from GNWT	0	0
Other Accounts Receivable (net)	<u>0</u>	<u>0</u>
Total Financial Assets	<u>\$73,313</u>	<u>\$57,512</u>
<u>Liabilities</u>		
Payroll Liabilities	\$1,837	\$505
Deferred Revenue	<u>0</u>	<u>1,626</u>
Total Liabilities	<u>\$1,837</u>	<u>\$2,103</u>
Net Financial Resources	<u>\$71,476</u>	<u>\$55,381</u>
Fund Balance	<u><u>\$71,476</u></u>	<u><u>\$55,381</u></u>

FORT RESOLUTION DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
For the Year Ended June 30, 2022

	<u>2022 Budget</u> <u>(unaudited)</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
<u>REVENUES</u>			
ECE Contributions			
Regular ECE Contributions	\$106,418	\$106,418	\$105,830
Other ECE Contributions	0	102,878	116,926
Total ECE Contributions	\$106,418	\$209,296	\$222,756
Other GNWT Contributions	\$0	\$15,300	\$0
Total GNWT Contributions	\$106,418	\$224,596	\$330,758
Government of Canada Contributions			
Jordan's Principle	\$0	\$0	\$0
Other Government of Canada	0	0	0
Total Government of Canada Contributions	\$0	\$0	\$0
Generated Funds			
Investment Income	\$0	\$29	\$23
Other	0	186,260	38,060
Total Generated Funds	\$0	\$186,289	\$38,083
Total Revenues	\$106,418	\$410,884	\$260,839
<u>EXPENSES (Schedule 13)</u>			
Administration	\$26,290 2	\$120,737	\$129,297
School Programs	41,155 3	138,786	128,146
Inclusive Schooling	0	0	1,440
Indigenous Language and Education	38,973 4	135,266	58,028
Jordan's Principle	0	-	(206)
Total Expenses	\$106,418	\$394,789	\$316,705
Operating Surplus/(Deficit)	\$0	\$16,095	(\$55,866)
Fund Balance at beginning of year		55,381	111,247
Fund Balance at end of year		\$71,476	\$55,381

FORT RESOLUTION DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2022

School Programs	Inclusive Schooling	Admin.	Indigenous Language	Jordan's Principle	Fiscal & Transfers	Total
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Salaries

Teachers						\$0
Instruction Assistants	\$19,081					\$19,081
Non-Instructional Staff		\$5,806				\$5,806
Board/Trustee Honoraria		\$10,560				\$10,560

Employee Benefits

Employee Benefits/Allowances						\$0
Leave & Termination Benefits						\$0

Services Purchased/Contracted

Professional/Technical Services		\$19,062				\$19,062
Postage/Communication	\$778	\$7,400				\$8,178
Utilities	\$2,400					\$2,400
Travel	\$13,600	\$4,379				\$17,979
Student Travel			\$1,220			\$1,220
Advertising/Printing/Publishing		\$5,997				\$5,997
Maintenance/Repair		\$1,800				\$1,800
Rentals/Leases	\$34,200	\$2,715				\$36,915
Contracted Services	\$17,050	\$5,770	\$78,000			\$100,820

Materials/Supplies/Freight

Materials	\$51,667	\$56,038	\$55,485			\$163,189
Freight	\$10	\$1,211	\$562			\$1,783

Total	\$138,786	\$0	\$120,737	\$135,266	\$0	\$0	\$394,789
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LUTSEL K'E DISTRICT EDUCATION AUTHORITY
STATEMENT OF FINANCIAL POSITION
as at June 30, 2022

	<u>2022</u>	<u>2021</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$176,903	\$110,096
Other Accounts Receivable (net)	0	0
		\$0
Total Financial Assets	<u>\$176,903</u>	<u>\$110,096</u>
<u>Liabilities</u>		
Bank Indebtedness	\$0	\$0
Deferred Revenue	0	0
Accounts Payable & Accrued Liabilities	27,655	27,570
Total Liabilities	<u>\$27,655</u>	<u>\$27,570</u>
Net Financial Resources	<u>\$149,248</u>	<u>\$82,525</u>
Fund Balance	<u>\$149,248</u>	<u>\$82,525</u>

LUTSEL K'E DISTRICT EDUCATION AUTHORITY
STATEMENT OF OPERATIONS
For the Year Ended June 30, 2022

	<u>2022 Budget</u> <u>(unaudited)</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
<u>REVENUES</u>			
ECE Contributions			
Regular ECE Contributions	\$129,649	\$129,649	\$111,737
Other ECE Contributions	0	184,236	218,945
Total ECE Contributions	<u>\$129,649</u>	<u>\$313,885</u>	<u>\$330,682</u>
Other GNWT Contributions	\$0	\$20,373	\$35,118
Total GNWT Contributions	<u>\$129,649</u>	<u>\$334,258</u>	<u>\$224,418</u>
Government of Canada Contributions			
Jordan's Principle	\$0	\$0	\$0
Other Government of Canada	0	0	0
Total Government of Canada Contributions	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Generated Funds			
Investment Income	\$0	\$0	\$0
Donations	0	2,000	0
Other	0	75,064	48,635
Total Generated Funds	<u>\$0</u>	<u>\$77,064</u>	<u>\$48,635</u>
Total Revenues	<u>\$129,649</u>	<u>\$411,322</u>	<u>\$414,435</u>
<u>EXPENSES (Schedule 16)</u>			
Administration	\$69,120	\$10,338	\$29,178
School Programs	45,500	264,564	171,905
Inclusive Schooling	0	8,167	7,975
Indigenous Language and Education	15,029	59,871	108,997
Jordan's Principle	0	1,659	10,081
Total Expenses	<u>\$129,649</u>	<u>\$344,599</u>	<u>\$328,136</u>
Operating Surplus/(Deficit)	<u>\$0</u>	<u>\$66,723</u>	<u>\$86,299</u>
Fund Balance at beginning of year		<u>82,525</u>	<u>(3,774)</u>
Fund Balance at end of year		<u>\$149,248</u>	<u>\$82,525</u>

LUTSEL K'E DISTRICT EDUCATION AUTHORITY
SCHEDULE OF EXPENSES
For the Year Ended June 30, 2022

School Programs	Inclusive Schooling	Admin.	Indigenous Language	Jordan's Principle	Fiscal & Transfers	Total
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Salaries

Teachers						\$0
Instruction Assistants						\$0
Non-Instructional Staff						\$0
Board/Trustee Honoraria		\$4,250				\$4,250

Employee Benefits

Employee Benefits/Allowances						\$0
Leave & Termination Benefits						\$0

Services Purchased/Contracted

Professional/Technical Services						\$0
Postage/Communication	\$1,426	\$426	\$2,429	\$673		\$4,953
Utilities						\$0
Travel						\$0
Student Travel						\$0
Advertising/Printing/Publishing						\$0
Maintenance/Repair	\$25			\$2,567		\$2,592
Rentals/Leases	\$3,174	\$501		\$2,001		\$5,677
Contracted Services	\$50,861	\$2,778		\$37,560		\$91,199

Materials/Supplies/Freight

Materials	\$186,179	\$4,461	\$3,659	\$17,070	\$1,659	\$213,028
Freight	\$22,899					\$22,899

Total

\$264,564	\$8,167	\$10,338	\$59,871	\$1,659	\$0	\$344,599
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**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at June 30, 2022**

	<u>2022</u>	<u>2021</u>
<u>Financial Assets</u>		
Cash and Cash Equivalents	\$8,260,212	\$9,695,468
Due from the GNWT	90,439	27,556
Other Accounts Receivable	80,716	156,650
Total Financial Assets	<u>\$8,431,366</u>	<u>\$9,879,674</u>
<u>Liabilities</u>		
Current		
Accounts Payable and Accrued Liabilities	\$58,994	\$33,272
Due to the GNWT	0	75,085
Payroll Liabilities	2,679,458	2,392,289
Deferred Revenue	1,810,058	1,700,406
Post-Employment Benefits	1,781,424	2,194,535
Total Liabilities	<u>\$6,329,933</u>	<u>\$639,558</u>
Net Financial Resources	<u>\$2,101,433</u>	<u>\$3,484,087</u>
<u>Non-Financial Assets</u>		
Prepaid Expenses (Note 20)	\$0	\$0
Accumulated Fund Balance	<u>\$2,101,433</u>	<u>\$3,484,087</u>

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NON-CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT
For the Year Ended June 30, 2022

	<u>2022</u>	<u>2021</u>
Annual Surplus/(Deficit) (Schedule 19)	(\$1,382,656)	\$217,668
Prior Year Adjustments	<u>0</u>	<u>0</u>
Increase/(Decrease) in Net Financial Resources	(\$1,382,656)	\$217,688
Opening Net Financial Resources	<u>3,484,088</u>	<u>3,266,420</u>
Closing Net Financial Resources	<u><u>\$2,101,433</u></u>	<u><u>\$3,484,088</u></u>

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
NON-CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended June 30, 2022**

	<u>2022 Budget (unaudited)</u>	<u>2022 Actual</u>	<u>2021 Actual</u>
<u>REVENUES</u>			
ECE Contributions			
Regular ECE Contributions	\$24,102,384	\$24,914,033	\$25,294,194
Other ECE Contributions	403,000	1,035,806	2,695,246
Total ECE Contributions	\$24,505,384	\$25,949,839	\$27,989,440
Other GNWT Contributions	\$15,000	\$15,112	\$16,079
Total GNWT Contributions	\$24,520,384	\$25,964,951	\$28,005,519
Government of Canada Contributions			
Jordan's Principle	\$2,181,815	\$2,168,021	\$2,444,293
Other Government of Canada	0	(1,000)	0
Total Government of Canada Contributions	\$2,181,815	\$2,167,021	\$2,444,293
Other Education Bodies	\$0	\$0	\$0
Generated Funds			
Investment Income	\$50,000	\$68,496	\$48,249
Non-GNWT Contributions	70,000	110,000	86,319
Donations	0	0	0
Other	0	25,865	18,825
Total Generated Funds	\$120,000	\$204,362	\$269,872
Total Revenues	\$26,822,199	\$28,336,334	\$25,834,366
<u>EXPENSES (Schedule 20)</u>			
Administration	\$2,172,919	\$1,955,320	\$2,018,328
School Programs	15,339,795	15,442,607	15,645,670
Inclusive Schooling	4,899,670	5,379,712	5,111,109
Indigenous Language and Education	1,864,659	1,818,791	2,031,819
Jordan's Principle	2,181,815	2,168,021	2,444,293
Amortization	26,236	0	26,236
Transfers to DEAs	1,368,555	2,954,538	3,134,317
Total Expenses	\$27,853,649	\$29,718,990	\$30,385,537
Operating Surplus/(Deficit)	<u>(\$1,031,450)</u>	<u>(\$1,382,656)</u>	<u>\$217,668</u>
Fund Balance at beginning of year		<u>3,484,088</u>	<u>3,266,420</u>
Fund Balance at end of year		<u><u>\$2,101,433</u></u>	<u><u>\$3,484,088</u></u>

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF EXPENSES
(Non-Consolidated)
For the Year Ended June 30, 2022

School Programs	Inclusive Schooling	Admin.	Indigenous Language	Jordan's Principle	Fiscal & Transfers	Total
Salaries						
Teachers	\$13,142,942	\$2,618,820		\$1,215,346		\$16,977,107
Instruction Assistants		\$2,162,440		\$333,604	\$2,168,021	\$4,664,065
Non-Instructional Staff	\$2,004,623	\$151,133	\$1,423,059	\$149,632		\$3,728,446
Board/Trustee Honoraria		\$7,800	\$5,343			\$13,143
Employee Benefits						
Employee Benefits/Allowances	\$155,297	\$65,251	\$11,745	\$20,880		\$253,173
Leave & Termination Benefits	(\$90,419)	(\$37,991)	(\$6,838)	(\$12,157)		(\$147,406)
Services Purchased/Contracted						
Professional/Technical Services	\$62,250	\$75,052	\$82,985	\$12,255		\$232,542
Postage/Communication			\$23,521	\$89		\$23,610
Utilities						\$0
Travel	\$5,979	\$62,865	\$22,007	\$12,391		\$103,241
Student Travel		\$699				\$699
Advertising/Printing/Publishing		\$12,292	\$13,552	\$22,730		\$48,574
Maintenance/Repair			\$8,807			\$8,807
Rentals/Leases			\$183,306	\$0		\$183,306
Contracted Services	\$126,873	\$77,635	\$8,513	\$33,678		\$246,699
Materials/Supplies/Freight						
Materials	\$34,037	\$180,384	\$175,679	\$28,988		\$419,089
Freight	\$1,025	\$3,333	\$3,642	\$1,356		\$9,357
Transfers to DEA's					\$2,954,538	\$2,954,538
Total	\$15,442,607	\$5,379,712	\$1,955,320	\$1,818,791	\$2,168,021	\$29,718,990

SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENSES
INCLUSIVE SCHOOLING
For the Year Ended June 30, 2022

	General Expenditures	Staff Development	Assistive Technology	Magnet Facilities	Total
Salaries					
Regional Coordinator	\$108,405				\$108,405
Program Support Teachers	\$2,024,034	\$58,045		\$167,691	\$2,249,770
Support Assistants	\$2,655,688				\$2,655,688
Employee Benefits					
Employee Benefits/Allowances *					\$0
Services Purchased/Contracted					
Professional/Technical Services	\$75,052				\$75,052
Travel		\$62,865			\$62,865
Student Transportation (Bussing)					\$0
Advertising/Printing/Publishing	\$12,292				\$12,292
Maintenance/Repair					\$0
Rentals/Leases	\$501				\$501
Contracted Services	\$80,413				\$80,413
Materials/Supplies/Freight					
Materials	\$266,541	\$26,466	\$19,752		\$312,758
Freight			\$3,333		\$3,333
Total	\$5,222,924	\$147,375	\$23,085	\$167,691	\$5,561,075

* From Schedule 20

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENDSES
INDIGENOUS LANGUAGE AND EDUCATION
For the Year Ended June 30, 2022**

	Student Instruction	Teaching Resources	Professional Development	School ** Activities	Total
<u>Salaries</u>					
ILE Teachers	\$1,195,546				\$1,195,546
Language Consultants		\$146,956		\$12,858	\$159,814
Instruction Assistants	\$333,604				\$333,604
Non-Instructional Staff Honoraria				\$20,770	\$20,770
					\$0
<u>Employee Benefits</u>					
Employee Benefits/Allowances *					\$0
<u>Services Purchased/Contracted</u>					
Professional/Technical Services					\$0
Travel		\$6,516	\$5,875	\$1,271	\$13,662
Student Transportation (Bussing)				\$2,320	\$2,320
Advertising/Printing/Publishing		\$22,730			\$22,730
Maintenance/Repair				\$5,920	\$5,920
Rentals/Leases				\$2,001	\$2,001
Contracted Services		\$45,932		\$115,560	\$161,492
<u>Materials/Supplies/Freight</u>					
Materials		\$29,077		\$471,017	\$500,094
Freight		\$1,356		\$562	\$1,918
Total	\$1,529,149	\$252,568	\$5,875	\$632,279	\$2,419,871

* from Schedule 20

** from respective DEA schedules

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENDITURES
FRENCH LANGUAGE
For the Year Ended June 30, 2022**

	Contributions July 1, 2021 to June 30, 2022	SSDEC Commitment July 1, 2021 to June 30, 2022	Total Expenses July 1, 2021 to June 30, 2022	Under/(Over) Funding
Bilateral Agreement Funding				
Core French 1-12 (salary)		\$397,700	\$435,458	(\$37,758)
Immersion Pioneer Class (salary)	\$273,000	305,500	711,054	(132,554)
Resources		15,000	12,686	2,314
Partnership with YK1	15,000		15,000	-
French Monitor		5,000	2,225	2,775
Professional Development		5,000	6,195	(1,195)
French Language Communications				
Intensive French: Salary		289,200	441,239	(152,039)
Intensive French: Retention/Recruitment	11,000			11,000
Intensive French: Resources	10,000		7,590	2,410
Intensive French: Training/Visits	4,500		1,437	3,063
Totals	\$313,500	\$1,017,400	\$1,632,885	(\$301,985)

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENDITURES
NWT STUDENT SUCCESS INITIATIVE - PROFESSIONAL DEVELOPMENT
For the Period July 1, 2021 to June 30, 2022**

	Budget 2021/22	Actual 2021/22
<u>Revenue</u>		
Education, Culture and Employment	\$55,000	\$55,000
NWTTA		0
Total Revenue	\$55,000	\$55,000
<u>Expenditures</u>		
<u>Salaries/Wages</u>		
Salaries	\$598,880	\$1,044,702
Facilitator's Fees	169,456	169,456
Substitute Teachers Wages	11,500	0
<u>Travel</u>		
Facilitator Travel	20,000	98
Staff Travel	18,500	3,241
Accommodation	17,000	3,804
Per Diems	12,500	2,105
<u>Workshop Expenses</u>		
Room Rental		
Tuition		
Refreshments	3,000	291
Resources	62,500	115,419
Miscellaneous	15,000	920
Total Expenses	\$928,336	\$1,340,035
Net Surplus/(Deficit)	(\$873,336)	(\$1,285,035)

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENDITURES
NORTHERN DISTANCE LEARNING
For the Year Ended June 30, 2022**

	Budget 2021/22	Fort Resolution	Total	July 1, 2021 to March 31, 2022	April 1, 2022 to June 30, 2022	July 1, 2021 to June 30,2022
Revenues						
Education, Culture & Employment	\$63,000	\$63,000	\$63,000	\$42,210	\$20,790	\$63,000
Other						\$0
Total Funding	\$63,000	\$63,000	\$63,000	\$42,210	\$20,790	\$63,000
Expenditures						
Support Persons	\$0	\$67,990	\$67,990	\$50,993	\$16,997	\$67,990
Network Charges			\$0			\$0
Total Expenditures	\$0	\$67,990	\$67,990	\$50,993	\$16,997	\$67,990
Surplus/(Deficit)	\$63,000	(\$4,990)	(\$4,990)	(\$8,783)	\$3,793	(\$4,990)

Schedule 26

**SOUTH SLAVE DIVISIONAL EDUCATION COUNCIL
SCHEDULE OF SPECIFIC PROGRAM EXPENDITURES
Jordan's Principle
For the Year Ended June 30, 2022**

	June 30, 2022 Budget	June 30, 2022 Actual	June 30, 2021 Actual	July 1, 2021 to March 31, 2022 Actual	April 1, 2022 to June 30, 2022 Actual
Revenue					
Government of Canada					
- First Nations and Inuit Health Branch	\$1,196,973	\$2,204,639	\$1,663,038	\$2,157,587	\$47,052
Carry Forward from Previous Year	\$1,206,622	\$0	\$833,935	\$0	
Total Revenue	\$2,403,595	\$2,204,639	\$2,496,973	\$2,157,587	\$47,052
Expenditures					
Administration					
Personnel	\$2,403,595	\$2,230,111	\$2,444,810	\$1,621,012	\$609,099
Transportation		\$1,109	\$7,219	\$1,109	\$0
Materials and Supplies		\$15,222	\$20,929	\$15,222	\$0
Rent and Utilities					
Evaluation					
Other		\$0	\$34,798	\$0	\$0
Total Expenditures	\$2,403,595	\$2,246,442	\$2,507,756	\$1,637,343	\$609,099
Surplus/(Deficit)	\$0	(\$41,803)	(\$10,783)	\$520,244	-\$562,047
Deferred Revenue	\$0	(\$41,803)	(\$10,783)		

Schedule 27

**South Slave Divisional Education Council
2021/22 Fund Balances
(Unaudited)**

	<u>SSDEC</u>	<u>Fort Smith</u>	<u>Hay River</u>	<u>K'atlodeeche</u>	<u>Fort Resolution</u>	<u>Lutsel K'e</u>	
Fund Balances as per audited Financial Statements	\$2,101,433	\$58,889	\$249,928	\$1,388	\$71,476	\$149,248	\$530,929
less: Staffing Surpluses							
- Lutsel K'e Dene School	\$106,005						
- Paul William Kaeser	\$291,778						
- Harry Camsell	\$145,231						
- Joseph Burr Tyrrell	\$123,754						
- Chief Sunrise	\$149,624						
- Princess Alexandra	\$159,681						
- Diamond Jenness Secondary School	\$192,548						
- Deninu School	\$73,083						
		(\$1,241,704)					
Commitments against surpluses							
- Council Office							
- Fort Resolution DEA plan					(\$64,027)		
- Lutsel K'e DEA plan						(\$140,173)	
- Hay River DEA plan (bus depreciation)			(\$212,508)				
- Fort Smith plan		(\$24,226)					
Uncommitted Fund Balance	\$859,729	\$34,663	\$37,420	\$1,388	\$7,449	\$9,075	
2022/23 contributions from SSDEC		\$456,529	\$535,153	\$175,874	\$126,423	\$123,353	
Fund Balance percentage *		7.59%	6.99%	0.79%	5.89%	7.36%	

* Calculated as per SSDEC policy DFAA - Financial Surplus
maximum SSDEC fund balance as per policy DFAA - Financial Surplus

\$1,983,543

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Consolidated Financial Statements

June 30, 2022

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Consolidated Financial Statements

	Page
Management's Discussion and Analysis	2 - 14
Management's Responsibility for Financial Reporting	19
Independent Auditors' Report	20 - 22
Consolidated Statement of Financial Position	23
Consolidated Statement of Operations	24
Consolidated Statement of Changes in Net Assets	25
Consolidated Statement of Cash Flows	26
Consolidated Statement of Accumulated Surplus	27
Notes to Consolidated Financial Statements	28 - 58
Schedule 1 - Operating Fund - Detail of Expenses	59 - 60
Schedule 2 - Detail of Inclusive Schooling Expenses	61
Schedule 3 - Indigenous Languages and Culture Program Expenses	62
Schedule 4 - French Language Programs	63
Schedule 5 - Student Success Initiative Projects	64
Schedule 6 - Jordan's Principle	65
Schedule 7 - Schedule of Utilities Expenses	66

**YELLOWKNIFE PUBLIC DENOMINATIONAL DISTRICT EDUCATION
AUTHORITY
(YELLOWKNIFE CATHOLIC SCHOOLS)**

**FINANCIAL STATEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

Table of Contents

INTRODUCTION	3
EXECUTIVE SUMMARY	4
Mission, Values and Beliefs	4
Board of Trustees	5
Yellowknife Catholic Schools	5
Student and Teacher Population	6
Strategic Plan	7
FINANCIAL HIGHLIGHTS	8
Financial Assets	8
Liabilities	8
Non-Financial Assets	8
Accumulated Surplus	9
FINANCIAL COMPARISONS AND VARIANCES	10
Revenues	10
Expenditures	11
Operating Surplus	14
Variance Analysis	15
SUMMARY AND OUTLOOK	17

INTRODUCTION

The Consolidated Financial Statements report the financial position and results of operations of the Yellowknife Catholic Schools for a school/fiscal year. The information provided in the following pages is intended to assist readers of the Consolidated Financial Statements in their assessment of the district's financial health.

The Consolidated Statement of Financial Position discloses the financial position of the Government including assets, liabilities, accumulated surplus or deficit, and the net debt position of the Government and is measured at June 30th.

The Consolidated Statement of Operations discloses financial information relating to revenues and expenses encompassing the results for a fiscal year.

The Consolidated Statement of Change in Net Assets explains the change in net assets. It tracks the extent to which expenditures of the accounting period are met by the revenues recognized in operations for the period; and what the district has spent to acquire tangible capital asset.

The Consolidated Statement of Cash Flow discloses cash balances at the beginning and end of the fiscal year as well as the sources and uses of cash in operating, investing, financing and capital transactions during the fiscal year.

EXECUTIVE SUMMARY

The following 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, 2022 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 management. It is the responsibility of the Board of Trustees to promote transparency and accountability.

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 to follow Jesus' example. 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 a family of learners: developing faith, celebrating culture, supporting diversity, teaching critical thinking, and inspiring service to others.

Through Christ we value truth, honesty, compassion, respect, forgiveness, service, love and living the faith.

We believe that we are a Catholic, Christ-centered community that strives to nurture the spiritual, intellectual, emotional, social, and physical development of all learners.

Board of Trustees

There are seven trustees at Yellowknife Catholic Schools. Ms. Tina Schaurtte is the Chair and Ms. Susan Waddell is the Vice Chair. Other trustees are Ainsley Dempsey, Andy Young, Christine Lewandowski, Melanie Williams, and Steven Voytilla. There are three committees in place –Facilities and Finance, Policy and COVID 19. Trustee meetings are held each month and are open to the public.

Yellowknife Catholic Schools

Yellowknife Catholic Schools (YCS) is the only Catholic school board in the Northwest Territories. YCS was established in July 1951 and provides education for students from Junior Kindergarten to Grade 12.

YCS programs operate out of: 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. All our facilities are in excellent condition.

The senior administration team during the 2021-2022 school year consisted of Simone Gessler – Superintendent, Pat Sullivan– Assistant Superintendent – Learning and Mahesh Adhikary – Assistant Superintendent – Business.

The principal at École St. Patrick High School is Todd Stewart. The principal at Weledeh Catholic School is Jenny Reid and the principal at École St. Joseph School is Don Reid.

Student and Teacher Population

The following is the student enrolment as of September 30, 2021, and the teachers that were employed as of September 30, 2021.

	Enrolment	Teachers	Pupil/Teacher Ratio
École St Patrick High School	526	35	15
Weledeh Catholic School	369	23	16
École St Joseph School	604	35	16
KCTC	0	4	0
	1,499	97	15

There was a total of 207 staff at YCS as of June 2022.

Strategic Plan

Vision Statement for 2021-2024

Yellowknife Catholic Schools' 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 for the Government of the Northwest Territories (GNWT) Minister of Education, Culture and Employment (ECE), in accordance with Canadian Public Sector Accounting Standards.

Financial Assets

The financial assets of YCS consist of Cash, Accounts receivable and Deposit in Trust held by Government of the Northwest Territories. The cash balance was \$11,197,498 on June 30, 2022 (prior year - \$10,622,607) and indicates a good cash flow. The financial assets position on June 30, 2022 was \$12,811,213 (prior year \$10,802,382).

Liabilities

Liabilities consist of payroll liabilities, accounts payable, deferred revenues and long-term debt. The payroll liabilities consist of payroll liabilities to staff for July and August. The long-term debt was reduced by \$116,704 during the year and is for a debenture on the Tallah building. Rental revenue for the Tallah building covers the net financial debt.

The Consolidated Statement of Financial Position has a subtotal called "Net Financial Assets". This line is an indicator of the ability to discharge all the entity's debts with financial assets. This year the net surplus is \$4,622,293 compared to the prior year with a net surplus of \$3,589,230. It indicates that YCS has sufficient assets to pay off all debt at year end.

Non-Financial Assets

Non-financial assets include land and buildings that YCS has no intention of selling and that would not be able to be quickly converted to cash. The non-financial assets decreased from \$37,752,125 to \$35,618,055 which mainly reflects the change in the value of the tangible capital assets owned by Yellowknife Catholic Schools.

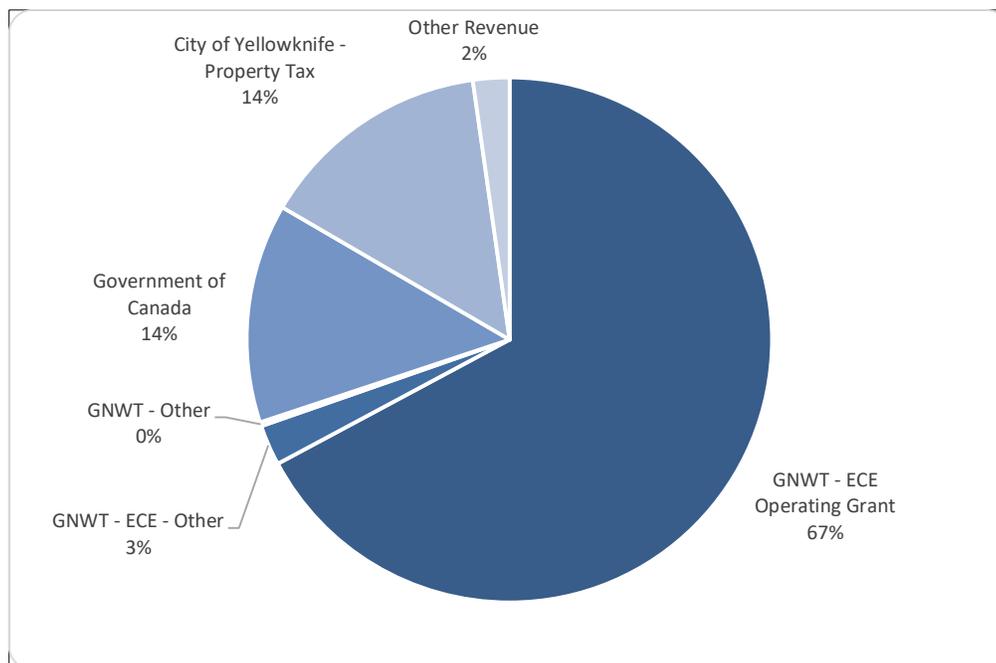
The \$1,650,499 decrease in tangible capital assets relates to amortization of tangible capital assets for this fiscal year partially offset by renovation projects capitalized during the year.

Accumulated Surplus

Accumulated surplus is equal to the sum of non-financial assets and net financial assets. Accumulated surplus represents the equity that YCS has generated in the last 71 years of its existence. The largest component of accumulated surplus is the Investment in Tangible Capital Assets. A further breakdown of accumulated surplus can be found on the Consolidated Statement of Accumulated Surplus.

FINANCIAL COMPARISONS AND VARIANCES

Revenues



Most of the funding (67%) for YCS comes from the Government of the Northwest Territories (GNWT) Department of Education, Culture and Employment (ECE) as core funding for school operations. The core funding is derived from a funding formula developed by ECE. The most important factor in the funding formula is student enrollment. In total 70% of the revenue came from the Government of Northwest Territories.

During the year, Yellowknife Catholic Schools received funding from Jordan’s Principle – Government of Canada - 14% of revenue. Jordan’s Principle is funding to help support indigenous students so they can access the products, services and supports they need, when they need them.

YCS also generates revenue from property taxes – 14% of revenue. The City of Yellowknife collects property tax revenue on our behalf. Other GNWT funding includes contribution agreement funding for: French language programs, active after-school programs and health and wellness programs.

Board generated funds include donations, Bus Pass sales, After-School program fees, investment revenue, and rental revenue.

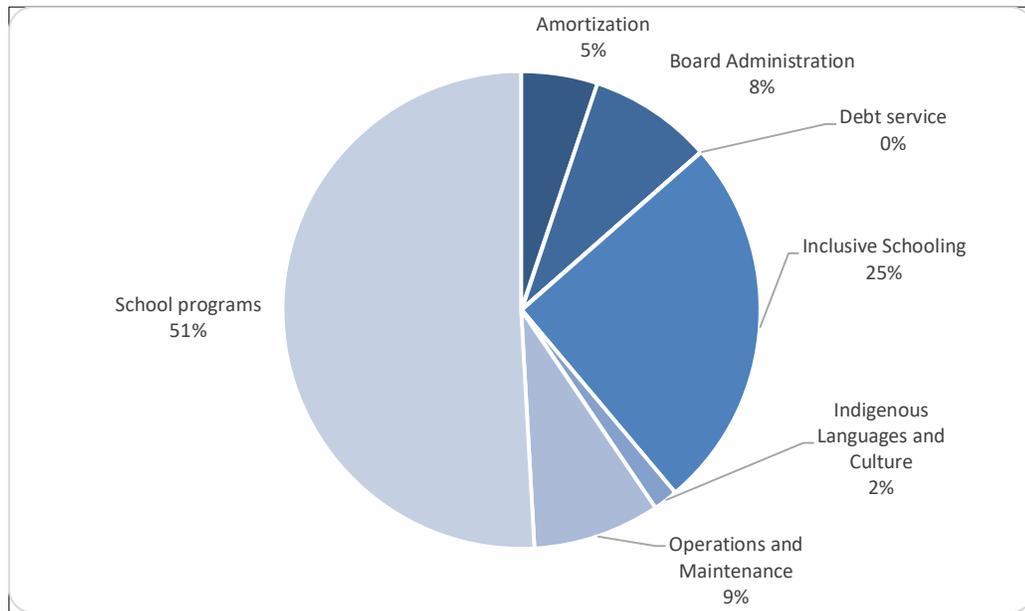
YCS generates revenue from other school districts when a student from that district attends an YCS school and the other district receives GNWT core funding for that student.

YCS is economically dependent upon the GNWT for most of its operating revenue. Significant changes to enrollment in Yellowknife or to the GNWT funding formula would have dramatic effects on the future operations of YCS.

Expenditures

The Consolidated Statement of Operations and Schedule 1 provide two different ways to classify expenditures. In the Consolidated Statement of Operations, expenditures are classified by program. Schedule 1 of the consolidated financial statements provides an additional breakdown by object.

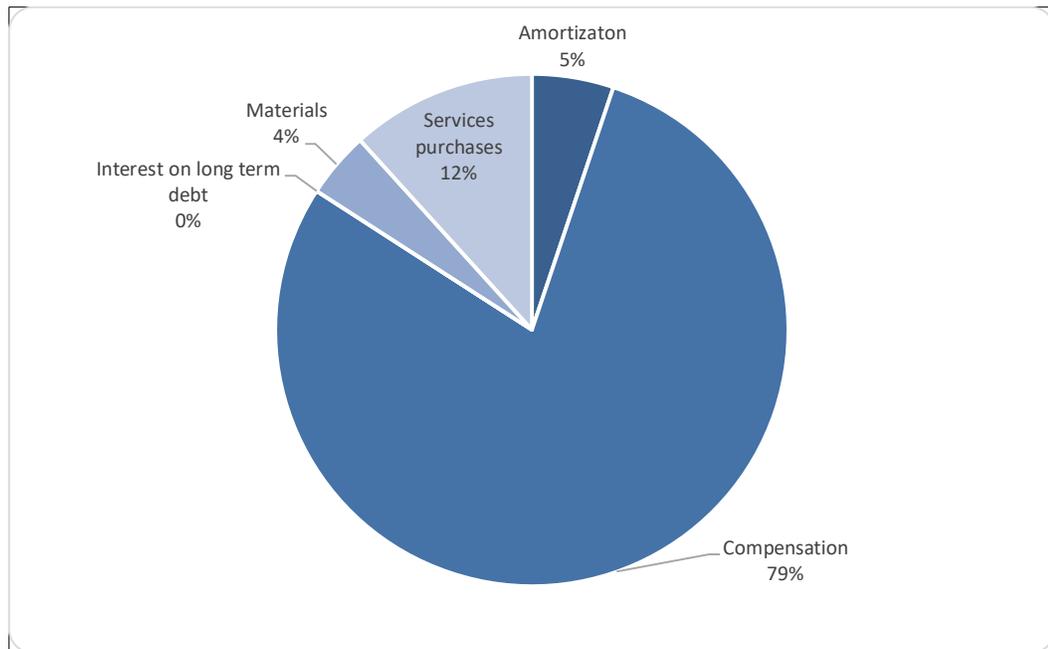
Expenditures - By Program



Program categories for YCS are:

- Amortization (5%): This expense relates to the rational and systematic manner to write off the value of the tangible capital asset over an appropriate number of accounting periods.
- Board Administration (8%): Includes salary and benefits for central services administrative and technology staff, honoraria for trustees, audit and legal fees, travel costs, advertising, and publishing costs.
- Debt service: Relates to interest on long-term debt for the repayment of debentures for the Tallah Building. Debenture repayments for the Tallah building are mostly funded through lease payments from Aurora College.
- Inclusive schooling (25%): Expenditures in this program relate to supporting students with diverse needs. This support can include enrichment opportunities as well as supporting students with learning challenges. Salary and benefits for program support teachers, literacy and early intervention teachers, the student services coordinator, counselors, classroom assistants, and advanced placement teachers are included in this category.
- Indigenous Language Education (2%): Includes salary and benefits of Wiliideh Yati Language instructors, salary and benefits of the literacy coach, costs related to the creation of learning materials in the Wiliideh Yati language and the cost of running our indigenous language and culture camps.
- Operations and maintenance (9%): Includes salary and benefits of maintenance staff, cost of electricity, fuel and water, expenditures on janitorial services, expenditures on repair and maintenance of our facilities (including minor capital projects).
- School programs (51%): Salary and benefits for most of the teachers are recorded in this program. Other large components of expenditure in this program are salary and benefits for school administrative assistants, curriculum coordinators, the cost for school textbooks and supplies and the cost of busing services.

Expenditures by Object



- **Compensation (79%):** Includes salary for teachers, coordinators, classroom assistants, maintenance staff, administration assistants, counsellors, technology staff, administrative staff and trustee honoraria. The majority of YCS staff is unionized and collective agreements with the unions specify pay and benefits for these staff. 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 (12%):** Include busing, janitorial services, insurance services, security services and snow removal.
- **Materials/freight (4%):** Include expenses for material and freight of goods.
- **Amortization (5%):** This expense relates to the rational and systematic manner to write off the value of the tangible capital asset over an appropriate number of accounting periods.
- **Debenture interest:** Include interest expense paid during the year for the Tallah building debentures.

Operating Surplus

At the end of the year, there was an operating surplus of \$4,704,718.

Summary of Accumulated Surplus

	Opening	Increase/ (Decrease)	Closing
Operating fund surplus	3,791,601	913,117	4,704,718
Investment in tangible capital assets	36,864,094	(1,533,795)	35,330,299
Decentralized budget accumulated surplus	685,660	(349,354)	336,306
	41,341,355	(970,032)	40,371,323

The operating fund surplus increased by \$913,117 during the year. This was mainly due to increased funding from the Government of the Northwest Territories and limitations to run several programs due to health and travel restrictions placed to contain the spread of COVID 19.

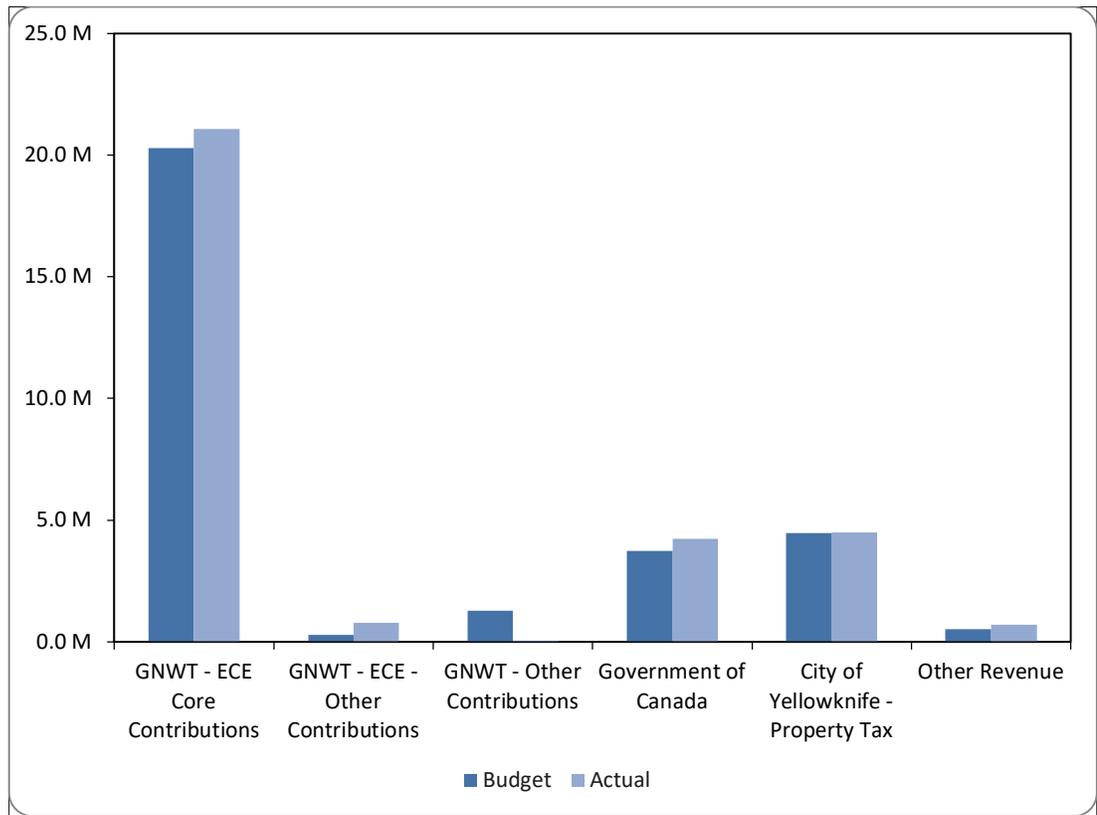
Investment in tangible capital assets represents the amount of funds received and recognized as revenue that allow us to purchase our tangible capital assets less accumulated amortization. The decrease in this account this year is due to amortization of our tangible capital assets offset by the principal portion of the repayment of the debenture on the Tallah Building and offset by acquisition of equipment.

The decentralized budget accumulated surplus consists of funds, which are committed to or designated to specific purposes. Most of these funds are school-based funds surpluses. Decisions on expenditure of school-based funds are made by individual schools under YCS' School-Based Decision-Making procedure.

Variance Analysis

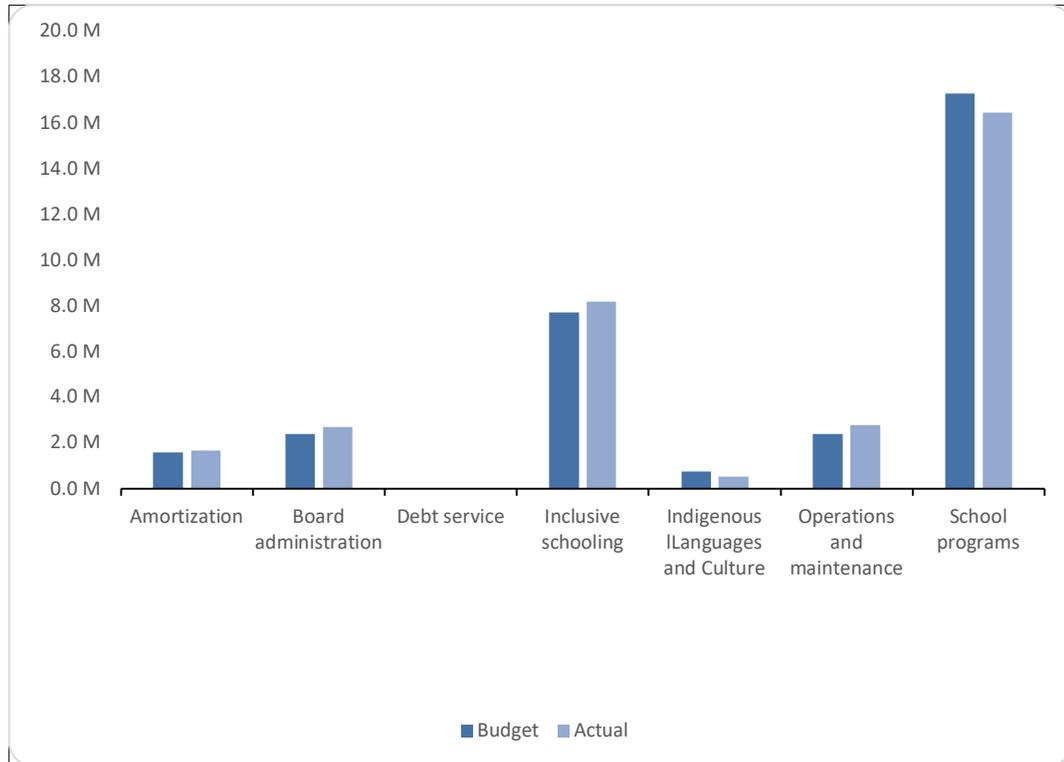
Revenue

In the 2021-2022 fiscal year, an annual deficit of \$1,615,000 was budgeted and the actual deficit was \$970,032. The budgeted revenue for 2021-2022 was \$30,586,757 and the actual revenue was \$31,347,819. The increase in revenue is due to increased core and other contributions from the Government of Northwest Territories through Education, Culture and Employment; Jordan’s Principle funding from the Government of Canada, property taxes requisitioned from the City of Yellowknife and miscellaneous revenues generated by the district.



Expenditures

The budgeted expenditures for the 2021-2022 fiscal year were \$32,201,757 and the actual expenditures were \$32,317,851 resulting in a variance (over-expenditure) of \$116,094. The variance is primarily attributed to additional resources to support Indigenous students under Jordan's Principle and expenditures to safely reopen schools during the pandemic.



SUMMARY AND OUTLOOK

The 2022-2023 school year will be an exciting year at all three schools. We will continue to focus on 21st century learning skills. This year we continue the theme of Merciful Hearts, with the specific focus on Mercy that Serves.

In the budget for 2022-2023, the Trustees committed to supporting all the present programs and positions at Yellowknife Catholic Schools. The Trustees and administration will continue to work together to provide the best education while being fiscally responsible.

The Board of Trustees and senior staff will work on a strategic plan for the next five years.

YCS has a healthy operating fund surplus for the year and strong cash position that will allow us to continue to operate in a financially prudent manner in the future. YCS will continue to be challenged to provide quality education in a fiscally responsible manner. While we are faced with financial constraints, we will ensure that today's dollars are spent on today's students. This will ensure that all of our students are prepared for their exciting lives.

**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, 2022

The Management Discussion and Analysis, Consolidated Financial Statements, Schedules and Notes herein submitted have been prepared by management. They provide full disclosure and accurately reflect the financial and non-financial condition of Yellowknife Catholic Schools ("YCS") in all material respects and in accordance with Canadian Public Sector Accounting Standards ("CPSAS") as well as the Financial Administration Manual ("FAM") and the Financial Administration Manual for Education Authorities ("FAMEA") of the Government of the Northwest Territories.

Management hereby asserts that adequate internal controls exist to ensure that transactions are complete, accurate and timely, appropriately authorized and include only valid transactions of the entity; that duties related to processes are appropriately segregated, that assets are safeguarded and that proper records are maintained. Controls further include quality standards regarding the hiring and training of employees, that ensure the adequate maintenance of written policies and procedural manuals and that further provide for appropriate accountability for performance within well-defined areas of responsibility. The operations and administration of Yellowknife Catholic Schools have been conducted within the statutory powers of the Education Authority. The operations and administration of the Education Authority as well as the supporting internal controls of the entity are regularly monitored to ensure their effectiveness and their continued compliance with all relevant legislation, standards, directives and policies including but not limited to the *Education Act*, *Financial Administration Act*, CPSAS, FAM, FAMEA, Human Resources Manual, Ministerial Directives and the policies of the Education Authority Board. Any non-compliance has been specifically identified and has been previously communicated to the Minister and Deputy Minister.

Management hereby asserts that auditors have been provided with all relevant records and documentation as well as unrestricted access to the same. Management is not aware of any undisclosed irregularities involving management or employees with either current or potential impact on financial results, fraud or suspected fraud, disbursements made for purposes not consistent with an appropriation, irregular commitments including those in the form of guarantees, violations or possible violations of laws or regulations, claims or litigation, known or suspected environmental site contaminations or of any other undisclosed environmental or safety hazards within its jurisdiction.

The auditors annually provide an independent, objective audit for the purpose of expressing an opinion on the financial statements in accordance with Canadian generally accepted auditing standards. The auditors also consider whether the transactions that have come to their notice in the course of this audit are, in all significant respects, in accordance with specified legislation and directives from the Department of Education, Culture, and Employment ("ECE") of the Government of the Northwest Territories.

Approved and confirmed on behalf of the Yellowknife Catholic Schools.



Superintendent



Assistant Superintendent - Business

September 21, 2022

**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, 2022, and the consolidated statement of changes in net financial asset, 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, 2022, and its results of operations 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, 2022 and 2021 are not recognized nor audited in the accompanying financial statements. Our audit opinion on the financial statements for the year ended June 30, 2021 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.

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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the 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
September 21, 2022**

Chartered Professional Accountants

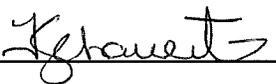
Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Consolidated Statement of Financial Position

As at June 30,	2022	2021
Financial Assets		
Cash and cash equivalents (Note 4)	\$ 11,197,498	\$ 10,622,607
Accounts receivable (Note 8)	29,044	27,705
Due from the Government of Canada (Note 14)	79,671	152,070
Deposit in trust (Note 9)	1,505,000	-
	12,811,213	10,802,382
Liabilities		
Accounts payable and accrued liabilities (Note 11)	831,823	283,894
Accrued payroll liabilities (Note 11)	3,613,595	3,417,327
Deferred revenue (Note 13)	2,428,901	2,213,574
Payroll benefits payable	18,175	18,518
Pensions (Note 16)	139,800	130,500
Long-term debt (Note 17)	287,756	404,460
Post-employment benefits and compensated absences (Note 18)	868,870	744,879
	8,188,920	7,213,152
Net Financial Assets	4,622,293	3,589,230
Non-Financial Assets		
Tangible capital assets (Note 20)	35,618,055	37,268,554
Prepaid expenses (Note 21)	130,975	483,571
	35,749,030	37,752,125
Accumulated Surplus	\$ 40,371,323	\$ 41,341,355
Represented by:		
Operating fund surplus	\$ 4,704,718	\$ 3,791,601
Investment in tangible capital assets	35,330,299	36,864,094
Decentralized budget accumulated surplus	336,306	685,660
	\$ 40,371,323	\$ 41,341,355

Contractual Obligations (Note 23), Contingencies (Note 24)

Approved on behalf of the Board

 Trustee

 Trustee

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Consolidated Statement of Operations

For the period ended June 30,	2022 Budget	2022 Actual	2021 Actual
Revenues			
Government of the Northwest Territories			
ECE - Regular Contributions	\$ 20,281,489	\$ 21,065,774	\$ 20,828,867
ECE - Other contributions	280,500	776,464	1,592,999
Total ECE contributions (Note 32)	20,561,989	21,842,238	22,421,866
GNWT - Other contributions (Note 33)	1,283,000	68,380	51,075
Total GNWT contributions	21,844,989	21,910,618	22,472,941
Government of Canada - grants and contributions	3,741,268	4,242,653	3,363,723
City of Yellowknife - property tax requisitioned	4,468,000	4,495,667	4,537,098
Other Education Authorities			
Extra - jurisdictional tuition	100,000	103,130	34,678
Education authority generated funds			
Donations	-	39,530	69,800
Fees and Sales	152,500	151,670	212,189
Investments	100,000	96,390	70,354
Other	-	129,543	94,742
Rentals	180,000	178,618	176,109
Total generated funds	432,500	595,751	623,194
	30,586,757	31,347,819	31,031,634
Expenses			
School Programs (Schedule 1)	17,280,059	16,438,192	16,729,062
Inclusive Schooling (Schedule 2)	4,318,681	3,938,836	4,063,746
Board Administration (Schedule 1)	2,419,205	2,707,687	2,108,679
Operations and Maintenance (Schedule 1)	2,395,846	2,776,865	2,717,929
Indigenous Languages and Culture (Schedule 3)	771,814	546,869	596,172
Jordan's Principle (Schedule 1)	3,401,152	4,242,653	3,363,723
Amortization (Schedule 1)	1,600,000	1,663,453	1,662,158
Debenture Interest (Schedule 1)	15,000	3,296	3,719
	32,201,757	32,317,851	31,245,188
Operating deficit	(1,615,000)	(970,032)	(213,554)
Opening accumulated surplus	41,341,355	41,341,355	41,554,909
Closing accumulated surplus	\$ 39,726,355	\$ 40,371,323	\$ 41,341,355

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Consolidated Statement of Changes in Net Assets

For the period ended June 30,	2022 Budget	2022 Actual	2021 Actual
Operating deficit	\$ (1,615,000)	\$ (970,032)	\$ (213,554)
Acquisition of tangible capital assets	-	(12,954)	(598,446)
Amortization of tangible capital assets	1,600,000	1,663,453	1,662,158
Change in prepaid expenses and deposits	-	352,596	(307,161)
Increase (decrease) in net assets	(15,000)	1,033,063	542,997
Net assets, beginning of year	3,589,230	3,589,230	3,046,233
Net assets, end of year	\$ 3,574,230	\$ 4,622,293	\$ 3,589,230

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Consolidated Statement of Cash Flows

For the year ended June 30,	2022 Actual	2021 Actual
Cash provided by (used in):		
Operating transactions		
Cash used in:		
Operating deficit	\$ (970,032)	\$ (213,554)
Items not affecting cash:		
Amortization	1,663,453	1,662,158
	693,421	1,448,604
Changes in non-cash working capital items		
Decrease (increase in) accounts receivable	(1,339)	526,384
Decrease in due from the Government of Canada	72,399	58,727
Decrease (increase) in prepaid expenses	352,596	(307,161)
Increase in accounts payable and accrued liabilities	547,929	91,083
Increase in accrued payroll liabilities	196,268	393,017
Increase in pensions	9,300	42,500
Increase in post-employment benefits and compensated absences	123,991	58,729
Increase in deferred revenue	215,327	1,386,662
Increase (decrease) in payroll benefits payable	(343)	2,066
	1,516,128	2,252,007
Cash provided by (used in) operating transactions	2,209,549	3,700,611
Financing transaction		
Repayment of long-term debt	(116,704)	(116,281)
Capital transaction		
Acquisition of tangible capital assets	(12,954)	(598,446)
Deposit in Trust - Pellet Boiler	(1,505,000)	-
Increase in cash and cash equivalents	574,891	2,985,884
Cash and cash equivalents, beginning of year	10,622,607	7,636,723
Cash and cash equivalents, end of year	\$ 11,197,498	\$ 10,622,607

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Consolidated Statement of Accumulated Surplus

For the period ended June 30,	2022	2021
Operating Fund Surplus		
Operating fund surplus, beginning of year	\$ 3,791,601	\$ 3,244,331
Operating deficit	(970,032)	(213,554)
Transfer from investment in tangible capital assets	1,533,795	947,431
Transfer from (to) decentralized budget accumulated surplus	349,354	(186,607)
Operating fund surplus, end of year	\$ 4,704,718	\$ 3,791,601
Transfer from investment in tangible capital assets consists of:		
Amortization	\$ 1,663,453	\$ 1,662,158
Capital acquisitions	(12,954)	(598,446)
Debenture principal repayment	(116,704)	(116,281)
	\$ 1,533,795	\$ 947,431
Investment in Tangible Capital Assets		
Investment in tangible capital assets, beginning of year	\$ 36,864,094	\$ 37,811,525
Amortization	(1,663,453)	(1,662,158)
Capital acquisitions	12,954	598,446
Debenture principal repayment	116,704	116,281
Investment in tangible capital assets, end of year	\$ 35,330,299	\$ 36,864,094
Decentralized Budget Accumulated Surplus		
Decentralized budget accumulated surplus, beginning of year	\$ 685,660	\$ 499,053
Transfer from (to) operating fund surplus	(349,354)	186,607
Decentralized budget accumulated surplus, end of year	\$ 336,306	\$ 685,660
Total Accumulated Surplus	\$ 40,371,323	\$ 41,341,355

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

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. 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.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

2. Significant Accounting Policies (continued)

(a) Basis of Accounting (continued)

Operating Fund Surplus (continued)

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 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.

(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, long-term debt, payroll benefits payable and accrued payroll 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

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

2. Significant Accounting Policies (continued)

(c) Financial Instruments (continued)

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.

(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 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.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

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 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.

Local Tax Revenue (property tax requisitioned)

The *Education Act*, 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* 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.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

2. Significant Accounting Policies (continued)

(f) Revenue Recognition (continued)

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 on going 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 128 and 129.

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.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

2. Significant Accounting Policies (continued)

(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.

(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, 2022.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

2. Significant Accounting Policies (continued)

(k) Employee Future Benefits (continued)

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.

(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.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

2. Significant Accounting Policies (continued)

(o) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organize or radioactive material or live organism that exceeds an environmental standard. A liability would be recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met: an environmental standard 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, 2022.

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
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

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

Asset Retirement Obligations, Proposed Section PS 3280

This section will be effective for fiscal years beginning on or after April 1, 2022 and it intended to enhance comparability of financial statements among public sector entities by establishing uniform criteria for recognition and measurement of asset retirement obligations, including obligations that may not have previously been reported. This section would require public sector entities to review existing contract, legislation, regulations, and other resources to identify retirement activities associated with its controlled tangible capital assets.

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
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

3. Future Accounting Changes (continued)

Public Private Partnerships PS 3160

This section establishes standards on accountin 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 infrastrucutre.

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.

4. Cash and Cash Equivalents

	2022	2021
Cash and cash equivalents	\$ 11,197,498	\$ 10,622,607

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
 (Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

8. Accounts Receivable

	Accounts Receivable	AFDA	Net 2022	2021
Due from GNWT	\$ 24,500	\$ -	\$ 24,500	\$ 6,403
Due from other	4,544	-	4,544	20,982
Due from related parties	-	-	-	320
Total	\$ 29,044	\$ -	\$ 29,044	\$ 27,705

9. Deposit in Trust

The Authority has entered into a Memorandum of Understanding with the Government of the Northwest Territories Department of Infrastructure for the project management, acquisition, and installation of pellet boilers in YCS schools. As at June 30, 2022 the Authority has provided \$1,505,000 to the GNWT Department of Infrastructure for project management which is expected to be completed by June 30, 2023.

10. Inventories

YCS does not have any inventories.

11. Accounts Payable and Accrued Liabilities

	2022	2021
Damage deposits	\$ 3,664	\$ 3,664
Trades payable	828,159	280,230
	\$ 831,823	\$ 283,894
Teachers - Northwest Territories Teachers' Association	\$ 2,497,081	\$ 2,397,696
Non-Teacher - Union of Northern Workers	1,024,347	1,019,631
Excluded employees	92,167	-
	\$ 3,613,595	\$ 3,417,327

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

12. Contribution Repayable

YCS does not have any contribution repayable.

13. Deferred Revenue

	June 30, 2021	Funding received or receivable	Revenue recognized	June 30, 2022
Government of Canada				
First Nations and Inuit Health Branch - Jordan's Principle	\$ 1,469,124	\$ 4,738,363	\$(4,242,653)	\$ 1,964,834
	1,469,124	4,738,363	(4,242,653)	1,964,834
Government of the Northwest Territories				
GNWT - Student Success Initiative	64,376	20,267,793	20,282,169)	50,000
GNWT - COVID-19 Support Funding	580,074	-	(166,007)	414,067
GNWT - Inclusive Schooling	100,000	-	(100,000)	-
	744,450	20,267,793	20,548,176)	464,067
	\$ 2,213,574	\$25,006,156	\$24,790,829)	\$ 2,428,901

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.

14. Due from and to the Government of Canada

	Accounts Receivable	AFDA	Net 2022	2021
Receivable				
GST Receivable	\$ 79,671	\$ -	\$ 79,671	\$ 152,070

15. 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, 2022

16 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 provision of the Plan as of June 30, 2022.

Effective May 1, 2013 teaching and non-union staff could no longer contribute to the DC provision. Instead all indeterminate teaching and non-unionized staff joined a new Defined Benefit (DB) provision of the Plan. Effective July 1, 2013, all indeterminate unionized non-teaching staff also ceased to make contributions to the DC provision and joined the DB provision of the Plan. After July 1, 2013, there are no employees making contributions to the DC provision.

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 provision or leave the employment of Yellowknife Catholic Schools.

No assets or liabilities related to the DC provision 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, 2022

16. Pensions (continued)

(b) Defined Benefit Plan

Effective May 1, 2013 a Defined Benefit (DB) provision was added to the Pension Plan for the Employees of Yellowknife Catholic Schools.

Summary of Defined Benefit provision:

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 2022 calendar year is \$64,900 (2021 - \$58,700).

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 2021/2022 Yellowknife Catholic Schools contributed \$1,688,900 (\$1,649,899 in fiscal 2020/2021) in respect of DB accruals.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

16. Pensions (continued)

(b) Defined Benefit Plan (continued)

The date of the most recent actuarial valuation of the Plan is June 30, 2021, and extrapolated to June 30, 2022. 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, 2022 is as follows:

(d) 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 gain (loss)	(2,884,900)	-	(2,884,900)
Fair value, end of year	\$ 30,046,600	\$ -	\$ 30,046,600

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

16. Pensions (continued)

(e) 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

(f) Funded status

	Pension Plan	Supplementary Plan	2022
Plan surplus / (deficit)	\$ 2,453,000	\$ (24,900)	\$ 2,428,100
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 of limit on assets	(4,289,000)	-	(4,289,000)
Accrued benefit asset (liability) after limit on assets	\$ -	\$ (139,800)	\$ (139,800)

(g) 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

Information about the Defined Benefit Plan and Supplementary Defined Benefit Pension Plan as at June 30, 2021 is as follows:

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

16. Pensions (continued)

(h) Plan assets

	Pension Plan	Supplementary Plan	2021
Fair value, beginning of year	\$ 24,672,100	\$ -	\$ 24,672,100
Expected return on plan assets	1,225,000	-	1,225,000
Employer contributions	2,120,600	-	2,120,600
Employee contributions	1,474,600	-	1,474,600
Benefit payments and expenses	(1,360,200)	-	(1,360,200)
Experience (loss) gain	1,292,900	-	1,292,900
Fair value, end of year	\$ 29,425,000	\$ -	\$ 29,425,000

(i) Accrued benefit obligations

	Pension Plan	Supplementary Plan	2021
Balance, beginning of year	\$ 22,699,100	\$ 109,100	\$ 22,808,200
Current service cost	2,949,700	40,200	2,989,900
Interest cost on accrued benefit obligation	1,186,000	1,300	1,187,300
Benefit payments and expenses (Gains) / losses on accrued benefit obligation	(1,360,200)	-	(1,360,200)
	645,400	4,600	650,000
Balance, end of year	\$ 26,120,000	\$ 155,200	\$ 26,275,200

(j) Funded status

	Pension Plan	Supplementary Plan	2021
Plan surplus (deficit)	\$ 3,305,000	\$ (155,200)	\$ 3,149,800
Unrecognized (gains) losses	131,800	24,700	156,500
Accrued benefit asset (liability) before limit on assets	3,436,800	(130,500)	3,306,300
Impact on limit of assets	(3,436,800)	-	(3,436,800)
Accrued benefit asset (liability)	\$ -	\$ (130,500)	\$ (130,500)

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

16. Pensions (continued)

(k) Determination of pension cost

	Pension Plan	Supplementary Plan	2021
Current service cost	\$ 1,475,100	\$ 40,200	\$ 1,515,300
Interest on accrued benefit obligation	(39,000)	1,300	(37,700)
Amortization of losses/ (gains)	67,600	1,000	68,600
Change in valuation allowance	616,900	-	616,900
Pension expense	\$ 2,120,600	\$ 42,500	\$ 2,163,100

(l) Actuarial assumptions

	2022	2021
Discount rate - pension plan	4.90%	4.75%
Discount rate - supplementary plan	1.90%	0.75%
Expected return on plan assets - pension plan	4.90%	4.75%
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 Years	13.6 Years
Expected average remaining services lifetime (EARSL) - supplementary plan	18.8 Years	14.6 Years

* 2022 - 100% of the 2014 Canadian Pensioners' Public Sector Mortality Table with projection scale CPM-B;
2021 - 100% of the 2014 Canadian Pensioners' Public Sector Mortality Table with projection scale CPM-B.

(m) Plan assets consist of:

	2022	2021
Fixed income securities	60%	60%
Equity securities	40%	40%

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

17. Long-Term Debt

	2022	2021
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 1.90%. If rates do not change, the final instalment will be due in 2025.	\$ 287,756	\$ 404,460

The debenture is repayable annually as follows:

2023	115,450	
2024	117,704	
2025	54,602	
	\$ 287,756	

The debentures are registered.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

18. 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, 2022. The liabilities are actuarially determined as the present value of the accrued benefits at March 31, 2022 and the results extrapolated to June 30, 2022. 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	2022	2021
Accrued benefit obligation, beginning of year	\$ 576,278	\$ 334,730	\$ 911,008	\$ 1,025,838
Current service cost	48,919	25,884	74,803	77,536
Interest cost	19,565	11,438	31,003	28,226
Benefits paid	(44,700)	(28,033)	(72,733)	(103,594)
Plan amendments	48,459	-	48,459	
Actuarial gains/losses	(73,695)	(57,152)	(130,847)	(116,998)
Accrued benefit obligations, end of year	574,826	286,867	861,693	911,008
Unamortized net actuarial gain/loss	(48,266)	55,443	7,177	(166,129)
Accrued benefit liability	\$ 526,560	\$ 342,310	\$ 868,870	\$ 744,879

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

18. Post-Employment Benefits and Compensated Absences (continued)

Benefits Expense

	Severance and removal	Compensated absences	2022	2021
Current service cost	\$ 48,919	\$ 25,884	\$ 74,803	\$ 77,536
Interest cost	19,565	11,438	31,003	28,226
Amortization of net actuarial (gain)/loss	15,011	27,448	42,459	56,561
Plan amendment	48,459	-	48,459	
Benefit expense, end of year	\$ 131,954	\$ 64,770	\$ 196,724	\$ 162,323

The discount rate used to determine the accrued benefit obligation was an average of 4.10% (2021 - 3.30%). The expected payments during the next five fiscal years are:

	Severance and removal	Compensated absences	Total
2023	\$ 71,683	\$ 21,225	\$ 92,908
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
Total	\$ 371,997	\$ 110,507	\$ 482,504

19. Trust Assets Under Administration

YCS does not have any trust assets under administration.

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

20. Tangible Capital Assets

	Cost	Additions	Disposals	Amortization	Accumulated Amortization	Net Book Value, June 30, 2022	Net Book Value, June 30, 2021
Land and improvements	\$ 1,838,825	\$ -	\$ -	\$ -	\$ -	\$ 1,838,825	\$ 1,838,825
Equipment	916,595	12,954	-	68,013	545,429	384,120	443,826
Buildings and Portables							
Career and Technical Centre	2,878,916	-	-	73,888	1,327,266	1,551,650	1,625,538
Central Services offices	1,048,460	-	-	41,700	785,468	262,992	304,692
Ecole St. Joseph School	37,393,984	-	-	788,566	16,566,860	20,827,124	21,615,690
Ecole St. Patrick High School	12,292,334	-	-	321,853	8,081,162	4,211,172	4,533,025
Tallah Building	621,027	-	-	15,757	152,135	468,892	484,649
Weledeh Catholic School	13,028,131	-	-	353,676	6,954,850	6,073,281	6,422,309
	67,262,852	-	-	1,595,440	33,867,741	33,408,065	34,985,903
	\$ 70,018,272	\$ 12,954	\$ -	\$ 1,663,453	\$ 34,413,171	\$ 35,618,055	\$ 37,268,554

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

21. Prepaid Expenses and Deposits

	2022		2021	
Insurance	\$	-	\$	451,621
Other		130,975		31,950
	\$	130,975	\$	483,571

22. 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 2022	Net Book Value 2021
St. Joseph Portables 4 Units	\$ 1,622,045	\$ 138,550	\$ 1,483,495	\$ 1,524,046

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

23. Contractual Obligations

YCS has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to June 30, 2022.

YCS is committed to four janitorial contracts for various schools and buildings. All of the contracts expire in June 2023. 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 anti-virus software, courier services, elevator maintenance, employee assistance, primary rate interface (PRI) phone service, photocopiers, and postage machines.

The future minimum payments are as follows.

	Expiry Date	2023	2024	2025	2026+	Total
Anti-virus software	August 2023	\$ 557	\$ -	\$ -	\$ -	\$ 557
Courier services	June 2023	7,031	7,031	-	-	14,062
Janitorial	June 2023	714,582	-	-	-	714,582
PRI Lines	June 2024	13,264	13,264	13,264	-	39,792
Photocopier	May 2023	298	298	-	-	596
Postage machine	June 2024	171	171	171	-	513
Student bussing	August 2026	370,421	382,109	393,797	393,797	1,540,124
		\$ 1,106,324	\$ 402,873	\$ 407,232	\$ 393,797	\$ 2,310,226

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 one-year agreement with the Northwest Territories Teachers' Association was signed for the period from September 2020 to August 2021. The Authority is currently in negotiation with NWTTA on a new collective agreement. A three-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 2019 to June 2022.

24. Contingencies

The Authority does not have any contingencies.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

25. Related Parties

YCS has the following transactions with government and other government controlled organizations:

Due to related parties:

2022 **2021**

Government of the Northwest Territories

Due from related parties:

	Accounts Receivable	AFDA	2022	2021
Government of the Northwest Territories				
Aurora College	\$ -	\$ -	\$ -	\$ 12,863
Department of Finance	20,038	-	20,038	6,288
Department of Health and Social Services	4,462	-	4,462	-
Total due from related parties	\$ 24,500	\$ -	\$ 24,500	\$ 19,151

Revenues from related parties:

2022 **2021**

Government of the Northwest Territories

Department of Education, Culture and Employment	\$ 21,842,238	\$ 20,828,867
Department of Municipal and Community Affairs	45,900	28,900
Department of Health and Social Services	8,925	14,308
Department of Environment and Natural Resources	13,555	8,000
Beaufort Delta Education Authority	-	15,000
Aurora College - Tallah building	\$ 123,198	\$ 120,289
Dettah District Education Authority	103,130	34,678

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

25. Related Parties (continued)

Expenses from related parties:

	2022	2021
Government of the Northwest Territories		
Department of Infrastructure	\$ 1,505,000	\$ 2,824
Department of Finance - debenture	120,000	120,000
Department of MACA	-	17,000
NWT Health and Social Services	-	4,615
YK Education District No. 1	22,823	1,430
South Slave Divisional Education	\$ -	\$ 65
Dehcho Divisional Education Council	-	600

26. 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 June 16, 2021 and have not been audited.

27. 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.

28. 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.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

28. Risk Management (continued)

(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 \$300,000.

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, 2022 is as follows:

	2022
Cash and cash equivalents	\$ 11,197,498
Due from the Government of Canada	79,671
Accounts receivable	29,044
Maximum credit risk exposure	<u>\$ 11,306,213</u>

At June 30, 2022, the following accounts receivable were past due but not impaired.

	30 days	60 days	90 days
\$	23,011	\$ -	\$ 4,068

At June 30, 2022, 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, 2022, receivables from one (2021 - one) customer(s) comprised 36% (2021 - 46%) 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 \$287,756 (2021 - \$404,460) 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
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

28. 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	\$ 11,197,498	\$ -	\$ -	\$ -
Due from the government of Canada	79,671	-	-	-
Accounts receivable	29,044	-	-	-
Total assets	\$ 11,306,213	\$ -	\$ -	\$ -
Total assets - prior year	\$ 10,802,382	\$ -	\$ -	\$ -
Financial liabilities	Up to 6 months	6 months to 1 year	1 to 5 years	Over 5 years
Accounts payable and accrued liabilities	\$ 831,823	\$ -	\$ -	\$ -
Due to the Government of Canada	-	-	-	-
Long-term debt	57,445	58,004	172,307	-
Accrued payroll liabilities	3,417,327	-	-	-
Total liabilities	\$ 4,306,595	\$ 58,004	\$ 172,307	\$ -
Total liabilities - prior year	\$ 3,366,214	\$ 61,990	\$ 284,460	\$ -
Net total	\$ 6,999,618	\$ (58,004)	\$ (172,307)	\$ -
Net total - prior year	\$ 7,436,168	\$ (61,990)	\$ (284,460)	\$ -

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
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

29. Expenses By Object

	2022 Budget	2022 Actual	2021 Actual
Amortization	\$ 1,600,000	\$ 1,663,453	\$ 1,662,158
Compensation	25,709,622	25,523,042	24,223,313
Interest on long-term debt	15,000	3,296	3,719
Materials/Freight	780,598	1,344,282	1,401,630
Services Purchased/Contracted	4,096,537	3,783,778	3,954,368
	\$ 32,201,757	\$ 32,317,851	\$ 31,245,188

30. Subsequent Events

There are no subsequent events to be addressed for the purposes of annual audit.

31. Comparative Figures

The consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

32. ECE Contributions

	2022	2021
Original contribution	\$ 20,282,169	\$ 20,459,801
Student Success Initiative	117,376	80,233
Deferred Inclusive Schooling	100,000	(100,000)
Termination benefits	534,066	344,057
NWTTA Collective bargaining adjustment	191,709	362,164
Mentorship release time	17,208	28,808
Insurance Adjustment	(263,889)	-
CYCC Phase 3 adjustment	-	(346,196)
UNW Collective bargaining impact	87,135	-
Updated contribution	\$ 21,065,774	\$ 20,828,867
After school program subsidy	115,957	46,204
Diplôme d'Études en Langue Française (DELF)	40,000	40,000
Extra French funding	149,000	111,400
French language funding	280,500	280,500
COVID-19 support funding	166,007	1,074,672
Junior kindergarten COVID grant	15,000	24,500
Official language	-	5,723
Self regulation	10,000	10,000
Other contributions	776,464	1,592,999
TOTAL	\$ 21,842,238	\$ 22,421,866

33. GNWT - Other Contributions

	2022	2021
Department of MACA		
Active After School	\$ 45,900	\$ 45,900
Regional youth handgames	-	(17,000)
Department of Health and Social Services		
Drop the Pop	8,925	14,175
Department of Environment & Natural Resources		
Take a Kid Trapping	13,555	8,000
Department of Justice		
Darkspark	-	-
TOTAL	\$ 68,380	\$ 51,075

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Notes to Consolidated Financial Statements

June 30, 2022

34. Contingent Assets

YCS does not have any contingent assets.

35. 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:

	2023	2024	2025	2026 and beyond	Total
Jordan's Principle	\$ 5,050,695	\$ -	\$ -	\$ -	5,050,695
Tallah Building	123,066	123,066	123,066	369,198	738,396
Core Funding	20,264,913	-	-	-	20,264,913
	\$ 25,438,674	\$ 123,066	\$ 123,066	\$ 369,198	\$ 26,054,004

YCS has entered a rental agreement with Aurora College for the rental of the Tallah Building. The lease agreement expires on June 30, 2028.

36. COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Authority's environment and in the global markets due to the possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) have had a material impact on the Authority's operations.

To mitigate the risk of virus spreading in the community, the schools were required to close for a period of time during the year. This has led to temporary suspension in the delivery of some services outlined per the funding agreements, which resulted in a large portion of funding being deferred to the subsequent fiscal period. To address the challenges posted by the pandemic, the Authority has received \$1.07 million additional funding from the Department of Education, Culture and Employment during the year, the purpose of which was to provide COVID-19 related cost offsets for the reopening of schools in the fiscal year. The unused portion will continue to be used in the subsequent fiscal periods to fund COVID-19 related expenses.

On April 1, 2022, the Northwest Territories' Chief Public Health Officer lifted all COVID-19 public health orders.

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 1
Operating Fund - Detail of Expenses

For the period ended June 30, 2022

	School Programs	Inclusive Schooling (Schedule 2)	Board Administration	Operations and Maintenance	Indigenous Languages and Culture (Schedule 3)	Transfer & Others	Jordan's Principle	Total 2022	Budget 2022	Total 2021
Salaries										
Teachers	\$ 10,219,456	\$ 1,363,820	\$ -	\$ -	\$ 308,821	\$ -	\$ 759,649	\$ 12,651,746	\$ 13,611,458	\$ 12,649,162
Instruction assistants	-	1,674,055	-	-	-	-	2,229,874	3,903,929	3,743,778	3,536,203
Non-instructional	1,141,989	-	1,820,250	295,687	75,020	-	-	3,332,946	1,983,073	2,844,874
Board honoraria	-	-	72,783	-	-	-	-	72,783	68,000	71,050
	11,361,445	3,037,875	1,893,033	295,687	383,841	-	2,989,523	19,961,404	19,406,309	19,101,289
Employee Benefits										
Employee benefits	3,145,486	712,090	467,305	129,304	73,858	-	827,411	5,355,454	5,748,313	4,949,191
Leave and termination benefits	206,184	-	-	-	-	-	-	206,184	555,000	172,833
	3,351,670	712,090	467,305	129,304	73,858	-	827,411	5,561,638	6,303,313	5,122,024
Services Purchased/Contracted										
Advertising/publishing	14,801	-	32,199	-	1,459	-	-	48,459	65,500	36,833
Communication	64,855	-	26,025	5,047	-	-	-	95,927	40,000	89,985
Contracted services	468,082	66,594	2,224	782,210	7,954	-	17,674	1,344,738	1,285,500	1,871,856
Maintenance & repairs	83,704	2,090	276	525,464	14,401	-	-	625,935	347,500	459,217
Other	39,559	-	28,252	12,942	-	-	-	80,753	5,200	77,154
Professional/technical	77,993	66,536	95,350	-	686	-	-	240,565	976,337	179,551
Rental/leases	29,820	-	8,710	-	-	-	-	38,530	10,500	32,712
Student transportation	363,957	-	-	-	-	-	1,071	365,028	468,000	387,531
Travel	857	-	6,800	-	-	-	-	7,657	32,500	7,409
Utilities: Electricity	-	-	-	431,289	-	-	-	431,289	435,000	404,439
Heating	-	-	-	395,431	-	-	-	395,431	316,000	307,534
Water/sewage	-	-	-	109,466	-	-	-	109,466	114,500	100,147
	1,143,628	135,220	199,836	2,261,849	24,500	-	18,745	3,783,778	4,096,537	3,954,368

Continued on next page

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 1 (continued)
Operating Fund - Detail of Expenses

For the period ended June 30, 2022

	School Programs	Inclusive Schooling (Schedule 2)	Board Administration	Operations and Maintenance	Indigenous Languages and Culture (Schedule 3)	Transfer & Others	Jordan's Principle	Total 2022	Budget 2022	Total 2021
Materials/Freight										
Materials	\$ 572,800	\$ 53,651	\$ 147,513	\$ 90,025	\$ 64,670	\$ -	\$ 406,974	\$ 1,335,633	\$ 446,330	\$ 1,397,486
Freight	8,649	-	-	-	-	-	-	8,649	334,268	4,144
	581,449	53,651	147,513	90,025	64,670	-	406,974	1,344,282	780,598	1,401,630
Amortization	-	-	-	-	-	1,663,453	-	1,663,453	1,600,000	1,662,158
Debenture Interest	-	-	-	-	-	3,296	-	3,296	15,000	3,719
	-	-	-	-	-	1,666,749	-	1,666,749	1,615,000	1,665,877
	\$ 16,438,192	\$ 3,938,836	\$ 2,707,687	\$ 2,776,865	\$ 546,869	\$ 1,666,749	\$ 4,242,653	\$ 32,317,851	\$ 32,201,757	\$ 31,245,188

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Schedule 2
Detail of Inclusive Schooling Expenses

For the period ended June 30, 2022

	Staff Development	General Inclusive Schooling	Assistive Technology	Magnet Facilities	Total
Salaries					
Teachers	\$ 1,074	\$ 1,315,162	\$ -	\$ 47,584	\$ 1,363,820
Instruction assistants	-	1,674,055	-	-	1,674,055
	1,074	2,989,217	-	47,584	3,037,875
Employee Benefits	-	677,685	-	34,405	712,089
Services Purchased/Contracted					
Contracted services	-	66,594	-	-	66,594
Maintenance & repairs	-	-	2,089	-	2,089
Professional/technical	-	66,536	-	-	66,536
	-	133,130	2,089	-	135,219
Materials/Freight	1,583	28,644	22,173	1,253	53,653
	\$ 2,657	\$ 3,828,676	\$ 24,262	\$ 83,242	\$ 3,938,836

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Schedule 3
Indigenous Languages and Culture Program Expenses

For the period ended June 30, 2022

	Student Instruction	Teacher/ Learning Resources	Professional Development	School and Community Programs	Total
Salaries					
Teachers	\$ 308,821	\$ -	\$ -	\$ -	\$ 308,821
Non-instructional	-	39,862	-	35,158	75,020
	308,821	39,862	-	35,158	383,841
Employee Benefits	73,858	-	-	-	73,858
Services Purchased/Contracted					
Advertising/publishing	-	1,459	-	-	1,459
Contracted services	-	-	-	7,954	7,954
Maintenance & repairs	-	-	-	14,401	14,401
Professional/technical	-	-	686	-	686
	-	1,459	686	22,355	24,500
Materials/Freight	-	1,984	898	61,788	64,670
	\$ 382,679	\$ 43,305	\$ 1,584	\$ 119,301	\$ 546,869

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Schedule 4
French Language Programs

For the period ended June 30, 2022

	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	\$ 88,684	\$ (13,184)
French Immersion Literacy Coach (salary and benefits)	56,000	65,000	161,540	(40,540)
Core French 1-12 (salary and benefits)	100,000	182,000	333,375	(51,375)
Resources	11,000	8,000	19,502	(502)
Cultural Activities	4,000	5,000	8,365	635
Professional Development	4,000	8,000	8,778	3,222
Immersion and Core French Consultant (salary and benefits)	60,000	87,000	143,546	3,454
Literacy Coach (salary and benefits)	35,500	-	-	35,500
Extension of French Immersion programming	100,000	100,000	259,020	(59,020)
Updating resources (partnership)	4,500	4,500	6,593	2,407
Supporting SSDEC, DDEC and SDEC (partnership)	4,500	4,500	200	8,800
Peer observation/teacher shadowing	4,500	4,500	1,955	7,045
Total	\$ 429,500	\$ 498,500	\$ 1,031,558	\$ (103,558)

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Schedule 5
Student Success Initiative Projects

For the period ended June 30, 2022

	Student Agency	Student Wellness	Leadership Development	Numeracy	Math Project	Compacting the Curriculum	Total
Revenues							
Government of Northwest Territories - Department of Education, Culture and Employment	\$ 23,500	\$ 16,500	\$ 92,376	\$ 3,500	\$ 14,500	\$ 17,000	\$ 167,376
Expenses							
Salaries	14,788	12,845	6,778	1,469	598	-	36,478
Employee Benefits	56	-	13	-	-	-	69
Services Purchased/Contracted							
Contracted services	-	-	-	-	2,500	-	2,500
Professional/technical	-	-	77,978	-	-	-	77,978
Services Purchased/Contracted	-	-	77,978	-	2,500	-	80,478
Materials/Freight	47	38	55	-	211	-	351
	14,891	12,883	84,824	1,469	3,309	-	117,376
Net surplus	\$ 8,609	\$ 3,617	\$ 7,552	\$ 2,031	\$ 11,191	\$ 17,000	\$ 50,000
Deferred Revenue							\$ (50,000)

Yellowknife Catholic Schools
 (Yellowknife Public Denominational District Education Authority)

Schedule 6
Jordan's Principle

For the period ended June 30, 2022

	June 30, 2022 Budget	June 30, 2022 Actual	June 30, 2021 Actual	July 2021 to March 2022 Actual	April 2022 to June 2022 Actual
Revenues					
Government of Canada					
First Nation and Inuit Health Branch	\$ 3,741,268	\$ 4,738,363	\$ 4,047,544	\$ 3,474,627	\$ 1,263,736
Carry Forward from Previous Year	-	1,469,124	785,303	1,469,124	1,762,565
Total Revenues	3,741,268	6,207,487	4,832,847	4,943,751	3,026,301
Expenses					
Administration	-	395,869	255,831	296,902	98,967
Personnel	3,401,152	3,816,933	3,046,762	2,862,700	954,233
Materials and Supplies	-	28,779	52,582	21,584	7,195
Other	-	1,072	8,548	-	1,072
Total Expenses	3,401,152	4,242,653	3,363,723	3,181,186	1,061,467
Net surplus	\$ 340,116	\$ 1,964,834	\$ 1,469,124	\$ 1,762,565	\$ 1,964,834

Yellowknife Catholic Schools
(Yellowknife Public Denominational District Education Authority)

Schedule 7
Schedule of Utilities Expenses

For the school year ended June 30,	2022	2021	2020	Total Expense	Average Expense
Fuel Oil	\$ 362,534	\$ 284,470	\$ 295,676	\$ 942,680	\$ 314,227
Electricity	431,289	387,379	405,084	1,223,752	407,917
Pellets	33,077	31,612	32,889	97,578	32,526
Water	76,075	77,292	69,046	222,413	74,138
Garbage	33,391	32,855	30,306	96,552	32,184
	\$ 936,366	\$ 813,608	\$ 833,001	\$ 2,582,975	\$ 860,992

Yellowknife District No.1 Education Authority

(Yellowknife Education District No. 1)

Consolidated Financial Statements

June 30, 2022





Yellowknife District No. 1 Education Authority

(the "Authority")

Table of Contents

June 30, 2022	Page
Management's Discussion and Analysis	2 - 17
Management's Responsibility for Financial Reporting.....	18
Independent Auditors' Report	19 - 21
Statement 1 - Consolidated Statement of Financial Position.....	22
Statement 2 - Consolidated Statement of Operations.....	23 - 24
Statement 3 - Consolidated Statement of Changes in Net Financial Assets.....	25
Statement 4 - Consolidated Statement of Cash Flows.....	26
Statement 5 - Details of Expenses.....	27
Statement 6 - Details of Inclusive Schooling Expenses.....	28
Statement 7 - Details of Indigenous Language and Culture-Based Education Expenses.....	29
Statement 8 - Report on Activities of Specific Programs - French Language Program.....	30
Statement 9 - Report on Activities of Specific Programs - Student Success Initiative Projects.....	31
Statement 10 - Report on Activities of Specific Programs - Jordan's Principle Funding.....	32
Statement 11 - Report on Activities of Specific Programs - Statement of Utilities Expenses	33
Notes to Consolidated Financial Statements.....	34 - 70



YELLOWKNIFE EDUCATION DISTRICT NO. 1
OF THE NORTHWEST TERRITORIES
ADMINISTRATION SCOLAIRE DE DISTRICT NO 1 DE YELLOWKNIFE
Box 788, Yellowknife, NT X1A 2N6
Tel: (867) 766-5050 Fax: (867) 873-5051
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Management-Discussion-and-Analysis

August-31,-2022

Introduction

Yellowknife-Education-District-No.-1-(YK1)-Administration:

Jameel-Aziz,-Superintendent-of-Education/CEO
Shirley-Zouboules,-Assistant-Superintendent
Landon-Kowalzik,-Interim-Assistant-Superintendent
Tram-Do,-Director-of-Corporate-Services

Current-Board-of-Trustees:

Terry-Brookes,-Chairperson
Doreen-Cleary,-Vice-Chairperson

Trustees:

Al-McDonald
Carla-Kinakin
David-Wasyliw
Tina-Drew
Trevor-Sinclair

Active-Standing-Committees-include:

- Audit-Committee
- Committee-of-the-Whole
- Finance-Committee
- Policy-Committee
- Public-Relations-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-2022:

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



YK1-Successes-for-2021/2022!

• Reduce-Green-House-Gas-(GHG)-Emissions

- Installed-Pellet-Boilers-at-Range-Lake-North-School-&-Mildred-Hall-School
- Project-Cost-\$1.5M,-75%-from-Federal-Gov.-GHG-Grant-and-25%-from-YK1
- Project-completed-March-2022
- Reduce-heating-oil-usage-by-210,000-liters-per-year
- Reduce-GHG-emission-by-565-tonnes-per-year
- Estimated-Heating-cost-savings-of-over-\$100,000-per-year



Thank-you-to-Elvis-Beaudoin-and-his-Maintenance-team,-our-partners-at-the Department-of-Infrastructure,-Mischa-Malakoe,-Mark-Peer,-GHG-Grant-Division,-and the-North-Slave-Office-Regional-Office--INF,-Ceazar-Galasiniao,-J&R-Mechanical



- **Savings-in-Electricity-Costs-and-Reduction-in-Waste-&-GHG**

- New-LED-Lights-for-William-MacDonald-School
- New-LED-Lights-for-Sir-John-Franklin-High-School
- LED-lights-have-a-longer-life-than-other-light-bulbs-20-times-longer life,-which-will-reduce-the-costs-of-light-bulb-replacements-and waste
- LED-lights-use-less-Kilowatts-than-regular-light-bulbs

Thank-you-to-Elvis-Beaudoin-and-his-Maintenance-team,-our-partners-Department-of Infrastructure,-energy-division

- **New-negotiated-collective-agreement-with-NWTTA-for-a-4-year-term September-2021-to-September-2025-highlights:**

- Wellness:-new-Counseling-Services-added-to-professional-services-up-to \$1000-per-year-to-support-staff-wellness.
- Retention:-new-Termination-Payout-after-10-years-of-service-up-to maximum-of-\$30,000-to-help-with-teacher-recognition-and-retention.
- Wellness-for-families:-new-parental-Leave-top-up-pay-of-93%-for-17-weeks.

Thank-you-to-NWTTA-&-YK1-Collective-Bargaining-teams

- **Insurance-move-to-GNWT-Insurance:**

- Benefit-is-cost-savings-of-over-\$1-million-in-insurance-premiums
- MOU-with-GNWT-Departments-for-Maintenance-oversight-and-risk management
- YK1-has-access-to-GNWT-risk-management-expertise

Thank-you-to-the-Department-of-Education,-Culture-&-Employment,-the-Department of-Infrastructure-and-the-Department-of-Finance

- **Sale-of-Nordic-Arms-Apartment-Building:**

- Sale-proceeds-\$2,000,000
- Removes-responsibility-for-Hazmat-abatement
- Funds-available-for-Capital-Project-in-our-schools
- Removes-conflict-situations-of-an-employer-and-landlord
- Focus-of-staff-should-be-on-Education-mandate-not-landlord

Thank-you-to-realtors-Rod-Stirling-and-Jim-Weller-from-Coldwell-Banker-for-their-work-on the-sale-of-Nordic-Arms



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 1-5 students.
- Special programs include physical education, visual arts, music, drama, a strong 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.
- The school has an active Parent Advisory Council.

École-Itt'ò (JK-5)

- École-Itt'ò (EI) is YK1's newest school, scheduled to open 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, afterschool athletics, and a speed skating academy. Afterschool activities include judo, soccer, improvisation, painting, chess, and choir.
- Indigenous language and culture is integrated into classroom sessions.
- Indigenous Culture Camps are held throughout the year. -Cours-d'enquêtes-en plein-air (CEPA); - (Forest/nature school practice)
- An annual four-day French 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 Williideh language courses.
- The school offers courses as well as 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 1-6.
- 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 jiggling and traditional games.

- Forest School: With many trained staff, students have the opportunity to take their learning outdoors, using the natural environment to further their 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 used in the foods program.
- Positive Behavioural Interventions and Support (PBIS) is a proactive approach the school uses to support 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.
- WMS's Sports Academy includes hockey, soccer, and athletics. The school's fitness room has also been renovated recently.

Range-Lake-North-School-(JK-8)

- Range-Lake-North-School (RLN) offers English programming for Grade JK-Grade 8 students, Intensive French for Grade 6 students, Post-Intensive French for Grade 7 and 8 students, Core French for Grade 1-6 students, excluding Grade 5 students who participate in Pre-Intensive French camps.
- Student Options Program: Grade 6-8 students can choose from a variety of six-week-long sessions, including 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.
- The school is supported by an active and involved Parent Advisory Committee that organizes a large annual fundraising event, "Family Fun Night", with proceeds supporting 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.
- SJF-offers-Indigenous-culture-programming-and-camps,-including-Wííłídeh 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.
- Supports-and-resources-are-available-to-students-struggling-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.
- 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

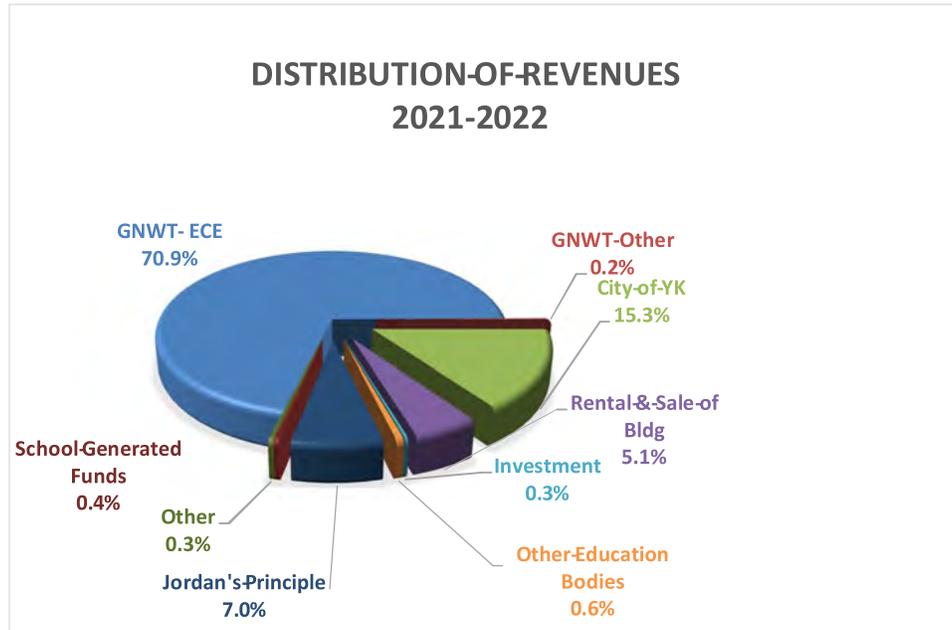
Route-51-Learning-Institute-is-an-alternate-high-school-program,-which-offers:

- a-flexible-schedule-designed-to-accommodate-students
- credits-for-work-experience
- smaller-student-to-teacher-ratio,-and-students-can-focus-on-one-course-at-a time



Financial-Condition

Revenues-Chart



Revenues

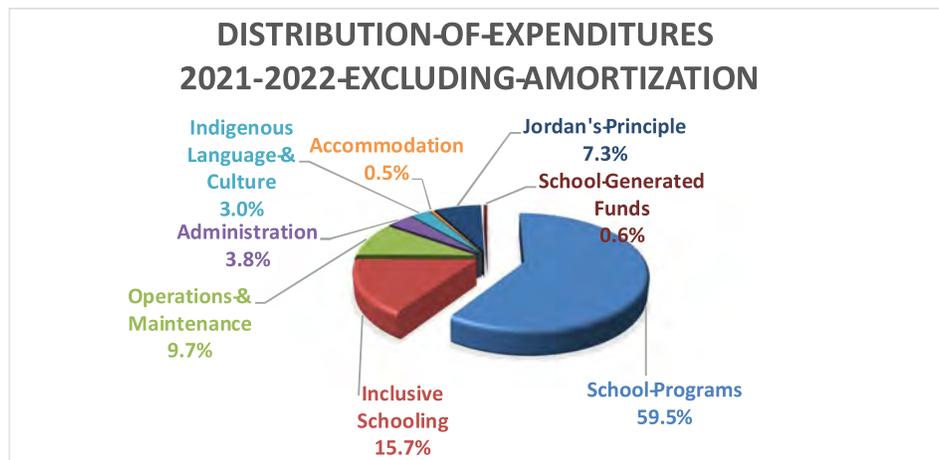
GNWT-ECE	31,879,913
GNWT-Other	110,425
City-of-YK-(Property-Taxation)	6,866,094
Rental	241,010
Sale-of-Building	2,051,030
Investment	115,661
Other-Education-Bodies	265,282
Jordan's-Principle	3,150,941
School-Generated-Funds	162,258
Other	146,683
Total-Revenues	<u><u>44,989,297</u></u>

Other-revenue-items-include-a-Federal-capital-contribution-for-a-Greenhouse-Gas (GHG)-Grant-of-\$1,063,233.



Funding from the Department of Education, Culture and Employment (ECE) makes up 70.9% of YK1's revenues. Property taxation revenue is 15.3%, Jordan's Principle is 7.0%. Rental Revenue includes rental income and sale proceeds of Nordic Arms Apartment Building. GHG Grant is federal funding for the installation of pellet boilers at Range Lake North School and Mildred Hall School. 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.

Expenses



Expenses-(excluding-amortization)

School-Programs	25,726,392
Inclusive-Schooling	-6,769,176
Operations-&-Maintenance	-4,188,100
Administration	-1,655,824
Indigenous-Language-&-Culture	-1,285,860
Accommodation-(Nordic-Arms)	—219,430
Jordan's-Principle	-3,150,941
School-Generated-Funds	—238,398
Total-Expenses	<u><u>43,234,121</u></u>

Staff-accommodation-(Nordic-Arms)-is-net-of-an-environmental-liabilities-expense-recovery-of-\$756,250.



Expenditure-allocations-are-based-on-the-Department-of-Education,-Culture-and Employment's-funding-formula.-78.1%-of-expenditures-consist-of-school-programs (59.5%),-Inclusive-Schooling-(15.7%),-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-(7.3%)-of-the-total-expenditure-allocation,-and-is federally-funded.

Unrestricted-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,-Pellet-Boiler-reserve-is-25%-of-the-project-costs-as-per-the conditions-of-the-Green-House-Gas-Reduction-Grant-for-the-installation-of-new-pellet boilers-for-Range-Lake-North-School-and-Mildred-Hall-School.

Surplus	2021/2022	2020/2021	Change
Operating	3,276,102	547,344	+2,728,758
Capital	904,165	904,165	0
Pellet-Boiler	9,964	364,375	-354,411
Decentralized (Schools)	371,582	376,801	-5,219
Total-Accumulated-Surplus	4,561,812	2,192,685	+2,369,128
Unfunded-by-ECE:-			
Leave-and-Termination-Benefits	2,517,379	1,878,079	+639,300
	7,079,191	4,077,472	+3,008,428

--The-operating-surplus-increased-by-\$2,728,758,-mainly-due-to-the-sale-of-the-Nordic Arms-apartment-building

--The-decentralized-surplus-decreased-by-\$5,219

--The-Pellet-Boiler-Reserve-decreased-by-\$354,411,-due-to-the-completion-of-the installation-of-two-new-pellet-boilers.

The-overall-unrestricted-surplus-is-10.8%-($\$4,561,812 / \$42,251,255$)-of-the-total-2022/2023 budgeted-expenditures-excluding-amortization.

However,-the-Pellet-Boiler-reserve,-and-the-decentralized-surplus-are-internally restricted.-For-the-Authority's-purposes,-the-overall-unrestricted-surplus-excludes-those two-surpluses-at-June-30,-2022-is-9.89%-($\$4,180,266 / \$42,251,255$)-of-the-overall budgeted-expenditures.-However,-The-Board-of-Trustees-approved-a-deficit-budget



for-2022/2023-school-year-of-\$841,803,-which-reduces-the-unrestricted-surplus-to-7.9% (\$3,338,463/42,251,255).

The-accumulated-unrestricted-surplus-has-enabled-YK1-to-maintain-quality programming-for-students.

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.-ECE-has-agreed-to-allow-YK1-to-keep-all-utility-savings-which-is to-be-reinvested-into-LED-lighting-upgrades.-These-savings-were-the-result-of-prior-year utility-savings.-For-the-2021/2022-school-year-fuel-costs-increased-more-than-50%-due to-the-rise-in-heating-fuel-prices.-Utility-costs-exceed-funding-by-\$15,461.-The-LED lights-project-for-William-McDonald-School-is-completed-and-was-installed-by-Ryfan Electric.-DT-Electric-is-replacing-the-LED-lights-in-Sir-John-Franklin-High-School,-we anticipate-the-project-to-be-completed-this-summer.-The-expenditures-for-LED-lights this-year-will-is-\$120,512.

YK1-is-planning-to-continue-with-LED-lights-conversion-for-Mildred-Hall-School-and Range-Lake-North-School.

LED-Restricted	2021/2022	2020/2021	Change
Beginning-Balance	284,556	353,579	-69,023
Utility-Savings		+288,576	-288,576
Utility-Shortfall/-LED-Projects	-135,973	-357,599	+221,626
Total-LED-Reserve	148,583	284,556	-135,973

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	2021/2022	2020/2021	Change
Beginning-Balance	737,811	731,104	+6,707
Net-Income-(loss)	-76,140	6,-707	-69,433

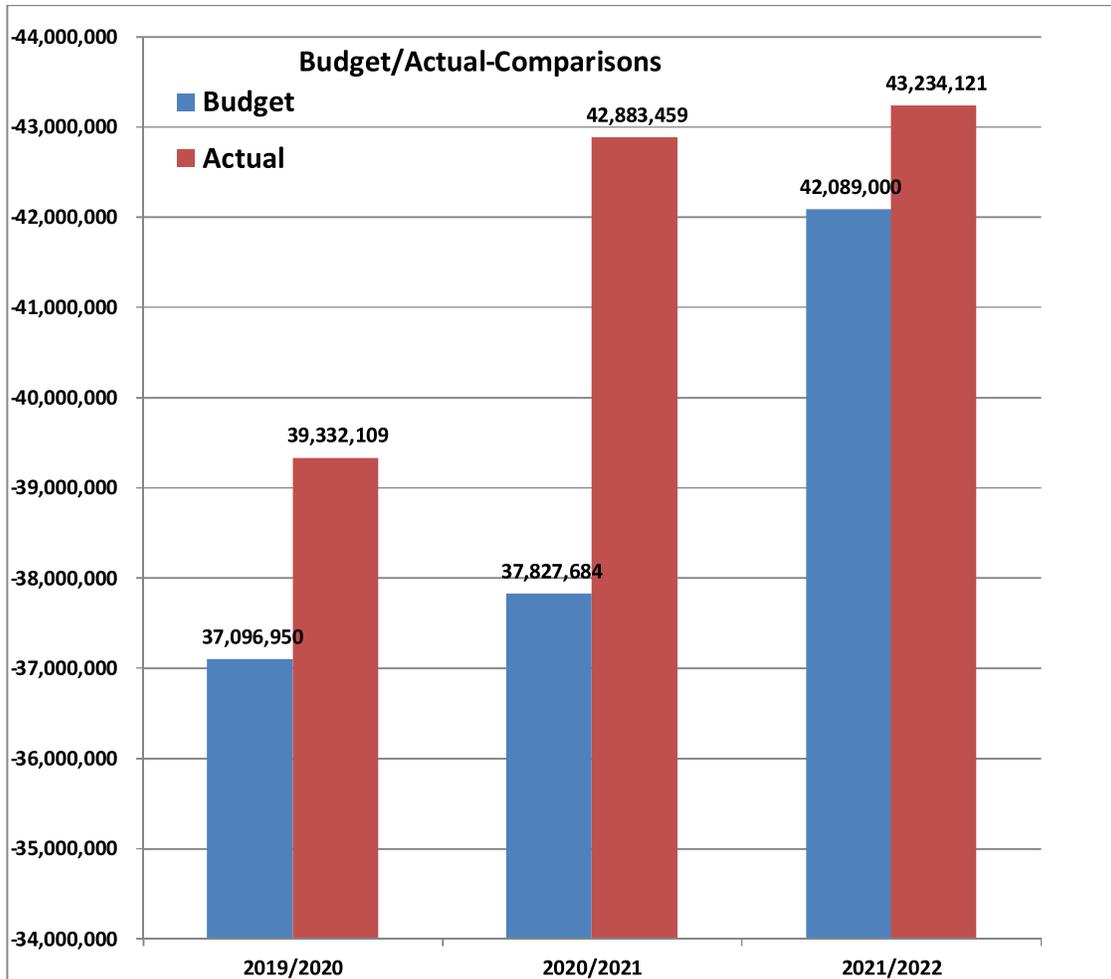


Yellowknife District No. 1 Education Authority

(the "Authority")

Balance,-end-of-year	661,671	737,811	-76,140
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Budget/Actual-Comparisons



YK1-revenues-are-higher-than-budgeted-by-\$2,900,297-due-to:

- ECE-regular-contribution-revenues-lower-by-\$53,897-due-to-the-following: funding-for-the-UNW-retroactive-funding-based-for-NWTTA-staff-wages-411,000, the-removal-of-insurance-funding-from-November-to-June-\$401,674,-and decrease-in-funding-for-termination-benefits-of-\$37,812.



- ECE-other-contribution-revenues-are-higher-by-\$749,675-due-to-COVID-19 funding-used-from-ECE-\$678,340,-and-additional-French-Funding-project increase-of-\$45,197.
- GNWT-other-contribution-revenue-is-from-the-Department-of-Municipal-and Community-Affairs-(MACA)-for-Active-After-School-\$76,500,-the-Department-of Health-and-Social-Services-for-Drop-the-Pop-Campaign-\$8,925-in-schools,-and the-Department-of-Environment-and-Natural-Resources-for-Taking-a-Kid Trapping-and-other-programs-\$25,000.
- Portfolio-Investment-income-lower-from-previous-years'-income-due-to-interest rate-decreases.
- Jordan's-Principle-Revenue-from-the-Federal-Government-is-a-total-of \$3,150,941.-Unspent-funds-\$1,261,520-due-to-lack-of-staff-will-be-returned-to-the Federal-Government.
- Nordic-Arms-rental-revenue-of-\$241,010-is-for-the-period-from-July-1,-2021-to March-31,-2022.-The-Building-was-sold-as-of-March-31,-2022-for-total-proceeds of-\$2,051,030.
- GHG-Grant-Revenue-is-\$1,063,233,-which-represents-75%-of-the-cost-of-the installation-of-pellet-boilers-at-Range-Lake-North-School-and-Mildred-Hall School.-The-YK1-board-of-trustees-approved-the-expenditure-for-the-remaining 25%-of-the-project-cost.
- School-Generated-Funds-is-total-trust-account-revenue-generated-by-the schools-for-the-school-year-\$162,258.
- Other-income-\$146,683-consists-of-the-following:

○ Breakfast-club-of-Canada	—36,200
○ Food-First-Foundation	—26,250
○ Menstrual-Products-Funding	—24,596
○ Elite-Commercial-Flooring	—2,500
○ Canadian-Tire	—5,000
○ District-Office-Parking-stall-rental	—25,760
○ Make-Way-Tides	—12,000
○ Book-Sales-(ILC)	—3,885
○ Miscellaneous	<u>—10,492</u>
Total	<u>\$146,683</u>

YK1 expenses-variance-highlights-are:

- School-Programs-has-a-negative-variance-of-\$933,392-due-to-unbudgeted salary-increase-of-1.5%,-and-an-increase-in-termination-benefits-accrual-based on-the-new-NWTTA-Collective-agreement.-This-is-due-to-the-fact-that-GNWT-did not-settle-the-contract-with-NWTTA-until-after-the-budget-was-approved.-The new-Collective-agreement-was-not-signed-until-February-2022.
- Inclusive-Schooling-costs-higher-than-budget-due-to-Salary-increase-of-1.5% and-increase-in-termination-accruals.
- Indigenous-Language-and-Culture-expenses-higher-than-budget-due-to-Salary increase-of-1.5%-and-increase-in-termination-accruals.



- Administration-costs-higher-than-budget-by-\$119,824-due-to-the-addition-of-an Assistant-Superintendent-Position-to-help-cover-sick-leave.
- Operations-and-Maintenance-costs-are-higher-due-to:
 - Insurance-costs-higher-than-funding-by-\$322,000-(insurance-funding-and cost-from-July-to-October-31)
 - Additional-O&M-costs

Enrolment-and-Pupil-Teacher-Ratio-(PTR)

Yellowknife-Education-District-No.1 -September-30,-2021	Enrolment		Teachers/ Admin-/PST		Early Childhood Instructors		Pupil/Teacher-ratio	
	K-12 Sep-21	JK Sep-21	K-12	JK	K-12	JK	K-12	JK
School:								
Mildred-Hall-School	255.00	26.00	18.50	2.00	13.78	13.00		
Itô School	259.00	48.50	19.00	4.00	13.63	12.13		
William-McDonald-School	253.50	-	18.50	-	13.70			
NJ-Macpherson-School	309.00	42.00	23.50	4.00	13.15	10.50		
Range-Lake-North-School	238.00	24.00	19.25	2.00	12.36	12.00		
Sir-John-Franklin-High-School	635.00	-	37.75	-	16.82			
Total-District	1,949.5	140.5	136.50	12.00	14.28	11.71		

Overall-enrolment-for-September-2021-was-2090-full-time-equivalent-students-(FTE)
September-2020-was-2122.75,-a-decrease-of-32.75-full-time-equivalent-(FTE)-students
from-September-2020.



Summary-of-2021/2022

New-School:

In-2021-2022,-YK1-is-taking-ownership-of-École-Itt'ò as-of-the-middle-of-August.-It-is-a brand-new-school-for-junior-kindergarten-to-grade-5.-Yellowknife-has-not-had-a-new school-for-more-than-20-years.

Thank-you-to-the-students-and-staff-at-William-McDonald-School-that-accommodated the-École-Itt'ò students-for-the-past-two-years-while-École-Itt'ò School-was-built.

New-Pellet-Boilers:

In-partnership-with-the-Department-of-Infrastructure,-North-Slave-Office-of-the-GNWT, two-new-pellet-boilers-were-installed,-one-at-Range-Lake-North-School-and-one-at Mildred-Hall-School.-The-Pellet-boilers-will-help-with-the-rise-in-price-of-heating-oil-costs. The-installation-was-complete-just-in-time-for-winter-of-2022/2023.

New-LED-Lights:

Thank-you-to-DT-Electric-for-the-installation-of-LED-Lights-at-Sir-John-Franklin-High School.-Thank-you-to-Ryfan-Electric-for-the-installation-of-LED-lights-at-William McDonald-School.-Thank-you-to-Department-of-Infrastructure-for-the-lighting-expertise and-Elvis-Beaudoin-our-Manager-of-Facilities-and-Maintenance.

COVID-19:

Schools-were-faced-with-opening-with-COVID-19-health-and-safety-restrictions. Altogether,-schools-were-closed-to-in-person-instruction-for-41-days-during-the-2021-2022-school-year.-Thankfully,-schools-remained-open-for-the-rest-of-the-year-after January-24,-2022.-Funding-was-received-to-help-with-the-purchase-of-materials-and supplies-for-COVID-19-and-Custodians.

Insurance-&-Maintenance:

The-Department-of-Education,-Culture-and-Employment,-the-Department-of-Finance, and-the-Department-of-Infrastructure-worked-with-both-YK1-and-YCS-to-agree-on-a memorandum-of-understanding-for-the-oversight-of-our-buildings-to-ensure-there-are sufficient-risk-mitigation-practices-in-order-for-the-GNWT-to-allow-both-school-boards-to be-included-in-the-GNWT-Insurance-program.-The-insurance-transfer-occurred-as-of November-1,-2021.-YK1-is-now-part-of-the-GNWT-insurance-and-the-funding-for insurance-is-transferred-to-GNWT-risk-management-department.



Sale-of-Nordic-Arms:

The-GNWT-insurance-program-did-not-allow-the-Apartment-Building-Nordic-Arms-to-be included-as-part-of-their-insurance-program-due-to-the-fact-that-ownership-of-an apartment-building-was-not-consistent-with-the-mandate-of-an-education-authority. YK1-tried-to-purchase-insurance-from-a-private-provider-but-could-not-due-to-the-age of-the-building-and-the-hazardous-materials-in-the-building.–The-GNWT-gave-us-the deadline-for-ceasing-insurance-coverage-of-March-31,-2022.–YK1-board-of-trustees voted-to-sell-the-Nordic-Arms.–It-was-sold-to-NWT-Housing-Corporate-as-of-April-1,-2022.

School-achievements-and-successes-over-the-past-year:

- All-YK1-schools-continued-to-offer-food-programs,-which-included-breakfast, lunch-and-snacks-for-students.
- When-schools-shut-down-due-to-COVID-19,-YK1-principals-provided-grocery-gift cards-to-families-of-students-who-normally-participate-in-breakfast-and-lunch programs-provided-by-schools.

Outlook-for-2022-2023

- YK1-will-welcome-a-new-Superintendent/CEO,-Jameel-Aziz-on-August-15,-2022 following-the-departure-of-Dr.-Cindi-Vaselenak.
- A-new-Board-of-Trustees-will-be-elected-following-the-Trustee-election-on October-17,-2022.–Challenges-with-this-election-is-legislation-does-not-allow Education-Districts-to-use-mail-in-ballots-for-election-voting,-whereas-the-City-of Yellowknife-will-be-using-mail-in-ballots-and-in-person-voting.–YK1-will-be running-a-regular-election-with-in-person-voting.–We-will-work-with-the Department-of-Education-and-Department-of-MACA-to-align-the-election legislation-with-the-City-of-Yellowknife's-Municipal-election.–We-would-like-to use-mail-ballot-for-the-next-election-in-2026.
- Grade-allocations-at-YK1-schools-will-return-to-their-previous-models-(before construction-of-the-new-school-began),-meaning-École-Itt'ò-will-be-a-JK-5 school, École-William-McDonald-Middle-School-will-be-a-6-8-school,-and École Sir-John-Franklin-High-School-will-be-a-9-12-school.
- A-new-Basketball-court-is-being-installed-for-students-at-William-McDonald School.
- YK1-schools-remained-open-from-January-24,-2022-until-the-end-of-the-2021-2022-school-year,-June-27,-2022,-as-the-territory-dealt-with-the-latest-wave-of COVID-19.-YK1-will-continue-to-work-with-its-educational-partners-and-make decisions-based-on-the-best-advice-available-in-the-event-of-another-wave. Unspent-COVID-funds-from-previous-years-is-deferred-to-this-school-year-for COVID-related-expenditures.
- USW-Contract-Negotiations-to-start-fall-2022.-USW-contract-ended-June-30, 2022.



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
Director of Corporate Services
Yellowknife District No. 1 Education Authority



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Independent Auditors' Report

**To the Minister of Education, Culture and Employment
Government of the Northwest Territories**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of the Yellowknife District No. 1 Education Authority (the "Authority"), which comprise of the consolidated statement of financial position as at June 30, 2022, 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, 2022, and its financial performance 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 37 to the consolidated financial statements, which explains that certain comparative information presented for the year ended June 30, 2021 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
September 27, 2022**

Chartered Professional Accountants



Yellowknife District No. 1 Education Authority

(the "Authority")

Consolidated Statement of Financial Position

Statement 1

As at June 30,	2022	2021 (Restated)
	\$	\$
FINANCIAL ASSETS		
Cash (Note 4)	10,007,034	10,052,626
Restricted cash (Note 6)	653,707	737,811
Portfolio Investments (Note 7)	4,140,000	-
Accounts Receivable (Note 8)	803,012	529,253
Due from Government of Canada (Note 13)	126,431	130,680
Deposit in Trust (Note 32)	39,856	1,457,500
	15,770,040	12,907,870
LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 10)	737,426	340,009
Payroll Liabilities (Note 10)	4,415,341	4,693,950
Vacation Payable (Note 10)	258,206	247,169
Deferred Revenue (Note 11)	1,026,837	2,268,421
Contribution Repayable (Note 12)	1,269,139	-
Post-employment benefits and compensated absences (Note 17)	2,517,379	1,878,079
Environmental Liabilities (Note 33)	179,651	935,901
	10,403,979	10,363,529
NET FINANCIAL ASSETS	5,366,061	2,544,341
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 18)	13,255,964	10,243,484
Prepaid Expenses (Note 19)	6,006	670,711
	13,261,970	10,914,195
ACCUMULATED SURPLUS (Note 34)	18,628,031	13,458,536
Represented by:		
Operating Fund	3,276,102	547,344
Investment in Tangible Capital Assets	13,255,964	10,243,484
Decentralized Surplus	371,582	376,801
Pellet Boiler Reserve	9,964	364,375
Capital Fund Reserve	904,165	904,165
LED Reserve	148,583	284,556
School Generated Funds	661,671	737,811
	18,628,031	13,458,536

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,	2022	2022	2021
	Budget	Actual	(Restated)
	\$	\$	Actual
	\$	\$	\$
REVENUES			
Government of the Northwest Territories			
Regular contributions	30,528,938	30,475,041	30,271,058
Other contributions	123,000	872,675	1,263,232
French language revenues	487,000	532,197	544,600
Total ECE (Note 29)	31,138,938	31,879,913	32,078,890
GNWT other contributions (Note 30)	-	110,425	128,781
Government of Canada - Jordan's Principle	3,408,000	3,150,941	2,748,721
Other education bodies	237,500	265,282	227,633
Property tax requisitioned	6,845,000	6,866,094	6,831,265
Education authority generated funds			
Rental income	380,000	241,010	386,761
Sale of building	-	2,051,030	-
Portfolio investment income	60,000	115,661	89,346
School generated funds - revenues (Note 36)	-	162,258	258,474
Other	19,562	146,683	133,588
	459,562	2,716,642	868,169
Total revenues	42,089,000	44,989,297	42,883,459
EXPENSES			
School programs	24,793,000	25,726,392	25,245,239
Inclusive schooling	6,720,000	6,769,176	6,544,866
Staff accommodations	266,000	219,430	236,651
Operations and maintenance	4,103,000	4,188,100	5,035,956
Administration	1,536,000	1,655,824	1,455,224
Indigenous language/cultural programs	1,263,000	1,285,860	1,212,545
Jordan's Principle	3,408,000	3,150,941	2,748,721
Amortization	-	1,428,771	944,729
School generated funds - expenses (Note 36)	-	238,398	251,767
Total operating expenses	42,089,000	44,662,892	43,675,698
Operating surplus (deficit) before other items	-	326,405	(792,239)
OTHER ITEMS			
GNWT ECE infrastructure contributions	-	3,023,607	-
Grant in-kind - GNWT assets provided at no cost (Note 20)	-	200,074	177,419
Rent expense - GNWT assets provided at no cost (Note 20)	-	(200,074)	(177,419)
Federal capital contributions - Greenhouse Gas (GHG) Grant	-	1,063,233	31,875
Recovery of environmental liabilities	-	756,250	-
Operating surplus (deficit)	-	5,169,495	(760,364)



Yellowknife District No. 1 Education Authority

(the "Authority")

Consolidated Statement of Operations (Continued)

Statement 2

For the year ended June 30,	2022	2022	2021
	Budget \$	Actual \$	(Restated) Actual \$
Opening accumulated surplus, as previously stated	12,727,432	12,727,432	13,487,796
Correction of accounting error (Note 37)	-	731,104	731,104
Opening accumulated surplus, as restated	-	13,458,536	14,218,900
Closing accumulated surplus	12,727,432	18,628,031	13,458,536



Yellowknife District No. 1 Education Authority

(the "Authority")

Consolidated Statement of Changes in Net Financial Assets

Statement 3

For the ended June 30,	2022	2022	2021
	Budget	Actual	(restated) Actual
	\$	\$	\$
Operating surplus (deficit)	-	5,169,495	(760,364)
Acquisition of tangible capital assets	-	(4,441,251)	(42,500)
Amortization of tangible capital assets	-	1,428,771	944,729
	-	2,157,015	141,865
Purchase of prepaid expenses	-	(6,006)	(670,711)
Use of prepaid expenses	-	670,711	351,704
	-	664,705	(319,007)
Increase (decrease) in net financial assets	-	2,821,720	(177,142)
Net financial asset at beginning of year	-	2,544,341	2,721,483
Net financial asset at end of year	-	5,366,061	2,544,341



Yellowknife District No. 1 Education Authority

(the "Authority")

Consolidated Statement of Cash Flows

Statement 4

For the year ended June 30,	2022 \$	2021 \$
OPERATING TRANSACTIONS		
Operating surplus (deficit)	5,169,495	(760,364)
Items not affecting cash:		
Amortization	1,428,771	944,729
Decrease (increase) in restricted cash	84,104	(6,707)
GNWT ECE infrastructure contributions (Note 23)	(3,023,607)	-
Changes in non-cash assets and liabilities		
Decrease (increase) in due from Government of Canada	4,249	(37,868)
Decrease (increase) in accounts receivable	(273,759)	48,461
Increase (decrease) in accounts payable	397,417	(256,299)
Increase (decrease) in payroll liabilities	(278,609)	119,858
Decrease in environmental liabilities	(756,250)	-
Increase (decrease) in leave and termination benefits	639,300	266,152
Increase (decrease) in vacation payable	11,037	(37,542)
Increase (decrease) in deferred revenue	(1,241,584)	1,556,978
Increase in contribution payable	1,269,139	-
Increase (decrease) in prepaid expenses	664,705	(319,006)
CASH PROVIDED BY OPERATING TRANSACTIONS	4,094,408	1,518,392
INVESTING TRANSACTION		
Disposition of portfolio investments	-	2,126,244
Acquisition of portfolio investments	(4,140,000)	-
CASH PROVIDED BY INVESTING TRANSACTION	(4,140,000)	2,126,244
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(1,417,644)	(42,500)
Receipt (payment) of deposit in trust for pellet boilers	1,417,644	(1,457,500)
CASH USED FOR CAPITAL TRANSACTIONS	-	(1,500,000)
INCREASE (DECREASE) IN CASH	(45,592)	2,144,636
CASH AT BEGINNING OF YEAR	10,052,626	7,907,990
CASH AT END OF YEAR	10,007,034	10,052,626



Yellowknife District No. 1 Education Authority

(the "Authority")

Details of Expenses

Statement 5

For the year ended June 30,	School Programs	Inclusive Schooling	Staff Accommodation	Operations and Maintenance	Administration	Indigenous Languages	Jordan's Principle	Transfer and Other	Total 2022	Budget 2022	Total 2021
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
SALARIES											
Honoraria	-	-	-	-	79,020	42,622	-	-	121,642	179,557	101,127
Instructional assistants	1,152,643	2,210,518	-	-	-	191,539	1,891,210	-	5,445,910	5,166,926	4,900,208
Non-instructional staff	2,395,345	154,512	17,100	498,727	1,308,127	-	286,449	-	4,660,260	4,087,907	3,988,963
Teachers	14,907,071	2,737,910	-	-	-	635,136	433,590	-	18,713,707	19,094,287	19,149,281
	18,455,059	5,102,940	17,100	498,727	1,387,147	869,297	2,611,249	-	28,941,519	28,528,677	28,139,579
EMPLOYEE BENEFITS											
Employee benefits/allowances	3,585,853	1,021,274	-	100,074	215,655	150,219	420,933	-	5,494,008	5,898,967	5,272,094
Leave and termination benefits	557,996	197,761	-	18,442	(173,876)	38,976	-	-	639,299	-	252,754
	4,143,849	1,219,035	-	118,516	41,779	189,195	420,933	-	6,133,307	5,898,967	5,524,848
SERVICES PURCHASED											
Advertising and printing	-	-	-	-	13,673	-	-	-	13,673	46,980	38,378
Communication	78,603	4,883	-	6,780	39,128	-	-	-	129,394	131,100	156,877
Contracted services	493,003	159,872	71,906	689,300	53	92,062	11,000	-	1,517,196	1,673,014	2,403,976
Maintenance and repairs	62,139	72,759	25,950	911,265	7,829	-	-	-	1,079,942	916,141	1,112,664
Other	165,644	-	2,885	-	108,093	-	-	-	276,622	254,003	589,654
Professional and technical	379,082	97,808	-	-	11,120	27,932	26,471	-	542,413	530,727	517,027
Rentals and leases	159,037	-	-	-	4,227	-	-	-	163,264	166,700	152,132
Student transportation	438,373	5,833	-	-	-	2,651	-	-	446,857	600,000	421,145
Travel	178,302	-	-	-	-	2,032	-	-	180,334	100,000	119,009
Utilities											
Heating	-	-	47,094	800,552	-	-	-	-	847,646	846,797	566,936
Electricity	-	-	25,758	920,698	-	-	-	-	946,456	987,000	893,596
Water/Sewage	-	-	27,257	205,394	-	-	-	-	232,651	184,000	206,221
	1,954,183	341,155	200,850	3,533,989	184,123	124,677	37,471	-	6,376,448	6,436,462	7,177,615
MATERIALS											
Awards and student events	1,936	-	-	-	19,701	-	-	-	21,637	-	11,630
Freight	3,003	-	-	2,553	153	-	-	-	5,709	22,200	6,584
Materials and supplies	1,168,362	106,046	1,480	34,315	22,921	102,691	81,288	238,398	1,755,501	1,202,694	1,870,713
	1,173,301	106,046	1,480	36,868	42,775	102,691	81,288	238,398	1,782,847	1,224,894	1,888,927
AMORTIZATION											
	-	-	-	-	-	-	-	1,428,771	1,428,771	-	944,729
Total operating expenses	25,726,392	6,769,176	219,430	4,188,100	1,655,824	1,285,860	3,150,941	1,667,169	44,662,892	42,089,000	43,675,698



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 2022 \$
SALARIES					
Regional coordinator	154,512	-	-	-	154,512
Program support teachers/counsellors	2,191,873	22,259	-	523,778	2,737,910
Support assistants	2,210,518	-	-	-	2,210,518
	4,556,903	22,259	-	523,778	5,102,940
EMPLOYEE BENEFITS	1,126,239	-	-	92,796	1,219,035
SERVICES PURCHASED					
Professional and technical	97,808	-	-	-	97,808
Student transportation	5,833	-	-	-	5,833
Advertising and printing	4,883	-	-	-	4,883
Maintenance and repairs	72,759	-	-	-	72,759
Other contracted services	76,138	83,734	-	-	159,872
	257,421	83,734	-	-	341,155
MATERIALS					
Materials and supplies	8,237	17,009	53,917	26,883	106,046
Total operating expenses	5,948,800	123,002	53,917	643,457	6,769,176



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	Our Languages Curriculum	Community	Total
	Education	Resource Development	Support	2022
	\$	\$	\$	\$
SALARIES				
Regional ILE coordinators	131,906	-	-	131,906
Indigenous language instruction	239,246	175,213	-	414,459
ILE substitutes	3,465	-	-	3,465
Cultural resource staff	205,854	(730)	71,721	276,845
Elders in schools	-	23,099	19,523	42,622
	580,471	197,582	91,244	869,297
EMPLOYEE BENEFITS	144,188	30,353	14,654	189,195
SERVICES PURCHASED				
Professional/technical services	27,932	-	-	27,932
Travel	2,032	-	-	2,032
Student transportation (busing)	-	-	2,651	2,651
Other contracted services	-	-	92,062	92,062
	29,964		94,713	124,677
MATERIALS				
Materials	55,377	8,646	38,668	102,691
TOTAL	810,000	236,581	239,279	1,285,860



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, 2022

	Contribution from the Department \$	Commitment from the Authority \$	Expenses \$	Over (under) funding \$
Teacher assistants (Staff)	35,000	35,000	93,674	(23,674)
French immersion pedagogy specialist	70,000	55,000	88,480	36,520
Intensive & PIF French coach (staff)	35,000	12,000	48,081	(1,081)
Intensive & PIF French (staff)	70,000	430,000	520,734	(20,734)
Intensive PIF (elective courses)	3,000	1,000	-	4,000
Special Projects				
French camps	27,000	3,000	25,707	4,293
Assessment, intensive & PIF	30,000	5,000	41,590	(6,590)
French resources	35,000	5,000	61,065	(21,065)
Cultural activities	7,000	2,000	6,880	2,120
Professional development	30,000	6,000	26,490	9,510
Consultant	80,000	140,000	150,982	69,018
Language coach (salary) reading recovery	35,500	-	22,689	12,811
Neurolinguistic resource development	8,000	-	8,664	(664)
Updating resources	4,500	-	5,192	(692)
Supporting SSDEC, DBEC and SDEC (partnership)	4,500	-	9,139	(4,639)
Peer observation/shadowing partnership	4,500	-	5,192	(692)
Special project - FSL video clip	29,910	19,940	50,713	(863)
Total	508,910	713,940	1,165,272	57,578



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,

	2022 Budget \$	2022 Actual \$
Revenues		
Government of the Northwest Territories	123,000	123,000
Carry Forward from 2020-2021	77,011	77,011
Total revenues	200,011	200,011
Expenses		
Salaries/Wages		
Substitute teacher wages	22,258	22,258
Other Expenses		
Materials and supplies	109,421	83,734
Total operating expenses	131,679	105,992
Surplus	68,332	94,019



Yellowknife District No. 1 Education Authority

(the "Authority")

Report on Activities of Specific Programs

Statement 10

Jordan's Principle

	June 30, 2022 Budget \$	June 30, 2022 Actual \$	June 30, 2021 Actual \$	July 1, 2021 - March 31, 2022 Actual \$	April 1, 2022 - June 30, 2022 Actual \$
Revenue					
Government of Canada					
- First Nations and Inuit Health Branch	4,358,324	4,358,324	2,866,943	3,025,798	1,332,526
Carry forward from previous year	790,618	790,618	614,452	790,618	-
Carry forward from previous year - returned	(732,673)	(732,673)	-	(732,673)	-
Contributions not received	(3,808)	(3,808)	-	-	(3,808)
Total Revenue	4,412,461	4,412,461	3,481,395	3,083,743	1,328,718
Expenses					
Administration	395,590	286,449	249,884	187,952	98,497
Personnel	3,884,961	2,772,203	2,396,890	1,829,350	942,853
Materials and supplies	117,318	81,288	72,548	43,572	37,716
Evaluation	18,400	11,000	29,400	6,600	4,400
Total Operating Expenses	4,416,269	3,150,940	2,748,722	2,067,474	1,083,466
Net Surplus/(Deficit)	(3,808)	1,261,521	732,673	1,016,269	245,252
Deferred Revenue	(3,808)	1,261,521	732,673	1,016,269	245,252



Yellowknife District No. 1 Education Authority

(the "Authority")

Statement of Utilities Expenses - Unaudited

Statement 11

For the Year Ended June 30, 2022

School Year	2021-2022	2020-2021	2019-2020	2018-2019	Total Expense	Avg Expense
	Expense	Expense	Expense	Expense		
Fuel Oil	\$ 514,203	\$ 388,209	\$ 579,220	\$ 635,999	\$ 2,117,630	\$ 705,877
Electricity	\$ 920,698	\$ 893,595	\$ 956,408	\$ 1,019,158	\$ 3,789,859	\$ 1,263,286
Pellets	\$ 286,349	\$ 178,727	\$ 163,310	\$ 192,471	\$ 820,857	\$ 273,619
Water	\$ 152,712	\$ 161,059	\$ 165,838	\$ 160,656	\$ 640,264	\$ 213,421
Garbage	\$ 52,683	\$ 45,163	\$ 54,542	\$ 47,606	\$ 199,994	\$ 66,665
Total Operating Expense	\$ 1,926,644	\$ 1,666,752	\$ 1,919,318	\$ 2,055,889	\$ 7,568,603	\$ 2,522,868



June 30, 2022

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") 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.



June 30, 2022

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, 2022

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, 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.



June 30, 2022

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.



June 30, 2022

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.



June 30, 2022

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.



June 30, 2022

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 the original Minister approved budget for the school year. Schools carry forward surplus or deficit amounts from their school budgets.



June 30, 2022

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.



June 30, 2022

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.



June 30, 2022

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 district 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 Reserve is the 25% (\$375,000 original, balance of \$9,964 remaining) of the estimated cost of the installation of pellet boilers for Mildred Hall School and Range Lake North School.

School Generated Funds

School generated funds are generated at the school level from fundraising, and used in a number of different ways to enhance the development of educational activities and to support school initiatives. The school generated funds are internally restricted as to purpose. Examples 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.



June 30, 2022

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.

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, 2022, 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.



Yellowknife District No. 1 Education Authority

(the "Authority")

Notes to Consolidated Financial Statements

June 30, 2022

4. Cash

	2022	2021
	\$	\$
Cash	10,660,741	10,790,437

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.



Yellowknife District No. 1 Education Authority

(the "Authority")

Notes to Consolidated Financial Statements

June 30, 2022

6. Restricted Cash

The Authority has restricted cash generated by schools in the amount of \$653,707 (2021 - \$737,811).

7. Portfolio Investments

	2022	2021
	\$	\$
RBC Dominion Securities Investment 1		
Balance at June 30	1,001,600	-
Dollar Value of Interest earned	1,600	-
Cost of Investment	1,000,000	-
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%

	2022	2021
	\$	\$
RBC Dominion Securities Investment 2		
Balance at June 30	1,142,074	-
Dollar Value of Interest earned	2,074	-
Cost of Investment	1,140,000	-
Market Value	1,142,074	-

Date Purchased: 14 June 2022
Term of Investment: 2 years
Maturity Date: 14 June 2024
Annual Interest Rate: 4.150%



Yellowknife District No. 1 Education Authority

(the "Authority")

Notes to Consolidated Financial Statements

June 30, 2022

7. Portfolio Investments (Continued)

	2022	2021
	\$	\$
RBC Dominion Securities Investment 3		
Balance at June 30	1,001,863	-
Dollar Value of Interest earned	1,863	-
Cost of Investment	1,000,000	-
Market Value	1,001,863	-

Date Purchased: 14 June 2022
Term of Investment: 3 years
Maturity Date: 16 June 2025
Annual Interest Rate: 4.250%

	2022	2021
	\$	\$
RBC Dominion Securities Investment 4		
Balance at June 30	1,001,907	-
Dollar Value of Interest earned	1,907	-
Cost of Investment	1,000,000	-
Market Value	1,001,907	-

Date Purchased: 14 June 2022
Term of Investment: 4 years
Maturity Date: 15 June 2026
Annual Interest Rate: 4.350%

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:

	2022	2021
	\$	\$
RBC Dominion Securities Investment 1	1,001,600	-
RBC Dominion Securities Investment 2	1,142,074	-
RBC Dominion Securities Investment 3	1,001,863	-
RBC Dominion Securities Investment 4	1,001,907	-
Total portfolio investments	4,147,444	-



Yellowknife District No. 1 Education Authority

(the "Authority")

Notes to Consolidated Financial Statements

June 30, 2022

8. Accounts Receivable

	2022	2021
	\$	\$
Accrued interest receivable	22,444	6,842
Due from other related parties (Note 23)	773,512	515,641
Due from Government of the Northwest Territories (Note 23)	1,500	2,948
Other	5,556	3,822
Total	803,012	529,253

Allowance for doubtful accounts at June 30, 2022 is \$88,625 (2021 - \$nil).

9. Inventories

There is no inventory recorded as at June 30, 2022.

10. Accounts Payable and Accrued Liabilities

	2022	2021
	\$	(restated) \$
Accrued interest	-	46
Damage deposits	-	27,470
School Generated Trust Accounts - carry over balances (Note 36)	(7,965)	6,707
Trade payables	651,371	305,786
SSI Accrual	94,020	-
	737,426	340,009

Payroll Liabilities	2022	2021
	\$	\$
To teachers (July & August wages & deferred NEBS pension)	4,415,341	4,693,950
Vacation payable (annual leave)	258,206	247,169
	4,673,547	4,941,119



June 30, 2022

11. Deferred Revenue

Deferred revenue consists of contributions or revenues received from contributors for expenses not yet incurred.

	2022	2021
	\$	\$
Nordic Arms Prepaid Rent	-	6,390
Jordan's Principal - Government of Canada	-	732,672
GNWT ECE - Covid & French Videos	870,535	1,529,359
Menstrual Product Federal Funding	156,302	-
	1,026,837	2,268,421

12. Contribution Repayable

Contribution repayable consists of contribution or revenue received from funders that will be repaid within the next year.

	2022	2021
	\$	\$
Jordan's Principal - Government of Canada	1,261,520	-
Active After School - GNWT MACA	7,619	-
	1,269,139	-



June 30, 2022

13. Due from Government of Canada

	2022	2021
	\$	\$
GST Receivable	126,431	130,680

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 \$4,965,043. 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 \$193,715 as at January 2022, and \$183,838 as at January 2021. The maximum monthly contributions is \$3,420 as at January 2022, and \$3,246 as at January 2021.

NEBS is an employer owned program and as such the Authority will be liable for its portion of any shortfall. The Plan serves 3,655 Employee Members and 118 Employer Members (total active, disabled and on leave: 2,046).

As of January 1, 2022, the excess (deficiency) of actuarial value of net assets over actuarial present value of defined benefits is estimated to be \$65,900,000 - funded ratio 124% (2021 - \$45,100,000 and 118%) 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.



June 30, 2022

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 \$1,322,108 (2021 - \$441,757) 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, 2022. The values presented below are for all of the benefits under the Compensated Absences and Termination Benefits for the Authority.



Yellowknife District No. 1 Education Authority

(the "Authority")

Notes to Consolidated Financial Statements

June 30, 2022

17. Other Employee Future Benefits and Compensated Absences (Continued)

Changes in Obligation	Severance and Removal \$	Compensated Absences \$	2022 \$	2021 \$
Accrued benefit obligation				
beginning of year	782,070	396,456	1,178,526	1,248,268
Current period benefit cost	79,797	35,294	115,091	118,644
Interest accrued	26,565	13,411	39,976	34,622
Benefits payments	(280,640)	(50,691)	(331,331)	(275,484)
Actuarial (gain)/loss	240,742	(39,626)	201,116	52,472
Plan amendments	1,322,108	1,511	1,323,619	441,757
Accrued benefit obligation end of year	2,170,642	356,355	2,526,997	1,620,279
Unamortized net				
actuarial loss/(gain)	(211,057)	201,439	(9,618)	257,800
Total employee future benefits and compensated absences	1,959,585	557,794	2,517,379	1,878,079
Benefits expense	\$	\$	2022 \$	2021 \$
Current period benefit cost	79,797	35,294	115,091	118,644
Interest accrued	26,565	13,411	39,976	34,626
Amortization of net actuarial (gain)/loss	(93,242)	46,177	(47,065)	(53,387)
Plan amendments	272,122	1,511	273,633	-
Total benefits expense	285,242	96,393	381,635	99,883



June 30, 2022

17. Other Employee Future Benefits and Compensated Absences (Continued)

The discount rate used in the 2022 fiscal year to determine the accrued benefit obligation was an average of 4.1% (2021 - 3.3%). The expected payments during the next five fiscal years are:

	Severance and Removal	Compensated Absences	Total
	\$	\$	\$
2023	291,443	30,462	321,905
2024	201,066	32,783	233,849
2025	132,579	35,447	168,026
2026	132,624	37,515	170,139
2027	136,773	41,877	178,650
2028-2032	671,428	235,134	906,562
Total	1,565,913	413,218	1,979,131



Yellowknife District No. 1 Education Authority

(the "Authority")

Notes to Consolidated Financial Statements

June 30, 2022

18. Tangible Capital Assets

						Accumulated Amortization beginning of year	2022		2021
	Cost	Additions	Transfers	Disposals	Amortization	\$	Accumulated Amortization \$	Net Book Value \$	Net Book Value \$
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land and improvements	1,299,476	-	-	-	-	-	-	1,299,476	1,299,476
School buildings									
Ecole Sir John Franklin	2,253,436	-	-	-	(56,246)	(1,304,529)	(1,360,775)	892,661	948,907
William McDonald	7,078,328	2,567,720	-	-	(507,543)	(6,901,370)	(7,408,913)	2,237,135	176,958
Mildred Hall	11,110,255	708,822	-	-	(317,035)	(7,138,220)	(7,455,255)	4,363,822	3,972,035
Range Lake North	8,237,109	708,822	-	-	(241,900)	(5,751,101)	(5,993,001)	2,952,930	2,486,008
N. J. Macpherson	5,329,162	-	-	-	(136,459)	(4,498,667)	(4,635,126)	694,036	830,495
	34,008,290	3,985,364	-	-	(1,259,183)	(25,593,887)	(26,853,070)	11,140,584	8,414,403
Other buildings									
Administration office	1,070,827	-	-	-	(26,771)	(749,579)	(776,350)	294,477	321,248
Nordic Arms residence	595,205	-	-	(595,205)	-	(595,205)	-	-	-
Total land and buildings	36,973,798	3,985,364	-	(595,205)	(1,285,954)	(26,938,671)	(27,629,420)	12,734,537	10,035,127
Equipment and furnishings									
Schools	4,685,576	-	-	(1,322,698)	(49,932)	(4,538,528)	(3,265,762)	97,116	147,048
Playgrounds	149,972	455,887	-	-	(80,451)	(149,972)	(230,423)	375,436	-
Residences	64,045	-	-	(64,045)	-	(64,045)	-	-	-
Administration office	322,132	-	-	-	-	(322,132)	(322,132)	-	-
Vehicles	319,413	-	-	-	(12,434)	(258,104)	(270,538)	48,875	61,309
	5,541,138	455,887	-	(1,386,743)	(142,817)	(5,332,781)	(4,088,855)	521,427	208,357
	42,514,936	4,441,251	-	(1,981,948)	(1,428,771)	(32,271,452)	(31,718,275)	13,255,964	10,243,484



Yellowknife District No. 1 Education Authority

(the "Authority")

Notes to Consolidated Financial Statements

June 30, 2022

19. Prepaid Expenses

	2022	2021
	\$	\$
Insurance	-	665,403
Materials and Supplies	6,006	5,308
	6,006	670,711

20. GNWT Assets Provided at no Cost

The following assets were provided to the Authority by the GNWT at no cost.

	Cost	Accumulated	2022	2021
	\$	Amortization	Net Book	Net Book
		\$	Value	Value
			\$	\$
Ecole Sir John Franklin	25,965,232	25,965,232	-	-
Ecole Sir John Franklin Portable Classrooms	419,724	359,407	60,317	70,807
Ecole Sir John Franklin NACC	2,214,552	1,844,753	369,799	431,432
Ecole Sir John Franklin Sewer Line	108,852	23,585	85,267	89,621
N.J. Macpherson Portable Classrooms	1,413,831	521,169	892,662	928,015
Ecole Sir John Franklin Wheelchair Lift	100,708	24,338	76,370	86,441
Ecole Sir John Franklin Boiler Replacement	51,145	4,546	46,599	50,008
Ecole J. H. Sissons Portable Classrooms	2,242,917	137,067	2,105,850	2,180,614
	32,516,961	28,880,097	3,636,864	3,836,938
Deferred capital contributions				
Ecole Sir John Franklin	(1,442,500)	(1,442,500)	-	-
	31,074,461	27,437,597	3,636,864	3,836,938

Rent expense of \$200,074 (2021 - \$177,419) was offset by a grant in-kind.



June 30, 2022

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, 2022. The Authority plans to bargain a new collective agreement by December 2022.

	Expiry Date	2023 \$	2024 \$	2025 \$	2026 \$	Total \$
Operational Contracts:						
First Student Bussing	30 Jun 2026	500,000	500,000	500,000	500,000	2,000,000
Commercial & Residential Leases:						
Route 51	30 Jun 2024	39,060	39,060	-	-	78,120
Total		539,060	539,060	500,000	500,000	2,078,120

22. Contingencies

The Authority does not have any contingencies.



Yellowknife District No. 1 Education Authority

(the "Authority")

Notes to Consolidated Financial Statements

June 30, 2022

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
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 Natural Resources
 Department of Infrastructure
 Department of Industry, Tourism and Investment
 Northwest Territories Housing Corporation

	2022	2021
	\$	\$
Due from Related Parties (Accounts Receivable):		
Other Education Bodies:		
Yellowknife Public Denominational Education Authority	-	600
Ndilo District Education Authority	503,822	510,214
Dettah District Education Authority	269,690	4,827
Subtotal - other related parties	773,512	515,641
Government of the Northwest Territories:		
Department of Infrastructure	1,500	-
Department of Education, Culture and Employment	-	2,948
Subtotal - Government of the Northwest Territories	1,500	2,948
Total Due from Related Parties	775,012	518,589

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, 2022

23. Related Parties (Continued)

	2022	2021
	\$	\$
Revenues from Related Parties:		
Government of the Northwest Territories:		
Department of Education, Culture and Employment - Regular contributions	30,475,041	30,271,058
Department of Education, Culture and Employment - Other contributions	872,675	1,263,232
Department of Industry, Tourism and Investment	15,000	-
Department of Education, Culture and Employment - French languages	532,197	576,475
Department of Finance - Interest	108,217	39,499
Department of Health and Social Services - GNWT other contributions	8,925	8,505
Department of Municipal and Community Affairs - GNWT other contributions	76,500	91,800
Department of Environment and Natural Resources - GNWT other contributions	10,000	8,000
Northwest Territories Housing Corporation - Sale of building	2,051,030	-
Other Education Bodies:		
Ndilo District Education Authority - Other education bodies	30,000	30,000
Dettah District Education Authority - Other education bodies	220,282	130,020
South Slave Divisional Education Council - Other education bodies	15,000	30,000
Total Revenues from Related Parties	34,414,867	32,448,589
	2022	2021
	\$	\$
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, 2022

23. Related Parties (Continued)

	2022	2021
	\$	\$
Expenses Paid to Related Parties:		
Government of the Northwest Territories:		
Department of Infrastructure - Maintenance and repairs	8,048	4,752
Department of Education, Culture & Employment - Professional and technical	100	4,108
Other Education Bodies:		
Deh Cho Divisional Education Council - Materials & supplies	600	600
Total Expenses paid to Related Parties	8,748	9,460

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, 2022

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 8, 2021 and submitted to the Minister of Education, Culture and Employment. The Budget for fiscal year 2021/2022 was submitted to the minister on June 30, 2021. The budget surplus is \$nil.

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, 2022

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, 2022, receivables from these two districts is \$773,512 (2021 - \$515,041), which is 98% of total accounts receivable (2021 - 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.



June 30, 2022

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

	2022 Budget \$	2022 Actual \$	2021 Actual \$
Amortization	-	1,428,771	944,729
Compensation	34,427,644	35,074,826	33,664,427
Other	7,661,356	8,159,295	9,109,042
	42,089,000	44,662,892	43,718,198

28. 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, 2022

29. ECE Contributions

	Budget 2022 \$	Actual 2022 \$	Actual 2021 \$
Original contribution	30,383,938	30,382,878	30,044,057
Student Success Initiatives ("SSI") project	123,000	123,000	123,000
NWTTA collective bargaining adjustment	-	283,053	538,593
Termination benefits	100,000	62,188	97,019
French language	-	-	457,000
Mentorship release time	45,000	20,650	25,740
CYCC adjustment	-	-	(527,873)
UNW collective bargaining adjustment	-	127,946	-
Insurance adjustment	-	(401,674)	-
Updated Contribution	30,651,938	30,598,041	30,757,536
Indigenous language (from fiscal 2021)	-	-	93,522
COVID-19 ECE portion	-	678,340	819,732
COVID-19 technology	-	-	57,500
Accommodations WMS drop off	-	-	250,000
French cultural resources	-	-	23,700
French language coach	-	-	38,800
French video clips	-	10,394	6,000
French language funding	487,000	479,000	-
French partnership funding SSDEC	-	35,000	-
French language communications	-	7,803	15,100
French intensive/post-intensive French	-	-	4,000
Support assistant training	-	3,335	-
Complex needs funding	-	30,000	-
Self regulation	-	13,000	13,000
Birchbark teaching program	-	25,000	-
Total Contributions	31,138,938	31,879,913	32,078,890



Yellowknife District No. 1 Education Authority

(the "Authority")

Notes to Consolidated Financial Statements

June 30, 2022

30. GNWT Other Contributions

	Budget 2022 \$	Actual 2022 \$	Actual 2021 \$
Department of Municipal and Community Affairs ("MACA"):			
Active After School	-	76,500	76,500
Department of Industry, Tourism and Investment ("ITI"):			
	-	15,000	-
Department of Health and Social Services ("HSS"):			
Drop the Pop	-	8,925	25,228
Department of Environment & Natural Resources ("ENR"):			
Take a Kid Trapping	-	10,000	8,000
Energy Efficient Audit	-	-	19,053
Total	-	110,425	128,781



June 30, 2022

31. Contingent Assets

The Authority does not have contingent assets.

32. Contractual Rights

The Authority has entered into a number of contracts that will become assets and revenues in the future when the terms of the contracts are met:

The Authority is approved for the Greenhouse Gas (GHG) emissions reduction grant of \$1,125,000, which is 75% of the cost to install pellet boilers at Range Lake North School and Mildred Hall School. The GHG grant is jointly funded by the Government of Canada and the GNWT in support of the Pan-Canadian Framework on Clean Growth and Climate Change, and is an action identified in the 2018-2021 Energy Action Plan. The Authority has created a separate reserve of \$350,000 back in fiscal year 2019/2020, representing 25% of the cost of the Project. The Project started in fiscal year 2020/2021 and total costs paid as of June 30, 2022 is \$1,460,144. Estimated remaining costs to be paid in fiscal year 2022/2023 is \$39,856. The Department of Infrastructure is managing the Pellet Boiler Project as per the Memorandum of Understanding with the Authority. One of the requirements is for the Authority to send to the Department of Infrastructure the full estimated cost of the project of \$1,457,500 as a "deposit in trust". The balance at June 30, 2022 of deposit in trust is \$39,856. The pellet boilers are installed and operational. The balance remaining is to pay for the holdback and any deficiencies. All expenditures are to be completed by March 2023.

The Authority is approved for the Jordan's Principle funding up to March 31, 2024. 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	2023 \$	2024 \$	Total \$
Government of Canada	Jordan's Principle	March 2024	3,030,685	1,969,704	5,000,389



June 30, 2022

33. 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. The final reports are completed and a Hazardous Materials management plan is put in place. Liabilities discovered as a result of the assessment were communicated to the GNWT Department of Education, Culture, and Employment. The abatement for Sir John Franklin High School was completed by the GNWT in March 2018, and the abatement for the maintenance building was completed in March 2019. A liability totaling \$179,651 has been recorded for the asbestos abatement of the Mildred Hall School and William McDonald School (2021 - \$935,901). Management will continue to monitor these buildings under the Hazardous Materials management plan.

Location:	50 Taylor Road, William McDonald School
Type of Site:	School
Description and Studies Completed:	Hazardous Building Materials Assessment
Type of Contamination:	Asbestos, lead, mercury
Site Stage:	Monitoring
Status and Next Steps:	Monitoring
Operating Site:	Yes
Part Non-Operating	No
Total Liability at June 30, 2022	\$108,856

Location:	5408-50th Avenue, Mildred Hall School
Type of Site:	School
Description and Studies Completed:	Hazardous Building Materials Assessment
Type of Contamination:	Asbestos, lead, mercury
Site Stage:	Monitoring, Abatement
Status and Next Steps:	Abatement
Operating Site:	Yes
Part Non-Operating	No
Total Liability at June 30, 2022	\$70,795



Yellowknife District No. 1 Education Authority

(the "Authority")

Notes to Consolidated Financial Statements

June 30, 2022

34. 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,	2022	2021
	\$	\$
OPERATING FUND		
Balance, beginning of year	547,344	385,842
Operating surplus (deficit) (Statement 2)	5,169,495	(760,364)
Acquisition of tangible capital assets	(1,417,644)	(42,500)
Transfer to Investment in Tangible Capital Assets - GNWT grant in-kind	(3,023,607)	-
Transfer from Investment in Tangible Capital Assets	1,428,771	944,729
Transfer from (to) Decentralized Surplus	5,219	(28,304)
Transfer from (to) Pellet Boiler Reserve	354,411	(14,375)
Transfer from (to) School Generated Funds	76,140	(6,707)
Transfer from LED Reserve - LED project	120,512	-
Transfer from LED Reserve - utility shortfall	15,461	69,023
Balance, end of year	3,276,102	547,344
INVESTMENT IN TANGIBLE CAPITAL ASSETS		
Balance, beginning of year	10,243,484	11,145,713
GNWT grant in-kind	3,023,607	-
Acquisition of tangible capital assets	1,417,644	42,500
Amortization	(1,428,771)	(944,729)
Balance, end of year	13,255,964	10,243,484



Yellowknife District No. 1 Education Authority

(the "Authority")

Notes to Consolidated Financial Statements

June 30, 2022

34. Accumulated Surplus (Continued)

Details of Surplus and Reserves

For the year ended June 30,	2022	2021
	\$	\$
DECENTRALIZED SURPLUS		
Balance, beginning of year	376,801	348,497
Transfer from (to) Operating Fund	(5,219)	28,304
Balance, end of year	371,582	376,801
PELLET BOILER RESERVE		
Balance, beginning of year	364,375	350,000
Transfer from (to) operating fund	(354,411)	14,375
Balance, end of year	9,964	364,375
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	284,556	353,579
Transfer (to) from Operating Fund for Utility Costs	(135,973)	(69,023)
Balance, end of year	148,583	284,556
SCHOOL GENERATED FUNDS		
Balance, beginning of year	737,811	731,104
Transfer from (to) Operating Fund for surplus (deficit)	(76,140)	6,707
Balance, end of year	661,671	737,811



June 30, 2022

35. Risk Management

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Authority's environment and in the global markets due to the possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) have had a material impact on the Authority's operations.

To mitigate the risk of virus spreading in the community, the schools were required to close for a period of time during the year. This has led to temporary suspension in the delivery of some services outlined per the funding agreements, which resulted in a large portion of funding being deferred to the subsequent fiscal period. To address the challenges posted by the pandemic, the Authority has received \$2.3 million additional funding from the Department of Education, Culture and Employment in 2020/2021. The purpose of the funding was to provide COVID-19 related cost offsets for the reopening of schools. The unused portion will continue to be used in the subsequent fiscal periods to fund COVID-19 related expenses. COVID-19 expenditures for 2020/2021 was \$819,732 and for 2021/2022 was \$678,340. The unused portion to be used in 2022/2023 is \$807,059.

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:

	2022 \$	2021 \$
Balances, beginning of year	737,811	731,104
Fundraising revenues	162,258	258,474
Total funds available	900,069	989,578
Total related expenses	(238,398)	(251,767)
Balances, end of year	661,671	737,811
Net change	(76,140)	6,707



Yellowknife District No. 1 Education Authority

(the "Authority")

Notes to Consolidated Financial Statements

June 30, 2022

37. Correction of accounting error

The consolidated statement of operations of the Authority has been restated to include the transfer of school generated fund opening balance of \$731,104 as of June 30, 2021. The effect of the change is to increase school generated funds balance and decrease the school generated funds liability. There is no net impact to the consolidated statement of operations as a result of this restatement.

Consolidated Statement of Operations for the year ended June 30, 2022:

	Previously Reported	As Restated	Change
	\$	\$	\$
Increase school generated funds	-	731,104	731,104
Decrease school generated trust accounts - carry over balances	737,811	6,707	(731,104)

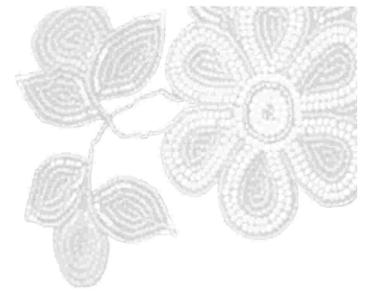
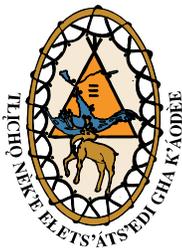
**Audited Financial Statements
Tlicho Community Services Agency
Behchoko, NT**

For the year ended March 31, 2023

**Tlicho Community Services Agency
Table of Contents**

**Management's Responsibility for Financial Reporting
Management Discussion and Analysis
Independent Auditor's Report**

Statement of Financial Position	Statement I	1
Statement of Operations	Statement II - Sheet 1 - Consolidated Operations	2
	Statement II - Sheet 2 - Health & Social Services	3
	Statement II - Sheet 3 - Education	4
	Statement II - Sheet 4 - Other	5
Statement of Changes in Net Debt	Statement III	6
Statement of Cash Flow	Statement IV	7
Notes to the Financial Statements		8 - 22
Schedule A	Schedule of Contributions from the GNWT	23
Schedule A-1	Schedule of Detailed Contribution Funding & Expenditures- Home Care Enhancement	24
Schedule B	Schedule of Reserves	25
Schedule C	Schedule of Expenses - Education	26
Schedule C.1	Other Education Contribution	27 - 28
Schedule C-1	Schedule of Specific Program - Public Library Services	29
Schedule C-2	Schedule of Specific Program - Self Regulation	30
Schedule C-3	Schedule of Specific Program - Northern Distance Learning	31
Schedule C-4	Schedule of Specific Program - Take a Kid Trapping Program	32
Schedule C-5	Schedule of Specific Program - Active After School	33
Schedule C-6	Schedule of Specific Program - Indigenous Health & Wellness Elders - Tlicho Government	34
Schedule C-7	Schedule of Specific Program - Drop the Pop	35
Schedule C-8	Schedule of Specific Program - Literacy Program	36
Schedule C-9	Schedule of Specific Program - Jordan's Principle	37
Schedule C-10	Schedule of Specific Program - Food First Foundation	38
Schedule C-11	Schedule of Specific Program - PC Children Charity Nutrition Snack	39
Schedule C-12	Schedule of Specific Program - Breakfast Club	40
Schedule C-13	Schedule of Specific Program - APPLE School	41
Schedule C-14	Schedule of Specific Program - Ekati (Cultural Program)	42
Schedule C-15	Schedule of Specific Program - On the Land Collaborative	43
Schedule C-16	Schedule of Specific Program - Youth Contribution (Sewing)	44
Schedule C-17	Schedule of Specific Program - Youth Contribution (Cultural Leadership)	45
Schedule C-18	Schedule of Specific Program - Dog Mushing	46
Schedule C-19	Schedule of Specific Program - Handgame/Drumming	47
Schedule C-20	Schedule of Specific Program - Greenhouse	48
Schedule C-21	Schedule of Specific Program - Miscellaneous	49



**To the Ministers of Health and Social Services and Education, Culture and Employment
Government of the Northwest Territories**

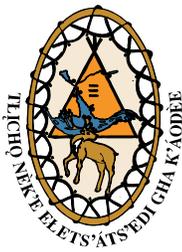
Management Responsibility for Financial Reporting for the year ended March 31, 2023

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 TĪchq 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 Tłı̨chǫ̀ Community Services Agency

Kevin Armstrong, Chief Executive Officer

Tłı̨chǫ̀ Community Services Agency

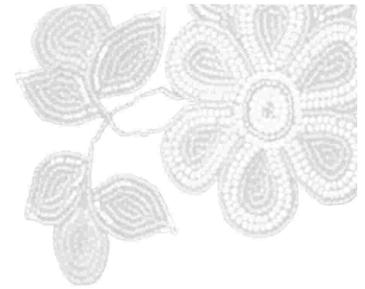
June 29, 2023





Management Discussion and Analysis

March 31, 2023



Introduction

The Tłchq Community Services Agency (TCSA) is a unique organization in the Northwest Territories. It is a Government of the Northwest Territories Agency, while incorporating the values and principles of the Tłchq people.

Our mission statement “*Do Nake Lani Nats’etso...Strong Like Two People*” was developed to ensure that 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 Tłchq individuals, families, and communities,
- Supporting the best health and wellness of people in the Tłchq 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 Tłchq Community Governments (Behchokò , 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
- Behchokò 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:

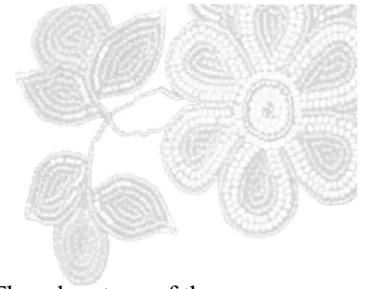
- To deliver GNWT public education programs and services
- To deliver GNWT public health and social services programs
- To support the implementation of self-government between the GNWT and the TG





Management Discussion and Analysis

March 31, 2023

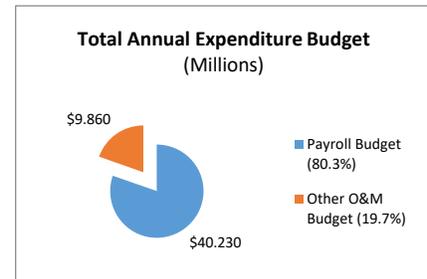


All the other regions have separate agencies for the delivery of health and education programs. The advantage of the TCSA model is that we are able to more effectively link the delivery of these programs.

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.

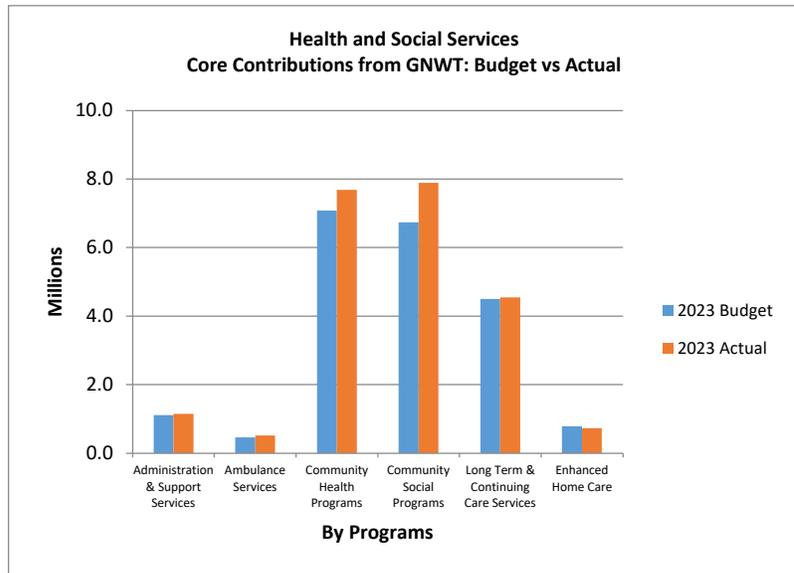
Financial Condition

The Agency had an annual expenditure budget of \$50.090 million in total in fiscal 2022-2023, a dedicated workforce of approximately 330 employees with a total payroll budget of \$40.230 million, which represents 80.3% of the Agency's total annual budget.



The TCSA Health and Social Services Programs receive core contributions (\$22.509 million) from the GNWT, which presents majority (96.5%) of the total Revenue for the 2022-2023 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 2022-2023 fiscal year – broken down by health and social services programs.



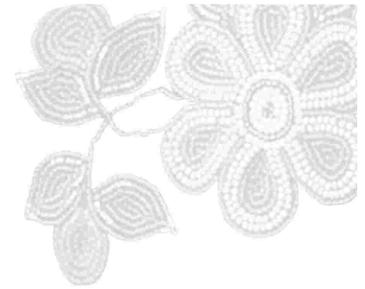
For the 2022-2023 fiscal year, the TCSA Health and Social Services Activities incurred a total expenditure of \$24.379 million.





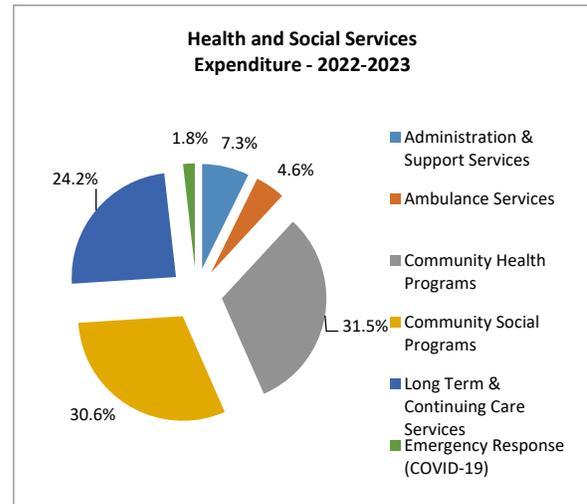
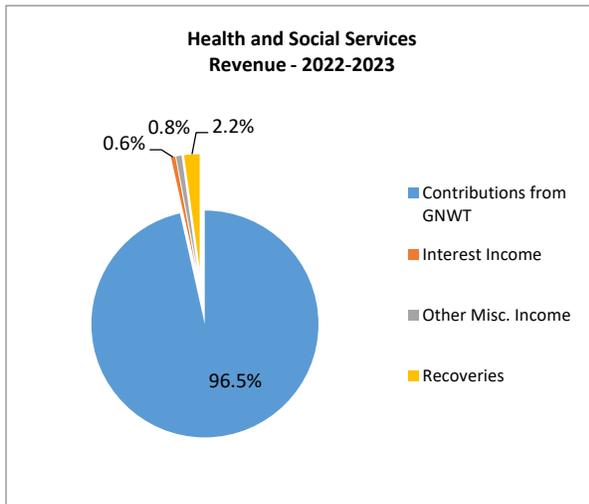
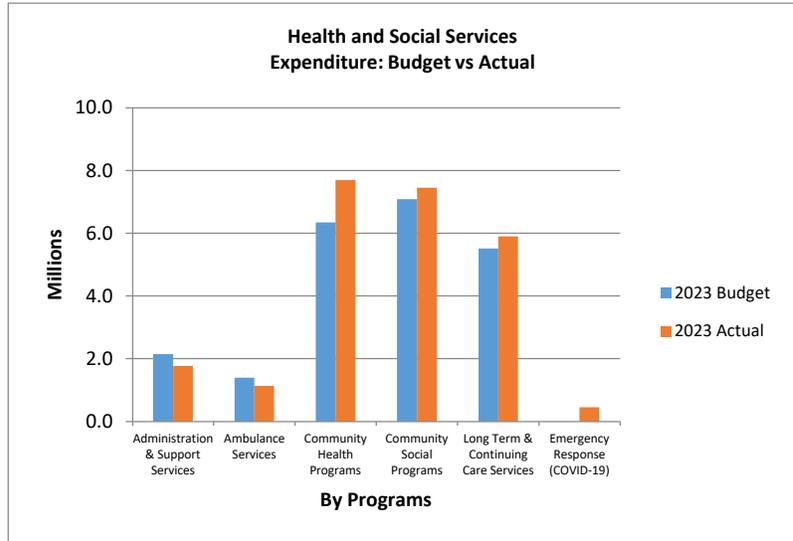
Management Discussion and Analysis

March 31, 2023



The Chart on the right demonstrates a comparison of operating actuals to annual budgets of expenditures for the 2022-2023 fiscal year – broken down by health and social services programs.

For the 2022-2023 fiscal year, the TCSA Health and Social Services Activities incurred an operating deficit of \$1,043,470, thereby arriving at an accumulated operating deficit of \$7.362 million. The 2022-2023 operating deficit represents approximately 4.5% of the total health revenue of \$23.336 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:

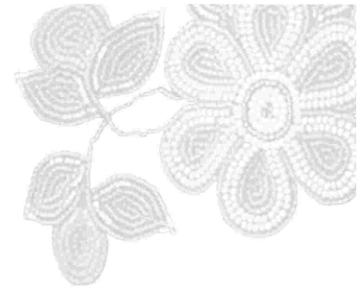
	2023 Actual	2022 Actual
Operating Surplus / (Deficit)	\$ (1,043,470)	\$ (779,001)
Unfunded Items:		
Change in Employee Leave and Termination Benefits	(13,149)	(78,452)
Annual Surplus / (Deficit)	\$ (1,056,619)	\$ (857,453)





Management Discussion and Analysis

March 31, 2023



The operating deficit in health for 2022-2023 can be attributed to a number of factors:

- (1) The costs to operate the health centers in our three main communities has increased compared to the prior year's and exceeded the funding by \$302,051 (2021-2022: \$365,860). Overtime / standby costs continue to run over budgeted amounts. The overtime would normally be 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 \$255,228 (2021-2022: \$396,782).
- (3) Although having received an additional supplementary funding during the year, costs relating to foster care in Child and Family Services division have exceeded the funding by \$358,128.
- (4) The costs to operate the Jimmy Erasmus Seniors' Home have significantly increased compared to the prior year's and exceeded the funding by \$267,895, mainly because of insufficiently funded overtime / standby costs.

For its 2022-2023 Education activities the TCSA incurred an annual deficit of \$636,030. As a result of this the TCSA Education activities now have an accumulated deficit of \$65,974.

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 and this is in large part caused by two items:
 - 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 Department of Health and Social Services recognizes the above issue and has approved the Agency's 2023-2024 budget with a deficit of \$862,769. We are working with the Department to seek additional funding in the Child and Family Services program area.

Chief Executive Officer, June 29, 2023





**YELLOWKNIFE
ACCOUNTING**
PROFESSIONAL CORPORATION

**CHARTERED PROFESSIONAL
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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, 2023, 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, 2023, 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, 2023 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.

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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, 2023

EPR Yellowknife Accounting Professional Corporation
Chartered Professional Accountants

Tlicho Community Services Agency
Statement of Financial Position
As at March 31, 2023

	March 31, 2023	March 31, 2022
Financial Assets		
Cash (Note 3)	\$ 357,307	\$ 4,370,629
Accounts Receivable (Note 7)	1,928,677	3,183,621
Due from Government of Canada (Note 8)	302,960	-
	<u>2,588,944</u>	<u>7,554,250</u>
Liabilities		
Accounts Payable and Accrued Liabilities (Note 10)	2,062,856	3,893,688
Deferred Revenue (Note 11)	411,139	3,217,452
Wages and Benefits Payable - GNWT (Note 10)	6,990,888	5,590,756
Employee Future Benefits (Note 15)	860,240	953,718
	<u>10,325,123</u>	<u>13,655,614</u>
Net Financial Debt	<u>(7,736,179)</u>	<u>(6,101,364)</u>
Non-Financial Assets		
Inventory Held for Use (Note 9)	112,000	102,000
Tangible Capital Assets (Note 17)	183,837	240,402
Prepaid Expenses (Note 18)	9,900	-
	<u>305,737</u>	<u>342,402</u>
Accumulated Surplus (Deficit) (Page 6)	<u>\$ (7,430,442)</u>	<u>\$ (5,758,962)</u>

Contractual Obligations (Note 21)


 _____ **Chief Executive Officer**


 _____ **Chairman of the Board**

**Tlicho Community Services Agency
Consolidated Operations
Statement of Operations
For the year ended March 31, 2023**

	Unaudited 2023 Budget	2023 Actual	2022 Actual
Revenue			
Health & Social Services (Page 3)	\$ 21,399,185	\$ 23,336,027	\$ 22,107,372
Education (Page 4)	26,714,179	26,167,411	24,685,167
Other Operations (Page 5)	150,000	151,725	137,060
	<u>48,263,364</u>	<u>49,655,163</u>	<u>46,929,599</u>
Expenditure			
Health & Social Services - Compensation	17,138,653	17,963,735	17,592,352
Health & Social Services - Other	5,347,528	6,415,762	5,294,021
Total Health & Social Services (Page 3)	<u>22,486,181</u>	<u>24,379,497</u>	<u>22,886,373</u>
Education - Compensation	23,091,304	21,737,253	20,686,153
Education - Other	4,212,878	4,985,859	3,508,663
Total Education (Page 4)	<u>27,304,182</u>	<u>26,723,112</u>	<u>24,194,816</u>
Other Operations - Compensation	-	-	-
Other Operations - Other	300,000	224,034	295,520
Total Other Operations (Page 5)	<u>300,000</u>	<u>224,034</u>	<u>295,520</u>
	<u>50,090,363</u>	<u>51,326,643</u>	<u>47,376,709</u>
Operating Surplus (Deficit)	<u>\$ (1,826,999)</u>	<u>\$ (1,671,480)</u>	<u>\$ (447,110)</u>
Rent Expense - GNWT Assets provided at no cost (Note 20)		1,843,078	496,711
Grant-In-Kind - GNWT Assets provided at no cost (Note 20)		(1,843,078)	(496,711)
Change to Employee Leave and Termination Benefits		93,478	210,427
		<u>93,478</u>	<u>210,427</u>
Annual Surplus (Deficit)	<u>\$ (1,826,999)</u>	<u>\$ (1,764,958)</u>	<u>\$ (657,537)</u>

**Tlicho Community Services Agency
Health & Social Services
Statement of Operations
For the year ended March 31, 2023**

	Unaudited 2023 Budget	2023 Actual	2022 Actual
Revenue			
Contributions from GNWT (Schedule A)	\$ 20,664,185	\$ 22,509,402	\$ 21,342,252
Interest Income	25,000	136,169	37,566
Other Income	150,000	173,952	172,880
Recoveries	560,000	516,504	554,674
	<u>21,399,185</u>	<u>23,336,027</u>	<u>22,107,372</u>
Expenditure			
Administrative & Support Services	2,144,857	1,767,632	1,640,953
Ambulatory Care Services	1,394,426	1,125,753	1,211,732
Community Health Programs	6,345,384	7,690,620	7,584,166
Community Social Programs	7,086,027	7,448,985	6,188,676
Long Term and Continuing Care	5,515,487	5,897,949	4,926,460
Emergency Response (COVID-19)	-	448,558	1,334,386
	<u>22,486,181</u>	<u>24,379,497</u>	<u>22,886,373</u>
Operating Surplus (Deficit)	\$ (1,086,996)	\$ (1,043,470)	\$ (779,001)
Rent Expense - GNWT Assets provided at no cost (Note 20)		1,007,787	496,711
Grant-In-Kind - GNWT Assets provided at no cost (Note 20)		(1,007,787)	(496,711)
Change to Employee Leave and Termination Benefits		13,149	78,452
		<u>13,149</u>	<u>78,452</u>
Annual Surplus (Deficit)		(1,056,619)	(857,453)
Opening Accumulated Operating Deficit		(6,318,226)	(5,539,225)
Closing Accumulated Operating Deficit		\$ (7,361,696)	\$ (6,318,226)

Tlicho Community Services Agency
Education
Statement of Operations
For the year ended March 31, 2023

	Unaudited 2023 Budget	2023 Actual	2022 Actual
Operating Fund - Revenue			
Government of the Northwest Territories			
Regular Contribution from ECE	\$ 17,885,011	\$ 18,175,729	\$ 18,190,662
Other ECE Contribution	263,750	582,575	1,103,610
Total ECE Contributions	<u>18,148,761</u>	<u>18,758,304</u>	<u>19,294,272</u>
Contributions from Other GNWT Departments	154,775	158,000	210,265
Total GNWT Contributions	<u>18,303,536</u>	<u>18,916,304</u>	<u>19,504,537</u>
Government of Canada - Jordan's Principle	<u>8,136,643</u>	<u>6,694,942</u>	<u>4,839,004</u>
Board Generated Funds			
Other Contributions and Miscellaneous	249,000	419,996	304,060
Investment Income	25,000	136,169	37,566
Total Generated Funds	<u>274,000</u>	<u>556,165</u>	<u>341,626</u>
Total Revenue	<u>26,714,179</u>	<u>26,167,411</u>	<u>24,685,167</u>
Operating Fund Expenses - Per Schedule C			
Aboriginal Language/Cultural Programs	1,980,992	2,015,664	1,811,304
Administration	1,406,314	1,229,645	1,067,160
Inclusive Schooling	3,174,238	3,073,824	3,202,022
School Programs	12,605,995	13,709,037	13,275,326
Jordan's Principle	8,136,643	6,694,942	4,839,004
Total Expense	<u>27,304,182</u>	<u>26,723,112</u>	<u>24,194,816</u>
Operating Surplus (Deficit)	<u>\$ (590,003)</u>	<u>\$ (555,701)</u>	<u>\$ 490,351</u>
Rent Expense - GNWT Assets provided at no cost (Note 20)		835,292	-
Grant-In-Kind - GNWT Assets provided at no cost (Note 20)		(835,292)	-
Change to Employee Leave and Termination Benefits		<u>80,329</u>	<u>131,975</u>
		<u>80,329</u>	<u>131,975</u>
Annual Surplus (Deficit)		<u>\$ (636,030)</u>	<u>\$ 358,376</u>

Tlicho Community Services Agency
Other Operations
Statement of Operations
For the year ended March 31, 2023

	Unaudited 2023 Budget	2023 Actual	2022 Actual
Revenue			
Recoveries - Housing	\$ 150,000	\$ 151,725	\$ 137,060
	-	-	-
Expenses			
General Administrative Expenditures	-	39,604	23,685
Lease Property - Housing	300,000	184,430	271,835
	300,000	224,034	295,520
Operating Surplus (Deficit)	\$ (150,000)	\$ (72,309)	\$ (158,460)

**Tlicho Community Services Agency
Statement of Changes in Net Debt
For the year ended March 31, 2023**

	Unaudited 2023 Budget	2023 Actual	2022 Actual
Annual Operating Surplus (Deficit) (Page 2)	\$ (1,826,999)	\$ (1,671,480)	\$ (447,110)
Decrease (Increase) in Inventories Held for Use	-	(10,000)	-
Decrease (Increase) in Prepaid Expenses	-	(9,900)	-
Acquisition of Tangible Capital Assets	-	-	-
Amortization of Tangible Capital Assets	-	56,565	56,565
Increase (Decrease) in Net Financial Resources	-	(1,634,815)	(390,545)
Opening Net Financial Resources (Debt)	(6,101,364)	(6,101,364)	(5,710,813)
Closing Net Financial Resources (Debt)	\$ (6,101,364)	\$ (7,736,178)	\$ (6,101,364)
Accumulated Operating Deficit			
<u>Health & Social Services</u>			
Opening Deficit - Health & Social Services	\$ (6,318,226)	\$ (6,318,226)	\$ (5,539,225)
Current Year's Operating Deficit (Page 3)	(1,086,996)	(1,043,470)	(779,001)
Closing Deficit	(7,405,222)	(7,361,696)	(6,318,226)
<u>Education</u>			
Opening Surplus (Deficit) - Education	489,727	489,727	(624)
Current Year's Operating Surplus (Deficit) (Page 4)	(590,003)	(555,701)	490,351
Closing Surplus (Deficit)	(100,276)	(65,974)	489,727
<u>General</u>			
Opening Surplus - Other	69,537	69,537	227,997
Current Year's Surplus (Deficit) (Page 5)	(150,000)	(72,309)	(158,460)
Closing Surplus (Deficit)	(80,463)	(2,772)	69,537
Total Closing Accumulated Operating Deficit	\$ (7,585,961)	\$ (7,430,442)	\$ (5,758,962)

**Tlich Community Services Agency
Statement of Cash Flow
For the year ended March 31, 2023**

	<u>2023</u>	<u>2022</u>
Cash Provided by (used in) Operating Transactions		
Annual Operating Surplus (Deficit)*	\$ (1,671,480)	\$ (447,110)
Items Not Affecting Cash:		
Amortization	56,565	56,565
Decrease (Increase) in Accounts Receivable	1,254,944	(724,164)
Decrease (Increase) in Due from Government of Canada	(302,960)	-
(Decrease) Increase in Accounts Payable	(1,830,832)	1,188,933
Increase (Decrease) in Wages and Benefits Payable	1,400,132	(62,108)
Increase in Inventories Held for Use	(10,000)	-
Increase in Employee Future Benefits	(93,478)	(210,427)
(Decrease) Increase in Deferred Revenue	(2,806,313)	178,910
Increase in Prepaid Expenses	(9,900)	-
Net Cash Provided by (used in) Operating Transactions	<u>(4,013,322)</u>	<u>(19,401)</u>
Cash Provided by (used in) Investing Transactions		
Disposition (Acquisition) of Tangible Capital Assets	-	-
Net Cash Provided by Investing Transactions	<u>-</u>	<u>-</u>
Cash Provided by (used in) Financing Transactions		
	-	-
Net Cash Provided by Financing Transactions	<u>-</u>	<u>-</u>
Decrease in Cash	(4,013,322)	(19,401)
Cash, Beginning of the Year	4,370,629	4,390,030
Cash, End of the Year	<u>\$ 357,307</u>	<u>\$ 4,370,629</u>

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2023

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.

**Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2023**

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

**Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2023**

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.

3. Cash

	<u>2023</u>	<u>2022</u>
Cash	\$ 357,307	\$ 4,370,629

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.

**Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2023**

4. Special Purpose Funds

Nil Report

5. Restricted Assets

Nil Report

6. Portfolio Investments

Nil Report

7. Accounts Receivable

	Accounts Receivable 2023	Allowance for Doubtful Accounts 2023	Net Amount 2023	Net Amount 2022
Due from Third Parties	\$ 466,630	\$ (42,075)	\$ 424,555	\$ 353,606
Health and Social Services Related Cost due from Third Parties	117,013	(51,395)	65,618	48,395
Due from Government of Northwest Territories - Due from Workers' Safety and Compensation Commission	1,366,791 1,958	- -	1,366,791 1,958	2,665,546 1,958
Due from Northwest Territories Health and Social Services Authority	69,755	-	69,755	114,116
	\$ 2,022,147	\$ (93,470)	\$ 1,928,677	\$ 3,183,621

8. Due from Government of Canada

	2023	2022
Jordan's Principle	\$ 302,960	\$ -

9. Inventory Held for Use

	2023	2022
Inventory Held for Use Health Centre Supplies	\$ 112,000	\$ 102,000

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2023

10. Accounts Payable and Accrued Liabilities

	2023	2022
Due to the Government of the Northwest Territories	\$ 225,430	\$ 1,609,404
Due to NWT Housing Corporation	-	(1,650)
Due to NWT Power Corporation	-	460
Due to Northwest Territories Health and Social Services Authority	782,754	1,597,278
Due to James Company Limited (Owned by a Board Member)	-	1,500
Due to Workers' Safety and Compensation Commission	368,524	100,000
Due to Third Parties on Health and Social Services Related Cost	402,073	196,978
Due to Third Parties	284,075	389,718
	\$ 2,062,856	\$ 3,893,688

	2023	2022
Payroll Liabilities		
Due to GNWT Payroll Liabilities	\$ 6,281,479	\$ 4,889,799
Accrued Vacation and Lieu	709,409	700,957
Government of the Northwest Territories	\$ 6,990,888	\$ 5,590,756

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2023

11. 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.

	2023	2022
CJBS - PC Children Charity	\$ -	\$ 6,628
CJBS - Greenhouse	446	-
CJBS - Ekati Mine Culture	567	-
CJBS - Fundraising	45,654	-
CJBS - Literacy	4,203	3,000
CJBS - Northern Distance Learning	-	4,073
CJBS - Breakfast Club	26,667	-
MEZ1 - Ekati Mine Culture	25,000	25,609
MEZ1 - Indigenous Health & Wellness Elders	19,418	24,129
MEZ1 - Food First Foundation	3,321	-
EMES - Bookfair	-	1,598
EMES - PC Children Charity	6,165	1,962
EMES - Breakfast Club	50,787	67,288
EMES - Ekati Mine Culture	22,343	25,000
EMES - Food First Foundation	8,000	-
EMES - On the Land Collaborative	12,560	4,304
AAS - Ekati Mine Culture	14,379	22,200
AAS - Food First Foundation	-	5,162
AAS - On the Land Collaborative	-	10,687
AAS - Literacy	-	2,191
AAS - Miscellaneous	-	6,215
JWGS - Breakfast Club	30,438	18,013
JWGS - Ekati Mine Culture	37,153	25,000
JWGS - Food First Foundation	2,074	2,074
JWGS - Fundraising	-	1,208
JWGS - Miscellaneous	-	1,966
REGIONAL - COVID-19 Support	101,964	435,828
REGIONAL - Self Regulation	-	7,000
REGIONAL - Jordan's Principle	-	2,516,317
	\$ 411,139	\$ 3,217,452

**Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2023**

12. Contribution Repayable

Nil Report

13. Capital Lease Obligations

Nil Report

14. 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.

	2023	2022
HSS Activities		
Employee	\$ 1,020,273	\$ 976,163
Employer	1,046,910	990,107
	2,067,183	1,966,270
 EDU Activities		
Employee	1,544,524	1,442,345
Employer	1,552,665	1,494,738
	3,097,189	2,937,083
	\$ 5,164,372	\$ 4,903,353

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2023

15. Employee Future Benefits and Compensated Absences

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

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

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

Valuation Result

The actuarial valuation was completed March 31, 2023. 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	2023	2022
Severance and removal	\$ 425,947	\$ 169,127	\$ 595,074	\$ 687,577
Compensated absences	174,690	90,476	265,166	266,141
	<u>\$ 600,637</u>	<u>\$ 259,603</u>	<u>\$ 860,240</u>	<u>\$ 953,718</u>

	Severance and Removal		Compensated Absences		2023	2022
	EDU	HSS	EDU	HSS		
Changes in obligation						
Accrued benefit obligation, beginning of year	\$ 504,549	\$ 183,028	\$ 176,417	\$ 89,724	\$ 953,718	\$ 1,164,145
Current period benefit cost	43,334	13,501	17,695	8,452	82,982	97,671
Interest accrued	20,133	7,552	7,657	3,908	39,250	39,121
Benefits payments	(104,264)	(37,430)	(14,711)	(5,741)	(162,146)	(422,418)
Plan amendment	-	-	-	-	-	68,309
Actuarial (gain)/loss	(37,805)	2,476	(12,368)	(5,867)	(53,564)	6,890
Accrued benefit obligation, end of year	425,947	169,127	174,690	90,476	860,240	953,718
Unamortized net actuarial gain/(loss)	124,157	20,655	(24,335)	(273,333)	(152,856)	(194,440)
Net future obligation	550,104	189,782	150,355	(182,857)	707,384	759,278
Other employee future benefits	-	-	-	-	-	-
Other compensated absences	-	-	-	-	-	-
Total employee future benefits and compensated absences	\$ 550,104	\$ 189,782	\$ 150,355	\$ (182,857)	\$ 707,384	\$ 759,278

**Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2023**

15. Employee Future Benefits and Compensated Absences (cont'd)

	Severance and Removal		Compensated Absences		2023	2022
	EDU	HSS	EDU	HSS		
Benefits expense						
Current period benefit cost	43,334	13,501	17,695	8,452	82,982	97,671
Interest accrued	20,133	7,552	7,657	3,908	39,250	39,121
Plan amendments	-	-	-	-	-	68,309
Amortization of actuarial gains	(67,719)	4,001	(6,931)	58,669	(11,980)	(12,679)
	\$ (4,252)	\$ 25,054	\$ 18,421	\$ 71,029	\$ 110,252	\$ 192,422

The discount rate used to determine the accrued benefits obligation is an average of 4.80%. No inflation rate is applied. The expected payments during the next five years are:

	Severance and Removal	Compensated Absences	Total
Year 2024	\$ 55,661	\$ 20,094	\$ 75,755
Year 2025	42,661	20,749	63,410
Year 2026	48,152	22,066	70,218
Year 2027	56,682	25,910	82,592
Year 2028	57,886	24,857	82,743
	\$ 261,042	\$ 113,676	\$ 374,718

16. Trust Assets and Liabilities

Nil Report

17. 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 2023	Net Book Value 2022
School Buses	\$ 569,273	\$ -	\$ (385,437)	\$ 183,837	\$ 240,402

18. Prepaid Expenses

	2023	2022
Purchase Deposit	\$ 9,900	\$ -

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2023

19. Services Provided Without Charge

Nil Report

20. GNWT Assets Provided At No Cost

Tangible Capital Assets (TCA) are owned by the Government of the Northwest Territories. TCA are amortized over the estimated useful life of the assets at the following rates.

- Buildings - 40 Years
- Leasehold Improvements - Lesser of useful life or lease term plus renewal option
- Mobile Equipment - 15 years

Health and Social Services

	Cost	Addition	Accumulated	Net Book	Net Book
	(Unaudited)	(Unaudited)	Amortization	Value 2023	Value 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Buildings	\$ 18,682,626	\$ 535,380	\$ (6,410,416)	\$ 12,807,590	\$ 13,221,107
Leasehold	252,800	-	(252,800)	-	1,047
Mobile Equipment	380,626	-	(280,830)	99,796	120,753
Medical Equipment	338,467	-	(190,839)	147,628	181,475
Other Equipment	76,007	-	(23,055)	52,952	55,992
Total	\$ 19,730,526	\$ 535,380	\$ (7,157,940)	\$ 13,107,966	\$ 13,580,374

The TCA information was provided by the Government of the Northwest Territories. Amortization expense for 2022 - 2023 - \$1,007,787 (2021 - 2022 - \$496,711).

Education

	Cost	Addition	Accumulated	Net Book	Net Book
	(Unaudited)	(Unaudited)	Amortization	Value 2023	Value 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Alexis Arrowmaker School	\$ 2,412,271	\$ -	\$ (1,656,965)	\$ 755,306	\$ 824,510
Chief Jimmy Bruno School	9,459,123	-	(8,831,033)	628,090	740,048
Elizabeth MacKenzie School	5,637,997	-	(4,313,451)	1,324,546	1,503,704
Jean Wetrade School	10,360,806	-	(4,977,426)	5,383,380	5,711,285
Mezi School	6,310,511	-	(5,640,690)	669,821	816,888
Nishi Khon - Leasehold Improvement	190,000	-	(190,000)	-	-
Total	\$ 34,370,708	\$ -	\$ (25,609,565)	\$ 8,761,143	\$ 9,596,435

The TCA information was provided by the Government of the Northwest Territories. Amortization expense for 2022 - 2023 - \$835,292 (2021-2022 - \$0).

**Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2023**

21. Contractual Obligations (aka Commitments)

The Agency has entered into agreements for, or is contractually committed to, the following expenses payable subsequent to March 31, 2023.

	Expires in Fiscal Year	2024	2025	2026	2027	2028 and Thereafter	Total
Office Leases	2024	\$ 121,992	\$ -	\$ -	\$ -	\$ -	\$ 121,992
Residential Leases	2024-2027	130,593	102,960	42,900	-	-	276,453
Equipment Leases	2026	70,338	70,338	70,338	3,579	-	214,593
Other Services Contracts	2024	56,752	-	-	-	-	56,752
		\$ 379,675	\$ 173,298	\$ 113,238	\$ 3,579	\$ -	\$ 669,790

22. Contingent Liabilities

In the normal course of operations, the Agency is subject to claims and pending and threatened litigation against the Agency and its staff. The Agency is defending actions brought against it and the Agency has recorded an allowance for any claim or litigation where it is likely that there will be a future payment and a reasonable estimate of the loss can be made. The allowance is based upon estimates determined by the Agency's legal experts experience or case law in similar circumstances.

The Agency did not have any environmental liabilities during the year.

23. Budget

Budget figures for Health and Social Services Division of the TCSA are the opening budgets that were approved on March 31, 2022 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 June, 15 2022 by the Agency's board of directors and ECE. The budget figures are not audited and are intended for information purposes only. These figures represent the Agency's original fiscal plan for the year and do not reflect subsequent changes arising from amendments made by the Departments.

24. Economic Dependence

The Agency receives its funding primarily from the GNWT. If the funding arrangements were to change management is of the opinion that the Agency operations would be significantly affected.

25. Subsequent Events

Nil Report

26. Comparative Figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2023

27. Related Parties And Inter-Entity Transactions

The Agency is related in terms of common ownership to all GNWT created departments and public agencies. The Agency enters into transactions with these entities in the normal course of business. The Agency is provided with various administrative services by the GNWT, the value of which is not reflected in these financial statements. The administrative costs include legal services by the Department of Justice, insurance coverage by the Department of Finance, compensation services by the Department of Human Resources, and internal audit services by the Department of Finance.

	2023	2022
Due from Related Parties		
Government of the Northwest Territories		
Department of Finance	\$ 40,402	\$ 35,386
Department of Health and Social Services	1,242,974	2,616,050
Department of Education, Culture and Employment	83,415	14,109
Northwest Territories Health and Social Services Authority	69,754	114,116
NWT Housing Corporation	-	1,650
	\$ 1,436,545	\$ 2,781,311
 Due to Related Parties		
Government of the Northwest Territories		
Department of Finance	\$ 200,151	\$ 392,448
Department of Health and Social Services	-	1,200,772
Department of Education, Culture and Employment	21,236	12,833
Petroleum Products Division	4,043	3,351
NWT Power Corporation	-	460
Northwest Territories Health and Social Services Authority	782,754	1,597,278
James Company Limited (owned by one board member)	-	1,500
	\$ 1,008,184	\$ 3,208,642
 Department of Finance - Payroll Liabilities	\$ 6,281,479	\$ 4,889,799

**Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2023**

27. Related Parties And Inter-Entity Transactions (cont'd)

Revenue received from Related Parties not otherwise disclosed in the statements or schedules:

	2023	2022
Northwest Territory Health & Social Services Authority	\$ 94,689	\$ 117,538
GNWT - Department of Health and Social Services	365,025	356,950
	\$ 459,714	\$ 474,488

Expenses paid to Related Parties

GNWT - Department of Finance	\$ 684,408	\$ 439,940
GNWT - Department of Education, Culture and Employment	12,833	196,107
GNWT - Department of Environment & Natural Resources	-	8,000
GNWT - Petroleum Products Division	33,518	17,495
Northwest Territories Health and Social Services Authority	829,903	192,485
NWT Housing Corporation	122,868	242,985
NWT Power Corporation	8,565	5,604
NWT Education Boards	6,860	600
James Company Limited (Owned by a Board Member)	18,000	16,500
	\$ 1,716,955	\$ 1,119,716

Related party transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

28. Workers' Safety and Compensation Commission Transactions

	2023	2022
Due from the WSCC	\$ 1,958	\$ 1,958
Due to the WSCC	368,524	100,000
Expenses	6,241	500

29. Financial Instruments

The Agency is exposed to credit and liquidity risks from its financial instruments. Qualitative and quantitative analysis of the:

(i) Credit risk

Credit risk is the risk of financial loss to the Agency if a debtor fails to make payments of interest and principal when due. The Agency is exposed to this risk relating to its, cash, special purpose funds, trust assets and accounts receivable.

The Agency holds its cash, special purpose funds and trust assets deposits in trust accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation.

Accounts receivable are due from various governments, government agencies, corporations and individuals. Credit risk related to accounts receivable is mitigated by internal controls as well policies and oversight over arrears for ultimate collection. Management has determined that a portion of accounts receivable are impaired based on specific identification as well as age of receivables.

These amounts are as disclosed in Note 7.

The Agency's maximum exposure to credit risk is represented by the financial assets for a total of \$1,928,677 (2021- 2022 - \$3,183,621).

**Tlicho Community Services Agency
Notes to the Financial Statements
March 31, 2023**

29. 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, 2023, 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 (2021 - 2022 - \$nil). Total financial assets are \$2,588,944 (2021 - 2022 - \$7,554,250) and financial liabilities are \$10,325,123 (2021 - 2022 - \$13,655,614). The agency has disclosed future financial liabilities and commitments in Note 21.

30. Contingent Assets

Nil Report

31. Contractual Rights

Nil Report

Tlcho Community Services Agency
Notes to the Financial Statements
March 31, 2023

32. Expenses By Object

Health & Social Services

	2023	2022
Compensation and Benefits		
Salaries and wages	\$ 17,189,340	\$ 16,909,763
Severance and Superannuation	(13,149)	(78,452)
Other	787,544	761,041
	\$ 17,963,735	\$ 17,592,352

Operations and Maintenance

Amortization	\$ -	\$ -
Contracted & General Services	2,938,301	2,296,482
Grants and Contributions	1,628,912	1,502,061
Medical and Surgical Supplies	485,011	472,533
Valuation Allowance	-	52,459
Other	1,363,538	970,486
	\$ 6,415,762	\$ 5,294,021

Education

Compensation and Benefits	\$ 21,737,253	\$ 20,686,153
Operations and Maintenance	4,985,859	3,508,663
	\$ 26,723,112	\$ 24,194,816

Other

Compensation and Benefits	\$ -	\$ -
Operations and Maintenance	224,034	295,520
	\$ 224,034	\$ 295,520

Overall

Compensation and Benefits	\$ 39,700,988	\$ 38,278,505
Operations and Maintenance	11,625,655	9,098,204
	\$ 51,326,643	\$ 47,376,709

Tlicho Community Services Agency
Schedule A
Schedule of Contributions from the GNWT
For the year ended March 31, 2023

	Unaudited 2023 Budget	2023 Actual	2022 Actual
Contributions from the GNWT			
Core contribution - Department of Health & Social Services			
Administration & Support Services			
Administration	\$ 795,000	\$ 736,000	\$ 777,000
Finance	192,000	192,000	189,000
Human Resources	15,000	107,000	15,000
System Support	110,000	110,000	107,000
Community Health Programs			
Community Clinics & Health Centres	5,901,000	6,009,000	5,837,000
Diagnostic Services	17,000	47,000	17,000
Emergency Response (COVID-19)	-	472,000	1,437,946
Health Promotion & Community Wellness	315,000	315,000	315,000
Physician Services	841,000	841,000	841,000
Community Social Programs			
Child & Family Services	4,915,000	5,884,401	4,800,248
Child & Youth Care Counselling	716,000	897,606	548,927
Family Violence Prevention	31,000	31,000	31,000
Mental Health & Addictions	1,076,000	1,076,000	1,058,000
Long Term and Continuing Care Counselling			
Homecare & Support Services	783,000	783,000	767,000
Residential Care Children & Adults	3,712,000	3,761,000	3,701,000
Supplementary Health Programs			
Medical Travel	458,000	517,000	458,000
	<u>19,877,000</u>	<u>21,779,007</u>	<u>20,900,121</u>
Other Contribution - Department of Health & Social Services			
Enhanced Home Care - Schedule A-1	787,185	730,395	442,131
Total Contributions from GNWT			
	<u><u>\$ 20,664,185</u></u>	<u><u>\$ 22,509,402</u></u>	<u><u>\$ 21,342,252</u></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, 2023

	Unaudited 2023 Budget	2023 Actual	2022 Actual
Funding			
GNWT - Department of Health & Social Services	\$ 787,185	\$ 730,395	\$ 442,131
	<u>787,185</u>	<u>730,395</u>	<u>442,131</u>
Expenses			
Salaries	572,341	603,817	382,299
Material & Supplies	23,000	11,635	7,473
Gasoline	3,500	1,892	3,035
Food	14,000	8,867	7,432
Vehicle Maintenance	7,000	5,000	6,790
Medical and Surgical Supplies	6,200	5,874	12,856
Delivery & Courier	1,000	1,207	1,233
Telephone	768	1,776	728
Training	50,100	20,950	3,210
Travel	5,000	2,914	2,637
Minor Equipment	9,276	-	13,702
Contract Services	95,000	66,463	736
	<u>787,185</u>	<u>730,395</u>	<u>442,131</u>
Excess Funding over Expense	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Tlcho Community Services Agency
Schedule B
Schedule of Reserves
For the year ended March 31, 2023**

	Surplus		Leave & Termination		Special Projects		Total Reserves	
Balance, beginning of the year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additions/Reductions to/from Reserves	-	-	-	-	-	-	-	-
Transfers between Reserves	-	-	-	-	-	-	-	-
Balance, end of the year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

The Agency has no funds in reserves.

Tlicho Community Services Agency
Schedule C
Education Division
Schedule of Expenses
For the year ended March 31, 2023

	Aboriginal Languages	Administration	Inclusive Schooling	School Programs	Jordan's Principle	Total
Salaries						
Teachers	\$ 1,062,282	\$ -	\$ 1,041,992	\$ 7,948,024	\$ 1,232,229	\$ 11,284,527
Instructional Asst.	372,540	-	1,408,073	231,666	3,124,876	5,137,155
Non-Instructional Staff	228,997	825,946	175,686	2,802,012	774,858	4,807,499
Board Honoraria	-	46,534	-	-	-	46,534
Employee Benefits						
Benefits/Allowance	-	(80,201)	-	541,739	-	461,538
Services						
Purchased/Contracted						
Postage/Communication	998	21,535	-	78,301	-	100,834
Travel/Training	106,931	123,977	121,470	119,398	25,958	497,734
Adverting/Printing/ Publishing	-	350	-	-	-	350
Maintenance and Repairs	12,966	6,493	-	59,558	-	79,017
Rentals and Leases	945	22,540	-	43,660	-	67,145
Vehicle Expense	14,882	2,947	-	157,543	-	175,372
Other	21,738	59,095	21,067	13,465	427,772	543,137
Contributed Services	-	44,650	206,168	56,565	-	307,383
Contract Services	45,561	90,925	-	106,032	829,487	1,072,005
Home Boarding Allowance	-	-	-	22,625	-	22,625
Materials	145,563	62,900	90,704	1,384,375	279,762	1,963,304
Furniture and Equipment	-	-	-	92,370	-	92,370
Freight	2,261	1,954	8,664	51,704	-	64,583
Total Expense	\$ 2,015,664	\$ 1,229,645	\$ 3,073,824	\$ 13,709,037	\$ 6,694,942	\$ 26,723,112

**Tlicho Community Services Agency
Schedule C.1
Education - Contribution Agreements
Other Education Contributions
For the year ended March 31, 2023**

Contribution Agreement Revenues		2023	2022
Public Library Services	Schedule C-1	\$ 144,000	\$ 122,617
Self-Regulation	Schedule C-2	4,835	-
Northern Distance Learning	Schedule C-3	99,877	114,381
Take a Kid Trapping Program	Schedule C-4	46,000	67,775
Active After School	Schedule C-5	76,500	132,490
Indigenous Health & Wellness Elders - Tlicho Government	Schedule C-6	4,711	115,252
Drop the Pop	Schedule C-7	10,000	10,000
Literacy Program	Schedule C-8	-	1,046
Jordan's Principle	Schedule C-9	6,694,942	4,839,004
First Food Foundation	Schedule C-10	9,642	57,588
PC Children Charity Nutrition Snack	Schedule C-11	8,617	9,820
Breakfast Club	Schedule C-12	114,092	7,686
APPLE School Foundation	Schedule C-13	-	1,372
Ekati (Cultural Program)	Schedule C-14	123,367	47,205
On the Land Collaborative	Schedule C-15	17,431	-
Youth Contribution (Sewing)	Schedule C-16	5,000	-
Youth Contribution (Cultural Leadership)	Schedule C-17	20,000	-
Dog Mushing	Schedule C-18	3,400	-
Handgame/Drumming	Schedule C-19	37,530	-
Greenhouse	Schedule C-20	21,623	-
Miscellaneous	Schedule C-21	18,406	-
Total Contribution Agreement Revenues		\$ 7,459,973	\$ 5,526,236

**Tlicho Community Services Agency
Schedule C.1
Education - Contribution Agreements
Other Education Contributions
For the year ended March 31, 2023**

Contribution Agreement Expenditures		2023	2022
Public Library Services	Schedule C-1	\$ 144,000	\$ 122,617
Self-Regulation	Schedule C-2	4,835	-
Northern Distance Learning	Schedule C-3	100,176	114,381
Take a Kid Trapping Program	Schedule C-4	46,000	67,775
Active After School	Schedule C-5	76,500	132,487
Indigenous Health & Wellness Elders - Tlicho Government	Schedule C-6	4,711	115,252
Drop the Pop	Schedule C-7	10,000	9,996
Literacy Program	Schedule C-8	-	1,046
Jordan's Principle	Schedule C-9	6,694,942	4,839,004
First Food Foundation	Schedule C-10	9,642	57,546
PC Children Charity Nutrition Snack	Schedule C-11	8,617	9,384
Breakfast Club	Schedule C-12	114,092	7,686
APPLE School Foundation	Schedule C-13	-	20,781
Ekati Mine (Cultural)	Schedule C-14	123,367	49,038
On the Land Collaborative	Schedule C-15	17,431	-
Youth Contribution (Sewing)	Schedule C-16	5,000	-
Youth Contribution (Cultural Leadership)	Schedule C-17	20,000	-
Dog Mushing	Schedule C-18	3,400	-
Handgame/Drumming	Schedule C-19	37,530	-
Greenhouse	Schedule C-20	21,623	-
Miscellaneous	Schedule C-21	13,068	1,665
Total Contribution Agreement Expenditures		\$ 7,454,934	\$ 5,548,658
Excess of Funding over Expenditures		\$ 5,039	\$ (22,422)

**Tlicho Community Services Agency
Schedule C-1
Schedule of Detailed Contribution Funding and Expenses
Public Library Services
For the year ended March 31, 2023**

	2023 Budget	CJBS	MEZI	JWGS	EMES	2023 Actual	2022 Actual
Funding							
GNWT - ECE	\$ 144,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	144,000	129,600
GNWT - ECE A/P	-	-	-	-	-	-	(6,983)
Total Funding	144,000	36,000	36,000	36,000	36,000	144,000	122,617
Expenses							
Salaries & Benefits	177,442	19,468	30,000	-	36,000	85,468	82,558
Materials & Supplies	12,000	16,532	6,000	36,000	-	58,532	40,059
Total Expenses	189,442	36,000	36,000	36,000	36,000	144,000	122,617
Excess Funding over Expense	\$ (45,442)	\$ -	\$ -				

Tlicho Community Services Agency
Schedule C-2
Schedule of Detailed Contribution Funding and Expenses
Self Regulation
For the year ended March 31, 2023

	2023		2023		2022
	Budget		Actual		Actual
Funding					
GNWT - ECE	\$ -	\$	-	\$	7,000
GNWT - ECE - Deferred - PY	-		7,000		-
GNWT - ECE - Deferred - CY	-		-		(7,000)
GNWT - ECE - AP	-		(2,165)		-
Total Funding	-		4,835		-
Expenses					
Materials & Supplies	-		4,835		-
Total Expenses	-		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, 2023**

	2023 Budget	CJBS	MEZI	JWGS	WEKWEETI	2023 Actual	2022 Actual
Funding							
GNWT - ECE	\$ 119,750	\$ 26,165	\$ 20,938	\$ 28,054	\$ 20,937	\$ 96,094	\$ 88,572
GNWT - ECE - Deferred - PY	-	4,073	-	-	-	4,073	37,521
GNWT - ECE - Deferred - CY	-	-	-	-	-	-	(4,073)
GNWT - ECE - A/R	-	-	10,312	-	-	10,312	5,206
GNWT - ECE - A/P	-	(10,602)	-	-	-	(10,602)	(12,845)
Total Funding	119,750	19,636	31,250	28,054	20,937	99,877	114,381
Expenses							
Salaries	-	-	31,250	20,938	20,937	73,125	88,987
Materials & Supplies	-	-	-	-	-	-	5,287
Contract Services	119,750	19,270	-	7,116	-	26,386	11,250
Rent	-	665	-	-	-	665	8,857
Total Expenses	119,750	19,935	31,250	28,054	20,937	100,176	114,381
Excess Funding over Expense	\$ -	\$ (299)	\$ -	\$ -	\$ -	\$ (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, 2023

	2023								2023		2022	
	Budget	CJBS	MEZI	JWGS	EMES	WEKWEETI	Actual	Actual	Actual	Actual	Actual	Actual
Funding												
GNWT - ENR	\$ 67,775	\$ 8,000	\$ 10,000	\$ 10,000	\$ 8,000	\$ 10,000	\$ 46,000	\$ 46,000	\$ 67,775	\$ 67,775	\$ 67,775	\$ 67,775
GNWT - ENR Deferred - PY	-	-	-	-	-	-	-	-	8,000	-	8,000	8,000
GNWT - ENR Payable	-	-	-	-	-	-	-	-	(8,000)	-	(8,000)	(8,000)
Total Funding	67,775	8,000	10,000	10,000	8,000	10,000	46,000	46,000	67,775	67,775	67,775	67,775
Expenses												
Casual - Support Staff	-	-	-	-	-	-	-	-	18,650	-	18,650	18,650
Materials & Supplies	67,775	8,000	10,000	10,000	7,619	10,000	45,619	45,619	35,501	45,619	35,501	35,501
Gasoline	-	-	-	-	381	-	381	381	1,624	-	1,624	1,624
Contract Services	-	-	-	-	-	-	-	-	12,000	-	12,000	12,000
Total Expenses	67,775	8,000	10,000	10,000	8,000	10,000	46,000	46,000	67,775	67,775	67,775	67,775
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, 2023**

	2023 Budget	CJBS	MEZI	JWGS	EMES	Wekweeti	2023 Actual	2022 Actual
Funding								
GNWT - MACA	\$ 76,500	\$ 15,300	\$ 15,300	\$ 15,300	\$ 15,300	\$ 15,300	\$ 76,500	\$ 76,500
GNWT - MACA Deferred - PY	-	-	-	-	-	-	-	55,990
Total Funding	76,500	15,300	15,300	15,300	15,300	15,300	76,500	132,490
Expenses								
Materials & Supplies	61,200	15,300	15,300	15,300	15,300	15,300	76,500	132,487
Contract Services	15,300	-	-	-	-	-	-	-
Total Expenses	76,500	15,300	15,300	15,300	15,300	15,300	76,500	132,487
Excess Funding over Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3

Tlicho Community Services Agency
Schedule C-6
Schedule of Detailed Contribution Funding and Expenses
Indigenous Health & Wellness Elders - Tlicho Government
For the year ended March 31, 2023

	2023				2023	2022
	Budget	Regional	CJBS	MEZI	Actual	Actual
Funding						
Tlicho Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tlicho Government Deferred - PY	-	-	-	24,129	24,129	139,381
Tlicho Government Deferred - CY	-	-	-	(19,418)	(19,418)	(24,129)
Total Funding	-	-	-	4,711	4,711	115,252
Expenses						
Materials & Supplies	-	-	-	4,711	4,711	114,752
Contract Service	-	-	-	-	-	500
Total Expenses	-	-	-	4,711	4,711	115,252
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, 2023**

	2023 Budget	CJBS	MEZI	JWGS	EMES	Wekweeti	2023 Actual	2022 Actual
Funding								
GNWT - HSS	\$ 10,000	\$ 1,500	\$ 1,050	\$ 650	\$ 1,000	\$ 800	\$ 5,000	\$ 5,000
GNWT - HSS A/R	-	1,500	1,050	650	1,000	800	5,000	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	1,218	1,600	9,218	8,496
Contract Services	-	-	-	-	782	-	782	1,500
Total Expenses	10,000	3,000	2,100	1,300	2,000	1,600	10,000	9,996
Excess Funding over Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4

Tlicho Community Services Agency
Schedule C-8
Schedule of Detailed Contribution Funding and Expenses
Literacy Program
For the year ended March 31, 2023

	2023				2023	2022
	Budget	CJBS	MEZI		Actual	Actual
Funding						
Theytus Books Ltd	\$ -	\$ 1,203	\$ -	\$ 1,203	\$ -	-
NWT Literacy Council Deferred - PY	-	-	-	-	1,046	-
NWT Literacy Council Deferred - CY	-	(4,203)	-	(4,203)	-	-
Acasta HeliFlight	-	-	-	-	3,000	-
Acasta HeliFlight Deferred - PY	-	3,000	-	3,000	-	-
Acasta HeliFlight Deferred - CY	-	-	-	-	(3,000)	-
Total Funding	-	-	-	-	1,046	-
Expenses						
Materials & Supplies	-	-	-	-	1,046	-
Total Expenses	-	-	-	-	1,046	-
Excess Funding over Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Tlcho Community Services Agency
Schedule C-9
Schedule of Detailed Contribution Funding and Expenses
Jordan's Principle
For the year ended March 31, 2023**

	2023 Budget	Regional	SLP ISC-75258	Counsel ISC-75730	Transition ISC-75720	Literacy ISC-75250	BEH Intervention ISC-75746	EA ISC-85741	EA ISC-85433	HC-P005	2023 Actual	2022 Actual
Funding												
Government of Canada, Min. of Indigenous Services	\$ 7,618,266	\$ -	\$1,596,389	\$ 925,470	\$ 296,100	\$ 744,030	\$ 882,000	\$ 57,600	\$ 709	69,876	\$ 4,572,174	\$ 5,259,720
Government of Canada, Min. of Indigenous Services Deferred - PY	-	2,496,808	-	-	-	-	-	-	-	19,509	2,516,317	2,095,601
Government of Canada, Min. of Indigenous Services Deferred - CY	-	-	-	-	-	-	-	-	-	-	-	(2,516,317)
Government of Canada, Min. of Indigenous Services - AP	-	(696,509)	-	-	-	-	-	-	-	-	(696,509)	-
Government of Canada, Min of Indigenous Services - AR	-	(316,573)	90,937	2,747	121,239	242,849	208,320	(25,719)	9,662	(30,502)	302,960	-
Total Funding	7,618,266	1,483,726	1,687,326	928,217	417,339	986,879	1,090,320	31,881	10,371	58,883	6,694,942	4,839,004
Expenses												
Salaries & Benefits	6,160,000	1,201,330	1,245,946	675,711	314,990	796,946	922,138	31,881	10,371	-	5,199,313	3,936,539
Materials & Supplies	141,000	60,357	-	14,047	66,775	73,960	-	-	-	58,883	274,022	243,470
Staff Travel & Training	25,150	-	5,100	2,611	-	-	-	-	-	-	7,711	5,126
Dues & Fees	564,316	-	152,037	88,140	28,200	75,395	84,000	-	-	-	427,772	182,204
Contract Services	727,800	222,039	284,243	147,708	7,374	40,578	84,182	-	-	-	786,124	471,665
Total Expenses	7,618,266	1,483,726	1,687,326	928,217	417,339	986,879	1,090,320	31,881	10,371	58,883	6,694,942	4,839,004
Excess Funding over Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -

**Tlicho Community Services Agency
Schedule C-10
Schedule of Detailed Contribution Funding and Expenses
Food First Foundation
For the year ended March 31, 2023**

	2023 Budget	CJBS	MEZI	JWGS	EMES	Wekweeti	2023 Actual	2022 Actual
Funding								
Food First Foundation	\$ -	\$ -	\$ 7,800	\$ -	\$ 8,000	\$ -	\$ 15,800	\$ 26,710
Food First Foundation Deferred - PY	-	-	-	2,074	-	5,163	7,237	38,115
Food First Foundation Deferred - CY	-	-	(3,321)	(2,074)	(8,000)	-	(13,395)	(7,237)
Total Funding	-	-	4,479	-	-	5,163	9,642	57,588
Expenses								
Materials & Supplies	-	-	4,479	-	-	5,163	9,642	57,546
Total Expenses	-	-	4,479	-	-	5,163	9,642	57,546
Excess Funding over Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42

**Tlicho Community Services Agency
Schedule C-11
Schedule of Detailed Contribution Funding and Expenses
PC Children Charity Nutrition Snack
For the year ended March 31, 2023**

	2023 Budget	CJBS	JWGS	EMES	Wekweeti	2023 Actual	2022 Actual
Funding							
PC Children Charity	\$ 10,000	\$ -	\$ -	\$ 6,192	\$ -	\$ 6,192	\$ 16,210
PC Children Charity Deferred - PY	-	6,628	-	1,962	-	8,590	2,199
PC Children Charity Deferred - CY	-	-	-	(6,165)	-	(6,165)	(8,589)
Total Funding	10,000	6,628	-	1,989	-	8,617	9,820
Expenses							
Materials & Supplies	10,000	6,628	-	1,989	-	8,617	9,384
Total Expenses	10,000	6,628	-	1,989	-	8,617	9,384
Excess Funding over Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 436

Tlicho Community Services Agency
Schedule C-12
Schedule of Detailed Contribution Funding and Expenses
Breakfast Club
For the year ended March 31, 2023

	2023					2023	2022
	Budget	CJBS	JWGS	EMES		Actual	Actual
Funding							
Breakfast Club of Canada	\$ -	\$ 96,500	\$ 23,533	\$ 16,650	\$ 136,683	\$ 78,400	
Breakfast Club of Canada Deferred - PY	-	-	18,013	67,288	85,301	14,587	
Breakfast Club of Canada Deferred - CY	-	(26,667)	(30,438)	(50,787)	(107,892)	(85,301)	
Total Funding	-	69,833	11,108	33,151	114,092	7,686	
Expenses							
Materials & Supplies	-	69,833	11,108	33,151	114,092	7,686	
Total Expenses	-	69,833	11,108	33,151	114,092	7,686	
Excess Funding over Expense	\$ -	\$ -					

Tlich Community Services Agency
Schedule C-13
Schedule of Detailed Contribution Funding and Expenses
APPLE School
For the year ended March 31, 2023

	2023 Budget	2023 Actual	2022 Actual
Funding			
The APPLE School Foundation	\$ -	\$ -	\$ 1,372
Total Funding	-	-	1,372
Expenses			
Salaries & Benefits	-	-	19,409
Materials & Supplies	-	-	1,372
Total Expenses	-	-	20,781
Excess Funding over Expense	\$ -	\$ -	\$ (19,409)

**Tlicho Community Services Agency
Schedule C-14
Schedule of Detailed Contribution Funding and Expenses
Ekati (Cultural Program)
For the year ended March 31, 2023**

	2023 Budget	CJBS	MEZI	JWGS	EMES	Wekweeti	2023 Actual	2022 Actual
Funding								
Ekati Mine	\$ 125,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 125,000	\$ 125,000
Ekati Mine Deferred - PY	-	-	25,609	25,000	25,000	22,200	97,809	20,014
Ekati Mine Deferred - CY	-	(567)	(25,000)	(37,153)	(22,343)	(14,379)	(99,442)	(97,809)
Total Funding	125,000	24,433	25,609	12,847	27,657	32,821	123,367	47,205
Expenses								
Materials & Supplies	125,000	24,433	19,851	12,847	27,657	32,821	117,609	48,044
Rental/Lease Equipment	-	-	-	-	-	-	-	994
Contract services	-	-	1,352	-	-	-	1,352	-
Minor Equipment <\$5K	-	-	4,406	-	-	-	4,406	-
Total Expenses	125,000	24,433	25,609	12,847	27,657	32,821	123,367	49,038
Excess Funding over Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,833)

Tlicho Community Services Agency
Schedule C-15
Schedule of Detailed Contribution Funding and Expenses
On the Land Collaborative
For the year ended March 31, 2023

	2023 Budget	EMES	Wekweeti	2023 Actual	2022 Actual
Funding					
Tides Canada	\$ -	\$ 15,000	\$ -	\$ 15,000	\$ -
Tides Canada Deferred - PY	-	4,304	10,687	14,991	26,483
Tides Canada Deferred - CY	-	(12,560)	-	(12,560)	(14,991)
Total Funding	-	6,744	10,687	17,431	11,492
Expenses					
Salaries & Benefits	-	4,288	1,617	5,905	1,158
Materials & Supplies	-	2,456	2,728	5,184	10,334
Contract Services	-	-	6,342	6,342	-
Total Expenses	-	6,744	10,687	17,431	11,492
Excess Funding over Expense	\$ -	\$ -	\$ -	\$ -	\$ -

Tlich Community Services Agency
Schedule C-16
Schedule of Detailed Contribution Funding and Expenses
Youth Contribution (Sewing)
For the year ended March 31, 2023

	2023 Budget	CJBS	2023 Actual	2022 Actual
Funding				
GNWT - MACA	\$ -	\$ 5,000	\$ 5,000	\$ -
Total Funding	-	5,000	5,000	-
Expenses				
Materials & Supplies	-	5,000	5,000	-
Total Expenses	-	5,000	5,000	-
Excess Funding over Expense	\$ -	\$ -	\$ -	\$ -

Tlich Community Services Agency
Schedule C-17
Schedule of Detailed Contribution Funding and Expenses
Youth Contribution (Cultural Leadership)
For the year ended March 31, 2023

	2023 Budget	CJBS	2023 Actual	2022 Actual
Funding				
GNWT - MACA	\$ -	\$ 20,000	\$ 20,000	\$ -
Total Funding	-	20,000	20,000	-
Expenses				
Materials & Supplies	-	8,568	8,568	-
Salaries & Benefits	-	11,432	11,432	-
Total Expenses	-	20,000	20,000	-
Excess Funding over Expense	\$ -	\$ -	\$ -	\$ -

Tlich Community Services Agency
Schedule C-18
Schedule of Detailed Contribution Funding and Expenses
Dog Mushing
For the year ended March 31, 2023

	2023 Budget	CJBS	2023 Actual	2022 Actual
Funding				
Aboriginal Sports Circle	\$ -	\$ 3,400	\$ 3,400	\$ -
Total Funding	-	3,400	3,400	-
Expenses				
Contract Services	-	3,400	3,400	-
Total Expenses	-	3,400	3,400	-
Excess Funding over Expense	\$ -	\$ -	\$ -	\$ -

Tlicho Community Services Agency
Schedule C-19
Schedule of Detailed Contribution Funding and Expenses
Handgame/Drumming
For the year ended March 31, 2023

	2023 Budget	CJBS	2023 Actual	2022 Actual
Funding				
Aboriginal Sports Circle	\$ -	\$ 22,530	\$ 22,530	\$ -
Tlicho Government	-	15,000	15,000	-
Total Funding	-	37,530	37,530	-
Expenses				
Travel	-	37,530	37,530	-
Total Expenses	-	37,530	37,530	-
Excess Funding over Expense	\$ -	\$ -	\$ -	\$ -

Tlich Community Services Agency
Schedule C-20
Schedule of Detailed Contribution Funding and Expenses
Greenhouse
For the year ended March 31, 2023

	2023 Budget	CJBS	2023 Actual	2022 Actual
Funding				
Tlich Government	\$ -	\$ 21,069	\$ 21,069	\$ -
Jane Goodall Foundation	-	1,000	1,000	-
Jane Goodall Foundation Deferred	-	(446)	(446)	-
Total Funding	-	21,623	21,623	-
Expenses				
Materials & Supplies	-	21,623	21,623	-
Total Expenses	-	21,623	21,623	-
Excess Funding over Expense	\$ -	\$ -	\$ -	\$ -

Tlich Community Services Agency
Schedule C-21
Schedule of Detailed Contribution Funding and Expenses
Miscellaneous
For the year ended March 31, 2023

	2023 Budget	2023 Actual	2022 Actual
Funding			
CJBS Miscellaneous Deferred - CY	\$ -	\$ (45,654)	\$ -
CJBS Fundraising	-	46,254	-
JWGS Miscellaneous Deferred - PY	-	1,965	339
JWGS Miscellaneous Deferred - CY	-	-	(339)
JWGS Fundraising Deferred - PY	-	1,209	1,209
JWGS Fundraising Deferred - CY	-	-	(1,209)
EMES Literacy (Tlich Government)	-	2,000	-
EMES Book Fair Deferred - PY	-	3,726	1,598
EMES Book Fair Deferred - CY	-	-	(1,598)
AAS Miscellaneous	-	500	6,215
AAS Miscellaneous Deferred - PY	-	6,215	-
AAS Miscellaneous Deferred - CY	-	-	(6,215)
AAS Literacy Deferred - PY	-	2,191	2,191
AAS Literacy Deferred - CY	-	-	(2,191)
Total Funding	-	18,406	-
Expenses			
CJBS Miscellaneous	-	600	1,665
JWGS Miscellaneous	-	1,625	-
MEZI Miscellaneous	-	4,128	-
AAS Miscellaneous	-	6,715	-
Total Expenses	-	13,068	1,665
Excess Funding over Expense	\$ -	\$ 5,338	\$ (1,665)

Financial Statements

Hay River Health &
Social Services Authority

Year End March 31, 2023

Hay River Health & Social Services Authority

Financial Statements

Year End March 31, 2023

Management Discussion and Analysis

Management's Responsibility for Financial Reporting

Independent Auditor's Report

Financial Statements

Statement I	Statement of Financial Position	1
Statement II	Statement of Operations	2
Statement III	Statement of Changes in Net Financial Resources	3
Statement IV	Statement of Cash Flows	4
Notes to the Financial Statements		5 - 22
Schedule A	Schedule of Contributions from the GNWT	23
Schedule A-1	Schedule of Detailed Contribution Funding & Expenditures	24
Schedule B	Schedule of Reserves	25



Hay River Health & Social Services Authority | Administration des services de
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To the Minister of Health and Social Services

Management Responsibility for Financial Reporting for the year ended March 31, 2023.

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; those 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, 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 its supporting internal controls are regularly monitored to ensure their effectiveness and continued compliance with all relevant legislation, standards, directives and policies including, but not limited to, the Financial Administration Act, PSAS, FAM, Human Resources Manual, Ministerial Directives and the policies of the Authority's Public Administrator. Any non-compliance has been specifically identified and has been 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

October 3, 2023

Date



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Independent Auditor's Report

To the Minister of Health and Social Services
The Chief Executive Officer

Opinion

We have audited the accompanying financial statements of Hay River Health and Social Services (the Authority), which comprise the statement of financial position as at March 31, 2023, statement of operations, the statement of changes in net financial assets and statement of 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 Authority as at March 31, 2023, and the results of its operations and its 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, 2023, 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 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 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.

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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.

EPR Yellowknife Accounting Prof. Corp.

EPR Yellowknife Accounting Professional Corporation
Yellowknife, Northwest Territories
August 31, 2023

Hay River Health & Social Services Authority

Statement I

Statement of Financial Position

As at March 31, 2023

	2023 Actual	2022 Actual
Financial Assets		
Cash and cash equivalent (Note 4)	\$ 2,518,323	\$ 3,911,612
Accounts receivable (Note 7)	1,423,590	1,193,351
Trust Assets (Note 14)	103,331	106,851
Pensions asset (Note 12)	19,216,000	16,237,000
Total Financial Assets	23,261,244	21,448,814
Liabilities		
Accounts payable and accrued liabilities (Note 9)	3,005,530	5,255,282
Employee and payroll- related liabilities (Note 9)	2,513,626	2,221,563
Contributions repayable (Note 27)	1,199,045	2,279,825
Employee future benefits and compensated absences (Note 13)	1,720,115	1,492,776
Accountable capital advance, GNWT, (Note 28)	5,828	5,829
Deferred revenue (Note 26)	98,362	62,909
Trust liabilities (Note 14)	102,562	106,081
Total Liabilities	8,645,068	11,424,265
Net Financial Assets (Debts)	14,616,176	10,024,549
Non - Financial Assets		
Inventory held for use (Note 8)	214,524	200,346
Prepaid expenses and deposits (Note 25)	105,009	107,511
Total Non - Financial Assets	319,533	307,857
Accumulated Surplus (Deficit) (Note 29)	\$ 14,935,709	\$ 10,332,406

Contractual Obligations (Note 16)

Contingent Liabilities (Note 17)

Approved on behalf of the Hay River Health & Social Services Authority:



Public Administrator



Chief Executive Officer



Director of Finance

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

Hay River Health & Social Services Authority
Statement of Operations
For the year ended March 31, 2023

Statement II

	2023		2022
	Budget (Unaudited)	Actual	Actual
Revenue			
Contributions from GNWT (Schedule A)	\$ 34,688,695	\$ 35,277,819	\$ 35,683,665
Recoveries	662,725	580,918	604,594
Sales - Patient Revenues	1,025,000	720,939	762,563
Other income (Write off of Contribution repayable) (<i>Note 27</i>)	-	2,364,422	-
Interest	46,000	234,280	45,591
Total Revenue	36,422,420	39,178,378	37,096,413
Expenses			
Administrative and Support Services	9,702,704	10,169,383	10,558,025
Administrative and Support Services-COVID-19 and Flood Expense (<i>Note 20</i>)	-	813,050	1,237,871
Nursing Inpatients Services	3,560,465	3,792,283	3,474,146
Ambulatory Care Services	6,522,831	7,065,500	6,563,975
Diagnostic and Therapeutic Services	3,232,878	3,149,606	3,063,808
Community Health Programs	2,379,048	2,228,401	2,344,818
Community Social Programs	10,600,616	10,071,413	9,685,991
Undistributed	450,000	(2,714,561)	(712,000)
Total Expenses (Note 24)	36,448,542	34,575,075	36,216,634
Operating Surplus/ Deficit	(26,122)	4,603,303	879,779
Unfunded Items			
(Increase) Decrease in post-employment benefits (<i>Note 12</i>)	-	2,979,000	1,171,000
(Increase) Decrease in employee future benefits and Compensated absences , (<i>Note 13</i>)	-	(227,339)	(131,843)
Adjusted operating surplus (Deficit) before the undernoted	-	7,354,964	1,918,936
Tangible Capital Assets Rent expense (Note 15)	-	2,185,276	1,682,754
Grant - in - kind - GNWT Assets provided at no cost (Note 15)	-	(2,185,276)	(1,682,754)
Adjusted operating surplus (deficit) for the year	-	7,354,964	1,918,936
Opening Accumulated Surplus (Deficit)	-	10,332,406	9,452,627
Operating Surplus (Deficit)	-	4,603,303	879,779
Closing, Accumulated Surplus (Deficit)	\$ -	\$ 14,935,709	\$ 10,332,406

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

Hay River Health & Social Services Authority
Statement of Changes in Net Financial Resources
For the year ended March 31, 2023

Statement III

	2023	2022
Annual surplus (deficit)	\$ 4,603,303	\$ 879,779
Adjustments:		
- (Increase) Decrease in inventory	(14,178)	(6,362)
- (Increase) Decrease in prepaids and deposits	2,502	(32,930)
Increase (decrease) in net financial assets	4,591,627	840,487
Opening net financial resources	10,024,549	9,184,062
Closing net financial resources	\$ 14,616,176	\$ 10,024,549

Hay River Health & Social Services Authority**Statement IV**

Statement of Cash Flows
For the year ended March 31, 2023

	2023	2022
Cash provided by (used in)		
Operating activities		
Annual surplus (deficit)	\$ 4,603,303	\$ 879,779
Item not affecting cash:		
Increase (decrease) in pensions (<i>Note 12</i>)	(2,979,000)	(1,171,000)
Adjusted annual surplus (deficit)	1,624,303	(291,221)
Changes in non-cash assets and liabilities		
Increase (decrease) in accounts receivable	(230,239)	1,106,066
Increase (decrease) in inventory	(14,178)	(6,362)
Decrease (increase) in prepaid	2,502	(32,930)
Increase (decrease) in accounts payable and payroll liabilities	(1,957,689)	1,938,807
Increase (decrease) in contributions repayable	(1,080,780)	(897,868)
Increase (decrease) in employee future benefits and compensated absences (<i>Note 13</i>)	227,339	131,843
Increase (decrease) in deferred revenues	35,453	(284)
Increase (decrease) in trust liability	(3,520)	19,518
Cash provided by operating transactions	(3,021,112)	2,258,790
Net cash provided by (used in) operating activities	(1,396,809)	1,967,569
Increase (Decrease) in cash and cash equivalents	(1,396,809)	1,967,569
Cash and cash equivalents at beginning of year	4,018,463	2,050,894
Cash and cash equivalents at the end of year	2,621,654	4,018,463
Cash consists of :		
Cash and cash equivalents (<i>Note 4</i>)	2,518,323	3,911,612
Trust asset	103,331	106,851
	\$ 2,621,654	\$ 4,018,463

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

Hay River Health & Social Services Authority

Notes to Financial Statements

For the year ended March 31, 2023

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.

2. Significant Accounting Policies

2(a) 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

2(b) 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.

2(c) 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:

- (i) Operating Fund - activities associated with the Authority's daily operations.
- (ii) 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)
- (iii) 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.

2(d) 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.

Hay River Health & Social Services Authority

Notes to the financial statements

For the year ended March 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES....(continued)

2(d) Revenue and Expenditure Recognition....(continued)

Other revenue is recognized when the service is performed or the goods are provided.

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 and 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.

2(e) 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.

2(f) Reserves

The DHSS policy requires the Authority to establish the following reserves:

(i) Surplus Reserve - reflects funds maintained in a reserve according to the DHSS Operations and maintenance surplus Retention policy.

(ii) 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.

(iii) 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.

2(g) 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 purpose). The GNWT amortizes TCA's 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.

Hay River Health & Social Services Authority

Notes to the financial statements

For the year ended March 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES....(continued)

2(h) Inventories

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.

2(i) 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 and recognized in the period the employee provides services, whereas parental and maternity leave are event driven and are recognized when the leave commences.

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.

2(j) Pensions

Pension benefits to the Retirement Plan for Employees of the Hay River Health & 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 unrecognised 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.

2(k) Financial instruments

All significant financial assets, liabilities and equity instruments of the Authority are either recognized or disclosed in the financial statements together with available information for a reasonable assessment of future cash flows, credit risk, liquidity risk and actuarial risk. Where practical the fair values of financial assets and liabilities have been determined and disclosed; otherwise only available information pertinent to fair value has been disclosed

The Authority's accounting policy for financial instruments is as follows:

This category includes cash, trust assets, accounts receivable, accounts payable, accrued liabilities, payroll liabilities, capital advances, and trust liabilities. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets. Financial instruments with actively traded markets are reported at fair value, with any unrealised 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.

Hay River Health & Social Services Authority

Notes to the financial statements

For the year ended March 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES....(continued)

2(l) Non-Financial Assets

Non-financial assets are accounted for as assets by the Authority because they can be used to provide government services in future 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.

2(m) 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, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Items requiring the use of significant estimates include accounts receivable, accounts payable and accrued liabilities, estimated useful lives of tangible capital assets, and estimated employee benefits, pension benefits.

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

2(n) Segmented Information

The Authority segments its operating expenses for financial reporting purposes based upon areas of service type. This information is provided on the statement of operations.

3. Future Accounting Changes

A number of new and amended standards issued by the Public Sector Accounting Board of Canada are not yet effective and have not been applied in preparing these financial statements. The Association plans to adopt these new and amended standards on their effective dates and is currently assessing the impact they will have on its financial statements. The following standards will become effective as follows:

PS 3400 Revenue (effective April 1, 2023), a new section establishing standards on how to account for and report on revenue, differentiating between arising from transactions that include performance obligations and transactions that do not have performance obligations.

Hay River Health & Social Services Authority

Notes to the financial statements
For the year ended March 31, 2023

4. Cash and Cash Equivalents

	2023	2022
Cash	\$ 2,518,323	\$ 3,911,612

5. Special Purpose Funds

The Authority doesn't have special purpose funds for the year ending March 31, 2023.

6. Portfolio Investments

The Authority doesn't have portfolio investments for the year ending March 31, 2023.

7. Accounts Receivable

	Accounts Receivable 2023	AFDA 2022	Net 2023	Net 2022
Due from GNWT-HSS	\$ 1,138,731	\$ -	\$ 1,138,731	\$ 905,219
Due from GNWT-Infrastructure	551	-	551	551
Due from GNWT-Justice	-	-	-	4,274
Due from GNWT- Human Resources	-	-	-	656
Due from GNWT- Aboriginal Diabetes	489	-	489	489
Due from GNWT -Early Childhood Development	379	-	379	379
Due from GNWT - EMR Development Project	8,218	-	8,218	8,218
Due from WSCC	18,407	-	18,407	-
Due from NTHSSA	31,219	-	31,219	73,804
GST rebate receivable	4,281	-	4,281	10,097
General accounts receivable	221,315	-	221,315	189,664
	\$ 1,423,590	\$ -	\$ 1,423,590	\$ 1,193,351

8. Inventories

	2023	2022
Medical and surgical	\$ 153,925	\$ 146,183
Pharmaceutical	22,306	22,979
Laboratory	13,512	9,687
Other Supplies	24,781	21,497
	\$ 214,524	\$ 200,346

Inventories are held for consumption in the process of providing services and are distributed at no charge or for a nominal fee.

Hay River Health & Social Services Authority

Notes to the financial statements

For the year ended March 31, 2023

9. Accounts Payable, Accrued Liabilities and employee and payroll-related liabilities

	2023	2022
Due to GNWT - HSS	\$ 8,249	\$ 2,954
Due to NTHSSA	2,617,184	4,186,617
Hay River Hospital & Wellness Foundation	71	632
Accounts payable and accrued liabilities	298,704	980,250
Unspent donations	19,630	21,636
Special purpose fund liabilities	61,692	63,193
Total accounts payable and accrued liabilities	\$ 3,005,530	\$ 5,255,282
Payroll liabilities	2,513,626	2,221,563
Total including payroll liabilities	\$ 5,519,156	\$ 7,476,845

10. Due From And To The Government Of Canada

The Authority doesn't have any due from to the Government of Canada for the year ending March 31, 2023.

11. Capital Lease Obligations

The Authority doesn't have capital lease obligations for the year ending March 31, 2023.

Hay River Health & Social Services Authority

Notes to the financial statements

For the year ended March 31, 2023

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 contributes to the plan 1.88 (prior to January 1, 2020 was 1.68) times the employee portion and provides additional funding when the present value of the obligation under the solvency method exceeds the accumulated assets available to fund the member's benefit entitlements in the plan.

The pension plan provides benefits based on the number of years of credited service limited to the maximum allowed within the plan. Benefits are determined by a formula set out within the plan; they are not based on the financial status of the pension plan. The basic benefit formula is 1.5 percent per year of pensionable service multiplied by the average of the best five consecutive years of earnings up to the YMPE and 2% for amounts in excess of the YMPE.

	2023	2022
Accrued benefit obligation	\$ 59,987,000	\$ 71,302,000
Market - related value of pension fund assets	79,203,000	87,539,000
	(19,216,000)	(16,237,000)
Unamortized actuarial gains / (losses)	(1,952,000)	(4,917,000)
Pension liability (accrued asset)	(21,168,000)	(21,154,000)
Impairment on value of accrued pension asset	(1,952,000)	(4,917,000)
Adjusted pension liability (accrued asset) realizable by the Authority	\$ (19,216,000)	\$ (16,237,000)

The pension liability (asset) includes the following components:

	2023	2022
Pension liability (accrued asset) - beginning of year	\$ (21,154,000)	\$ (20,706,000)
Cash items:		
Member contributions	(1,077,000)	(1,444,000)
Employer contributions	(2,050,000)	(3,043,000)
Benefit payments	(3,298,000)	(2,557,000)
Draw-down from plan assets	3,298,000	2,557,000
Net change to pension liability from cash items	(3,127,000)	(4,487,000)
Accrual items:		
Current period benefit cost	3,336,000	4,334,000
Amortization of actuarial gains/losses	473,000	320,000
Interest on average accrued benefit obligation	3,065,000	2,514,000
Expected earnings on average pension fund assets	(3,761,000)	(3,129,000)
	3,113,000	4,039,000
Pension liability (accrued asset) before impairment	\$ (21,168,000)	\$ (21,154,000)

Hay River Health & Social Services Authority

Notes to the financial statements

For the year ended March 31, 2023

Note 12 Pensions (continued)

The Pension expense (revenue) is included in the statement of operations as a component of undistributed amounts.

	2023	2022
Pension expense (revenue)	\$ 2,979,000	\$ 1,171,000
Expected earnings on plan assets	4.30%	4.30%
Actual earnings on plan assets	4.90%	4.90%
Difference between actual and expected	0.6%	0.6%

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:

	2023	2022
Date of actuarial valuation	January 1, 2023	January 1, 2022
Date of next valuation	January 1, 2024	January 1, 2023
Discount rate at valuation	5.50%	4.30%
Date of audited financial statements	March 31, 2023	March 31, 2022
Discount rate at March 31 extrapolation	4.30%	4.30%
Market value of the plan assets	\$ 71,957,000	\$ 91,212,000
Expected return on plan assets	4.85%	4.85%
Future inflation	3.80%	2.00%
Future compensation increases	2.50%	2.50%
Expected average remaining service life (years)	8 years	8 years

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 are 33% of the prior year, 67% of the variance from 2 years prior and 100% of all variances beyond. 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 deficit that is required to be funded in accordance with the requirements of the Pension Benefits Standards Act, 1985 with minimum special payments over a 5 year term of \$32,500 per month.

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, 2023

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, 2023. The effective date of the next actuarial valuation is March 31, 2023. The liabilities are actuarially determined as the present value of the accrued benefits at February 11, 2022 and the results extrapolated to March 31, 2023. 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	2023	2022
Changes in Obligation				
Accrued benefit obligation, opening	\$ 2,369,505	\$ 173,211	\$ 2,542,716	\$ 2,203,321
Current period benefit costs	194,717	13,907	208,624	207,366
Interest accrued	99,952	7,368	107,320	73,800
Benefit payments	(292,327)	(14,801)	(307,128)	(330,146)
Plan amendments	-	-	-	-
Actuarial gains (losses)	(87,038)	(10,282)	(97,320)	388,375
Accrued benefit obligation, closing	2,284,809	169,403	2,454,212	2,542,716
Unamortized net actuarial (gain) loss	125,391	608,706	(734,097)	(1,049,940)
Total employee future benefits compensated absences	\$ 2,159,418	\$ (439,303)	\$ 1,720,115	\$ 1,492,776
Benefits Expense				
Current period benefit cost	194,717	13,907	208,624	207,366
Interest accrued	99,952	7,368	107,320	73,800
Plan amendments	-	-	-	-
Amortization of actuarial (gain) loss	64,416	151,407	218,523	180,823
Accrued benefit obligation, closing	\$ 359,085	\$ 172,682	\$ 534,467	\$ 461,989

Hay River Health & Social Services Authority

Notes to the financial statements

For the year ended March 31, 2023

Note 13. Employee Future Benefits and Compensated Absences (Continued)

The discount rate used to determine the accrued benefit obligation is an average of 4.80%, down from the prior years rate of 4.10% . No inflation rate was applied. The expected payments during the next five fiscal years are:

	Severance and Removal		Compensated Absences		Total
2023	\$ 253,266		\$ 16,647	\$	269,913
2024	230,096		15,466		245,562
2025	286,995		20,488		307,483
2026	261,174		18,185		279,359
2027	264,316		18,702		283,018
	\$ 1,295,847		\$ 89,488	\$	1,385,335

Contingent Revenue

Revenue of \$55,841 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.

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.

	2023	2022
Patient Trust Asset	103,331	106,851
Patient Trust Liability	102,562	106,081

15. Services charged 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 Infrastructure.

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, Various medical equipment is also provided free of any rental fees. The use of these facilities would have cost the Authority an estimated **\$2,185,276** (**\$1,682,754** in 2022) based on the Government's amortization expense for these assets.

Hay River Health & Social Services Authority

Notes to the financial statements
For the year ended March 31, 2023

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.

The Authority has entered into agreements for, or is contractually committed to, the followings expenses payable subsequent to March 31, 2023

Expires in fiscal year	Residential 2023	Equipment 2023	Operational 2023	Total
2024	\$ 149,700	\$ 115,651	\$ 88,199	\$ 353,550
2025	149,700	40,322	1,390	191,412
2026	-	14,207	-	14,207
2027	-	14,207	-	14,207
	\$ 299,400	\$ 184,387	\$ 89,589	\$ 573,376

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.

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.

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.

Hay River Health & Social Services Authority

Notes to the financial statements

For the year ended March 31, 2023

20. Subsequent Events

The significant decrease in market values due to the drop in the economy at the declaration of the world pandemic declared in March 2020 have since recovered. This has resulted in the significant decrease in the net pension plan asset from their market value at March 31, 2023 as reported in Note 12. At the time of issuance of these financial statements, the effect in economic activity on the Authority's operations, assets, liabilities, fund balances, revenues and expenses is estimated by the management are as follows:

	2023	2022
Revenue	\$ -	\$ (157,250)
Expenses*	813,050	1,237,871
	\$ 813,050	\$ 1,080,621

* Expense for 2023 includes the Flood related costs of \$707,824.

21. Comparative Figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

22. Related Parties and 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 2023	Allowance for doubtful account 2023	2023	2022
<u>Due from related parties</u>				
Accounts Receivable				
GNWT, Note 7				
Department of HSS	1,138,731	-	\$ 1,138,731	\$ 905,219
Department of Infrastructure	551	-	551	551
Department of Aboriginal Diabetes	489	-	-	489
	1,139,771	-	1,139,282	906,259
NTHSSA- HQ, Note 7	7,931	-	7,931	7,931
NTHSSA - Finance	23,139	-	23,139	23,139
NTHSSA - Other	40,592	-	40,592	40,592
Stanton Territorial Health Region	747	-	747	747
Yellowknife/Fort Resolution Region	1,395	-	1,395	1,395
	1,213,575	-	\$ 1,213,086	\$ 980,063

Hay River Health & Social Services Authority

Notes to the financial statements

For the year ended March 31, 2023

22. Related parties and related party transactions....(Continued)

	2023	2022
Expenses		
GNWT		
Department of Health & Social Services	\$ 968	\$ 1,016
	968	1,016
NTHSSA		
Stanton Territorial Health Authority	4,438,485	552,477
Yellowknife HSSA	-	400
	\$ 4,439,453	\$ 553,893

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

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 **\$3,941,913 (2022 - \$5,104,963)**.

The world pandemic that was declared in March 2020 has resulted in an increase in unemployment, volatile financial markets and overall economic uncertainty. As a result the Authority is exposed to an increased amount of credit risk from its customers and has account for this increased risk in allowance for doubtful accounts.

Hay River Health & Social Services Authority

Notes to the financial statements

For the year ended March 31, 2023

23. Financial Instruments....(Continued)

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, 2023, one customer in accounts receivable accounts for 74% (2022 - 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 **\$23,261,244** including the **\$19,216,000** pension asset; financial liabilities are **\$8,645,068**. 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. As a result of the world pandemic declared in March 2020, the value of the pension plan has taken a significant decrease and the actuarial has adjusted the valuation accordingly. This associated risk in market value is reduced through ensuring that the pension plan has a widely divested portfolio.

Currency Risk

The Authority deals exclusively in Canadian funds held in the bank, but does carry some foreign investments within the pension plan and is reduced through ensuring that the pension plan has a widely divested portfolio.

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

Hay River Health & Social Services Authority

Notes to the financial statements

For the year ended March 31, 2023

24. Expense by object

	2023	2023	2022
	Budget	Actual	Actual
Compensation:			
Salary and Wages	\$ 25,334,371	\$ 27,065,795	\$ 27,550,034
Severance and removal	305,164	410,020	638,832
Pension Plan special payments and valuation adjustment	783,259	(2,714,561)	(712,000)
Locum	1,839,127	259,587	379,921
Medical Supplies	1,110,639	1,115,088	1,244,730
Referred out services	3,096,519	3,221,330	2,780,863
Grants and contributions	691,710	680,000	979,579
Travel Assistance	368,236	432,768	440,212
Equipment maintenance	418,759	521,351	403,073
Rent	253,006	229,465	242,652
Foster Care	432,845	496,553	489,820
Phone and postage	281,898	379,230	378,067
Locum removal	343,310	477,551	202,823
Travel	176,714	449,129	114,979
Professional fees	341,698	376,976	100,203
Training	101,730	80,470	100,118
Office supplies	171,673	283,755	285,742
Purchases service personnel	52,403	196,923	111,638
Minor equipment	60,740	228,187	167,648
Software Licensing	101,888	99,898	116,542
Honorariums	62,058	44,700	35,906
Garbage	33,165	25,344	33,968
Memberships	47,813	19,116	16,360
Advertising	32,396	60,186	42,061
Bank charges	7,421	11,461	10,590
Bad debt	-	124,753	62,273
Total	\$ 36,448,542	\$ 34,575,075	\$ 36,216,634

25. Prepaid expenses and deposits

	2023	2022
Service and maintenance packages	\$ 103,009	\$ 105,511
Deposits	2,000	2,000
	\$ 105,009	\$ 107,511

Hay River Health & Social Services Authority

Notes to the financial statements

For the year ended March 31, 2023

26. Deferred Revenue

Deferred revenue represents funds that have been received for specific programs but remain unspent at March 31, 2023 as follows:

	2023	2022
Government of the Northwest Territories Department of Health and Social Services Professional Development Initiative	\$ 98,362	\$ 62,909

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, 2023:

	2023	2022
Government of the Northwest Territories Department of Health and Social Services Core Physical Services Funding	\$ -	\$ 652,027
Core Physician services Funding 12/13	-	532,335
Homecare Enhancement 13/14	-	297
Grad Placement Program K. Miller 13/14	8,064	8,064
Transitional unspent funding 16/17	-	448,000
Children Who witness violence 17/18 - double payment	-	6,250
Physician funding repayable	-	74,013
Hay River Health Centre Restricted funding repayable	-	251,000
Foster care unspent restricted funding 18/19	-	392
Homecare unspent restricted funding 18/19	-	4,459
Transitional unspent funding - New Health Center 18/19	-	137
Referred Out Services - Core funding overpayment 18/19	-	3,000
Child and family services restricted funding repayable	-	99,000
Foster Care unspent restricted funding 19/20	-	87
Homecare unspent restricted funding 19/20	-	92,000
Midwifery unspent restricted funding 19/20/21	-	106,000
Adjustments	-	2,067
Child and Family Services	1,364	-
Community Child and Youth Care Counsellors	206,597	-
Hay River Health Centre	141,215	-
Homecare- Increase Capacity	81,805	-
Covid-19 endemic	760,000	-
	\$ 1,199,045	\$ 2,279,128
Hay River Metis Government Council Living in Balance unspent funding 16/17	-	697
	\$ 1,199,045	\$ 2,279,825

Other income includes the contribution repayable written off of \$2,276,517 in this fiscal year.

Hay River Health & Social Services Authority

Notes to the financial statements

For the year ended March 31, 2023

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.

	2023	2022
Balance	\$ 5,828	\$ 5,828

29. Accumulated Surplus (Deficit)

	2023	2022
Operating fund accumulated surplus (deficit)	\$ 15,888,829	\$ 11,512,865
Employee leave and termination liability fund	(1,453,120)	(1,680,459)
Cash Reserve	500,000	500,000
	\$ 14,935,709	\$ 10,332,406

Hay River Health & Social Services Authority

Schedule of Contributions from the GNWT

For the year ended March 31, 2023

Schedule A

	2023	2023	2022
	Budget (Unaudited)	Actual	Actual
Contributions from the GNWT			
Department of Health and Social Services			
Core Contribution Department of Health			
Administrative and Support Services	\$ 7,635,000	\$ 7,882,000	\$ 8,704,044
Nursing Inpatient Services	3,544,000	3,614,500	4,579,000
Ambulatory Care	6,472,000	6,580,000	3,474,000
Diagnostic and Therapeutic Services	3,024,000	3,072,000	3,058,000
Community Health Programs	10,042,687	10,222,553	12,617,000
Community Social Programs	3,337,000	3,143,000	2,493,000
Supplementary Health Programs	22,000	22,000	22,000
	34,076,687	34,536,053	34,947,044
Other Department of Health and Social Services Contributions			
Core Contribution Department of Health			
Home and Community Care (Schedule (A-1)	355,040	447,846	426,247
French Language	130,092	158,172	162,301
Medical Travel	106,476	116,248	127,690
Collective Kitchen	20,400	19,500	20,383
	612,008	741,766	736,621
Total Department of Health	34,688,695	35,277,819	35,683,665
Total Contribution from the GNWT	\$ 34,688,695	\$ 35,277,819	\$ 35,683,665

Hay River Health & Social Services Authority
 Schedule of Detailed Contribution Funding and Expenditures -
 Home and Community Care
 For the year ended March 31, 2023

Schedule A-1

	2023 Actual		2022 Actual
Funding			
Government of the Northwest Territories			
Department of Health and Social Services	\$ 447,864	\$	426,377
Less, contribution repayable	-		-
Total Funding	447,864		426,377
Expenditures			
Compensation and benefits	418,576		383,248
Supplies	12,724		17,601
Sundry	4,013		2,936
Vehicle expense	1,000		1,000
Equipment expense	6,729		2,215
Software	-		16,239
Equipment - Vehicle	-		-
Training	4,822		3,138
Total Expenditures	447,864		426,377
Total Funding over Expenditures	\$ -	\$	-

Hay River Health & Social Services Authority

Schedule B

Schedule of Reserves

For the year ended March 31, 2023

	Leave and Termination Benefits Reserve		Cash Reserve		Total Reserves	
	2023	2022	2023	2022	2023	2022
Balance, beginning of the year	\$ (1,680,459)	\$ (1,812,302)	\$ 500,000	\$ 500,000	\$ (1,180,459)	\$ (1,312,302)
Change to opening balances	-	-	-	-	-	-
(Increase) Decrease in employee future benefits and compensated absence	227,339	131,843	-	-	227,339	131,843
Balance, end of year	\$ (1,453,120)	\$ (1,680,459)	\$ 500,000	\$ 500,000	\$ (953,120)	\$ (1,180,459)



NORTHWEST TERRITORIES HEALTH AND SOCIAL SERVICES AUTHORITY

Financial Statements

March 31, 2023

Northwest Territories Health and Social Services Authority

Table of Contents

March 31, 2023	Page
Management's Responsibility for Financial Reporting	2
Independent Auditor's Report	3 - 5
Statement I Statement of Financial Position	6
Statement II Statement of Operations and Accumulated Deficit	7
Statement III Statement of Change in Net Debt	8
Statement IV Statement of Cash Flow	9
Notes to Financial statements	10



Northwest Territories Health and Social Services Authority

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 read "Kimberly Riles".

Kimberly Riles, RN, NP
Chief Executive Officer

A handwritten signature in black ink, appearing to read "Marissa Martin".

Marissa Martin, CPA, CGA, MBA
Chief Financial Officer

August 28, 2023



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 2023, 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 2023, 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

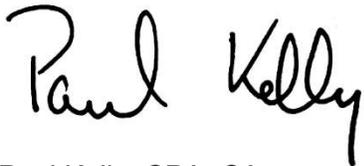
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

A handwritten signature in black ink that reads "Paul Kelly". The signature is written in a cursive, flowing style.

Paul Kelly, CPA, CA
Interim Principal
for the Auditor General of Canada

Ottawa, Canada
28 August 2023

Northwest Territories Health and Social Services Authority

Statement of Financial Position

(All figures in thousands of dollars)

As at March 31,	2023	2022
	\$	\$
Financial Assets		
Cash	5,165	27,548
Accounts receivable (note 4)	14,142	12,878
Due from Government of the Northwest Territories (note 5)	75,132	66,746
Due from Government of Canada	686	430
	95,125	107,602
Liabilities		
Accounts payable and accrued liabilities (note 7)	36,290	32,757
Due to Government of the Northwest Territories (note 5)	305,777	274,690
Due to Government of Canada	1,113	30
Employee future benefits and compensated absences (note 8)	7,052	6,319
	350,232	313,796
Net Debt	(255,107)	(206,194)
Non-Financial Assets		
Inventory held for use (note 6)	7,444	10,999
Prepaid expenses	2,280	1,511
	9,724	12,510
Accumulated Deficit (note 9)	(245,383)	(193,684)

Contractual Obligations 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,

2023

2022

	Budget	Actual	Actual
	\$	\$	\$
Revenues			
Revenue from Government of the Northwest Territories			
Core contributions (note 17)	323,777	371,408	345,923
Non-core contributions (note 17)	16,221	16,582	17,548
Recoveries - other	9,475	19,811	35,005
Recoveries - non-insured health benefits	16,493	17,939	15,197
Recoveries - prior year expenses	-	425	354
Grant-in-kind (note 13)	-	28,389	27,728
	365,966	454,554	441,755
Other Revenue			
Revenues from Government of Canada	806	1,576	4,156
Recoveries from other sources	29,205	16,744	11,907
Recoveries from Government of Nunavut	2,894	6,303	3,691
Contributions from other sources	1,402	1,302	1,972
Interest income	65	877	210
Other income	-	32	202
	34,372	26,834	22,138
Total Revenue	400,338	481,388	463,893
Expenses (note 16)			
Community social programs	112,322	119,415	116,454
Ambulatory care services	76,260	97,612	94,311
Administration and support services	62,234	80,306	80,205
Nursing inpatient services	43,930	65,141	53,916
Community health programs	50,811	64,608	61,476
Supplementary health programs	53,366	64,103	51,968
Diagnostic and therapeutic services	34,038	41,902	39,325
Total Expenses	432,961	533,087	497,655
Annual deficit	(32,623)	(51,699)	(33,762)
Accumulated deficit, beginning of year	(193,684)	(193,684)	(159,922)
Accumulated deficit, end of year	(226,307)	(245,383)	(193,684)

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,	2023	2022	
	Budget	Actual	Actual
	\$	\$	\$
Annual deficit for the year	(32,623)	(51,699)	(33,762)
Adjustments			
Acquisition of inventories held for use	-	(11,998)	(17,091)
Consumption of inventories held for use	-	15,553	17,011
Acquisition of prepaid expenses	-	(1,920)	(1,160)
Use of prepaid expenses	-	1,151	1,070
Increase in net debt for the year	(32,623)	(48,913)	(33,932)
Net debt, beginning of year	(206,194)	(206,194)	(172,262)
Net debt, end of year	(238,817)	(255,107)	(206,194)

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,	2023	2022
	\$	\$
Cash (used in) provided by operating transactions		
Annual deficit	(51,699)	(33,762)
Changes in non-cash assets and liabilities		
Change in accounts receivable	(1,264)	(2,096)
Change in accounts payable and accrued liabilities	3,533	(1,539)
Net change in due to/(from) Government of the Northwest Territories	22,701	50,051
Change in employee future benefits and compensated absences	733	(302)
Net change in due to/(from) Government of Canada	827	(135)
Change in inventory	3,555	(80)
Change in prepaid expenses	(769)	(90)
Cash provided by (used in) operating transactions	(22,383)	12,047
Increase (decrease) in cash	(22,383)	12,047
Cash, beginning of year	27,548	15,501
Cash, end of year	5,165	27,548

There were no financing, investing, or capital transactions during the year.

Total interest received during the year was \$877 (2022 - \$210).

March 31, 2023

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, 2023 the Authority had an annual deficit of \$51,699 (2022 - \$33,762), accumulated deficit of \$245,383 (2022 - \$193,684), liabilities of \$350,232 (2022 - \$313,796) which includes \$305,777 (2022 - \$274,690) due to the GNWT, and total financial assets of only \$95,125 (2022 - \$107,602).

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.

March 31, 2023

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, 2023

2. Basis of presentation and significant accounting policies (continued)

The Authority has recognized grant-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

Government recoveries which include amounts recovered for expenses paid by the Authority primarily relating to hospital services and non-insured health benefits, are recognized as revenue when the amounts are known. Other recoveries are recognized when the amount is known and includes reimbursements from Workers' Safety and Compensation Commission ("WSCC") and their equivalent entities throughout Canada, and recovery of medical fees for items such as client medical travel costs.

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 revenue

Other revenue is 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) Other 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, 2023

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 (2022 - 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.

(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, 2023

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 recognized as grant-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 grant-in-kind in the Statement of Operations. Grant-in-kind is measured using the cost incurred by the GNWT.

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2023

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.

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 \$62 (2022 - \$61). Funds established by the Authority include a special project reserve \$62 (2022 - \$61) which are donations made to the Authority under non-contractual conditions.

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 receivables 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	2023	2022
	\$	\$	\$	\$
Trade Receivables	14,540	(8,365)	6,175	4,678
Government of Nunavut	3,700	(291)	3,409	2,045
Due from WSCC	486	-	486	392
Due from related parties (note 15)	4,084	(12)	4,072	5,763
Total accounts receivable	22,810	(8,668)	14,142	12,878

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2023

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

	2023	2022
	\$	\$
Health and Social Services	72,836	65,067
Finance	2,249	1,642
Justice	3	17
Education, Culture and Employment	42	20
Infrastructure	2	-
Total due from Government of the Northwest Territories	75,132	66,746

Due to Government of the Northwest Territories

	2023	2022
	\$	\$
Payroll liabilities	297,042	266,106
Health and Social Services	2,375	2,178
Finance	6,279	5,727
Environment and Natural Resources	-	10
Justice	-	12
Infrastructure	81	655
Education, Culture and Employment	-	2
Total due to Government of the Northwest Territories	305,777	274,690

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.

	2023	2022
	\$	\$
General supplies	4,172	6,536
Pharmaceutical	1,981	1,764
Hospital operating room supplies	1,291	2,699
	7,444	10,999

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2023

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.

	2023	2022
	\$	\$
Trade payable	24,008	21,563
Annual leave and lieu time	12,219	11,097
Due to related parties (note 15)	63	97
	<hr/>	<hr/>
Total accounts payable and accrued liabilities	36,290	32,757

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, or death of an immediate family member. Non-accruing benefits include maternity and parental leave.

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2023

8. Employee future benefits and compensated absences (continued)

Valuation results

The most recent 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 table below provides details on the change in the accrued benefit obligation as well as the liability for employee future benefits and compensated absences.

	2023	2022
	\$	\$
Accrued benefit obligations, beginning of year	8,663	7,833
Current period benefit cost	655	696
Interest accrued	360	262
Benefits payments	(1,080)	(1,375)
Actuarial loss	(470)	1,247
<hr/> Accrued benefit obligations, end of year	<hr/> 8,128	<hr/> 8,663
Unamortized net actuarial (loss)	(2,378)	(3,101)
<hr/> Employee future benefits & compensated absence liability - actuarially valued	<hr/> 5,750	<hr/> 5,562
<hr/> Other compensated absences liability - not actuarially valued	<hr/> 1,302	<hr/> 757
<hr/> Total employee future benefits and compensated absences	<hr/> 7,052	<hr/> 6,319
Benefits expense	\$	\$
Current period benefit cost	655	696
Interest accrued	360	261
Amortization of actuarial loss	252	128
<hr/>	<hr/> 1,267	<hr/> 1,085

The discount rate used to determine the accrued benefit obligation is an average of 4.8% (2022 - 4.1%).

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2023

9. Accumulated deficit	2023	2022
	\$	\$
Accumulated deficit upon amalgamation in 2016	50,824	50,824
Addition to the accumulated deficit since amalgamation	194,559	142,860
	<hr/>	<hr/>
Accumulated deficit	245,383	193,684

10. Contractual obligations

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, 2023:

	Expires in Fiscal Year	2024	2025	2026	2027	2028	2029	Total
		\$						
Equipment leases	2028	259	158	151	46	6	-	620
Operational leases	2025	4,224	725	-	-	-	-	4,949
Service contracts	2027	40,427	19,365	13,914	926	-	-	74,632
		<hr/>						
		44,910	20,248	14,065	972	6	-	80,201

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 \$7,030 (2022 - \$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, 2023.

12. Trust assets under administration

The authority administers \$389 (2022 - \$389) of trust assets, consisting of cash held on behalf of patients, which are not included in the reported Authority's assets and liabilities.

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2023

13. Assets provided at no cost

Details on assets and other contributions provided at no cost recognized in the financial statements are as follows:

Contributed asset	2023	2022
	\$	\$
Use of Assets ⁽¹⁾	21,569	20,428
Stanton Territorial Hospital P3 costs ⁽²⁾	6,820	7,300
Grant-in-Kind Government of NWT	28,389	27,728
Donated Inventory, Government of Canada ⁽³⁾	561	3,250
Total contributed assets	28,950	30,978

⁽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 (2022 - \$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 grant-in-kind expense, was \$1,760 (2022 - \$3,484).

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 (2022 – 1.02) the employees' contributions for employees who started prior to January 2013 and 1.0 times (2022 – 1.0) the employees' contributions for all other employees.

The Authority and the contracted physician's contribute to the Physician Retirement Income Benefit ("PRIB"). The Physician's contribution rate is 7.5 percent of the Physician's base salary, minus the Physician's contribution to the Canada Pension Plan. The Authority contribution rate is 15 percent of the Physician's base salary, minus the Employer's contribution to the Canada Pension Plan on behalf of the Physician. The Authority contributed \$13,872 (2022 – \$12,992) to PSPP and \$1,834 (2022 – \$1,962) to the Physician's fund. The employee's contributions were \$13,671 (2022 – \$12,679) and \$832 (2022 – \$896) respectively.

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2023

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 2023	Net 2022
	\$	\$	\$	\$
Hay River Health and Social Services Authority	2,551	-	2,551	4,154
Tlicho Community Services Agency	938	(12)	926	1,608
Stanton Territorial Hospital Foundation	591	-	591	-
Northwest Territories Power Corporation	4	-	4	1
	4,084	(12)	4,072	5,763

Due to related parties:	2023	2022
	\$	\$
Aurora College	-	18
Tlicho Community Services Agency	35	51
Hay River Health and Social Services Authority	22	19
Fuel Services Division	3	5
Northwest Territories Power Corporation	3	4
	63	97

Revenues from related parties:	2023	2022
	\$	\$
Hay River Health and Social Services Authority	2,919	2,708
Tlicho Community Services Agency	1,024	1,020
Northwest Territories Power Corporation	14	94
Aurora College	-	3
Stanton Territorial Hospital Foundation	591	-
NWT Human Rights Commission	3	-
	4,551	3,825

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2023

15. Related party balance and transactions (continued)

Expenses paid to related parties:	2023	2022
	\$	\$
Hay River Health and Social Services Authority	175	168
Tlicho Community Services Agency	186	310
Government of the Northwest Territories	8,429	9,299
Aurora College	1,292	1,783
Northwest Territories Power Corporation	93	73
Northwest Territories Housing Corporation	52	52
Fuel Services Division	55	49
Northwest Territories Liquor and Cannabis Commission	3	-
Housing Associations and Authorities	120	-
Education Councils and Authorities	3	-
	10,408	11,734

16. Expenses by object

	2023	2022
	\$	\$
Compensation expense	266,039	256,401
Contracted out services	72,469	64,057
Medical and other travel	65,238	53,396
Compensation - locums physician services	31,910	26,591
Supplies	27,431	23,399
Grants in kind (note 13)	29,865	31,212
Contributions	18,036	21,434
Change in valuation allowances	1,554	3,016
Other operating cost	20,545	18,149
Total expenses	533,087	497,655

Significant amounts included in Other Operating Cost are: general administration expense of \$10,339 (2022 - \$8,946), program expense of \$6,906 (2022 - \$6,776), and equipment expense of \$3,300 (2022 - \$2,427).

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2023

17. Contributions from the Government of the Northwest Territories

	2023 Budget	2023 Actual	2022 Actual
	\$	\$	\$
Total Core contribution	323,777	371,408	345,923
E.H.R Software Program	180	-	-
Breast Screening Program	-	20	-
CHIIRP - Injury Reporting & Prevention	127	127	100
Collective Kitchens	168	144	143
Community Care Giver Pilot	-	-	199
Community Health Rep Training	80	68	48
ECD - Hearing Aids for Children	7	-	5
FNIHCC Home and Community Care	6,807	6,132	6,925
Feast on Health	6	4	9
French Language Services	856	657	561
HCC Quality and Risk Management	-	-	149
Implementation Lead Healthy Family Program	87	87	195
Integrated Primary Care Team Demonstration Project	687	665	453
Lactation Program	139	69	-
Medical Travel System Sustainability	6,030	6,267	6,030
Mental Health Initiatives	226	226	195
OMTP Territorial Lead Case Manager	149	190	50
Oral Health Program	380	436	156
Oral Health Toolkits for LTC Residents	32	-	-
Respite Care Program	260	250	260
BI Lateral (Safe LTC, HCC, IPAC)	-	629	1,110
Smoking Cessation	-	3	22
Build a Stronger You	-	21	-
Outreach Services Support	-	54	-
Yellowknife Day Shelter	-	533	938
Total non-core contributions	16,221	16,582	17,548
Total contributions from the GNWT	339,998	387,990	363,471

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2023

17. Contributions from the Government of the Northwest Territories (continued)

The following table summarizes the Authority's project budget and actual eligible costs incurred for other contributions in excess of \$250.

	2023 Budget	2023 Actual	2022 Actual
	\$	\$	\$
FNIHCC Home and Community Care Agreement			
Compensation	5,584	5,438	6,204
Material and supplies	339	284	196
Medical travel and other travel	207	107	145
Contracted out services	401	117	56
Training and coordination	276	186	324
	6,807	6,132	6,925
	\$	\$	\$
French Language Services			
Compensation	720	606	491
Material and supplies	136	51	70
	856	657	561
	\$	\$	\$
Integrated Primary Care Teams Demonstration			
Compensation	687	665	453
	687	665	453
	\$	\$	\$
Respite Care Program			
Contracted out services	250	250	260
	250	250	260
	\$	\$	\$
Yellowknife Temporary Day Shelter			
Compensation	-	311	369
Material and supplies	-	152	-
Contracted out services	-	70	369
	-	533	738

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2023

17. Contributions from the Government of the Northwest Territories (continued)

	\$	\$	\$
BI Lateral (Safe LTC, HCC, IPAC)			
Compensation	-	137	18
Equipment expense	-	388	433
Medical travel and other travel	-	48	37
Material and supplies	-	31	-
Contracted out services	-	25	622
	-	629	1,110
	\$	\$	\$
Oral Health			
Material and supplies	117	148	-
Equipment expense	50	42	-
Medical travel and other travel	155	160	-
Contract out services	58	86	-
	380	436	-
	\$	\$	\$
Medical Travel System Sustainability			
Compensation	646	927	663
Equipment expense	22	35	1
Medical travel and other travel	5,004	5,004	5,000
Contracted out services	358	301	236
Other	-	-	130
	6,030	6,267	6,030

March 31, 2023

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 \$95,125 (2022 - \$107,602).

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, 2023, receivables from the GNWT comprised 84% of the total outstanding accounts receivables (2022 - 83%). 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, 2023 mature within six months of year end.

Total financial assets are \$95,125 (2022 - \$107,602) and financial liabilities are \$350,232 (2022 - \$313,796). 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, 2023

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
	\$	\$	\$
Revenue			
Revenue from Government of Northwest Territories			
Core contributions	323,777	323,777	\$ -
Non-core contributions	16,221	25,696	(9,475)
Recoveries - other	9,475	-	9,475
Recoveries - non-insured health benefits	16,493	16,493	-
	365,966	365,966	-
Other Revenue			
Revenues from Government of Canada	806	-	806
Recoveries from other sources	29,205	30,011	(806)
Recoveries from Government of Nunavut	2,894	2,894	-
Contributions from other sources	1,402	1,402	-
Interest income	65	65	-
	34,372	34,372	-
Total Revenue	400,338	400,338	-
Expenses			
Community social programs	112,322	112,322	-
Ambulatory care services	76,260	76,260	-
Administration and support services	62,234	63,953	(1,719)
Nursing inpatient services	43,930	43,930	-
Community health programs	50,811	50,811	-
Supplementary health programs	53,366	51,647	1,719
Diagnostic and therapeutic services	34,038	34,038	-
	432,961	432,961	-
Total Expenses	432,961	432,961	-
Annual deficit	(32,623)	(32,623)	-

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2023

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
	\$	\$	\$	\$	\$
Revenue					
Revenue from Government of Northwest Territories					
Core contributions	323,777	47,631	371,408	371,408	-
Non-core contributions	16,221	-	16,221	16,582	361
Recoveries - other	9,475	-	9,475	19,811	10,336
Recoveries - non-insured health benefits	16,493	-	16,493	17,939	1,446
Recoveries - prior year expenses	-	-	-	425	425
Grant-in-kind	-	-	-	28,389	28,389
	365,966	47,631	413,597	454,554	40,957
Other Revenue					
Revenues from Government of Canada	806	-	806	1,576	770
Recoveries from other sources	29,205	-	29,205	16,744	(12,461)
Recoveries from Government of Nunavut	2,894	-	2,894	6,303	3,409
Contributions from other sources	1,402	-	1,402	1,302	(100)
Interest income	65	-	65	877	812
Other income	-	-	-	32	32
	34,372	-	34,372	26,834	(7,538)
Total Revenue	400,338	47,631	447,969	481,388	33,419
Expenses					
Community social programs	112,322	10,292	122,614	119,415	(3,199)
Ambulatory care services	76,260	13,073	89,333	97,612	8,279
Administration and support services	62,234	3,134	65,368	80,306	14,938
Nursing inpatient services	43,930	8,812	52,742	65,141	12,399
Community health programs	50,811	3,693	54,504	64,608	10,104
Supplementary health programs	53,366	3,413	56,779	64,103	7,324
Diagnostic and therapeutic services	34,038	5,214	39,252	41,902	2,650
Total Expenses	432,961	47,631	480,592	533,087	52,495
Annual deficit	(32,623)	-	(32,623)	(51,699)	(19,076)

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2023

20. Impact of COVID-19 pandemic response

On March 22, 2020, the GNWT declared a public health emergency in response to the coronavirus ("COVID-19") pandemic. The Authority continues to experience a change in demand for its services and is working diligently to mitigate the financial impacts of COVID-19.

In response to COVID 19, the GNWT and Government of Canada provided the Authority with incremental funding of \$14,259 (2022 - \$34,060). The funds were used for incremental expenditures arising from testing, surveillance and treatment of patients as well as medical travel.

A summary of the Authority's incremental revenue and expenses during the 2023 fiscal year relating to COVID-19 is as follows:

	2023		2022
	Budget	Actual	Actual
	\$	\$	\$
Revenues			
Core contributions	13,436	13,436	22,357
Recoveries	-	262	8,454
Grant-in-kind	-	561	3,249
Total Revenue	13,436	14,259	34,060
Expenses			
Community social programs	548	1,501	5,066
Ambulatory care services	4,083	3,150	6,236
Administration and support services	2,877	3,516	9,801
Nursing inpatient services	1,282	1,091	1,809
Community health programs	3,082	6,673	10,380
Supplementary health programs	-	665	1,714
Diagnostic and therapeutic services	1,564	780	1,271
Total Expenses	13,436	17,376	36,277
Annual (shortfall) surplus	-	(3,117)	(2,217)

Northwest Territories Health and Social Services Authority

Notes to the Financial Statements

(All figures in thousands of dollars)

March 31, 2023

21. Comparative figures

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

22. Subsequent events

The Northwest Territories have been impacted by wildfires in the summer of 2023, including an evacuation notice that was issued on August 16, 2023 for the capital city of Yellowknife. While this has no impact on the Authority's financial statements for the year ended March 31, 2023, it may have a significant financial impact in fiscal year March 31, 2024, in particular with respect to the costs incurred for evacuation efforts and in securing alternative treatment locations for patients' care. However, it is not possible to reliably measure the financial impact at this time on the Authority's financial statements for the next fiscal year.